Report

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Worcestershire Strategic Housing Market Assessment
Appendix 4 – Redditch SHMA Overview Report

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Contents

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For and on behalf of GVA Grimley Ltd

1.   Introduction to the Redditch SHMA Overview Report

1.1   This appendix document should be read in conjunction with the Worcestershire Strategic Housing Market Assessment (SHMA) – Main SHMA Report.

1.2   The main SHMA Report presents the SHMA analysis for the County as well as each Local Authority and should be used as the principal document to inform the development of policy and strategy. The analysis presented within this Appendix document serves to complement the main SHMA report providing additional narrative and ward level detail. The full details of the modelling and research methodologies used to arrive at the conclusions presented within this Overview Report are documented in full within the main SHMA Report alongside a full glossary of terms.

1.3   The report uses a similar structure to the main SHMA Report with the analysis presented under two sections:

- Section 2: The Current Housing Market

- Section 3: The Future Housing Market

1.4   Within this framework the findings are presented under the headings of the Core Outputs as set out within the DCLG SHMA Guidance (August 2007).

1.5   This Overview Report does not include a separate detailed analysis of the housing requirements of specific groups. The analysis within the Future Housing Market section provides analysis of the different types and ages of households which complements the analysis presented in section 8 of the main SHMA Report.

1.6   The Overview Report concludes with a 'Bringing the Evidence Together' section. This draws together the conclusions for the local authority and incorporates a section examining the implications for future policy and strategy development.

Introducing Redditch

1.7   Redditch Borough Council is one of six local authorities within the County of Worcestershire, in the West Midlands region. The authority borders Warwickshire County to the east and southeast. It is surrounded by Bromsgrove District to the west and north, Stratford District to the east and southeast and Wychavon District to the south and southwest. The Borough is situated at the outer edge of the Green Belt

boundary for the West Midlands. Redditch offers easy access to the countryside and prominent local areas, including culturally rich areas such as Stratford upon Avon and naturally rich areas such as the Cotswolds.

1.8   Redditch is a predominantly urban town, but also includes the rural Parish of Feckenham. Between 1964 and 1985, Redditch was designated as a "New Town" to cater for the outward migration of populations from Birmingham and the West Midlands conurbation, which is some 12 miles (20 kilometres) to the north-east of Redditch.

1.9   The Redditch Borough Council area covers 21 square miles (5,435 hectares) and at the 2001 Census, the Borough population totalled 78,807, which represented an increase of 0.9% since the 1991Census.

1.10   The Borough has two distinct areas within its boundaries of roughly equal size. There is the largely urban area of the north east which includes Redditch town centre (which has 93% of the population) and the other essentially rural area to the south and west, including Astwood Bank and Feckenham, (which has 7% of the population).

1.11   Prior to "New Town" status, Redditch had been a small town, of approximately 35,000 residents, with a sound industrial base including manufacturing, engineering and needle making. Council housing was developed, alongside private sector housing, from the 1930s onwards to satisfy the local natural increase in population and also to cater for in migrants from Birmingham, who were attracted by good road and rail linkages and the closeness of Redditch to the city and countryside.

1.12   "New Town" status has been fundamental in creating economic and social change in Redditch over the past 40 years. Redditch was comprehensively redeveloped between 1964 and 1985 with increased development of commercial, retail, employment and residential facilities to cater for a population of approximately 90,000, many of whom were migrants from Birmingham and the West Midlands Conurbation.

1.13   New housing, both private sector and affordable rented, was enabled by Redditch Development Corporation and constructed in huge numbers over the 21 year period, which resulted in development of new communities, such as Winyates, Church Hill, Woodrow and Matchborough, with over 10,000 affordable rented houses constructed by the Redditch Development Corporation. Following the declassification of Redditch as a New Town, population growth was much lower, at 0.9% between 1991 and 2001. In Worcestershire County as a whole, the population growth was 4% over the same time.

1.14   Migration has been a constantly important factor in demographic change in Redditch. Offices. A 2002 study by the Birmingham University Centre for Urban and Regional Studies (CURS) showed that inward migration to Redditch still continues from the traditional core areas of the West Midlands Conurbation and Birmingham. However, Redditch is no longer classified within regional housing and planning policies as a key regional overspill location.

The Policy Context

1.15   The Redditch Borough Council Core Strategy will provide the framework approach for the growth of the Borough and will be the primary Development Plan Document (DPD) in the Local Development Framework (LDF).

1.16   The Core Strategy is currently at the Revised Preferred Draft stage, with a process of consultation undertaken between January and March 2011. Further work will continue to progress the document for publication, submission and independent Examination.

1.17   The **Revised Preferred Draft Core Strategy,** published in January 2011, recognises that national and regional population projections indicate significant new demand for housing over the plan period. Policy 8 states that provision will be made for **2,200 new dwellings** within Redditch Borough between 2011 and 2026 (or 147 per annum). This target is set in the context of the authority's delivery to date which means that a total of approximately 3,200 houses are intended to be delivered between 2006 and 2026. The Core Strategy seeks to achieve a mix of housing types in terms of size, scale, density, tenure and cost which reflects the Borough's housing needs.

1.18   In distributing growth spatially, the Core Strategy's approach is to focus most growth in the Redditch urban area, followed by Astwood Bank, a Sustainable Rural Settlement, and Feckenham, a small rural settlement. Development in Astwood Bank and Feckenham will meet the requirements of local need only.

1.19   Given the stage of formulation of the Redditch Core Strategy, this analysis is intended to directly inform final Core Strategy policies on housing growth.

2.   The Current Housing Market

2.1   This section summarises the SHMA analysis of the current housing market for Redditch. The section is structured around the DCLG core outputs 1and 2.

2.2   The section provides a more locally tailored narrative of the 'housing stock' position, the 'active market' and the 'key drivers of the housing market'. Wherever possible data has been mapped to provide a greater understanding of variance and relative performance at a sub-local authority level.

2.3   The key findings for Redditch are included up front for each DCLG Output for easy reference.

DCLG Output 1 – Estimates of current dwellings in terms of size, type, condition, tenure

2.4   A synopsis of the authority's current stock position is summarised through the following:

- Redditch has a total of 35,281 dwellings, 885 of these are currently classified as vacant, equating to 2.5% of total stock[1];

- A total of 2,618 houses have been built within Redditch since 2001[2]. This represents an average of 262 per annum over the ten years. However, over this time period levels of completions have varied. Delivery over the last couple of years has reduced markedly in line with national trends, indeed only 128 dwellings were delivered in 2010/11;

- The profile of the housing by type shows 31.2% of homes are detached, 31.8% are semi-detached, 23.8% are terraced, 7.3% are flats with the remainder being classified as other[3]. This profile is reflected in the size of properties, with 51.3% of

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[1] Source: DCLG Live Tables, 2011 (vacant as of October 2010)

[2] Source: Worcestershire County Council Planning Data, 2011 – Gross Housing Completions

[3] Other includes people living in an 'unshared dwelling caravan or other mobile or temporary structure' or a 'shared dwelling'

properties having 5-6 rooms[4] and 27.3% having 4 rooms or less. Only 21.2% of properties in Redditch have 7 or more rooms[5].

- The latest stock condition data shows that 26.6% of the private stock across the authority is classified as unfit[6]; and

- According to the latest data recorded through the Housing Strategy Statistical Appendix (HSSA), 2010, Redditch has 22% of its stock classified as affordable housing (the highest proportion in the County). Redditch is unique within Worcestershire in that the authority has a very low level of RSL housing as Redditch Borough Council have retained ownership of their stock and is the biggest provider of affordable housing. The overall amount of affordable housing has remained relatively consistent over recent years and reflects the fact that Redditch has delivered on average 97 affordable housing units per annum over the period 2004/05 – 2010/11[7]. This has been balanced as the authority has continued to see a reduction in obsolete stock and loss of stock through right to buy.

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[4] Note: Census Definition - The count of the number of rooms in a household's accommodation does not include bathrooms, toilets, halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms and studies are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between a number of households, for example a shared kitchen, are not counted. The count is not available for unoccupied household spaces.

[5] Source: Statistics sourced from the 2001 Census

[6] Source: BRE Private Sector Stock Condition Survey update for the West Midlands Kickstart Partnership (2011)

[7] Source: HSSA 2010/11, Local Authority Completions data, 2011

2.5   The distribution of new stock has not been evenly distributed across the authority. The following plan uses data supplied by the local planning authority to illustrate the spatial distribution of development at a ward level between 2004 and 2010.

Figure 2.1: Completions at Ward Level 2004 – 2010[8]
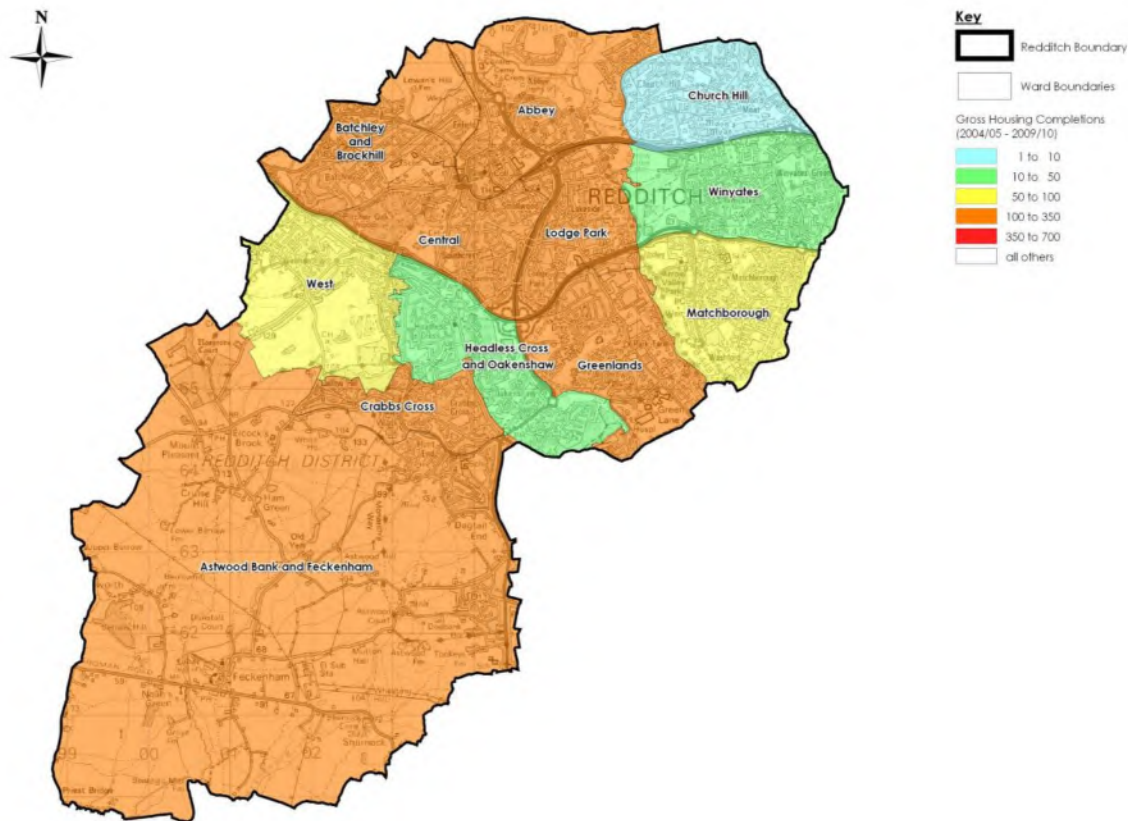
Source: Local Authority Planning Data, 2011

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[8] Note: Whilst authority level statistics were available for 2011 a consistent dataset for 2011 was not available at ward level

2.6   Data on new-build sales sourced from the Land Registry also serves to illustrate the location of new-build development over the last couple of years[9]. This is primarily driven by the availability of deliverable land although it also serves to illustrate where demand is perceived by house builders to exist.

Figure 2.2: New Build Sales 2009/10 & 2010/11
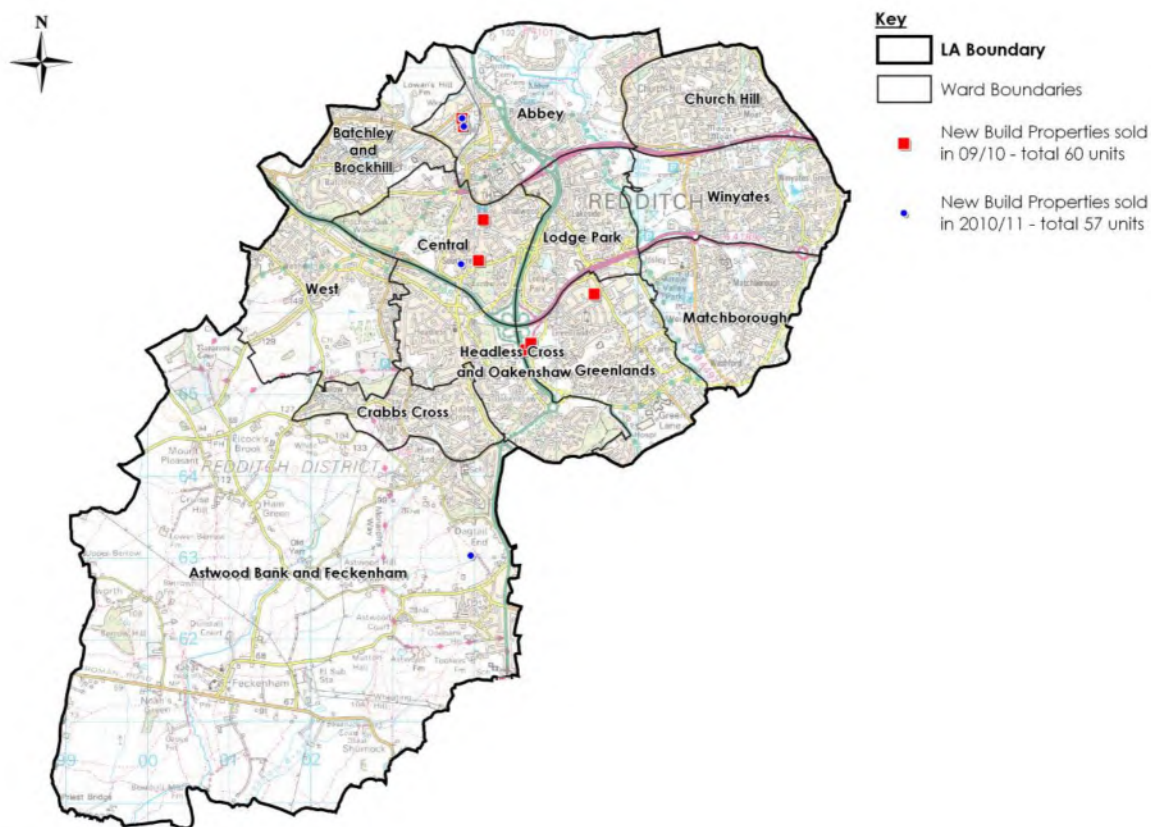
Source: Land Registry, 2011[10]

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[9] Note: this data does not include transactions of conversions or sub-divisions of properties but just properties classified as 'new build'.

[10] Note: Records of sales are accurate to 6-digit postcode level which means that markers may not be located in the exact location of development, particularly in more rural areas

DCLG Output 2 – Analysis of past and current housing market trends and understanding of key drivers underpinning the housing market

2.7   The analysis addressing this output can be split under two separate areas, socio-economic drivers which have an important bearing on the operation of the housing market and the active market which incorporates, for example, market fluctuations in price and responds to the longer-term drivers of change (for example population change and the relative health of the economy).

Demographic Drivers

2.8   A summary of the demographic trends influencing the operation of the housing market in Redditch are set out below:

- The official ONS mid-year estimates components of change are shown in Figure 2.3 which indicates that natural change has played an important positive role in driving population change, however, under the official ONS datasets net migration (both internal and international) is estimated to have resulted in a net decrease in population in a number of years.

*Figure 2.3: Population Components of Change 2001 – 2009*
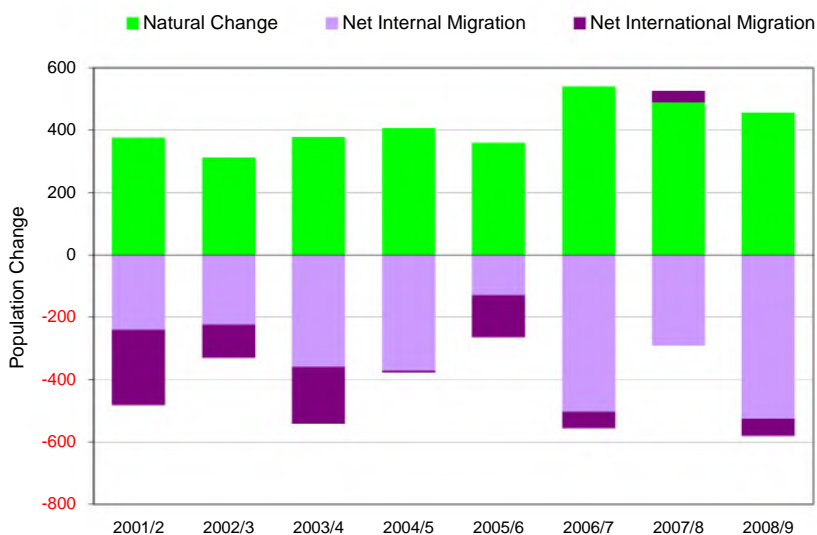
Source: ONS Mid-Year Estimates, 2010

- The net outflow of international migrants estimated through the official ONS datasets was identified as not aligning with other datasets. Edge Analytics

undertook further analysis to compare and contrast the ONS estimates with alternative data drawing on research undertaken as part of a wider project by Leeds University. Figure 2.4 illustrates the estimated re-correction of the international migration component of the population. This indicates that rather than acting as a net negative contributor to population change over the last five years that international migration has acted to increase the population[11].

- Using the updated and corrected dataset by Edge Analytics Redditch is estimated to have seen its population rise by approximately 1,700 people between 2001 and 2009[12]. This population is estimated to make up 34,590 households in 2009[13].

Figure 2.4: Net International Migration Correction (blue bars are the official ONS estimates and the grey bars illustrate updated estimates)

Blue bars – ONS Official Estimates
Grey bars – Edge Analytics corrected datasets
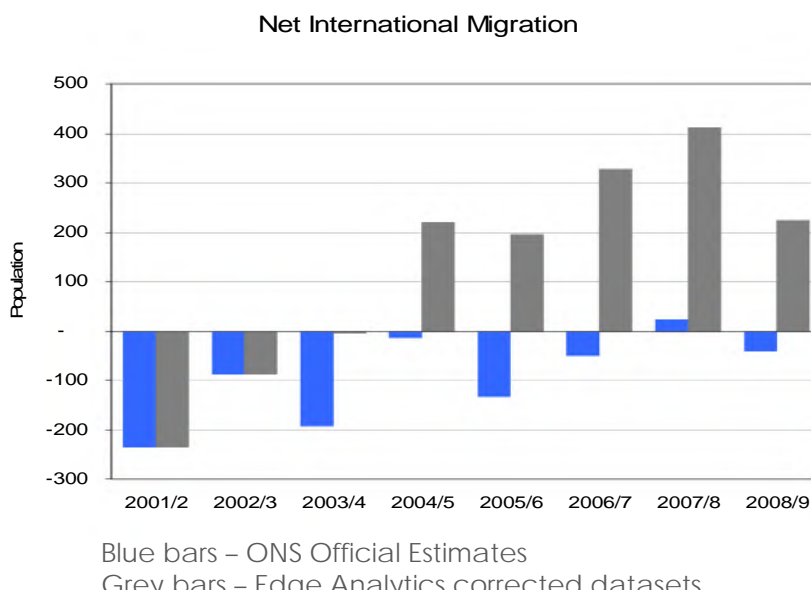
Source: Edge Analytics, 2011, NINO, GP Registrations Data, HESA data, 2011

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[11] A full explanation of the rationale for the correction and the data sources used can be found in the main SHMA report section 6

[12] Source: Data has been sourced from the analysis undertaken by Edge Analytics which integrates the 08/09 ONS Mid Year Estimate data and draws upon the outputs of a research programme by Leeds University of which Dr Peter Boden was a contributor. Further explanation is included at paragraph 6.76 in the Main SHMA Report. Note: This research has been used to inform the release of Indicative Mid-Year Population Estimates (2006 – 2010) by the ONS in November 2011 which corrected Redditch's estimated population upwards. This data release was published after the analysis was undertaken to inform this SHMA research.

[13] Source: Edge Analytics modelled data using the SNHP 2008 base assumptions applied to the 2009 population

The distribution of population growth has not been distributed evenly across the authority. In part this is intrinsically linked to the development of new stock and this is illustrated through the following plan which shows the change in population at a ward level[14]. A further plan is included which shows the role of migration in driving these levels of population change.
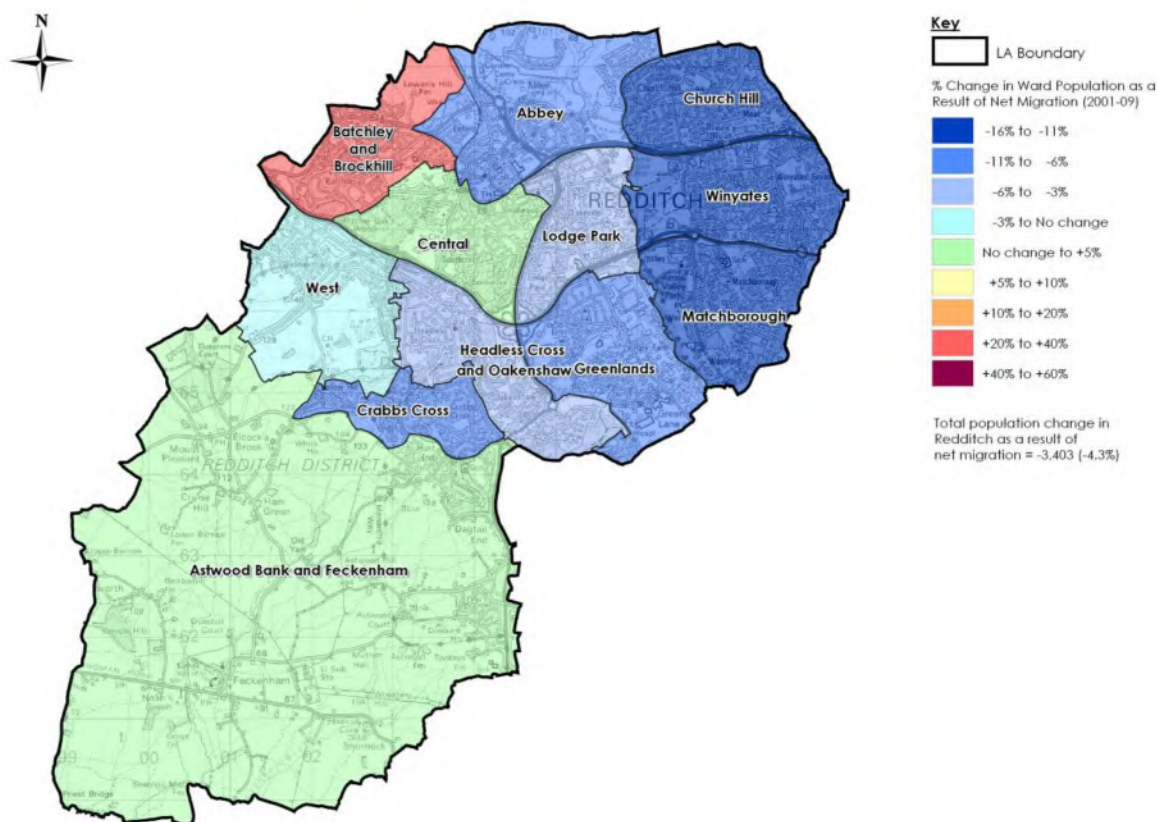
Figure 2.5: Population Change at a Ward Level (2001 – 2009)
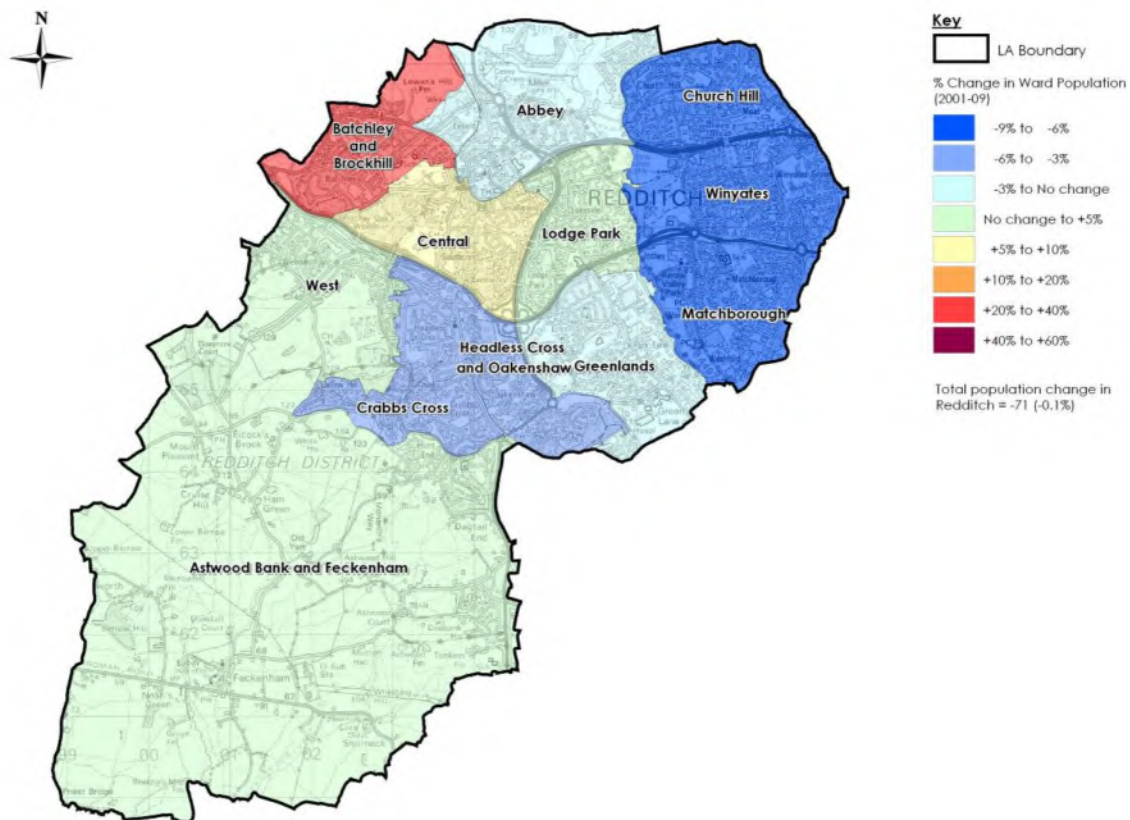
Source: GVA, Edge Analytics, 2011

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[14] Source: the ward level analysis utilises ONS Mid Year Population Estimates data available at the time of modelling. This data is analysed using the POPGROUP software.

Figure 2.6: % Change in Ward Population as a Result of Net Migration (2001 – 2009)

Source: GVA, Edge Analytics, 2011

2.9   Growth in population as a result of net migration has been focussed in the Batchley
        and Brockhill ward, which has seen a 23% rise in population since 2001. This has been
        driven by the delivery of approximately 1,300 new homes within the ward. Other
        wards where there have population growth linked to migration include Central and
        Astwood Bank & Feckenham wards. The rest of the Borough has seen significant
        reductions in population as a result of net migration, with Church Hill, Winyates and
        Matchborough all reducing by around 11-16%.

- The age profile of migrants into Redditch has an important impact on the operation of the housing market as has the origin of flows. The following chart shows the average net inflows and outflows by age group between 2002 and 2008 as well as the top ten net inflows and outflows[15].

Figure 2.7: 2002 – 2008 Average Age of Migrants Net Inflows / Outflows & the Directional Nature of inflows and outflows from other authorities

Redditch

Top Ten Inflows	average 2002-2008
Birmingham	537
Bromsgrove	343
Stratford on Avon	264
Wychavon	153
Solihull	136
Worcester	61
Wyre Forest	54
Sandwell	51
Dudley	44
Coventry	34

Top Ten Outflows	average 2002-2008
Bromsgrove	357
Stratford on Avon	349
Birmingham	319
Wychavon	233
Solihull	86
Worcester	70
Wyre Forest	53
Dudley	44
Sandwell	39
Malvern Hills	36

Top Ten net Inflows

Top Ten net Outflows

Age-group net flows

Source: ONS Mid Year Estimates, 2010

15 The data presented here have been drawn from the Patient Registration statistics published annually by ONS and used as the basis for estimating internal migration flows in the mid-year population estimates

- The dominant feature of internal migration to and from Redditch is the large net inflow from Birmingham. The highest net outflows are evident between Redditch and Stratford-upon-Avon and Wychavon. The overall balance of migration has been negative, with only the 20-34 age-range displaying a positive net immigration during 2002-2008. Redditch has been losing population due to internal migration since 2002.

- The ethnic mix of the population of Redditch is shown in the following table. This illustrates that currently BME groups represent a relatively small proportion of the overall population at 7.16%, a proportion which is below the national average, which stands at 11.8%.

Figure 2.8: Ethnic group proportions, 2007

Authority	% White Britis	% White Irish	% White Other White	% Mixed	% Asian or Asian British	% Black or Black British	% Chinese or other Ethnic Group
Redditch	90.33%	1.01%	1.38%	1.63%	3.89%	1.13%	0.50%

Source: ONS ethnic population estimate 2007,(2010 release)

Economic Drivers

- Redditch is a net exporter of labour with the 2001 Census showing a commuting ratio of[16] 1.10.

- Redditch has strong commuter links with Birmingham. The strength of flow is less pronounced than the adjacent authority of Bromsgrove although the 2001 Census indicated that 10.5% of people living in Redditch worked in Birmingham. The 2008 data[17] suggests a stronger relationship with the authority of Stratford-on-Avon with a higher proportion of those working in Redditch working in the authority as well as a considerably higher proportion of Redditch residents working in the authority of Stratford-on-Avon.

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[16] Commuting Ratio = Employed Residents in Area / Jobs in the Area

= [(live and work in e.g. Redditch) + (live in e.g. Redditch, work elsewhere)] / jobs in area

[17] Source: ONS 2008 Updated Travel to Work Dataset – utilising data from the Labour Force Survey)

Figure 2.9: Local Authority of Work for Redditch Residents – Ten Biggest Flows
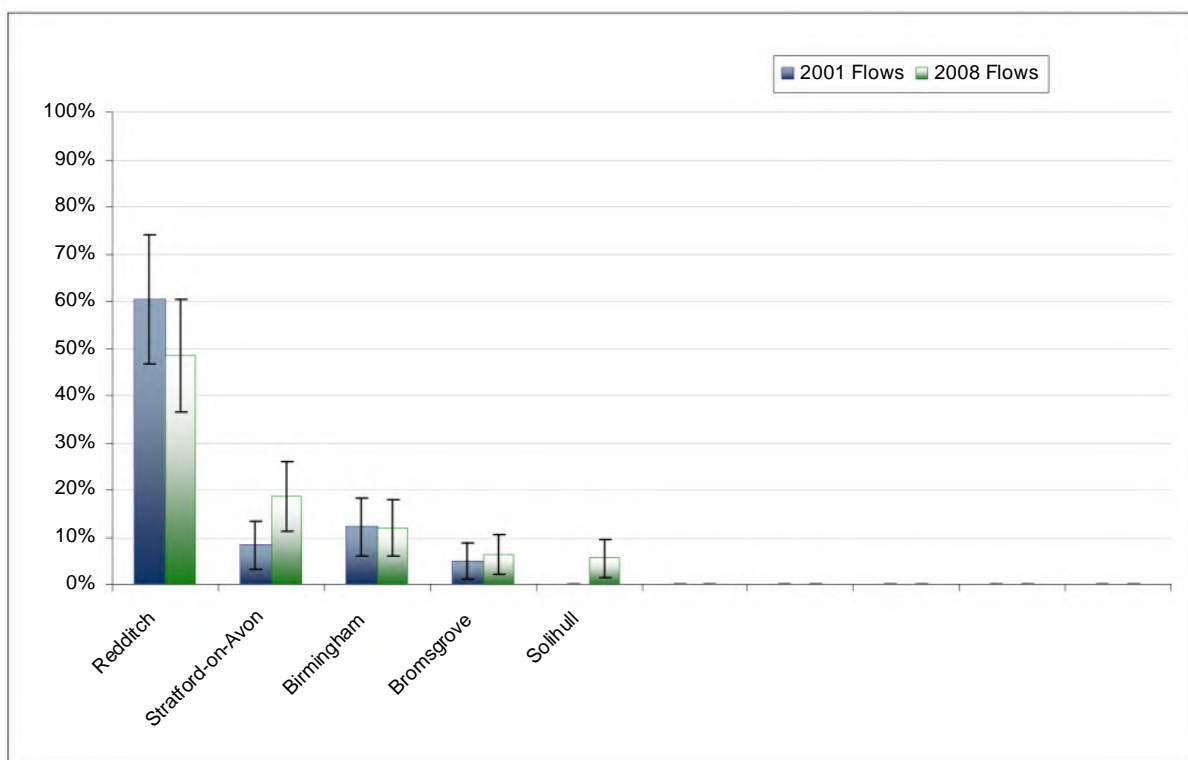
Source: ONS Commute APS model, 2010 (Labour Force Survey) [18]

- The economy of Redditch is characterised by high unemployment and a relatively weak employment base. The key sectors within the Borough are manufacture of metals, rubber and plastics, electrical machinery and furniture. Unemployment is relatively high compared to the other authorities in Worcestershire at 4.2%. The occupational structure of the economy is dominated by Process Plant and Machine Operatives (13%) and Skilled Trades Occupations (15%). There are lower than average proportions of Professional Occupations, Elementary Occupations and Administrative, Clerical and Secretarial Occupations[19].

- The latest economic forecasts produced by Advantage West Midlands[20] suggest that total employment in Redditch will decline steeply over the first part of the plan period, with a slight recovery towards the end, however employment is still likely to decline by around 4% to 2031.The distribution of employment by occupation is projected to change with increases in the proportions of Personal

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[18] Confidence intervals are displayed on the chart
[19] Source: Nomis, 2011 and GVA Analysis, 2011
[20] Source: AWM Labour Force Market Future Profiles, 2010 and GVA Analysis, 2011

Service Occupations, Managers and Senior Officials and Associate Technical and Professional Occupations. There are projected to be significant reductions in the proportions of Skilled Trades Occupations, Elementary Occupations and Process Plant and Machine Operators.

The Active Market – Past and Current Housing Market Trends

2.10   The following observations summarise the operation of the active market in Redditch. The analysis illustrates the way in which the housing market has changed over recent years[21]:

- House prices within Redditch have remained fairly constant over recent years in comparison to the County and National averages which have both fallen during the same period. In Redditch between 2006/07 and 2010 house prices have increased by 3%[22].

- In order to assess the most recent movements in the housing market the following plans show the spatial distribution of median house prices in 2010 and 2011. This shows a weakening of house prices between 2010 and 2011, particularly in the built up areas to the north of the Borough.

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[21] Note: Given the slow-down in the housing market at a ward level analysis may be based upon relatively few transactions.
[22] Source: DCLG Live Tables, 2011

Figure 2.10: Change in House Prices between 2010 and 2011
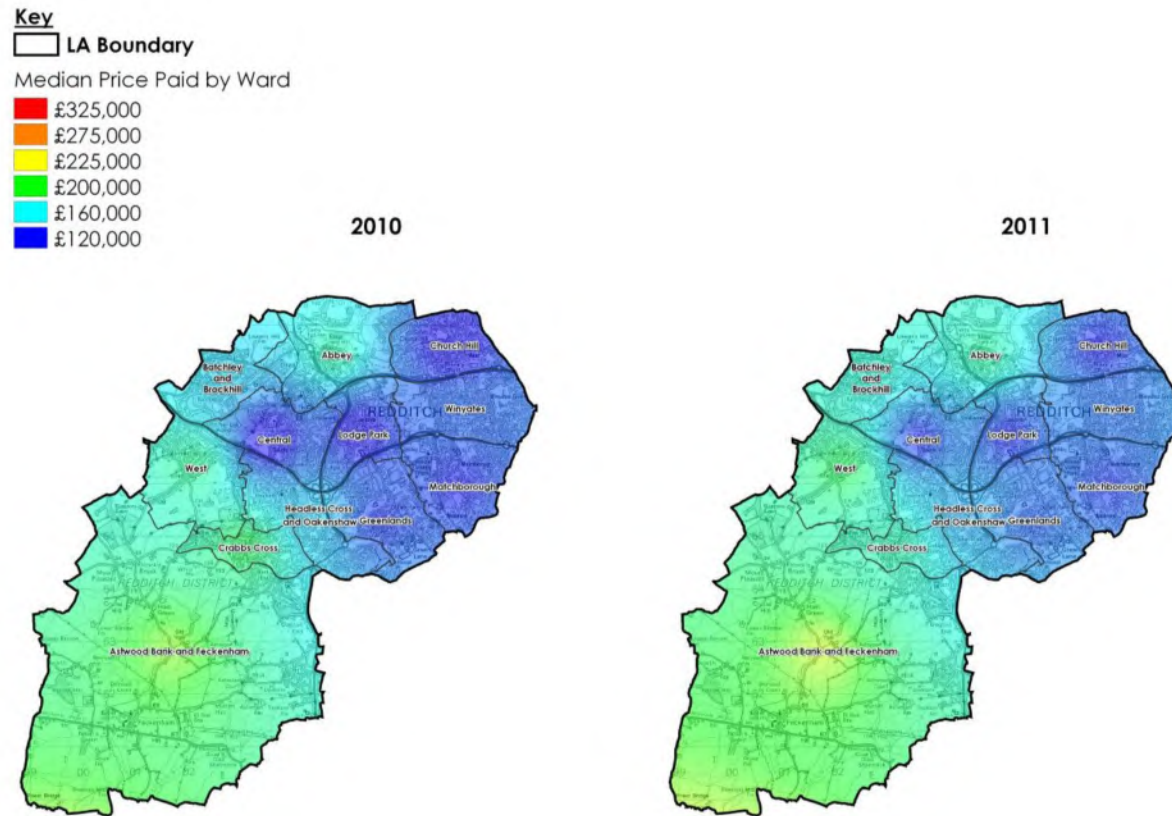
Source: Land Registry, 2011

- Nationally the impact of the credit crunch and subsequent period of economic recession and downturn has led to a dramatic reduction in the number of sales of properties. This is reflected in Redditch where sales reached a peak in 2002 of 2,047 transactions and fell to a low in 2009 (733 transactions), with 2010/11 showing only 921 transactions. The following plan illustrates the spatial distribution of recorded transactions of properties in both 2010 and 2011.

Figure 2.11: Total Transactions per Ward (2010 – 2011)
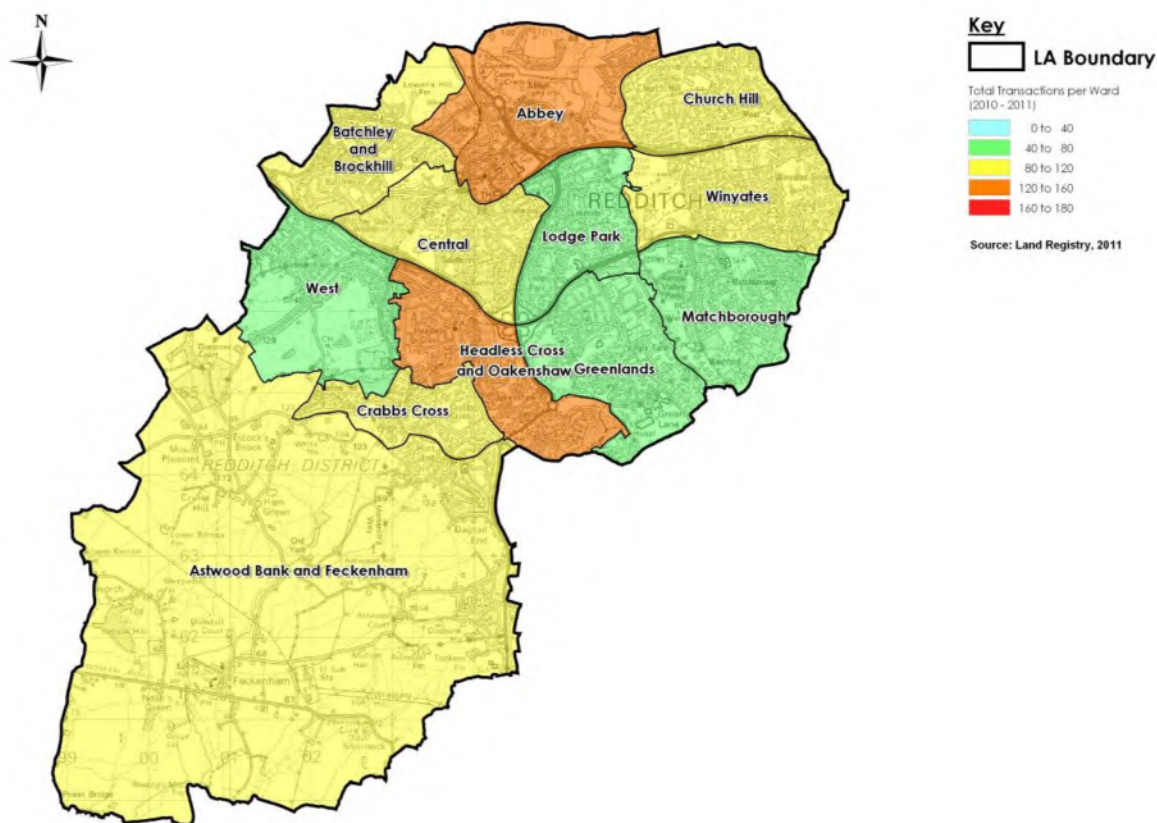
Source: Land Registry, 2011

- Lower Quartile house prices are used in the main SHMA analysis to represent entry level properties in the market, an important part of assessing affordability issues. Within Redditch the average lower quartile price for all properties was £118,000 in 2010. As with overall house prices there is a considerable variance in the lower quartile price across the authority, this is illustrated through the following plans.

Figure 2.12: Geographical Distribution of Lower Quartile House Prices – 2010/11
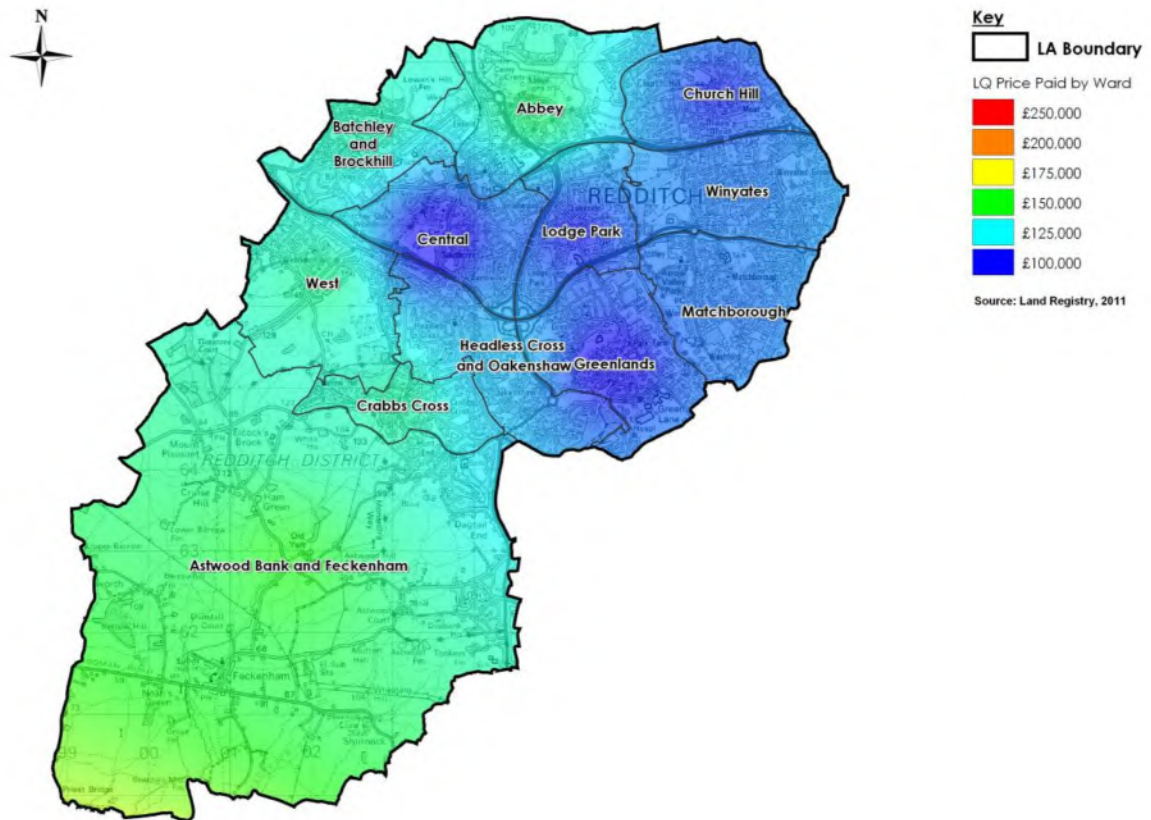
Source: Land Registry, 2011

*Figure 2.13: Transactions per Ward below Lower Quartile Price for the authority –
2010/11*
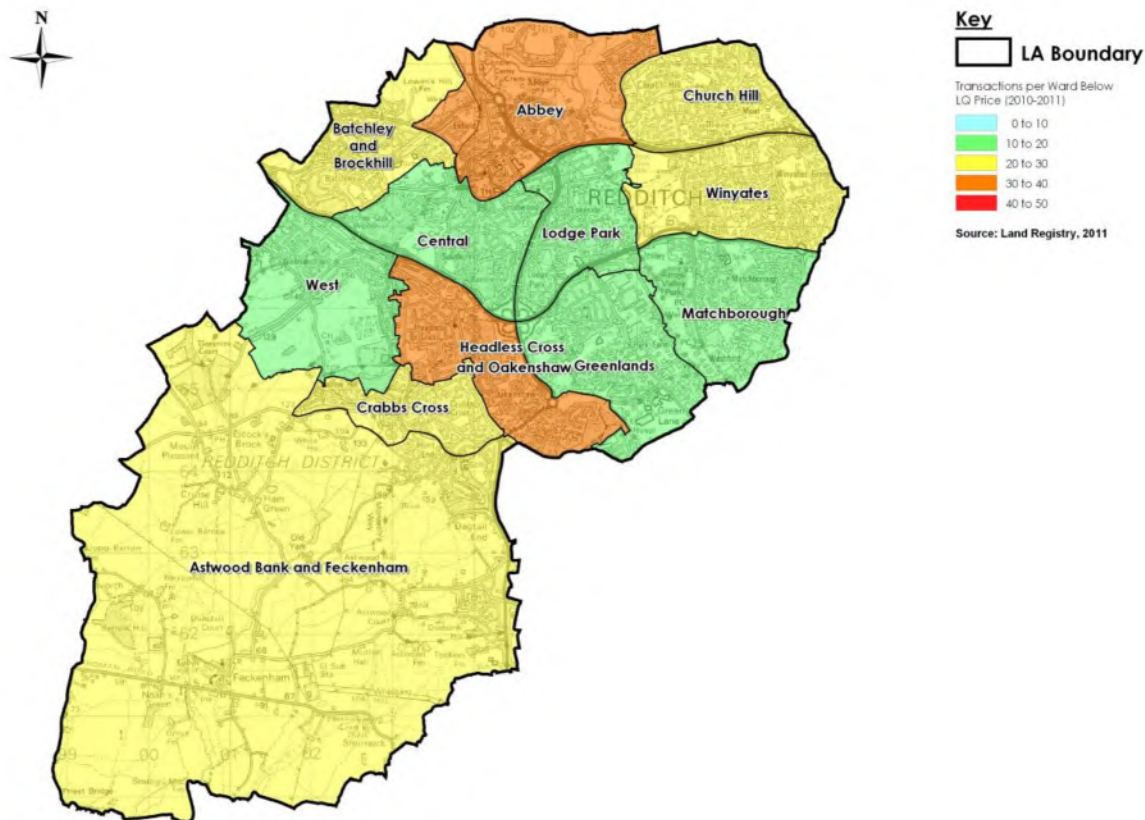
Source: Land Registry, 2011

- Analysis of the rental market shows that average rental prices within Redditch are generally on a par with the County averages for different property types, except for 4 bed houses, which are slightly higher (this may be due to a lack of stock of this type). Rental prices for a 1 bed apartment are £453 per calendar month (pcm), whilst for a 2 bed apartment they are around £573 pcm. In terms of the housing market, rental prices for 2, 3 and 4 bed houses within Redditch are £580, £669 and £1,173 pcm respectively[23].

- Analysis of waiting list data[24] shows a sustained demand for affordable housing in the current market across Redditch. In total there are 3,598 households on the

[23] Source: www.rightmove.co.uk (summer 2011)
[24] Redditch Home Choice Based Lettings System

waiting list as of July 2011. Of these households, 929 or 26% are classified as in 'significant need'[25].

- Of those on the full waiting list the largest proportion consists of households requesting transfer from a social rented property (36%), followed by those sharing a home or lodging (30%) and those currently residing within the private rented sector, at 22%. In comparison, a small proportion of households – at 8% - are currently in owner-occupation.

- The sustained pressure on affordable housing, as a result of current market circumstances, is further illustrated through the benchmarking of the levels of income required to access different housing tenures within Redditch. An income of over £30,000 is required to purchase a lower quartile property (assuming a 3.5 income / mortgage ratio and a 10% deposit). In order to afford an average 2-bed apartment within the authority an income above £27,500 is required (assuming that 25% of income is spent on rent) and an income exceeding £22,000 is required to afford a 2-bed apartment when charged at the Affordable Rent level (upper limit of 80% of average market rent). This is illustrated in the following table which shows the different entry level incomes required to access different sizes of properties.

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[25] For a full definition of how 'significant need' is attributed see Section 5 of the main SHMA Report. The level of households in 'significant need' presented includes households transferring between social dwellings in the authority

Figure 2.14: Affordability Benchmarking – Access to different tenures and sizes of properties

Authority	Affordability Benchmarks - Annual Income Required						% of All Households Earning Less than £30,000
	To purchase LQ House (3.5 * income - 10% deposit)	Renting Average 2-bed Apartment (25% income)	Renting Average 3-bed House (25% income)	Affordable Rent (80% Market Rent) 2-bed Apartment (25% Income)	Affordable Rent (80% Market Rent) 3-bed House (25% Income)	Social Rented (25% income)	
Redditch	£30,343	£27,502	£32,118	£22,002	£25,695	£17,711	50%

Source: GVA, 2011

3.   The Future Housing Market

3.1   Understanding how the operation of the housing market will change in the future represents an important part of the main SHMA Report analysis. A number of models are utilised within the main SHMA Report to project forward future demand.

3.2   This includes examining the long-term pressures for new housing resulting from a growing population and household base, and the impact this will have on the types of housing that new and existing households will require through the plan period.

3.3   It also includes an assessment of the current and short-term future need for affordable housing, again with a breakdown by size of property. The analysis also considers the role of the three different types of affordable housing described within PPS 3 in meeting the identified future levels of need for affordable tenures. The results of these modelling processes are summarised within this section. Sections 6 and 7 of the main SHMA Report include a detailed methodology for each of the modelling processes which is not replicated in this Overview Report but should be used to reference and clarify technical points.

DCLG Output 3 - Estimate of total future number of households, broken down by age and type where possible

3.4   The main SHMA Report incorporates a substantial amount of modelling and analysis to determine the most likely range of future population levels based on scenario built projections.

3.5   These projections take account of demographic, economic, market and supply factors to arrive at a series of conclusions around how the population and number of households could change and what this means in terms of both the age and type of households.

3.6   For Redditch the following conclusions are reached in relation to this output:

- The number of households is forecast to grow over the period 2006 and 2030 by between 6,040 and 9,440. The lower level of projected household growth is based upon a demographic trend based scenario (Sensitivity Scenario 1 'migration-led scenario readjusted' of the Main SHMA Report, Section 6) which uses the latest data around levels of natural change and migration to project forward a continuation of recent historical dynamics. This scenario also factors in the corrected international migration estimates presented in Figure 2.4. The higher

level of household change is estimated through the application of an economic constraint on the demographic projections (Sensitivity Scenario 2 'Employment Constrained - Altering the Economic Activity Rates of Older Persons' in the Main SHMA Report, Section 6). Under this scenario the labour force in the authority is balanced against the projected total number of jobs and therefore identifies the levels of household change required to create a greater balance between the population and the number of jobs forecast in the future in the authority.

• Within Redditch natural change represents a fundamental driver of the change in population. This is projected to continue to be the case albeit the net annual levels are projected to decrease year-on-year. Internal migration is projected to continue to have a net negative impact year on year. This is offset by a projected positive contribution annually by net international migration flows. This is illustrated in the following chart which shows these components of population change under the migration-led re-calibrated scenario (Sensitivity Scenario 1 within the main SHMA Report). It is important to recognise as per the analysis in section 2 that this scenario is driven by updated estimates of change back to 2006 drawing on a range of administrative datasets.

Figure 3.1: Components of Change under the Migration-led Scenario (readjusted)

Redditch
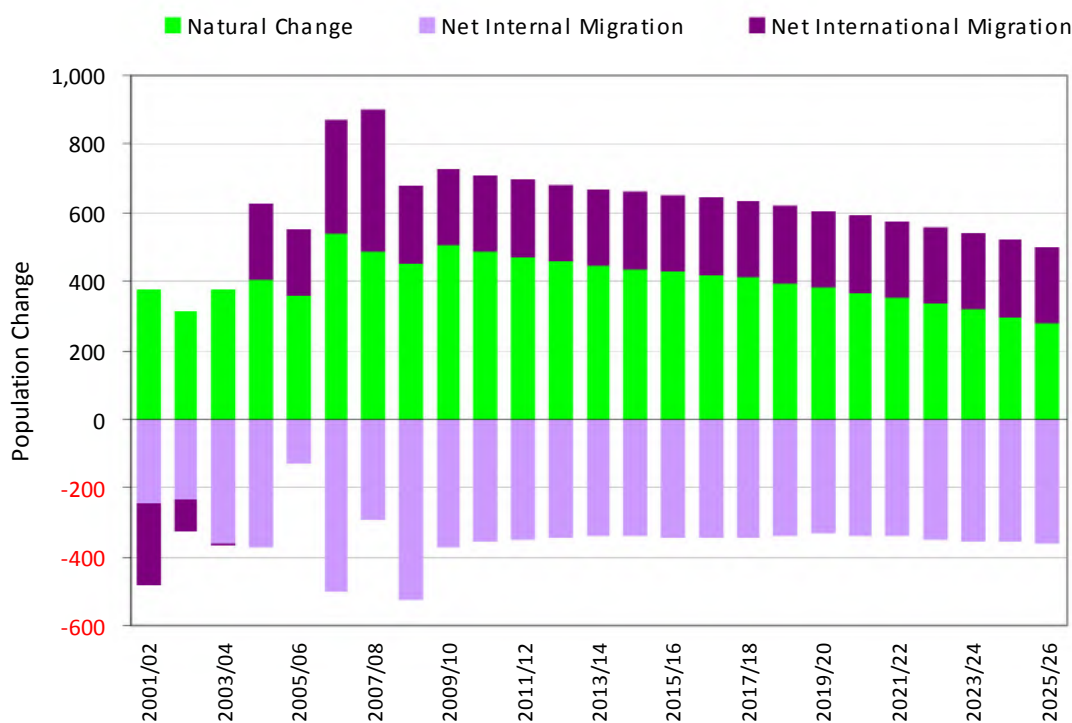
Source: Edge Analytics, 2011

- The impact of historical levels of development have clearly influenced the levels of population growth over the past, particularly at a local level, with this therefore impacting on the future levels of growth projected going forward. This is particularly true in terms of the historical development of the population of Redditch which was fundamentally altered as a result of the expansion of the town through the New Town programme. This involved the introduction of a large new population between 1964 and 1985 as a result of large scale development. The impact of this population change, whilst not shown directly in the timescales considered in the demographic analysis, has impacted on the current population profile in terms of the age of residents. Many of the households moving into new housing from 1964 were of a similar age and family circumstance. With much of this population retained a large number of people are, or have already done so, reaching retirement age. This has an impact on the future projections by age group considered under Figure 3.4.

- The analysis of demographic drivers has involved the construction of a model which is built from a ward level upwards. The following table shows the levels of private household population and household change projected for each of the wards between 2006 and 2030 using the Migration-led scenario (Core Scenario 3 in the main SHMA). The correction of the historical population estimates back to 2006 summarised in Section 2 and integrated into the Sensitivity Scenario 1 scenario cannot be broken down to a ward level and the numbers in the table below show a much lower level of growth than that projected forwards using the updated information. Caution should therefore be applied when analysing the information in this table.

Figure 3.2: Projected Change in Private Household Population[26], Households and Household Size by Ward 2006 – 2030

Scenario 3 - Migration-led (note this does not factor in the correction to the base population statistics under sensitivity scenario 1)	Private Household Population			Household Size			Households			
	2006	2030	Change 2006 - 2030	2006	2030	Change 2006 - 2030	2006	2030	Change 2006 - 2030	Annual Change (24 years)
Abbey	5,110	5,450	340	2.22	2.05	-0.17	2,300	2,660	360	15
Astwood Bank and Feckenham	5,430	5,950	520	2.31	2.13	-0.18	2,350	2,800	450	19
Batchley and Brockhill	7,750	10,700	2,950	2.39	2.24	-0.15	3,240	4,770	1,530	64
Central	5,740	7,270	1,530	2.35	2.23	-0.12	2,440	3,260	820	34
Church Hill	7,890	5,200	-2,690	2.28	1.91	-0.37	3,460	2,730	-730	-30
Crabbs Cross	5,540	4,680	-860	2.32	1.97	-0.36	2,390	2,380	-10	0
Greenlands	8,190	8,000	-190	2.41	2.23	-0.18	3,400	3,590	190	8
Headless Cross and Oakenshaw	8,250	7,390	-860	2.16	2.00	-0.16	3,820	3,700	-120	-5
Lodge Park	4,930	5,980	1,050	2.40	2.27	-0.13	2,050	2,630	580	24
Matchborough	5,740	4,280	-1,460	2.35	2.00	-0.34	2,440	2,130	-310	-13
West	5,490	4,890	-600	2.47	2.11	-0.36	2,220	2,320	100	4
Winyates	8,020	5,140	-2,880	2.31	1.74	-0.57	3,470	2,960	-510	-21

Source: GVA, Edge Analytics, 2011. Note the numbers do not add up to the exact authority total due to the way in which the model is constructed using local level statistics

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[26] The ONS calculates the private household population by deducting the institutional population from the total population. The institutional population is the population wholly resident in communal establishments such as residential care homes, nursing homes and long stay hospitals, including resident staff

- Wards such as Batchley and Brockhill and Central are projected to see the number of households grow by a relatively high number, this reflects the provision of new housing in these area in the past. In addition these areas have historically contained a youthful population with net levels of growth from natural change being particularly strong in the past with these then being projected forwards. A number of wards are projected to see a decline in household numbers, this relates to the historically high levels of migration out of these areas to other parts of the UK as presented at an authority level in Figure 2.3. However, in reality, as noted in section 2 migration into the authority has been higher over recent years than these official statistics estimate and therefore in reality these projected decreases in households are unlikely to be realised or indeed based on actual historic trends.

- The employment constrained scenario cannot be broken down to a ward level. However, at an authority level in order to align the two factors, the labourforce and the level of employment, the internal UK migration component of change is aligned annually. This is illustrated under the following components of change chart for Redditch. It is important to note that whilst the UK migration component is the element which is altered this has an impact on the natural change component through the projection period as households are aged and enter different family cycles. The employment-constrained scenario illustrated below includes the application of updated economic activity rates for older persons linked to changing working patterns and the increasing of pensionable ages. A full explanation for this is included within the main SHMA Report.

Redditch

Figure 3.3: Components of Change under the Employment-Constrained Scenario Altering the Economic Activity Rates of Older Persons (Sensitivity 2 Scenario)
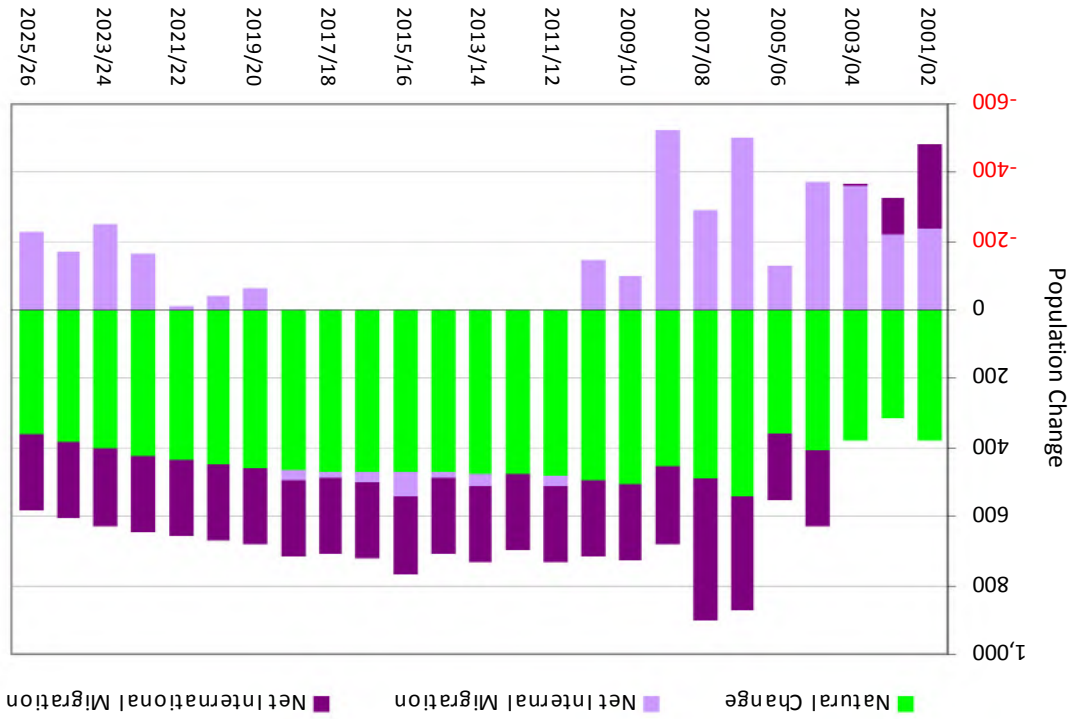
Source: Edge Analytics, 2011

- Under both scenarios the population of Redditch is projected to age. The following table shows that within Redditch the proportion of older person households (those over the current working age classifications used in the 2001 Census) is forecast to grow from only 16% to between 26.6% and 28% (the higher figures is recorded under Core Scenario 3). By contrast the proportion of the total population which is classified as working age is set to reduce over the projection period. This is most pronounced under Sensitivity Scenario 1 with Sensitivity Scenario 2 assuming a migration in of working age households to match employment generation forecast.

- A projected proportional decrease is also shown for younger age groups, with these linked to the numbers of family households within the authority. Again this is most pronounced under Sensitivity Scenario1. This is illustrated within the following table which shows the projected change in key age groupings under the two selected scenarios.

Figure 3.4: Projected Change in the Age of the Population 2006 – 2030

Redditch	Sensitivity Scenario 1		Sensitivity Scenario 2
	% of Total Population		% of Total Population
Age Group	2006	2030	2030
0-4	6.4%	5.7%	5.9%
5-10	7.3%	6.9%	7.1%
11-15	6.5%	5.6%	5.7%
16-17	2.8%	2.3%	2.2%
18-59Female, 64Male	61.3%	51.6%	52.4%
60/65 -74	9.5%	14.0%	13.4%
75-84	4.6%	9.6%	9.1%
85+	1.7%	4.3%	4.1%
Total	100.0%	100.0%	100.0%

Source: Edge Analytics, GVA, 2011

- The types of household are also projected to change, with the ageing population noted above one influencing factor. Primarily the projections show a notable uplift in single person and couple households. Under Sensitivity Scenario 1 the projection shows a decrease in the number of family households, however, the reverse is true under Sensitivity Scenario 2 with this projection aligning the population with job opportunities and therefore assuming the retention of households of this age band within the authority. This is particularly noticeable for households aged 35 – 54 with Sensitivity Scenario 2 showing a strong projected growth in this type and age of household, with the reverse true under Sensitivity Scenario 1.

- These trends are illustrated through the following tables which show the projected trends for both scenarios.

Figure 3.5: Projected Change in Household Type 2006 – 2030

Redditch	Change in age of head of household 2006 - 2030 – Sensitivity Scenario 1									
Household Type	0-14	15-24	25-34	35-44	45-54	55-59	60-64	65-75	75-84	85+
One Person	0	136	250	461	272	149	623	1,168	2,012	953
Couple Household or Mixed Adult Household	0	-98	-321	-169	-870	-533	30	1,337	643	213
Family Household (Adults and Children)	0	-51	-407	-377	-15	15	20	48	38	61
Other Households	0	-14	-43	-65	-128	-64	-53	10	571	244
Total	**0**	**-27**	**-521**	**-150**	**-740**	**-434**	**620**	**2,562**	**3,264**	**1,470**

Redditch	Change in age of head of household 2006 - 2030 – Sensitivity Scenario 2									
Household Type	0-14	15-24	25-34	35-44	45-54	55-59	60-64	65-75	75-84	85+
One Person	0	192	459	779	436	222	709	1,281	2,171	1,040
Couple Household or Mixed Adult Household	0	-90	-201	-48	-716	-436	121	1,488	697	233
Family Household (Adults and Children)	0	-22	-148	259	220	41	26	53	40	65
Other Households	0	-10	-34	-56	-106	-59	-51	17	608	261
Total	**0**	**70**	**77**	**933**	**-166**	**-232**	**805**	**2,840**	**3,517**	**1,599**

Source: Edge Analytics, GVA, 2011

- The projected trends identified above around the changing demographic profile of Redditch are likely to alter the types and sizes of houses which will be required in the future. The analysis suggests that there may be a high demand for smaller properties suitable for meeting the needs of older person households within the authority. Under Sensitivity Scenario 2 the number of family households is set to increase overall, with particularly strong growth in households where the head of household is aged between 35 and 54. This suggests that under the assumptions underpinning Sensitivity Scenario 2 that there may be a sustained demand for traditional housing units (3 and 4 bedroom stock), recognising that moderate and larger properties represent the aspiration for many households of different ages.

DCLG Outputs 4, 5 and 6

3.7   The analysis of DCLG Outputs 4, 5 and 6 are interlinked. They involve the assessment of the breakdown of future needs for different tenures of housing. The SHMA considers this in terms of both short and long-term (long-term covering the full plan period).

Output 4 – Estimate of current number of households in housing need

3.8   There is a recognition that the balance of tenures across the authority has not to date fully met the housing needs of households. The market position summarised in the Current Market section (paragraph 2.10) highlighted the affordability issues facing many households, in particular newly forming households.

3.9   Analysis of waiting list data has been used to understand the current backlog of unmet need for affordable housing within Redditch. This has identified that:

- There are 5 households currently classified as homeless or in temporary accommodation;

- In addition there are, based on the analysis of the waiting list, 924 households classified as in significant need, 320 of which are currently living in social rented accommodation. If those already living within social housing are removed - on the basis that their needs being met by another social house will free up their own property and therefore result in a zero gain supply / demand position – then this leaves a total of 604 households classified as in significant need currently within the private sector within Redditch.

- This clearly represents a relatively high level of unmet need for affordable housing which remains an important priority for the authority to address.

- This existing backlog of need is not distributed evenly across the authority – with the Batchley and Brockhill ward and Greenlands ward demonstrating the highest concentrations of households currently in significant need. This distribution is in large part a result of the current spatial distribution of the existing stock of affordable housing. The following plans illustrate the location of those households currently classified as in significant need across the authority and wider County.
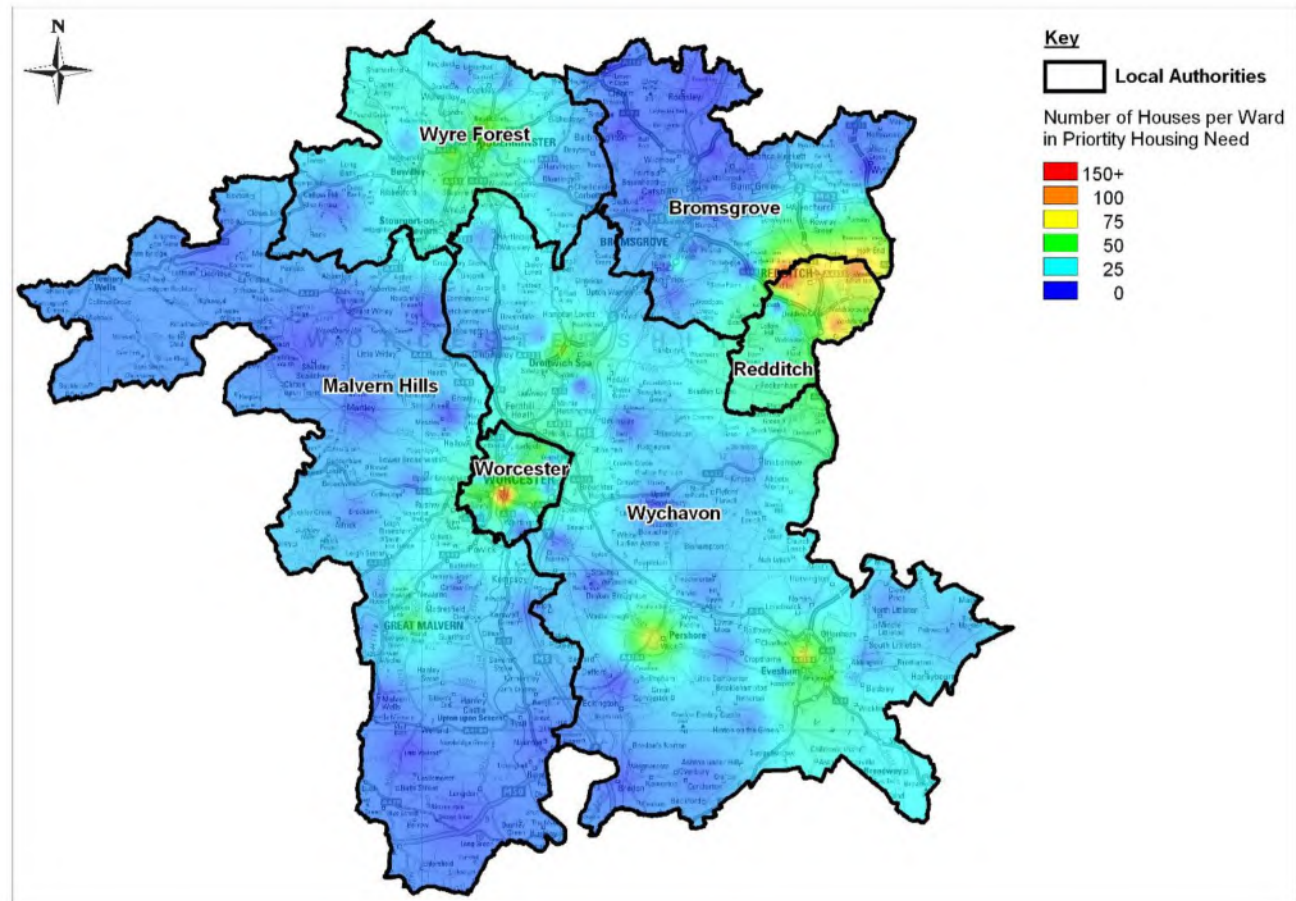
Figure 3.6: Spatial Distribution of Current Housing Need (Significant Need) – 'Hotspot' Map, Redditch
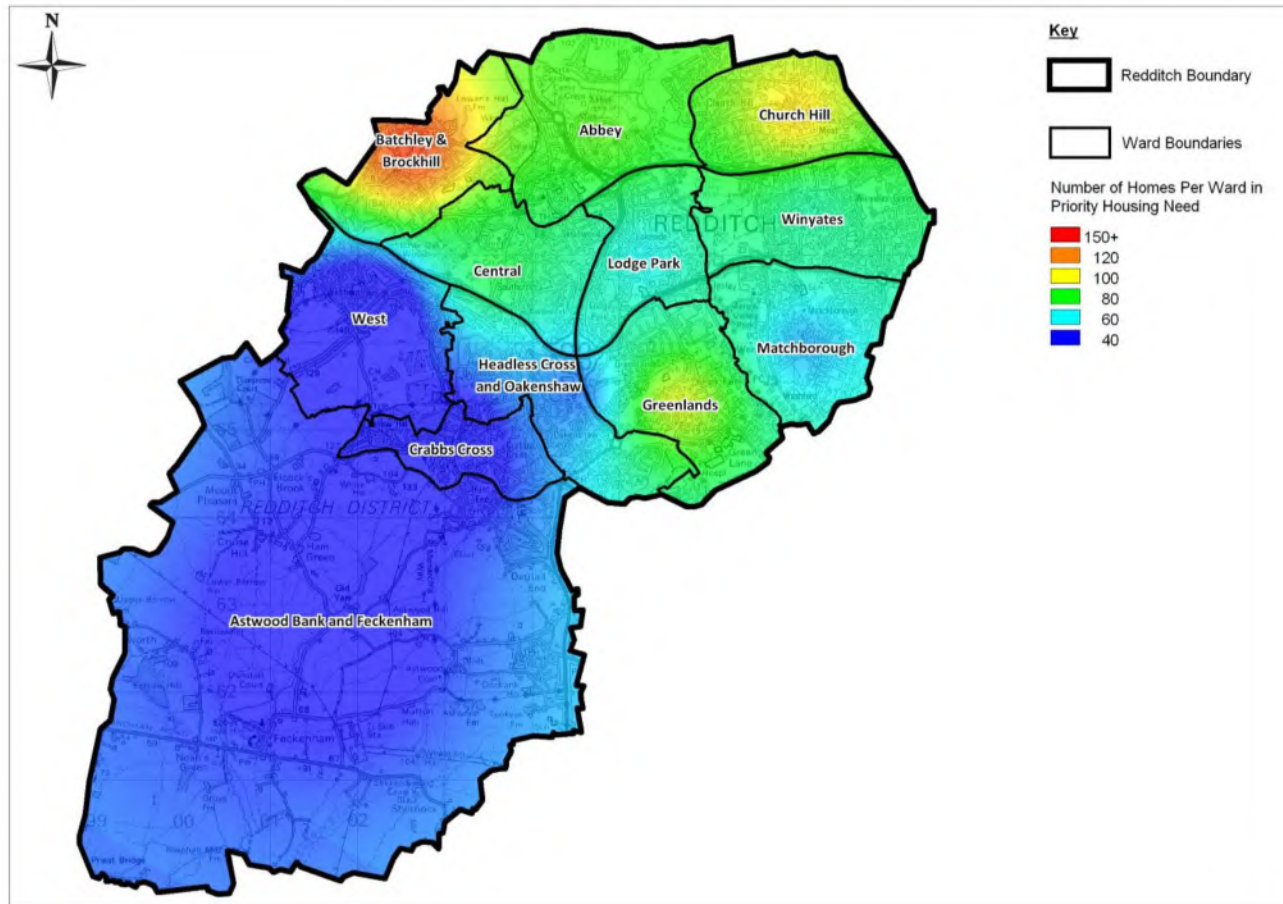
Source: Local Authority Waiting Lists, GVA Analysis, 2011

Figure 3.7: Spatial Distribution of Current Housing Need (Significant Need) – 'Hotspot' Map, Worcestershire


Source: Local Authority Waiting Lists, GVA Analysis, 2011

- Importantly this spatial analysis of current need only represents those households who have put themselves onto the waiting list and been identified as in significant need. The ratio between lower quartile house prices and incomes represents another important indicator[27] of the potential concentration of households who are likely, as they form, in the future, to be facing a situation of housing need. This is illustrated in the following plan located overleaf. This should be considered alongside the spatial analysis of the waiting list data to identify a composite picture of where pressures are greatest for affordable housing as a result of concentrations of existing and forming households in need.

[27] Note: Affordability ratios shown in Figure 3.8 are calculated by dividing the lower quartile house price by the lower quartile income. Therefore a ratio of 5 suggests that the lower quartile house price is 5 times the lower quartile income.

Figures 3.8: Affordability Ratios – Lower Quartile House Prices and Incomes
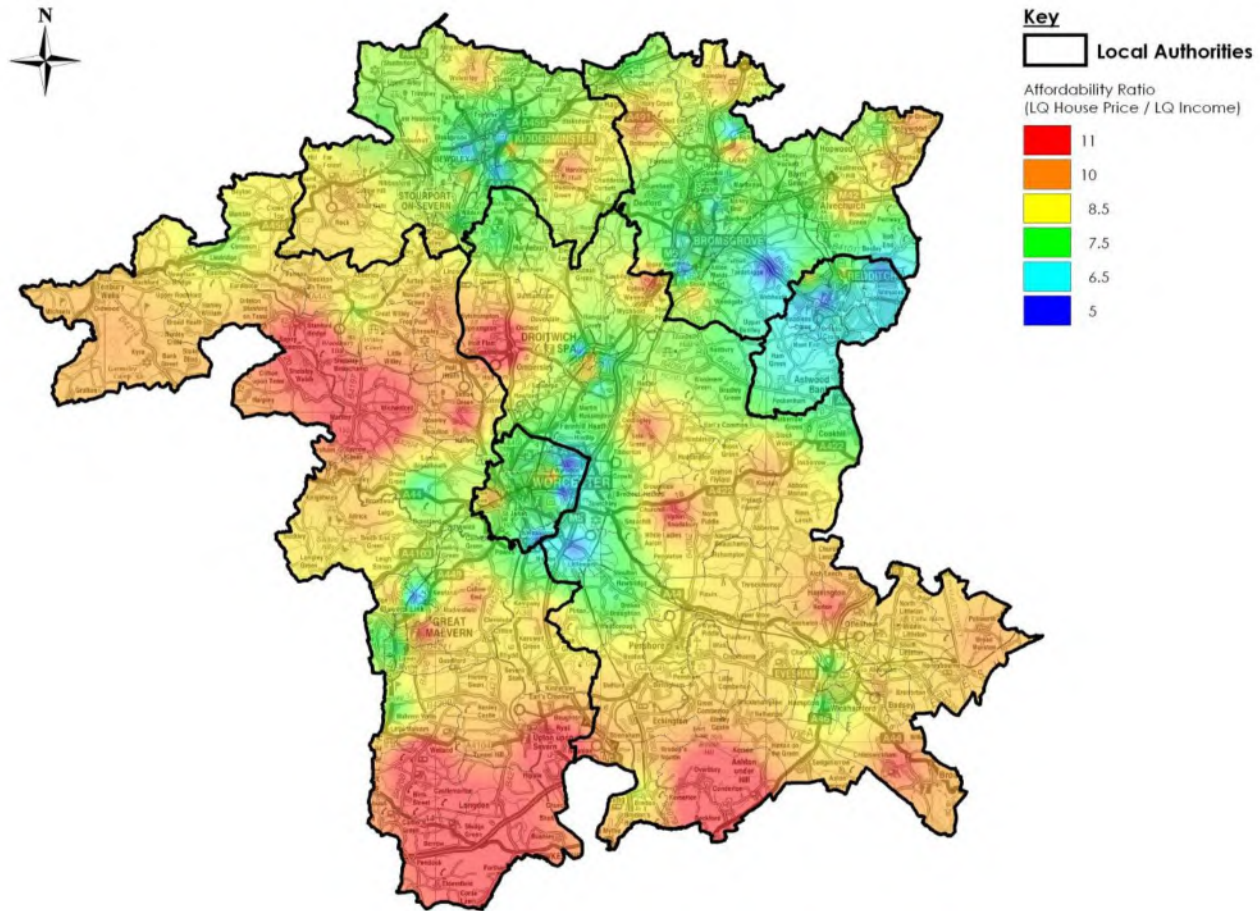
Source: Land Registry, 2011, CACI, 2010

Output 5 – Estimate of future households that will require affordable housing

3.10   The overall calculation of the amount of households requiring affordable housing is undertaken using the DCLG model set out within the SHMA Guidance note. A similar approach has been adopted to that originally set out within the 2007 County SHMA and the subsequent updates.

3.11   The model takes account of the backlog of current need identified under the previous DCLG output, however, it also factors in annual future need, existing supply and the annual future supply to arrive at an overall net number of households requiring an affordable dwelling over the next five years.

3.12   The full calculation of this level of need is set out in the table below.

Figure 3.9: Housing Needs Assessment Model

Stage 1 – Current Housing Need (Gross Backlog)		
Step	**Methodology / Source**	**Redditch**
1.1 Number of Homeless households and those in temporary accommodation	Local Authority - Reasonable Preference - Statutory Homeless	5
1.2 Number of Overcrowding and concealed households	CBL Waiting List - 'Reasonable Preference' (Taken as single Step)	924
1.3a Other Groups		
1.3b Other Groups - Transfers	Of which transfers - current occupiers of affordable housing in 'reasonable preference'	320
1.4 Total current housing need (gross) = (1.1 + 1.2 +1.3a) - 1.3b	(1.1 + 1.2 +1.3a) - 1.3b	**609**

Stage 2 - Future Housing Need (Annual)		
Step	**Methodology / Source**	**Redditch**
2.1 New Household formation (annual)	Household Projections (Gross Formation - Natural Change Scenario – aged 15-44 years)	715
2.2 Newly forming households in need (annualised)	Proportion of households unable to afford to purchase or rent in the open market **(Assumes PRS absorbs need - LQ)**	55%
	Number of households unable to afford to purchase or rent in the open market **(Assumes PRS absorbs need - LQ)**	394
2.3 Existing households falling into need	CBL Waiting List - Households registering as priority need (annual)	120
2.4 Total newly arising need (gross per year) = (2.1 x 2.2) + 2.3	**(2.1 x 2.2) + 2.3**	**514**

Stage 3 - Affordable Housing Supply (Annual)		
Step	**Methodology / Source**	**Redditch**
3.1 Affordable dwellings occupied by households in need	Number of households identified in 1.3b which are transfers	**Accounted for at Step 1.3b**
3.2 Surplus Stock	Long-term Vacant (i.e. 6 months plus)	1
3.3 Committed supply of new affordable housing	Social Housing & Affordable Rent	219
3.4 Units to be taken out of management	Demolitions (programmed) and Right to Buy (trend)	4
3.5 Total affordable housing stock available = 3.1 + 3.2 + 3.3 - 3.4	**3.1 + 3.2 + 3.3 - 3.4**	**216**
3.6 Annual supply of social re-lets (annual net)	Lettings to households from other tenures (2010/11)	405
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	Intermediate dwellings committed for development (annualised across next 5 years)	20
3.8 Annual supply of affordable housing = 3.6 + 3.7	**3.6 + 3.7**	**425**

Stage 4 - Total Housing Need (Net Annual)		
Step	**Methodology / Source**	**Redditch**
Total net need = 1.4 - 3.5	**1.4 - 3.5**	**393**
Annual flow (20% of total net need)	**20% of total net need (Assume five year period to relieve backlog of need)**	**79**
Net annual housing need = (2.4 + Annual flow) - 3.8	**(2.4 + Annual flow) - 3.8**	**168**

Source: GVA, 2011

3.13   The level of need identified through this SHMA illustrates an increase against the figure of 24 identified through the latest 2009/10 Annual Monitoring Update produced by Worcestershire County Council. It is anticipated that this is predominantly as a result of conducting a more detailed review of the Redditch waiting list, which has removed any inactive households, and reduced the number of households at Stage 1 of the needs assessment when compared with previous years. A comparable approach has been taken in each authority for consistency.

3.14   Importantly the SHMA has looked at the range of products now classified as affordable housing to understand the roles they can play in meeting the needs of the households identified as requiring this tenure of housing. These are considered below:

- Social Rent – This represents the traditional tenure of affordable housing. The analysis of the following two tenure products are considered against access to social rented housing which continues to represent the majority of 'affordable stock' across all authorities.

- Intermediate Housing – The SHMA identified that in Redditch this type of affordable housing could reasonably meet 40% of the overall level of need for affordable housing identified. This is in part reflective of the capacity of the committed pipeline of intermediate affordable housing the borough to meet housing needs. Within Redditch there is a reasonable supply of intermediate housing already committed for development, yet there is capacity for this to increase further. Analysis is also based on the capacity of households to afford access to this tenure based upon setting the upper limit for accessing intermediate products at the income required to access the private market (in line with the housing needs assessment). The lower limit was set at the income required to afford a 55% equity share in a small family house at the lower quartile price. This has been set to allow for a 50% equity purchase alongside a 5% deposit.

- Affordable Rent – This product remains in its infancy at the time at which this SHMA is being produced and therefore assumptions are likely to alter in the future, requiring careful monitoring. The analysis has used market rent information to assess the proportion of households in need for whom this type of product would meet needs. The following table sets out the proportion of households[28] unable to access affordable rent by different property sizes. It is evident that a substantial proportion of households potentially in need are unable to access affordable rent stock. This has an important bearing in reinforcing the important role that traditional social rental stock will continue to play in meeting needs going forward over the plan period.

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[28] Note: This uses the incomes of all households as recorded by the CACI dataset

Figure 3.10: Proportion of Households Unable to Afford Affordable Rent Housing

Authority	% Unable to Afford 80% Market Rent, 2-bed Apartment	% Unable to Afford 80% Market Rent, 3-bed House
Redditch	41%	50%

Source: CACI, 2010, Rightmove, 2011, GVA Analysis, 2011

Output 6 – Estimate of future households requiring market housing

3.15   The analysis undertaken to inform Output 5 shows that in Redditch 45%[29] of newly forming households are able to afford market housing of some form over the short-term. The table below shows the projected number of newly forming households (gross) anticipated over the next ten years by ward based upon the Natural Change population scenario (scenario 2 in the main SHMA Report). This provides an indication of wards where the growth of the local population will place increasing pressures on all forms of housing including affordable housing.

Figure 3.11: Gross Household Change – Annual Projections under the Natural Change Scenario (Scenario 2)

Core Scenario 2 - Natural Change	Annual gross household formation 2011-2021 (aged 15 - 44)
Abbey	50
Astwood Bank and Feckenham	44
Batchley and Brockhill	78
Central	61
Church Hill	78
Crabbs Cross	51
Greenlands	83
Headless Cross and Oakenshaw	69
Lodge Park	50
Matchborough	51
West	42
Winyates	124

Source: Edge Analytics, GVA, 2011. Note this informs stage 2.1 of the Calculation of the Need for Affordable Housing presented under Output 5

3.16   Looking at the longer-term the SHMA analysis considered the impact of changes to the economic structure of the authority and the breakdown of the tenure of housing

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[29] Note: Step 2.2 in Figure 3.9 shows that 55% of newly forming households cannot afford market housing, with 45% therefore able to afford these tenures (owner occupation and/or private rented)

that would be required to balance the housing market with the incomes of households. This is replicated in the following table[30].

Figure 3.12: Long-term (to 2031) breakdown of the tenure of properties required to respond to the changing economic profile

	Long-term Tenure Requirement linked to Forecast Occupation Change	
Authority	Market Housing	Affordable Housing
Redditch	73%	27%

Source: GVA, 2011

3.17   Figure 3.12 highlights that based upon the forecast changes to the economy the delivery of affordable housing will continue to be a priority in order to balance the supply of stock by tenure with future demand. Indeed with a high level of need over the next five years identified in figure 3.9 a sustained emphasis on delivering this tenure of housing will be required.

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[30] Note: as the caveats explain in the main SHMA report this does not factor in supply factors or house price and income changes. The analysis simply aligns the changing economic structure with the affordability benchmarking, therefore providing an indicative level of analysis only given the long-term forecast period and does not in any way replace the assessment of short-term need in Figure 3.9.

3.18   The analysis undertaken to inform Output 3 is used within the main SHMA report to
        identify a range of housing requirements needed to meet generated demand from a
        growing household base. This takes into account current levels of vacancy as well as
        recent levels of development from the base point of the household projections in
        2006. The range of identified housing requirements for all tenures are shown in the
        table below.

Figure 3.13: Hypothetical Dwelling Requirements 2011 – 2030

Scenario	Forecast Household Change (2006-2030)	Forecast Dwelling Requirement - factoring in vacancy allowance of 3%	Housing Delivered Gross 2006 - 2011 (5 years)	Theoretical Dwelling Requirements 2011/12 - 2029/30 (19 years)	
				Net Dwelling Requirement (rounded)	Net Annual Average Dwelling Requirement (rounded)
Redditch					
Sensitivity Scenario 1	6,040	6,230	1,101	5,120	270
Sensitivity Scenario 2	9,440	9,730	1,101	8,620	450

Source: GVA, 2011

DCLG Output 7 – Estimate of the size of affordable housing required

3.19   The main SHMA Report considered this aspect in detail within section 7. The final table
        showing the balanced assessment of the sizes of affordable housing required across
        the authority is replicated below. A lower level of analysis has not been undertaken
        with the balancing of the supply and demand of different sizes of affordable housing
        more appropriately considered and planned for at a local authority level.

*Figure 3.14: A breakdown of the size of affordable housing required across the
Borough (short-term need)*

Authority	Estimated Size of Affordable Housing Required			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Redditch	43%	29%	14%	14%

Source: Local authority waiting lists, GVA Analysis, 2011

Figure 3.15: A breakdown of the size of affordable housing supply across the Borough (annual supply 2010/11)

Authority	Annual Affordable Housing Lettings (2010/11) by Size			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Redditch	62%	27%	11%	0%

Source: Local authority lettings data, GVA Analysis, 2011

3.20   Considering the size requirements of households in need against the availability of lettings to absorb this demand demonstrates the following:

- There is demand/need for homes across all sizes – with the majority of households in need requiring up to 2 bedrooms (72%).

- A smaller proportion of households require larger 3 bedroom and 4+ bedroom affordable housing – at 14% respectively. These proportions suggest a high level of families in need of affordable housing within the authority.

- When the lettings supply of affordable housing is considered, it is apparent that the higher rates of turnover in the smaller 1 and 2 bedroom dwellings, which enables them to more swiftly meet the needs of smaller households.

- The lower levels of lettings turnover in the larger 3 bedroom and, in particular, 4+ bedroom family housing result in their being limited availability of such stock and highlight **the continued need to deliver new additional dwellings to boost supply for families**.

3.21   Overall, however, it is important to reflect that the housing needs assessment indicates that the turnover of social lettings alone within Redditch is insufficient to meet the continued need for affordable housing. As a result, delivery of new affordable housing across all property sizes will be necessary if the authority is to meet the housing needs of its residents.

4.   Conclusion – Bringing the Evidence Together

4.1   The analysis has been presented throughout the Overview document to illustrate findings against the Core Outputs as set within the DCLG Guidance.

4.2   This section rather than reiterating these findings provides a short synopsis of the implications of the findings of the SHMA for policy development and strategy planning within the authority.

Ensuring a Balanced Housing Market

4.3   Over the plan period it is important that policy and strategy aid in delivering a housing market which matches the needs and requirements of the authorities current and future residents. The following conclusions of the research are therefore important in achieving this goal:

- The modelling of future population projections indicates that there will be a sustained need for new housing to meet the needs of a growing population linked to historic demographic trends and the future levels of jobs forecast to be created in the authority.

- In total the SHMA suggests that there will be a requirement for between 5,140 and 8,640 dwellings between 2011/12 and 2029/30 to meet the demands generated by new household formation. This level of requirement factors in the historic supply of new housing between 2006 and 2011. The higher level of projected household growth and therefore dwelling requirement is generated as a result of a linking of forecast job growth with an ageing population. The population projection underpinning this level of growth therefore assumes a reversal of historic trends of a net out-migration of people from the authority and a net inflow in order to balance jobs and residents. Policy will need to carefully consider the implications of meeting forecast job growth through new development and the continued role that commuting of residents into the authority may play if supported through the provision of sustainable infrastructure.

- The analysis of the current need for affordable housing in the authority over the next five years indicates a high demand for this tenure. An annual need of 168 affordable properties is calculated as being required to meet the future needs over the next five years and the existing backlog. This reflects the impact of rising house prices over the first half of the last decade and the continued pressures on wages as well as the availability of mortgage finance. The provision of new

affordable housing needs to be carefully balanced alongside the provision of market housing reflecting the fact that the authority already contains a comparably high proportion of affordable properties, 22% of stock compared to a national average of approximately 20%.

- The changing age profile of the projected population of the authority indicates that there will be a high demand for smaller properties able to meet the needs of older person households. Overall the number of older persons is projected to increase significantly, indeed the projections suggest that older persons will make up approximately 27% - 28% of the total population by 2030 compared to just under 16% now.

- In addition to older person households the projections also indicate that in order to maintain a level of working age population to match employment opportunities that there will be a sustained need for family housing within the authority.

- Specifically in terms of affordable housing the analysis indicates that there will be a high demand for smaller properties, 1 – 2 bed, with need for this size of property making up approximately 60% of total need. Importantly, however, the lower levels of turnover in larger properties also suggests that in order to address future need and the current backlog new larger affordable properties will also be required.

Recognising the Impact of the Current Challenging Market Context

4.4 Whilst the SHMA sets out a detailed evidence base documenting demand and housing need drivers it also recognises the challenges posed by current market conditions.

4.5 Whilst the SHMA analysis has evidenced a sustained need for affordable housing tenures over the plan period the current market and finance context presents a significant potential obstacle to delivering sufficient numbers of affordable housing to address need. The following recommendations need to be considered in the setting of policy:

- The reduction, at least in the short term, in the availability of grant monies to aid in the delivery of affordable housing places greater pressure on delivering affordable housing tenures through traditional Planning Obligation approaches. This requires a pro-active and responsive approach to enabling more viable housing sites to come forward earlier in the plan period. A pro-active approach in encouraging the delivery of more viable housing sites will be important in

addressing the wider demand for all tenures of housing and assist in ensuring that the ability of households to purchase housing is not further worsened through a continued lack of supply, which is likely to continue to drive up house prices.

- A careful balance is required in terms of other competing requirements through Planning Obligations if the delivery of affordable housing is to be prioritised. This includes the future setting of CIL targets and the balancing of aspirations to deliver other linked improvements for example green space or off-site community benefits. Consideration needs to be given to the appropriate allocation of New Homes Bonus to local communities to ensure that the benefits of development are realised by affected areas without impacting on the viability of development and the capacity to deliver affordable housing.

- The recognition that the needs of households will need to be met through a spectrum of different affordable housing products. The SHMA analysis has indicated that whilst a notable proportion of households in need will require social housing other affordable products including Affordable Rental properties and Intermediate tenure properties will be able to address the needs of some households and should therefore form part of any new provision delivered across the authority.

Benchmarking and Monitoring Performance

4.6   The SHMA has drawn solely from secondary data sources. As with the 2007 SHMA this ensures that the authorities can collectively or individually monitor the performance of the housing market and the impact on the various models included in the analysis. Given the relatively unusual market and economic context in which this SHMA has been undertaken the monitoring of key indicators will be important in ensuring that the SHMA remains an up-to-date and robust source of evidence to underpin policy.

4.7   The following datasets or areas of analysis should form the focus of future monitoring:

- Annual analysis of waiting list data. The analysis of housing need in section 3 draws significantly upon analysis taken directly from the waiting list. The research has involved refining the method for filtering the waiting list data to provide a more representative analysis of households in 'significant need' using classifications used to assess applicant's relative position on the waiting lists. An annual update of this process will assist in understanding the impact of other market drivers on the need for affordable housing across the authority. It will be particularly important to monitor relative levels of need for different sizes of property over the next few years as new policy initiatives come into force including the proposed housing benefit reforms.

- Consideration of the release of ONS mid-year estimates against the level of projected population change within the range presented in section 3. The release of 2011 Census data counts will also serve as a vital 'check' for understanding the accuracy of national estimations of population change and the impact this has on the numbers of households in the authority. The authority can use the County's POPGROUP software to update the local authority and ward level analysis of population and household projections using the latest release of datasets and any updates to economic forecasts.

- Active market indicators. The affordability of different tenures is linked to the relative pricing of market housing and the availability of finance. Annual benchmarking checks should be made of average and lower quartile house prices and market rents alongside the costs of purchasing driven by the availability of mortgage products. These should be used, alongside the annually updated CACI income data to monitor the affordability benchmarking exercise included within the main SHMA report.