Shropshire Council

FOAHN Report

Shropshire Council

Full Objectively Assessed Housing Need Report

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APPENDICES

1. Executive Summary

Introduction

1.1. The National Planning Policy Framework (NPPF) requires Local Planning Authorities to undertake a full and objective assessment of housing need in order to identify the total number of net additional dwellings that are required to meet needs over a specified period. The resultant housing need identified through this assessment is termed a full objectively assessed housing need (FOAHN).

1.2. The NPPF also specifies that *"every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth"*[1]. Consequently, whilst the FOAHN in itself does not represent a housing requirement, once identified it will form the basis upon which a housing requirement is developed for the Local Authority Area.

The Housing Market Area (HMA)

1.3. The National Planning Practice Guidance (NPPG) specifies that an objective assessment of housing need should be undertaken for *"housing market areas"*[2] (HMAs). The NPPG defines a HMA as *"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"*[2].

1.4. Having considered the national assessment of HMAs undertaken in 2010 (*Geography of Housing Market Areas*) and appropriate data which can provide an indication of the self-containment of an area, such as migration flows; travel to work areas; and the relationship between housing demand and supply, it was concluded that Shropshire represents a self-contained HMA. This conclusion is consistent with those reached within surrounding areas.

Population and Household Projections

1.5. The NPPG specifies that the *"[sub-national] household projections (SNHP) published by the Department for Communities and Local Government (CLG) should provide the starting point estimate of overall housing need"*[3]. In accordance with this guidance, the 2012-based SNHP form the basis of this assessment of housing need.

Adjustment Factors

1.6. Whilst the SNHP form the starting point for undertaking a FOAHN, the NPPG also recognises that this data may require adjustment, to reflect factors affecting local demography and household formation rates which were not captured in these projections. This can be achieved by consideration of:

1. Whether the household formation rates that inform the projection have been *"suppressed historically by under-supply"*[3].
2. *"Appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings"*[4].

1.7. There is also a need to consider whether changes to the population and households provide a sufficient labour force, having regard to economic growth forecasts.

1.8. For the purpose of this assessment a series of factors have been considered to determine if there is a need to make adjustments.

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[1] CLG, (2012), The NPPF - Paragraph 17
[2] CLG, NPPG - Paragraph: 010 Reference ID: 2a-010-20140306, Revision date: 06/03/2014
[3] CLG, NPPG – Paragraph: 015, Permalink ID 2a-015-20140306, Last updated: 06/03/2014
[4] CLG, NPPG – Paragraph: 019, Permalink ID 2a-019-20140306, Last updated: 06/03/2014

Past Planning Policy

1.9. Past planning policy should be considered, to determine if it has historically constrained housing completions. From at least the late 1990's until present day, an ambitious housing requirement has been established for Shropshire (firstly within the Joint Structure Plan and more recently within the Core Strategy), which the relevant Plans sought to deliver through the allocation of appropriate sites and identification of appropriate windfall policies.

1.10. This housing requirement was established in order to support strategic objectives for Shropshire and consequently well exceeded the housing need projections within the 2008 and 2012-based SNHP's – the housing requirement therefore exceeded housing need in Shropshire. Whilst delivery in Shropshire was below the ambitious housing requirement, it exceeded the 2008 and 2012-based SNHP's.

1.11. As planning policy seeks to deliver the housing requirement within the Development Plan (through allocated sites and appropriate windfall policies), it could not be considered a constraint on housing delivery. **Consequently the 2012-based SNHP are unlikely to have underestimated the housing need in Shropshire as a result of constraints to past housing delivery caused by past planning policies operating in Shropshire.**

Past Housing Provision

1.12. Past housing provision should be considered, to determine if there is any significant deviance from trends nationally, which could indicate a local constraint on housing completions.

1.13. The housing delivery trend experienced in Shropshire is relatively consistent with that experienced nationally (albeit it tends to be that the downturns/upturns tend to affect Shropshire slightly earlier or later than the national average, which is probably related to local market conditions).

1.14. This trend supports the conclusion that past housing delivery rates experienced in Shropshire are driven by housing need; demand; and/or market conditions, as is the case nationally. Therefore housing delivery has not been constrained within Shropshire, or at least the level of constraint is consistent with that experienced nationally. **This supports the conclusion that the 2012-based SNHP are unlikely to have underestimated the housing need in Shropshire.**

Market Signals

1.15. Market signals should be considered to determine if there is evidence that conditions are significantly worsening from those which informed the 2012-based SNHP.

1.16. There is no single formula or methodology that can be used to consolidate the implications of market signals. On the basis of the market signals evidence, there is no indication that conditions are significantly different in Shropshire from those which informed the 2012-based SNHP. Furthermore, circumstances in Shropshire are generally better than within many of its comparator Authorities and across England as a whole. **Given this context, it is reasonable to conclude that there is no need to substantially change the FOAHN in Shropshire in response to market signals.**

1.17. The analysis of the key market signals: house prices; monthly rental costs; and affordability ratios indicate that no additional housing need has arisen above that already reflected in the 2012-based SNHP assumptions**. Indeed, across all these data sets, there have been marked improvements compared to conditions experienced nationally.**

1.18. The analysis of the wider market signals: over-occupation; concealed families; homelessness; households in temporary accommodation; and repossessions support the conclusion that there is little evidence that additional housing need has arisen that

is not already reflected in the 2012-based SNHP. This analysis is somewhat limited by the infrequency of available data across many of these indicators, which makes it impossible to identify when changes occurred within the ten year period between each data sample (linked to Censuses) or what has changed since the last data sample (2011 Census). **However, the data does suggest that it would be appropriate to make an adjustment for the number of concealed households formed between 2001 and 2011. This adjustment totals 458 households or 478 dwellings.**

Future Jobs and Employment

1.19. There is a need to consider whether the projected population and households in Shropshire (that inform the FOAHN) will deliver a sufficient labour force to fulfil anticipated future jobs. In order to determine whether this is the case, a two stage assessment must be undertaken. The first – to forecast the number of jobs; the second – to forecast the labour force.

1.20. *Firstly, forecasting jobs:* Shropshire Council commissioned Oxford Economics to produce baseline forecasts of changes to employment and jobs in Shropshire between 2016 and 2036. The baseline statistics produced by Oxford Economics forecast an increase to the resident labour force of 5,200 (to 163,800) and an increase in the number of jobs of 9,300. Oxford Economics advise that "the workforce identified within the forecast is sufficient to fill the jobs identified within the forecast".

1.21. *Secondly, forecasting labour force:* Shropshire Council has produced a preferred labour force scenario (SPA v2), which it has applied to preferred demographic projection (V5B – details of this projection, which is based on analysis of the SNHP, are provided below and within Chapter 10 of this report). This forecasts an increase to the resident labour force of 5,100 to 167,100 over the period from 2016 to 2036.

1.22. When the results of the Oxford Economics jobs forecast and the Shropshire Council analysis of the labour force are considered together, **it is apparent that the population and household projections which inform the FOAHN will generate a labour force of sufficient magnitude to satisfy future job growth.**

1.23. **Indeed the preferred demographic projection (V5B) results in a total labour force that is higher than that anticipated within the Oxford Economics baseline assessment. Therefore it can be concluded that the FOAHN will provide a more than adequate labour force to support future job growth.**

Other Factors

1.24. To ensure robustness, a range of other factors which could result in the need for an adjustment were also considered, including the publication of updated projections to those used in this assessment; any modelling anomalies within the projections used for this assessment; the migration rates used in this assessment; unattributable population change (UPC); alternative household representative rates (HRR's) to those used within this assessment; the formation of the University Centre – Shrewsbury and changes to other educational institutions; closure of Shrewsbury Prison; any plans for crown estate land; redevelopment of Ironbridge Power Station; Ministry of Defence (MOD) plans for Shropshire; expansion/development of i54 and t54 (employment sites in South Staffordshire and Telford); the ageing Shropshire population; the capacity of the development industry in Shropshire; the impact of the economic downturn; and the duty to co-operate and cross boundary housing need.

1.25. Whilst it was not considered appropriate for adjustments to be made in response to the majority of these factors, a series of adjustments have been made to account for:

- **A comparison of the implications of five and ten year migration trends.**
- **The formation of the University Centre – Shrewsbury.**
- **The closure of HM Prison: Shrewsbury.**

Affordable Housing Need

1.26. A FOAHN includes an assessment of the need for both open market and affordable housing (although it is not possible to distinguish between these two tenures within the assessment) as it is informed by past experience of all housing delivery (as analysed within demographic and household projections, which are inherently based on past events) tempered by adjustments for factors that the projections do not capture (what has changed since the projections were produced and what is likely to occur in the future that was not apparent when the projections were produced). Consequently it measures need, as demand.

1.27. The NPPG also requires an assessment of aspirations for affordable housing need. This assessment seeks to calculate the numbers of households who currently do not or in the future will not have access to suitable housing, based on a set of defined standards (relating to over-occupation; living standards and facilities; affordability etc). This assessment has no link to past achievement and unfortunately due to financial constraints it has not been possible, historically, to achieve this outcome. It therefore measures need, as aspirations.

1.28. As these two assessments of affordable housing need utilise differing definitions of housing need, there is a clear area of overlap between them. Furthermore, they can be addressed through different delivery methods – affordable housing need within the FOAHN can only be achieved through provision of new housing; whilst within the separate assessment of affordable housing need, it can be achieved through the delivery of new and existing housing.

1.29. Furthermore the decision to exceed housing demand in order to meet aspirations is a policy decision, and the FOAHN is intended to be a policy-off assessment of housing need.

1.30. **Due to these distinctions, there are no arithmetical ways of combining or cross-analysing the results of these two assessments. Consequently it is not possible to utilise the results of the affordable housing needs assessment to either adjust or endorse the assessment of the FOAHN. However, the results of both the FOAHN and affordable housing needs assessment will form part of the evidence base for the partial review of the Development Plan.**

The FOAHN for Shropshire

1.31. Utilising the 2012-based SNHP and incorporating necessary adjustments, as outlined above, a series of demographic projections (population; household; and dwelling projections) have been produced.

1.32. Some of these scenarios are considered realistic projections of demographic change in Shropshire, whilst others have been produced solely for the purpose of sensitivity testing and/or comparison.

1.33. Following due consideration, the two most realistic scenarios of demographic change in Shropshire over the period from 2016 to 2036 are scenarios V2B and V5B (as they account for the formation of the University Centre – Shrewsbury), as summarised within Table 1:

Table 1: Focused Demographic Scenarios

Projections		Category	Change 2016-36		Adjustment: Concealed Households	Total Change 2016-36	
V2B	Five Year Trend – including students	Population	30,200	9.6%	N/A	30,200	9.6%
		Households	21,000	15.4%	458	21,458	15.8%
		Dwellings	21,900	15.4%	478	22,378	15.8%
V5B	Ten Year Trend – including students	Population	33,900	10.8%	N/A	34,200	10.8%
		Households	23,600	17.3%	458	24,058	16.8%
		Dwellings	24,700	17.3%	478	25,178	16.8%

1.34. The key distinction between these two scenarios is that V2B utilises a five year migration trend, whilst V5B utilises a ten year migration trend. Both of these scenarios are considered statistically robust. However the use of a longer term migration trend provides a more stable basis for future projections. It is also considered that this longer term migration trend is likely to be more reflective of future migration rates experienced in Shropshire. Consequently it is considered appropriate to utilise scenario V5B to identify the FOAHN for Shropshire.

1.35. **In conclusion the preferred demographic projections and the best available full and objective assessment of housing need for Shropshire is scenario V5B. Consequently, between 2016 and 2036 the FOAHN for Shropshire is for some 25,178 dwellings, including an adjustment for concealed households. This equates to 1,259 dwellings per annum.**

1.36. **This FOAHN is not in itself a housing requirement, but will form the basis upon which a housing requirement is identified.**

2. Introduction

Full Objectively Assessed Housing Need (FOAHN)

2.1. The National Planning Policy Framework (NPPF) requires Local Planning Authorities to undertake a full and objective assessment of housing need in order to identify the total number of net additional dwellings that are required to meet needs over a specified period. The resultant housing need identified through this assessment is termed a full objectively assessed housing need (FOAHN).

2.2. The NPPF also specifies that *"every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth"*[5]. Consequently, whilst the FOAHN in itself does not represent a housing requirement, once identified it will form the basis upon which a housing requirement is identified for the Local Authority Area and within the Development Plan.

Links to the Strategic Housing Market Assessment (SHMA)

2.3. The NPPF also specifies that Local Planning Authorities should *"have a clear understanding of housing needs in their area"*[6]. In order to achieve this Local Planning Authorities should prepare a Strategic Housing Market Assessment (SHMA), which considers housing needs by Housing Market Area (HMA).

2.4. This SHMA should *"identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*

- *Meets household and population projections, taking account of migration and demographic change;*
- *Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
- *Caters for housing demand and the scale of housing supply necessary to meet this demand"*[2].

2.5. The identification of a FOAHN for Shropshire represents the first stage in the preparation of a SHMA.

The purpose of this report

2.6. This report summarises the process undertaken by Shropshire Council to identify a FOAHN for Shropshire (all references to Shropshire within this document exclude Telford and Wrekin Council area), for the period from 2016 to 2036. The key stages undertaken within this objective assessment are:

1. Identify the Housing Market Area(s) (HMA(s)) for Shropshire;
2. Select appropriate population and household projections for Shropshire;
3. Consider past planning policy and housing provision;
4. Analyse market signals in Shropshire;
5. Consider other potential adjustment factors in Shropshire;
6. Assess affordable housing need in Shropshire;
7. Compare anticipated labour force and future jobs in Shropshire; and
8. Identify the full objectively assessed housing need (FOAHN) in Shropshire.

[5]CLG, (2012), The NPPF - Paragraph 17
[6]CLG, (2012), The NPPF - Paragraph 159

3. Defining the Housing Market Area (HMA)

Introduction

3.1. The National Planning Practice Guidance (NPPG) specifies that an objective assessment of housing need should be undertaken for defined *"housing market areas"*[5] (HMAs). The NPPG defines a HMA as *"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"*[7].

3.2. Consequently the first stage in the process of determining a FOAHN for Shropshire is to determine whether:

1. Shropshire is a discrete, self-contained HMA; or
2. Shropshire consists of a series of HMAs; or
3. Shropshire is located within a HMA which covers multiple Local Authorities; or
4. A combination of options 2 and 3.

How to define a HMA

3.3. The NPPG provides technical advice on how to define a HMA. It specifies that HMAs can be broadly defined by analysing patterns in:

- Migration flows;
- Travel to work areas[8]; and
- Relationships between housing demand and supply.

3.4. Guidance provided by the Planning Advisory Service (PAS) supports the use of these indicators when identifying HMAs, but also suggests using HMAs identified at the national level as a useful starting point for this analysis.

HMAs identified at the national level

3.5. In 2010, Communities and Local Government (CLG) published the *Geography of Housing Market Areas*, an assessment of HMAs across England, commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS). This study provides a consistent set of HMAs across England, which is cited as a useful starting point for the identification of HMAs.

3.6. The Geography of Housing Market Areas identifies a three-tiered hierarchy of HMAs; these are Strategic; Single-Tier; and Local market areas. Guidance produced by PAS suggests that of these tiers, the most useful for housing need studies is the single-tier 'silver standard' geography, which follows Local Authority boundaries.

3.7. The justification provided for this recommendation by PAS is that the other two tiers are less suitable for the purpose of undertaking a FOAHN. Specifically, the *"strategic HMAs are often too large to be manageable"*[9] whilst conversely the local tier crosses Local Authority areas, and is therefore *"usually impractical, given that planning policy is mostly made at the Local Authority level, and many kinds of data are unavailable for smaller areas"*[5]. Therefore the single-tier 'silver standard' is most useful as it "follows Local Authority boundaries, so that no Local Authority is divided between different HMAs".

[7]CLG, NPPG - Paragraph: 010 Reference ID: 2a-010-20140306, Revision date: 06/03/2014
[8]CLG, NPPG - Paragraph: 011 Reference ID: 2a-011-20140306, Revision date: 06/03/2014
[9]PAS, (2015), Objectively Assessed Need and Housing Targets – Technical Advice Note, 2nd Edition

3.8. Whilst it is recognised that this assessment of HMAs at the national level and in particular the single-tier 'silver standard' geography represent a useful starting point for consideration of HMA(s), unfortunately, as the assessment was based on data from 2001, it pre-dates the formation of Shropshire Council.

3.9. Therefore, within the *Geography of Housing Market Areas* single-tier 'silver standard' geography, Shropshire is divided into three HMAs, these are:

- HMA 44: Former district of Bridgnorth (with Telford and Wrekin Council).
- HMA 84: Former districts of Shrewsbury and Atcham; North Shropshire; and Oswestry.
- HMA 43: Former district of South Shropshire (with Herefordshire)[10].

3.10. Using a pragmatic approach which recognises the practical difficulties in gathering data at a sub-Local Authority level, four potential options have been identified for defining HMAs in Shropshire. These are:

- A self-contained HMA for Shropshire.
- A HMA for Shropshire and Telford and Wrekin;
- A HMA for Shropshire and Herefordshire; or
- A HMA for Shropshire, Telford and Wrekin, and Herefordshire.

3.11. Of these options, a self-contained HMA for Shropshire is evidently the most preferable for a number of reasons:

- It would mean the HMA is consistent with the area for which planning policy is developed.
- It would mean that much of the data required to undertake both a FOAHN and SHMA would be available either locally or as part of the results of the 2011 Census for the HMA.
- It would mean that the area for which other Council functions are undertaken, including those for delivery of infrastructure, services and facilities which are necessary to support delivery of the housing requirement resulting from the FOAHN would be consistent with the HMA.

3.12. Furthermore, with regard to the other potential HMA options under consideration, it is important to note that:

- Telford and Wrekin Council have already undertaken an assessment of FOAHN which included the consideration of HMAs. This assessment concluded *"the evidence of migration and commuting shows that Telford and Wrekin forms a separate housing market area as defined in the NPPG"*[11]. Identifying a HMA for Shropshire which included Telford and Wrekin would therefore contradict the conclusion within the FOAHN assessment undertaken by Telford and Wrekin Council.
- Herefordshire Council have already undertaken an assessment of FOAHN which included the consideration of HMAs. This assessment concluded *"reflecting the geography of the area, and wider evidence regarding commuting and migration flows, we consider that Herefordshire represents a HMA"*[12]. Identifying a HMA for Shropshire which includes Herefordshire would therefore contradict the conclusion within the FOAHN assessment undertaken by Herefordshire Council.

[10]CURDS, (2010), The Geography of Housing Market Areas: www.ncl.ac.uk/curds/research/defining/NHPAU.htm
[11]Peter Brett Associates on behalf of Telford and Wrekin Council (2015), Telford and Wrekin Objectively Assessed Housing Need – Final Report
[12]GL Hern on behalf of Herefordshire Council (2014), Local Housing Requirements Study Update

- Shropshire is one of the largest Local Authorities in England, indeed according to the Local Government Boundary Commission; Shropshire is the fourth largest Unitary Authority in England, by area (Ha)[13]. Therefore HMAs which cover Shropshire and one or more neighbouring Local Authority are likely to become increasingly unmanageable for the purpose of identifying a FOAHN. This conclusion is consistent with PAS guidance which recognises that large HMAs are *"often too large to be manageable"*[5]. This would particularly be the case if the other Authority was Herefordshire, which in itself is very large.

3.13. From the above assessment, it is evident that a self-contained HMA for Shropshire provides the most preferable option. However, the next step must be to determine whether Shropshire, on its own, is sufficiently self-contained to be classified as a HMA.

Self-containment of Shropshire

Migration flows

3.14. Migration flows are the measurement of people moving - within, into and out of an area. Guidance within the NPPG specifies that migration flow patterns provide a useful indication of the level of self-containment of an area, with high levels of self-containment considered a typical characteristic of a HMA.

3.15. The most current data on migration flows is within the results of the 2011 Census, which collected information on where the resident population lived in the year leading up to Census Day on the 27th March 2011. From this data the Office for National Statistics (ONS) have published tables on the origin of residents who had moved and their destination (resident address on Census Day).

3.16. Table 2 provides a summary of the moves within, into and out of Shropshire for the year before the 2011 Census.

Table 2: Migration - within, into and out of Shropshire[14]

Origin ↓	Destination →		
	Shropshire	**Rest of UK**	**Total**
Shropshire	18,608	11,293	29,901
Rest of UK	11,802		
Total	30,410		

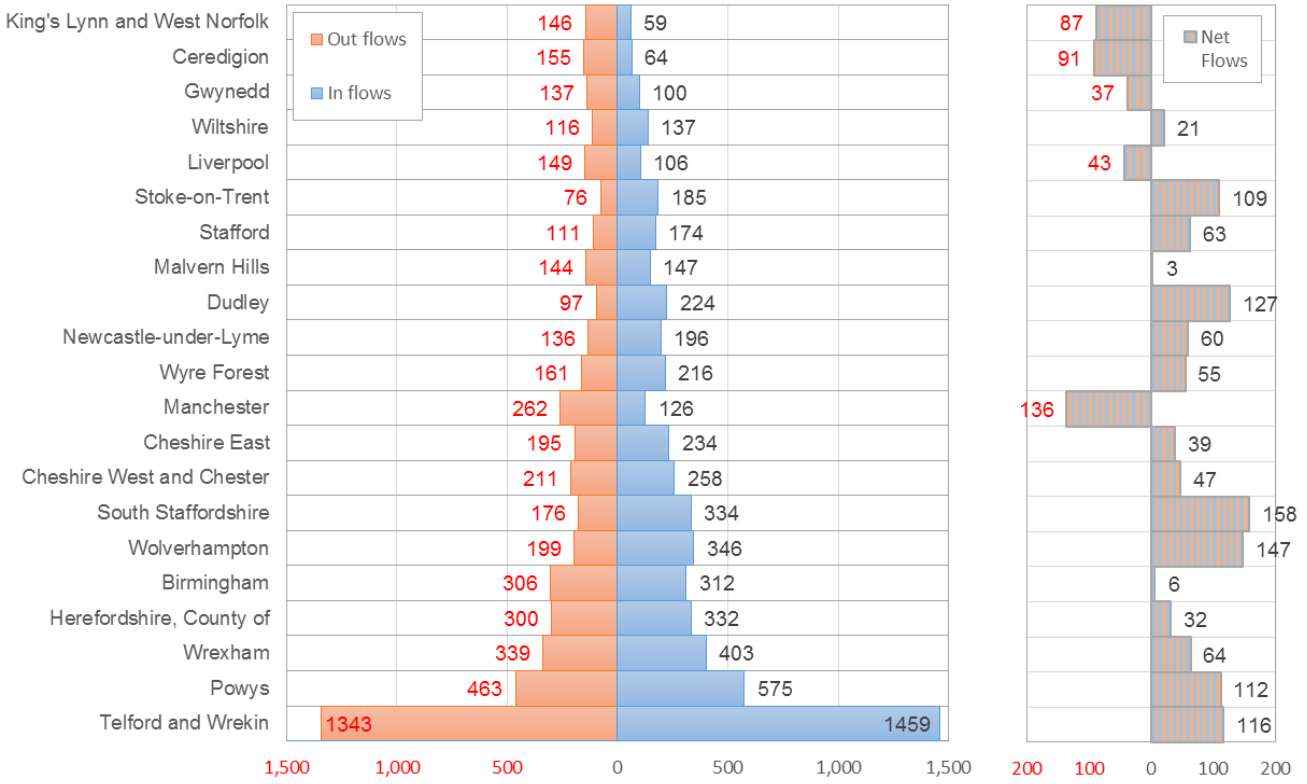
3.17. In summary:

- A total of 13,778 people moved into Shropshire (of these 1,976 were from abroad (excluded from the table) and 11,802 were from the rest of the UK).
- A total of 11,293 people moved out of Shropshire.
- A total of 18,608 people moved within Shropshire.
- Cross-boundary migration resulted in a net increase of 2,485 people in Shropshire[10].

[13]Local Government Boundary Commission (2015), Local Authorities in England. www.lgbce.org.uk/records-and-resources/local-Authorities-in-england
[14]ONS (2011), Census (Crown Copyright - 2015)

3.18. Figure 1 provides a summary of the top origins and destinations of migrants moving into and out of Shropshire (excluding those moving within Shropshire):

Figure 1: Top origin and destination of migrants into and out of Shropshire[15]



3.19. The NPPG specifies that an area is deemed to have a high level of containment where *"a relatively high proportion of household moves (typically 70 per cent) are contained"*[16]. Such an assessment should exclude *"long distance moves (e.g. those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools"*[11].

3.20. This threshold within the NPPG originates from the CLG advice note on identifying sub-regional housing market areas, in which it states:

"Identifying suitable thresholds for self-containment: 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 the same area) and the* ***demand side*** *(70 per cent of all those moving into a dwelling have moved from that same area)"*[17] (emphasis added).

3.21. Consequently there are two migration containment ratios that need to be considered, to determine whether Shropshire is self-contained, these are:

- Supply Side (origin): moves within the area divided by all moves whose **origin** is in the area, excluding long-distance moves.
- Demand side (destination): moves within the area divided by all moves whose **destination** is in the area, excluding long-distance moves.

3.22. Finally there is also a need to consider the total level of self-containment (**origin and destination**).

[15]ONS (2011), Census (Crown Copyright - 2015)
[16]CLG, NPPG, Paragraph: 012, Reference ID: 2a-012-20140306, 06/03/2014
[17]CLG, (2007), Identifying Sub-Regional Housing Market Areas – Advice Note

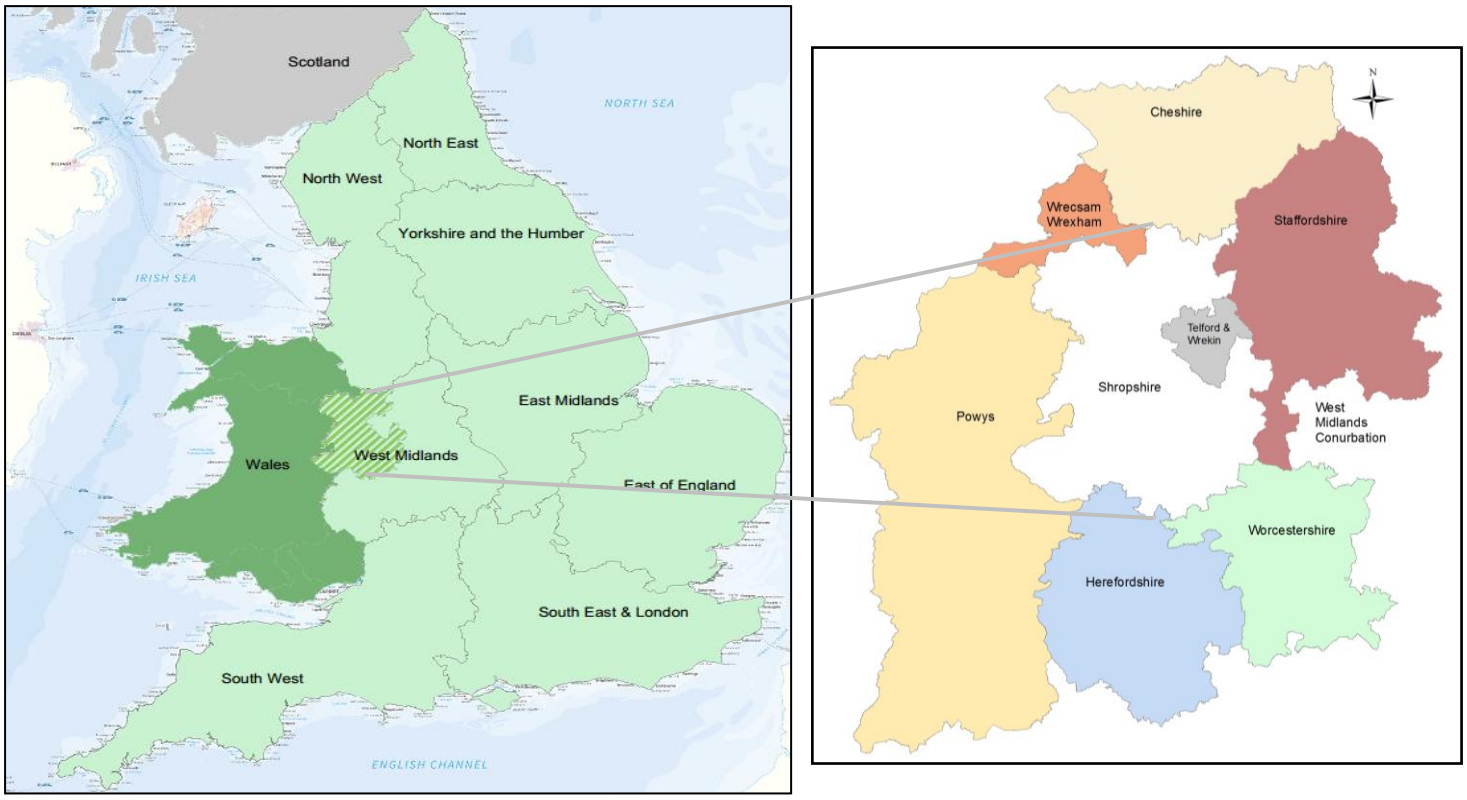
3.23. However, before such an assessment can occur, in accordance with the NPPG, there is a need to first consider which elements of migration into and out of Shropshire are considered to be long distance and remove them from the calculation.

3.24. Long distance migration is not defined within the NPPG. It is recognised within the PAS guidance that *"what counts as a long distance move is a matter of judgement"*[18]*.* However, this guidance does in itself provide a general framework for this assessment, stating *"moves between countries and regions of the UK should probably be excluded, unless an area is close to the boundary between two countries or regions, in which case moves that begin or end outside those two countries/regions should probably be excluded"*[18]*.*

3.25. Shropshire Council considers that this approach is reasonable, and consequently has reflected this methodology within its assessment. Specifically it has excluded migration to/from other Countries (including other Countries within the United Kingdom) and to/from regions of the UK, where the boundaries for these areas are not in close proximity to Shropshire.

3.26. Figure 2 provides a locational context for Shropshire. It illustrates that Shropshire is located to the north-west of the West Midlands Region. To the North of Shropshire is Cheshire (North West Region); to the East of Shropshire is Telford and Wrekin (West Midlands Region) and Staffordshire (West Midlands Region); to the South is Worcestershire (West Midlands Region) and Herefordshire (West Midlands Region); and to the West is Powys and Wrexham (Wales).

Figure 2: Shropshire context



[18]PAS, (2015), Objectively Assessed Need and Housing Targets – Technical Advice Note, 2nd Edition

3.27. It is reasonable to consider that for the purposes of this assessment migration to/from all the regions adjacent to Shropshire are considered as short distance migration. Consequently within this assessment, short distance migration is defined as migration to/from:

- The West Midlands;
- The North West; and
- Wales.

3.28. In accordance with the PAS guidance, it is considered appropriate to define migration to/from Countries and Regions other than those listed in paragraph 3.27 as long distance migration, as they are not 'close to the boundary' of Shropshire. These movements have therefore been excluded from this assessment.

3.29. Specifically it is considered to be long distance migration where the origin or destination of migrants to/from Shropshire is:

- Another Country, including:
  - Scotland;
  - Northern Ireland; and
  - The Republic of Ireland;
- The East Midlands;
- The North East;
- Yorkshire and the Humber;
- The East;
- The South East;
- The South West; and
- London.

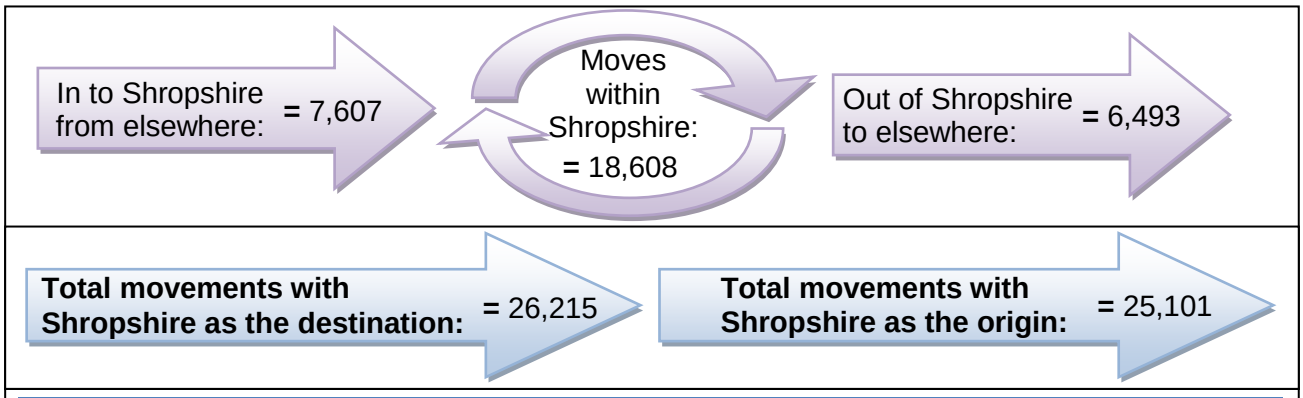
Please Note: Shropshire Council recognises that this definition of long distance migration to/from Shropshire is relatively conservative and includes many areas within the short distance category that are in all likelihood long distance migration (for instance Cumbria). Consequently the resulting data on the self-containment of Shropshire represents minimum estimates of self-containment, as defined within the NPPG.

3.30. Figure 3 provides a summary of the resultant number of moves into and out of Shropshire. In this calculation:

- Migration data is:
  - Sourced from the 2011 Census, and relates to persons moving housing in the year ending on Census day[19].
  - Excludes migration to/from Countries and Regions referenced in paragraph 3.29, as these are considered long-distance moves, as defined in the NPPG.
  - Includes migration within Shropshire.
- In addition to providing an indication of the level of containment on the supply side (**origin**) and demand side (**destination**); Shropshire Council has also provided a measurement of the overall ratio of moves that are to/from Shropshire and do not cross the Local Authority boundary.

[19] ONS (2011), Census (Crown Copyright - 2015)

Figure 3: Assessment of migration into/out of Shropshire



Measurement	Calculation	Level of Containment
Destination Containment:	Moves within Shropshire / Total Moves with Shropshire as a destination	70.98%
Origin Containment:	Moves within Shropshire / Total Moves with Shropshire as an origin	74.13%
Overall Containment:	**Total non-cross-boundary moves / Total moves with Shropshire as either an origin or destination**	**72.52%**

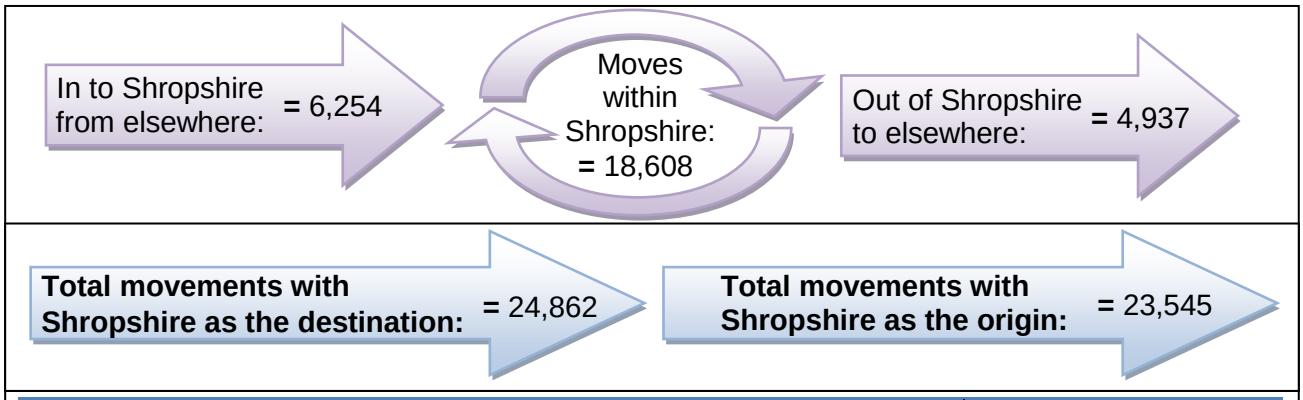
3.31. **The assessment indicates that even using this conservative definition of long distance migration, all three measurements of self-containment (destination; origin and total) within Shropshire exceed the 70% threshold specified within the NPPG. This supports the conclusion that Shropshire forms a self-contained HMA.**

3.32. This level of self-containment further increases if a more refined definition of what is short and long distance migration is applied. Specifically if short distance migration is considered to be migration to / from:

- All Local Authorities within the West Midlands;
- Cheshire East Council and Cheshire West and Chester Council (North West); and
- Powys County Council, Wrexham Council, Denbighshire County Council and Flintshire County Council (Wales).

3.33. Figure 4 summarises the levels of self-containment using this refined definition of short distance migration. *This further supports the conclusion that Shropshire forms a self-contained HMA.*

Figure 4: Refined assessment of migration into/out of Shropshire



Measurement	Calculation	Level of Containment
Destination Containment:	Moves within Shropshire / Total Moves with Shropshire as a destination	74.85%
Origin Containment:	Moves within Shropshire / Total Moves with Shropshire as an origin	79.03%
Overall Containment:	**Total non-cross-boundary moves / Total moves with Shropshire as either an origin or destination**	**76.88%**

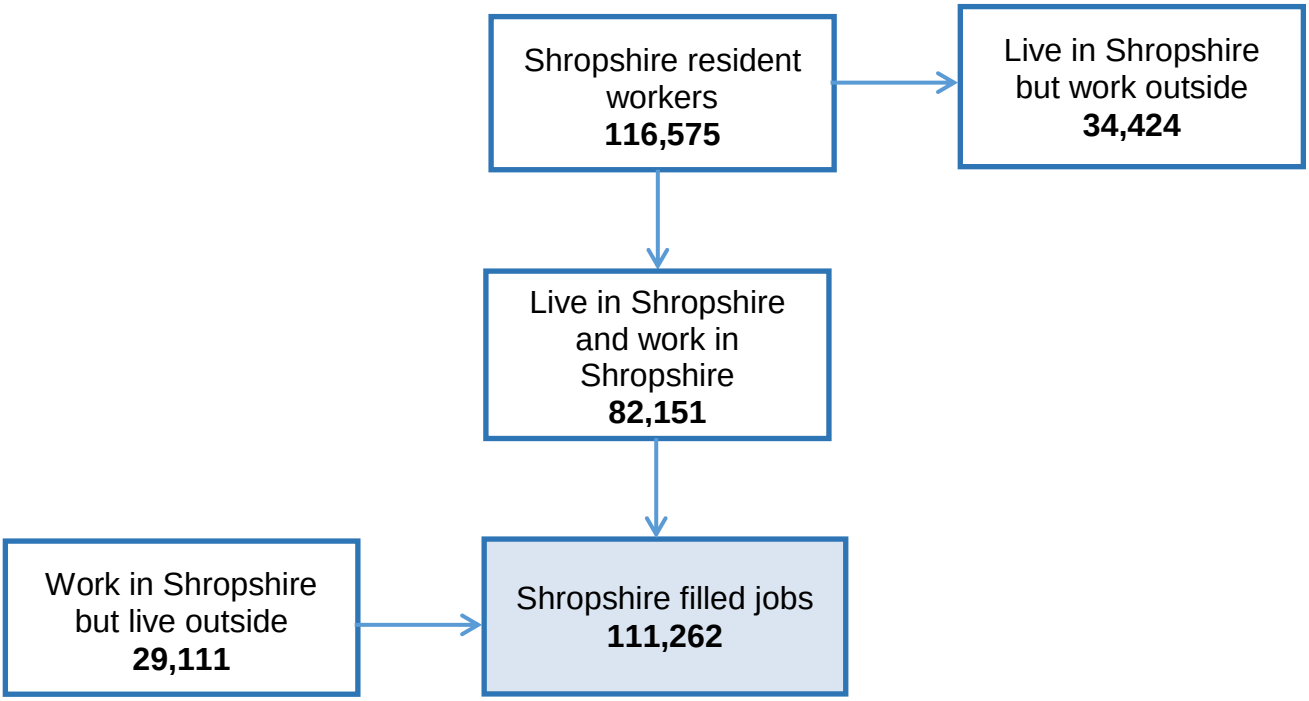
Travel to work areas

3.34. Travel to work patterns can provide *"information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use)"*[20]. Consequently the higher the level of self-containment of an area (people living and working in the same area), the greater the likelihood that it represents a self-contained HMA.

3.35. At the time of the 2011 Census, 111,262 people aged 16 and over worked in Shropshire; while 116,575 people aged 16 and over living in Shropshire were in employment. This means that the County has more workers than it has filled jobs, with net out-commuting standing at 5,313 in 2011.

3.36. Figure 5 provides a summary of the origin and destination of people living and working in Shropshire:

Figure 5: Commuter flows in Shropshire[21]



3.37. Levels of commuting have risen over the last two decades, with the number travelling into Shropshire to work rising by 16,181 people (+125%) between 1991 and 2011 to reach 29,111. The number commuting out of Shropshire has also risen, albeit less dramatically, from 23,710 people in 1991 to 34,424 people in 2011. This is the equivalent of an additional 10,714 in-commuters and constitutes growth of 45%. While out-commuting continues to surpass in-commuting, the gap has narrowed, with net commuting standing at -5,313 in 2011 compared with -10,780 in 1991.

Table 3: Commuting in and out of Shropshire (2011)[22]

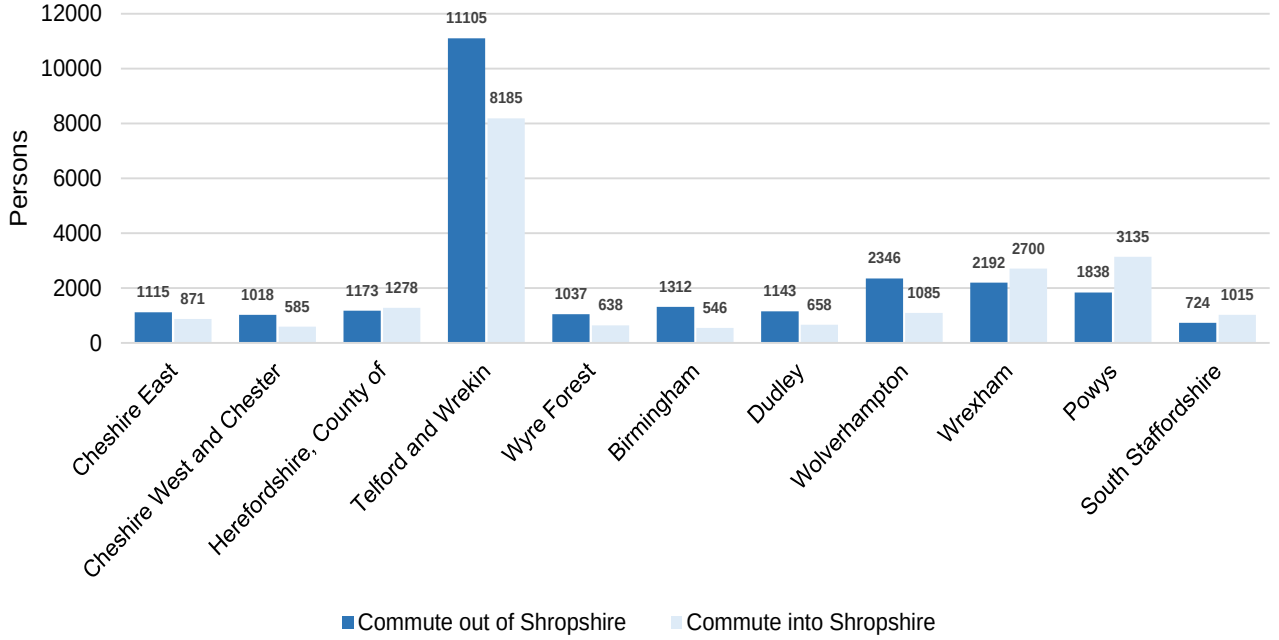
Number of In and Out Commuters, 1991-2011			
	1991	**2001**	**2011**
In-Commuters	12,930	20,786	29,111
Out-Commuters	23,710	33,011	34,424
Net Commuting	*-10,780*	*-12,225*	*-5,313*

[20]CLG, NPPG, Paragraph: 2a-011-20140306, Last updated 06 03 2014
[21]ONS (2011), Census (Crown Copyright - 2015)
[22]ONS (1991, 2001 and 2011), Census (Crown Copyright - 2015)

3.38. Figure 6 shows the main origins and destinations of cross-boundary commuting to and from Shropshire. The largest flows, both into and out of Shropshire, are with Telford and Wrekin, with 19,290 people commuting between the two Local Authorities at the time of the 2011 Census.

3.39. The top five District or Unitary Authority destinations for Shropshire residents commuting out of the County are Telford; Wolverhampton; Wrexham; Powys; and Birmingham. The top five District or Unitary Authority origins of workers commuting into Shropshire are Telford; Powys; Wrexham; Herefordshire; and Wolverhampton.

Figure 6: Cross-boundary commuting to and from Shropshire (2011)[23]



Note: Figures in 2011 and 1991 refer to workers aged 16 and over while figures in 2001 refer to workers aged 16-74.

In-Commuting

3.40. At the time of the 2011 Census, 29,111 workers commuted into Shropshire from outside the Local Authority boundary. This is the equivalent of 26.2% of the workforce. Telford and Wrekin supplied the largest volume of workers who commuted in, at 28.1% of the total. More than a fifth travelled from Wales, principally Powys and Wrexham at 10.8% and 9.3% respectively. 8.6% of in-commuters came from Staffordshire (excluding Stoke which accounts for 1.4% of in-commuters).

3.41. The number of workers commuting into Shropshire from all neighbouring Counties increased in the decade up to 2011, but growth in commuting levels was especially strong from non-neighbouring locations.

3.42. The number of commuters from Birmingham rose by 120%, while the number of commuters from other origins increased by 62.3%. The latter now accounts for more than a fifth of the local workforce.

[23] ONS (2011), Census (Crown Copyright - 2015)

3.43. This is summarised in Table 4:

Table 4: Breakdown on in-commuters by origin, 2001-2011[24]

	2001		2011		Percentage Change: 2001-2011
	Number	Percentage	Number	Percentage	
Birmingham	248	1.2%	546	1.9%	120.2%
Dudley	431	2.1%	658	2.3%	52.7%
Wolverhampton	747	3.6%	1,085	3.7%	45.2%
Herefordshire	1,133	5.5%	1,278	4.4%	12.8%
Telford & Wrekin	6,037	29.0%	8,185	28.1%	35.6%
Staffordshire	2,039	9.8%	2,506	8.6%	22.9%
Worcestershire	1,039	5.0%	1,421	4.9%	36.8%
Cheshire	1,085	5.2%	1,456	5.0%	34.2%
Wrexham	1,819	8.8%	2,700	9.3%	48.4%
Powys	2,425	11.7%	3,135	10.8%	29.3%
Other	3,783	18.2%	6,141	21.1%	62.3%
Total	**20,786**	**100.0%**	**29,111**	**100.0%**	**40.1%**

Note: Figures in 2011 refer to workers aged 16 and over while figures in 2001 refer to workers aged 16-74.

Out-Commuting

3.44. At the time of the 2011 Census, 34,424 Shropshire residents commuted out of Shropshire to work. This means that almost 30% of Shropshire residents who work have jobs outside the Local Authority boundary. Almost a third of those commuting out of County work in Telford and Wrekin, whilst Staffordshire, the Black Country, Wrexham and Cheshire (East and West) are also popular destinations.

3.45. Between 2001 and 2011, the number of Shropshire resident workers out-commuting to Staffordshire, Cheshire and Powys all rose by more than a fifth. In contrast, the number commuting to Dudley, Wolverhampton, Herefordshire and Telford and Wrekin all declined. Table 5 provides a breakdown of out-commuters from Shropshire by key destinations:

Table 5: Breakdown on out-commuters by destination, 2001-2011[19]

	2001		2011		Percentage Change: 2001-2011
	Number	Percentage	Number	Percentage	
Birmingham	1,282	3.9%	1,312	3.8%	2.3%
Dudley	1,263	3.8%	1,143	3.3%	-9.5%
Wolverhampton	2,480	7.5%	2,346	6.8%	-5.4%
Herefordshire	1,177	3.6%	1,173	3.4%	-0.3%
Telford & Wrekin	11,831	35.8%	11,105	32.3%	-6.1%
Staffordshire	1,891	5.7%	2,315	6.7%	22.4%
Worcestershire	2,078	6.3%	2,332	6.8%	12.2%
Cheshire	1,606	4.9%	2,133	6.2%	32.8%
Wrexham	1,942	5.9%	2,192	6.4%	12.9%
Powys	1,501	4.5%	1,838	5.3%	22.5%
Other	5,960	18.1%	6,535	19.0%	9.6%
Total	33,011	100.0%	34,424	100.0%	4.3%

Note: Figures in 2011 refer to workers aged 16 and over while figures in 2001 refer to workers aged 16-74.

Self-Containment

3.46. A significant proportion of people both live and work in Shropshire (82,151 people), which means that 70.5% of Shropshire residents work within the county (origin

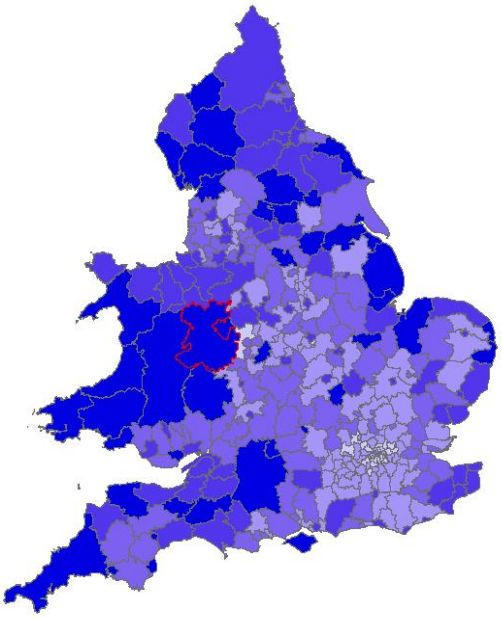
[24] ONS (2001 and 2011), Census (Crown Copyright - 2015)

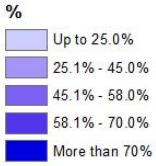
containment). There is also a high level of job containment in Shropshire, with 73.8% of jobs in Shropshire (destination containment) filled by people who live in Shropshire.

3.47. As illustrated in Figure 7, compared with much of England and Wales, this level of self-containment is high. Overall, Shropshire ranked 40th and 42nd out of 346 Unitary and District Authorities in terms of its level of destination and origin containment respectively in 2011.

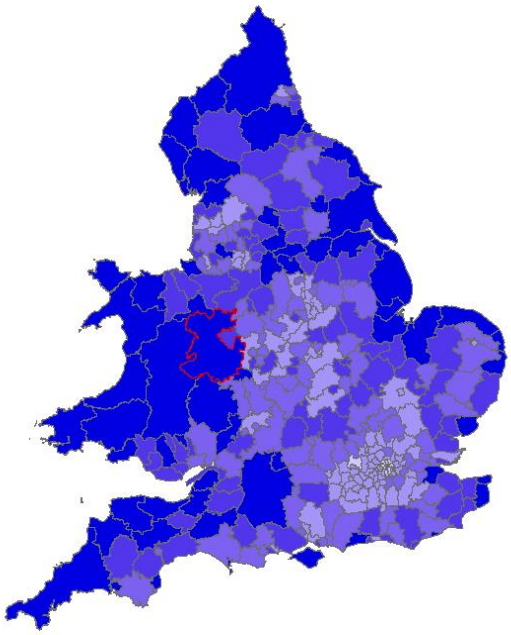
Figure 7: Levels of self-containment across England and Wales[25]

a) Destination Containment





b) Origin Containment



Shropshire Containment Summary

3.48. Table 6, Table 7,

3.49.

3.50. **Figure 8**, and Figure 9 provide a summary of Shropshire's level of employment self-containment. It is evident that Shropshire's containment ratios in respect of its labour market are all in excess of 70%.

Table 6: Shropshire: destination and origin Summary, 2011[26]

Live in ↓	Work in →		
	Shropshire	Other	Total
Shropshire	82,151	34,424	116,575
Other	29,111		
Total	111,262		

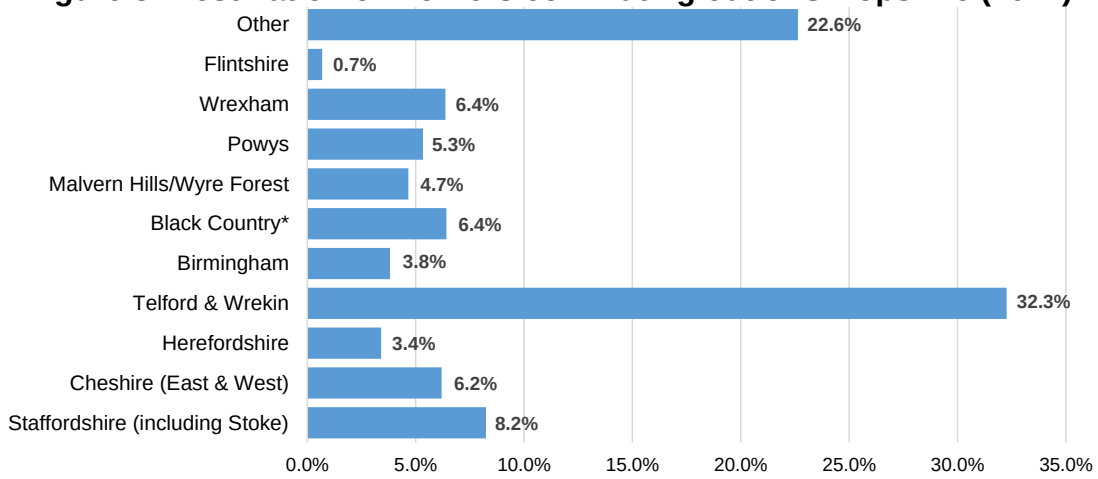
Table 7: Shropshire: commuter containment summary, 2011[26]

	Level of containment
Workers resident in Shropshire	116,575
Workplaces (Jobs)	111,262
Workers and Workplaces	227,837
Work trips not crossing Shropshire border	164,302
Destination Containment (demand side ratio)	73.8%

[25]ONS (2011), Census (Crown Copyright – 2015, OS 100049049)
[26]ONS (2011), Census (Crown Copyright – 2015)

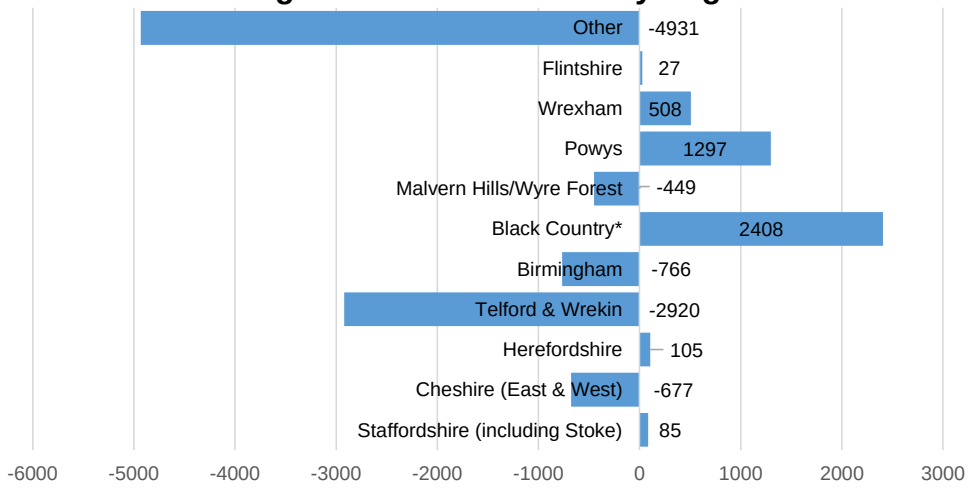
Origin Containment (supply side ratio)	70.5%
Overall Containment	72.1%

Figure 8: Destination of workers commuting out of Shropshire (2011)[26]



Note: The Black Country includes Wolverhampton, Sandwell, Dudley and Walsall

Figure 9: In and out commuting: net flows between key origins and destinations (2011)[26]



Note: The Black Country includes Wolverhampton, Sandwell, Dudley and Walsall

3.51. **The level of commuter self-containment in Shropshire (origin and destination) again supports the conclusion that Shropshire is a self-contained HMA.**

The relationship between housing demand and supply

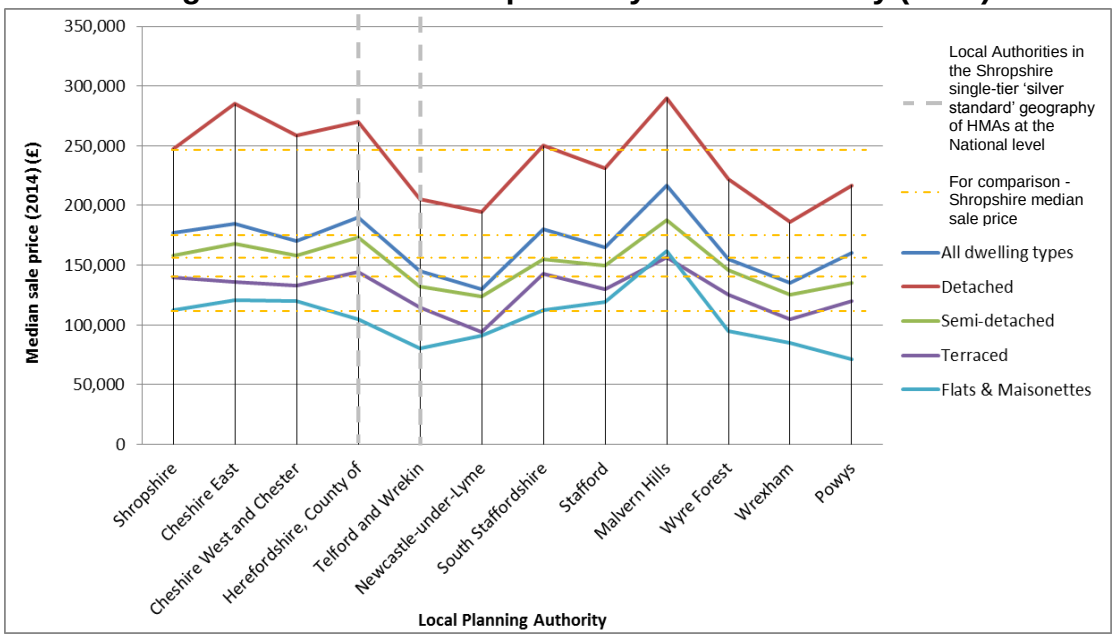
3.52. It is generally accepted that levels of migration and commuting self-containment represent the key indicators when defining a HMA. However, patterns in housing demand and supply, identified through analysis of house prices, can also assist in this process.

3.53. Specifically, analysis of house prices enables the identification of areas which either have very similar house price characteristics or alternatively have very diverse house price characteristics.

3.54. As it is generally accepted that HMAs which sub-divide Local Authorities are impractical, this assessment has been undertaken at a Local Authority level, to allow consideration of whether there are any adjacent Local Authorities for which there are directly comparable house prices to those within Shropshire.

3.55. Figure 10 provides a comparison of median house sale prices at Local Authority level, by dwelling type. The Local Authorities considered are those which are adjacent (and considered to be locally comparable) to Shropshire:

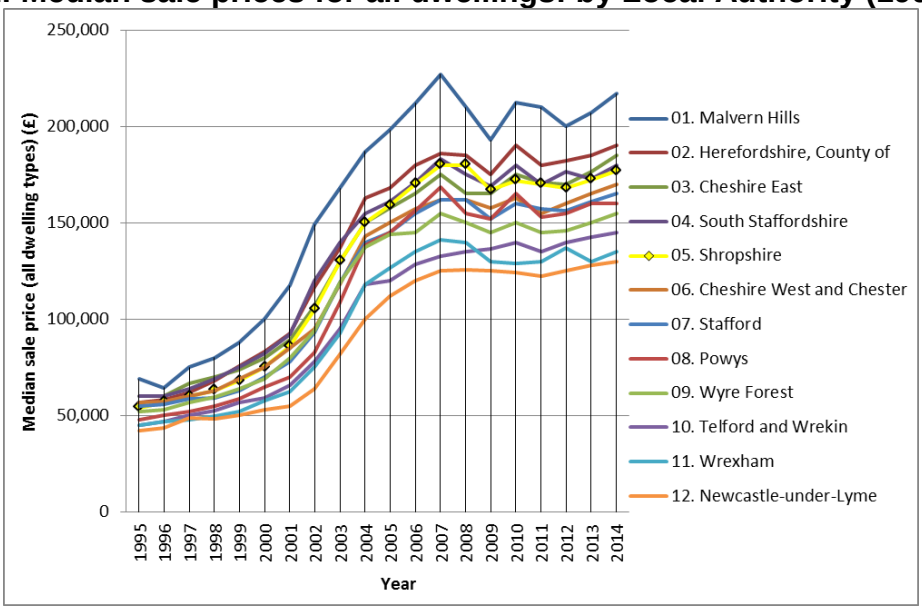
Figure 10: Median sale prices by Local Authority (2014)[27]



3.56. It is apparent from the data provided within Figure 10 that there is deviation of median house sale prices between Shropshire and its adjacent Local Authorities as at 2014. This is particularly apparent in regard to those Local Authorities of greatest interest when considering the suitability of Shropshire to represent a self-contained HMA (as they are identified within the same single-tier 'silver standard' geography as Shropshire within the national assessment of HMAs), specifically Telford and Wrekin and Herefordshire, both of which vary significantly from Shropshire across all dwelling sale price categories. Of the other Local Authorities, only South Staffordshire and to a lesser extent Cheshire East and Cheshire West and Chester are generally comparable to Shropshire, and even here there is some divergence.

3.57. Figure 11 presents the data for median house prices for all dwellings over a longer timeframe (from 1995-2014) by Local Planning Authority:

Figure 11: Median sale prices for all dwellings: by Local Authority (1995-2014)[27]



[27]ONS, (2015), House Price Statistics for Small Areas: 1995 to 2014, (Crown Copyright – 2015)

3.58. When the trends in the median house price (as presented in Figure 11) are assessed over a longer timeframe, it is further evident that there is significant variance between Shropshire and its adjacent Local Authorities.

3.59. This is again particularly evident for those Local Authorities within the same single-tier 'silver standard' geography as Shropshire within the national assessment of HMAs (Telford and Wrekin; and Herefordshire), but also extends to South Staffordshire, Cheshire East and Cheshire West and Chester, which were more comparable with Shropshire in 2014.

3.60. **It is apparent from this data that the majority of adjacent Local Planning Authorities do not have directly comparable house sale prices, particularly those within the same single-tier 'silver standard' geography as Shropshire within the National assessment of HMAs. This supports the conclusion that Shropshire represents a self-contained HMA.**

Conclusion

3.61. The NPPF specifies that Local Planning Authorities should *"use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period"*[28].

3.62. Having reviewed key indicators utilised to identify HMAs, as advocated within the NPPG and best practice guidance, **the evidence would support the conclusion that Shropshire represents a self-contained HMA. It is therefore appropriate to undertake a FOAHN assessment for the Shropshire HMA.**

3.63. Although Shropshire represents a self-contained HMA, it is recognised that in accordance with the NPPF and NPPG, the 'Duty to Cooperate' is not restricted to just Local Planning Authorities within the same HMA. Consequently Shropshire Council will continue to liaise closely with other appropriate Local Planning Authorities in accordance with the 'Duty to Cooperate', and through this process may be required to accommodate unmet need from areas beyond the Shropshire HMA, where this is reasonable; sustainable and deliverable.

[28] CLG, (2012), The NPPF – Paragraph 47

4. Population and Household Projections

Introduction

4.1. The NPPG specifies that *"household projections published by the CLG should provide the starting point estimate of overall housing need"*[29]. CLG's sub-national household projections (SNHP), are derived from the sub-national population projections (SNPP) produced by the ONS. Consistent with the NPPG, CLG's SNHP (developed using ONS's SNPP) form the basis of this assessment.

4.2. SNPP's forecast future populations by Local Authority area and are normally released at two-year intervals, with additional releases in response to new data – such as the 2011 Census. CLG translate population into households, within their SNHP's, which are also generally updated every two years.

4.3. In May 2014, the ONS produced 2012-based SNPP. CLG subsequently translated these population projections into the 2012-based SNHP in February 2015. At the time of publication, the 2012-based SNHP represent the most current household projections. Therefore consistent with the NPPG, the 2012-based SNHP form the starting point estimate of the FOAHN in Shropshire. These projections for Shropshire are summarised within Appendix A.

Demographic Change

4.4. Within SNPP's (including the 2012-based SNPP), the projected future population within Local Authority areas is driven by two factors:

- Natural change – the difference between births and deaths; and
- Migration flows – people moving house (within, into and out of an area). This includes both international migration and migration within the UK.

Household Change

4.5. Within SNHP (including the 2012-based SNHP), the changing number of households within a Local Authority area is driven by:

- Those factors affecting population change (specifically natural change and migration flows); and
- The household representative rate (HRR) (the proportion of people who are household representative persons).

4.6. When translating population into households, CLG divide population into two categories, those within private households and those in institutional establishments (such as army barracks, university halls of residence, care homes and prisons).

4.7. The 2012-based SNHP are produced by applying projected HRR's to the population within private households (as identified from the 2012-based SNPP). Projected HRR's are based on trends observed in Census and Labour Force Survey data.

Adjustments and Sensitivity Testing

4.8. Whilst the NPPG specifies that *"the household projections produced by CLG are statistically robust and are based on nationally consistent assumptions"*[29], the guidance also recognises that there are circumstances within which sensitivity testing

[29] CLG, NPPG – Paragraph: 015, Permalink ID 2a-015-20140306, Last updated: 06/03/2014

and/or adjustments may be required. This is in response to factors such as local demography and household formation rates which are not captured in past trends and future jobs and employment.

4.9. Sensitivity testing is the process by which alternative scenarios on population change and housing need are produced using an independent demographic model. This model broadly follows the methods and assumptions of the 2012-based SNPP and 2012-based SNHP, but calculates the effect on population and household numbers of amending specific inputs. Sensitivity testing is undertaken to ensure the appropriateness of the 2012-based SNHP data.

4.10. Adjusting population and household projections is the process by which the 2012-based SNPP and 2012-based SNHP are adjusted to reflect factors affecting local demography and household formation rates which are not captured in past trends. Any such adjustments required are undertaken using an independent demographic model.

4.11. Chapters 5: Past Housing Policy and Provision; 6: Market Signals; 7: Other Potential Adjustment Factors; 8: Affordable Housing Need in Shropshire; and 9: Future Jobs and Employment provide an analysis of those factors which have been considered for the purpose of sensitivity testing and/or adjusting the 2012-based SNHP which underpin this assessment.

5. Past Housing Policy and Provision

Introduction

5.1. As specified within the NPPG, *"household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need"*[30]. However, the NPPG also recognises that this data should be supplemented by consideration of whether the household formation rates that inform the projection have been *"suppressed historically by under-supply"*[30].

5.2. If there has been past under-supply compared to need (based on the actual need at that time), as a result of planning policy, then the 2012-based SNHP will understate housing need and consequently an adjustment will be required to reflect this issue.

Implications of Planning Policy

5.3. In order to assess whether past planning policy has resulted in an under delivery of housing in Shropshire, there is a need to undertake an assessment of:

- Past policies on the housing requirement and supply in Shropshire;
- Past rates of housing delivery in Shropshire; and
- Past forecasts on housing need.

Past Policies on Housing Requirement and Supply

5.4. In order to undertake a comprehensive assessment of past planning policies on housing requirements and supply, Shropshire Council considers it appropriate to assess relevant planning policies which have operated over the last two phases of the Development Plan process (the last two Development Plans / the last 19 years).

Local and Structure Plans (produced by Shropshire Council predecessor Authorities)

5.5. Shropshire Council (a Unitary Authority) was formed on the 1st April 2009, as a result of Local Government Reorganisation (LGR). Prior to the formation of Shropshire Council, a two-tier system was in operation, which consisted of a single County Council and five District/Borough Councils'. These were:

- Shropshire County Council;
- Bridgnorth District Council;
- North Shropshire District Council;
- Oswestry Borough Council;
- Shrewsbury and Atcham Borough Council; and
- South Shropshire District Council.

5.6. Shropshire County Council and Telford and Wrekin Council (already a Unitary Authority) jointly produced a Structure Plan which formed the strategic tier of the previous Development Plan for Shropshire. The Shropshire and Telford and Wrekin Joint Structure Plan (Joint Structure Plan) became operative in November 2002 and covered the period from 1996 to 2011.

5.7. Policy P8 of this Joint Structure Plan identified a total maximum housing requirement for Shropshire (excluding Telford and Wrekin) and provided a breakdown of this requirement to each of the five District/Borough Councils.

[30] CLG, NPPG – Paragraph: 015, Permalink ID 2a-015-20140306, Last updated: 06/03/2014

5.8. This requirement was:

- Bridgnorth District: 180 dwellings per annum.
- North Shropshire District: 310 dwellings per annum.
- Oswestry Borough: 170 dwellings per annum.
- Shrewsbury and Atcham Borough: 410 dwellings per annum.
- South Shropshire District: 190 dwellings per annum.
- **Total for Shropshire: 1,260 dwellings per annum.**

Please Note: these targets identified within the Structure Plan for Shropshire (1996 to 2011) were similar to those identified within the previous Structure Plan.

5.9. The Local Plans produced by the five District/Borough Councils set out the detailed planning strategy for development in Shropshire (the identified housing requirements were based on those within the Joint Structure Plan). These Local Plans sought to ensure that their respective requirements were delivered through a combination of allocating sites for development and planning policies governing the delivery of housing elsewhere. Relevant policies are summarised within Appendix B.

Core Strategy (2011) and Site Allocations and Management of Development (SAMDev) Plan (2015) (produced by Shropshire Council)

5.10. In March 2011 Shropshire Council adopted its Core Strategy and subsequently in December 2015 its SAMDev Plan. These documents together form the current Development Plan for Shropshire.

5.11. The Shropshire Core Strategy (2011) sets out the Council's vision, strategic objectives and broad spatial strategy to guide future development and growth in Shropshire from 2006 to 2026. A key aspect of this spatial strategy was the identification of an ambitious housing target for Shropshire (within Policy CS1), of 27,500 dwellings over the plan period, based on evidence produced in preparation for the West Midlands Regional Spatial Strategy.

5.12. The Panel Report on the Examination in Public of the West Midlands Regional Spatial Strategy (2009) (RSS), indicates that the preferred housing option for Shropshire within the RSS was actually some 25,700, however a policy decision was made to increase this to 27,500 in order to support the delivery of additional affordable housing.

5.13. The SAMDev Plan (2015) seeks to deliver the housing requirement identified within the Core Strategy by allocating appropriate sites for housing development (allocations total more than 100 sites, containing sufficient land for more than 10,000 dwellings); identifying locations where infill/windfall housing development will be appropriate (the majority of the market towns, key centres, community hubs and community clusters identified within the SAMDev Plan include an allowance for infill/windfall development to allow flexibility and to reflect past trends on windfall development); and identifying policies for the management of housing development in Shropshire. Further details are provided within Appendix C.

5.14. The Core Strategy (2011) and SAMDev Plan (2015) provide the mechanisms for phased release of housing sites, so that a five year supply of housing land can be maintained over the plan period, ensuring choice and competition within the market. The Development Plan includes a trajectory for the phased release of housing land across the plan period within the supporting text of Core Strategy Policy CS10: Managed Release of Housing Land.

5.15. This trajectory specifies that housing development will be phased in five year time bands, as follows:

- 2006-2011 – 1,190 dwellings per annum.
- 2011-2016 – 1,390 dwellings per annum.
- 2016-2021 – 1,390 dwellings per annum.
- 2021-2026 – 1,530 dwellings per annum.
- **Total 2006-2026 – 27,500 dwellings.**

5.16. Shropshire Council considers that this trajectory is the most appropriate mechanism for sub-dividing the housing requirement for the plan period and therefore identifying the annual housing requirement for the County.

Past Housing Delivery

Local and Structure Plans (produced by Shropshire Council predecessor Authorities)

5.17. Table 8 provides a summary of annual housing completions in Shropshire compared with the total annual housing requirement identified within the Joint Structure Plan (and five District/Borough Local Plans):

Table 8: Housing Completions in Shropshire (1996/97 – 2005/06)

Financial Year*	Annual Requirement	Housing Completions	Over provision / shortfall	Cumulative provision
1996/97	1,260	1,270	+10	+10
1997/98	1,260	1,250	-10	0
1998/99	1,260	1,173	-87	-87
1999/00	1,260	1,085	-175	-262
2000/01	1,260	1,071	-189	-451
2001/02	1,260	1,238	-22	-473
2002/03	1,260	1,090	-170	-643
2003/04	1,260	1,027	-233	-876
2004/05	1,260	1,162	-98	-974
2005/06	1,260	1,340	+80	-894

**Please Note: Although the Joint Structure Plan and five District/Borough Local Plans identified various Plan periods, it is considered appropriate to assess the period from 1996/97 – 2005/06. This is because this period runs from the start of the Plan period for the Joint Structure Plan (which identified the housing requirement for the five District/Borough Local Plans) to the start of the Plan period for the Shropshire Core Strategy, which superseded much of the Joint Structure Plan and the five District/Borough Local Plans.*

5.18. Table 8 demonstrates that in eight of the first ten years of the Joint Structure Plan, plan period (1996/97-2005/06), the levels of housing completions were below the identified annual housing requirement.

5.19. The Joint Structure Plan / Local Plans for Shropshire sought to achieve the specified housing requirement through the allocation of appropriate sites and identification of appropriate windfall policies (as documented within Appendix B). Despite this for the majority of years, the annual housing requirement was not achieved. It can be concluded that the ambitious housing requirement for Shropshire has not been achieved due to insufficient housing need; demand; and/or market conditions. **It can also be concluded that policies seeking to achieve a high housing requirement would not have constrained housing delivery.**

Core Strategy (2011) and Site Allocations and Management of Development (SAMDev) Plan (2015) (produced by Shropshire Council)

5.20. Table 9 provides a summary of annual housing completions in Shropshire compared with the annual housing requirement specified within the Shropshire Core Strategy trajectory for the phased release of housing land across the plan period:

Table 9: Housing Completions in Shropshire (2006/07 - 2014/15)

Financial Year	Annual Requirement*	Housing Completions	Over/under provision	Cumulative provision
2006/07	1,190	1,228	+38	+38
2007/08	1,190	1,106	-84	-46
2008/09	1,190	1,265	+75	+29
2009/10	1,190	1,112	-78	-49
2010/11	1,190	984	-206	-255
2011/12	1,390	724	-666	-921
2012/13	1,390	847	-543	-1,464
2013/14	1,390	1,079	-311	-1,775
2014/15	1,390	1,155	-235	-2,010

*Identified using the housing trajectory from the supporting text of Policy CS10 of the Core Strategy.

5.21. Table 9 demonstrates that, to date, in seven of the nine years of the Core Strategy plan period (2006/07-2014/15), housing completions in Shropshire have been below the identified annual housing requirement, despite the availability of land for housing development.

5.22. The Core Strategy and SAMDev Plan for Shropshire, intend to achieve the specified housing requirement through the allocation of appropriate sites and identification of appropriate windfall policies (as documented within Appendix C). Despite this the annual housing requirement is in the majority of years, not being achieved. It can be concluded that the ambitious housing requirement for Shropshire is not being achieved due to insufficient housing need; demand; and/or market conditions. **It can also be concluded that policies seeking to achieve a high housing requirement would not have constrained housing delivery.**

Past Housing Need Forecasts

5.23. The NPPG recognises that SNHP's are "statistically robust and are based on nationally consistent assumptions"[31]. It is therefore appropriate to consider the implications of past planning policy and past delivery in the context of the need identified within these projections.

5.24. Whilst there have been various SNHP's produced over the last twenty years, the most relevant household projection data sets for the period over which past planning policy and delivery have been considered for the purpose of this exercise are the 2008-based SNHP (as they were published prior to the adoption of the Shropshire Core Strategy) and the 2012-based SNHP (as they are the most recent).

5.25. The 2008-based SNHP anticipated that within Shropshire the number of households between 1996 and 2013 (data was unavailable for 2014) would increase by some 16,000. Actual delivery rates in Shropshire exceeded these projections, with 20,051 dwellings (to meet the needs of these households) delivered over this period. Interestingly over the same period, the housing requirement specified first within the Shropshire Structure Plan and then within the Shropshire Core Strategy was significantly higher at 22,720.

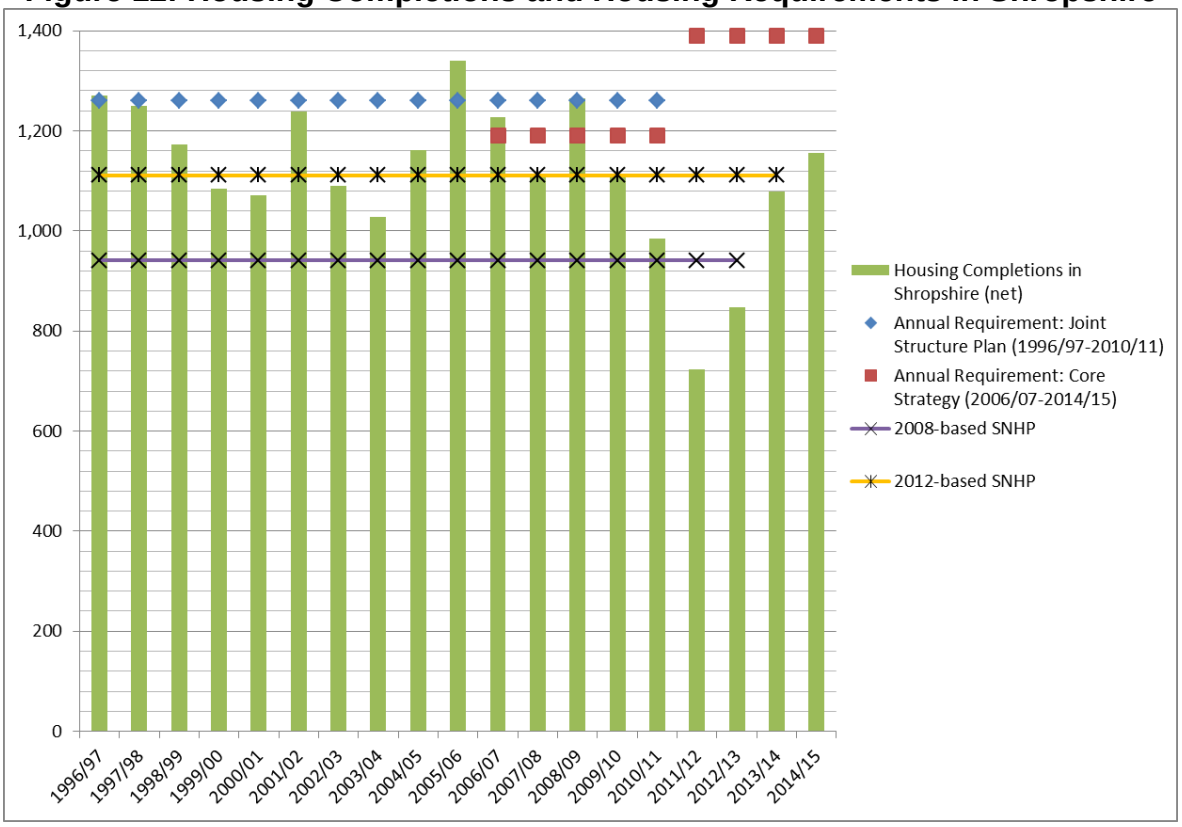
[31]CLG, NPPG, Paragraph 17, Permalink ID 2a-017-20140306, 06/03/2014

5.26. The most recent 2012-based SNHP specified that within Shropshire the number of households would increase by some 20,000 between 1996 and 2014. Actual delivery rates in Shropshire exceeded these projections, with 21,206 dwellings (to meet the needs of these households) delivered over this period. Again, over this same period, the housing requirement specified first within the Shropshire Structure Plan and then within the Shropshire Core Strategy was significantly higher at 24,110.

5.27. Figure 12 presents a comparison of:

- The annual housing requirements within the Joint Structure Plan (1996/97 – 20010/11) and Core Strategy (2006/07 – 2014/15) (using the trajectory from within the supporting text of Policy CS10);
- The annual housing completions achieved in Shropshire (net) (1996/97 – 2014/15);
- The 2008-based SNHP; and
- The 2012-based SNHP.

Figure 12: Housing Completions and Housing Requirements in Shropshire



5.28. Figure 12 clearly indicates that housing requirements within past Development Plans well exceed the housing need projected within the 2008-based SNHP and 2012-based SNHP, whilst actual delivery for the majority of years (and averaged over the period) lies somewhere in between. **This endorses the conclusion that housing requirements within past Development Plans exceeded housing need and in attempting to achieve these requirements planning policies could not be considered to have constrained development.**

Conclusion

5.29. From at least the late 1990's until present day, an ambitious housing requirement has been established for Shropshire (firstly within the Joint Structure Plan and more recently within the Core Strategy), which well exceeded levels required to meet the housing need expected within the 2008 and 2012-based SNHP's. It is therefore apparent that the housing requirements in Shropshire were driven by strategic

objectives, rather than housing need[32]. Consequently, whilst past rates of housing delivery may have fallen short of these ambitious housing requirements, they have exceeded the housing need projected within both the 2008-based and 2012-based SNHP.

5.30. Housing delivery rates experienced over at least the last 19 years have not been constrained by planning policy, on the contrary, firstly the predecessor District/Borough Councils and more recently Shropshire Council has consistently made available an appropriate amount of deliverable land for housing development and provided policies to allow windfall development in appropriate locations, it can therefore be concluded that the ambitious housing requirement for Shropshire has not been achieved due to insufficient housing need; demand; and/or market conditions. **Consequently the 2012-based SNHP are unlikely to have underestimated the housing need in Shropshire as a result of past planning policies operating in Shropshire.**

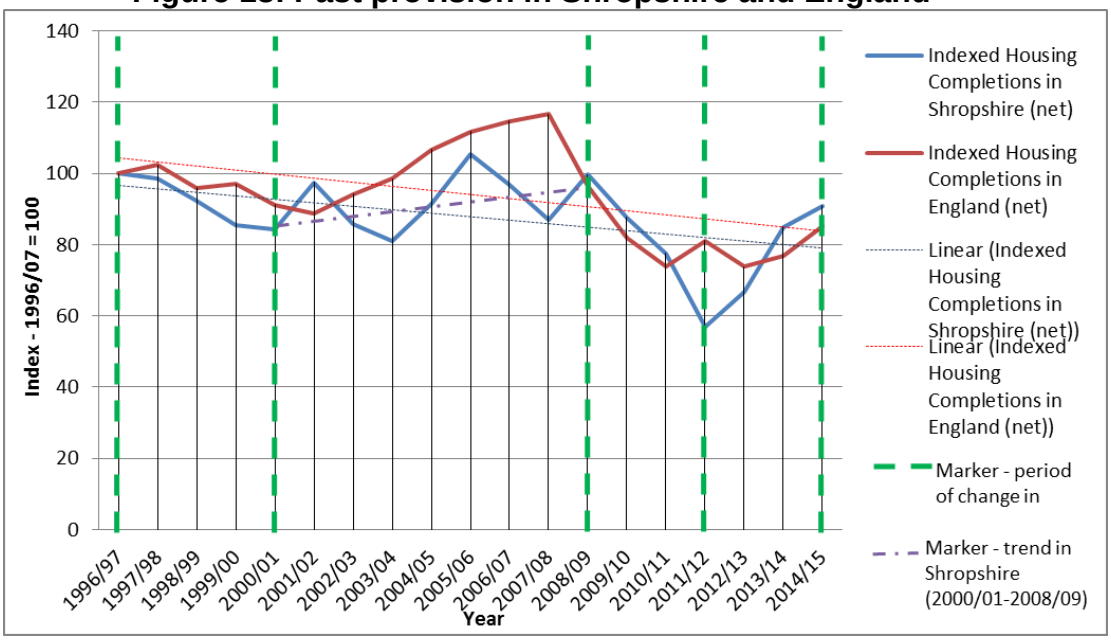
Implications of Past Provision

Introduction

5.31. Whilst it is considered that past planning policies in Shropshire have not constrained housing delivery, there is still a need to consider whether the trends in past housing delivery rates for Shropshire are consistent with or diverge from those experienced nationally.

5.32. Figure 13 provides an indication of the rate of housing delivery in Shropshire compared to those experienced in England over the period from 1996/97 to 2014/15.

Figure 13: Past provision in Shropshire and England



5.33. Figure 13 indicates that:

- Over the period from 1996/97 - 2000/01 in Shropshire and 1997/98 - 2001/02 in England, there was generally a downward trend in the numbers of dwellings completed.

[32]There is evidence supporting this conclusion within the Panel Report on the Examination in Public of the West Midlands Regional Spatial Strategy (2009) (RSS), which indicates that the preferred housing option for Shropshire within the RSS was some 25,700, however this was increased to 27,500 in order to support the delivery of additional affordable housing.

- Over the period from 2000/01 - 2008/09 in Shropshire and 2001/02 – 2007/08 in England, there was generally an upturn in the numbers of dwellings completed, reflecting the economic boom of the early-mid 2000's. Within Shropshire this period of upturn was characterised by a general increase (as indicated by the purple trend line) consisting of sudden increases and decreases in the numbers of dwellings, rather than the steady increase experienced nationally, perhaps reflecting the rural nature of Shropshire.
- Over the period from 2008/09 – 2011/12 in Shropshire and 2007/08 – 2010/11 in England, there was generally a period of decline in the number of dwellings completed, reflecting the worst period of the economic downturn which significantly affected the Shropshire market.
- Over the period from 2011/12 – 2014/15 in Shropshire and 2010/11 – 2014/15 in England, there was generally a period of upturn in housing completion rates, reflecting the gradual emergence from the worst of the economic downturn.
- **The average trend between 1996/97 and 2014/15 in both Shropshire and England (as indicated by the blue and red linear trend lines), is a reduction in the number of dwellings completed annually. The rate of this reduction is generally consistent in Shropshire and England, showing that Shropshire is also affected by the national challenges confronting housing delivery.**

Conclusion

5.34. It is apparent from Figure 13 that the housing delivery trend experienced in Shropshire is relatively consistent with that experienced nationally (albeit the downturns/upturns tend to affect Shropshire slightly earlier or later than the national average, probably as a result of local market conditions).

5.35. **This would support the conclusion that past housing delivery rates experienced in Shropshire are driven by housing need; demand; and/or market signals, as is the case nationally. Therefore housing delivery has not been constrained within Shropshire, or at least the level of constraint is consistent with that experienced nationally. This supports the conclusion that the 2012-based SNHP are unlikely to have underestimated the housing need in Shropshire.**

6. Market Signals

Introduction

6.1. Whilst the NPPG recognises that the 2012-based SNHP are the starting point for an assessment of FOAHN, it also recognises the importance of considering current Market Signals and how these may affect housing needs: *"the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings"*[33].

6.2. Consideration of market signals is necessary as they provide an indication of the balance between the demand for and supply of housing and crucially allow for the consideration of changing circumstances that may not have been apparent within the data which informed the 2012-based SNPP and 2012-based SNHP. This is relevant as:

- SNPP's are prepared using five years' worth of trend data on births, deaths and migration. This means that the 2012-based SNPP is influenced by trends that occurred between 2007 and 2012.
- The SNHP utilise a combination of two fitted trends through the available Census points (1971, 1981, 1991, 2001 and 2011). Some inconsistencies in definitions with the 2011 Census have been overcome by using age profile information from the Labour Force Survey (LFS) and previous SNHP's.

6.3. Therefore in determining a FOAHN, the NPPG requires Local Authorities to consider market signals as an indication of whether there is a need to make an adjustment to household formations in order to reflect additional housing need beyond that identified within the SNHP's.

6.4. In order to analyse market signals, there is a need to consider:

- The implication of the current rate of the market signal in Shropshire (based on most recent appropriate data);
- Changes to each market signal in Shropshire (trends); and
- Comparison of the market signal in Shropshire with the national average and comparable areas (comparison to conditions elsewhere).

6.5. Analysis of actual levels of each market signal provides an indication of current conditions.

6.6. Analysis of trends in Shropshire indicates how conditions are changing and whether any changes are being caused by the over/under-supply of housing. This is particularly valuable, as it provides an indication of the changing circumstances in the period after the 2012-based SNPP and 2012-based SNHP were produced.

6.7. Analysis of how conditions in Shropshire compare to the national average and comparable Local Authorities (Local Authorities adjoining Shropshire, with Telford and Wrekin and Herefordshire having the greatest synergy with Shropshire), indicates whether Shropshire experiences consistent trends, and if not, whether the circumstances in Shropshire relate to the over/under-supply of housing.

6.8. This approach is consistent with the guidance provided within the NPPG, which recognises the need to undertake *"comparison with longer term trends (both in absolute levels and rates of change) in the housing market area; similar demographic and economic areas; and nationally"*[34].

[33] CLG, NPPG – Paragraph: 019, ID 2a-019-20140306, Last updated: 06/03/2014
[34] CLG, NPPG – Paragraph: 020, ID 2a-020-20140306, Last updated: 06/03/2014

6.9. The NPPG identifies a range of market signals that should be considered as part of this exercise. Unfortunately due to data availability, not all of the market signals suggested provide a useful indicator of the balance between housing demand and housing supply. The market signals considered as part of this exercise are summarised within Table 10:

Table 10: Market Signals in Shropshire

Market Signals	Summary
Land prices	Price paid for land.
House purchase prices	Price paid to purchase a residential property.
Private Market Rents	Price paid to rent a residential property.
Affordability	The affordability of residential properties (based on affordability ratios).
Over-occupation	The number of over-occupied households.
Concealed Households	The number of concealed households.
Temporary Accommodation	The number of people living within temporary accommodation.
Homelessness	The number of homeless people.
Repossessions	The number of properties repossessed.

Summary

6.10. Tables 11-14 provide a summary of the market signals considered and the findings of the analysis. A more comprehensive analysis of each of these market signals is provided within Appendix D of this report.

Table 11: Data - Key Market Signals: Comparison of Shropshire to the national average and comparable Local Authorities

	House Purchase Price[35]			House Rental Price[36]			Median Private Sector Monthly Rent as a % of Gross Monthly Salary - *2014*[37]		Affordability Ratio[38]			
	***Median* (2014) (£)**	***Change* (04-14) %**	***Rank Median HP***	***Median* (2011) (£)**	***Median* (2015) (£)**	***Rank 2015***			***Lower Quartile* (2009)**	***Lower Quartile* (2013)**	***Change* (09-13) %**	***Rank 2013***
Cheshire West & Chester	170,000	18.9	6	550	595	Joint 2	31.24	9	6.57	6.57	0.0	8
Cheshire East	185,000	23.3	3	550	595	Joint 2	31.76	8	6.55	6.61	0.9	7
East Staffordshire	149,000	24.2	11	485	495	Joint 6	29.57	11	5.37	5.73	6.6	10
Herefordshire	190,000	16.6	2	550	550	Joint 3	36.11	2	8.49	8.56	0.8	1
Malvern Hills	216,855	16.0	1	575	600	1	39.03	1	7.98	7.62	-4.5	2
Newcastle-Under-Lyme	130,000	30.0	14	475	475	7	27.75	13	5.57	5.17	-7.1	12
Powys	160,000	15.7	9									
Shropshire	**177,000**	**18.0**	**5**	**525**	**550**	**Joint 3**	**33.54**	**5**	**7.88**	**7.20**	**-8.7**	**3**
South Staffordshire	177,995	16.2	4	550	595	Joint 2	32.41	7	7.76	6.50	-16.2	9
Stafford	165,000	17.9	8	510	540	4	28.53	12	6.51	6.69	2.8	6
Telford & Wrekin	145,000	22.9	12	525	550	Joint 3	34.19	4	6.28	5.62	-10.5	11
Wolverhampton	124,500	24.5	15	475	495	Joint 6	30.19	10	5.16	4.68	-9.4	13
Worcester	170,000	20.6	7	550	595	Joint 2	32.57	6	7.22	7.15	-1.0	5
Wrexham	135,000	14.4	13									
Wyre Forest	155,000	12.6	10	500	525	5	34.72	3	6.94	7.18	3.5	4
Worcestershire				*550*	*595*				*7.27*	*7.43*	*2.2*	
Staffordshire				*500*	*525*				*6.15*	*6.06*	*-1.5*	
West Midlands	*168,000*	*23.9*		*500*	*550*							
England & Wales												
England	*217,000*	*36.5*		*575*	*600*				*6.45*	*6.28*	*2.8*	

[35]ONS, House Price Statistics for Small Areas in England and Wales: 1995 to 2014, www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housepricestatisticsforsmallareasinenglandandwales/2015-06-24/relateddata

[36]Valuation Office Agency, Private Rental Market Statistics - Table 2.7: Summary of monthly rents, www.gov.uk/government/statistics/private-rental-market-summary-statistics-england-2014-15, *Please note: House Rental Price data is not suitable for measuring change due to changing sample composition*

[37]ONS, Table 6: Median monthly private sector rent as a % of median gross monthly salary by Local Authority district, England, 2014 – Summary Measures Data www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-411659

[38]CLG, Table 576: Ratio of lower quartile house price to lower quartile earnings by district from 19971-7, www.gov.uk/government/statistical-data-sets/live-tables-on-housing-market-and-house-prices

Table 12: Summary - Key Market Signals in Shropshire

Market Signals	Summary
Land prices	Necessary data for this indicator has not been available since 2010. Therefore it is difficult to draw any up-to-date conclusions.
House prices *Is an imbalance between supply and demand causing high levels of house price growth?*	• Median house price £177,000, compared to £217,000 nationally. • 5th highest median house price relative to comparator Authorities. • 6% growth in median house price 2009-2014, 9th relative to comparator Authorities and substantially below national growth of 18.7%. • Long-term growth (2004-14) of 18.0% in median house price, less than half the growth experienced nationally and 8th relative to comparator Authorities.
	The experience nationally and in nine of the listed Local Authorities has been higher levels of growth than Shropshire between 2009 and 2014. The absence of a high rate of growth in house prices reflects a period of house price stability in Shropshire, which has had a positive impact on affordability levels. This trend does not indicate that a lack of supply is increasing competition and unreasonably pushing up house prices. Lower house price inflation suggests rising house prices have not hindered household formation in Shropshire in recent years.
Private Market Rents *Is an imbalance between supply and demand causing high levels of growth in private market rents?*	• Median rental value £550 per month – year ending Sept-2015. • 32% below the national average of £625. • 6th relative to comparator Authorities, level with Herefordshire and Telford & Wrekin. • Median rent – increased by £25 during 2012-2013. • Median rent remained stable 2013, 2014 and 2015. *Four years of data is available however changes in sample composition mean it is not possible to determine if change is as a result of changing market conditions.*
	Monthly costs associated with renting a median priced dwelling in Shropshire remained stable in the last three years. Comparison nationally and with identified comparator Authorities shows Shropshire to be relatively affordable. This evidence does not suggest that rental prices are being forced upwards by a lack of supply or that prices have increasingly suppressed household formation.
Affordability *Are housing costs becoming less affordable due to an imbalance of supply and demand? Has housing affordability increasingly hindered household formation? Is there an unmet housing need that is not reflected in the 2012-based SNHP?*	• Shropshire has the 3rd highest affordability ratio (AR) (7.20) of the comparator Authorities and is above the national average of 6.45. • Rates of change in ARs have slowed and then declined in Shropshire; 1999-2003 (0.52), 2003-2009 (0.23), 2009-2013 (-0.09). • Rate of change during 1999-2013 (0.71) relative to 0.74 nationally.
	Shropshire's AR shows accessibility to affordable housing for low income households is challenging. This indicates a higher level of affordable housing need amongst lower income households compared with comparator Authorities and nationally. A separate assessment of affordable housing need in Shropshire has been undertaken within Section 8: Affordable Housing Need in Shropshire. Improvements in Shropshire's AR (starting prior to the recession) suggest that private sector housing costs in Shropshire are becoming slightly more affordable to low income households. This indicates that the supply of housing has not led to worsening affordability trends in recent years. Improving levels of affordability since 2007 have not signalled worsening levels of unmet housing need that is not reflected in the preparation of the 2012-based SNHP. The absence of rising 'unmet housing need' caused by an imbalance of housing supply and demand shows that there is no need to upwardly adjust formation rates within the 2012-based SNHP, to accommodate an additional supply of housing.

Table 13: Data - Key Market Signals: Comparison of Shropshire to the national average and comparable Local Authorities

	Concealed Families[39]			Over-occupation[40] *(Households)*			Temporary Housing[41]		Accepted as Homeless[39]	
	% (2011)	*Change (2001-11)*	*Rank 2011*	*% (2011)*	*Change (2001-11)*	*Rank 2011*	*April 2014-March 2015 (rate per 1,000 households)*	*Rank 2015*	*April 2014-March 2015 (rate per 1,000 households)*	*Rank 2015*
Cheshire West & Chester	1.2	40.7	12	4.2	12.6	12	0.27	6	0.63	10
Cheshire East	1.1	60.2	15	3.6	19.5	9	0.20	7	0.64	9
East Staffordshire	1.7	90.6	3	5.1	44.9	1	0.18	8	2.30	4
Herefordshire	1.5	87.0	5	5.3	34.0	4	0.66	3	1.44	7
Malvern Hills	1.2	38.6	11	3.4	11.4	14	0.18	9	1.55	6
Newcastle-Under-Lyme	1.1	39.4	14	4.2	12.2	13	n/a	n/a	0.19	13
Powys	1.3	52.7	8	3.6	21.4	7				
Shropshire	**1.3**	**67.7**	**10**	**4.0**	**28.4**	**5**	**0.59**	**4**	**1.81**	**5**
South Staffordshire	1.5	69.0	6	3.3	4.1	15	n/a	n/a	0.60	11
Stafford	1.2	77.9	13	3.8	41.9	2	n/a	n/a	0.39	12
Telford & Wrekin	1.7	100.2	2	5.2	21.0	8	0.91	2	1.15	8
Wolverhampton	3.2	45.6	1	8.1	26.0	6	0.55	5	3.21	3
Worcester	1.5	40.1	4	6.9	37.3	3	1.09	1	3.97	1
Wrexham	1.4	88.4	7	4.8	14.8	11				
Wyre Forest	1.3	33.7	9	4.5	15.4	10	n/a	n/a	3.24	2
Worcestershire	*1.4*	*51.7*		*4.8*	*25.6*					
Staffordshire	*1.3*	*65.5*		*4.0*	*22.1*					
West Midlands	*2.2*	*60.8*		*6.8*	*29.1*					
England & Wales	*1.8*	*70.4*		*8.5*	*32.1*					
England	*1.9*	*71.1*		*8.7*	*32.3*		*0.85*		*2.4*	

[39]ONS, 2011 Census Table LC1110EW – Concealed Family Status and 2001 Census CAS Table CSO11 – Family Status, www.nomisweb.co.uk/
[40]ONS, 2011 Census Table KS403EW - Rooms, bedrooms and central heating and 2001 Census Table UV059 Occupancy, www.nomisweb.co.uk/
[41]CLG, Table 784: Local Authority Summary, www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness

Table 14: Summary – Other Market Signals in Shropshire

Market Signals	Summary
Over-occupation *Do changes in levels of over-occupation demonstrate a rising unmet need for affordable housing? Is there a need for additional planned housing supply?*	• 4.0% of households in Shropshire live in a home with an occupancy rating of -1 or less, over 50% less than nationally (8.7%). • This represents a 28.4% rise in Shropshire between the 2001 and 2011 Censuses. • 5th highest rise when measured against selected comparator Authorities and below the regional and national average. • Conversely, 83.6% of households in Shropshire live in a home with an occupancy rating of +1 or more, significantly higher than nationally (72.6%). • This is a 10% rise in Shropshire between 2001 and 2011 Censuses. • This level of change is the 2nd highest relative to the selected comparator Authorities.
	An occupancy rating of -1 or less indicates households living in over-occupied accommodation, whilst an occupancy rating of +1 or more indicates households living in under-occupied accommodation. As the level of over-occupation in Shropshire is significantly less than the regional and national averages, there is no evidence of a factor specific to Shropshire which is significantly increasing over-occupation; therefore change is likely to relate to national factors such as changes in living/family structures; and changes to individuals' aspirations. The other potential factor is increased numbers of concealed households; this will be considered in the relevant section below. As the level of under-occupation in Shropshire is significantly higher than the regional and national averages, it may be influenced by both national and local factors, including changes in living/family structures; and changes to individuals' aspirations.
Concealed Households *Do changes in the number of concealed households demonstrate a rising unmet need for affordable housing? Is there a need for additional planned housing supply?*	• 1.3% of families in Shropshire have concealed household status (7th highest out of the comparator Authorities.) • This is a rise of 67.7% between the 2001 and 2011 Censuses (Shropshire is the 10th highest out of comparator Authorities). • 2001-2011 Censuses - a significant rise (67.7%) in the number of concealed families in Shropshire but below the level of change experienced nationally and in Telford and Wrekin and Herefordshire.
	The evidence of increasing concealment suggests the number of concealed households (data is for families) may be increasing. However, the rate of increase in Shropshire is below the national trend and the percentage of over-occupied households remains below both the national and regional averages. There are a number of potential causes of the increase to the number of concealed households, such as: changes to living/family structures; multiple households living together as a single household out of choice or to provide care/support; changes to individuals' aspirations; or inability to access appropriate housing. It should be noted though that the infrequency of available data makes it difficult to identify when the most significant rise occurred or what has changed since the last 2011 Census.
Homelessness *Do changes in the number of households accepted as homeless and in priority need demonstrate unmet need for housing?*	• 1.81 households per thousand were accepted as homeless between April 2014 and March 2015 in Shropshire relative to 2.4 nationally. • Shropshire ranks 5th highest of the comparator Authorities. • There are 247 households per year on average accepted as homeless.
	The evidence doesn't show worsening homelessness in Shropshire beyond reasonable fluctuations in actual numbers. In relative terms, rates of homelessness have improved in Shropshire during 2009-2015 and Shropshire remains below national levels. The absence of a worsening trend suggests that there has not been a build-up of unmet housing need that has impacted heavily on levels of homelessness. However there remains a fairly consistent number of homeless households in Shropshire who need access to 'affordable, decent and secure housing.'

Temporary Accommodation *Do changes in the number of households living in temporary accommodation demonstrate unmet need requiring additional planned housing?*	• 0.59 households per thousand were placed in temporary accommodation between April 2014 and March 2015. • This means Shropshire ranks 4th highest out of nine comparator Authorities but is well below the levels in England, Telford and Wrekin and Herefordshire. • There are 71 households per year on average in temporary accommodation. • Average annual percentage change (2009-2015) - 2.8 (4.9 nationally).
	The average number of households (71) occupying temporary accommodation in Shropshire per year gives some indication of consistent need for affordable housing. In real terms there is no evidence to suggest that numbers are worsening over time. Comparison of rates per 1,000 population with England, Herefordshire and Telford & Wrekin shows Shropshire has significantly lower rates during 2009-2015 than these comparators. This evidence does not reflect any build-up of unmet need in recent years that is not already reflected in the 2012-based SNHP.
Repossessions *Do changes in the number of repossessions signal worsening affordability of housing costs?*	• In 2014 repossessions represented 0.9 per thousand dwellings in Shropshire representing less than half the national figure of 1.9 and placing Shropshire 9th relative to its comparison Local Authorities.
	The long-term trend (2003-2014) in repossession actions is a 59.7% increase in Shropshire. However in more recent years (2008-2014) there has been a reduction of 33.2%. These trends mirror trends in the affordability ratio, increasing historically and more recently reducing. These repossession trends are also consistent with national trends and this suggests that there has not been a build-up of additional need that is not already reflected in the assumptions used in the 2012-based SNPP and the 2012-based SNHP. Indeed, the more recent trend endorses the conclusion that housing is becoming more affordable.

Conclusion

6.11. There is no single formula or methodology that can be used to establish the implications of market signals. Furthermore, market signals will predominantly, have been influenced by relatively recent housing market trends which, arguably, have had a degree of volatility. Nevertheless, on the basis of the market signals evidence, the indicators show that there is no evidence that conditions are significantly worsening from those which informed the 2012-based SNHP. In addition, the circumstances in Shropshire are generally better than within many comparator Authorities and across England as a whole. **Given this context, it is reasonable to conclude that there is no need to substantially increase the FOAHN in Shropshire in response to market signals.**

6.12. The analysis of the key market signals: house prices; monthly rental costs; and affordability ratios indicates that there is no additional housing need from that already reflected in the 2012-based SNHP assumptions. Indeed, across all these data sets, there have been marked improvements compared to conditions experienced nationally. These key market signals are summarised within Table 15.

Table 15: Conclusion on Key Market Signals

House prices
The experience nationally and in nine of the identified comparator Local Authorities has been of higher levels of growth than those experienced in Shropshire. The absence of a high rate of growth in house prices in Shropshire between 2009 and 2014 does not indicate that a lack of supply is increasing competition and unreasonably pushing up house prices. Lower house price inflation suggests rising house prices have not hindered household formation in Shropshire in recent years and supports the conclusion that no additional housing need has arisen that is not already reflected in the 2012-based SNHP assumptions. ***Therefore no adjustment is required to the 2012-based SNHP in response to this indicator.***

Private Sector Monthly Rental Prices
Monthly housing costs associated with renting a median priced dwelling in Shropshire do not seem to have worsened in the last three years. Comparison nationally and with identified comparator Local Authorities shows Shropshire to be relatively affordable. This evidence does not suggest that rental prices are being forced upwards by a lack of supply. Consequently it can be concluded that rental prices in Shropshire do not indicate an imbalance between demand for and supply of housing, or that additional housing need has arisen that is not already reflected in the 2012-based SNHP assumptions. ***Therefore no adjustment is required to the 2012-based SNHP in response to this indicator.***
Affordability
Improvements in Shropshire's Affordability Ratio (starting prior to the recession) for purchasing properties, supported by the relative affordability of rental properties in Shropshire, suggest that affordability levels on their own have not significantly suppressed household formation in recent years. ***Changing levels of affordability have not created a worsening unmet need that is not reflected in the 2012-based SNHP. For this reason there is no need to upwardly adjust the 2012-based SNHP when producing an assessment of housing need for Shropshire as this improving market signal does not indicate that there is a need for additional housing as there has not been any significant worsening of affordability levels.***   *However, despite the improvements, affordability ratios remain relatively high in Shropshire, indicating a high level of affordable housing need. A separate assessment of affordable housing need in Shropshire has been undertaken and summarised within Section 8: Affordable Housing Need in Shropshire, of this report.*

6.13. The analysis of the majority of the wider market signals supports the conclusion that there is little evidence that additional housing need has arisen that is not already reflected in the 2012-based SNHP. However this analysis is somewhat limited by the infrequency of available data across many of these indicators, which makes it impossible to identify when changes occurred within the ten year period between each data sample (linked to Censuses) or what has changed since the last data sample (2011 Census). Despite this, an adjustment in response to the increased number of concealed households formed between 2001 and 2011 is considered appropriate. These wider market signals and the associated adjustments are summarised within Table 16.

Table 16: Conclusion on Wider Market Signals

Over-occupied Households
Within Shropshire the number of over and under-occupied households has increased between the 2001 and 2011 Censuses. However, whilst the level of increase to over-occupied dwellings was significantly lower than that experienced regionally and nationally, the increase to under-occupied dwellings was twice the level of growth to that experienced regionally and nationally.   *This suggests that increases to over-occupied households are likely to relate to national factors, such as changes in living/family structures; and changes to individuals' aspirations. The other potential factor is increased numbers of concealed households; this will be considered in the relevant section below.*   *Ultimately of the potential factors causing increases to the number of over-occupied households, it is only concealed households which could have implications for the FOAHN. Other factors causing over-occupied households are likely to be an issue which is addressed when considering the type rather than amount of housing.*   ***Therefore it is not considered appropriate to make an adjustment in relation to this indicator.***
Concealed Households (families)
The evidence of increasing concealment suggests the number of concealed households (data is for concealed families) may be increasing, however it should be noted that the infrequency of available data makes it impossible to identify when the most significant rise occurred or what has changed since the last 2011 Census. Therefore whilst this inter-censal increase would have been

apparent within the data that informed the 2012-based SNHP, it is not possible to determine whether changes have occurred since the base date for the 2012-based SNHP which have resulted in unmet housing need not considered within the data set. Furthermore the rate of change experienced in Shropshire is less than both the national average and the majority of the identified comparator Local Authorities.

However, it is considered appropriate to make an adjustment to the 2012-based SNHP, equating to the number of additional concealed households formed within the inter-censal period in order to reduce the number of concealed households. ***This represents an increase of 458 households or approximately 478 dwellings in Shropshire between 2016 and 2036.***

Homelessness

Evidence does not indicate worsening homelessness in Shropshire beyond reasonable fluctuations in actual numbers. In relative terms, rates of homelessness have improved in Shropshire between 2009 and 2015 and Shropshire remains below national levels. ***The absence of a worsening trend suggests that there has not been a build-up of unmet housing need that has impacted heavily on levels of homelessness, consequently it is not considered appropriate to adjust the 2012-based SNHP in Shropshire in response to this indicator.***

Households in Temporary Accommodation

There is no evidence to suggest that the number of households in temporary accommodation is worsening over time; indeed comparison of rates per 1,000 population with England, Herefordshire and Telford & Wrekin shows Shropshire had significantly lower rates between 2009 and 2015. ***This evidence does not reflect any build-up of unmet need in recent years that is not already reflected in the 2012-based SNHP. Consequently no adjustment is required to the 2012-based SNHP in response to this indicator.***

Repossessions

The long-term trend in repossession actions indicates rates have risen by 59.7% in Shropshire, potentially reflecting the high affordability ratios experienced in the County. However reductions between 2008 and 2014 (equating to 33.2%) may in part reflect improvements in affordability levels since 2007.

Ultimately these trends are consistent with national trends and this suggests that there has not been a build-up of additional need that is not already reflected in the assumptions used in the 2012-based SNHP. Therefore no adjustment is required to the 2012-based SNHP in response to this indicator.

6.14. **In conclusion, analysis of market signals for Shropshire suggests that there is no need to substantially increase the 2012-based SNHP for the purpose of identifying the FOAHN in Shropshire.**

6.15. **However, an adjustment is proposed in order to reduce the number of concealed households. This adjustment will equate to the number of additional concealed households formed within the inter-censal period (between 2001 and 2011). This represents an increase of 458 households or approximately 478 dwellings in Shropshire between 2016 and 2036.**

7. Other Potential Adjustment Factors

Introduction

7.1. The NPPG specifies that *"the household projections produced by CLG are statistically robust and are based on nationally consistent assumptions"*[42]. However, the guidance also recognises that *"the household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends"*[42].

7.2. Although the assessment of past provision and market signals is the primary method by which these factors are identified, to ensure robustness, Shropshire Council has undertaken an analysis of other factors which could potentially have resulted in the 2012-based SNHP under-estimating housing need in Shropshire.

Analysis

7.3. This analysis can be divided into two categories, these are:

- *Statistical sensitivity of the data underlying demographic projections and household formation rates* (summarised within Table 17a); and
- *Local circumstances not captured by past trends (summarised within Table 17b).*

A more comprehensive summary is available within Appendix E.

Table 17a: Other Adjustment Factors

Statistical sensitivity of the data underlying demographic projections and household formation rates

Analysis	Adjustment
Potential Adjustment Factor: Updated population and/or household projections	
This assessment is informed by the 2012-based SNPP (as these have been translated into SNHP) and the 2012-based SNHP. Since the publication of the 2012-based SNPP, a further set of SNPP's has been published in 2014 (the 2014 release does not yet include the detailed data used in preparing the assumptions). The 2012-based SNHP were at the time of publication the most up to date household projections, although 2014-based SNHP are anticipated later this year.	Updated SNPP's have not significantly varied population projections from those within the 2012-based projections which inform this assessment. Furthermore, the detailed data used by ONS in preparing the 2014-based SNPPs and the associated 2014-based SNHP are yet to be published, these are expected later this year. Consequently it is not considered appropriate to make an adjustment in relation to these updated data sets. However following publication of the detailed data used in preparing the 2014-based SNPP and the 2014-based SNHP, the need to review this assessment will be considered – it must be noted that the Local Plan evidence base should be proportional and projections are not out of date simply because new projections are produced.
Potential Adjustment Factor: Modelling anomalies within the data	
There is no evidence of modelling anomalies within the 2012-based SNPP or the 2012-based SNHP for Shropshire.	As there is no evidence of modelling anomalies within the data utilised in this assessment (for Shropshire), no adjustment is required in relation to this factor.
Potential Adjustment Factor: Migration rates	
Migration rates utilised to inform the 2012-based SNPP and 2012-based SNHP are based on a five year period (2007-2012). Best practice guidance also recommends consideration of a longer term migration trend (ten years) as it may provide a more stable and robust assessment.	In order to determine whether a five or ten year migration trend is more representative of likely migration rates in Shropshire over the period from 2016-2036, both migration trends will be modelled and then the most appropriate utilised to inform the FOAHN for Shropshire.

[42] CLG, NPPG – Paragraph: 015, Reference ID 2a-015-20140306, 06/03/2014

Analysis	Adjustment
Potential Adjustment Factor: Unattributable population change (UPC)	
UPC is the term for the element of population change that was unaccounted for between the 2001 and 2011 Census. Most experts, including the ONS themselves consider that UPC is associated with: • *Errors in population estimates based on either or both of the 2001 and 2011 Censuses.* • *Levels of migration (internal and international), as:* *- There are efficient registration systems for births and deaths in the UK, but migration cannot be measured directly, rather it is estimated from indirect and incomplete data, such as GP registrations.* *- In the first half of the 2000's, International Passenger Surveys did not cover the arrivals of budget airline flights from Eastern Europe at regional airports.* In reality UPC is likely to have resulted from a combination of these factors. The ONS determined to exclude UPC from the 2012-based SNPP's for a variety of reasons, including: 1. It is uncertain what caused UPC, so *"methodologically, this would be difficult to adjust for.* 2. *UPC is unlikely to be seen in continuing sub-national trends.* 3. *Quality assurance of the 2012-based SNPP did not reveal any problems indicating that adjustments for UPC are necessary"*[82]. Due to the conclusions reached by the ONS regarding UPC, the 2012-based SNHP also exclude UPC from its projections. Whilst the NPPG recognises there may be a need to make adjustments the 2012-based SNHP to *reflect "local demography and household formation rates which are not captured in past trends"*[85], no reference is made to the need to make adjustments for UPC, which is a national issue. Therefore it can be concluded that when undertaking an assessment of FOAHN, an adjustment is not required for UPC. Having considered the specific circumstances in Shropshire there is no evidence to suggest an approach differing from that undertaken nationally is appropriate.	Having considered the specific circumstances in Shropshire there is no evidence to suggest an approach differing from that undertaken nationally is appropriate. Indeed, within Shropshire when each factor is considered in turn, it could be concluded that the majority of UPC in Shropshire is more likely to be attributable to inaccuracies in the 2001 Census than the other potential factors, as: • During the 2001 Census, Shropshire was subject to an outbreak of the disease 'foot and mouth'. This restricted travel in rural areas (Shropshire is predominantly rural) which could well have had significant implications for Census returns. Despite this, according to the ONS, response rates in Shropshire exceeded 95%, which is considered very high given the presence of 'foot and mouth'. It may therefore be that response rates were actually significantly lower than this and therefore UPC may well be included within this inaccuracy. • The ONS recognise that there has been improvement to the methodology between the 2001 and 2011 Censuses. • Annual levels of international migration experienced in Shropshire are relatively low (net international migration averaged only 161 people coming into Shropshire each year, between 2001 and 2011 – whilst rates since 2011 have been consistently lower than this average) and all adjustments made to these figures since 2001 have resulted in them decreasing. • Records on internal migration in the inter-censal period (2001-2011) were more accurate than for international migration and it is again considered unlikely that anything but a small portion of UPC would be attributed to internal migration. If this is the case then it would not be appropriate to make an adjustment as these inaccuracies would not affect future trends. Even if this is not the case it remains inappropriate to make adjustments as there is no certainty about what factors did cause UPC. Furthermore any adjustments for UPC would have implications for population's statistics for other parts of the Country. Sensitivity testing has since confirmed that an adjustment for UPC is inappropriate.
Potential Adjustment Factor: Household Representative Rates (HRR's)	
HRR's are the factor that turns population into households. The 2012-based SNHP provide a new set of HRR's, which are recognised as the best available (within best practice guidance) and the 2012-based SNHP are endorsed within the NPPG.	The HRR's which inform the 2012-based SNHP are recognised as the best available. However it has been considered appropriate to make an adjustment in relation to the increased number of concealed households arising in the inter-censal period. Further details are available within Chapter 6: Market Signals.

Table 17b: Other Adjustment Factors

Local circumstances not captured by past trends

<table>
<tr><th>Analysis</th><th>Adjustment</th></tr>
<tr><td colspan="2">Potential Adjustment Factor: Formation of the University Centre – Shrewsbury</td></tr>
<tr><td>The formation of a university in Shrewsbury was a long term aspiration for Shropshire Council and the wider Shropshire community, which came to fruition in 2014.
As the University Centre – Shrewsbury is a new institution there is no historic data on student numbers available upon which future trends in student numbers can be based, consequently assumptions have been made about the total number and split of students.
These assumptions are based on our current understanding of likely student numbers, but may be subject to change as further information becomes available.
The forecast utilised within this exercise is for student numbers at the university to reach 2,500 (1,500 undergraduates and 1,000 postgraduate students) by between 2025 and 2030 (for the purpose of this exercise it is assumed this will occur in 2025 in order to ensure student housing need is not under estimated). The current forecasts do not extend beyond 2030. Therefore, for the purposes of this document, the assumption will be made that this will also be the total student number in 2036.</td><td>As this new educational facility will attract additional students to the area, it will also increase the housing need in Shropshire, which could not have been recognised within the 2012-based SNPP or SNHP. Consequently an increase to both the population and household projections is required.
The exact increase to population and housing need is difficult to predict, however very cautious, but robust, assumptions (based on our current understanding and information from other Universities) have been utilised to calculate a realistic adjustment:
<table>
<tr><th>Student</th><th>Adjustment</th></tr>
<tr><td>Undergrads:</td><td>- 25% of undergrads already live in Shropshire, resulting in a reduction to out-migration.
- 75% of undergrads do not already live in Shropshire, resulting in an increase to in-migration.</td></tr>
<tr><td>Postgrads:</td><td>- 75% of postgrads already live in Shropshire, resulting in a reduction to out-migration.
- 25% of postgrads do not already live in Shropshire, resulting in an increase to in-migration.</td></tr>
</table>
Standard HRR’s will be applied to the additional population for Shropshire resulting from students. Following graduation it is considered that an ambitious 20% of students (excluding overseas students) will remain in the area and form part of the general population in Shropshire. Again standard HRR’s will be applied to this population.</td></tr>
<tr><td colspan="2">Potential Adjustment Factor: Other Educational Institutions</td></tr>
<tr><td>A number of educational institutions (excluding the University) offer boarding facilities in Shropshire. Shropshire Council has surveyed these facilities to determine whether there is an intention to increase boarding facilities between 2016 and 2036. 36% of surveyed institutions responded.</td><td>Responses received did not suggest significant variance to the institutional population within educational facilities (excluding the University), therefore no adjustment is required.</td></tr>
<tr><td colspan="2">Potential Adjustment Factor: Closure of Her Majesty’s (HM) Prison: Shrewsbury</td></tr>
<tr><td>HM Prison: Shrewsbury closed on the 31st March 2013, with inmates transferred to other prisons outside of Shropshire.
According to the final Independent Monitoring Board report “the prison had … 182 cells…. the operational capacity was 319 [people]”.</td><td>As the closure of the prison was fairly rapid, its implications were not apparent within the 2012-based SNPP or SNHP.
Consequently an adjustment to the institutional population, consistent with this reduction, will be made.</td></tr>
<tr><td colspan="2">Potential Adjustment Factor: Crown Estate plans for land owned in Shropshire</td></tr>
<tr><td>Shropshire Council is unaware of significant plans for Crown Estate development within Shropshire.</td><td>No adjustment is required in relation to this matter.</td></tr>
</table>

<table>
<tr><th>Analysis</th><th>Adjustment</th></tr>
<tr><td colspan="2">Potential Adjustment Factor: The future of Ironbridge Power Station</td></tr>
<tr><td>Ironbridge power station has now closed.
However there is likely to be a significant period of decommissioning on the site before a new use can be established. There are currently a number of uncertainties about this site, therefore a series of informed assumptions have been made:
<table>
<tr><th>Uncertainty</th><th>Assumption</th></tr>
<tr><td>Timescales for decommissioning and redevelopment</td><td>Work will commence between 2016 and 2036 but will not be completed until after 2036.</td></tr>
<tr><td>How the site will be brought forward for redevelopment</td><td>The site will be Master Plan led, to maximise inherent opportunities and ensure sustainable development occurs.</td></tr>
<tr><td>Likely future uses on the site</td><td>It is likely there will be a mixture of uses on the site, including employment and residential.</td></tr>
</table>
It is likely that this site will be considered as part of the review of the Development Plan.</td><td>Due to the uncertainty about this site, it is very difficult to calculate whether an adjustment is required.
Given the current available information it is considered realistic to assume that:
1. It is unlikely that redevelopment of the site will result in a significant increase or decrease to migration into or out of Shropshire.
2. The households living within any new dwellings created on the site and employees within new jobs will already be captured within the 2012-based SNHP.
Therefore the redevelopment of this site is likely to contribute towards meeting housing need, rather than increasing it.
Consequently, based on the best available information, it is not considered appropriate to make an adjustment in relation to this issue.</td></tr>
<tr><td colspan="2">Potential Adjustment Factor: Ministry of Defence (MOD) plans for military sites in Shropshire</td></tr>
<tr><td>There are a number of MOD bases within Shropshire. The Salisbury Plain Plan indicates that returning British troops from Germany will not be based in Shropshire.
Shropshire Council contacted the MOD to determine whether there were plans to expand/contract personnel numbers housed within Shropshire. As no information was provided; it is assumed there are no current plans to do so.
However it is recognised there are current publicised plans for the closure of Clive Barracks at Tern Hill (near Market Drayton).</td><td>Although proposals for Clive Barracks are known there is currently no wider information available as to the effect this will have on overall numbers of personnel within MOD facilities in Shropshire. It is therefore considered cautious but appropriate to assume that the MOD portion of the institutionalised population in Shropshire will remain stable at current rates.
This is consistent with the approach utilised within the 2012-based SNHP for institutionalised population.</td></tr>
<tr><td colspan="2">Potential Adjustment Factor: Development of the Jaguar-Land Rover (JLR) site at i54 and t54</td></tr>
<tr><td>The i54 and t54 are major employment sites located primarily in South Staffordshire and Telford respectively. They are adjacent to the M54; close to the M6 motorway; and north of Wolverhampton. Publicity material specifies the intention for jobs upon the sites to be filled by existing residents of the surrounding area “access to a workforce of over 550,000 people within a 30 minute drive time. There are over 3 million people of working age within a 20 mile radius”.</td><td>Due to the location of these employment sites, it is not considered that there development/activities upon them, will impact upon the housing need in Shropshire. Indeed, the stated aspiration is to provide employment opportunities to existing residents.
Whilst this may not be the case in its entirety, it can be assumed that levels of migration will not be greatly affected within Shropshire.
Consequently no adjustment is required in relation to this matter.</td></tr>
<tr><td colspan="2">Potential Adjustment Factor: The ageing population in Shropshire</td></tr>
<tr><td>Shropshire Council has an ageing population, which presents both challenges and opportunities, including when considering housing need.
However this is not unique to Shropshire, being a common issue nationally.</td><td>This issue was apparent within the demographic information utilised within both the 2012-based SNPP and the 2012-based SNHP.
Consequently it is not considered necessary to make an adjustment specifically in relation to this issue.
However it is recognised that this may have implications when considering the mix of size, type and tenure of accommodation to meet housing needs.</td></tr>
</table>

Analysis	Adjustment
Potential Adjustment Factor: Capacity of the development industry	
There is currently a recognised shortage of building materials and skilled labour both locally and nationally which is constraining the ability to deliver housing. Whilst it is anticipated these issues will ease as the economy continues to emerge from the economic downturn, it will undoubtedly impact on housing completions in the short/mid-term.	No adjustment is required in relation to this factor. However its implications must be recognised when reviewing the Development Plan.
Potential Adjustment Factor: The impact of the economic downturn	
The economic downturn impacted on levels of housing provision in Shropshire. However, this impact was felt across England. There is no evidence available to suggest that Shropshire was any worse affected by the economic downturn than other parts of the Country. Indeed, the trends on housing completions for Shropshire and England during the economic boom in the early-mid 2000's and the subsequent economic downturn in the mid-late 2000's are generally consistent.	The occurrence of an economic downturn in the mid-late 2000's was apparent when the 2012-based SNPP and the 2012-based SNHP were produced. The NPPG endorses the use of the 2012-based SNHP which are considered *"statistically robust and are based on nationally consistent assumptions"*[43]. As the economic circumstances experienced within Shropshire are generally consistent with those experienced nationally, it is considered appropriate to utilise the assumptions reached by CLG in Shropshire. Consequently no adjustment is required.
Potential Adjustment Factor: Duty to co-operate and cross boundary housing need	
Shropshire Council is the only Local Planning Authority within the Shropshire HMA. Consequently there can be no unmet need from other Local Planning Authorities within the HMA. Shropshire Council proactively engages with other relevant Local Planning Authorities from surrounding HMAs. During this engagement to date, it has not become apparent that there is any unmet need within surrounding areas which could be appropriately met in Shropshire[44].	Shropshire Council is not aware of any unmet housing need within surrounding HMAs which could be appropriately met in Shropshire. If such a need arose, proactive discussions would be required to determine if meeting such a need in Shropshire was appropriate. Even if it became apparent that such a need had arisen and it was appropriate to meet it in Shropshire, it is likely to be more appropriate to consider this when undertaking the partial review of the Development Plan, rather than when establishing the FOAHN.

Please Note: This analysis has been carried out without any pre-determined outcomes, and is based on a combination of robust data, reasoned analysis and justified assumptions.

Conclusion

7.4. The implications of other potential factors (grouped into the categories of *statistical sensitivity of the data underlying demographic projections and household formation rates*; and *local circumstances not captured by past trends)* have been considered.

7.5. Whilst it was not considered appropriate for adjustments to be made to the 2012-based SNHP in response to the majority of these factors, a series of adjustments have been made to account for:

- **A comparison of the implications of five and ten year migration trends.**
- **The formation of the University Centre – Shrewsbury.**
- **The closure of HM Prison: Shrewsbury.**

[43]CLG, NPPG, Paragraph 17, Reference ID 2a-017-20140306, 06/03/2014

[44]Birmingham City Council has specified that this is the case, but given the distance from Shropshire, it is unlikely that it would be appropriate to meet this need in Shropshire (this is reflected within work currently being undertaken by Birmingham City Council).

8. Affordable Housing Need in Shropshire

Introduction

8.1. The NPPG specifies that *"plan makers working with relevant colleagues within their Local Authority (e.g. housing, health and social care departments) will need to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market. This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock"*[45].

Relationship: FOAHN and affordable housing need assessments

8.2. The NPPG presents a methodology for the calculation of affordable housing need. When this methodology is considered alongside the methodology for the calculation of the FOAHN, it is apparent that the two assessments ascribe a different definition to the term 'need'. Consequently whilst the assessments are complementary in that they both represent part of the evidence base to inform the Local Plan process, they cannot be considered directly comparable.

The definition of need

8.3. The definitions of 'need', as translated into both the NPPF and NPPG originated from within Planning Policy Statement 3: Housing (PPS3). Specifically PPS3 made a distinction between:

- *"Housing demand: the quantity of housing that households are willing and able to buy or rent.*
- *Housing need: the quantity of housing required for households who are unable to access suitable housing without financial assistance"*[46].

8.4. Whilst neither the NPPF nor the NPPG make specific reference to these two distinct definitions of need, each underpins a separate assessment for calculating affordable housing need; the first is consistent with the methodology for calculating the FOAHN which incorporates both open market and affordable housing need, whilst the second is consistent with the methodology for calculating wider aspirations for affordable housing need.

8.5. The FOAHN methodology within the NPPG aims to measure realistic housing demand: **what is likely to happen.** This assessment is informed by past experience (as analysed within demographic and household projections, which are inherently based on past events) tempered by adjustments for factors that the projections do not capture (what has changed since the projections were produced and what is likely to occur in the future that was not apparent when the projections were produced).

8.6. This assessment is informed by past experience and realistic assumptions on future events. It includes both market and affordable housing, although it is not possible to distinguish between these two tenures within the results of this assessment, as the demographic and household datasets which underpin the assessment make no such distinction.

8.7. Conversely, the assessment of affordable housing need aims to measure housing aspirations: **what ought to happen** if certain standards (suitable housing for

[45]CLG, NPPG, Paragraph 22, Reference ID 2a-022-20140306, 06/03/2014
[46]CLG, Planning Policy Statement 3: Housing (PPS3)

everyone) could be achieved. This assessment seeks to calculate the numbers of households who currently do not, or in the future will not, have access to suitable housing, based on a set of defined standards (relating to over-occupation; living standards and facilities; affordability etc). This assessment has no link to past achievement and unfortunately due to financial and other constraints it has not been possible, historically, to achieve the identified affordable housing aspirations.

Implications of the definition of need

8.8. The intention of the FOAHN is to identify housing 'need' without introducing policy constraints or aspirations. When the FOAHN is translated into the Development Plan, as a housing requirement, policy constraints or aspirations can then be considered, but in the full knowledge that these are interventions designed to increase or decrease the figure derived from the FOAHN.

8.9. The assessment of affordable housing need seeks to identify aspirations for affordable housing, and as such includes need beyond that which the market could ordinarily deliver. Consequently by its very definition it includes a requirement for a policy intervention. This again represents a significant divergence in the methodologies for the two assessments.

How to address need

8.10. This clear distinction in the two assessments resulting from the methodologies for their calculation is further emphasised when the methods of delivery are considered.

8.11. The 'need' underpinning the FOAHN can only be delivered through the provision of net additional dwellings, over and above the existing dwelling stock – as the identified need is for additional dwellings. Consequently a single new dwelling (net) meets the needs of only one additional household.

8.12. In contrast, the 'need' underpinning the assessment of affordable housing need can be met through a combination of both new and existing dwellings – as the identified need if for appropriate dwellings. Therefore when existing households in unsuitable dwellings are transferred to suitable dwellings the resultant vacant dwelling can be re-occupied by other households for which they are suitable. This therefore meets the needs of both additional households and existing households who at the base date for the assessment are in inappropriate dwellings and therefore in affordable housing need. As a result, a single new dwelling (net) can meet the need of one, two or even more households in a chain.

Conclusion

8.13. Due to these distinctions, there are no arithmetical ways of combining or cross-analysing the results of these two assessments – they fundamentally relate to different concepts of 'need'; vary in whether an allowance is made for a policy intervention; and can be addressed through different delivery methods. There is also a clear over-lap between the two assessments in that whilst the assessment of affordable housing need deals solely with aspirations for affordable housing, the assessment of the FOAHN calculates demand for both open market and affordable housing. Consequently it is not possible to utilise the results of the affordable housing needs assessment to either adjust or endorse the assessment of the FOAHN.

8.14. Therefore as specified within the introduction to this chapter, the interrelationship between these two assessments lies within their role as part of the evidence base for the partial review of the Development Plan. The results of the assessment of

affordable housing need are summarised within Appendix F. The process by which the cross-analysis of these two assessments will be undertaken in order to inform the partial review of the Development Plan is summarised within Appendix G.

8.15. This conclusion is endorsed within the PAS guidance, which specifies that *"in summary, it seems logically clear that affordable need, as defined and measured in paragraphs 22-29 of the NPPG, cannot be a component of the FOAHN. The FOAHN does have an affordable component – which cannot be measured separately but will normally be much smaller than the affordable need discussed at paragraphs 22-29"*[47].

8.16. Endorsement of this conclusion is also available within the NPPG, which specifies that *"the total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes"*[48].

8.17. This paragraph indicates that the results of the affordable housing needs assessment should be considered within the context of the Development Plan and not the FOAHN assessment. This makes sense as the decision to increase the housing requirement to exceed housing need (in order to deliver more affordable housing) is a policy decision. As recognised above, this is the only way in which the results of the affordable housing needs assessment can be integrated due to the differing concepts of need.

8.18. This paragraph also clarifies that the amount of affordable housing need included within the FOAHN should be identified through the FOAHN process itself and not the separate assessment of affordable housing need. This is because it is the affordable housing need identified through the FOAHN (need as demand rather than need as aspiration) which can in theory be delivered, as a function of market delivery.

8.19. This interpretation is supported within the early paragraphs of the NPPG which specifies that *"need for housing in the context of the guidance refers to the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and* ***should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand****"*[49] *(my emphasis).*

8.20. Therefore where paragraph 47 of the NPPF specifies that plans should meet in full *"the need for market and affordable housing"*[50], based on the NPPG it is apparent that this is referring to the component of affordable housing need within the FOAHN and not that separately calculated within the assessment of affordable housing need.

8.21. If this interpretation of the relationship between the two assessments was incorrect, and the results of the separate assessment of affordable housing need was intended to be integrated into the FOAHN, then in the majority of locations, the subsequent adjustment to the FOAHN would mean that the resultant housing need would far exceed the 2012-based SNHP, suggesting that these projections significantly underestimated need, which would certainly be the case in Shropshire.

[47]PAS, (2015), Objectively Assessed Need and Housing Targets – Technical Advice Note, 2nd Edition
[48]CLG, NPPG, Paragraph 29, Reference ID 2a-029-20140306, 06/03/2014
[49]CLG, NPPG, Paragraph 3, Reference ID 2a-003-20140306, 06/03/2014
[50]CLG, (2012), The NPPF - Paragraph 47

If this effect was considered nationally, then the wider national household projections would also be significantly exceeded, again suggesting the projections underestimated need. This cannot therefore be correct as these projections are recognised within the NPPF and NPPG as robust and the starting point for assessing housing need.

8.22. This approach is also consistent with a recent High Court Judgement: Kings Lynn and West Norfolk Borough Council v SoS for CLG & Elm Park Holdings Ltd, (9th July 2015), Case No: CO/914/2015 within which the Judge concluded *"…The Framework makes clear [affordable housing] needs should be addressed in determining the full objectively assessed need (FOAN), but neither the Framework nor the PPG suggest that they have to be met in full when determining that FOAN. This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice...".*

Affordable housing needs assessment

Introduction

8.23. Paragraphs 22 – 29 of the NPPG provide a methodology for the assessment of affordable housing need aspirations. The key stages involved in this process are:

Stage 1. Identify the current number of households in affordable housing need (gross). This consists of:

a. The number of homeless households;
b. The number of those in priority need who are currently housed in temporary accommodation;
c. The number of households in over-crowded housing / concealed households;
d. The number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);
e. The number of households from other tenures in need and those that cannot afford their own homes.

Stage 2. Project the number of newly arising households in affordable housing need (gross). This consists of:

a. The proportion of newly forming households unable to buy or rent in the market area.
b. An estimation of the number of existing households falling into need.

Stage 3a. Identify the current total and currently committed affordable housing supply available to accommodate households in affordable housing need. This consists of:

a. The number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;
b. Surplus stock (vacant properties);
c. The committed supply of new affordable units at the point of the assessment (number and size);
d. Units to be taken out of management (demolition or replacement schemes that lead to net losses of stock).

Stage 3b. Identify the future affordable housing supply resulting from the annual supply of social housing re-lets (net), calculated on the basis of the past trends (generally the average number of re-lets over the previous three years should be taken as the predicted annual levels), and the future supply of intermediate affordable housing re-lets and re-sales.

Stage 4. Identify the total net affordable housing need. Calculated as follows:

Net current need = Current need (gross) – Current supply
Net future need = Future need (gross) – Future supply
Total net need = Net current need + Net future need

Summary

8.24. Table 18 presents a summary of the results of the assessment of affordable housing needs aspirations in Shropshire. Appendix F provides a more comprehensive summary of this assessment.

Table 18: Summary of the Undertaken Affordable Housing Needs Assessment

Current need for affordable housing (Part 1)			
	Assessment Process	**Calculations**	**Total**
A:	Homeless households and those in temporary accommodation:	Current need	153
B:	Overcrowded and concealed households:	Current need	1,637
C:	Other groups:	Current need	893
	Part 1: Current affordable housing need:	**A+B+C**	**2,683**

Projected future housing need: 2016-2036 (Part 2)				
	Assessment Process	**Calculations**	**Per Annum**	**Total**
D:	Newly forming households requiring affordable housing: (45.3% of total households)	Forecast need*	534	10,680
E:	Existing households falling into need (annually):	Forecast need	1,074	21,480
	Part 2: Future affordable housing need:	**D+E**	**564**	**32,160**

**Forecast calculated using the preferred scenario within the FOAHN. Please refer to Chapter 10 of this report for further information on these projections.*

Current affordable housing stock available (Part 3a)			
	Assessment Process	**Calculations**	**Total**
F:	**F1:** Affordable dwellings occupied by households in need:	Total	123
	F2: Surplus stock:	Amount of surplus stock	0
	F3: Committed supply of affordable units:	Total	518
	F4: Units to be taken out of management:	Annual stock loss	-99
		Total (for a 20 year period)	-1,980
	Part 3a: Affordable housing stock available:	**(F1+F2+F3)-F4 (for a 20 year period)**	**-1,333**

Future affordable housing stock available (Part 3b)				
	Assessment Process	**Calculations**	**Per Annum**	**Total**
G:	Annual supply of social re-lets (net):	Total	512	10,240
H:	Annual supply of intermediate affordable housing available for re-let or re-sale:	Total	19	380
	Part 3b: Total supply of affordable housing:	**G+H**	**531**	**10,620**

	Calculation	**Per Annum**	**20 Year Total**
Current need (gross) (Part 1 of this assessment):	Part 1	N/A	2,683
Current supply (Part 3a of this assessment):	Part 3a	N/A	-1,333
Current need (net):	Part 1 – Part 3a	**N/A**	**4,016**
Future need (gross):	Part 2	1,570	31,400
Future supply:	Part 3b	531	10,620
Future need (net):	Part 2 – Part 3b	**1,039**	**20,780**
Total need (net):	**Net current need + Net current supply**	**1,240**	**24,796**

Conclusion

8.25. **Table 52**Table 18 indicates that once the current affordable housing supply is subtracted from the current affordable housing need (gross), the net current affordable housing need can be calculated as some 4,106 dwellings.

8.26. Table 18 also indicates that once the future affordable housing stock (re-lets and re-sales, no allowance has been made for the construction of additional affordables beyond existing commitments) is subtracted from the future affordable housing supply (gross), the net future affordable housing need can be calculated, as some 20,780 dwellings over the period from 2016 to 2036.

8.27. **Once the net current affordable housing need (4,016 dwellings) is added to the net future affordable need (20,780 dwellings), the total net affordable housing need can be determined, as some 24,796 households over the period from 2016 to 2036.**

8.28. Please Note: It has been assumed that the **current affordable housing need (net)** will be met over the 20 year plan period. This is a cautious approach given current uncertainties relating to future affordable housing delivery following changes in Government Policy whilst also coinciding with the timescales for the Development Plan.

8.29. **This results in an estimated 1,240 households per year requiring affordable housing.**

9. Future Jobs and Employment

Introduction

9.1. In order to ensure that the FOAHN will contribute towards the achievement of sustainable development, there is a need to consider whether the population and household forecasts which inform the FOAHN provide a sufficient labour force to fulfil likely jobs growth over the assessment period.

9.2. If the labour force associated with the FOAHN is insufficient to meet expected jobs growth, then the NPPG indicates that the FOAHN should be adjusted upwards, unless the labour market can be brought into balance by other means, such as enhancement of the type of employment and the transport infrastructure serving the area.

9.3. Specifically the NPPG states *"where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems"*[51].

9.4. The underlying principle is that planning for housing, economic land uses and community facilities and services should be integrated[52] so that demand for labour is fulfilled without reliance on unsustainable commuting.

9.5. In order to determine whether the labour force supply is sufficient to support job growth, there is a need to understand:

- The projected jobs growth over the period addressed within the FOAHN; and
- The implications for the labour force of the FOAHN and other factors which may change over the assessment period.

Economic Development Needs Assessment (EDNA)

Introduction

9.6. In order to understand the development needs for Shropshire, an Economic Development Needs Assessment (EDNA) is being undertaken alongside this assessment of the FOAHN and the wider SHMA. Similar to the FOAHN/SHMA, the EDNA will cover the period from 2016-2036. One of the outputs of this assessment will be an indication of projected jobs growth.

Methodology

9.7. The EDNA for Shropshire seeks to identify a baseline position and a series of realistic but aspirational scenarios for jobs and economic growth in Shropshire between 2016 and 2036. The core dataset informing the EDNA for Shropshire are jobs and economic growth forecasts commissioned from Oxford Economics.

9.8. Oxford Economics state that "the forecasting approach combines three core pieces of information, which together provide what we believe is an appropriate, stable and accurate framework within which to produce local area forecasts. These are:-

- International / national / regional outlooks – All of the local area forecasting models we operate are fully consistent with broader regional, national and

[51]CLG, NPPG, Paragraph 19, Reference ID: 2a-019-20140306, 06/03/2014
[52]CLG, (2012), NPPF, paragraph 70

international models and forecasts. This ensures global events that impact on the performance of UK local economies, such as slowdown in global trade, are fully captured in the local forecasts. So too will national level growth and policies, whether that be the impact of monetary policy on consumer spending or government expenditure on locally provided public services.

- Historical trends in a local area, which implicitly factor in supply side factors affecting demand, combined with Oxford Economics' staff knowledge of local areas and the patterns of local economic development. This ensures for example, that we recognise and factor in to the forecasts any evidence of particularly high/low levels of competitiveness that local economies may have in particular sectors.
- Fundamental economic relationships which interlink the various elements of the outlook. Oxford Economics' models ensure full consistency between variables for a local area. For example, employment, migration and population are all affected by one-another. We produce our own local area population forecasts rather than using the projections published by the ONS. Our estimates incorporate the ONS projections for birth and death rates, but we produce our own forecast of net migration. This is because we believe future net migration may not simply resemble past trends, but instead will be influenced by the relative economic strength of a local area as migrants tend to be attracted to locations with perceived strong employment opportunities. It is also understood that the forecasting approach balances outputs of the model. **Consequently it can be concluded that the workforce identified within the forecast is sufficient to fill the jobs identified within the forecast**".

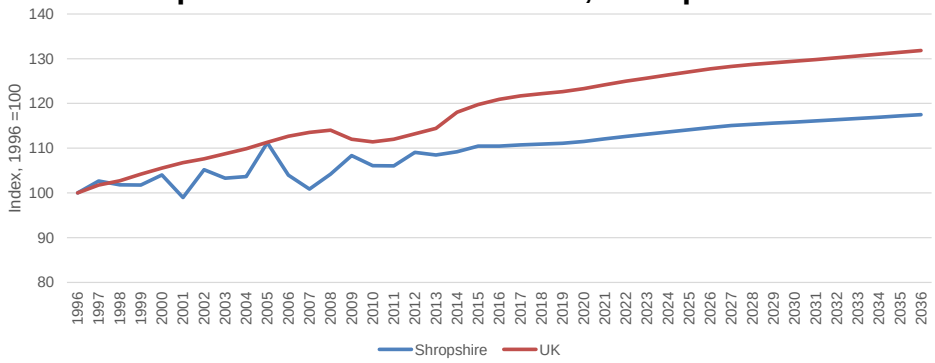
9.9. These have been analysed in tandem with Shropshire Council's internally developed labour force forecasts, which have been produced using the Derived Forecaster component of Pop Group (further details on this model are provided within Appendix J of this report).

9.10. It is important to note that the baseline jobs forecast commissioned from Oxford Economics considered below is 'policy off' and does not factor in any economic growth ambitions that Shropshire Council may wish to pursue.

Jobs and Economic Growth

9.11. Figure 14 shows long-term job growth in Shropshire from 1996 to 2036 compared with long term growth nationally. Past trends are based on the ONS Business Register of Employment Survey (BRES) and Workforce Jobs datasets.

Figure 14: Shropshire: Baseline Forecasts, Workplace Jobs Growth[53]



9.12. Historically, since the mid 1990's job growth in Shropshire has lagged behind the UK (except for a peak in the number of jobs which occurred in Shropshire in 2005) and this trend has continued through the recession and post-recession period.

[53]Oxford Economics, (2016), Shropshire Council – Jobs and Economic Growth Forecasts

9.13. The data provided by Oxford Economics shows 147,400 jobs in Shropshire in 2016. This includes both employee jobs and the self-employed. The number of jobs is projected to rise to 156,700 by 2036. **This represents an increase of 9,300 jobs (+6.3%) – an average of 465 additional jobs per annum.** This compares with an average increase of 700 jobs per annum in the previous 20 year period (1996-2016), or growth of 10.5%, and as such represents a significant slowdown in economic growth.

9.14. It is important to note that the job figures provided by Oxford reflect all jobs and do not differentiate between full-time and part-time employment. According to the latest ONS BRES statistics (2014), 36.4% of all employee jobs in Shropshire are part-time. This compares to 31.7% of jobs nationally. This high penetration of part-time employment partially reflects the demographic of Shropshire's labour force (with the propensity to prefer to work part-time increasing with age), but also reflects an increased tendency for workers to hold more than one job (double-jobbing).

9.15. Nationally, the number of jobs is forecast to rise by 9% over the 2016-2036 period. This also represents a significant slowdown compared with the previous two decades, which saw the number of jobs rise by 20.9%.

9.16. If the Shropshire job market were to grow at the same rate as the UK job market over the next 20 years an additional 4,000 jobs would be created, which would take the total to 160,700, or 665 more jobs on average per annum.

9.17. An extended summary of the baseline economic forecast produced by Oxford Economics for Shropshire is provided within Appendix I of this Report. A more comprehensive analysis will be undertaken within the EDNA.

Results

9.18. The Oxford Economics model assumes that population change and the resulting household change and demand for housing are partly driven by job opportunities. The number of workplace jobs (labour demand) depends partly on the size of the local population, as consumption of local services creates jobs in retail, health and education for example, but it is also influenced by wider national or global demand.

9.19. On the labour supply side, the future resident population is determined by natural change and trend-driven migration ('non-economic' migration). The Oxford Economics model balances the local relationship between jobs and labour supply using 'economic migration', which assumes that migration will increase where there are more job opportunities and that conversely, migration will decrease where there are fewer job opportunities or where unemployment is high.

9.20. The baseline statistics produced by Oxford Economics for 2016 to 2036 show:

- A population increase of: +27,000
- A 16+ population increase of +25,300
- A resident labour force increase of: +5,200
- A reduction in unemployment of: -300
- An increase in the number of jobs of: +9,300
- A decrease in net commuting outflow of: -1,100

9.21. Over the plan period, therefore, the combined effect of an increased labour force, lower unemployment and a reduction in net out-commuting will result in 6,600 more people in employment in Shropshire. The number of additional people working is lower than the number of additional jobs since some people hold more than one job, however Oxford Economics have confirmed that "**the workforce identified within the forecast is sufficient to fill the jobs identified within the forecast**".

Forecasts: Future Labour Force of Shropshire

Introduction

9.22. The labour force includes those people who are aged 16 and over and are economically active. A person is economically active if they are either employed or unemployed using the International Labour Organization (ILO) definition. Under the ILO definition, a person is unemployed if they are without a job, are available to start work and are actively seeking a job, or are waiting to start a job already obtained. The other side of economic activity is economic inactivity. Economic inactivity refers to those people who are not in employment and are either not looking for work or are not available to start. The sum of the active and the inactive makes up the entire working age population.

Methodology

9.23. In order to establish whether the FOAHN identified for Shropshire provides sufficient economically active people to fulfil the anticipated growth to the number of jobs identified within the baseline assessment of the EDNA, a preferred labour force scenario has been developed (from the Derived Forecaster of Pop Group) using realistic participation rate assumptions. This scenario has then been applied to the population forecasts (which underpin the household forecasts) used within the assessment of the FOAHN for Shropshire. Full details of the preferred and disregarded labour force scenarios are provided within Appendix H of this report.

Results

9.24. Utilising the preferred labour force scenario (SPA v2), and applying it to the most realistic demographic projections (V2B and V5B) it is forecast that between 2016 and 2036:

Table 19: Labour Force Projections* – based on the most realistic demographic projections for Shropshire (using the preferred labour force scenario)

	V2B	V5B
A population increase of:	+30,200	+33,900
A 16+ population increase of:	+29,500	+33,400
A resident labour force increase of:	+3,100	+5,100

*Please refer to Chapter 10 of this report for further information on these projections.

Labour Market Balance

9.25. It is useful to compare the population and labour force forecasts provided by the Oxford Economics baseline data with the 2012-based SNPP and with the population forecast scenarios and labour force scenarios that have been produced internally by Shropshire Council. These are summarised within Table 20.

9.26. However, it is important to note that:

- The labour force forecasts prepared by Shropshire Council apply different levels of labour market participation by gender for each five year age band against the 2012-based SNPP and also against the population projections produced internally by Shropshire Council. This is a different methodology to the one adopted by the Oxford Economics model, which is job-led rather than demography led.
- Population and labour force projections have also been produced internally that factor in the impact of the new University Centre Shrewsbury. The effect of a student population and the increased level of retention of young people likely to result from this is not reflected in either the 2012-based SNPP projections nor the forecasts provided by Oxford Economics.

- The labour market participation rates have not been adjusted for the age bands where the student population is mostly concentrated (16-19 and 20-24). While some students are economically active, others are not and the overall activity rate amongst students is likely to be lower than for the non-student cohort in the same age bands. Consequently, the positive impact on the labour market caused by increased student numbers is likely to be slightly over-stated in the figures quoted below.

Table 20: Comparison between Oxford Economics Baseline Forecasts, ONS SNPP Population Projections and Shropshire Council's Internal Population and Labour Force Modelling[54]

	2016	2036	Change	Percentage (%)
Population*				
Oxford Economics	313,500	340,500	+27,000	+8.6%
2012-based SNPP	312,800	335,400	+22,600	+7.2%
Projection V2A (without Students)	313,200	339,800	+26,700	+8.5%
Projection V2B (including Students)	313,200	343,400	+30,200	+9.6%
Projection V5A (without Students)	313,800	343,400	+29,700	+9.5%
Projection V5B (including Students)	314,000	347,900	+33,900	+10.8%
16+ Population				
Oxford Economics	261,500	286,800	+25,300	+9.7%
2012-based SNPP	260,700	284,200	+23,600	+9.0%
Projection V2A (without Students)	261,000	287,800	+26,700	+10.2%
Projection V2B (including Students)	261,100	290,600	+29,500	+11.3%
Projection V5A (without Students)	261,600	291,600	+30,000	+11.5%
Projection V5B (including Students)	261,800	295,200	+33,400	+12.8%
Labour Force SPA v2 Rates				
Oxford Economics	158,700	163,800	+5,200	+3.3%
2012-based SNPP SPA v2	160,900	157,600	-3,400	-2.1%
Projection V2A (without Students) SPA v2	161,500	162,300	+800	+0.5%
Projection V2B (including Students) SPA v2	161,500	164,600	+3,100	+1.9%
Projection V5A (without Students) SPA v2	161,800	164,300	+2,500	+1.6%
Projection V5B (including Students)	162,000	167,100	+5,100	+3.2%
Economic Activity SPA v2 Rate (16+ population)				
Oxford Economics	60.7%	57.1%	-3.6%	N/A
2012-based SNPP SPA v2	61.7%	55.4%	-6.3%	N/A
Projection V2A (without Students) SPA v2	61.9%	56.4%	-5.5%	N/A
Projection V2B (including Students) SPA v2	61.9%	56.6%	-5.3%	N/A
Projection V5A (without Students) SPA v2	61.9%	56.4%	-5.5%	N/A
Projection V5B (including Students)	61.9%	56.6%	-5.3%	N/A
Percentage of population which is economically active (SPA v2)				
Oxford Economics	50.6%	48.1%	-2.5%	N/A
2012-based SNPP SPA v2	51.4%	47.0%	-4.4%	N/A
Projection V2A (without Students) SPA v2	51.6%	47.8%	-3.8%	N/A
Projection V2B (including Students) SPA v2	51.6%	47.9%	-3.7%	N/A
Projection V5A (without Students) SPA v2	51.6%	47.9%	-3.7%	N/A
Projection V5B (including Students)	51.6%	48.0%	-3.6%	N/A

*Please refer to Chapter 10 of this report for further information on these projections.

9.27. A comparison of the results shows that:

- The forecasts provided by Oxford Economics generate a larger increase to the labour force between 2016 and 2036 than any of the population forecasts produced by Shropshire Council. The Oxford Economics forecasts also suggest a higher 16+ economic activity rate than any of the internally generated

[54]Information within the table is sourced from Oxford Economics, (2016), Shropshire Council – Jobs and Economic Growth Forecasts; ONS data; and Shropshire Council data.

forecasts (even those including students). This supports the assumption that the labour force forecasts produced by Shropshire Council are on the conservative side.

- Shropshire Council's preferred participation rate scenario (SPA v2) generates a labour force for 2036 ranging between 157,600 (2012-based SNPP) and 167,100 (Projection V5B, ten year migration trend with students). This compares with a labour force of 163,800 within the Oxford Economics model.
- Applying the preferred participation rate scenario (SPA v2) to projections V2A&B (five year migration trend, with and without students), generates a forecast labour force of 162,300 (without students) and 164,600 (with students). This represents a difference of -1,500 and +800 compared with the Oxford Economics projections which is well within standard margins of error (less than +/-1%).
- Applying the preferred participation rate scenario (SPA v2) to projections V5A&B (ten year migration trend, with and without students), generates a forecast labour force of 164,300 (without students) and 167,100 (with students). Both of these scenarios exceed the forecast workforce within the Oxford Economics projections.

Conclusions

9.28. The baseline forecasts provided by Oxford Economics support the conclusion that the most realistic demographic forecasts underpinning this assessment of the FOAHN for Shropshire will generate a labour force of sufficient magnitude to satisfy future job growth (indeed the projected labour force at 2036 exceeds that expected within the Oxford Economics baseline). This conclusion is corroborated by the results of the labour force forecast scenarios run by Shropshire Council using the preferred participation rate scenario SPA v2.

9.29. Although the number of jobs is forecast to increase at a faster rate than growth in the labour force (+9,300 and +5,200 respectively between 2016 and 2036 according to Oxford Economics), additional jobs will be absorbed by lower levels of unemployment, a decline in net-commuting and an element of double jobbing, ultimately "**the workforce identified within the forecast is sufficient to fill the jobs identified within the forecast**".

9.30. As all the demographic forecasts result in a labour force at 2036 that is close to, or in excess of, that expected within the Oxford Economics model, the conclusion reached by Oxford Economics equally applies to them. Consequently an adjustment to the FOAHN in order to increase the labour force is not considered to be necessary.

9.31. Furthermore, the data analysed suggests the potential to unlock a larger labour force than that projected by the baseline via:

- **The potential to decrease net-commuting further.** The difference between the numbers commuting out of Shropshire to work and those commuting in is expected to narrow over the 2016 to 2036 period. However, there will still be a substantially higher number of resident workers than there are people in employment (7,600 more in 2036); hence there is scope to encourage more out-commuters to work locally should more local employment opportunities exist.
- **Increasing labour market participation rates.** As outlined within Appendix H, the labour force forecasts produced by Shropshire Council have been prepared using conservative levels of economic participation and are slightly lower than the

Oxford rate of 57.1% for the over 16 population (which in itself is slightly lower than the national rate forecast by Oxford Economics at 2036 of 57.6%). The lower rate for Shropshire is influenced by the County's ageing demographic, but economic activity amongst the traditional working age population (16-64) is high in Shropshire compared to the national average (83.8% compared to 77.7% in the year ending December 2015 according to the ONS Annual Population Survey) and if this continues and participation rates amongst the over 65's increase slightly faster than suggested in SPA v2, it is possible that the overall participation rate could match the national rate 20 years hence. This would unlock an additional 1,400 people to the labour market.

9.32. We acknowledge that levels of unemployment are already low in Shropshire and forecast to edge downwards by 300 people between 2016 and 2036. Hence there is limited, if any, potential to boost the labour force by increasing the employment rate beyond that projected by Oxford Economics baseline forecasts.

9.33. Please Note: The job forecasts provided by Oxford Economics do not test economic growth potential, and should Shropshire Council pursue a more ambitious economic growth plan than the baseline would deliver, the job-led housing need would be reassessed accordingly. However, as already identified there are options available to increase the workforce in Shropshire further and the preferred demographic scenario identified within this assessment of the FOAHN for Shropshire does in itself have some flexibility within it to achieve additional growth aspirations.

10. Full Objective Assessment of Housing Need

Introduction

10.1. The NPPF requires Local Planning Authorities to undertake a full and objective assessment of housing need in order to identify the total number of net additional dwellings that are required to meet needs over a specified period. The resultant housing need identified through this assessment is termed a FOAHN.

10.2. According to the NPPG, the household projections published by CLG should *"provide the starting point estimate of overall housing need"*[55]. Therefore consistent with this guidance, the household projections underpinning this assessment of the FOAHN for Shropshire are the 2012-based SNHP, as summarised within Chapter 4 of this report.

10.3. There is then a need to consider whether the projections should be adjusted where:

1. It is apparent that past housing completions have been constrained by planning policy;
2. Market signals indicate that housing need has increased beyond that identified within the SNHP's;
3. There are other local circumstances not captured by past trends; and/or
4. The labour force resulting from the projections is insufficient to fill the jobs expected from supporting employment and jobs forecasts.

10.4. Consideration of the need to make adjustments to the 2012-based SNHP has been undertaken, as summarised within Chapters 5-9 of this report.

10.5. This has allowed the production of a series of population and household scenarios. Details of the demographic model utilised to produce these scenarios; the baseline assumptions incorporated within it; and the adjustments/sensitivity testing undertaken are provided within Appendix J of this report.

The Scenarios

10.6. Table 21 summarises the series of demographic projections (covering population; households and dwellings) that have been prepared to inform this assessment of the FOAHN for Shropshire:

Table 21: Scenarios - Demographic Projections

Population and Household Projections utilising:		
V2A	• Internal migration rates prepared using five years of trend data	No adjustment made for the development of the University Centre: Shrewsbury.
V5A	• Internal migration rates prepared using ten years of trend data	
V2B	• Internal migration rates prepared using five years of trend data	Adjustment made to accommodate emerging housing need from the new University Centre: Shrewsbury.
V5B	• Internal migration rates prepared using ten years of trend data	
The following projections have been included for comparison purposes:		
• 2012-based SNPP / 2012-based SNHP		
• 2014-based SNPP		
• Natural Change		
• Nil Migration (five and ten year trends)		
• Economic Baseline		

[55] CLG, NPPG – Paragraph: 015, Permalink ID 2a-015-20140306, Last updated: 06/03/2014

10.7. Table 22; Table 23; and Table 24 summarise the results of the demographic projections (covering population; households and dwellings respectively) produced for Shropshire.

Table 22: Scenarios - Population Projections

Population Projections*		2012	2014	2016	2021	2026	2031	2036	Change 2016-2036	
V2A	Five Year Trend without students	308,200	313,200	313,200	320,400	327,800	334,200	339,800	26,700	8.5%
V5A	Ten Year Trend without students	308,200	311,000	313,800	321,900	330,100	337,300	343,400	29,700	9.5%
V2B	Five Year Trend – including students	308,200	310,700	313,200	321,000	329,500	336,900	343,400	30,200	9.6%
V5B	Ten Year Trend – including students	308,200	311,100	314,000	323,000	332,500	340,800	347,900	33,900	10.8%
2012-based SNPP		*308,200*	*310,300*	*312,800*	*319,800*	*326,200*	*331,400*	*335,400*	*22,600*	*7.2%*
2014-based SNPP		*N/A*	*310,100*	*312,400*	*319,400*	*326,200*	*331,800*	*336,500*	*24,100*	*7.7%*
Natural Change		*308,200*	*307,700*	*306,900*	*305,400*	*303,900*	*301,700*	*298,300*	*8,700*	*-2.8%*
Nil Migration Five Year Trend without students		*308,200*	307,700	306,700	303,500	299,000	292,600	284,500	-22,200	-7.23%
Nil Migration Ten Year Trend without students		*308,200*	307,700	306,600	303,400	299,000	292,200	283,900	-22,700	-7.42%
Economic Baseline		308,600	310,500	313,500	321,900	328,000	334,800	340,500	27,000	8.6%

*Population projection 2012-base was 308,200.

**Figures are rounded to the nearest 100 to prevent confusion. Figures may therefore not sum.

Table 23: Scenarios - Household Projections

Household Projections*		2014	2016	2021	2026	2031	2036	Change 2016-36	
V2A	Five Year Trend without students	133,900	135,800	141,000	146,400	151,500	156,100	20,300	14.9%
V5A	Ten Year Trend without students	134,300	136,400	142,100	148,100	153,800	158,900	22,500	16.5%
V2B	Five Year Trend – including students	133,900	135,800	141,100	146,700	152,000	156,800	21,000	15.4%
V5B	Ten Year Trend – including students	134,200	136,400	142,400	148,700	154,700	160,000	23,600	17.3%
2012-based SNHP		*133,500*	*135,70*	*141,000*	*145,800*	*149,900*	*153,100*	*17,400*	*12.8%*

*Household projections 2012-base was 131,500.

** Figures are rounded to the nearest 100 to prevent confusion. Figures may therefore not sum.

Table 24: Scenarios - Dwellings

Dwelling Projections*		2014	2016	2021	2026	2031	2036	Change 2016-36	
V2A	Five Year Trend without students	140,000	142,000	147,500	153,100	158,500	163,300	21,200	14.9%
V5A	Ten Year Trend without students	140,300	142,600	148,600	154,900	160,900	166,200	23,500	16.5%
V2B	Five Year Trend – including students	138,800	142,100	147,600	153,400	159,000	164,000	21,900	15.4%
V5B	Ten Year Trend – including students	140,300	142,700	148,900	155,500	161,800	167,400	24,700	17.3%

*Dwelling projections 2012-base was 138,000.

**Figures are rounded to the nearest 100 to prevent confusion. Figures may therefore not sum.

***Conversion of households to dwellings includes an allowance for vacant dwellings (currently calculated using the 2011 Census rate of 4.4%, which exceeds the most recent national average of 2.6% as at 2014).

10.8. Of these scenarios, those relating to the 2012-based SNPP/2012-based SNHP; 2014-based SNPP; natural change; nil migration (five and ten year trends); and the economic baseline have been provided for comparison purposes only. Consequently for the purpose of establishing a FOAHN for Shropshire, they can be disregarded.

10.9. Similarly, whilst scenarios V2A and V5A realistically project population and household change in Shropshire between 2016 and 2036, they fail to reflect an adjustment in response to the formation of the University Centre: Shrewsbury. Consequently these scenarios can also be disregarded.

10.10. There are therefore two realistic scenarios of the future housing need in Shropshire; these are scenarios V2B and V5B. The key distinction between scenarios V2B and V5B is the migration trend informing the dataset. Scenario V2B utilises a five year migration trend, whilst scenario V5B utilises a ten year migration trend.

10.11. It is apparent from Table 22 and Table 23 that both of these scenarios represent a significant uplift of both population and household projections to those within the 2012-based SNPP and 2012-based SNHP. This is as a result of a combination of factors, including the model used for the production of these scenarios (as discussed within Appendix J); the student effect; and in relation to scenario V5B the use of a ten year migration trend.

Conclusion

The FOAHN for Shropshire

10.12. Table 25 presents the two most realistic scenarios of demographic change in Shropshire over the period from 2016 to 2036. It also includes a recognition of the impact of necessary adjustments identified within this exercise (where not already integrated into the baseline population and household projections, specifically for concealed households):

Table 25: Focused Scenarios - Dwellings

Projections		Category	Change 2016-36		Adjustment: Concealed Households	Total Change 2016-36	
V2B	Five Year Trend – including students	Population	30,200	9.6%	N/A	30,200	9.6%
		Households	21,000	15.4%	458	21,458	15.8%
		Dwellings	21,900	15.4%	478	22,378	15.8%
V5B	Ten Year Trend – including students	Population	33,900	10.8%	N/A	34,200	10.8%
		Households	23,600	17.3%	458	24,058	16.8%
		Dwellings	24,700	17.3%	478	25,178	16.8%

*Figures are rounded to the nearest 100 to prevent confusion. Figures may therefore not sum.

Scenario V2B would equate to a need for 1,119 dwellings per annum over the period from 2016-2036 in order to meet the total objectively identified housing need.

Scenario V5B would equate to a need for 1,259 dwellings per annum over the period from 2016-2036 in order to meet the total objectively identified housing need.

10.13. Having considered the merits of each of the two scenarios, it has been determined that it is most appropriate to utilise scenario V5B to identify the FOAHN for Shropshire, in recognition that:

1. Migration remains the least robust component of population change and Local Authority level estimates of migration can fluctuate greatly and so sometimes it is more appropriate to utilise a ten year trend rather than a five year trend.

2. Best practice guidance produced by PAS recommends the use of a longer term migration trend in order to *"provide more stable and more robust projections"*[56].
3. It is considered that the ten year migration trends are more reflective of likely future migration rates in Shropshire.
4. Utilising the scenario that results in the higher demographic projection ensures that the full housing need for Shropshire is identified.
5. Scenario V5B results in a larger labour force than that projected within V2B, thus providing additional scope to achieve any future aspirations for economic growth in Shropshire.

10.14. Therefore, in conclusion the preferred demographic projections and the best available full and objective assessment of housing need for Shropshire is scenario V5B. **The FOAHN for Shropshire between 2016 and 2036 is 25,178 dwellings, including an adjustment for concealed households. This equates to 1,259 dwellings per annum.**

10.15. **This FOAHN is not in itself a housing requirement, but will form the basis upon which a housing requirement is identified.**

The Need for All Types of Housing in Shropshire

10.16. The NPPG specifies that *"once an overall housing figure has been identified, plan makers will need to break this down by tenure, household type (singles, couples and families) and household size"*[57].

10.17. The purpose of this report is to identify the future quantity of housing needed (the FOAHN) in Shropshire over the period from 2016 to 2036. The breakdown of this figure into tenure, household type (singles, couples and families) and household size will take place within the SHMA, which follows on from this report.

[56]PAS, (2015), Objectively Assessed Need and Housing Targets – Technical Advice Note, 2nd Edition
[57]CLG, NPPG - Paragraph 21, Permalink ID 2a-021-20160401, 01/04/2016

Full Objectively Assessed Housing Need Report

Appendices

Appendix A. Population and Household Projections

*2012-based Sub-National Population Projections (SNPP)**

Area	Year						
	2012	2016	2020	2024	2028	2032	2036
Shropshire	308,000	313,000	318,000	324,000	329,000	332,000	335,000
West Midlands	5,643,000	5,764,000	5,892,000	6,015,000	6,130,000	6,236,000	6,333,000
England	53,494,000	55,020,000	56,582,000	58,073,000	59,459,000	60,724,000	61,886,000

*2012-based Sub-National Household Projections (SNHP)**

Area	Year						
	2012	2016	2020	2024	2028	2032	2036
Shropshire	131,000	136,000	140,000	144,000	147,000	151,000	153,000
West Midlands	1,098,000	1,135,000	1,175,000	1,216,000	1,257,000	1,298,000	1,336,000
England	22,305,000	23,171,000	24,068,000	24,934,000	25,789,000	26,605,000	27,363,000

*Figures are rounded to the nearest 1,000.

Appendix B. Allocation and Windfall Policies (pre-Shropshire Council Development Plans)

Table 26: Summary - Allocation and Windfall Policies

Local Authority	Allocations	Windfall
Bridgnorth District Local Plan (1996-2011)	Policy H2 identifies the sites allocated for housing development. Policy H2 includes 8 sites with a total capacity for 771 dwellings.	Policy H4 specifies the considerations for windfall development within settlement development boundaries. Policies H5 provides an overview of the considerations for windfall development within the rural area (including agricultural and forestry workers dwellings; conversion of appropriate rural buildings; and affordable 'exception' housing). Policies H11 (affordable 'exception' sites); and H12 (agricultural workers dwellings) provide further details.
North Shropshire District Local Plan (2000-2011)	Policies H3 and H4 identify the sites allocated for housing development within the urban and rural areas respectively. Policy H3 includes 23 sites within the urban area with a total capacity for 1,267 dwellings (excluding those six sites which had already been completed). Policy H4 includes 30 sites within the rural area with a total capacity for 510 dwellings (excluding those seven sites which had already been completed).	Policies H5 (market towns and main service villages); and H6 (local service villages and other villages with defined development boundaries) specifies the considerations for windfall development within the identified urban areas. Policy H18 deals specifically with the conversion of upper floors of town centre buildings. Policies H7 (conversion of agricultural buildings); H8 (large conversions); H10 (agricultural workers dwellings); H12 and H13 (affordable 'exception' sites) identify the considerations for windfall development in rural areas.
Oswestry Borough Local Plan (1996-2006)	Policies H10 and H11 identify the sites allocated for housing development within the rural and urban area respectively. Policy H10 includes 20 sites within the rural area with a total capacity for 539 dwellings. Policy H11 includes 11 sites within the urban area with a total capacity for 640 dwellings.	Policies H5 (larger settlements); H6 (smaller settlements); and H7 (infill villages) provide guidelines for residential development within settlements of the relevant hierarchy. These policies all include an allowance for suitable windfall / infill sites. Policy H16 specifies the considerations for windfall development within settlements. Policies; H20 (general policy); H19 (agricultural / forestry workers dwellings); H21 (rural affordable 'exception' sites); and H26 (agricultural/rural conversions) identify the considerations for windfall development in the open countryside.
Shrewsbury and Atcham Borough Local Plan (1989-2006)	Policy HS1 identifies the sites allocated for housing development. Policy HS1 includes 14 sites with a total capacity of some 806 dwellings.	Policy HS2 specifies the considerations for windfall development within the urban area of Shrewsbury. Policy HS3 specifies the considerations for windfall development within the villages surrounding Shrewsbury. Policies HS4 (settlements without development boundaries); HS5 (agriculture/forestry workers); HS7 (rural affordable 'exception' sites) specify the considerations for windfall development within the rural area.
South Shropshire District (2004-2011)	Policy S1 identifies the sites allocated for housing development. Policy S1 includes 4 sites with a total capacity of some 230 dwellings.	Policies S1 and SDS3 specify the considerations for windfall development within settlement development boundaries. Policies SDS4 (conversion of rural buildings) and SDS7 (affordable 'exception' sites) specify the considerations for windfall development within rural areas.
Shropshire (as a whole)	***Policies allocate 110 sites with a total capacity of some 4,763 dwellings.***	***Policies allow appropriate windfall development within both the urban and rural area.***

Appendix C. Allocation and Windfall Policies (Shropshire Council Development Plan)

Table 27: Summary - Allocation and Windfall Policies

Local Authority	Allocations	Windfall
Shropshire Council Core Strategy (2011) and SAMDev Plan (2015)	Policies S1-S18 of the SAMDev Plan identify the sites allocated for development. The total capacity of these sites is in the region of 10,095 (some sites have a range for their capacity).	Policies CS2, CS3, CS4 and CS5 of the Core Strategy provide policies to manage development in Shrewsbury; the market towns; hubs and clusters; and the countryside/green belt respectively. Policies CS10 and MD3 of the SAMDev Plan provide policies for the management of housing development. ***These policies allow appropriate windfall development within both the urban and rural area. Development is considered to be appropriate where it complies with the policies of the Development Plan.***

Table 28: Summary - SAMDev Allocations:

Allocation Reference	Location	Proposal
ALB002	Land at White Acres, Albrighton	Erection of 180 dwellings
ALB003	Land East of Shaw Lane, Albrighton	Erection of 20 dwellings
BISH013	Schoolhouse Lane East, Bishop's Castle	Erection of 40 dwellings
BUCK001	Timber/Station Yard, Bucknell	Erection of 70 dwellings
CHIR001	Land to the rear of Horseshoe Road, Chirbury	Erection of 30 dwellings
CLUN002	Land at Turnpike Meadow, Clun	Erection of 60 dwellings
LYD007	South of the Telephone Exchange, Lydbury North	Erection of 8 dwellings
LYD008	North of the Telephone Exchange, Lydbury North	Erection of 5 dwellings
LYD009	Former Garage, Lydbury North	Erection of 3 dwellings
LYD011	Land adjacent to Church Close, Lydbury North	Erection of 4 dwellings
BRID001/BRID020b	Land North of Wenlock Road, Tasley, Bridgnorth	Erection of 200 dwellings
BRID020a	Land North of Church Lane, Tasley, Bridgnorth	Erection of 300 dwellings
DITT005	Land opposite 6 Station Road, Ditton Priors	Erection of 12 dwellings
NEE001	The Pheasant Inn, Neenton	Erection of 7 dwellings
CSTR018	School Playing Fields, Church Stretton	Erection of up to 50 dwellings
CSTR019	Battlefield to rear of Oaks Road/Alison Road, Church Stretton	Erection of 50 dwellings
CMO002	Land off Tenbury Road, Cleobury Mortimer	Erection of 12 dwellings
CMO005	Land at New House Farm, Cleobury Mortimer	Erection of 7 dwellings
KLT001	Land off Little Stocks Close, Kinlet	Erection of 20 dwellings
CRAV002	Land off Watling Street, Craven Arms	Erection of 25 dwellings
CRAV003 & CRAV009	Land between Watling Street and Brook Road, Craven Arms	Erection of 235 dwellings
CRAV004 & CRAV010	Land off Watling Street East, Craven Arms	Erection of 60 dwellings
CRAV024	Land adjoining Clun Road / Sycamore Close, Craven Arms	Erection of 25 dwellings
CRAV030	Land at Newington Farmstead, Craven Arms	Erection of 5 dwellings
CO002a & CO002b	Land to the West of Cockshutt	Erection of 10 dwellings
CO005 & CO0023	Land at Cockshutt House Farm and Land South of Kenwick Road, Cockshutt	Erection of 5 dwellings
CO018	Land South of Chapel House Farm, Cockshutt	Erection of 5 dwellings
DUDH006	Ravenscroft Haulage Site, Dudleston Heath	Erection of 20 dwellings
ELL003a & ELL003b	Land South of Ellesmere	Erection of 268 dwellings
TET001	Land South of Cairndale, Tetchill	Erection of 10 dwellings
WFTN002	Land adjacent to St Andrew's Church, Welsh Frankton	Erection of 15 dwellings
HIGH003	Land off Rhea Hall/Coronation Street, Highley	Erection of 30 dwellings
LUD017	Land south of Rocks Green, Ludlow	Erection of 200 dwellings
LUD034	Land east of Eco Park, Ludlow	Erection of 80 dwellings
ONBY003	Onibury Farm, Onibury	Erection of 8 dwellings
HIN002	Land West of Manor Farm Drive, Hinstock	Erection of 8 dwellings
HIN009	Land at Bearcroft, Hinstock	Erection of 30 dwellings
HOD009, HOD010 & HOD011	Land to rear of Shrewsbury Street; Land off Station Road; and Shrewsbury Street Farm, Hodnet	Erection of up to 50 dwellings

Allocation Reference	Location	Proposal
MD030, MD010 & MD028	Land off Rush Lane; and Land between Croft Way and Greenfields Lane, Market Drayton	Erection of 400 dwellings
STH002	Part of land off Dutton Close, Stoke Heath	Erection of up to 25 dwellings
MIN002 & MIN015	Hall Farm, Minsterley	Erection of 17 dwellings
MIN007	Callow Lane, Minsterley	Erection of 32 dwellings
PBY018 & PBY029	Hall Bank, Pontesbury	Erection of 60 dwellings
PBY019	Land off Minsterley Road, Pontesbury	Erection of 16 dwellings
GOB008	Land at Southlands Avenue, Gobowen	Erection of 20 dwellings
GOB012	Land between A5 and Shrewsbury railway line, Gobowen	Erection of 90 dwellings
KK001	Land north of Lower House, Knockin	Erection of 15 dwellings
KYN001	Land adjacent Kinnerley Primary School, Kinnerley	Erection of 12 dwellings
KYN002	Land west of School Road, Kinnerley	Erection of 12 dwellings
LLAN001	Former Railway Land, Station Road, Llanymynech and Pant	Erection of 32 dwellings
LLAN009	Land north of playing fields, Llanymynech and Pant	Erection of 35 dwellings
MBK001	Land at Greenfields Farm, Maesbrook	Erection of 4 dwellings
MBK009	Land adj. to The Smithy, Maesbrook	Erection of 5 dwellings
OSW004	Land off Whittington Road, Oswestry	Erection of 117 dwellings
OSW024	Eastern Gateway Sustainable Urban Extension, Oswestry	Erection of 900 dwellings
OSW029	Former Oswestry Leisure Centre, Oswestry	Erection of 40 dwellings
OSW030	The Cottams, Morda Road, Oswestry	Erection of 65 dwellings
OSW033	Alexandra Road Depot, Oswestry	Erection of 35 dwellings
OSW034, OSW035 & OSW045	Land South of the Cemetery, Oswestry	Erection of 80 dwellings
OSW042	Richard Burbidge, Oswestry	Erection of 180 dwellings
PARK001	Land at Artillery/Larkhill/Park Crescent, Park Hall	Erection of 20 dwellings
STM029	Land at Rhos y Llan Farm, St Martins	Erection of 80 dwellings
WGN001, WGN004, WGN005 & WGN021	Land adjacent to Oakland's Drive; Land to rear of Hershell House; Land to south east of School; and Land adjacent to Big House, Whittington	Erection of 80 dwellings
WRN010	Land South of Brookfield's and Aspen Grange, Weston Rhyn	Erection of 25 dwellings
WRN016	Land at the Sawmills, Rhoswiel	Erection of 20 dwellings
SHI004a	Land south of Aston Road, Shifnal	Erection of 115 dwellings
SHI004b & SHI004c	Land between Lawton Road and Stanton Road, Shifnal	Erection of 100 dwellings
SHI006	Land north of Wolverhampton Road, Shifnal	Erection of 250 dwellings
BAS005	Land at rear of Wheatland's Estate, Shrewsbury	Erection of 40 dwellings
BAS017	Land to the west of Shrewsbury Road, Baschurch	Erection of 30 dwellings
BAS025	Land to rear of Medley Farm, Shrewsbury	Erection of 25 dwellings
BAS035	Land at Station Road, Shrewsbury	Erection of 40 dwellings
BOM004/R	Land off Shrewsbury Road, Bomere Heath	Erection of 30 dwellings
CON005	Land east of the Shrewsbury Road, Condover	Erection of 5 - 10 dwellings
CON006	Land opposite School, Condover	Erection of 5 - 10 dwellings
DOR004	Land off Forge Way, Dorrington	Erection of 15 dwellings
DOR017	Land to the rear of the Old Vicarage, Dorrington	Erection of 15 dwellings
HAN011/R	Land west of school, Hanwood	Erection of 25 dwellings
NESS004 & NESS012	Land West of Holyhead Road, Nesscliffe	Erection of 15 dwellings
SHREW001	Land north of London Road, Shrewsbury	Erection of 50 dwellings
SHREW002, SHREW035, SHREW083, SHREW128, ELR64, ELR67 & ELR68	Shrewsbury West Sustainable Urban Extension	Erection of 750 dwellings
SHREW016	Land off Hillside Drive, Belvidere, Shrewsbury	Erection of 20 dwellings
SHREW023	Land at Corner Farm Drive, Shrewsbury	Erection of 25 dwellings
SHREW027	Land at Weir Hill Farm/Robertsford House, Preston Street and adjoining Land off London Road, Shrewsbury	Erection of 550-600 dwellings
SHREW028, SHREW029, SHREW075, SHREW107, SHREW114, SHREW127, ELR02 & ELR66	Shrewsbury South Sustainable Urban Extension, Shrewsbury	Erection of 950 dwellings

Allocation Reference	Location	Proposal
SHREW073	Land off Ellesmere Road, Shrewsbury	Erection of 150 dwellings
SHREW095 and SHREW115	Land west of Battlefield Road, Shrewsbury	Erection of 100 dwellings
SHREW105	Land off Shillingston Drive, Shrewsbury	Erection of 230 dwellings
SHREW120/R	Land East of Woodcote Way, Shrewsbury	Erection of 40 dwellings
SHREW198	Land at Ditherington Flaxmill, Shrewsbury	Erection of 120 dwellings
SHREW210/09, SHREW030/R, SHREW094 & SHREW019	Bowbrook/Radbrook, land between Mytton Oak Road and Hanwood Road, Shrewsbury	Erection of 550 dwellings
SHREW212/09	Land west of Longden Road, Shrewsbury	Erection of 175 dwellings
UFF006/10	Land between Manor Farm and Top Cottages, Uffington	Erection of up to 5 dwellings
SHAW004	Land to the rear of Brickyard Farm, Poynton Road, Shawbury	Erection of 50 dwellings
WEM003	Land off Pyms Road, Wem	Erection of 100 dwellings
WEM012	Land at Tilley, Wem	Erection of 10 dwellings
ASHP002	Land West of Ash Parva	Erection of 8 dwellings
PH004	Former Cherry Tree Hotel and adjoining land, Prees Heath	Erection of 5 dwellings
PRE002-011-012	Land West of Shrewsbury Street, Prees	Erection of 30 dwellings
PRE008	Land at Moreton Street, Prees	Erection of 40 dwellings
TIL001	Land at the Vicarage, Tilstock	Erection of 25 dwellings
TIL002	Land at Tilstock Close, Tilstock	Erection of 13 dwellings
TIL008	Land at Russell House, Tilstock	Erection of 12 dwellings
WHIT009	Land at Tilstock Road, Whitchurch	Erection of 500 dwellings
WHIT021	Land at Alport Road, Whitchurch	Erection of 60 dwellings
WHIT033/10	Land North of Mill Park, Whitchurch	Erection of 13 dwellings
WHIT046	Land at Mount Farm, Whitchurch	Erection of 100 dwellings
WHIT051	Land West of Oaklands Farm, Whitchurch	Erection of 60 dwellings

Appendix D. Market Signals Analysis

Land Prices

D.1. Necessary data for this indicator has not been available since 2010. Given the lack of recent data, it is very difficult to draw any up to date conclusions from this source of information, consequently it has been disregarded for the purpose of this exercise.

House Prices[58]

D.2. House prices are identified by NPPG as an important market signal that can provide valuable insight into the balance between the demand for and supply of housing in a housing market area. The NPPG suggests that if house prices in an area are rising at a faster rate than elsewhere this may indicate supply is narrowing. To understand whether this is the case in Shropshire, a series of robust data sets have been used to analyse long-term trends and to provide comparison of average house prices with selected comparable Local Authorities and nationally.

D.3. This analysis includes consideration of the ONS median average house price data, the Land Registry monthly average house price (geometric mean), the Land Registry House Price Index and the Land Registry House Sales data. ONS produce a separate House Price Index but this is not available at Local Authority level.

D.4. The 2011 Census[59] showed that 86.5% of households in Shropshire lived in privately owned accommodation, compared to only 82.3% nationally. CLG[60] estimate that 86.6% of housing stock in Shropshire is owned within the private sector in 2014. This compares with 86.2% in Herefordshire and 78% within Telford and Wrekin. Together this data gives some indication of the importance of the private housing market within Shropshire and its role in meeting housing need requirements.

Median House Price

D.5. Figure 10 in *'Section 1 – Defining the Housing Market Area'* shows the long-term trend in median house prices published by the ONS. Median house prices are less influenced by extreme sale prices than mean house prices and given the use of a 100% sample are the most appropriate measure of average house price change. Currently this data is only available during the period 1995 to 2014. Table 29 provides information to support Figure 10, showing the long-term trend in median house prices.

D.6. In 2014, the median house price in Shropshire reached £177,000, having risen since 2004 by 18.0%. In comparison with the selected comparable Local Authorities in Table 14, Shropshire had the 5th highest median house price, reflecting Shropshire's attractiveness as a place to live, work and retire to. Shropshire's median house price in 2014 was 22.6% below the national average of £217,000.

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[58]Land Registry, Up-to-date house price information at Local Authority level sourced from the Land Registry. This is available in two published forms:

- Land Registry, House Price Index Query Tool - http://landregistry.data.gov.uk/app/hpi/ (latest Dec15)
- ONS – House Price Statistics for Small Areas – Table 1b: www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins

The ONS data largely supersedes the Communities and Local Government (CLG) Live Tables on the housing market www.gov.uk/government/statistical-data-sets/live-tables-on-housing-market-and-house-prices.
The Land Registry, ONS and mortgage lenders such as the Halifax and Nationwide produce their own house price indices using different data and methodologies.

[59]ONS, 2011 Census – Table KS402EW Tenure

[60]ONS, Housing Summary Measures - Data Table 10: www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/housingsummarymeasuressummarymeasuresdata

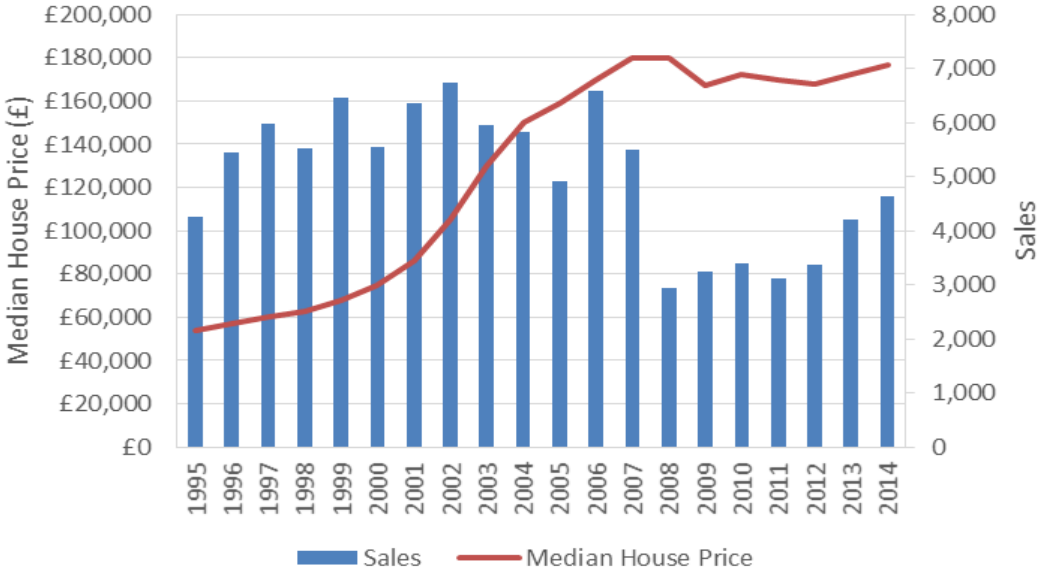
D.7. House price growth in Shropshire has significantly slowed during 2009-2014 (6.0%) compared with the period 2004-2009 (11.3%). This is influenced by the impact of the recession on Shropshire's housing market. This slower growth trend has not been reflected in all areas with the top three ranking Local Authorities in terms of median house price experiencing higher levels of growth in the second period 2009-2014. This is most evident nationally where house prices rose by 18.7% during 2009-2014 compared to 15% in the preceding five years.

D.8. In terms of longer-term change, Shropshire's growth has been exceeded nationally; regionally; and by seven of the selected Local Authorities.

Table 29: Median House Price Data – 2004-2014

	Median House Price			Rank 2014	% Change		
	2004	2009	2014		2004-09	2009-14	2004-14
Malvern Hills	187,000	193,000	216,855	1	3.2	12.4	16.0
Herefordshire, County of	163,000	174,995	190,000	2	7.4	8.6	16.6
Cheshire East	150,000	165,000	185,000	3	10.0	12.1	23.3
South Staffordshire	154,950	169,000	179,995	4	9.1	6.5	16.2
Shropshire	**150,000**	**167,000**	**177,000**	**5**	**11.3**	**6.0**	**18.0**
Cheshire West & Chester	143,000	157,500	170,000	6	10.1	7.9	18.9
Worcester	141,000	152,500	170,000	7	8.2	11.5	20.6
Stafford	139,950	152,000	165,000	8	8.6	8.6	17.9
Powys	138,250	152,000	160,000	9	9.9	5.3	15.7
Wyre Forest	137,625	145,000	155,000	10	5.4	6.9	12.6
East Staffordshire	120,000	135,000	149,000	11	12.5	10.4	24.2
Telford and Wrekin	117,973	136,328	145,000	12	15.6	6.4	22.9
Wrexham	118,000	130,000	135,000	13	10.2	3.8	14.4
Newcastle-under-Lyme	100,000	125,000	130,000	14	25.0	4.0	30.0
Wolverhampton	100,000	115,000	124,500	15	15.0	8.3	24.5
	Average Median House Price[61]						
West Midlands	*135,000*	*153,000*	*168,000*		*13.0*	*9.7*	*23.9*
England	*159,000*	*183,000*	*217,000*		*15.0*	*18.7*	*36.5*

Figure 15: Median House Prices and Volume of Sales in Shropshire – 1995-2014[62]



[61]ONS, House Price Index, Table 19: Comparison of mix-adjusted mean and median by quarter (*as there is no annual median house price provided it has been calculated for comparison purposes*) www.ons.gov.uk/economy/inflationandpriceindices/datasets/housepriceindexmonthlyquarterlytables1to19

[62]ONS, House Price Statistics for Small Areas, Table 1a: www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins

D.9. Figure 15 indicates the trend in real terms of median house prices compared with volume of sales in Shropshire. This illustrates very clearly that sales fell very significantly during 2007-2008 at the onset of the recession and have not yet returned to the levels experienced prior to 2007. Only in 2013 and 2014 is there evidence of a rising trend in sales and a small rise in median house prices.

D.10. Long-terms trends in median house prices show that Shropshire experienced sustained house price growth during 1995-2007, but since then prices have stabilised with smaller fluctuations in 2009 and 2012. This recent trend has contributed to housing costs becoming more affordable in Shropshire and has given households more opportunity to become house owners. This may have contributed to the recent rise in sales.

D.11. The absence of a high rate of growth in house prices in Shropshire during 2009-2014, suggests that there is a sufficient supply as a lack of supply would increase competition and unreasonably push up house prices. The experience nationally and in nine of the listed comparable Local Authorities has been higher levels of growth than Shropshire. Lower house price inflation suggests rising house prices have not hindered household formation in Shropshire in recent years.

Average House Price

D.12. Analysis is included of the Land Registry Average (geometric mean) House Price information as it is a more up-to-date data source and informs the Land Registry House Price Index. The most recently published average house price (February 2016) in Shropshire was £165,279. In comparison, this is significantly higher than Telford and Wrekin (£127,433) and considerably lower than for England and Wales (£190,275). When ranked against all comparison Local Authorities Shropshire is 3rd out of 10 with only Herefordshire and Worcestershire having higher prices.

Table 30: Land Registry Average House Price Data - February 2016[63]

	Average price (All Property Types) (£)						
	Feb 2006	Feb 2011	Feb 2016	Rank 2016	% Change		
					Feb 2006-11	Feb 2011-16	Feb 2006-16
Herefordshire	175,622	172,442	184,205	1	-1.8	6.8	4.9
Worcestershire	171,511	163,671	178,748	2	-4.6	9.2	4.2
Shropshire	**163,324**	**156,321**	**165,279**	**3**	-4.3	5.7	1.2
Cheshire West & Chester	162,470	153,286	162,389	4	-5.7	5.9	0.0
Cheshire East	157,326	150,907	159,706	5	-4.1	5.8	1.5
Powys	149,220	146,952	146,876	6	-1.5	-0.1	-1.6
Staffordshire	140,134	132,934	142,129	7	-5.1	6.9	1.4
Telford and Wrekin	135,842	124,192	127,433	8	-8.6	2.6	-6.2
Wrexham	130,428	119,259	123,573	9	-8.6	3.6	-5.3
Wolverhampton	111,384	102,307	105,102	10	-8.1	2.7	-5.6
West Midlands	*141,098*	*129,412*	*142,734*		*-8.3*	*10.3*	*1.2*
England and Wales	*160,699*	*160,037*	*190,275*		*-0.4*	*18.9*	*18.4*

[63]Land Registry, © Crown Copyright 2016. http://landregistry.data.gov.uk/app/hpi *(this table uses the geometric mean average house price which provides different results to the median house price).*

D.13. Comparison of average house prices in February 2006 with February 2016 shows an increase of 1.2% in Shropshire, relative to 18.4% nationally and 1.2% regionally. In terms of long-term change Shropshire ranked 5th relative to the identified comparator Authorities.

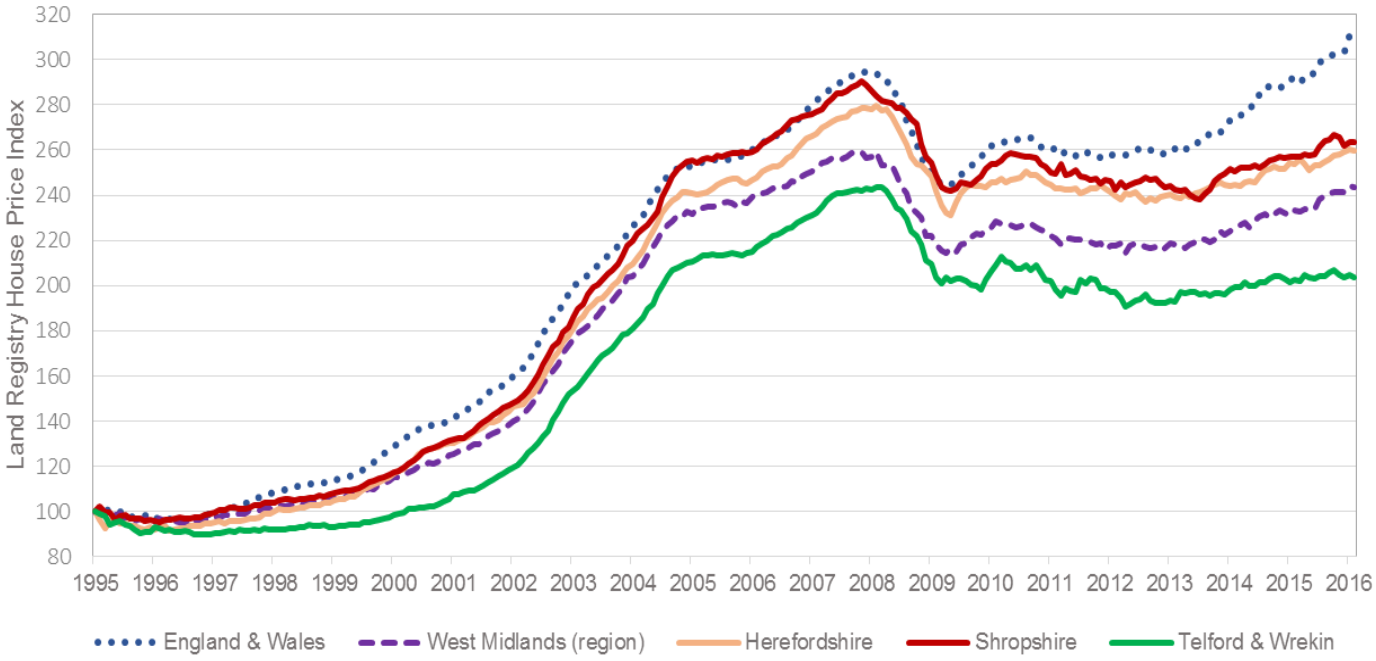
D.14. When the trend is broken down into shorter time periods (2006-2011 and 2011-2016) it is more revealing, showing that average house prices declined by 4.3% in period 1 and grew by 5.7% in period 2. During period 1 Shropshire experienced average house price decline that was significantly worse than England and Wales (-0.4%); Herefordshire (-1.8%); and Powys (-1.5%). Average house price change during period two showed that five comparison Authorities recovered at a higher rate than Shropshire.

House Price Index

D.15. Figure 16 illustrates the long-term change in house prices in Shropshire; Telford and Wrekin; Herefordshire (these two Local Authorities have the greatest synergy with Shropshire); the West Midlands; and England and Wales, since the Land Registry House Price Index started in 1995. Shropshire and Herefordshire prices very much followed the national trend until 2013, with house prices out performing Telford and Wrekin and the West Midlands region. In the past three years the gap between Shropshire and the national trend has widened with England and Wales experiencing a more significant rise in house prices. During 2015 house prices have fallen in Shropshire bucking the trend present in the other areas.

D.16. Overall house prices in Shropshire since January 2009, have remained fairly stable and remain well below the peak level reached before the onset of the recession in 2008. This evidence of general stability and good comparability with other areas in terms of recent trends supports the conclusion that there is no need to substantially increase housing need in Shropshire in response to house prices as there is no evidence of an imbalance between the demand for and supply of housing.

Figure 16: House Price Index – Comparison (published monthly)[64]



[64]Land Registry, House Price Index, www.gov.uk/government/publications/about-the-house-price-index/about-the-house-price-index

Volume of Sales

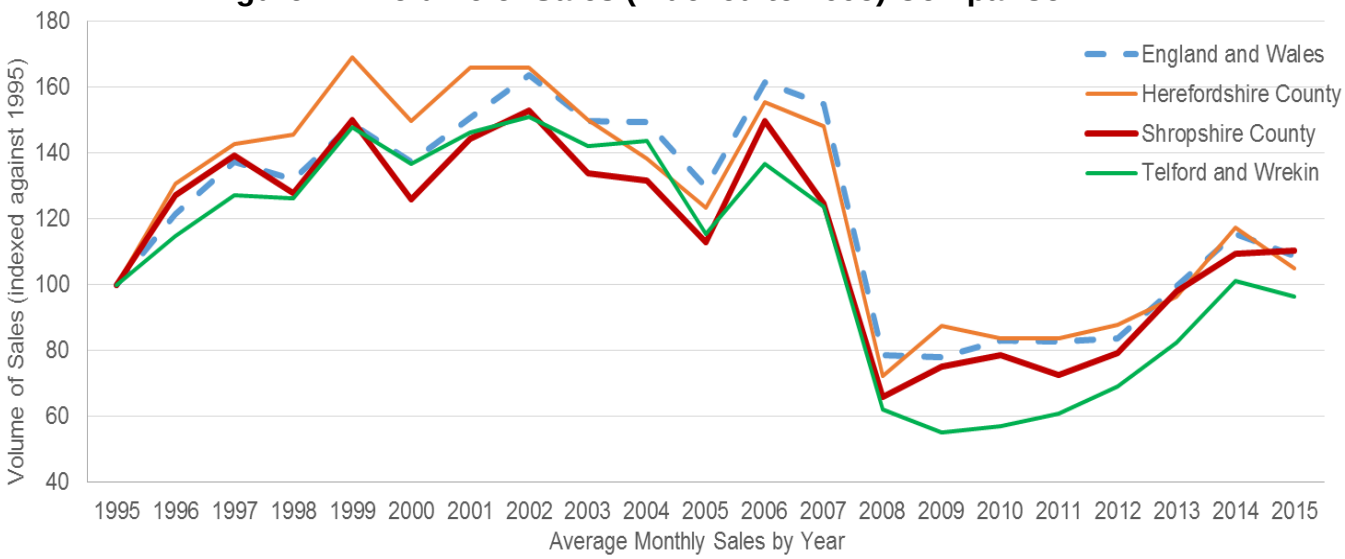
D.17. In the year ending December 2015, Shropshire saw average monthly sales of 397 private dwellings. This represents a decline of 2.15% when compared with average monthly sales of 405 in 2015. Table 31 shows that in the last ten years Shropshire has experienced the lowest level of decline compared with the identified comparator Local Authorities and nationally. However when broken down into two time periods the severe fluctuation in sales is evident with a decline of 30.3% during 2005-2010 and an increase of 40.4% during 2010-2015.

Table 31: Land Registry House Price Data – Volume of Sales

	Average Monthly House Sales (All Property Types)					
	2005	2010	2015	% Change		
				2005-10	2010-15	2005-15
Cheshire East	611	375	577	-38.7	54.0	-5.5
Cheshire West And Chester	483	276	469	-42.8	69.8	-2.8
Herefordshire	256	174	218	-32.1	25.6	-14.8
Powys	141	105	130	-25.5	24.4	-7.4
Shropshire	**405**	**283**	**397**	**-30.3**	**40.4**	**-2.1**
Staffordshire	1,181	704	1,012	-40.4	43.7	-14.3
Wolverhampton	290	143	209	-50.8	46.5	-27.9
Worcestershire	873	545	780	-37.5	43.0	-10.7
Wrekin	252	124	210	-50.6	69.1	-16.5
Wrexham	156	95	125	-39.2	31.7	-20.0
West Midlands	*7,839*	*4,592*	*6,351*	*-41.4*	*38.3*	*-19.0*
England & Wales	*85,693*	*54,795*	*71,805*	*-36.1*	*31.0*	*-16.2*

D.18. Figure 17 shows that in terms of residential property sales, Shropshire, England and Wales, Herefordshire and Telford and Wrekin have experienced similar fluctuations during the period 1995-2015. Shropshire has generally remained below Herefordshire and national levels. Since the sharp decline in sales at the onset of the recession, Shropshire sales volumes have remained significantly higher than Telford and Wrekin. The consistency of these trends again supports the conclusion that there is no need to substantially increase estimates of housing need in Shropshire.

Figure 17: Volume of Sales (indexed to 1995) Comparison



Market Rents

D.19. Private sector rents provide an indication of the cost of accessing rental accommodation within the Shropshire housing market area. The NPPG identifies market rents as a key market signal that Local Authorities should take account of when determining a FOAHN. The NPPG advises that if housing costs are worsening within the private sector this may indicate an imbalance between demand for and the supply of housing[65].

D.20. The Valuation Office Agency (VOA) publishes data on private sector monthly rents based on a sample of 486,403 transactions recorded in their lettings administrative database. For 2014-2015, Shropshire's sample was 2,262 transactions (0.4%).

Table 32: Private Sector Monthly Rental Values[66]

	Count of rents	Lower quartile (£)	Rank	Median (£)	Rank	Upper quartile (£)
South Staffordshire	535	530	1	600	2	695
Malvern Hills	534	525	2	613	1	725
Cheshire East	5,215	495	3	595	3	750
Cheshire West & Chester	4,368	495	3	595	3	695
Telford and Wrekin	1,273	477	4	550	4	650
Herefordshire, County of	1,864	475	5	550	4	650
Stafford	1,471	450	6	550	4	635
Wyre Forest	820	450	6	525	5	595
Shropshire	**2,262**	**450**	**6**	**550**	**4**	**650**
Newcastle-under-Lyme	1,215	415	7	475	6	565
England	*486,403*	*494*		*625*		*850*

D.21. Table 18 shows Shropshire has a median rental value of £550 in 2014. This shows that Shropshire is significantly below the national average (£625) but on a par with close neighbours Herefordshire and Telford and Wrekin. Overall Shropshire ranks the fifth highest of the comparison Authorities, with Newcastle-Under-Lyme ranked lowest.

D.22. Lower quartile rental values are often used as a measure of affordability. In Shropshire's case the lower quartile monthly cost is £450, slightly lower than Telford and Wrekin (£477) and Herefordshire (£475). The Shropshire lower quartile monthly rental value of £450 is 9.8% below the national lower quartile monthly rental value of £494.

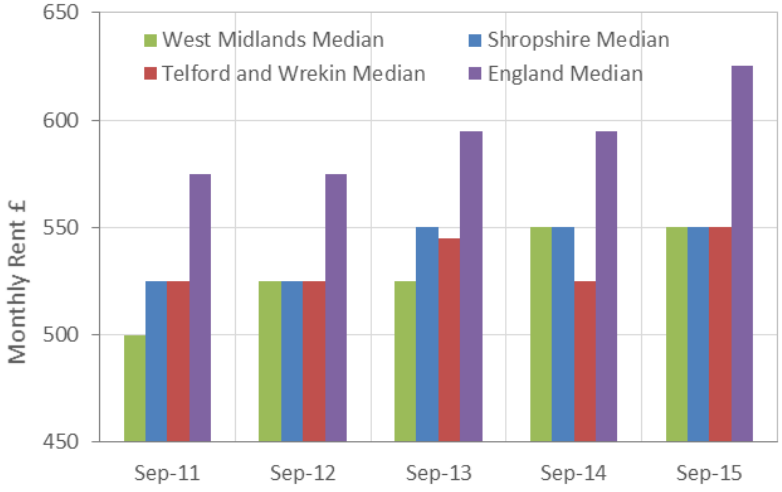
D.23. Figure 18 shows a snapshot of median rental levels at the year ending September 2011, 2012, 2013, 2014 and 2015. Before interpreting Figure 18 it is important to understand that this administrative data source is not ideal for monitoring change. The data is based on a sample of rental information collected by Rent Officers from landlords and letting agents. The composition of this sample changes over time so any differences in median rent may be due to differences in the sample rather than true changes in the rental market.

D.24. In the years shown in Figure 18 the national median private monthly rental values have far outstripped those of Telford and Wrekin, Shropshire and the West Midlands region as a whole.

[65]CLG, NPPG – Paragraph: 020, Permalink ID 2a-020-20140306, Last updated: 06/03/2014
[66]VOA, Private Rental Market Statistics - Table 2.7: Summary of monthly rents (01/10/14 - 30/09/2015), www.gov.uk/government/statistics/private-rental-market-summary-statistics-england-2014-15

D.25. In the years ending September 2011 and 2012 median private monthly rental levels remained stable in Shropshire at £525, on a par with Telford and Wrekin. Shropshire levels rose in 2013 to £550 and have continued unchanged to the year ending September 2015.

Figure 18: Comparison of Median Private Monthly Rent



D.26. Further information on private sector monthly rental values in Shropshire is available through analysis of data collected by the on-line estate agent 'Right Move' (September 2014 - September 2015). This data source shows that the overall average monthly rental cost in Shropshire is £634 a month. It also highlights that the average monthly rent for a two bedroom property is £559 a month and for a three bedroom property £687 a month. Both rental values are slightly above the median rents reported by the VOA.

D.27. In summary, monthly housing costs associated with renting a median priced dwelling in Shropshire do not seemed to have worsened in the last three years. Comparison nationally and with identified comparator Local Authorities shows Shropshire to be relatively affordable. This evidence does not suggest that rental prices are being forced upwards by a lack of supply. Consequently it can be concluded that rental prices in Shropshire do not indicate an imbalance between demand for and supply of housing and no adjustment is required to the 2012-based SNHP in response to this indicator.

Affordability – Purchasing a Property

D.28. The NPPG informs Local Authorities that Local Plans should take account of market signals, including housing affordability in determining an objective assessment of housing need. If affordability is worsening then this may suggest that more housing is needed than indicated by the 2012-based SNHP.

D.29. Affordability ratios are widely used as a measure of affordability as they compare housing costs against the ability of a household to pay. A high ratio indicates housing is less affordable and that households on lower incomes are more likely to struggle to afford even the lowest priced accommodation.

D.30. CLG use the ratio of lower quartile house prices to lower quartile earnings. Data is sourced from the ONS Annual Survey of Hours and Earnings (ASHE) and the Land Registry House Price data. The ratios are useful as they enable analysis of long-term trends and relative comparison with other comparable Local Authorities and nationally. The latest available data is for 2013.

D.31. Table 33 shows that in 2013 Shropshire had an affordability ratio (AR) of 7.2. This places Shropshire's AR the third highest against the comparable Local Authorities listed in Table 33 and reveals Shropshire to be the third least affordable place to live of the Local Authorities considered, in 2013. Herefordshire and Malvern Hills stand out as the least affordable comparable Local Authorities at 8.56 and 7.62.

D.32. Shropshire's AR is 15.9% (1.36) below Herefordshire's AR and above but closer to the England ratio of 6.45. The most comparable Local Authorities with Shropshire in terms of ARs are Wyre Forest and Worcester. The sharpest contrast is with Telford and Wrekin's AR of 5.62 which shows the area is more affordable to households on lower quartile earnings.

D.33. Overall Shropshire's ranking highlights that access to private market affordable housing for people on low incomes is a particular challenge in the County. This indicates a higher level of affordable housing need amongst lower income households compared with similar Authorities and nationally. An assessment of affordable housing need in Shropshire has been undertaken and summarised within Section 8: Affordable Housing Need in Shropshire of this report.

D.34. However, as house prices in Shropshire are below the national average, the high affordability ratio in Shropshire is likely to result from lower wages received in the area, particularly amongst those employed in rural areas. Indeed data for 2015 indicates that the average median weekly earning for employees in Shropshire is £466.10, significantly less than the median average for the West Midlands Region (£493.10) and the median average for Great Britain (£529.00). Consequently a more effective method of addressing affordability in Shropshire may be to increase opportunities to earn higher wages, rather than solely relying on provision of affordable dwellings.

D.35. Table 33 shows that since 1999, Shropshire's AR has risen at a rate of 0.71, similar to the rise experienced nationally of 0.75. Five Local Authorities have experienced higher rises in ARs than Shropshire during the period 1999-2013 including Herefordshire (0.93) and East Staffordshire (0.85). Telford and Wrekin has seen the third lowest level of growth at 0.61.

Table 33: Ratio of lower quartile house price to lower quartile earnings[67]

	Affordability Ratio				Rank	Rate of Change			
	1999	**2003**	**2009**	**2013**	**2013**	**1999-03**	**2003-09**	**2009-13**	**1999-13**
Herefordshire, County of	4.43	6.98	8.49	8.56	1	0.57	0.22	0.01	0.93
Malvern Hills	5.56	9.33	7.98	7.62	2	0.68	-0.15	-0.04	0.37
Shropshire	**4.22**	**6.42**	**7.88**	**7.20**	**3**	**0.52**	**0.23**	**-0.09**	**0.71**
Wyre Forest	3.89	6.28	6.94	7.18	4	0.62	0.10	0.03	0.85
Worcester	4.26	6.63	7.22	7.15	5	0.56	0.09	-0.01	0.68
Stafford	3.85	5.38	6.51	6.69	6	0.40	0.21	0.03	0.74
Cheshire East			6.55	6.61	7			0.01	
Cheshire West & Chester			6.57	6.57	8			0.00	
South Staffordshire	4.26	6.94	7.76	6.50	9	0.63	0.12	-0.16	0.53
East Staffordshire	3.10	4.65	5.37	5.73	10	0.50	0.15	0.07	0.85
Telford and Wrekin	3.49	4.19	6.28	5.62	11	0.20	0.50	-0.11	0.61
Newcastle-under-Lyme	2.96	4.07	5.57	5.17	12	0.37	0.37	-0.07	0.74
Wolverhampton	2.80	4.12	5.16	4.68	13	0.47	0.25	-0.09	0.67
England	*3.68*	*5.23*	*6.28*	*6.45*		*0.42*	*0.20*	*0.03*	*0.75*

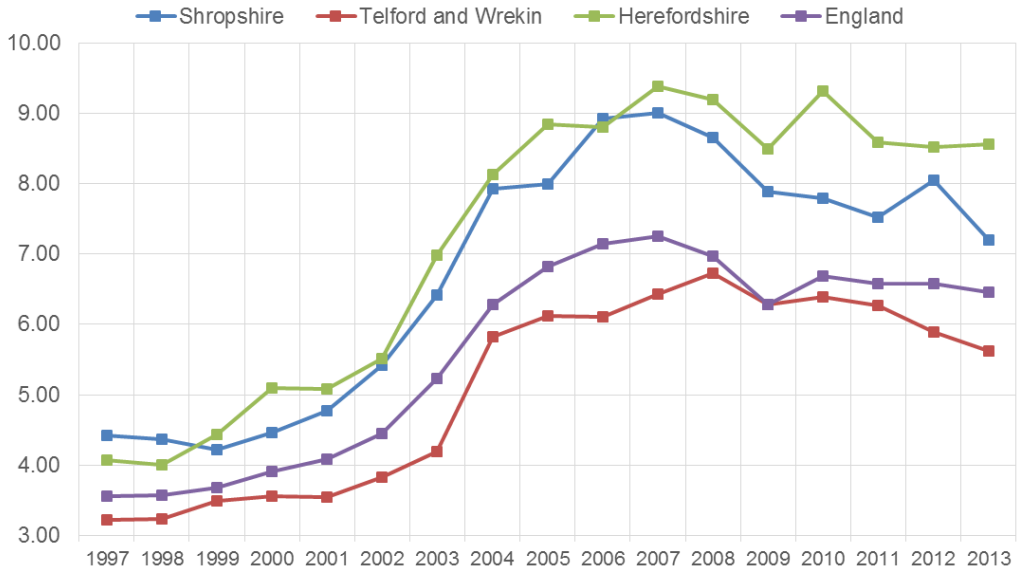
Please note: Cheshire East and Cheshire West & Chester Local Authorities were newly created in 2009 and so data is unavailable before this year. CLG and the Welsh Assembly do not publish figures for Wrexham or Powys.

[67] CLG, Table 576: Ratio of median house price to median earnings (last update April 2014), www.gov.uk/government/uploads/system/.../Table_576.xlsx (Uses ONS: Annual Survey of Hours and Earnings (ASHE) and the Land Registry House Price data).

D.36. The margin between Shropshire ARs and Telford and Wrekin / national ARs appears to widen from 2004 onwards.

D.37. Figure 19 reveals that all areas experienced sharper rises in ARs between 2002 and 2006/7.

Figure 19: Change in the Ratio: Lower Quartile House Prices to Lower Quartile Earnings



D.38. Breaking down the long-term trend, Table 33 shows the AR in Shropshire rose at a higher rate (0.52) during 1999-2003, slowed to 0.23 during 2003-2009 and fell by 0.09 during 2009-2013. During 2009-2013 the rate of increase in ARs nationally and in the other comparison Local Authorities slowed or began to decline in response to the recession impact on house prices and earnings. Shropshire has seen the third highest level of decline after South Staffordshire and Telford and Wrekin.

D.39. Figure 19 depicts the long-term trend in ARs, during the time series 1997-2013. It illustrates clearly (as proven in Table 33) that in the long-term Shropshire has experienced significantly higher ARs than Telford and Wrekin and England but has more closely followed the Herefordshire trend. During the period 2002-2007 the ARs for all areas rose sharply reflecting the economic boom at the time. When comparing Shropshire with Telford and Wrekin and England, the margin between ARs has widened since 2004.

D.40. As reflected in Table 33, Shropshire's ARs have declined since peaking in 2007, with a slight rise in 2012. This downward trend started prior to the onset of the global recession (2009) and points to the conclusion that private market housing is becoming more affordable to households on low incomes in the County.

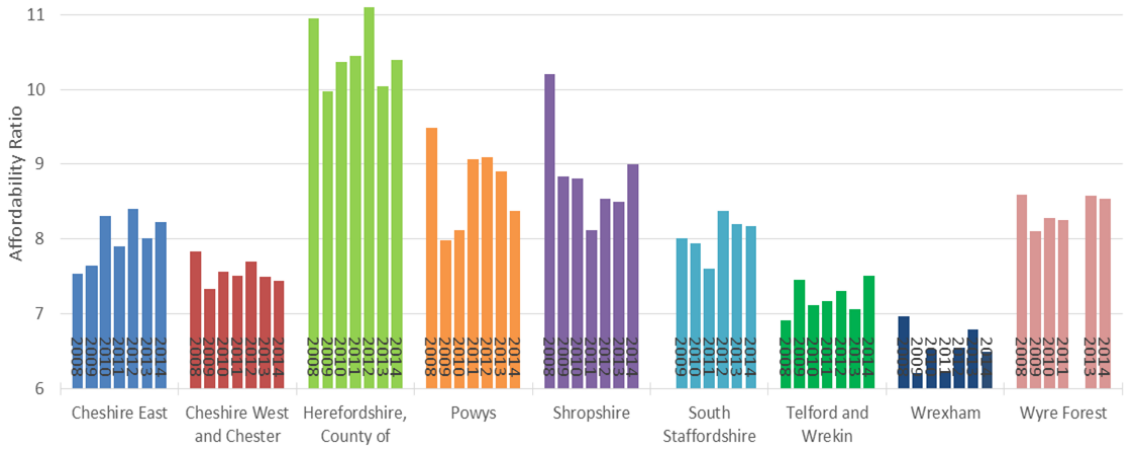
D.41. Overall, whilst access to affordable housing remains a large concern in Shropshire, the recent falling rate of change (2007-2013) indicates the gap between earnings and housing costs is narrowing, making access to affordable market housing relatively easier for lower income households. This is encouraging news if more housing need can be met within the planned Shropshire private sector housing market.

D.42. Improvements in Shropshire's AR (starting prior to the recession) suggest that affordability levels on their own have not significantly suppressed household formation in recent years. Changing levels of affordability have not created an unmet need that is not reflected in the 2012-based SNHP. For this reason there is no need to upwardly adjust the 2012-based SNHP when producing an assessment of housing need for Shropshire. This improving market signal does not indicate that there is a need for additional housing to offset any worsening affordability levels in recent years.

D.43. Further evidence is available from the ONS who publish the ratio of median house prices to median gross annual salary as a measure of affordability (2002-2014). Unfortunately due to local government re-organisation in 2009, data is only available from 2008 onwards for Shropshire and no national comparison is provided. Figure 21 displays the trend 2008-2014 for identified comparable Local Authorities and Table 20 shows the most recent ARs and the rate of change experienced in the last seven years.[68]

D.44. This further evidence reinforces the CLG findings, specifically of the identified comparator Local Authorities, that as at 2014 Shropshire was the third least affordable Local Authority to live in. Figure 20 demonstrates that during the period 2008-2014, ARs in Shropshire peaked significantly in 2008 but have continued to fall at a rate of 0.12. The AR rose slightly in 2014 but one year's worth of data it is too early to know if this is the start of an upward trend and ultimately the AR remains significantly below Shropshire's 2008 AR.

Figure 20: Ratio of Median House Price to Median Gross Annual Salary, Change 2008-14



D.45. Table 20 shows that during 2008-2014 Shropshire and Powys experienced the highest rate of decline in ARs of the selected comparator Local Authorities. This strongly indicates that private market housing in Shropshire is becoming more affordable and accessible to households.

Table 34: Ratio of Median House Price to Median Gross Annual Salary

	Affordability Ratio			Rank	Rate of Change	
	2008	2013	2013	2014	2008-13	2008-14
Malvern Hills		10.8	11.8	1		
Herefordshire, County of	11.0	10.4	10.4	2	-0.05	-0.05
Shropshire	**10.2**	**8.1**	**9.0**	**3**	**-0.20**	**-0.12**
Wyre Forest	8.6	8.2	8.5	4	-0.04	-0.01
Powys	9.5	9.1	8.4	5	-0.04	-0.12
Cheshire East	7.5	7.9	8.2	6	0.05	0.09
South Staffordshire		7.6	8.2	7		
Worcester	7.8	7.7	7.8	8	-0.02	-0.01
Telford and Wrekin	6.9	7.2	7.5	9	0.04	0.09
Cheshire West and Chester	7.8	7.5	7.4	10	-0.04	-0.05
East Staffordshire	6.8	7.0	7.4	11	0.03	0.09
Stafford	7.9	7.0	7.3	12	-0.11	-0.08
Wrexham	7.0	6.2	6.5	13	-0.11	-0.07
Newcastle-under-Lyme	6.4	6.5	6.3	14	0.02	-0.01

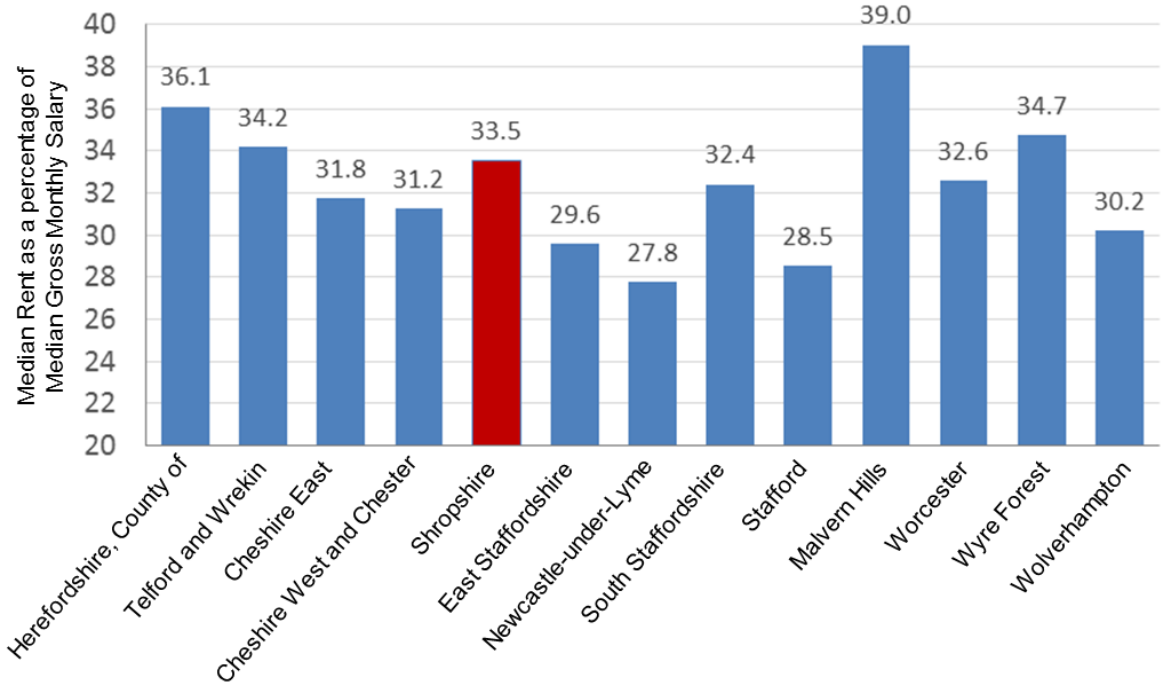
[68]ONS, Table 3: Ratio of median house price to median gross annual salary by Local Authority district, England and Wales, 2002-2014, www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-411659

D.46. In summary the improvements in affordability indicate that levels of unmet housing need have not worsened beyond 2007 levels. There is no evidence to suggest that household formation has been further suppressed and that there is a need for additional housing.

Affordability – Renting a Property

D.47. ONS have recently produced a new indicator of affordability of private sector rental accommodation. This is expressed as median private sector monthly rental cost as a proportion of median gross monthly salary. Figure 21 below illustrates Shropshire's position relative to the identified comparator Local Authorities and nationally in 2014.

Figure 21: Median Private Sector Rent as a Proportion of Gross Monthly Salary - 2014[69]



D.48. In 2014, median private sector monthly rent represented 33.5% of median gross monthly salary in Shropshire. Only Telford and Wrekin, Herefordshire, Wyre Forest and Malvern Hills experienced a higher proportion indicating housing costs for rented accommodation are more affordable than in these Local Authorities.

Over-occupation[70]

D.49. The NPPG identifies over-occupation as a potential signal of housing need. If levels of over-occupation are increasing within an area, this may indicate that there has been a build-up of unmet housing need and more housing supply should be factored into the 2012-based SNHP.

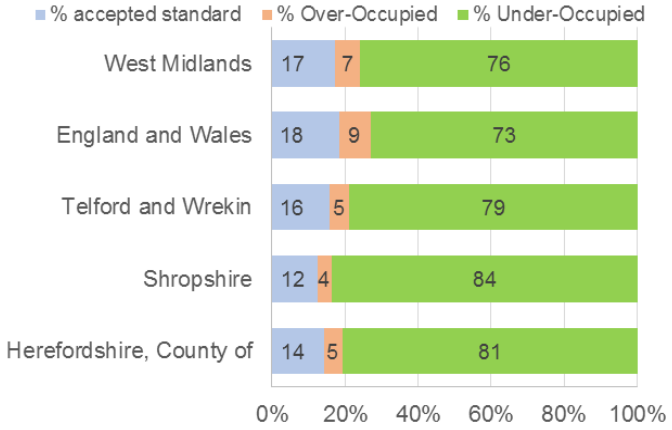
D.50. However, in reality, it must be noted that this is only likely to be the case where over-occupation is caused by concealed households (which represent a separate market signal assessed below). Otherwise if over-occupation is increasing, it is more likely to be an indication of a need for different types of dwellings, which will be assessed within the wider SHMA, rather than a need for more dwellings.

[69]ONS, Housing Summary Measures - Data tables, www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/housingsummarymeasuressummarymeasuresdata
[70]ONS, Table UV059: Occupancy, 2001 Census & Table QS408EW: Occupancy Rating (Rooms), 2011 Census

D.51. The Census provides information on occupancy ratings in terms of number of rooms. Occupancy ratings indicate whether households are living in under-occupied accommodation (1+ rooms), overcrowded conditions (1- rooms) or have the 'standard' number of occupiers (0 rooms).

D.52. Figure 22 summarises levels of occupancy at the 2011 Census for Shropshire; Telford & Wrekin; Herefordshire; the West Midlands; and England & Wales:

Figure 22: 2011 Census – Levels of Occupancy



D.53. Figure 22 indicates that in 2011 the majority of households within Shropshire (84%) were under-occupied dwellings, this compares with 76% regionally and 73% nationally. The proportion of over-occupied households in Shropshire (4%) is significantly less than the levels of over-occupation regionally (7%) and nationally (9%). Over-occupation in Shropshire is also below the levels of its closest comparator Authorities.

D.54. Table 35 identifies change to over and under-occupation of households between the 2001 and 2011 Censuses for a wider range of comparator areas.

Table 35: Occupancy ratings in Shropshire 2001-2011[71]

	Over-occupation *(Households)*		***Change (2001-11)***	**Under-occupation (Households)**		***Change (2001-11)***
	%	Total		%	Total	
Cheshire West & Chester	4.2	5,882	12.6	82.5	116,698	6.0
Cheshire East	3.6	5,681	19.5	83.5	133,178	7.8
East Staffordshire	5.1	2,425	44.9	80.7	38,143	7.9
Herefordshire	5.3	4,119	34.0	80.6	67,259	4.3
Malvern Hills	3.4	1,101	11.4	84.0	27,072	6.7
Newcastle-Under-Lyme	4.2	2,195	12.2	79.9	41,989	3.8
Powys	3.6	2,081	21.4	85.3	49,797	8.6
Shropshire	**4.0**	**5,222**	**28.4**	**83.6**	**108,443**	**10.0**
South Staffordshire	3.3	1,459	4.1	85.2	37,858	7.3
Stafford	3.8	2,129	41.9	83.3	46,427	10.0
Telford & Wrekin	5.2	3,456	21.0	78.9	52,573	3.9
Wolverhampton	8.1	8,278	26.0	71.2	72,699	2.6
Worcester	6.9	2,898	37.3	74.9	34,506	3.6
Wrexham	4.8	2,724	14.8	79.1	45,099	6.3
Wyre Forest	4.5	1,918	15.4	80.3	31,474	5.8
Worcestershire	*4.8*	*11,611*	*25.6*	*80.3*	*192,410*	*6.1*
Staffordshire	*4.0*	*14,372*	*22.1*	*81.8*	*290,459*	*8.1*
West Midlands	*6.8*	*156,344*	*29.1*	*75.9*	*1,740,954*	*4.9*
England & Wales	*8.5*	*1,995,860*	*32.1*	*73.1*	*17,070,912*	*5.0*
England	*8.7*	*1,928,596*	*32.3*	*72.6*	*16,027,853*	*4.9*

[71]ONS, 2011 Census Table KS403EW - Rooms, bedrooms and central heating and 2001 Census Table UV059 Occupancy, www.nomisweb.co.uk/

D.55. In terms of numbers of households living in over-occupied accommodation, as at the 2011 Census, Shropshire ranks the 4th highest of the comparator Local Authorities, after Wolverhampton; Cheshire East; and Cheshire West and Chester. However Shropshire ranks 10th in terms of percentage of all households, which is a more comparable indicator.

D.56. Conversely, in terms of numbers of households living in under-occupied accommodation, as at the 2011 Census, Shropshire ranks 5th and 4th highest of the comparator Authorities in terms of absolute households and percentage of total households over-occupied, respectively. Furthermore, Shropshire also had a larger proportion of households (63.3%) that were more significantly under-occupied (rating of 2+ or more) compared to the England average (49.7%).

D.57. Between the 2001 and 2011 Censuses the number of over-occupied households in Shropshire increased by 28.4%. Whilst this rate of change seems significant, it is less than the average experienced across the West Midlands (29.1%) and the average across England (32.3%).

D.1. As the level of over-occupation and the rate at which it is increasing in Shropshire is significantly less than the regional and national averages, there is no evidence of a factor specific to Shropshire which is significantly increasing over-occupation; therefore change is likely to relate to national factors such as changes in living/family structures; and changes to individuals' aspirations. The other potential factor is increased numbers of concealed households; this will be considered in the relevant section below.

D.2. Apart from concealed households (which will be discussed below), the other causes of over-occupation are more likely to be addressed when considering the type of dwellings to be provided (which will take place as part of the SHMA), rather than the number of dwellings.

D.3. Over the same period the number of under-occupied households increased by 10% to 83.6% in Shropshire. This level of change is the second highest relative to the selected comparator Local Authorities. It also represents twice the level of growth to that experienced nationally (4.9%). As the level of under-occupation in Shropshire is significantly higher than the regional and national averages, it may be influenced by both national and local factors, including changes in living/family structures; and changes to individuals' aspirations.

D.4. Due to the infrequency of data availability it is not possible to identify when the most significant rises to both over and under-occupation of households occurred or what has changed since the last 2011 Census. Therefore whilst this inter-censal increase would have been apparent within the data that informed the 2012-based SNHP, it is not possible to determine whether changes since the base date for the 2012-based SNHP have resulted in unmet housing need which was not considered within the data set.

D.5. Therefore it is not considered appropriate to make an adjustment in relation to over-occupation of households, as whilst the inter-censal trend has been an increase to levels, this increase is less than the regional and national averages. Furthermore, if over-occupation of households did result from unmet housing need, this would most likely result from concealed households, which are considered specifically below.

Concealed Families

D.6. The NPPG and best practice guidance identify concealed households as another signal of housing need. Whilst there are a range of causes of concealed households, if concealment is worsening this could be an indication of unmet housing need as people/families are unable to afford the cost of renting or buying a home and so they are reliant on friends and family for accommodation, although equally it must also be recognised that many concealed people/families do not want separate housing – in particular where they have chosen to live together as extended families or to receive help or support due to poor health.

D.7. Table 36 compares Shropshire with comparator Local Authorities in terms of the percentage of all families that are concealed and inter-censal change to levels of concealment. It highlights that since the 2001 Census the number of concealed families in Shropshire has increased by 67.7% from 677 in 2001 to 1,135 in 2011. Whilst this in itself represents a significant increase, it is lower than the average experienced within England and Wales as a whole (70.4%).

D.8. Furthermore, whilst in 2011 Shropshire had the fourth largest number of concealed families of the fifteen comparator Local Authorities shown, this placed it only 10th in terms of the percentage of all families (a more direct comparator). Of note is that close neighbours Telford and Wrekin placed 2nd and Herefordshire 5th in terms of percentage of all families.

Table 36: Concealed family status:
By family type by dependent children by age of Family Reference Person (FRP) [72]

	Number of concealed families (2011)	% of all families	Rank based on % of all families	Number of concealed families (2001)	% Change 2001-11
Wolverhampton	2,179	3.17	1	1,497	45.6
Telford and Wrekin	853	1.74	2	426	100.2
East Staffordshire	547	1.65	3	287	90.6
Worcester	426	1.53	4	304	40.1
Herefordshire, County of	836	1.52	5	447	87.0
South Staffordshire	485	1.46	6	287	69.0
Wrexham	550	1.39	7	292	88.4
Powys	507	1.29	8	332	52.7
Wyre Forest	373	1.26	9	279	33.7
Shropshire	**1,135**	**1.25**	**10**	**677**	**67.7**
Malvern Hills	273	1.22	11	197	38.6
Cheshire West and Chester	1,171	1.20	12	832	40.7
Stafford	459	1.18	13	258	77.9
Newcastle-under-Lyme	382	1.08	14	274	39.4
Cheshire East	1,176	1.06	15	734	60.2
England and Wales	*289,295*	*1.84*		*169,765*	*70.4*

D.9. The evidence of increasing concealment suggests the number of concealed households may be increasing, however it should be noted that infrequency of available data makes it impossible to identify when the most significant rise occurred or what has changed since the last 2011 Census.

D.10. Therefore whilst this inter-censal increase would have been apparent within the data that informed the 2012-based SNHP, it is not possible to determine whether

[72] ONS, Table LC1110EW: 2011 Census, © Crown Copyright 2016

changes have occurred since the base date for the 2012-based SNHP, which have resulted in unmet housing need which was not considered within the data set. Furthermore it must be acknowledged that the rate of change experienced in Shropshire is less than the national average and the majority of the identified comparator Local Authorities.

D.11. However, it is considered appropriate to make an adjustment to the 2012-based SNHP, equating to the number of additional concealed households formed within the inter-censal period in order to reduce the number of concealed households. This represents an increase of 458 households or approximately 478 dwellings in Shropshire between 2016 and 2036.

Homelessness

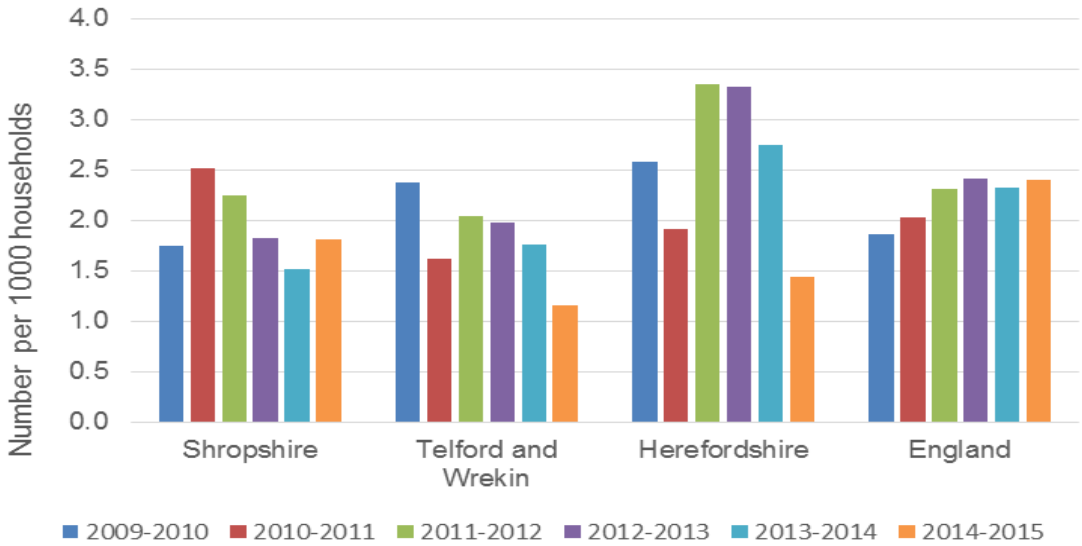
D.12. Homelessness is identified in the NPPG as another signal of housing need. If the number of households accepted as homeless and in priority need is increasing this may indicate an increase to unmet housing need.

D.13. The charity 'Crisis' defines homelessness in its broadest sense *as "a problem faced by people who lack a place to live that is supportive, affordable, decent and secure"*[73]. Rough sleepers are the most visible homeless but a high proportion of homeless people/households are accommodated in hostels, squats, bed and breakfasts (B&Bs) or temporarily with friends and family.

D.14. Local Authorities have a statutory duty under the Homelessness Act 2002 to provide accommodation to households accepted as being homeless and in priority need. Their duty also extends to supporting homelessness prevention and relief.

D.15. Figure 23 analyses recent trends in households accepted by Local Authorities as being 'homeless and in priority need' (the data used is published by CLG and it is unknown whether changes in Local Authority/national policy have impacted upon this).

Figure 23: Statutory Homelessness – 2009-15[74]



D.16. In Shropshire the number of households per 1,000 accepted as being 'homeless and in priority need' has reduced year on year from 2010-11 to 2013-14, only in 2014-15 has the number increased slightly to a level just below that from 2012-13. In contrast to the Shropshire trend, nationally the number of households per 1,000

[73]Crisis, (2005), What is Homelessness
[74]CLG, Table 784: Local Authority Summary, www.gov.uk/government/uploads/system/.../Table_784_201506.xls

has increased, stabilising in the last three years. Furthermore, with the exception of 2011-12, Shropshire rates have consistently remained below national levels.

D.17. Of Shropshire's closest comparator Local Authorities:

- Telford and Wrekin experienced an increase in levels in 2011-12 to a level comparable to Shropshire, it then reduced year on year to 2014-15.
- Herefordshire has experienced a much higher level of homelessness per 1,000 households than Shropshire in recent years, but has more than halved levels since 2012-13.

D.18. Table 37 provides actual numbers of households accepted as being homeless and in priority need.

Table 37: Homelessness[75]

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Average Per Year
Cheshire East	55	80	111	108	104	104	94
Cheshire West and Chester	34	72	100	110	65	90	79
East Staffordshire	27	49	24	34	78	112	54
Herefordshire, County of	201	149	261	262	219	116	201
Malvern Hills	41	65	55	39	52	51	51
Newcastle-under-Lyme	17	7	6	13	18	10	12
Shropshire	**214**	**309**	**276**	**239**	**200**	**241**	**247**
South Staffordshire	21	62	50	33	27	27	37
Stafford	68	50	63	49	49	22	50
Telford and Wrekin	159	108	137	132	119	78	122
Wolverhampton	339	324	363	372	337	334	345
Worcester	166	183	206	213	187	171	188
Wyre Forest	69	96	141	151	134	141	122
England	*40,020*	*44,160*	*50,290*	*53,770*	*52,290*	*54,430*	*49,160*

D.19. Table 37 demonstrates that the actual number of households accepted as homeless in Shropshire is higher than the majority of its comparator Local Authorities. However whilst the actual number of households accepted as being homeless is relatively high, this evidence does not suggest worsening homelessness in Shropshire beyond reasonable fluctuations in actual numbers.

D.20. Indeed, in relative terms, rates of homelessness have improved in Shropshire between 2010 and 2014, whilst remaining below national levels. The absence of a worsening trend suggests that there has not been a build-up of unmet housing need that has impacted heavily on levels of homelessness.

Temporary Accommodation

D.21. National advice to local planning Authorities on the preparation of a FOAHN identifies households placed in temporary accommodation as a useful signal of the quantity of housing need. If the number of households placed in temporary accommodation is worsening then this may suggest housing costs are becoming less affordable, leading to a build-up of unmet housing need. This unmet need may signal the need for additional housing supply that is not factored into the 2012-based SNHP.

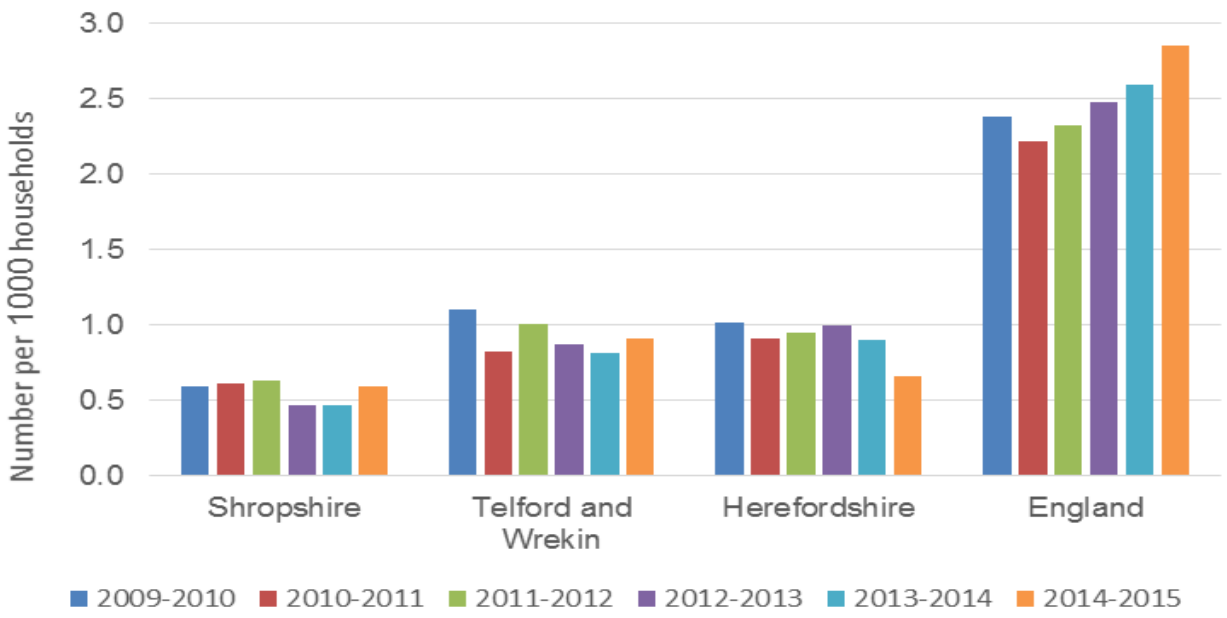
[75]CLG, Section E1b of the Detailed Local Authority Level Responses from P1E Returns (Quarterly) (July – September 2015), © Crown Copyright

D.22. These households present themselves as homeless due to a range of circumstances which may include eviction from private sector housing through rent/mortgage arrears, rising private sector housing costs or they may be concealed households who can no longer rely on friends or family to accommodate them.

D.23. When a Local Authority accepts a household is 'homeless and in priority need' if the households cannot be assisted to remain in their existing accommodation or suitable alternative accommodation is not immediately available they must be provided temporary accommodation until such time as suitable settled accommodation can be offered.

D.24. Figure 24 compares the recent trend in households accepted by Local Authorities as in priority need and placed in temporary accommodation. It uses a measure of the number of households placed per 1,000 households as a means of comparing Shropshire with the identified comparator Local Authorities and nationally. It is immediately evident that Shropshire has significantly lower numbers per 1,000 households than nationally and compared with its closest comparator Authorities.

Figure 24: Households Placed in Temporary Accommodation, 2009-2015



D.25. Nationally the number of households in priority need per 1,000 households has continued to rise year on year since 2010, reaching 2.85 households per 1,000 in 2014. Shropshire has not followed this trend. Between 2012 and 2014 rates fell to below 0.5 households per 1,000 in Shropshire. Rates rose slightly in 2014-15 but remain below the rates from 2009-2010, which in turn are significantly less than national levels (which in 2014-15 well exceeded rates from 2009-10).

D.26. Table 38 shows in real terms the numbers of households placed in temporary accommodation between 2009 and 2015. It indicates that actual numbers of households placed in temporary accommodation within Shropshire have remained relatively stable. Indeed the annual average number of households occupying temporary accommodation between 2009 and 2015 (71) and annual average change (2.8%) represent a relatively small variation in numbers over time.

D.27. In real terms there is no evidence to suggest that numbers are worsening over time. This means that the analysis does not reflect any build-up of unmet need that is not already reflected in the 2012-based SNHP. Consequently it is not considered necessary to make an adjustment in relation to this issue.

Table 38: Households in Temporary Accommodation

	Numbers in Temporary Accommodation						Annual Average	Annual Average % Change
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15		
Cheshire East	13	14	20	18	35	32	22	25.3
Cheshire West & Chester	22	26	46	43	36	39	35	16.1
East Staffordshire	0	4	2	7	9	9	5	57.1
Herefordshire	79	71	74	79	80	53	73	-6.3
Malvern Hills	9	8	4	1	-	6	6	-45.4
Newcastle-under-Lyme	1	2	0	1	-	-	1	0.0
Shropshire	**73**	**75**	**78**	**61**	**62**	**79**	**71**	**2.8**
South Staffordshire	9	9	4	3	5	-	6	-3.5
Stafford	0	5	2	4	-	-	3	20.0
Telford and Wrekin	79	55	68	58	55	63	63	-2.4
Worcester	50	50	49	56	40	47	49	0.2
Wolverhampton	59	51	57	54	65	57	57	0.2
Wyre Forest	30	17	9	5	-	-	15	-44.9
England	*51,310*	*48,240*	*50,430*	*55,320*	*58,410*	*64,710*	*54,737*	*4.9*

Repossessions

D.28. The NPPG and best practice guidance recommends reviewing other data sources that might provide additional insight into private housing market conditions. For this reason this analysis also reviews trends in household repossessions (possession actions). Table 39 presents information on repossessions for Shropshire; its comparator Local Authorities; and nationally.

Table 39: Change in Repossessions 2003-2014

	Actual Repossessions			Percentage Change			Rate/1000 Dwellings (2014)	Rank (Using Rate)
	2003	2008	2014	2003-08	2008-14	2003-14		
Wolverhampton	175	372	265	112.6	-28.8	51.4	2.5	1
Newcastle-under-Lyme	97	123	104	26.8	-15.4	7.2	1.9	2
Telford & Wrekin	104	173	128	66.3	-26.0	23.1	1.8	3
Cheshire West & Chester	123	324	250	163.4	-22.8	103.3	1.7	4
Worcester	46	84	57	82.6	-32.1	23.9	1.3	5
Cheshire East	164	340	218	107.3	-35.9	32.9	1.3	6
East Staffordshire	57	90	51	57.9	-43.3	-10.5	1.0	7
Wyre Forest	70	100	46	42.9	-54.0	-34.3	1.0	8
Shropshire	**77**	**184**	**123**	**139.0**	**-33.2**	**59.7**	**0.9**	**9**
Stafford	29	91	49	213.8	-46.2	69.0	0.8	10
South Staffordshire	42	57	32	35.7	-43.9	-23.8	0.7	11
Herefordshire	54	78	56	44.4	-28.2	3.7	0.7	12
Malvern Hills	12	26	12	116.7	-53.8	0.0	0.4	13
England	*34,628*	*58,852*	*45,244*	*70.0*	*-23.1*	*30.7*	*1.9*	

D.29. This table uses statistics published by the Ministry of Justice[76] on mortgage and landlord possession actions in the county courts of England and Wales. If the

[76]Ministry of Justice – Mortgage and Landlord Possession Statistics, www.gov.uk/government/statistics/mortgage-and-landlord-possession-statistics-october-to-december-2015

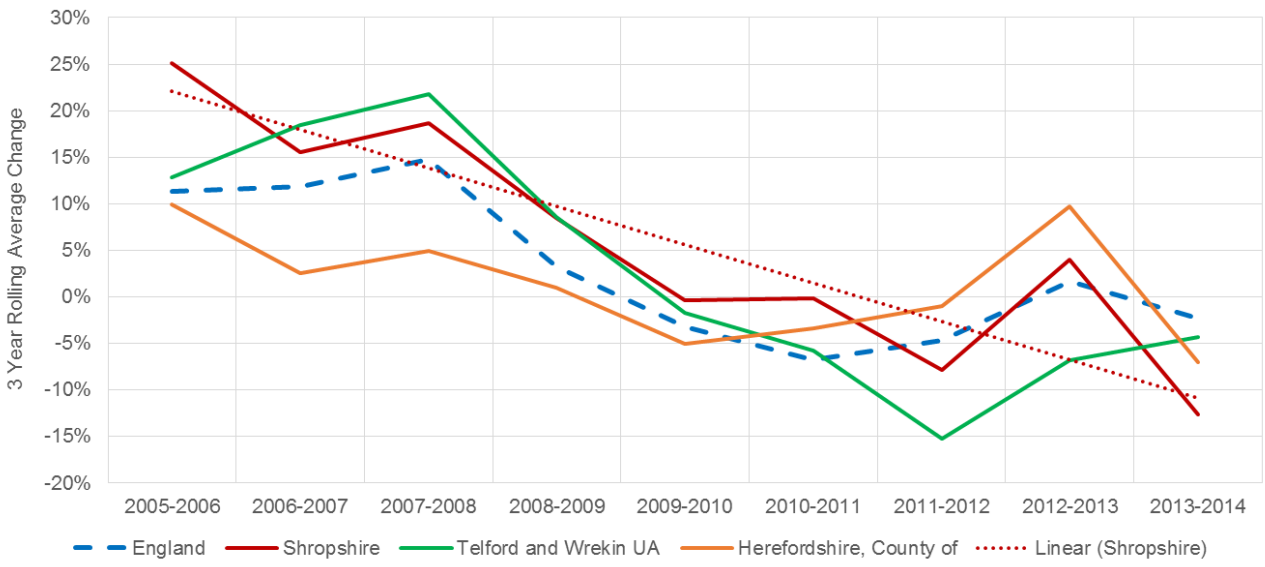
number of actions and enforcements has been worsening this may suggest that private sector housing costs are becoming less affordable in Shropshire.

D.30. Table 39 indicates that in 2014 repossessions represented 0.9 per 1,000 dwellings in Shropshire representing less than half the national figure of 1.9 and placing Shropshire 9th relative to identified comparator Local Authorities.

D.31. In the longer-term the number of repossessions in Shropshire peaked in 2008 (139.0% rise 2003-2008), following a sustained period of house price inflation. Between 2008 and 2014, numbers have fallen by 33.2%, possibly reflecting improvements in levels of housing affordability (through a combination of stability on house purchase/rental prices; lower interest rates; and rising earnings); increased levels of job stability; and reduced unemployment. This pattern of rise and fall in numbers is reflected in all the comparator Authorities and nationally.

D.32. Figure 25 uses a three year rolling average to show annual change in repossessions between 2005 and 2014, comparing Shropshire with selected comparator Local Authorities and the national trend.

Figure 25: Three Year Rolling Average Change - Repossessions 2005-2014



D.33. The Linear trend for Shropshire indicates a general downward trend in average annual change in repossessions. This overall downward trend is also reflected in Telford and Wrekin; Herefordshire; and nationally, although to a slightly lesser extent. Between 2007 and 2010, all areas experienced a sharper consistent decline in average annual change.

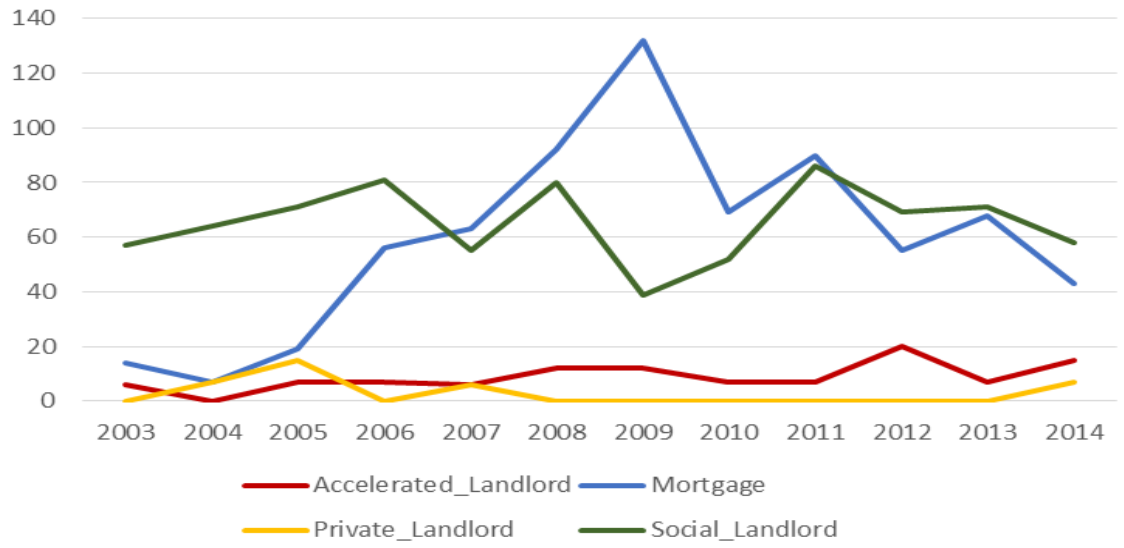
D.34. With the exception of 2011-12 and 2013-14 Shropshire has continued to experience higher levels of annual change than nationally. In 2005-06 Shropshire experienced the highest level change, compared with England, Herefordshire and Telford and Wrekin, and in 2013-14 experienced the largest decline in repossessions.

D.35. Figure 26 provides a simple trend of Possession Actions by claimant in Shropshire. This provides more insight into the operation of mortgage lenders and private landlords in the private housing market.

D.36. Most striking is the number of repossessions by mortgage lenders, which peaked in 2009 but has since fallen by 67.4% in Shropshire. Compared with the selected comparator Authorities this places Shropshire 4th in terms of the highest fall. This peak is likely to reflect a combination of consistent house price inflation during the period from 2003 to 2009 and the impact of the economic downturn.

D.37. When numbers fall below five they are not disclosed. This is frequently the case amongst repossessions instigated by private landlords. In 2014, Shropshire levels reached their highest since 2005 (7 repossessions).

Figure 26: Possession Actions by Type of Claimant in Shropshire, 2003-2014



D.38. Figure 26 shows that between 2007 and 2011 possession actions instigated by mortgage lenders were higher than those by social landlords. However for the remaining years the reverse is true with social landlords initiating more possession actions. In 2014, there were 123 repossessions, 35.0% were instigated by mortgage lenders, 5.7% by private landlords and 47.2% by social landlords.

D.39. Between 2003 and 2014, overall repossessions peaked in 2008, with the largest proportion instigated by mortgage lenders. Since 2008 repossessions have fallen by 50% in Shropshire.

D.40. In summary, the long-term trend in repossession actions has risen by 59.7% in Shropshire, potentially reflecting the high affordability ratios experienced in the County. However reductions between 2008 and 2014 of 33.2% may in part reflect improvements in affordability levels since 2007. These trends are consistent with national trends and this suggests that there has not been a build-up of additional need that is not already reflected in the assumptions used in the 2012-based SNPP and the 2012-based SNHP.

Appendix E. Analysis of Other Adjustment Factors

Statistical sensitivity of the data underlying demographic projections and household formation rates

E.1. Factors considered when assessing the statistical sensitivity of the data underlying the 2012-based SNPP (sub-national population projections) and 2012-based SNHP (sub-national household projections) include:

Updated population and/or household projections

E.2. SNPP's forecast future populations and SHNP's forecast future households by Local Authority area and are normally released at two-year intervals, with additional releases in response to new data – such as the 2011 Census.

E.3. The SNHP's which inform this assessment of the FOAHN in Shropshire are the 2012-based SNHP. These currently represent the most up to date projections, although it is understood that the 2014-based SNHP will be published later this year.

E.4. The SNPP's which inform this assessment of the FOAHN in Shropshire (through there translation into the 2012-based SNHP) are 2012-based. Since the 2012-based SNPP data was produced, there has been a further SNPP issued for 2014 (however ONS / Edge Analytics have yet to make available the detailed component of change assumptions, which make it difficult to produce projections using this data).

E.5. Table 40 compares the results of the 2012-based SNPP with the results of the 2014-based SNPP. This shows that by 2036 a further 1,156 people are projected to be resident in Shropshire within the 2014-based SNPP compared with the 2012-based SNPP. This difference in the population by 2036 in reality represents a very small increase of 0.3%.

Table 40: Comparison: 2012 and 2014-based SNPP

	2016	2036	Change	% Change
2012 SNPP	**312,808**	**335,375**	**22,566**	**7.2%**
2014 SNPP	**312,407**	**336,531**	**24,124**	**7.7%**

E.6. In view of the small difference to the population over the period from 2016 to 2036, it was not considered necessary to make an adjustment in relation to this factor, particularly as the population has yet to be translated into households and ONS / Edge Analytics have yet to make available the detailed component of change assumption that are required to complete a full up-date.

E.7. It should be noted that according to national policy and guidance, planning evidence should be proportionate[77] and projections are not rendered out of date each time a new projection is released[78].

Modelling anomalies within the data

E.8. Modelling anomalies within the 2012-based SNPP or 2012-based SNHP may occur for specific Local Authorities. However, there are no anomalies apparent within the data produced for Shropshire; consequently no adjustment is required to the 2012-based SNHP for Shropshire in response to this issue.

[77]CLG, (2012), The NPPF
[78]CLG, NPPG – Paragraph: 016, Reference ID: 2a-016-20150227, 06/03/2014

E.9. Furthermore such anomalies are generally associated with areas with either high levels of migration or have experienced / will experience significant events that will impact on demographics.

Migration rates

E.10. Migration rates utilised to inform the 2012-based SNPP and 2012-based SNHP are based on a five year period (2007-2012). Whilst the NPPG specifies that the CLG household projections are statistically robust, it does specify that dependent on local circumstances, Local Authorities may wish to consider sensitivity testing or alternative assumptions in relation to underlying demographic projections – however *"any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence"*[79].

E.11. One factor for which the NPPG recognises that adjustments may be required is if the migration rates for this five year period are not considered representative of migration rates in Shropshire, as a result of *"changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last five years"*[79].

E.12. During the relevant five year period (2007-2012), it is not considered that there were any such significant events in Shropshire. Additionally, migration rates in Shropshire are considered to be relatively stable.

E.13. However, best practice guidance produced by PAS recommends that it is important to produce population and household projections based on longer term migration trends in order to ensure that *"stable and robust projections"*[80] are produced. This is because the migration trends that inform the latest official projections (covering the period from 2007 to 12) cover *"all of the last recession, in which migration was severely suppressed as many households were unable to move due to falling incomes and tight credit. Therefore the official projections may underestimate future migration - so that they show too little population growth for the more prosperous parts of the country, which have been recipients of net migration in the past"*[80].

E.14. Consequently to ensure robustness and in recognition that migration remains the least robust component of population change, it is considered appropriate to model both the five and ten year migration trends within the projections to inform the FOAHN, which will allow an understanding of the implications of utilising the alternative rate. The rate utilised within the identification of the FOAHN will be that which most accurately reflect future migration rates in Shropshire.

E.15. Shropshire Council is also aware that there are a number of factors which could, in the future, impact on levels of international migration. However as there remains significant uncertainty on this issue and the level of this change is likely to be small in the context of total migrant into, out of, and within Shropshire it is not considered that an adjustment within this assessment is appropriate.

Unattributable population change (UPC)

E.16. Unattributable population change (UPC) is the term for the element of population change that was unaccounted for between the 2001 and 2011 Census.

E.17. In the inter-censal period between 2001 and 2011, the ONS produced estimates of population change (mid-year population estimates) based on available data. However, following the publication of the 2011 Census data, the population in many

[79]CLG, NPPG, Paragraph 17, Reference ID 2a-017-20140306, 06/03/2014
[80]PAS, (2015), Objectively Assessed Need and Housing Targets – Technical Advice Note, 2nd Edition

places was found to be different from that previously estimated within the mid-year population estimates. The ONS accordingly revised these mid-year estimates, but discrepancies remained. These discrepancies (unaccounted for population change) were managed by introducing a new category of population change besides births, deaths and migration – specifically UPC.

E.18. Most experts, including the ONS themselves consider that UPC is associated with:

- Errors in population estimates based on either or both of the 2001 and 2011 Censuses (more likely to be the 2001 Census, as the methodology utilised in 2011 was considerably improved).
- Levels of migration (internal and international), as:
  - There are efficient registration systems for births and deaths in the UK, but migration cannot be measured directly, rather it is estimated from indirect and incomplete data, such as GP registrations.
  - In the first half of the 2000's, International Passenger Surveys did not cover the arrivals of budget airline flights from Eastern Europe at regional airports[81].

E.19. In reality UPC is likely to have resulted from a combination of these factors.

E.20. The ONS determined to exclude UPC from population projections both at the national and Local Authority level (this decision is reflected within the 2012-based SNPP), as their research concluded that *"an adjustment would only be made if it could be demonstrated that UPC measures a bias in the trend data that will continue in the future. In addition, it is also unclear what proportion of the UPC is due to sampling error in the 2001 Census, adjustments made to the population estimates after the 2001 Census, sampling error in the 2011 Census or error in the inter-censal components - so methodologically, this would be difficult to adjust for"*[82].

E.21. Furthermore *"quality assurance of the 2012-based SNPP did not reveal any problems indicating that adjustments for UPC are necessary. The resulting projections generally appear to better reflect trends across all the Local Authorities than recent sets of projections"*[83].

E.22. The ONS also concluded that *"the UPC is unlikely to be seen in continuing sub-national trends because: if it is due to either the 2001 Census or 2011 Census, then the components of population change will be unaffected, and if it is due to international migration, it is likely that the biggest impacts will be seen earlier in the decade and will have less of an impact in the later years, because of improvements introduced to migration estimates in the majority of these years. Therefore, ONS has concluded that no adjustment should be made"*[82].

E.23. The ONS undertook a consultation on the 2012-based SNPP, including their approach to UPC, within which *"the majority of users agreed with the ONS proposal not to make an adjustment for UPC in the 2012-based SNPP"*[84].

E.24. With regard to Local Authorities where a significant proportion of population change is attributed to UPC, the ONS conclude *"while ONS recognises that UPC can have a significant impact at some age and sex groups in some Local Authorities, it was concluded that there is insufficient evidence that an adjustment for UPC should be*

[81]PAS, (2015), Objectively Assessed Need and Housing Targets – Technical Advice Note, 2nd Edition
[82]ONS (2014), Questions and Answers: 2012-based Subnational Population Projections
[83]ONS, (2014), 2012-based Subnational Population Projections for England - Report on Unattributable Population Change
[84]ONS, (2014), Consultation on the 2012-based Subnational Population Projections for England: Summary of responses

made to the 2012-based SNPP. This is because we do not have sufficient evidence that the UPC measures a bias in the trend data that will continue in the future"[82].

E.25. Due to the conclusions reached by the ONS regarding UPC in relation to population projections both at the national and Local Authority level, the 2012-based SNHP, derived from the 2012-based SNPP, also exclude UPC from its projections.

E.26. The use of the 2012-based SNHP for the purpose of undertaking a FOAHN has been endorsed within the NPPG, specifically the NPPG states *"household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need"*[85].

E.27. Whilst the NPPG recognises that there may be a need to make adjustments to these projections to reflect *"local demography and household formation rates which are not captured in past trends"*[85], no reference is made to the need to make adjustments for UPC, which is a national issue. Consequently it can also be concluded that the NPPG provides endorsement of the ONS decision to exclude UPC from 2012-based SNPP.

E.28. Shropshire Council has also undertaken a review to determine whether there are clear local circumstances that could account for UPC within Shropshire which would introduce a bias to the 2012-based SNHP and therefore require an adjustment. This assessment has concluded that consistent with the ONS at the national level, UPC in Shropshire is unlikely to be attributed to a single issue and is likely therefore to result from a combination of the factors identified at the national level. Given this conclusion it would be just as *"difficult to adjust for"*[86] within Shropshire as it was within the national data.

E.29. However, when each factor is considered in turn, it could be concluded that the majority of UPC in Shropshire is more likely to be attributable to inaccuracies in the 2001 Census than the other potential factors, as:

- During the 2001 Census, Shropshire was subject to an outbreak of the disease 'foot and mouth'[87]. This restricted the ability to travel in rural areas of Shropshire, which could well have had significant implications for Census returns, given that much of Shropshire is rural. Despite this according to the ONS, response rates in Shropshire exceeded 95%. Given the circumstances, this seems unlikely, it may therefore be that response rates were actually significantly lower than this and therefore UPC may well be included within this inaccuracy.
- The ONS recognise that there has been improvement to the methodology for the Census between 2001 and 2011.
- Annual levels of international migration experienced in Shropshire are relatively low (net international migration averaged only 161 people coming into Shropshire per year, between 2001 and 2011 – whilst rates since the 2011 have been consistently lower than this average) and all adjustments made to these figures since 2001 have resulted in them decreasing. It is extremely unlikely therefore that any but a very small portion of UPC could be attributed to international migration.
- Records on internal migration in the inter-censal period (2001-2011) were more accurate than for international migration and it is again considered unlikely that anything but a small portion of UPC would be attributed to internal migration.

[85]CLG, Paragraph 015, NPPG: Reference ID 2a-015-20140306, Last updated 06/03/2014
[86]ONS (2014), Questions and Answers: 2012-based Subnational Population Projections
[87]National Audit Office, (2002), The 2001 Outbreak of Foot and Mouth Disease

E.30. If this was the case, this would also support the conclusion that no adjustment should be made for UPC in Shropshire as inaccuracies in the 2001 Census would not affect the data relevant to this FOAHN.

E.31. Ultimately the conclusion reached about UPC at the national level equally applies within Shropshire: *"there is insufficient evidence that an adjustment for UPC should be made to the SNPP's. This is because we do not have sufficient evidence that the UPC measures a bias in the trend data that will continue in the future"*[86].

E.32. However, to ensure this decision was appropriate, sensitivity testing has been performed, which confirmed that an adjustment for UPC was inappropriate. Furthermore if any adjustment was made for UPC in Shropshire, this would have implications for population statistics for other parts of the Country, which is again considered inappropriate.

E.33. Therefore for the purpose of undertaking an assessment of the FOAHN for Shropshire, no adjustment will be made in relation to UPC. Such an approach to UPC within an assessment of the FOAHN would be consistent with:

- The approach utilised by ONS in relation to the 2012-based SNPP.
- The approach utilised by CLG in relation to the 2012-based SNHP, as derived from the ONS 2012-based SNPP's.
- The conclusion reached by ONS that *"UPC is unlikely to be seen in continuing sub-national trends"*[88].
- The guidance provided within the NPPG.

Household Representative Rates (HRR's)

E.34. Household Representative Rates (HRR's) are the factor that turns population into households. The 2012-based SNHP provide a new set of HRR's, which are recognised as the best available within PAS guidance[89]. Furthermore, the use of the projections which introduce these HRR's is endorsed within the NPPG[90].

E.35. Shropshire Council therefore considers that these rates are the most appropriate for the purpose of this assessment. However it has been considered appropriate to make an adjustment in relation to the increased number of concealed households arising in the inter-censal period. Further details are available within Chapter 6: Market Signals.

Local circumstances not captured by past trends

E.36. Factors considered when assessing local circumstances which may not have been captured by past trends include:

Formation of the University Centre – Shrewsbury

E.37. The formation of a university in Shrewsbury has been a long term aspiration for Shropshire Council and the wider Shropshire community. This aspiration has at last been fulfilled with the establishment of the University Centre – Shrewsbury, which first offered classes in 2014. As this new educational facility will attract additional students to the area, it will also increase the housing need in Shropshire and particularly in Shrewsbury.

[88]ONS, (2014), 2012-based Subnational Population Projections for England - Report on Unattributable Population Change
[89]PAS, (2015), Objectively Assessed Need and Housing Targets – Technical Advice Note, 2nd Edition
[90]CLG, Paragraph 16, NPPG: Reference ID 2a-015-20140306, 06/03/2014

E.38. As this increase in student numbers could not have been reflected within the both the 2012-based SNPP and 2012-based SNHP, an adjustment is required to reflect the increased student population and their housing need.

E.39. In order to identify appropriate adjustments in Shropshire, proactive discussions have occurred with representatives of the University Centre – Shrewsbury; and relevant published information has been reviewed.

E.40. As the University Centre – Shrewsbury is a new institution there is no historic data on student numbers available upon which future trends in student numbers can be based, consequently assumptions have been made, about the total number and split of students. These assumptions are based on our current understanding of likely student numbers, but may be subject to change as further information becomes available.

E.41. The forecast utilised within this exercise is for student numbers at the university to reach 2,500 by between 2025 and 2030 (for the purpose of this exercise it is assumed this will occur by 2025 in order to ensure student housing need is not under estimated). It is forecast that this will consist of:

- 1,500 undergraduates (approximately 500 students in the first, second and third years of their degrees) and
- 1,000 postgraduate students.

E.42. Of these students, it is expected that approximately:

- 300 will be from overseas.
- 10% will drop-out of the university each year.
- No assumptions have been made about whether students are full time/part time.

E.43. Current forecasts do not extend beyond 2030. Therefore, for the purposes of this exercise, the assumption will be made that this will also be the total student number in 2036.

E.44. The housing need of the students attending the University Centre – Shrewsbury will be met in a variety of formats and locations. These can be broadly categorised as:

- Within purpose built accommodation provided by the University.
- Within their existing accommodation, as:
  - They already live locally; or
  - They intend to commute to the University.
- Within other accommodation provided within Shropshire.

E.45. According to information provided by the University Centre – Shrewsbury, currently approximately 50% of undergraduate students live within travelling distance of the university, and do not therefore require accommodation. The remaining 50% of the undergraduate students require accommodation. Of the postgraduate students, the majority live within travelling distance of the university, and do not therefore require accommodation.

E.46. However, whilst it is considered the levels of undergraduate and particularly postgraduate students that do not have an additional housing need within Shropshire will remain higher than experienced within many other higher education institutions - due to the nature of the university; its educational offering; and its setting within Shrewsbury, it is unlikely that it will remain at these levels in the future, although no forecasts have currently been made on this matter.

E.47. Consequently cautious assumptions have been reached on the additional student population within Shropshire, based on the understanding of representatives of the University Centre – Shrewsbury and averages experienced across most other higher education institutes. Specifically it is assumed that:

- In relation to undergraduate students:
  - 25% of the undergraduate students already live in Shropshire, resulting in a reduction to out-migration.
  - 75% of the undergraduate students do not already live in Shropshire, resulting in an increase to in-migration.
- In relation to postgraduate students:
  - 75% of the postgraduate students already live in Shropshire, resulting in a reduction to out-migration.
  - 25% of the postgraduate students do not already live in Shropshire, resulting in an increase to in-migration.

The difference in the origin of undergraduate and postgraduate students relates to the nature of the students themselves (more postgraduate will commute or already live in the area and will be attending the university from within the existing population/existing businesses in order to up-skill) and the nature of the courses undertaken (reduced student contact and an increased focus on home based learning).

E.48. Standard HRRs are applied to the student population in order to translate this figure into households. This approach is utilised as:

E.49. Once assumptions about the location of students (before commencing their studies) were applied, it was estimated that by 2025 only 61% of the 2,500 students would relocate from an external locations. This was relatively small number to have a significant impact on the HRRs in the student age groups.

- It is assumed that the retained population, once students have graduated, will not significantly impact upon current HRRs.
- Student numbers do not reach full capacity until nine years into the 2016-2036 forecast period and then remain constant.
- We will be better placed to understand the impact of new students in the next five years as the SNPP's and SNHP's begin to reflect the rise in student numbers.
- There is an absence of information on which to base any potential adjustments to the household formation rates.
- CLG use the most robust data and assumptions in the estimation of HRRs providing Local Authorities with a higher level of confidence.

E.50. Following graduation it is considered that an ambitious 20% of graduating students (excluding the anticipated 10% of students who are expected to drop out each year and overseas students) will remain in the area and form part of the general population. Again standard HRR's will be applied to this population.

E.51. *This* is *considered a cautious and robust forecast of housing need resulting from students attending the University Centre – Shrewsbury.*

Other Educational Institutions

E.52. A number of other education institutions with boarding facilities are located within Shropshire. Shropshire Council has undertaken a survey of these institutions in order to determine whether they anticipate changes to the make-up and number of boarders within their facilities.

E.53. 36% of the educational institutions contacted responded to this survey, providing estimates on future boarders. The responses received from these educational institutions did not suggest significant variance to the institutional population within educational facilities. Therefore for the purpose of this assessment it has been determined to utilise the same approach as CLG within the 2012-based SNHP; specifically it is assumed that the make-up and number of boarders will remain stable.

Closure of Her Majesty's (HM) Prison: Shrewsbury

E.54. HM Prison: Shrewsbury closed on the 31st March 2013, with inmates transferred to other prisons outside Shropshire. According to the final Independent Monitoring Board report *"the prison had 2 wings comprising 182 cells, a certified normal accommodation of 182 and an operational capacity of 340. Each wing had in-cell sanitation and a shower block. The operational capacity was 319".*

E.55. The closure of this prison will have resulted in a reduction of the institutional population within Shropshire. Furthermore, as the announcement of the closure of the prison only occurred three months prior to its closure, and after the base date for the 2012-based SNPP which informed the 2012-based SNHP (which assume that the institutional population remains stable), an adjustment to the institutional population has been made. This adjustment will directly correlate to the institutional population assumed to reside within HM Prison Shrewsbury within the 2012-based SNHP.

Ministry of Defence (MOD) plans for military sites in Shropshire

E.56. Army 2020 is a plan to *"transform the British Army for the 2020's and beyond, in response to the strategic challenges it is likely to face in the future"*[91]. This included proposals to return army personnel from Germany to the UK.

E.57. In order to fully implement this element of Army 2020, the Regular Army Basing Plan was published on the 5th March 2013, which confirmed the drawdown of all units from Germany by 2020 and *"in broad terms provided a timetable of when units are to move and to which location"*[92]. It was apparent from this plan that there are no plans for troops to be relocated from Germany to Shropshire.

E.58. *"Since 2010, 74% of the 20,000 service personnel based in Germany and their families have relocated to the UK"*[91]. Plans are now in place for the remainder of these units to relocate to the Salisbury Plan by 2019. Consequently there is no requirement for this FOAHN to identify specific additional provision for accommodating returning military personnel.

E.59. Shropshire Council contacted the MOD in 2015 in order to identify whether there were any plans for the expansion/contraction of personnel housed within Shropshire, as any change would directly impact upon the institutional population within Shropshire. Whilst this information request was acknowledged, no information was subsequently provided; it is considered that this is likely to reflect the fact that there are no current plans to expand/contract personnel numbers in Shropshire.

E.60. As there are currently no known plans to expand or contract the number of personnel within MOD facilities in Shropshire (it is recognised there are current publicised plans for the closure of Clive Barracks at Tern Hill (near Market Drayton), however there is currently no wider information available as to the effect this will have on overall numbers of personnel within MOD facilities in Shropshire); it is considered appropriate to assume that the MOD portion of the institutionalised population in Shropshire will remain stable at current rates. This is consistent with the approach utilised within the 2012-based SNHP for the institutionalised population.

E.61. Ultimately even if there were plans to expand/retract these personnel numbers and facilities, it is unlikely that this would have a significant impact on the FOAHN.

[91]The British Army, (2015), www.army.mod.uk/structure/33449.aspx
[92]The British Army, (2015), www.army.mod.uk/structure/33834.aspx

The future of Ironbridge Power Station

E.62. Ironbridge power station has now closed. However there will be a period of decommissioning on the site before a new use can be established. The timescales for decommissioning and redevelopment; process by which the site will be brought forward for redevelopment; and the future use of this site are currently unknown. However, it is likely that works will commence between 2016 and 2036 but will not be completed until after 2036. There will also be a Master Plan produced for the site to maximise inherent opportunities and ensure sustainable development occurs; which will likely involve a mixed use scheme including employment and residential development. Furthermore, given the nature of the site it will likely be considered in greater detail as part of the review of the Development Plan.

E.63. Due to the uncertainty about the timescales for redevelopment and potential uses of the site, it is very difficult to determine whether an adjustment is required. However, based on the current available information it is considered realistic to assume that:

1. It is unlikely that redevelopment of the site will result in a significant increase or decrease to migration into or out of Shropshire.
2. The households living within any new dwellings created on the site will already be captured within the 2012-based SNHP. Therefore the redevelopment of this site is likely to contribute towards meeting housing need, rather than increasing it.

E.64. Consequently, based on the best available information, it is not considered appropriate to make an adjustment in relation to this issue. Indeed, in all likelihood, it is more likely that the site will contribute towards meeting housing needs in Shropshire rather than creating additional need.

Crown Estate plans for land owned in Shropshire

E.65. Shropshire Council is unaware of any significant plans for development by the Crown Estate within Shropshire. However in reality any such plans are unlikely to generate housing need in Shropshire, as they will not be sufficient in scale to affect migration; rather they would likely contribute towards meeting the identified housing need. Consequently no adjustment is required in relation to this matter.

Development of the Jaguar-Land Rover (JLR) site at i54 and t54

E.66. The i54 and t54 are major employment sites located primarily in South Staffordshire and Telford respectively. They are adjacent to the M54; close to the M6 motorway; and north of Wolverhampton.

E.67. i54 represents a joint venture partnership between Staffordshire County Council and Wolverhampton City Council. It is a 91 ha (226acre) strategic site, and has Enterprise Zone status. It is currently under development, with Jaguar Land Rover as the headline occupier.

E.68. t54 is a 31.6ha (78.11acre) strategic employment site allocated for development within the Telford and Wrekin Local Plan. Located close to i54, it represents an attractive location for employment development.

E.69. Current publicity material produced for these sites claims that they will allow *"access to a workforce of over 550,000 people within a 30 minute drive time. There are over 3 million people of working age within a 20 mile radius"*[93].

[93] i54, (2016), www.i54online.com/current-availability

E.70. Due to the location of these employment sites and the clear intention for future employees to be drawn from the existing population, it is not considered that there development/activities upon them, will impact upon the housing need in Shropshire. Indeed, the stated aspiration is to provide employment opportunities to existing residents. Whilst this may not be the case in its entirety, it can be assumed that levels of migration will not be greatly affected within Shropshire. Consequently no adjustment is required in relation to this matter.

The ageing population in Shropshire

E.71. Shropshire Council has an ageing population, which presents both challenges and opportunities, including when considering housing need. However this is not unique to Shropshire, being a common issue nationally. Furthermore, this issue was apparent within the demographic information utilised within both the 2012-based SNPP and the 2012-SNHP.

E.72. Consequently it is not considered necessary to make an adjustment specifically in relation to this issue. However it is recognised that this may have implications when considering the mix of size, type and tenure of accommodation to be planned for in order to meet housing need.

Capacity of the development industry

E.73. There is currently a recognised shortage of building materials and skilled labour both locally and nationally which is constraining the ability to deliver housing.

E.74. According to a survey undertaken by Markit in 2014 the *"dwindling availability of construction materials, especially bricks, is feeding through to higher prices in many cases. Delivery times for materials from suppliers lengthened markedly again in July, and have shown the greatest deterioration ever seen by the survey in recent months"*[94].

E.75. A 2015 survey undertaken by the Royal Institute of Chartered Surveyors (RICS) identified that the shortage of materials is constraining development. However there are signs that this issue is improving as *"while 40% of respondents reported that their projects were still constrained by shortages of materials, this is an improvement on the 60% who were having such difficulties throughout most of 2014"*[95].

E.76. However, this same survey undertaken by RICS also concluded that skilled labour remains a significant constraint to the development industry, as:

- *"The construction skills shortage has pushed industry wages up by more than 6% in 2015;*
- *61% of property professionals report that sector wages are continuing to rise; and*
- *Skills shortages are reported to be the biggest barrier to growth in the UK construction sector"*[96].

E.77. This conclusion was supported within the Building for Growth Report published by Lloyds Bank, which concluded that of responding developers, *"more than a third (35 per cent) complain of a lack of suitable candidates to fill certain vacancies, with*

[94]The Guardian, (2014), Brick shortages as homebuilding grows at fastest rate since 2003, www.theguardian.com/business/2014/aug/04/brick-shortage-housebuilding-grows-fastest-rate-2003
[95]The Construction Index, (2015), RICS survey shows materials shortages are starting to ease
[96]RICS, (2015), Builders wages rocket as skills shortages restrict UK construction, www.rics.org/uk/news/news-insight/press-releases/builders-wages-rocket-as-skills-shortages-restrict-uk-construction/

electricians, site and project managers, and architects among the roles that companies are finding hard to fill"[97].

E.78. Whilst it is anticipated that these issues will ease as the economy continues to emerge from the recent economic downturn, it will undoubtedly impact on housing completions in the short to mid-term and must be considered within this assessment, to ensure that the resultant FOAHN when translated into a housing requirement is realistic and achievable.

E.79. This is particularly apparent when you consider past trends for housing completions, as summarised within Figure 12 of this report, which indicates that even during periods of significant economic growth (such as that experienced in parts of the 1990's and early 2000's), the highest levels of housing completions achieved in Shropshire were around 1,300 dwellings per annum. This rate is particularly significant as during this period the Development Plan promoted growth beyond these levels and provided a range and choice of sites allocated for residential development and appropriate policies for windfall development.

E.80. Whilst Government Policy is promoting an increase of development industry capacity, these past rates of delivery remain an important market signal when making any adjustments as part of this assessment.

The impact of the economic downturn

E.81. The economic downturn impacted on levels of housing provision in Shropshire. However, this impact was felt across England. There is no evidence available to suggest that Shropshire was any worse affected by the economic downturn than other parts of the Country. Indeed, the trends on housing completions for Shropshire and England during the economic boom in the early-mid 2000's and the subsequent economic downturn in the mid-late 2000's are generally consistent.

E.82. During the production of both the 2012-based SNPP and the 2012-based SNHP, the need to consider and reflect the economic downturn was recognised and ultimately the NPPG endorses the use of the 2012-based SNHP which are considered *"statistically robust and are based on nationally consistent assumptions"*[98].

E.83. As the economic circumstances experienced within Shropshire are generally consistent with those experienced nationally, as demonstrated during the consideration of the impact on housing completion rates within Figure 13, it is considered appropriate to utilise the assumptions reached by CLG in Shropshire. Consequently no adjustment is required in relation to this issue.

Duty to co-operate and cross boundary housing need

E.84. The NPPG specifies that *"local planning Authorities should assess their development needs working with the other Local Authorities in the relevant housing market area or functional economic market area in line with the duty to cooperate"*[99].

E.85. Shropshire Council has undertaken an assessment of HMAs and determined that Shropshire is a self-contained HMA (Shropshire Council is the only Local Planning Authority within the Shropshire HMA). Consequently there can be no unmet need from other Local Planning Authorities within the HMA.

[97] Lloyds Bank, (2015), Lloyds Bank Research Series – Housebuilding, Building for Growth
[98] CLG, NPPG, Paragraph 17, Reference ID 2a-017-20140306, 06/03/2014
[99] CLG, NPPG, Paragraph 07, Reference ID 2a-007-20150320, 20/03/2015

E.86. However, in accordance with the duty to co-operate, Shropshire Council proactively engages with other relevant Local Planning Authorities from surrounding HMAs.

E.87. Based on this proactive engagement, Shropshire Council is not aware that any of the Local Planning Authorities within surrounding HMAs are unable to meet their FOAHN. Birmingham City Council has specified that this is the case, but given the distance from Shropshire, it is unlikely that it would be appropriate to meet this need in Shropshire (this is reflected within work currently being undertaken by Birmingham City Council). As part of the ongoing co-operation with other relevant Local Planning Authorities, Shropshire Council will continue to monitor this issue.

E.88. However, even if in the future it became apparent that it was appropriate to meet unmet housing need from other HMAs / relevant Local Planning Authorities, it is likely that this would be most appropriate to consider when identifying the housing requirement within the Development Plan, rather than the FOAHN, as this housing need arises from other HMAs / relevant Local Planning Authorities and not the Shropshire HMA.

Appendix F. Affordable Housing Need

Introduction

F.1. The NPPG specifies that *"plan makers working with relevant colleagues within their Local Authority (e.g. housing, health and social care departments) will need to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market. This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock"*[100].

F.2. The NPPG presents a methodology for the calculation of affordable housing need. This methodology has been utilised within the assessment of affordable housing need in Shropshire, as summarised within this appendix.

F.3. However, as recognised within Chapter 8: Affordable Housing Need in Shropshire, when this methodology is considered alongside the methodology for the calculation of the FOAHN, it is apparent that the two assessments ascribe a different definition to the term 'need'. Consequently whilst the assessments are complementary in that they both represent part of the evidence base to inform the Local Plan process, they cannot be considered directly comparable.

When is a household considered to be in need of affordable housing?

F.4. The NPPG methodology specifies that a household is considered to be in need of affordable housing where they are:

- *"homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income);*
- *households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households);*
- *households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ;*
- *households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation;*
- *Households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move"*[100].

Assessing Affordable Housing Need

Stage 1: Estimating the Current Unmet Affordable Housing Need

F.5. This section summarises the process by which the 'current unmet gross need for affordable housing' have been calculated in Shropshire. The NPPG methodology specifies that *"plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:*

- *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"*[101].

[100] CLG, NPPG, Paragraph 22, Reference ID 2a-022-20140306, 06/03/2014
[101] CLG, NPPG, Paragraph 24, Reference ID 2a-024-20140306, 06/03/2014

F.6. Each of these factors is considered in turn:

Homeless Households and Households in Temporary Accommodation

F.7. Trends and national comparisons in levels of homelessness and households housed in temporary accommodation are considered in Chapter 6: Market Signals and Appendix D of this report (analysis of market signals in Shropshire). In this analysis, it was concluded that overall levels of homelessness and households in temporary accommodation have not worsened in Shropshire since 2009.

F.8. Table 41 provides a further analysis of this data for the purpose of identifying the affordable housing need in Shropshire:

Table 41: Homeless Households in Temporary Accommodation[102]

	2009	2014	Change
Homelessness			
Number accepted as homeless and in priority need	214	241	27
Rate per 1,000 households	1.7	1.81	0.070
Households in temporary accommodation			
B&Bs	2	20	18
Hostels	15	26	11
Local Authority or Registered Social Landlord (RSL) Stock	35	26	-9
Private Sector Leased	0	-	-
Other	21	7*	7
Total	**73**	**79**	**6**
Rate per 1,000 households	0.6	0.59	-0.003
Households accepted as homeless but without temporary accommodation provided	25	74	49

Values highlighted in green are included within the calculation of current affordable housing need.
*National data specifies that the total in temporary accommodation is 79; however the breakdown by type of accommodation totalled only 72. Consequently it has been assumed that the remaining 7 were in the other category.

F.9. Table 41 shows that 241 households were accepted as homeless and in priority need in 2014/15. Over the period 2009/10 to 2014/15 the average number of households accepted was 247. If a settled housing solution is not immediately available for those accepted as homeless and in priority need, accepted households may be placed in temporary accommodation.

F.10. Table 41 shows that of those households accepted as homeless and in priority need: 79 were accommodated in temporary accommodation; 74 were waiting for temporary accommodation; and 7 were unspecified. The rest remained in their present accommodation until they could be found a settled housing solution.

F.11. The individuals remaining in their present accommodation have not been included within the calculation of affordable housing need as it is assumed that the cause of their need for alternative accommodation is either concealment or overcrowding and therefore to include them here would result in double counting when these other categories are considered.

F.12. **In terms of those households recorded as living in temporary accommodation, 46 are resident in hostels and B&Bs; 26 in Local Authority or RSL stock; and it is assumed that 7 were in other temporary accommodation**.

[102]CLG, P1E Returns

Concealed Families and Overcrowding

F.13. Households in over-crowded accommodation and concealed families are considered in Chapter 6: Market Signals and Appendix D of this report, as a wider market signal of housing need.

Definitions

F.14. The NPPG recommends that when pinpointing the level of unmet need generated from overcrowding and concealed families, Local Authorities should utilise the most recent Census data; the more frequent national data derived from the English Housing Survey (EHS); and the Housing Waiting List.

F.15. These data sources use slightly different definitions of overcrowding and concealment, as summarised within the table below:

Table 42: Definitions of Overcrowding and Concealed Households

Data Set	Definition
The 2011 Census[103]	Defines a concealed family as a couple or single parent family, living in a multi-family household, where the Family Reference Person (FRP) is not the Household Reference Person (HRP). Uses an occupancy rating to provide a measure of whether a household's accommodation is overcrowded or under occupied. There are two measures of occupancy rating, one based on the total number of rooms in a household's accommodation, and one based only on the number of bedrooms. 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. The number of rooms/bedrooms required is subtracted from the number of rooms/bedrooms in the household's accommodation to obtain the occupancy rating. An occupancy rating of -1 implies that a household has one fewer room/bedroom than required, whereas +1 implies that they have one more room/bedroom than the standard requirement.
The English Housing Survey (EHS)[104]	Defines a concealed household as some individuals or groups who live / reside with others in a single dwelling would count as concealed households. These are usually defined as single adults or groups of adults, with or without children, who occupy the accommodation with, but do not belong to, the household reference person's family unit. There are various ways in which this kind of situation can arise (e.g. extended families, unrelated single adults sharing accommodation, elderly parents in "granny flats" etc). The EHS states that households are said to be overcrowded if they have fewer bedrooms available than the notional number needed according to the bedroom standard definition. The 'bedroom standard' is used by government as an indicator of occupation density. Households are said to be overcrowded if they have fewer bedrooms available than the notional number needed.
The Housing Waiting List	For the purposes of managing the allocation of affordable housing, Local Authorities refer to the 'bedroom standard' outlined in the 1985 Housing Act.

Concealed Families / Households

F.16. As already recognised, concealed families are also a market signal within the wider FOAHN. However there is a key distinction between the assessment of concealed households as a market signal and as an indication of affordable housing need. Specifically, analysis of market signals within the wider FOAHN is undertaken to determine whether additional housing need has arisen, beyond that identified within the SNHP's. Within this assessment of affordable housing need, the analysis seeks

[103] Glossary - UK Data Service Census, https://census.ukdataservice.ac.uk/media/51177/2001_glossary.pdf
[104] The English Housing Survey, www.gov.uk/government/collections/english-housing-survey#2014-to-2015

to determine the number of households requiring access to affordable accommodation.

F.17. Consequently the FOAHN is focused on indications of change to demand for all forms of dwellings since the base date for the underlying 2012-based SNHP data set; whilst the assessment of affordable housing need focuses on absolute need for affordable dwellings. This represents a further distinction between the two assessment methodologies.

F.18. Concealed families include a proportion of households who cannot afford to access lower quartile private rented accommodation and so are in affordable housing need.

F.19. Two options were considered for incorporating concealed households into the calculation of current affordable housing need, these are:

1. Assume concealed households are already encompassed within the housing waiting list via the reasonable preference categories, or
2. Use the concealed families identified within the 2011 Census, excluding concealed families where the family reference person is aged over 65 years.

F.20. Neither option is perfect. The waiting list is likely to be an underestimate as many concealed families will fall into the gap between eligibility for social housing within a reasonable preference category; and their ability to afford lower quartile private rented accommodation. It does however avoid the risk of double-counting.

F.21. The Census does include concealed households not eligible for social housing. However it is now five years old; only encompasses families, as opposed to households; and encompasses concealed families whose preference is to remain concealed.

F.22. After consideration option two has been applied. Concealed families where the family reference person is aged over 65 years have been excluded, as this group will contain concealed families living with another household for mutual care and support. The results of this assessment are summarised within Table 43:

Table 43: Concealed Families

Age of Concealed Family Reference Person (FRP):	Concealed Families (2011)	Percentage of all Families
FRP Age 24 and under:	272	24.0%
FRP Age 25 to 34:	315	27.8%
FRP Age 35 to 49:	175	15.4%
FRP Age 50 to 64:	110	9.7%
FRP Age Under 65:	872	76.8%
FRP Age 65 and over:	**263**	**23.2%**
All Concealed Families:	**1,135**	**100.0%**

Values highlighted in green are included within the calculation of current affordable housing need.

F.23. Table 43 indicates that concealed families where the family reference person is aged under 65, represent 76.8% of all concealed families. **Consequently 872 (76.8% of the total concealed families) have been included within this assessment of affordable housing need.**

F.24. It is noticeable that the largest percentage of concealed families occurs where the family reference person is aged 25-34 years (27.8%).

F.25. Whilst an element of the families included within the assessment of affordable housing need may prefer to live within an extended family for the purposes of childcare arrangements and family centred care, the adjustment made for families where the family reference person is aged below 65 should offset much of this.

Households in Overcrowded Accommodation

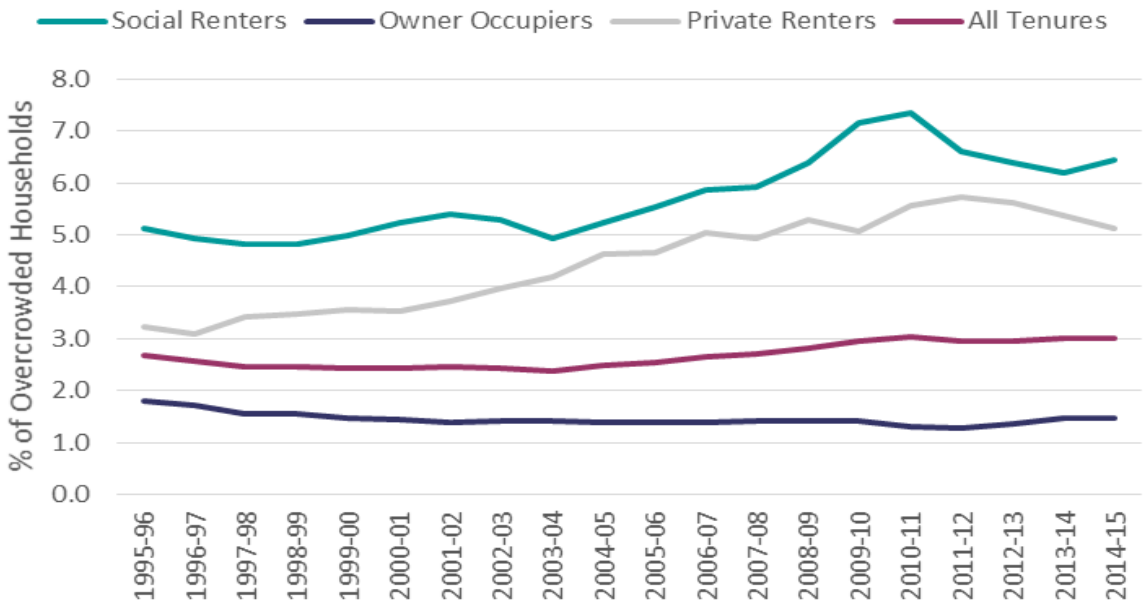
F.26. For the purpose of estimating the number of households living in overcrowded accommodation, this method utilises a combination of trend data (using a 3 year rolling average) from the EHS[105] and data on over occupancy from the 2011 Census[106].

F.27. Utilising the EHS means that estimates will be more up-to-date than 2011 when the Census was undertaken. The EHS also applies a more rigorous definition of overcrowding (see Table 42) than the Census which more closely aligns these estimates with the bedroom standard applied by Local Authorities when assessing applicants for affordable housing.

F.28. Figure 27 shows the trend in the percentage of overcrowded households by tenure for England from the EHS. This illustrates a rise in the number of overcrowded households of 3.1% between 2010/11 and 2014/15.

F.29. The highest level of overcrowding in England is amongst households occupying social rented accommodation (6.4% in 2014/15). Households living in private rented accommodation experience the lowest level of overcrowding (1.5% in 2014/15).

Figure 27: Percentage of Overcrowded Households by Tenure - England



F.30. Traditionally, the Census has provided occupancy data based on the number of rooms, enabling comparison over time. However for the first time the 2011 Census results were also reported by number of bedrooms. This is generally considered to be a more accurate reflection of overcrowding. For this reason Table 44 includes estimates of overcrowding based on number of rooms and number of bedrooms by different tenures.

[105]EHS, www.gov.uk/government/statistics/english-housing-survey-2014-to-2015-headline-report
[106]ONS, (2011), 2001 (Table UV059: Occupancy) and 2011 (Table QS408EW: Occupancy Rating) Censuses

F.31. Table 44 presents the results of the calculation of overcrowding using the EHS for England and Shropshire:

Table 44: Overcrowding

	Private Rented		Owned		Social Rented	
EHS bedroom standard: % of overcrowded households	*1.5%*		*5.1%*		*6.4%*	
England	Bedrooms	Rooms	Bedrooms	Rooms	Bedrooms	Rooms
Census occupancy rating: % of overcrowded households	8.8%	20.2%	2.3%	3.3%	8.9%	16.9%
% of overcrowded households based on bedroom standard (Formula = EHS Bedroom Standard / Census Occupancy Rating)	17.0%	7.4%	221.7%	154.5%	71.9%	37.9%
Shropshire	Bedrooms	Rooms	Bedrooms	Rooms	Bedrooms	Rooms
Number of overcrowded households: 2011 Census occupancy rating	830	2,018	1,070	1,371	1,032	1,833
Estimate of overcrowded households: based on the bedroom standard (Formula = % of overcrowded households based on bedroom standard England x the number of overcrowded households in Shropshire)	141	149	2,372	2,118	742	695
Estimate of overcrowded households in 2011 based on bedroom standard (Formula = average of overcrowded households by bedroom and room)	145		2,245		718	
EHS Bedroom Standard Change in overcrowding 2011-2015	-8%		12%		-12%	
Estimate of overcrowded households at 2015 based on the bedroom standard (Formula = % change in overcrowding x estimate of overcrowded households in 2011)	134		2,523		631	

Values highlighted in green are included within the calculation of current affordable housing need.

F.32. **Table 44 estimates that by 2014/15 there will be 134 households living in overcrowded private rented accommodation and 631 households in overcrowded social rented accommodation.** Overcrowded households who are owner occupiers have been excluded as they will have a share of the equity in their property with the mortgage lender. Owning this asset would mean they would not be eligible to apply for affordable social housing and they would have the option of downsizing or entering the private rented sector – they can afford to access suitable housing in the market.

Current Affordable Housing Tenants and Households from Other Tenures who can't afford their Own Home[107]

F.33. The number of existing affordable housing tenants in need and those households from other tenures who are unable to afford their own home are best informed by data taken from the Housing Waiting List.

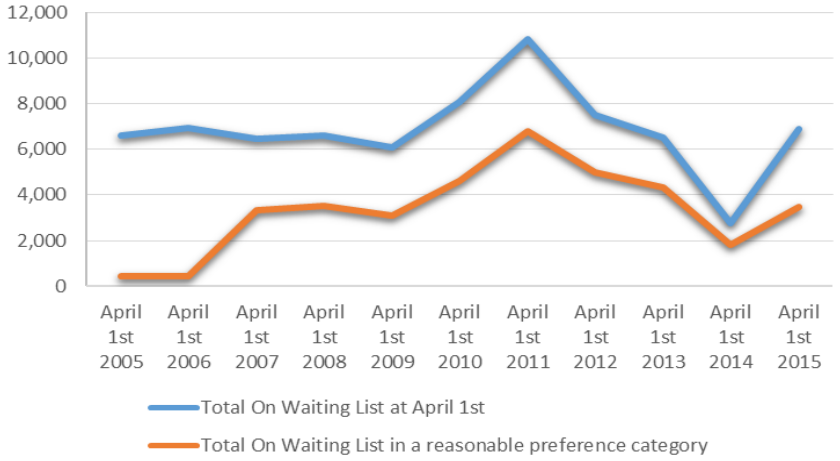
F.34. Since 2009, Shropshire HomePoint has operated a choice-based letting scheme in Shropshire, with the support of Shropshire Council; leading housing associations; and landlords. Shropshire HomePoint manages Shropshire's common housing register (housing waiting list) and now advertises the majority of affordable housing in Shropshire.

[107] CLG, LAHS and HSSA returns, www.gov.uk/government/collections/local-authority-housing-data

F.35. In accordance with the 1996 Housing Act (s169, Part 6) and the 2011 Localism Act, Shropshire's Affordable Housing Allocation Scheme[108] must ensure that 'reasonable preference' is given to certain categories of applicant to the housing waiting list. These categories comprise of households including people who are homeless; living in overcrowded condition; and who need to move on medical or welfare grounds.

F.36. Figure 28 illustrates the variation and gap between overall numbers of households on the waiting list and those households that fall into a reasonable preference category.

Figure 28: Trends in Households on the Waiting List and Those in a Reasonable Preference Category



F.37. During the period from 2009 to 2015, overall numbers have fluctuated, due to the transformation of how social housing is managed and allocated in Shropshire (choice based letting and refreshed waiting list). The average number of households on the waiting list was 6,831 between 2005 and 2015, with 6,596 in 2005 compared with 6,882 in 2015.

F.38. In terms of households in reasonable preference categories the numbers reported in 2005 and 2006 suggest an absence of complete data. However between 2007 and 2015 the average number was 3,986.

F.39. Overall there has been a consistent gap / trend between overall waiting list numbers and the number of households assessed as being in a reasonable preference category, with the exception of 2014.

Table 45: Existing Affordable Housing Tenants in Need (Householders Currently Housed in Unsuitable Dwellings)

Reasonable preference categories from the housing waiting list:		01/04/2015:
Households in each reasonable preference group:	**A.** People who are homeless within the meaning given in Part VII of the Act, regardless of whether there is a statutory duty to house them:	111
	B. Owed a duty by any local housing authority or are occupying accommodation secured by any such authority under the Act:	104
	C. People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions:	719
	D. People who need to move on medical or welfare grounds, including grounds relating to a disability:	856
	E. People who need to move to a particular locality in the Local Authority, where failure to meet that need would cause hardship (to them or others):	37

Values highlighted in green are included within the calculation of current affordable housing need.

[108] Shropshire's Affordable Housing Allocation Scheme (2016), www.shropshirehomepoint.co.uk/NovaWeb/Infrastructure/ViewLibraryDocument.aspx?ObjectID=542

F.40. For the purposes of estimating need amongst existing affordable housing tenants reasonable preference categories D and E of Table 45 have been used.

F.41. It is considered that categories A to C of Table 45 will already be encompassed within estimates of homelessness, overcrowding and concealed families and so by excluding them it avoids the risk of double-counting. **Together D and E preference categories estimate an additional 893 households in affordable need.**

Total Current Unmet Affordable Housing Need Summary

F.42. Table 46 calculates the total number of households currently unable to access affordable housing, based on the types of households identified in the NPPG:

Table 46: Total Current Unmet Affordable Housing Need: Summary

	Gross Need
1. Number of homeless households in priority need	
Currently in temporary accommodation in communal establishments (B&Bs or hostels):	46
Currently in temporary accommodation in affordable housing (Local Authority or RSL):	26
Households accepted as homeless but without temporary accommodation provided:	74
Currently in temporary accommodation in market housing or other:	7
2. Households in over-crowded housing based on the bedroom standard	
Households Living in Overcrowded private rented housing:	134
Households Living in Overcrowded social rented housing:	631
3. Concealed households	
Growth in concealed households with family representatives aged under 65 years:	872
4. Households living in unsuitable accommodation and unable to afford their own home	
People who need to move on medical/welfare grounds (including relating to disability):	856
People who need to move to a particular locality in the Local Authority, where failure to meet that need would cause hardship (to themselves or others):	37
Total current unmet gross need for affordable housing:	**2,683**

F.43. **Table 46 identifies a current affordable housing need of 2,683 households**.

F.44. Stage 3 of this assessment identifies current affordable housing supply which must be subtracted from the gross current affordable housing need identified in order to obtain a net current need for affordable housing. The current affordable supply will encompass those households identified in Table 46 who already reside in affordable social housing that could be re-let to other households in need.

Stage 2: Projecting Future Affordable Housing Need

F.45. This section summarises the process by which the 'future affordable housing need' has been calculated in Shropshire.

F.46. The NPPG methodology for calculating affordable housing need advises Local Authorities on how to estimate the number of newly arising households likely to be in affordable housing need (gross annual estimate). Specifically it states that *"Projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need. This process should identify the minimum household income required to access lower quartile (entry level) market housing (plan makers should use current cost in this process, but may wish to factor in changes in house prices and wages). It should then assess what proportion of newly-forming households will be unable to access market housing"*[109].

[109] CLG, NPPG, Paragraph 25, Reference ID 2a-025-20140306, 06/03/2014

F.47. Trends and national comparisons in house purchase prices and private rental prices have already been considered in Chapter 6: Market Signals and Appendix D of this report, as part of the analysis of wider market signals in Shropshire.

F.48. Table 47 identifies the monthly housing cost by type of tenure, including social and private rented accommodation and the cost of purchasing private sector housing. It allows comparison by including the lower quartile and average costs. It also provides an explanation of the assumptions used in estimating the household income required to afford these different tenure options.

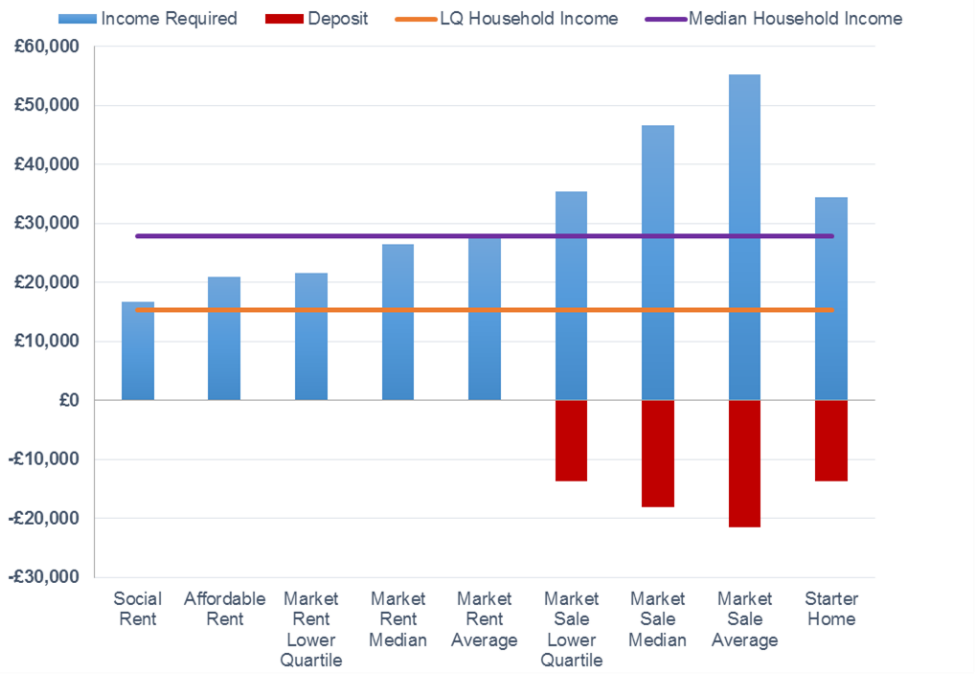
Table 47: Housing Costs by Type of Tenure

Tenure	Cost	Income Assumptions
Social rent	£348	Affordability based on 25% of income, excluding housing benefit.
Affordable rent	£436	Affordability based on 25% of income, excluding housing benefit.
Market rent lower quartile	£450	Affordability based on 25% of income, excluding housing benefit.
Market rent median	£550	Affordability based on 25% of income, excluding housing benefit.
Market rent average	£572	Affordability based on 25% of income, excluding housing benefit.
Market sale lower quartile	£137,500	90% loan to value; 3.5x household income; 10% deposit.
Market sale median	£181,000	90% loan to value; 3.5x household income; 10% deposit.
Market sale average	£214,853	90% loan to value; 3.5x household income; 10% deposit.
Starter home	£171,882	20% discount on full (average value), 10% deposit on discounted portion, remainder mortgage based on 3.5x income. Capped at £250k full property value.

Assumptions have been made that:
1. The purchase price of a privately owned house, after a 10% deposit, would need to be divided by 3.5 to estimate the level of income required by a household.
2. In order to afford to rent a property, a household would need to earn four times the rental price (excluding those receiving housing benefit).

F.49. Figure 29 shows that in all tenures except social rented, households would need to have a gross household income above the Shropshire lower quartile income level to access affordable housing.

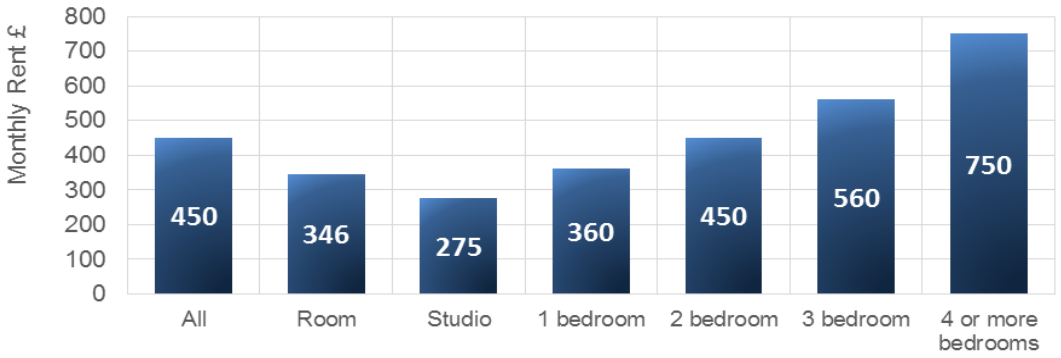
Figure 29: Gross Households Income Required by Tenure



F.50. Within the private housing sector the lower quartile monthly rent (£450) is assumed to be the minimum cost a household would need to afford to access affordable private sector housing.

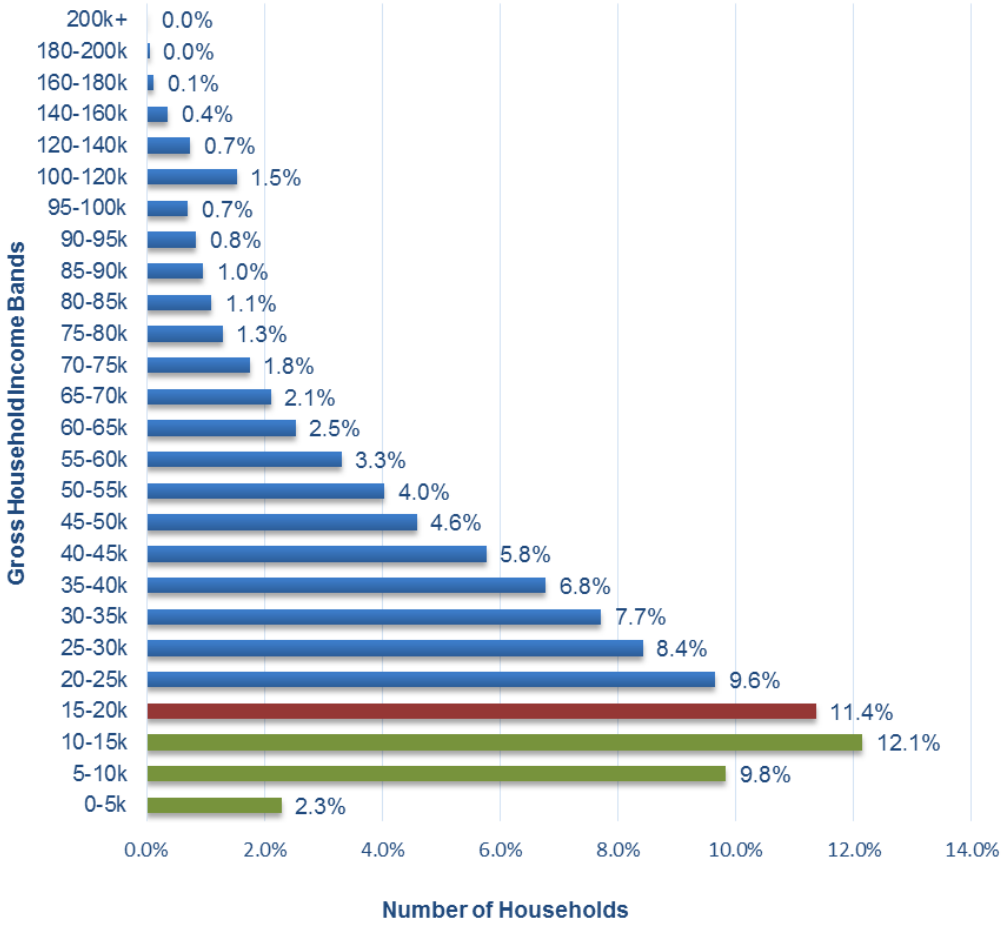
F.51. Figure 30 illustrates lower quartile private rent by number of bedrooms, showing that households requiring over two bedroom properties would need to afford in excess of the £450 a month (lower quartile rent).

Figure 30: Lower Quartile Private Sector Rents by Number of Bedrooms



F.52. Figure 31 provides a breakdown of households by gross household income bandings (sourced from the CACI Paycheck data):

Figure 31: Percentage of Households by Gross Household Income Banding[110]



Red band: Contains the lower quartile gross income.
Green bands: Bandings below the lower quartile gross income.

F.53. The lower quartile income within Shropshire is £15,324 and the median income is £27,808. These are below estimates for England of £15,686 and £29,164 respectively. The Paycheck data estimates that 34.2% of households in Shropshire receive a gross income of below £20,000.

[110] CACI Paycheck Data at September 2015. http://www.caci.co.uk/products/product/paycheck

F.54. Using the assumptions included in Table 47, the estimated income required to purchase accommodation by different tenures has been calculated. This is included in Table 48 alongside the income band the estimated income falls within.

Table 48: Gross Household Income Required by Tenure

Tenure Option	Income Required	Income Banding	% Can Afford	% Cannot Afford
Social Rent	£16,704	15-20k	64.4%	35.6%
Affordable Rent	£20,928	20-25k	54.7%	45.3%
Market Rent Lower Quartile	**£21,600**	**20-25k**	**54.7%**	**45.3%**
Market Rent Median	£26,400	25-30k	46.3%	53.7%
Market Rent Average	£27,456	25-30k	46.3%	53.7%
Market Sale Lower Quartile	£35,357	35-40k	31.8%	68.2%
Market Sale Median	£46,543	45-50k	21.5%	78.5%
Market Sale Average	£55,248	55-60k	14.1%	85.9%
Starter Home	£34,376	30-35k	38.6%	61.4%

F.55. Utilising the gross household income bandings, the proportion of households who could and could not afford the different tenures has been calculated and is included in Table 48. **This estimates that 45.3% of households in Shropshire could not afford a lower quartile market rent and 68.2% could not afford to purchase a property on sale at the lower quartile house price in Shropshire.**

F.56. Using the 2012-based SNHP and scenarios V2B and V5B of the FOAHN, the scenarios for annual household growth have been considered over the period from 2016 to 2036. From this the emerging affordable housing need has been estimated.

F.57. The percentage of households in Shropshire who are unable to afford lower quartile private sector rent (45.3%) has been applied to the estimates of newly forming households. This has provided an estimate of affordable need for each year of the projections. From this, the total level of emerging affordable need during the period from 2016 to 2036 has been calculated and then distributed evenly over the period.

F.58. To obtain a complete understanding of future affordable housing need, it is necessary to also consider existing households that are likely to fall into housing need annually. **Based on two years of data it has been estimated that on average 1,074 households a year fall into affordable housing need in Shropshire**. This figure has been calculated using HomePoint data – an existing household is considered to be one where the main applicant and/or both applicants already reside in Shropshire.

F.59. Table 49 summarises the annual estimate of future affordable need for each of the projections:

Table 49: Future Affordable Housing Need

Projection*	Average Number of Households
Number of Households Who Cannot Afford Lower Quartile Rent (gross per year):	
Projection V2B:	475
Projection V5B:	534
2012-based SNHP:	393
Average number of existing households falling into need:	1,036
Total Newly Arising Need Housing Need (gross per year):	
Projection V2B:	1,511
Projection V5B:	1,570
2012-based SNHP:	1,429

*Please refer to Chapter 10 of this report for further information on these projections.
Values highlighted in green are included within the calculation of current affordable housing need.

F.60. **Using the 2012-based SNHP, it is estimated that during the period from 2016 to 2036, 1,429 households a year will be in affordable housing need. For this same period it is estimated that projections V2B and V5B present an annual affordable housing need of 1,511 and 1,570 respectively.**

Stages 3a and b: Current and Future Affordable Housing Supply Available

F.61. The NPPG recognises 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"[111]. The NPPG then specifies how to identify the current affordable housing stock by using the following stock data:

- *"the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;*
- *surplus stock (vacant properties);*
- *the committed supply of new affordable units (social rented and intermediate housing) at the point of the assessment (number and size);*
- *units to be taken out of management (demolition or replacement schemes that lead to net losses of stock)"*[111].

F.62. This process has been applied in Stage 3a of this assessment. The results of this assessment are included within Table 51.

F.63. The NPPG then goes onto explain that "plan makers should calculate the level of likely future affordable housing supply taking into account future annual supply of social housing re-lets (net) calculated on the basis of the past trends (generally the average number of re-lets over the previous three years should be taken as the predicted annual levels), and the future supply of intermediate affordable housing"[112].

F.64. This process has been applied in Stage 3b of this assessment.

F.65. Table 50 summarises the average annual supply of social re-lets and intermediate housing in Shropshire. These figures are used to estimate future affordable housing supply.

Table 50: Annual Supply of Social Re-Lets and Future Intermediate Supply[113]

Supply		Average Annual Supply
Future Supply of Intermediate Affordable Housing for re-let / re-sale:		19
Social Re-Lets:	Households Moving from Specialist / Supporting Housing within Shropshire into Affordable Housing	10
	Moved from within Shropshire from another tenure	355
	Newly Forming Households Originating in Shropshire and moving into Social Renting	147

F.66. The number of social re-lets within Shropshire has been calculated using information available from Shropshire HomePoint. Shropshire HomePoint provides "a one-stop solution for people seeking housing and manages the Shropshire Housing Register, also known as the Housing Waiting List"[113]. The scheme "advertises the majority of social / affordable housing in the county"[113] and consequently represents the best source of information on re-lets.

[111] CLG, NPPG, Paragraph 26, Reference ID 2a-026-20140306, 06/03/2014
[112] CLG, NPPG, Paragraph 27, Reference ID 2a-027-20140306, 06/03/2014
[113] Shropshire HomePoint, (2016), www.shropshirehomepoint.co.uk/Data/ASPPages/1/30.aspx

F.67. The numbers of re-lets that have been identified in Shropshire are based on a two year average 2014 and 2015. It excludes households moving into accommodation from outside Shropshire and households moving within the current affordable social rented housing stock. It includes households resident in Shropshire moving from other tenures into social rented housing, newly forming households resident in Shropshire moving into social rented housing and those moving from supportive accommodation. In this way it includes only re-lets that will meet affordable housing need in Shropshire.

F.68. Recent changes to the funding and rental income available for RSL's has meant that intermediate housing is becoming an increasingly attractive housing option. Consequently re-lets / re-sales of intermediate properties are likely to become an increasingly important component of the supply of affordable housing. However there is currently limited data available on re-lets / re-sales of intermediate affordable housing. Therefore the rate achieved in the last year has been included, but this is in reality considered extremely conservative estimate of future re-lets / re-sales.

F.69. Table 51 draws together the stock data identified within the NPPG guidance to identify estimates of affordable housing stock available now and in the future. The table also includes data sources and assumptions.

Table 51: Affordable Housing Supply in Shropshire

Current Supply – Stage 3a:				
Stock Data	**Data Source**	**Assumptions**	**Stock**	
1. Affordable dwellings occupied by households in need	Large RSLs operating in Shropshire	This considers households in need (defined paragraphs F.61 and F.62) who move during a year from one affordable house to another to meet their housing needs. By moving this frees up level of housing supply that can be made available to other eligible households on the waiting list. This would include households in temporary social housing.	Total	123
2. Surplus stock	Large RSLs operating in Shropshire	Affordable housing providers require a small level of vacant housing stock in order to move households around to meet their housing needs. Any vacant stock above this is assumed to be vacant.	Large RSLs indicated no surplus stock	0
3. Committed supply of affordable units	Housing Monitoring System and Housing Enabling Team at Shropshire Council	Number of affordable dwellings committed at the time of this assessment. This is consistent with the NPPG.	Total	518
4. Units to be taken out of management	Large RSLs operating in Shropshire	This includes demolitions, sales / transfers of stock to other RSLs, tenant's Right to Buy, other sales and loss of affordable shared equity housing.	Annual rate	-99
			Total (for a 20 year period)	-1,980
Total affordable housing stock available	**Calculation**	**Sum of totals for: (1 + 2 + 3) – 4** **Sum of: (Total affordable dwellings occupied by households in need + Surplus stock + Committed supply of affordable units) – Total units to be taken out of management**	**Total (for a 20 year period)**	**-1,333**

Future Supply – Stage 3b:				
Stock Data	**Data Source**	**Assumptions**	**Stock**	
5. Annual supply of social re-lets (net)	Shropshire HomePoint	Two year average 2014 and 2015 (Excludes households moving into accommodation from outside Shropshire and households moving within the current affordable social rented housing stock. Includes households resident in Shropshire moving from other tenures into social rented housing, newly forming households resident in Shropshire moving into social rented housing and those moving from supportive accommodation).	Annual Supply	512
			Total (for a 20 year period)	10,240
6. Annual supply of intermediate affordable housing available for re-let or re-sale	Private Registered Provider Social Housing Stock in England: Statistical Data Return CLG.	'Intermediate' housing is a term which refers to housing which falls between 'social housing' (such as traditional rented council housing) and 'open market' housing; it is intended to bridge the gap between the two. This includes shared equity housing.	Annual Supply	19
			Total (for a 20 year period)	380
Annual supply of affordable housing	**Calculation**	***Sum of: 5 + 6*** **Sum of: Annual supply of social re-lets (net) + Annual supply of intermediate Affordable housing available for re-let or re-sale**	**Annual Supply**	**531**
			Total (for a 20 year period)	**10,620**

Stage 4: Total Need for Affordable Housing

F.70. This stage of the assessment of housing need seeks to estimate the net annual housing need for Shropshire. The NPPG advises that "the total need for affordable housing should 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"[114].

F.71. Consequently, this stage of the assessment brings together the results of stages 1-3. Specifically:

- Stage 1: The current affordable housing need in Shropshire (2,683 households total);
- Stage 2: The future newly forming affordable housing need in Shropshire (1,570 households per annum and 31,400 dwellings total);
- Stage 3a: The current affordable stock available (-1,333 dwellings total); and
- Stage 3b: The future annual supply of affordable housing in Shropshire (531 dwellings per annum and 10,620 dwellings total).

F.72. Table 52 shows the overall calculation of affordable housing need. The analysis has been based on meeting affordable housing need over the 20 year period from 2016 to 2036, consistent with the timescales of the FOAHN and the Development Plan.

Table 52: Affordable Housing Need (Net)

Net current need = Current need (gross) – Current supply
Net future need = Future need (gross) – Future supply
Net need = Net current need + Net future need

	Per Annum	20 Year Total
Current need (gross) (Part 1 of this assessment):	N/A	2,683
Current supply (Part 3a of this assessment):	N/A	-1,333
Current need (net):	**N/A**	**4,016**
Future need (gross):	1,570	31,400
Future supply:	531	10,620
Future need (net):	**1,039**	**20,780**
Total need (net):	**1,240**	**24,796**

F.73. Table 52 indicates that once the current affordable housing supply is subtracted from the current affordable housing need (gross), the net current affordable housing need can be calculated as some 4,106 dwellings.

F.74. Table 52 also indicates that once the future affordable housing stock (re-lets and re-sales, no allowance has been made for the construction of additional affordables beyond those currently committed) is subtracted from the future affordable housing supply (gross), the net future affordable housing need can be calculated, as some 20,780 dwellings.

F.75. **Once the net current affordable housing need (4,016 dwellings) is added to the net future affordable need (20,780 dwellings), the total net affordable housing need (net) can be determined, as some 24,796 households.**

F.76. It has then been assumed that the **total current affordable housing need (net)** will be met over the 20 year plan period. This is a cautious approach given current uncertainties relating to future affordable housing delivery following changes in Government Policy whilst also coinciding with the timescales for the Development Plan. **This results in an estimated 1,240 households per year requiring affordable housing.**

[114]CLG, NPPG, Paragraph 29, Reference ID 2a-026-20140306, 06/03/2014

Appendix G. Cross-Analysis of Affordable Housing Need: Key Stages

Introduction

G.1. Reflecting the clear distinction between the methodologies for the assessment of the FOAHN and the assessment of affordable housing need, the key stages involved in their cross-analysis as part of the review of Development Plan in Shropshire will be:

Stage 1. Calculate the FOAHN, starting from an assessment of the 2012-based SNHP and adjusting for factors that the projections do not capture. This assessment identifies demand for both open market and affordable housing (Paragraphs 15-20 of the NPPG).

Stage 2. Estimate the proportion of the total housing need which could be delivered as new affordable housing, given the affordable housing contributions that can be viably generated from market housing developments.

Stage 3. Undertake the assessment of affordable housing need. This assessment identifies aspirations for affordable housing (Paragraphs 22-29 of the NPPG).

Stage 4. Compare the proportion of the total housing need which could be delivered as new affordable housing (Stage 2) and the results of the assessment of affordable housing need (Stage 3), to determine if delivering the FOAHN within the Development Plan would meet a reasonable proportion of the affordable housing need over a reasonable period of time.

a. If yes, then there is no need to consider increasing the housing requirement in response to the results of the assessment of affordable housing need.

b. If no, then there is a need to consider increasing the housing requirement, so that a higher proportion of the aspirations for affordable housing can be achieved. However, if an adjustment cannot be made that would help to deliver the required number of affordable dwellings, as the total housing requirement becomes unachievable, there is a need to consider whether any adjustment is appropriate. Ultimately any such adjustment must not result in the housing requirement becoming undeliverable.

Stage 1: Shropshire FOAHN

G.2. This report summarises the process by which the FOAHN has been calculated in Shropshire. Chapter 10 identifies the resultant FOAHN for Shropshire (between 2016 and 2036); specifically it concludes that there is a need for: 25,178 dwellings.

Stage 2: The proportion of total housing to be delivered in achieving the FOAHN that could be affordable

G.3. Affordable housing completions in Shropshire are generally achieved through a combination of:

- Single plot affordable housing;
- Affordable rural worker housing;
- 100% affordable development (where Registered Providers (RPs) are financially supported by the Homes and Communities Agency (HCA) and/or Shropshire Council and/or re-investment of fund they themselves generate); and
- As a proportion of market-led housing development.

G.4. Given the current unprecedented rate of change to national planning policy and its implications for local planning policy (which have significant implications for the level of priority; definition; methods and rate of delivery of affordable housing), it is

very difficult to quantify the proportion of total housing that will be affordable in the future.

G.5. Additionally, whilst Policy CS11 of the Core Strategy provides an indication of the proportion of total dwellings that should be affordable in order to meet the diverse housing needs of Shropshire, actual affordable housing rates are dynamic, changing to reflect issues of viability.

G.6. Furthermore, as part of the partial review of the Development Plan, which this assessment will inform, this proportion and actual affordable housing rates may be subject to change.

G.7. Consequently it may be that affordable housing delivery in Shropshire will be significantly reduced or indeed increased in the future. Ultimately this will be influenced both by affordable housing policies (themselves influenced by development viability evidence), the mix of homes which are delivered in the future; the size of development sites; and the viability of individual development schemes.

G.8. It is therefore very difficult to forecast the likely portion of future housing that will be affordable between 2016 and 2036. There are a number of ways that this forecast could be undertaken, and each has strengths and weaknesses, therefore a series of methodologies have been utilised and then an informed decision reached.

Methodology 1: Past Trends

G.9. The first approach to forecasting future rates of affordable housing delivery is to project forward past ratios of affordable housing delivery, as a proportion total housing deliver rates. For the purpose of this exercise a five year trend has been applied. This approach therefore assumes that past trends will continue in the future.

G.10. The ratio of affordable housing completions (net) to total housing completions (net) for Shropshire over the last five years is illustrated in Table 53.

Table 53: Open Market and Affordable Housing Completions in Shropshire

Year	Total Housing Completions (Net)	Affordable Housing Completions (Net)	Percentage of Total Housing Completions that are Affordable (Net)
2010/11	984	350	22.7%
2011/12	724	150	25.0%
2012/13	847	130	19.5%
2013/14	1,079	210	14.1%
2014/15	1,155	320	28.1%
Total	**9,500**	**2,080**	**24.2%**

G.11. Table 54 presents projections of the number of affordable dwellings that would be achieved between 2016 and 2036 (based on the two most realistic scenarios identified within the FOAHN – please refer to Chapter 10 of this report for further information on these scenarios), if it is assumed that the average ratio of affordable housing completions over the last five years (between 2010/11 and 2014/15), was to continue between 2016 and 2036:

Table 54: Projected Affordable Housing Completions – Preferred Scenarios

Scenario	Affordable Housing Trend	Projected Affordable Housing Completions	
		2016-2036	Per Annum
V2B: Five Year Trend – including students	Five Year Trend – 24.2%	5,426	271dpa
V5B: Ten Year Trend – including students	Five Year Trend – 24.2%	6,093	305dpa

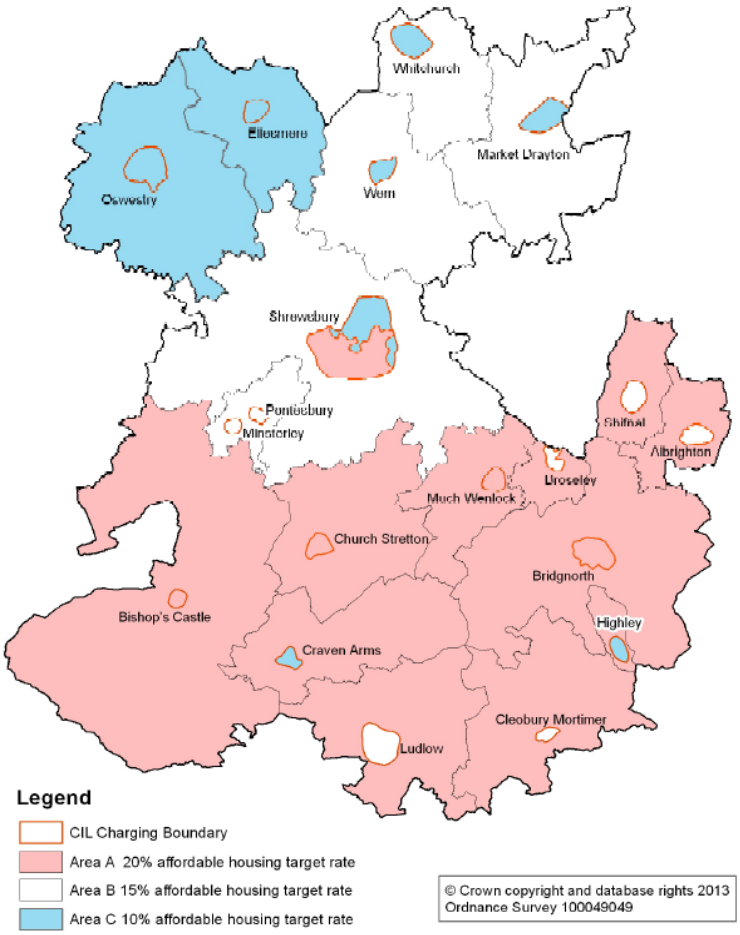
G.12. The limitation of this approach is that it assumes past ratios of affordable housing as a proportion of all housing will continue in the future. Given the dynamic nature of affordable housing policy both in Shropshire and at the national level, it is difficult to determine whether this is likely.

Methodology 2: Current prevailing rates

The second approach for projecting levels of future affordable housing completions (based on the total numbers of dwellings within the most realistic scenarios identified within the FOAHN – please refer to Chapter 10 of this report for further information on these scenarios), is to roll forward current prevailing rates and current spatial distributions on the proportion of development.

G.13. There are currently three affordable housing rates applicable across Shropshire (dependent on the location of the development), these are indicated within Figure 32.

Figure 32: Affordable Housing Areas



Please Note: These rates are linked to a dynamic viability index (as summarised within Policy CS11 of the Core Strategy (2011), they are therefore subject to change).

G.14. The areas within which these three rates apply, are separated using either Place Plan or settlement development boundaries. Consequently the proportion of development proposed within each of these areas within the current Development Plan will be rolled forward to forecast future rates of affordable housing as a proportion of total housing, if these affordable housing rates were to continue between 2016 and 2036 and the spatial distribution of development remains the same.

G.15. Table 55 and Table 56 identify the proportion of the total development proposed within the Core Strategy (27,500), that the Development Plan anticipates will occur within each of the settlements and wider geographies of Shropshire:

Table 55: Part 1: Development in Shrewsbury and the Market Towns (Settlements) Based on Development Plan Housing Guidelines (2006-2026)*

Location	Total number of dwellings	Proportion of total housing	Current affordable housing rate
Albrighton	250	0.9%	15%
Bishop's Castle	150	0.6%	20%
Bridgnorth	1,400	5.1%	20%
Broseley	200	0.7%	15%
Church Stretton	370	1.3%	20%
Cleobury Mortimer	350	1.3%	15%
Craven Arms	500	1.8%	10%
Ellesmere	800	2.9%	10%
Highley	200	0.7%	10%
Ludlow	875	3.2%	15%
Market Drayton	1,200	4.4%	10%
Minsterley & Pontesbury	260	1.0%	15%
Much Wenlock	202	0.7%	20%
Oswestry	2,600	9.5%	10%
Shifnal	1,250	4.6%	15%
Shrewsbury	6,500	23.6%	20%
Wem	500	1.8%	10%
Whitchurch	1,200	4.4%	10%

*Figures may not sum due to rounding.

Table 56: Development by wider geographical area, excluding Shrewsbury and the market towns - Based on Development Plan housing guidelines (2006-2026)*

Location	Total number of dwellings	Proportion of total housing	Current affordable housing rate
Market Drayton, Wem and Whitchurch area	2,600	9.5%	15%
Ellesmere and Oswestry area	2,375	8.6%	10%
Minsterley & Pontesbury and Shrewsbury area	1,815	6.6%	15%
Bishop's Castle, Craven Arms, Church Stretton, Cleobury Mortimer, Much Wenlock and Ludlow area	1,403	5.1%	20%
Albrighton, Bridgnorth, Broseley, Highley and Shifnal area	550	2.0%	20%

*Figures may not sum due to rounding.

G.16. Table 57 translates this into the proportion of the total housing identified within the Core Strategy, by affordable housing area.

Table 57: Proportion of development (2006 – 2026) by affordable housing area*

Location	Total number of dwellings	Proportion of total housing
Area A: 20% affordable housing	10,575	38.5%
Area B: 15% affordable housing	7,600	27.6%
Area C: 10% affordable housing	9,375	34.1%

*Figures may not sum due to rounding.

G.17. Table 58 provides an indication of future affordable housing delivery, if it is assumed that both the current affordable housing rates and the proportion of development within each of the three areas (based on the Core Strategy housing requirement and the SAMDev Plan distribution of development) are rolled forward in Shropshire between 2016 and 2036.

Table 58: Proportion of development (2006 – 2026) by affordable housing target area*

Scenario	Location	Proportion of total housing	Total Housing	Affordable Housing
V2B: Five Year Trend – including students	Area A: 20% affordable housing	38.5%	8,616	1,723
	Area B: 15% affordable housing	27.6%	6,176	926
	Area C: 10% affordable housing	34.1%	7,631	763
	Total	**100%**	**22,378**	**3,412**
	The total affordable housing that would arise if this scenario was selected and current affordable housing rates/distribution of development were rolled forward, equates to 171 dwellings per annum.			
V5B: Ten Year Trend – including students	Area A: 20% affordable housing	38.5%	9,694	1,939
	Area B: 15% affordable housing	27.6%	6,949	1,042
	Area C: 10% affordable housing	34.1%	8,586	859
	Total	**100%**	**25,178**	**3,840**
	The total affordable housing that would arise if this scenario was selected and current affordable housing rates/distribution of development were rolled forward, equates to 192 dwellings per annum.			

*Figures may not sum due to rounding.

G.18. Based on the proportion of development in each of these affordable housing target areas, the average affordable housing rate in Shropshire is currently 15.25%.

G.19. There are a number of limitations with this approach, including:

1. The affordable housing rates in Shropshire are dynamic and are therefore subject to change:
   - As viability increases, so do affordable housing rates.
   - Equally as viability decreases, so do affordable housing rates.

   The current rates were established in the period during the emergence from the economic downturn, therefore it could be assumed that rates between 2016 and 2036 are likely to be higher than those currently established.
2. It assumes that the spatial distribution between 2016 and 2036 will remain the same in the future. As the spatial distribution will be determined during the process of reviewing the Development Plan there is no certainty that this will be the case.
3. It makes no allowance for affordable housing only development, which represents a significant proportion of affordable housing completions in Shropshire.

Methodology 3: Balancing average delivery ratios & average affordable housing target rates

G.20. As there are recognised limitations with both of these methodologies, a more robust approach may be to use the average of the two previous methodologies.

G.21. Specifically:

1. The average ratio of affordable housing completed as a proportion of the total housing completed over the last five years (24.2%); and
2. The current average affordable housing rate, based on the distribution of development expected within the SAMDev plan (15.25%).

G.22. This average rate therefore equates to 19.7%. If this affordable housing rate was projected forward over the period from 2016 to 2036, the total number of affordables constructed in this period would be 4,960 or 248 dwellings per annum.

Conclusion

G.23. Of the three methodologies utilised, it is considered that methodology 3, which is informed by both the average ratio of affordable housing completed as a proportion of the total housing completed over the last five years and the current average affordable housing rate is the most appropriate for forecasting future affordable housing provision.

Stage 3: Affordable housing need in Shropshire

G.24. As outlined within Chapter 8 of this report, there are two assessments within which affordable housing need have been considered:

1. As part of the FOAHN, which calculates demand for both open market and affordable housing; and
2. As part of the assessment of affordable housing need, which calculates aspirations for affordable housing.

G.25. Whilst Shropshire Council considers that it is the affordable housing need as integrated within the FOAHN represents the objective assessment of open market and affordable housing need (as required within Paragraph 47 of the NPPF), it recognises that the assessment of affordable housing need represents an important part of the evidence base for the partial review of the Local Plan.

G.26. Chapter 8 of this report summarises the process by which this need has been calculated, and concludes that the total additional affordable housing need is for some 24,796 dwellings. This equates to 1,240 affordable dwellings per annum.

Stage 4: Comparison: affordable housing need in Shropshire

G.27. Given the likely number of affordable dwellings which can be delivered as part of the FOAHN (based on Methodology 3: an average of the ratio of affordable housing completed as a proportion of the total housing completed (average over the last five years) and the current average affordable housing rate), and the housing need aspirations identified within the affordable housing needs assessment, there is a gap of 19,836 affordable dwellings, or 992 affordable dwellings per annum.

G.28. To deliver the aspirations for affordable housing as identified through the assessment of affordable housing need, (24,796 affordable dwellings, which equates to 1,240 affordable dwellings per year over the next 20 years), at the ratio resulting from on Methodology 3 (an average of the ratio of affordable housing completed as a proportion of the total housing completed (average over the last five years) and the current average affordable housing rate), total housing development would have to be approximately 6,200 dwellings per annum, some five times the calculated FOAHN and expected demand.

G.29. These illustrative calculations suggest that, if housing sites are provided in line with the FOAHN, affordable delivery will fall far short of the aspirations for affordable housing, as identified within the assessment of affordable housing need, unless large amounts of money come forward from other sources to pay for affordable housing. But the solution cannot be to adopt a housing target that is several times higher than the FOAHN. This would be counter-productive, because providing land far in excess of likely market demand would result in some of that land not being taken up and reduce viability.

G.30. In accordance with the methodology suggested by Shropshire, it is not considered appropriate to simply incorporate this difference into the FOAHN, as this would:

- Fail to recognise the differences in the methodologies for the two assessments;
- Fail to recognise the different methods available for delivery of need between the two assessments;
- Introduce an element of double counting; and
- Is in effect a policy consideration.

G.31. Furthermore the resultant housing need would be undeliverable in a Shropshire context, and it is for this reason that the assessment of affordable housing need aims to measure housing aspirations: **what ought to happen** if certain standards (suitable housing for everyone) could be achieved, but in reality are unlikely to be achieved.

G.32. Rather this information will be considered as part of the partial review of the Development Plan. Specifically whether there is a need to consider increasing the housing requirement, so that a higher proportion of the aspirations for affordable housing can be achieved.

G.33. However, if an adjustment cannot be made that would help to deliver the required number of affordable dwellings; there is a need to consider whether any adjustment is appropriate. Ultimately any such adjustment must not result in the housing requirement becoming undeliverable.

Appendix H. Methodology: Labour Force Forecasts

H.1. Table 59 presents the various labour force scenarios that have been considered for the purpose of forecasting the future labour force resulting from the various population and household projections which have been produced to inform the identification of the FOAHN for Shropshire.

Table 59: Labour Force Forecast Scenarios

Labour Force Scenario		Details
1	Constant	Maintaining participation rates throughout the forecast period at the same level for each age band as they were at the time of the 2011 Census. **Given the changes to State Pension Age (SPA) that are already happening, plus future changes that will take place before the end of the forecast period, it is acknowledged that not adjusting participation rates upwards for older age bands is likely to lead to a very conservative estimate of the size of the labour force. For this reason this economic participation rate scenario has been discounted.**
2	SPA v1	Making an assumption that participation rates amongst older age bands will rise as a consequence of changes to SPA using the following methodology: • For females, between 2012 and 2018, the SPA will rise incrementally from 60 to 65. Economic activity rates have been adjusted to take account of this by: - In 2012 we have assumed that the SPA for women is 61 and that 20% of those aged 60-64 (i.e. those aged 60) will adopt the same level of economic activity as those aged 55-59. The remaining 80% are assumed to retain the same economic activity rate as the 60-64 age group had the previous year. -In 2014, we have assumed that the SPA for women is 62 and that 40% of those aged 60-64 (i.e. those aged 60 and 61) will have the same level of economic activity as those aged 55-59, with the remaining 60% having the same economic activity rate as the 60-64 age band had prior to changes to SPA. - In 2016, we have assumed that the SPA for women is 63 and that 60% of those aged 60-64 (i.e. those aged 60, 61 and 62) will have the same level of economic activity as those aged 55-59, with the remaining 40% having the same economic activity rate as those aged 60-64 had prior to changes to SPA. - In 2017, we have assumed that the SPA for women is 64 and that 80% of those aged 60-64 (i.e. those aged 60, 61, 62 and 63) will have the same level of economic activity as those aged 55-59, with the remaining 20% having the same economic activity rate as those aged 60-64 had prior to changes to SPA. - In 2018, we have assumed that the SPA for women has reached 65 and that the level of economic activity for all females aged 60-64 will be the same as for those aged 55-59. • For males and females, the SPA will rise to 66 between December 2018 and October 2020, at which point everyone aged 65 will be of working age. Economic activity rates have been adjusted to take account of this by: - Assuming that in 2020 both males and females will reach SPA at 66, so 20% of the 65-69 population (i.e. those aged 65) will have the same level of economic activity as those aged 60-64, with the remaining 80% having the same economic activity rate as those aged 60-64 had prior to the change. - The difference between the economic activity rates for 65-69 year olds in 2018 and 2020 has been smoothed in 2019. • For males and females, the SPA will rise to 67 between 2026 and 2028, by which point, everyone aged 66 will be of working age. Economic activity rates have been adjusted to take account of this by: - Assuming that in 2028 both males and females will reach SPA at 67, so 40% of the 65-69 population (i.e. those aged 65 and 66) will have the same level of economic activity as those aged 60-64, with the remaining 60% having the same economic activity rate as those aged 60-64 had prior to the change. - The difference between the economic activity rates for 65-69 year olds in 2026

		and 2028 has been smoothed in 2027. **Applying this methodology takes the female economic activity rate for 60-64 year olds to a higher level than it is for males of the same age by 2018 which is not thought to be realistic. For this reason, this economic participation rate scenario has been discounted.**
3	SPA v2	Making an assumption that participation rates amongst older age bands will rise as a consequence of changes to SPA, but that the historic difference between economic activity levels between men and women will be preserved: • In 2018, when all females as well as all males aged 60-64 will be of working age, the differential between the proportion of females who are economically active and the proportion of males who are economically active in this age band will be the same as the differential between the proportion of females who were economically active and the proportion of males who were economically active in the 55-59 age band in the year before any changes to SPA came into effect (2011)*. • The proportional increase in the female economic activity rate that this results in between 2011 and 2018 has been applied incrementally in 2012, 2014, 2016 and 2017. • The same methodology to Scenario 2 has been applied to factor in increases to SPA to 66 and to 67 by 2020 and 2028 respectively. **As socio-economic and cultural influences may narrow the gap between male and female participation rates, this scenario is likely to be on the conservative side, but it does attempt to factor in changes to State Pension Age in a realistic manner.**
4	Accelerated participation rate scenarios	Several alternative scenarios were developed; however, in the absence of any established methodology on potential changes to economic activity (other than changes to State Pension Age as detailed above) these have been discounted. ***A variation of these scenarios may be reconsidered in the future if an improved methodology can be established.***

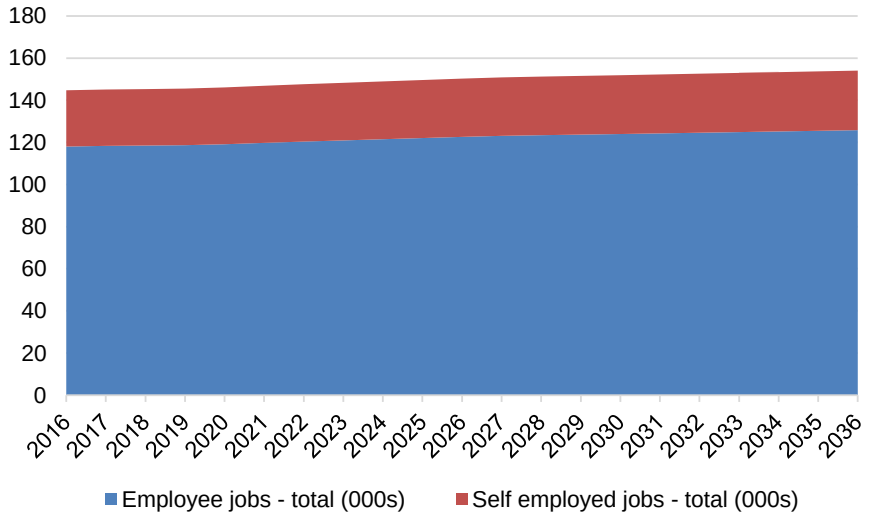
*In 2011, 11.3% more men aged 55-59 were economically active than women of the same age, so we have assumed that in 2018, 11.3% more men aged 60-64 will be economically active than women in this age band.

Appendix I. Analysis of the Oxford Economics Baseline Forecasts of Employment and Jobs Growth in Shropshire

Employed and Self-Employed

I.1. Figure 33 shows the split between employee jobs and self-employed jobs. It indicates that in 2016, self-employment accounted for 18% of total jobs. This proportion is projected to remain stable across the forecast period. It is important to note that the chart reflects all jobs and does not differentiate between full-time and part-time employment. According to the latest BRES statistics (2014), 36.4% of all employee jobs in Shropshire are part-time. This compares to 31.7% of jobs nationally.

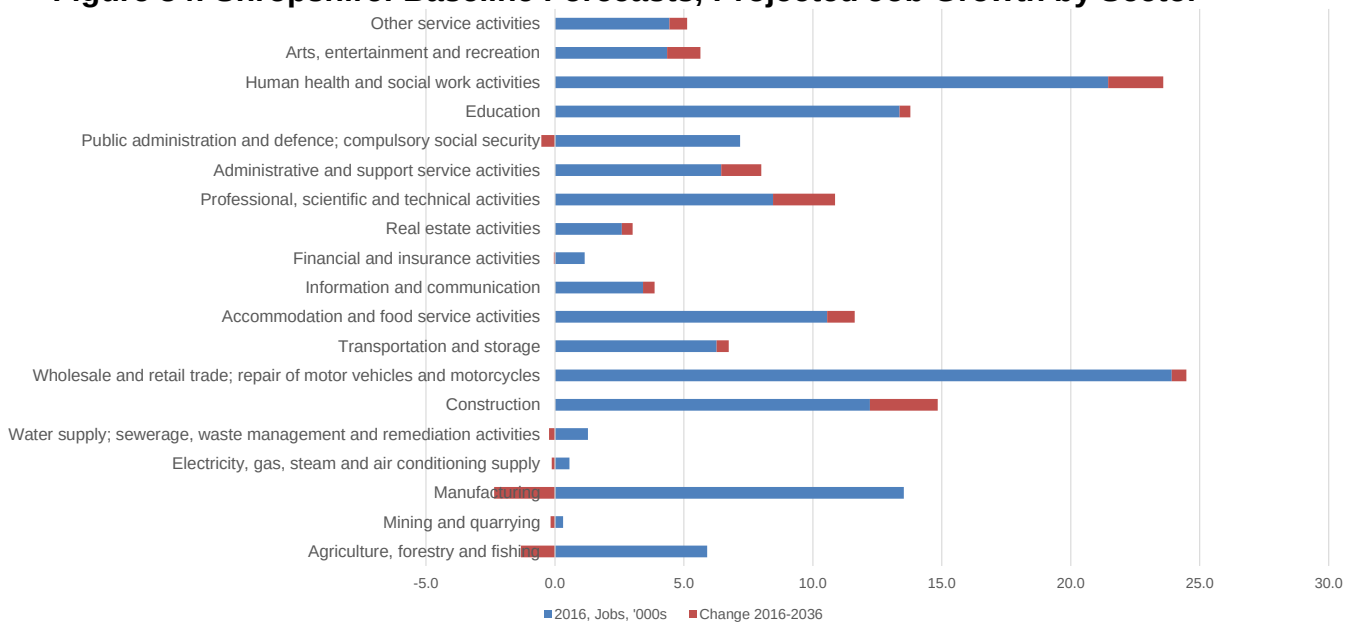
Figure 33: Shropshire: Baseline Forecasts, Breakdown of Future Employment in Shropshire by Employee Jobs and Self-Employment[115]



Sector Mix

I.2. Figure 34 provides an indication of projected job growth, by sector in Shropshire, between 2016 and 2036.

Figure 34: Shropshire: Baseline Forecasts, Projected Job Growth by Sector[115]



[115]Oxford Economics, (2016), Shropshire Council – Jobs and Economic Growth Forecasts

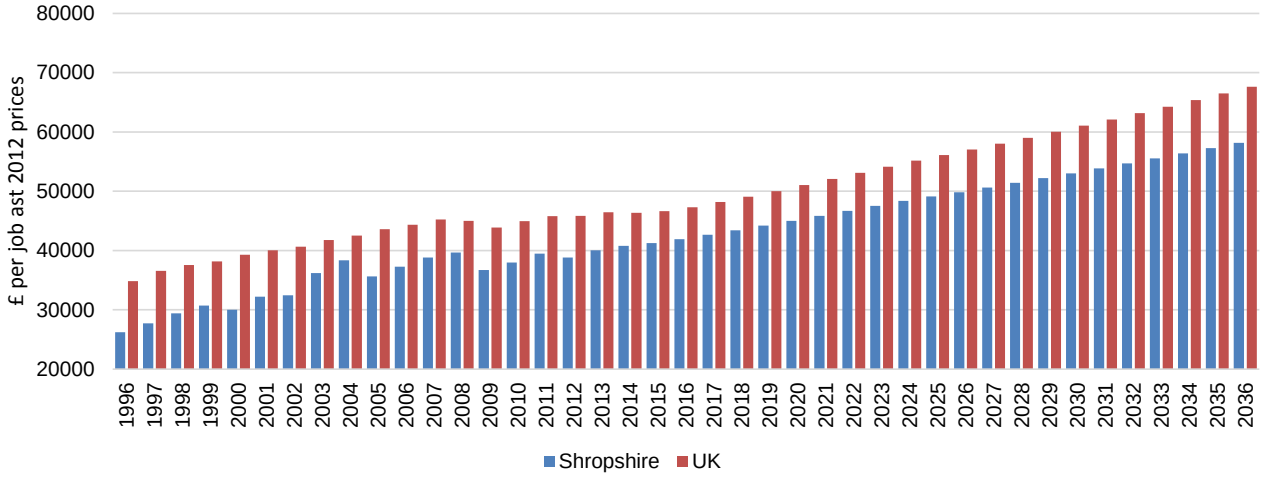
I.3. In terms of sector mix, Shropshire is dominated by service sectors, especially wholesale/retail, human health and social work activities and education. These three sectors account for four out of every ten jobs in Shropshire. Manufacturing also represents an important employment sector, accounting for 9.2% of jobs in 2016.

I.4. Strongest growth over the next two decades is projected for construction (+2,600 jobs); professional, scientific and technical activities (+2,400 jobs); and for human health and social care (+2,100 jobs). Significant job losses are projected in manufacturing (-2,400); agriculture, forestry and fishing (-1,300); and public administration and defence (-500).

Productivity

I.5. While Shropshire's productivity is growing and is projected to continue to grow according to the baseline scenario prepared by Oxford Economics, the already substantial gap between average GVA produced per job in Shropshire and that produced nationally looks set to widen, as summarised within Figure 35.

Figure 35: Shropshire: Baseline Forecasts, GVA per Job for Shropshire and the National Average[115]



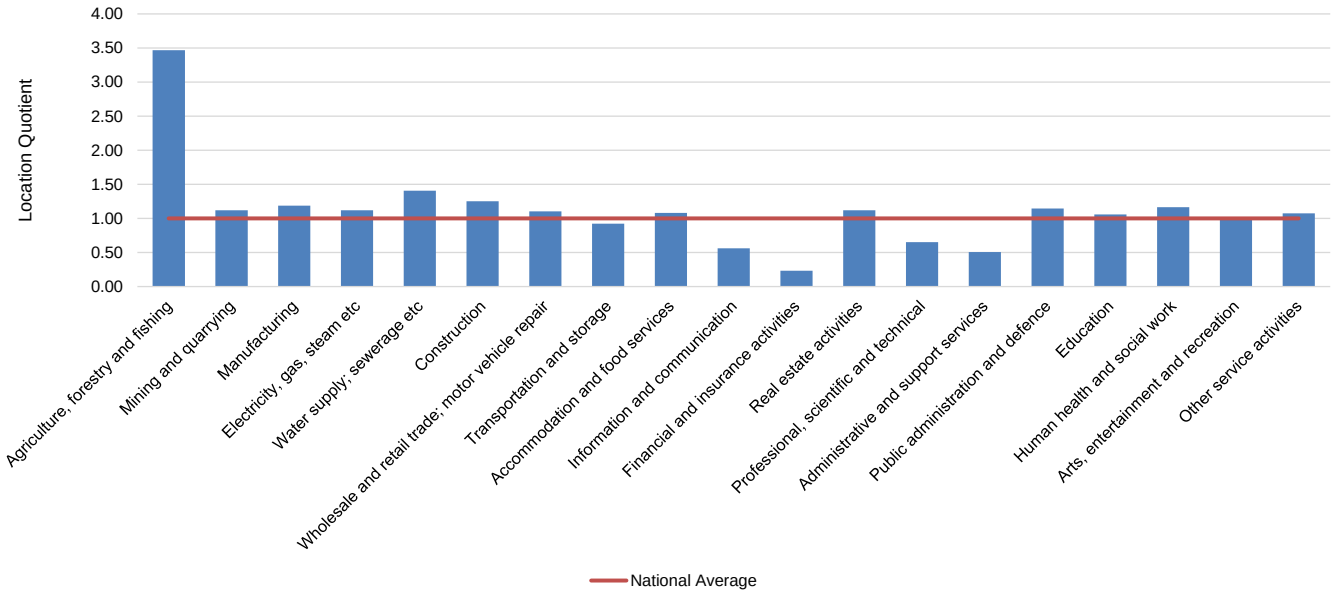
I.6. In 2016, GVA per job in Shropshire equated to £41,888 compared with £46,630 nationally (10.2% less). By 2036, GVA per job in Shropshire is projected to rise to £58,170 which constitutes growth of +38.9%. Over the same period, GVA per job nationally is projected to rise by 45% to £67,635 – 16.3% higher than in Shropshire.

I.7. The sector mix referred to above is a key reason for relatively low productivity per job as the Shropshire economy supports a high number of businesses in low GVA generating sectors such as land-based industries and tourism. By the same token, Shropshire supports low representation in sectors which generate most GVA per job.

I.8. Figure 36 shows the relative importance of each broad industrial sector in Shropshire compared with the national average using location quotient analysis (as at 2016).

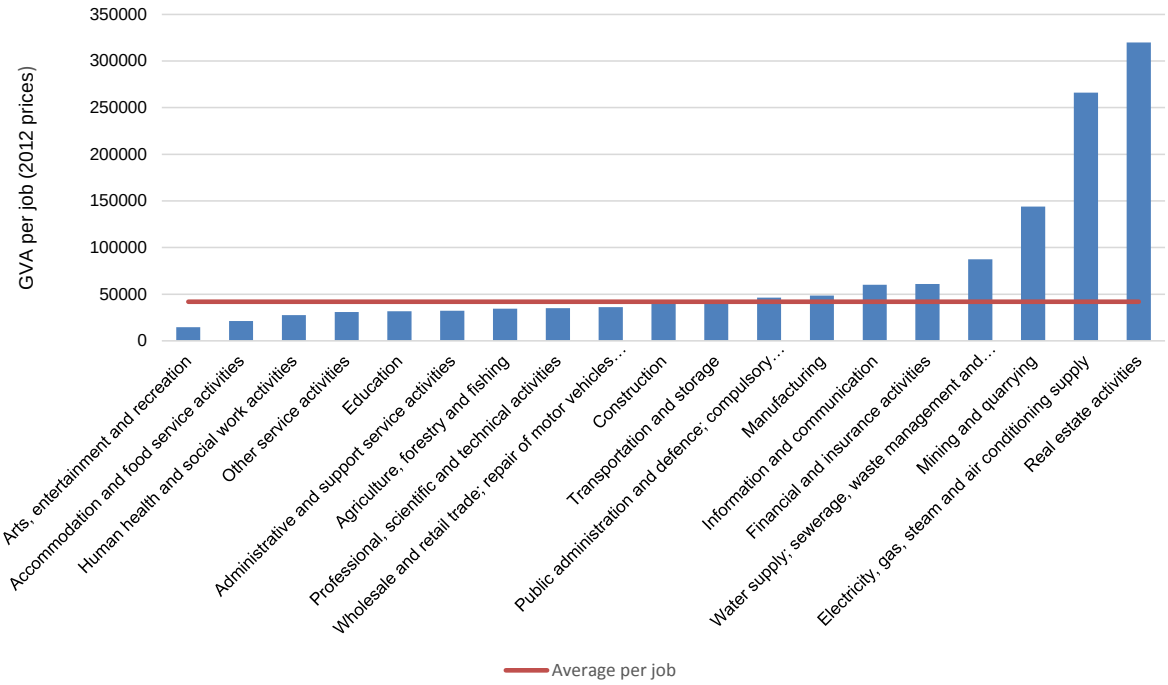
I.9. It shows exceptionally high employment in agriculture as well as significantly below average employment in financial and insurance activities, information and communication, professional, scientific and technical as well as administration and support services.

Figure 36: Shropshire: Baseline Forecasts, Location Quotient Analysis (2016)



I.10. GVA per job, shown in Figure 37, ranges from less than £15,000 per job (arts and entertainment) to more than £300,000 (real estate). It is important to note that sectors with a high penetration of part-time employment necessarily generate lower levels of GVA per job than sectors where employment is primarily on a full-time basis.

Figure 37: Shropshire: Baseline Forecasts, GVA per Job (2016)



Appendix J. Assessment Methodology

The Demographic Model

J.1. The independent demographic model utilised to undertake this full objective assessment of housing need in Shropshire is the PopGroup Model (developed by Edge Analytics).

J.2. PopGroup is a family of demographic models developed to generate population, household, labour force, and other derived projections for specified geographical areas and/or population groups. This model has become the lead forecasting model adopted by Local Authorities as it can produce high-quality, defensible population statistics for use in strategic planning, service planning and policy development.

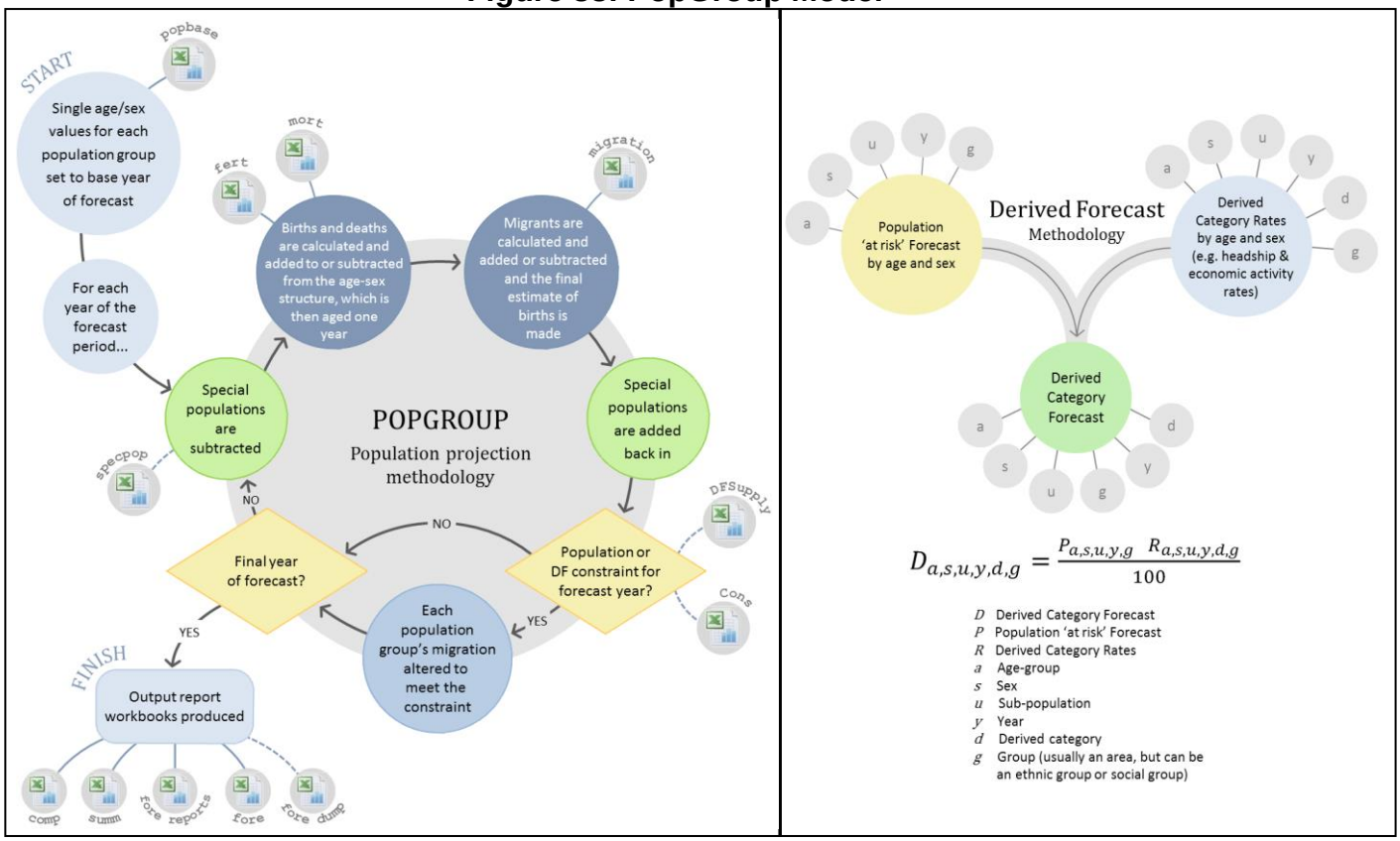
J.3. PopGroup uses a cohort component methodology (used by the UK national statistical agencies) that enables the development of population forecasts based on births, deaths and migration inputs and assumptions. Current populations can be estimated and future populations forecast, with detailed age and sex composition.

J.4. For the purpose of preparing household and labour force projections, Shropshire Council has used the PopGroup Derived Forecast model. This model allows forecasts of any variable that is closely related to the age-sex structure of a population to be produced, such as household structure, economic activity and disability.

J.5. The two models are independent of each other, but are designed to work together to, for example, examine the population-growth implications of a defined jobs-growth or housing-growth trajectory.

J.6. Figure 38 prepared by Edge Analytics for their PopGroup manual best illustrates the methodology:

Figure 38: PopGroup Model[116]



[116]Edge Analytics (2014), POPGROUP Reference Manual

Preparation of Baseline Assumptions

J.7. The following assumptions were input into the PopGroup and Derived Forecast models in order to produce baseline population and household projections:

Table 60: Assumptions used within the PopGroup and Derived Forecast Models

Assumptions	Explanation	Data Source
Population Base – Year 2012	Consistent with the ONS 2012 SNPP, the CLG SNHP and the 2011 Census resident population estimate.	*2012 mid-year population estimate (MYE) by gender and single year of age, ONS.*
Fertility and Mortality	Highly robust and reliable data derived from births and deaths registrations. Consequently a five year trend has been used to inform the age specific fertility and mortality rates.	
Shropshire Age Specific Fertility Rates (ASFR)	Formula; (number of births in a year to women in a 5-year age group / number of all women in that age group) x 1,000. A five year trend in data on births by age of mother has been used.	*Vital Statistics Table 2: Births by Age of Mother – ONS, Vital Statistics Unit.*
Female Population - Child-bearing Age	Female population of child bearing age (15-49 years).	*MYE - ONS, Population Estimates Unit.*
Live Births	For 2013 and 2014 actual total births figures by gender were added.	*Components of Change Estimates, 2013-2014 MYE (revised following 2011 Census) – ONS Population Estimates Unit*.
National Fertility Differentials	Testing revealed that applying national differentials to locally derived ASFRs resulted in a realistic projection of live births.	*Prepared by Edge Analytics using the 2012 National Population Projections,*
Shropshire Age Specific Mortality Rates (ASMR)	Formula; (total number of deaths / by the total population in the same specified age group) x 1,000. A five year trend in data on deaths has been used.	*Vital Statistics Table 3: Deaths by Age – ONS, Vital Statistics Unit.*
Deaths	For 2013 and 2014 actual total deaths by gender were added.	*Components of Change Estimates, 2002-2014 MYE (revised following 2011 Census) – ONS Population Estimates Unit*.
Special Population Counts – age and gender	A 'special population' is a group for whom it is not appropriate to apply the standard fertility, mortality and migration rates and/or age on. For the purpose of this modelling exercise two special population groups have been identified; armed forces and prisoners.	
Armed Forces	RAF Shawbury, RAF Cosford and Irish Regiment Tern Hill. Only 4 people were recorded as resident at the time of the 2011 Census at Copthorne Barracks in Shrewsbury (vacated 2015). A request for up-to-date data received no response.	*2011 Census. DC4210EWla - Communal establishment management and type by sex by age*
Prisoners	HM Stoke Heath Adults and Young Offenders Prison Shrewsbury Prison closed in 2013	*Up-to-date information made available by the Prison.*

International Migrations – Age Specific Rates – In and Out Flows	PopGroup requires the age and gender specific distribution of migrants for in migration from overseas and age specific migration rates for out migration to overseas.	*Components of Change Estimates, 2002-2012 MYE (revised following 2011 Census) – ONS Population Estimates Unit*.
International Migration Counts – in and out flows	After reviewing the historic trend, it was decided to utilise the international migration estimates used within the 2012 SNPP*. Within PopGroup the age specific rates / distribution apportion out the counts to single year of age.	*ONS 2012 based sub-national population projection components of change estimates on international migration to 2037.*
Please note: ONS use the International Passengers Survey, employment of overseas nationals in the Labour Force Survey (LFS), as well as administrative data on national insurance registrations by overseas nationals, non-EU visas granted and asylum applications.		
Internal Migration – age and gender specific rates – In and Out Flows	The number of migrants into or out of Shropshire in a given year by age and gender expressed per thousand population. Formula: (sum of five years of migrants by age and gender / the total population in the same specified age group) x 1,000.	*Components of Change Estimates, 2002-2014 MYE (revised following 2011 Census) – ONS Population Estimates Unit*.
Internal In-Migration Reference Population	PopGroup V4 utilises the UK reference population to estimate in migration from the rest of the UK. This is in line with the ONS population projection methodology*.	*UK Population Projections for reference purposes – ONS National Population Projections 2012 based*
Please note: ONS use the GP Patient Register and the NHSCR (two National Health Service administrative data sets) together with HESA data on student moves to estimate internal migration.		
2012 SNHP Household Formation Rates	The model uses the CLG Household Formation Rates to 2037. Evidence included in Chapter 4 and 7 showed there was no need for a direct adjustment to the rates.	*CLG SNHP 2012 (based on 1971, 81, 91, 2001 and 2011 Censuses and the Labour Forces Survey)*
Local Vacancy Rates	The 2011 Census rate of 4.4% has been selected as the most realistic estimate as it includes second homes. Vacancy rates are held constant during the projection period.	*2011 Census, KS401EW - Dwellings, household spaces and accommodation type (no usual residents).*
Communal Establishment Population	Communal establishments (CEs) are managed residential accommodation with 10 or more bed spaces. Residents within these establishments are subtracted from the total population to provide an estimate of the total household population.	*2011 Census, DC1104EW - Residence type by sex by age Census 2011 (MYE 2011 used to apportion the data to single year of age.)*

Making Adjustments and Undertaking Sensitivity Testing

J.8. Consideration of the need to make adjustments to the baseline projections was then undertaken, as summarised within Chapters 5-9 of this report. In summary:

Migration Trends

J.9. There is no single source of migration data, so ONS have developed a methodology for estimating migration flows internally within the UK and from overseas. In the last ten years considerable progress has been made by ONS in improving the data quality and the methodology. However migration remains the least robust component of population change. Local Authority level estimates can fluctuate greatly and so sometimes it is more appropriate to utilise a ten year trend rather than a five year trend.

J.10. Two scenarios have been prepared to evaluate the impact of using a five year (2007-2012) and a ten year (2003-2012) trend in internal migration to enable the preparation of internal migration assumptions for use in the model.

J.11. Adjustments for a ten year migration trend have been incorporated within scenarios V5A and V5B.

Student Population

J.12. The University Centre Shrewsbury accepted its first intake of students in 2014, and an adjustment to the population and household projections is required in response to this matter. Two methods have been tested to ensure the housing needs of students are fully reflected in the alternative projections:

Method 1: Special Population Adjustment

J.13. Initially students were included as a special population group which artificially created a constant body of young people who were not subject to migration and natural change assumptions. This option was not considered realistic and so was dismissed as a method of adjustment.

J.14. ONS best practice guidance supports this decision, and recommends that students are not included as a 'special population' group when preparing population projections and instead it should be assumed that they are embedded within migration flows.

Method 2: Adjustments to Migration Assumptions

J.15. Research and consultation with other experienced demographers revealed no clear method of incorporating student adjustments into the PopGroup model. So taking on board external advice, a means of incorporating migration flows of students into the internal and international migration assumptions has been developed. This uses confidential student forecasts and guidance on assumptions sourced from the University Centre Shrewsbury. The student assumptions used are outlined in Table 17 and Appendix E of this report.

J.16. The approach involved estimating what the age specific migration rates / distributions / counts might be in Shropshire when the University is operating at full capacity (2,500 students by between 2025 and 2030, it is assumed 2025 for the purpose of this assessment). Using this, differentials were calculated to produce a graduated change in rates during the period from 2015 to 2025. National statistics produced by the Higher Education Statistics Agency (HESA) have been used to obtain the age and gender distribution.

J.17. Table 61 outlines the adjustments made to reflect student migration flows and retention of students following graduation.

Table 61: Adjustment for Students and Retained Alumni of the University Centre: Shrewsbury

Form of Migration	Description	
International Migration	Year 1 students (starting studies) arriving added into in-migration counts and Year 3 students (finishing studies) added into out-migration counts.	
Internal In Migration	Adjust for Year 1 students relocating from outside of Shropshire to study.	
Internal Out Migration	Adjust out migration to reflect residents choosing to stay in Shropshire to study.	Adjust for Year 3 students leaving Shropshire following the completion of their studies.
Student Retention	Assume 20% retention following completion of studies for UK based students.	

Please Note: The PopGroup model only enables the application of differentials by five year age group. An adjustment has therefore been made to the differentials to adjust for the impact of this limitation.

J.18. Adjustments for student numbers have been incorporated within scenarios V2B and V5B using Method 2 described above.

Unattributable Population Change (UPC)

J.19. Sensitivity testing was undertaken to examine the impact of UPC on the future population of Shropshire. When undertaking this sensitivity testing, two assessments were performed, the first of which distributed UPC over a five year migration period; the second distributed UPC over a ten year migration period. Both assessments incorporated UPC into the internal in and out migration flows (half of the adjustment into each) and both resulted in an increase to net in migration during the projection period.

J.20. However, having considered the results of this sensitivity analysis, it has been concluded that it is inappropriate to make an adjustment for UPC within this FOAHN as it resulted in a disproportionate rise in population, which was considered unrealistic. This decision is consistent with the expert view from ONS; and is supported by the reasoning outlined in Table 17 and Appendix E of this report.

2014-based SNPP

J.21. The 2014-based SNPP were published on the 25th May 2016. These represent a more recent forecast of population change than the 2012-based SNPP which underpin this assessment. However, there is only a very small change to the population projections for Shropshire between those within the 2012-based SNPP and those within the 2014-based SNPP.

J.22. Furthermore, whilst updated population projections have been issued, to date this has not been translated into household projections by CLG, and an update of the 2012-based SNHP is not anticipated until the end of 2016. Additionally, ONS / Edge Analytics have yet to make available the detailed component of change assumptions. Consequently it was not considered necessary to make an adjustment in relation to this factor.

J.23. For the purpose of comparison, a population scenario has been produced using the 2014-based SNPP, this population scenario projects a lower population change over the period from 2016-2036 than each of the four main scenarios produced for the purpose of this assessment of the FOAHN for Shropshire. This provides further support for the conclusion that an adjustment is not required in response to this issue.

J.24. Following the publication of the 2014-based SNHP, the need to review the FOAHN will be considered. However, it should be noted that according to national policy and

guidance, planning evidence should be proportionate[117] and projections are not rendered out of date each time a new projection is released[118].

Concealed Households

J.25. Due to the infrequency of published data on the number of concealed households, whilst it is possible to establish that the number of concealed households has increased between 2001 and 2011; it is not possible to establish when the most significant rise occurred over this period or what has changed since the last 2011 Census. Therefore whilst this inter-censal increase would have been apparent within the data that informed the 2012-based SNHP, it is not possible to determine whether changes have occurred since the base date for the 2012-based SNHP.

J.26. However, it is recognised that there has been significant debate about whether trends in concealed households will continue or revert to those more comparable to the pre-recession period. Consequently it is considered appropriate for the purpose of this FOAHN to make an adjustment to the 2012-based SNHP which equates to the number of additional concealed households formed within the inter-censal period. This results in an increase of 458 households or approximately 478 dwellings to the 2012-based SNHP for Shropshire.

J.27. This figure will be applied to the preferred scenario(s), once identified rather than incorporated into the household and dwelling projections.

[117]CLG, (2012), The NPPF
[118]CLG, NPPG – Paragraph: 016, Reference ID: 2a-016-20150227, 06/03/2014

Appendix K. External Quality Review Summary – June 2016

Quality Review of Shropshire Council's "Full Objectively Assessed Housing Needs Report", June 2016

At the request of Shropshire Council, I have carried a review of the Council's report on the Full Objectively Assessed Housing Need (FOAHN) for Shropshire. The scope of the review is focussed on the evidence and analysis provided in the report, read in the context of relevant Government Guidance.

The report satisfactorily investigates the aspects of housing need set out in Government's Planning Practice Guidance(PPG), as regards the future quantity of housing needed. In doing so the Council has taken a proportionate approach to gathering and analysing evidence, and has used, where possible, the data sources suggested in the PPG. The conclusions made are supported by the evidence provided.

It is noted that the Office for National Statistics(ONS) has recently issued 2014-based sub-national population projections and that the Department for Communities and Local Government will release matching Household Projections in the near future. The report contains an initial assessment of the possible implications of the latest population projections, and at this stage it appears unlikely that the new evidence will have a significant impact on the finding of the study. A range of demographic scenarios have been prepared using the industry-standard POPGROUP forecasting software.

In my view, the recommended figure for future housing need is informed by an objective assessment of housing need that follows the methodology set out in Planning Practice Guidance.

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22nd June 2016