Publication Core Strategy

Background Paper

Housing

www.rotherham.gov.uk/forwardplanning

June 2012
Introduction
This Background Paper is intended to provide more detail on the justification and purpose of the policies contained in the Core Strategy. It provides further explanation regarding the evidence base which has informed the housing policies. It is set out in two parts. Part 1 considers the housing numbers required as part of a locally identified housing requirement. Part 2 considers other evidence including the Strategic Housing Land Availability Assessment (SHLAA), housing mix, affordability and viability, and Gypsy and Traveller accommodation.

Part 1: Housing Numbers Required

Background

The Government has announced its intention to revoke Regional Strategies (RS) and the housing requirements that these documents contained. The RS for Yorkshire & Humber set the housing requirement for Rotherham until it is revoked. However, when the requirement in the RS is removed it will be up to individual local authorities to set their own housing requirement. The National Planning Policy Framework states that local planning authorities should have a clear understanding of housing needs in their area and should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. Rotherham’s Strategic Housing Market Assessment was produced in 2007 and was updated in 2010. This, along with the other evidence detailed in this paper has been used to produce an assessment of local housing need.

Sources of evidence

Regional Strategy

The Regional Strategy for Yorkshire & Humber required Rotherham to build 23,880 homes between 2004 and 2026. This gave an annual requirement of 1,160 homes per annum. Although the Government intends to abolish Regional Strategies the evidence and methodologies used in relation to housing targets may still be relevant and local authorities can, if they wish, carry forward the RS target.

Population projections

Household projections released by the Department for Communities and Local Government (CLG) are closely linked to the projected population changes which are produced by the Office for National Statistics (ONS). Latest population projections are 2008-based and were released in May 2010. These show that the population in Rotherham is expected to increase by 22,000 in the period 2010 to 2028 – the vast majority in the 60+ age groups. For the 15 year plan period to 2028 they suggest an increase of 19,000 people and a split by natural change and migration is shown below, note figures rounded as per ONS estimates –
Projections can vary significantly between each bi-annual update and this has been particularly true in recent data release – this is probably due to the large population increases experienced due to international migration, particularly from Eastern Europe as part of the EU enlargement. It could therefore be strongly argued that the **RSS target was based on projections which have been proven to exaggerate the actual population increase**, as per table below:

<table>
<thead>
<tr>
<th>Source: ONS 2008-based Population Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase = 19,000</td>
</tr>
<tr>
<td>Natural = 10,000</td>
</tr>
<tr>
<td>Migration = 9,000</td>
</tr>
<tr>
<td>(Internal) = 6,000</td>
</tr>
<tr>
<td>(International) = 3,000</td>
</tr>
</tbody>
</table>

It would therefore be more robust to base Rotherham’s local target on the best available up-to-date evidence which are the 2008-based projections.

Whilst these projections are the best available estimate of population growth they are produced nationally and may, in certain circumstances, not always capture the particular local characteristics of an area. The components of change (natural, internal and international migration) were therefore examined individually against any local evidence available to consider if they were 'reasonable' for Rotherham. The natural component of change (i.e. excess of births over deaths) tends to be the most reliable aspect of national projections and with no evidence to the contrary it is considered reasonable to accept the official projections.

**Migration**

The most difficult element of population projections to predict is the future level of migration, both internationally and internal (within the UK). For Rotherham the increase in population due to international migrants is relatively small and, without any evidence to the contrary, this appears reasonable and is difficult to argue with. More contentious is the issue of migration within other parts of the UK and in Rotherham’s case the relationship with Sheffield.

The latest projections suggest that net internal migration into Rotherham will be around 6,000 people (400 per annum) during the plan period. The issue is made more difficult by the fact that the ONS do not release projections for flows between individual local authorities although they do release data on historic flows. Flows between Rotherham & Sheffield (and with all other areas) since 2001 as below –
The trend since 2002/03 has been for overall net inward migration into Rotherham to fall (the last five years have actually seen a net outflow from Rotherham) – net migration into Rotherham from Sheffield falling and outward migration to all other areas increasing.

Going forward the projections have net internal migration increasing again, which on recent trends looks questionable. Given that there is little indication that flows to/from neighbouring authorities other than Sheffield into Rotherham are likely to change significantly (e.g. both Doncaster and Barnsley are expected to see a modest increase in overall net inflow in the period) it must be assumed that this projected increase into Rotherham will come primarily from increasing migration from Sheffield.
It is therefore considered that the latest ONS projections have already factored in an increase in migration to Rotherham from Sheffield (against the most recent trend data) and assumptions about migration at the time of the RSS are now out of date / superseded by more recent evidence.

*The latest data release by the ONS, incorporating revisions to the method by which they calculate international migration and distribution to local authorities, gives revised figures of Sheffield’s estimated population which are some 13,000 people less than the ‘official’ 2010 mid-year estimate. This would obviously have an impact on the likely level of migration from Sheffield to Rotherham in the future and is likely to be reflected in the next 2010-based population / household projections.

**Household projections**

These projections are based on the ONS mid-year population projections / estimates, allowing for change in household density. These are released every two years, the most recent being 2008-based, released in November 2010, which are shown in the table below (along with historic trends and household densities). These show a fall from the previous 2006-based release in line with the latest population projections. The projections suggest an additional 17,000 homes will be required between 2008 and 2028 or **850 homes per annum**. For the 15 year plan period from 2013 this suggests a requirement of 13,000 homes or 867 per annum
### Housing need

The 2007 Rotherham Strategic Housing Market Assessment (SHMA) estimated the annual housing need required in the borough as 792 new homes. From this we can estimate the total number of new homes that would be required to meet this need. For the period 2008 to 2028 this equated to a housing need of 15,840 or **792 homes per annum**.

The 2010 update used secondary national and local data to update the assessment of affordable housing need and housing mix and tenure requirements, the figures for the mix requirements being expressed as proportions the latest ONS household projections at that time (2006 base date) of **1,100**. It should be noted that the figure of 1,100 per year was not produced as a result of the SHMA updates analysis, as the update did not seek to reassess overall housing need, but merely reflect the latest household projections at that time. It is considered that this evidence along with the Councils work relating to the 2008 projections meet the requirements of both PPS3 and the emerging NPPF.

It is also important to note that any housing target will impact on the amount of affordable housing built (currently a developer is expected to provide 25% affordable housing on developments of 15 units or more, subject to viability assessment) - i.e. a lower target will result in less affordable housing provision.

### Past completion rates

We also looked at the past rate of completions as a guide to the future requirement in Rotherham. The chart below shows the number of homes completed in each of the last 13 financial years - a total of 9,038 homes or an average over this period of **695 per annum**.
The number of completions within the last two financial years has been particularly low and gives an indication of the current low rate of inactivity within the housing market. Only once in the last 13 years has completions in Rotherham exceeded 1,000.

**Linking job projections and creation with household provision**

The link between growth in the local economy and an increase in local jobs to the requirement for housing is complex and dependant on many factors. The latest Regional Econometric Model available to the council was provided by Experian through Yorkshire Forward (Autumn 2010) indicated that the number of jobs in Rotherham will take to the end of the plan period in 2028 to get back to pre-recession levels. The Model’s baseline estimates suggest an increase of 8,000 jobs by 2028. This is purely a baseline trend, not taking into account any specific local conditions, and it is important to remember that any modelling such as this becomes more unreliable the further into the future the projections are taken. An alternative ‘high growth’ scenario based on this new baseline but using an ‘uplift’ from original RSS scenario work, which takes into account more local knowledge of regeneration projects / known investments, gives a more optimistic level of future employment. An additional 10,000 extra jobs are required under this scenario – i.e. a total increase of 18,000 jobs.

The baseline figure would not result in any additional housing requirement above the Communities and Local Government (CLG) household projection figures but in a significantly higher economic growth scenario additional housing would be required. This could result in an additional 400 homes per annum requirement, but factoring in a higher employment rate for the borough (to reach the UK average) this additional requirement would fall to around 250 per annum above the CLG figure. All figures assume that net commuting would remain unchanged but in reality the picture is far more complex with the extent of factors such as working beyond ‘normal’ retirement age and people having second (or third) jobs difficult to assess going forward. The success of job creation in surrounding economies, the housing supply in these areas, and future levels of commuting will all impact upon the level of housing provision likely to be required.
The on-going economic problems and high (and increasing) unemployment rates, with over 10,000 people unemployed in Rotherham at the end of 2011, is already making this ‘high growth’ scenario look increasingly unrealistic. Indeed the low baseline growth in the model is now over-estimating the rate of any employment growth currently being experienced and expected in the near future, but an update to the 2010 based version of the model is not currently available.

The most recent data shows actual employee numbers in Rotherham falling as in the table below:

<table>
<thead>
<tr>
<th>Employee Numbers</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rotherham</td>
<td>99,600</td>
<td>95,500</td>
<td>93,900</td>
<td>-5,700</td>
<td>-5.7%</td>
</tr>
</tbody>
</table>

Source: ONS Business Register & Employment Survey

It is therefore considered that the ‘high growth’ scenario uplift, based on work at the time of the RSS, is now out-dated and far too optimistic (many of the assumed job creation schemes / projects fed by local authorities into the scenarios have not materialised). Even a significantly higher rate of job creation than the latest available baseline data suggests is likely would be comfortably accommodated within the GLG household projections given the current very high level of unemployment.

**Summary**

The table below summarises the above options and provides a basis on the selection of the most appropriate housing target for Rotherham

<table>
<thead>
<tr>
<th>Summary of Options for Setting a Local Housing Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence / Methodology</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>Current RS targets*</td>
</tr>
<tr>
<td>CLG Household Projections (latest 2008-based)</td>
</tr>
<tr>
<td>SHMA (2007) Housing Need</td>
</tr>
<tr>
<td>SHMA (draft update) Housing need**</td>
</tr>
<tr>
<td>Past completion rates</td>
</tr>
<tr>
<td>Baseline economic growth*** (household projections sufficient)</td>
</tr>
<tr>
<td>High economic growth scenario (based on RS ‘uplift’)</td>
</tr>
</tbody>
</table>

* Excludes growth point status
** This is subject to change as currently uses previous 2006-based population and household projections; the figure of 1,100 per year was not produced as a result of the SHMA updates analysis but merely reflect the latest household projections at that time.
*** Economic growth scenarios assume no net change in commuting.

It is clear that the current RS target is unlikely to be achievable (and may not be desirable) and could be discounted in setting a local target, given that this level of housing completions was not reached even in the highest year of completions. Other evidence and methodologies suggest a target in the range of around 700 to 1,100 per annum to the end
of the plan period. It is likely that the current requirement to prove a five year supply of deliverable housing sites will be retained and this could also form a basis for setting a local housing target.

Obviously the target has implications for the amount of greenfield land that will need to be released to the end of the plan period, with even a relatively low target requiring some element of building on greenfield sites. Equally there are significant drawbacks / negative impacts in choosing too low a target as this could act as a constraint on economic growth, a possible decline / stagnation in some communities, and exacerbate the current lack of affordable housing.

A local housing target

At the time of writing the Government decision to revoke the RS target is undergoing a legal challenge and consequently, until this is resolved or the Localism Bill is passed, the annual target of 1,160 remains part of the local development plan. Prior to the final adoption of the Core Strategy in Rotherham the position should be clearer, with the RS target expected to no longer form part of the plan and a locally agreed target taking its place.

On balance, given the range of options and methodologies explored, it is considered that a local target of 850 homes per annum be adopted for Rotherham.

- The basis for Rotherham’s locally derived housing target of 850 dwellings per annum is considered to be based on the most robust and most up to-date evidence available. The original RSS target is based on now superseded projections and the economic conditions and general outlook from that time.
- Population projections can vary significantly between each bi-annual update and this has been particularly true in recent data releases – the 2004 and 2006-based projections were released at a time of high international migration, particularly from Eastern Europe as part of the EU enlargement, and the strong UK economic growth at the time. For example the 2004-based population projections suggested that Rotherham’s population should be 4,200 higher by 2010 than the latest ONS mid-year estimates suggest was the actual number.
- The economic downturn and a reduction in levels of inward migration have now started to be reflected in the most recent 2008-based projections which are considered to be far more credible and robust and reflect both the current and likely future levels of population growth. It is therefore considered by the council that the RSS target was based on projections which have been proven to exaggerate the actual population increase and can no longer be relied upon.
- Rotherham has been, and continues to be, in discussion with our neighbouring authorities within the city region in respect of overall housing requirement and need – in fact the Strategic Housing Land Availability Assessment (SHLAA) is carried out jointly with Sheffield. The latest projections suggest that net internal migration into Rotherham will be around 6,000 people (400 per annum) during the plan period. The issue is made more difficult by the fact that the ONS do not release projections for flows between individual local authorities although they do release data on historic flows.
- The trend since 2002/03 has been for overall net inward migration into Rotherham to fall (the last five years have actually seen a net outflow from Rotherham) – net migration into Rotherham from Sheffield falling and outward migration to all other areas increasing. Going forward the projections have net internal migration increasing again, which on recent trends looks questionable but given that there is
little indication that flows to/from neighbouring authorities other than Sheffield into Rotherham are likely to change significantly (e.g. both Doncaster and Barnsley are expected to see a modest increase in overall net inflow in the period) it must be assumed that this projected increase into Rotherham will come primarily from increasing migration from Sheffield. It is therefore considered that the latest ONS projections have already factored in an increase in migration to Rotherham from Sheffield (against the most recent trend data) and assumptions about migration at the time of the RSS are now out of date / superseded by more recent evidence.

- The latest data release by the ONS, incorporating revisions to the method by which they calculate international migration and distribution to local authorities, gives revised figures of Sheffield’s estimated population which are some 13,000 people less than the ‘official’ 2010 mid-year estimate. This would obviously have an impact on the likely level of migration from Sheffield to Rotherham in the future and is likely to be reflected in the next 2010-based population / household projections. It is therefore considered that Rotherham’s housing target will not only meet the immediate and future needs of Rotherham residents but will also help Sheffield (and the wider City Region) in meeting their future housing need. However discussions with neighbouring authorities will continue as and when new evidence emerges.

- The draft National Planning Policy Framework states that development plans must aim to achieve the objective of sustainable development and they should be consistent with the objectives, principles and policies set out in the Framework, including the presumption in favour of sustainable development. However, it also states that it should be based on a proportionate evidence base – “each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area”. As the RSS target is clearly no longer up-to-date Rotherham’s target has been based on the most recent evidence and prevailing and projected economic conditions.

- Rotherham SHMA was produced in 2007 and included an assessment overall housing need, affordable housing need and housing mix and tenure requirements. The 2010 update used secondary national and local data to update the assessment of affordable housing need and housing mix and tenure requirements, the figures for the mix requirements being expressed as proportions the latest ONS household projections at that time (2006 base date) of 1100. It should be noted that the figure of 1100 per year was not produced as a result of the SHMA updates analysis, as the update did not seek to re-assess overall housing need, but merely reflect the latest household projections at that time. It is considered that this evidence along with the Councils work relating to the 2008 projections meet the requirements of both PPS3 and the emerging NPPF.

- It is acknowledged that there has been a low level of completions within Rotherham in the last few years due to housing market conditions which may have resulted in some element of ‘latent demand’. The council is therefore looking at allowing for an element of adjusting the overall housing requirement during the plan period to take into account this ‘under supply’ – using the shortfall of actual completions from the local 850pa target starting from the date of the 2008-based population projections.
Part 2: Other Evidence

Background

The National Planning Policy Framework (NPPF) states that supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations, is key to sustainable development. In order to boost significantly the supply of housing, NPPF requires local planning authorities to 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.

NPPF requires that, drawing on information from the Strategic Housing Land Availability Assessment and or other relevant evidence, Local Planning Authorities should set out how they will enable continuous delivery of housing for at least 15 years from the date of adoption of the plan. As part of that 15 year supply Local Planning Authorities need to identify sufficient deliverable sites to deliver housing in the first five years. The remaining 10 years could be land identified either as:

- A 10 year supply of deliverable sites, or
- A 5 year supply of deliverable sites

Planning Authorities are required to identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 20% (moved forward from later in the plan period), where there has been a record of persistent under delivery of housing, as opposed to the 5% normally required. This is to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land. It must be acknowledged that Rotherham has a record of persistent under delivery. Deliver has fallen short of the requirement for 12 of the last 15 years

To be considered deliverable, sites should, at the point of adoption of the relevant Local Development Document:

- Be Available – the site is available now.
- Be Suitable – the site offers a suitable location for development now and would contribute to the creation of sustainable, mixed communities.
- Be Achievable – there is a reasonable prospect that housing will be delivered on the site within five years.

To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available for, and could be developed at the point envisaged.

Strategic Housing Land Availability Assessment (SHLAA)

A SHLAA is a process that identifies land with potential for future housing development. All local planning authorities are expected to undertake a SHLAA in order to identify an adequate supply of land for housing. The SHLAA provides essential evidence for preparing Rotherham’s LDF; LDFs are required to identify broad locations and specific sites for new housing that will enable continuous delivery of housing over a period of at least 15 years from the date that the LDF Core Strategy is adopted. It also provides the basis for the Local Planning Authorities assessment of whether there is a five year supply of deliverable sites.
Sheffield and Rotherham have produced a joint SHLAA which was published as two separate reports (one for each district). The Rotherham element of the study was published in January 2012, Sheffield element was published in March 2012. It should be noted that the base dates for the studies are different; Rotherham having a base date of March 2010 and Sheffield a base date of March 2011. The next update of the study, to be published later this year will have a base date of March 2012 for both Authorities.

The SHLAA does not allocate land for housing development and does not make policy decisions on which sites should be developed. The role of a SHLAA is to identify a pool of potential housing sites against which other policy considerations have to be balanced. It will be used to support decision-making and does not pre-judge the strategic approach that the LDF will eventually take.

A Working Group was established to oversee work on the SHLAA. It comprised
- Forward & Area Planning, Development Services, Sheffield City Council
- Housing, Enterprise and Regeneration Service, Sheffield City Council
- Forward Planning, Rotherham Metropolitan Borough Council
- Neighbourhood Investment Team, Housing Service, Rotherham Metropolitan Borough Council
- Transform South Yorkshire (the Housing Market Renewal Pathfinder body)
- Chesterfield Borough Council (representing the Northern Sub-Area of the East Midlands Region)
- Campaign to Protect Rural England (CPRE)
- Ackroyd and Abbott (representing the Home Builders Federation)
- Hallam Land Management (representing the Home Builders Federation)
- Jones Homes (representing the Home Builders Federation)
- DLP Planning Limited (representing the Home Builders Federation and involved in the assessment of sites in Rotherham)

The Working Group agreed the methodology for the selection of and analysis of sites and the Home Builders Federation representatives also were involved in ensuring that the assessment of sites was realistic in terms of what would be likely to be attractive to the house building market and when and at what rate sites could be developed.

In accordance with the methodology agreed by the Working Group the aim of the SHLAA process in Rotherham was to identify sufficient land to accommodate the residual Regional Strategy requirement plus an additional 25% margin to provide flexibility when deciding which sites to allocate in the LDF. Prior to the production of the latest version of the SHLAA, Rotherham had identified a large number of potential housing sites which already exceeded this amount. In addition further sites were identified when the agreed methodology relating to area of search for sites was applied to the Borough. The amount of potential land assessed is therefore sufficient to meet the RS requirement, which we expect to be revoked, and the Rotherham’s own, lower, target.

Site capacities were assessed in a number of ways depending on circumstances. For sites with full planning permission for housing, the assessment has used the approved dwelling numbers to determine site capacities. For sites with outline planning permission, indicative site layouts were used where these were available, though in some cases they have been revised to reflect the views of the HBF representatives on the Working Group. For other sites without planning permission (or outline permissions without indicative layouts,) density multipliers were used.
Build rates were assessed using the developer’s estimates, where it has been possible to contact the developer of a site. For all other sites, the assessment used advice issued by the HBF nationally on build rates on large sites. However, it was agreed by the Working Group that build rates for 2010/11 and 2011/12 should be reduced to take account of the depressed housing market conditions. A gradual increase in build rates has been assumed in 2012/13 to 2014/15 before returning to ‘normal’ rates from 2015/16 onwards.

HBF advice on lead times for commencing development has also been used to estimate when development is likely to start once it has planning permission. Slightly different assumptions have been used for Council owned sites that are part of the housing development programme. This takes into account additional time needed to obtain Council approval and select a preferred developer.

The SHLAA includes small sites (capacity for less than 10 dwellings) which already have planning permission (as at 31 March 2010) on the grounds that they are readily identifiable sites and, in total, are likely to make an important contribution to overall supply. However, no attempt has been made in the study to identify potential on other small sites. The Working Group agreed it was reasonable to assume that 70% of the total dwellings on small sites with planning permission would come forward over the 6-year period (i.e. the ‘current year’ and the 5-year supply period).

Small sites have historically made up a significant proportion of annual dwelling completions in both districts and sites obtaining planning permission will be added to the housing land supply in future reviews of the SHLAA. The NPPF allows an allowance for windfalls in the five year supply of deliverable sites, where there is compelling evidence that such sites have consistently come forward. The next version of the SHLAA will include an analysis of whether there is a case to include such an allowance in the 5 year supply.

The SHLAA assumes a base date of March 2010 and shows a potential fifteen year housing land supply of 28,231, and a five year supply for the period 2011/12 to 2015/16 of 4,911. The table below shows how these figure compare to the proposed target in the LDF Draft Core Strategy and the Regional Strategy; even though the Regional Strategy is soon to be abolished it is still part of the development plan.

<table>
<thead>
<tr>
<th>Requirement Type</th>
<th>Requirement Period</th>
<th>Requirement</th>
<th>Supply identified in the SHLAA</th>
<th>Surplus/Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft Core Strategy (+ 20% on five year supply)*</td>
<td>1 Year</td>
<td>850</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 Year</td>
<td>5100</td>
<td>4911</td>
<td>-189</td>
</tr>
<tr>
<td></td>
<td>15 Year</td>
<td>12750</td>
<td>28231</td>
<td>15481</td>
</tr>
<tr>
<td>Draft Core Strategy plus deficit 2008-2012 ((+ 20% on five year supply)*</td>
<td>1 Year</td>
<td>940</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 Year</td>
<td>5640</td>
<td>4911</td>
<td>-729</td>
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<tr>
<td></td>
<td>15 Year</td>
<td>14097</td>
<td>28231</td>
<td>14134</td>
</tr>
<tr>
<td>Regional Strategy</td>
<td>1 Year</td>
<td>1160</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 Year</td>
<td>5800</td>
<td>4911</td>
<td>-889</td>
</tr>
<tr>
<td></td>
<td>15 Year</td>
<td>17400</td>
<td>28231</td>
<td>10831</td>
</tr>
<tr>
<td>Regional Strategy plus Deficit Since 2004**</td>
<td>1 Year</td>
<td>1378</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 Year</td>
<td>6889</td>
<td>4911</td>
<td>-1978</td>
</tr>
<tr>
<td></td>
<td>15 Year</td>
<td>20666</td>
<td>28231</td>
<td>7565</td>
</tr>
</tbody>
</table>

* These figures include the additional 20% increase in the five year supply that the National Planning Policy Framework requires Local Planning Authorities to demonstrate

** These figures include the deficit of net additions against the RS target (3,266) averaged over the 15 year period (+218 units per annum).
Housing Mix and Affordability

The NPPF requires Local Planning authorities 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. To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities. This means that they should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community and identify the size, type, tenure and range of housing that is required and where they have identified that affordable housing is needed, set policies for meeting this need on site. The targets should also reflect an assessment of the likely economic viability of land for housing within the area.

The two key elements of the evidence base to support the requirement for affordable housing are, therefore, the Strategic Housing Market Assessment (SHMA) and the Viability Assessment.

Rotherham's Strategic Housing Market Assessment provides the main body of evidence in relation to the required mix of housing and affordable housing need. It provided the outputs listed above and many others based on detailed analysis in of the data collected.

The SHMA was originally published for Rotherham in October 2007 based on data collected in October 2006. This SHMA robustly examined the local housing market in accordance with the relevant CLG Strategic Housing Market Assessment Practice Guidance of August 2007. It included a review of the current local situation, an understanding of the housing market dynamics and recommendations as to the appropriate action in Rotherham.

In respect of affordable housing, based upon local evidence covering demography, housing stock attributes [e.g. its condition, quality and affordability] and needs arising, the report calculates a borough-wide requirement of 411 affordable housing units per annum.

The Strategic Housing Market Assessment Update

Although it would typically be argued that an SHMA would have currency of more than two years, due to the notable change in market conditions since the publication of the initial report it is advisable to reassess its findings. This update report therefore seeks to complement the existing study by reviewing the outputs where more recent data is available. This update used the most recent secondary data to assess the local impact and the appropriate policy response within the altered market conditions. This is done by direct examination of the secondary data and by applying the changes recorded to the primary data to provide an updated household survey. The results of the update show that the need for affordable housing has increased significantly as a result of the changes in the economic climate.

Some of the analysis of the local housing market presented in the original SHMAA was based on a household survey of 2,714 households in Rotherham. For the purpose of the update, this household dataset has been updated through two processes: re-weighting the data and updating the financial profile. This provides an accurate profile of all households in the Metropolitan Borough of Rotherham as of April 2010.

Overall it was calculated that the total (net) annual need estimate (for affordable and intermediate housing) is 1,155. This is higher than the figure of 411 recorded in the original
SHMA report. This increase since 2007 is principally due to a reduction in the supply of affordable accommodation because the rate at which households are vacating this accommodation has reduced significantly. The model indicates that 41.8% of the net requirement for affordable housing could be met through intermediate housing.

The figure of 1,155 is derived a snapshot of the current position and is much larger than can be met through developer contributions. However, the update examines how best to improve market balance in the long-term and suggests that around 35-40% of the new accommodation required to adequately house the future population should be affordable. It further states that a target of 35% still seems appropriate in the Metropolitan Borough, this figure comprising 25% affordable and intermediate and 10% low cost market housing. This target is subject to sites being viable to support this percentage of affordable housing. An assessment of the likely viability of various levels of affordable housing requirement is currently underway which will tell us what percentage is feasible in the current market conditions.

The SHMA gave an estimation of overall housing need, and the required mix of house types to achieve a balanced market, based on the household surveys. As the surveys were not repeated as part of the update exercise, the update gave an estimate of house type needs based on the ONS household projections at the time of the update, the original data and up to date secondary economic and housing data.

Viability Assessment

Rotherham’s first Affordable Housing Viability Study was completed in 2007 out by West of England University and provided a key element of the evidence base for the Council’s Affordable Interim Planning Statement (IPS) adopted in 2008. The NPPF requires that policies securing affordable housing provision as part of housing developments are supported by an assessment of the effect on financial viability of various levels of affordable housing.

An Update viability assessment has now been completed to support the affordable housing policies in the emerging LDF and to support the continued requirement for affordable housing when determining planning applications until the Core Strategy is adopted.

The updated study looks at a sample of thirteen large sites and assessed whether the requirement for various levels of affordable housing would result in the financial viability of the site dropping to a level where it would be unlikely to be attractive to developers to build house or the land owner to sell it to house builders. The results of the analysis were also stress tested to take into account the effects of future decreases in the final sale value of houses or increases in building cost; either of which would reduce viability.

The draft study sites were chosen so as to reflect different market circumstances i.e. geographical locations – town centre, suburban, edge of town, rural; site size and attributes; allocated and unallocated housing sites; green-field and brown-field.

For the large sites, the conclusions of the draft study state that the Council is justified in maintaining its current affordable housing policy that seeks 25% of all dwelling units being affordable homes. All the green-field study sites are viable and lead to satisfactory financial outcomes. The position of the three brown-field sites is, however, quite different. None of the brown-field sites are viable. Given the specific site constraints of such sites, and the draft study conclusions suggest that the Council adopts a more open-approach which would involve seeking to work with applicants, taking into account the circumstances of each site, in order to achieve a viable schemes.
The results of the stress tests, where increases in build costs or price falls have been modelled, show that the green-field sites demonstrate that the Council’s affordable housing policy retains its viability and can withstand adverse market conditions.

Presently, the Council does not seek a contribution in provision for affordable housing on sites below the indicative minimum threshold of 0.5 hectares or 15 dwellings previously indicated in PPS3. While it is acknowledged that there are potential difficulties efficiently incorporating and managing small numbers of affordable units on relatively small sites, it was decided to look at the potential for seeking financial on smaller sites. It was decided, therefore, that a further study be carried out to look at whether it would be viable to seek commuted sums from smaller sites, which would be used to contribute towards affordable houses on other sites.

The purpose of the appraisals was to assess the potential of twelve sites to make a financial contribution towards the provision of affordable housing off-site, as well as other relevant planning requirements by way of planning obligations.

For the small sites, the conclusions of the draft study state that the Council is justified in formulating a new policy regarding small sites by setting a level of financial contributions towards the provision of affordable housing.

The results of the stress tests for the small sites show that the Council could set a financial contribution that recognises that markets operate in a cyclical manner i.e. they rise and fall; and that they set a level for implementation which does not compromise viability in today’s market. This means that a financial contribution of between £10,000 and £20,000 per unit be considered.

**Gypsy and Traveller Accommodation**

The Government has recently replaced circulars relating to Gypsies, Travellers and Travelling Showpeople with a single Planning Policy Statement for Traveller Sites. Consultation on this new policy was undertaken in July 2011 and the new policy was published on 23rd March 2012. The Guidance requires that local planning authorities should make their own assessment of need for the purposes of planning.

Local planning authorities must allocate sufficient sites for Gypsies and Travellers, in terms of the number of pitches based on the assessed need. The Core Strategy should set out criteria for the location of Gypsy and Traveller sites, which will be used to guide the allocation of sites in the relevant Development Plan Document (DPD).

The previous Gypsy and Traveller Accommodation Needs Assessment covered the period 2006 to 2011; it is therefore in need of a refresh. The update of the GTANA has been led by the Doncaster Strategic Housing Team, working together with the planning department and the officers from Barnsley, Rotherham and Sheffield authorities.

This new report provides an update to the 2006/07 assessment and covers the accommodation needs for Gypsies, Travellers and Travelling Showpeople for the period 2011 – 2016.

The refresh identifies both current and future accommodation needs of the Gypsy and Traveller communities by use of local data.
In the case of Gypsies and Travellers it is not realistic to forecast need for up to 15 years ahead, as recommended within the Strategic Housing Market Assessment guidance for the rest of the community. However, the most accurate projections covering the next 5 years (2011 – 2016) are made.

**Pitch requirement**

Pitch requirement over the next 5 years is assessed by calculating the current short fall and household growth (over next 5 years). Throughout South Yorkshire household growth within the Gypsy and Traveller community is expected to be 62 households, predominantly in the Doncaster area, this is due to the large population and the levels of growth that are expected. Combined with the current shortfall there is a requirement for 134 pitches across South Yorkshire, with a need calculated in all South Yorkshire Local Authorities.

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<tr>
<th>Doncaster</th>
<th>Rotherham</th>
<th>Sheffield</th>
<th>Barnsley</th>
<th>South Yorkshire</th>
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<tbody>
<tr>
<td>Pitch requirement over next 5 years (p+q)</td>
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<td>47</td>
<td>35</td>
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</table>

Pitch requirement for Showmen’s sites over the next 5 years is assessed by calculating the current short fall and household growth (over next 5 years). Throughout South Yorkshire household growth within the community is expected to be 29 households, predominantly in the Doncaster area, this is due to the large population and the levels of growth that are expected. Combined with the current shortfall there is a requirement for 130 pitches across South Yorkshire.

For more information you can contact Forward Planning by the following means:

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<td>Web</td>
<td><a href="http://www.rotherham.gov.uk/forwardplanning">www.rotherham.gov.uk/forwardplanning</a></td>
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<td>Main Street</td>
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<td>ROTHERHAM S60 1AE</td>
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