# COMMISSIONER KENNY'S MEETING

**Venue:** **Commissioner Kenny's Office, Riverside House.**

**Date:** **Monday, 5th October, 2015**

**Time:** **8.30 a.m.**

## A G E N D A

1. Whilst the requirements of the Local Government Act 1972 do not apply to this meeting it is still proposed to determine if the following matters are to be considered under the categories suggested in accordance with that Act.

2. Minutes and decisions from the previous meetings held on 3rd August and 7th September, 2015. (Pages 1 - 6)

3. Rotherham Strategic Housing Market Assessment and Sheffield Rotherham Joint Report. (Pages 7 - 23)

## COMMISSIONER KENNY'S MEETING

## MONDAY, 3 AUGUST 2015

## NOTICE OF DECISIONS

Set out below is a summary of the decisions taken at the meeting of Commissioner Julie Kenny held on Monday, 3 August 2015.

### 2. MINUTES OF THE PREVIOUS MEETINGS HELD ON 6TH, 10TH AND 21ST JULY, 2015.

The decision sheet and minutes of Commissioner Kenny's previous meetings held on 6th, 10th and 21st July, 2015, were considered and accepted as accurate records.

### 3. SITE FOR A TOWN CENTRE HE CAMPUS.

**Minded to Grant Decision:-** (1) That the in principle disposal of the Doncaster Gate site, or part of, to Rotherham College be approved on terms to be agreed.

(2) That the disposal and terms for the disposal be delegated to the Director of Housing, Asset Management and Neighbourhood Services.

(3) That upon completion of negotiations, a report be submitted to Commissioner Kenny for a final decision on the disposal of the site.

**Date of Publication of the Mind to Grant Decision:- Monday, 3rd August, 2015.**

Representations upon the decision are invited from Councillors, members of the public, partner agencies and any interested body or individual within five working days from the date of publication and must be received by Hannah Etheridge Hannah.etheridge@rotherham.gov.uk no later than 5.00 p.m. on Monday, 10th August, 2015.

**Representations received:- None received.**

**Date of Commissioner Kenny's final decision:- 11th August, 2015.**

**MEETING OF COMMISSIONER KENNY**
**Monday, 3rd August, 2015**

Present:- Commissioner Kenny.

**24. WHILST THE REQUIREMENTS OF THE LOCAL GOVERNMENT ACT 1972 DO NOT APPLY TO THIS MEETING IT IS STILL PROPOSED TO DETERMINE IF THE FOLLOWING MATTERS ARE TO BE CONSIDERED UNDER THE CATEGORIES SUGGESTED IN ACCORDANCE WITH THAT ACT.**

**25. MINUTES OF THE PREVIOUS MEETINGS HELD ON 6TH, 10TH AND 21ST JULY, 2015.**

The decision sheet and minutes of Commissioner Kenny's previous meetings held on 6th, 10th and 21st July, 2015, were considered and accepted as accurate records.

**26. SITE FOR A TOWN CENTRE HE CAMPUS.**

Consideration was given to a report submitted by the Economic Development Manager that outlined the proposed disposal of the Doncaster Site to Rotherham College for the construction of a Higher Education (H.E.) Campus.

Rotherham was the only town of significant size within the Sheffield City Region without a Higher Education Centre which partially contributed to level 4 and above attainment in Rotherham being 12.7 percentage points below the national average and 4.8 percentage points below the regional average. This level of underachievement needed to be addressed to provide the skilled workforce necessary to attract inward investors and grow existing businesses.

The College had proactively driven the development of Higher Education within the confines of HEFCE's funding constraints and the significant increase in student numbers had led to 53% increase in funding over a 3 year period. For the 2015/16 academic year the HEFCE constraints had been removed and the College had developed further Higher Education programmes to continue its programme of development of high quality local provision.

The HE campus would need to be in close proximity to the College's existing buildings. The preferences would be for the building to be open for the 2017/18 academic year with a requirement of the Capital Skills funding that work must have started on site by no later than September 2016.

The report set out the 3 potential sites with the positive and negatives for each.

It was noted that the Campus and the potential locations had been discussed by the Advisory Cabinet, Labour Group and Opposition Group meetings.

**Minded to Grant Decision:-** (1) That the in principle disposal of the Doncaster Gate site, or part of, be approved on terms to be agreed.

(2) That the disposal and terms for the disposal be delegated to the Director of Housing, Asset Management and Neighbourhood Services.

(3) That upon completion of negotiations, a report be submitted to Commissioner Kenny for a final decision on the disposal of the site.

**Date of Publication of the Mind to Grant Decision:- Monday, 3rd August, 2015.**

Representations upon the decision are invited from Councillors, members of the public, partner agencies and any interested body or individual within five working days from the date of publication and must be received by Hannah Etheridge Hannah.etheridge@rotherham.gov.uk no later than 5.00 p.m. on Monday, 10th August, 2015.

**COMMISSIONER KENNY'S MEETING**

**MONDAY, 7 SEPTEMBER 2015**

**NOTICE OF DECISIONS**

Set out below is a summary of the decisions taken at the meeting of Commissioner Julie Kenny held on Monday, 7 September 2015.

Also in attendance was Councillor Denise Lelliott, Advisory Cabinet Member.

## 2. PROPOSED DISPOSAL OF PITHOUSE WEST.

**Minded to grant: -** (1) That the Strategic Director of Environment and Development Services be authorised to negotiate the completion of the sale on the indicative terms outlined in the submitted report;

(2) That, following completion of the negotiations, Commissioner Kenny will consider the formal terms and details of the sale agreement at a future meeting;

(3) Following commissioner-approval of the formal terms, the Director of Legal and Democratic Services will complete the sale agreement between the Council and the proposed purchaser;

(3) Following commissioner-approval of the formal terms, the Director of Legal and Democratic Services will complete the agreement between the Council and the Coal Authority relating to the clawback liability arising from the Covenant.

**Date of Publication of the Minded to Grant Decision:- Tuesday 8th September, 2015.**

Representations upon the decision are invited from Councillors, members of the public, partner agencies and any interested body or individual within five working days from the date of publication and must be received by Hannah Etheridge – hannah.etheridge@rotherham.gov.uk - no later than 5.00 p.m. on Tuesday 15th September, 2015.

**Representations received:- None received.**

**Date of Commissioner Kenny's final decision:- Wednesday 16th September, 2015.**

**MEETING OF COMMISSIONER KENNY**
**Monday, 7th September, 2015**

Present:- Commissioner J. Kenny.

Also in attendance Councillor D. Lelliott, Advisory Cabinet Member.

**27. WHILST THE REQUIREMENTS OF THE LOCAL GOVERNMENT ACT 1972 DO NOT APPLY TO THIS MEETING IT IS STILL PROPOSED TO DETERMINE IF THE FOLLOWING MATTERS ARE TO BE CONSIDERED UNDER THE CATEGORIES SUGGESTED IN ACCORDANCE WITH THAT ACT.**

**28. PROPOSED DISPOSAL OF PITHOUSE WEST.**

Consideration was given to the report presented by the Economic and Development Services Directorate outlining the negotiations process to sell the Pithouse West following a successful marketing of the property.

The report detailed previous marketing attempts and sales negotiations and, in particular, the pre-conditions of sale that would have applied. A current bid had been received from Gulliver's (family theme parks) following a local and national marketing campaign in early 2015. Gulliver's bid was outlined in the report, including the economic benefits it would bring alongside job creation in the local area.

The report outlined two clauses relating to the Coal Authority applying a clawback on proceeds from any sale until 2021, and also the requirement to invest remaining profits of sale in the Rother Valley Country Park.

Having evaluated Gulliver's offer, it was clear that, despite a comprehensive bid from them, some further work was required to protect the Council's interests and facilitate a deliverable leisure development of local, regional and national significance. It was hoped that the further work would enable delivery of the regenerative benefits to the area and economy and financial consideration to the Council appropriate to this site. It was anticipated that these issues would be addressed in the sale agreement between the Council and Gulliver's.

The submitted report outlined the next steps and timelines involved. This included the issues of planning consents and the Coal Authority clawback.

It was noted that the Council had been involved in two previous negotiations to sell the property where the return to the Council would have been larger. However, these projects had been unable to secure the necessary capital investment required to actually deliver the scheme.

Commissioner Kenny required further satisfaction about negotiation of the clauses and intended to approve them before the proposed sale took place. She also requested that further work be undertaken on the proposal to establish a caravan site on the property. She felt that this would be better achieved by a private developer.

Prior to the publication of the decision and the report, Commissioner Kenny asked for a check to be made with Gulliver's to ensure that they were satisfied that none of the information revealed would compromise their commercial interests.

Commissioner Kenny was minded to grant the decision as outlined in the submitted report provided that further work was undertaken on the terms of sale, which she would then approve as a final decision.

**ROTHERHAM METROPOLITAN BOROUGH COUNCIL**

**REPORT TO COMMISSIONER RECORD OF DECISION**

| | | |
|---|---|---|
| **1.** | **Date:** | **5th October, 2015** |
| **2.** | **Title:** | **Rotherham Strategic Housing Market Assessment and Sheffield Rotherham Joint Report.** |
| **3.** | **Directorate:** | **Environment and Development Services Directorate** |
| **4.** | **Advisory Cabinet Member** | **Councillor Lelliott** |

Having considered the report I am minded to:-

**Confidential Appendices (if appropriate)**

I do / do not agree to the information contained in any appendix remaining confidential, for the reasons outlined in the report.

**Urgent Decisions (if appropriate)**

The decision needs to be considered urgently (that is without the required 5 clear days' notice) for the reasons outlined in the report.

I do / do not agree to the decision being taken urgently and implemented without the required notice having been given.

I have consulted the following Commissioner regarding the urgency of the decision:-

Commissioner Sir Derek Myers ❑

Commissioner Stella Manzie ❑

*(only one Commissioner needs to be consulted)*

**Key Decisions (if appropriate)**

The key decision needs to be considered urgently (that is without the required 28 days' notice) for the reasons outlined in the report.

I do/do not agree to the decision being taken urgently and implemented without the required notice having been given.

I have consulted the following Commissioner regarding the urgency of the key decision:-

Commissioner Sir Derek Myers ❑

Commissioner Stella Manzie ❑

(only one Commissioner needs to be consulted)

Signed Commissioner ……………………………….

Dated ……………………………….

**Public** Report
Council/or Other Formal Meeting

**Summary Sheet**

**Council Report**
Commissioner Kenny Decision Making Meeting, 5th October 2015

**Title**
Rotherham Strategic Housing Market Assessment and Sheffield Rotherham Joint Report

**Is this a Key Decision and has it been included on the Forward Plan?**
No

**Strategic Director Approving Submission of the Report**
Karl Battersby, Strategic Director of Environment and Development Services

**Report Author(s)**

Sarah Watts, Social Housing Officer (EDS)
Sarah.watts@rotherham.gov.uk / 01709 336476

Nick Ward, Planning Officer (EDS)
Nick.ward@rotherham.gov.uk / 01709 823808

Jane Davies-Haire, Strategic Housing Manager (EDS)
Jane.davies-haire@rotherham.gov.uk / 01709 334970

**Ward(s) Affected**
All

**Executive Summary**
In 2014 the Council committed to carrying out a new Strategic Housing Market Assessment (SHMA) for Rotherham. A SHMA is a study of the whole housing market. It examines how the market is functioning and provides an independent assessment of future housing need. The previous full study was considered to be out of date during the Examination in Public of the Rotherham Local Plan Core Strategy.

The Strategic Housing Team commissioned the University of Sheffield to carry out a new SHMA study of the Rotherham housing market, and to help us better understand the relationship between Rotherham and Sheffield markets.

The Rotherham SHMA and the Sheffield/Rotherham Joint SHMA are now complete and the purpose of this report is to summarise the findings.

**Recommendations**

That Commissioner Kenny:

- Notes the final reports and key findings and that the reports will be published on the website.

- Notes that the strategic housing and planning officers will use the reports to inform the Council's housing policies, support the Local Plan process and our plans for housing provision

**List of Appendices Included**

- Rotherham Strategic Housing Market Assessment 2015 Executive Summary (appendix 1)

**Background Papers**

- Rotherham Strategic Housing Market Assessment 2015
- Sheffield / Rotherham Joint Report 2015
- Sheffield Strategic Housing Market Assessment 2013
- SHMA Standing Order Waiver Report Cabinet Member 07.04.14
- Housing Strategy 2013-2043 Commitment 8
- Core Strategy Planning Examination ED75 Inspectors Preliminary Findings Point 6
- Corporate Plan, Helping to create safe and healthy communities
- Housing Growth Report, Meeting of Cabinet 27.11.13 Item 132
- Draft Housing Growth Plan

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**
N/A

**Council Approval Required**
No

**Exempt from the Press and Public**
No

**Rotherham Strategic Housing Market Assessment and Sheffield Rotherham Joint Report**

## 1. Recommendations

That Commissioner Kenny:

1.1 Notes the final reports and key findings and that the reports will be published on the website.

1.2 Notes that the strategic housing and planning officers will use the reports to inform the Council's housing policies, support the Local Plan process and our plans for housing provision

## 2. Background

### 2.1 Purpose of the SHMA

2.1.1 Rotherham's Planning Core Strategy was subject to Examination in Public in late 2013 and the Spring of 2014. While the plan was found to be sound, the Inspector was concerned that an up to date assessment of housing need across the whole Sheffield /Rotherham housing market area had not been produced. The Inspector required that such an assessment be carried out and its findings be taken into account in the production of the remaining elements of the Local Plan. The National Planning Policy Framework requires that objective assessments of housing need be carried out in the form of a Strategic Housing Market Assessment. At the time of the examination work commissioned by Sheffield City Council to produce a SHMA for the city was nearing completion. The Inspector agreed to Rotherham producing its own SHMA, following the same methodology as the Sheffield study, along with a further report providing joint findings for the overall housing market area.

2.1.2 National Planning Policy Framework (NPPF) states that Local Planning Authorities should have a clear understanding of housing needs in their area; they should prepare a SHMA to assess their full housing needs and work with neighbouring authorities where housing market areas cross administrative boundaries. The joint report was commissioned to acknowledge our close relationship with Sheffield.

2.1.3 The SHMA is an important document and forms part of the evidence base to inform Local Plan strategy and policies. The SHMA also relates to a range of other corporate strategies and policies and, in particular, the Housing Strategy and Housing Growth Plans. These documents emphasise the importance of increasing the supply of housing, including affordable housing and the private rented sector, delivering sustainable places, meeting housing need, and supporting corporate objectives to grow the local economy, protect vulnerable people, and regenerate the town centre.

2.1.4 The Rotherham SHMA has involved a household survey, baseline data analysis of Census and administrative data, analysis of housing submarkets, and a programme of engagement with residents, local stakeholders, and sub-regional partners. The methodology is consistent with that of the 2013 Sheffield

SHMA, thereby enabling the production of a joint SHMA covering the Sheffield-Rotherham housing market area.

## 2.2 Summary of Rotherham SHMA findings

2.2.1 Rotherham occupies a central location within the Sheffield City Region housing market system. It is geographically central and shares important housing and labour links with the surrounding areas, in particular Sheffield.

2.2.2 Rotherham is considered to have a self-contained housing market (73% of moves are within the boundary). It has five distinct housing market areas (HMA) which are also considered to be relatively self-contained. In general, housing in the south is more desirable and higher priced than that in the north of the borough.

2.2.3 House prices are rising and affordability has marginally worsened recently, though values are still among the lowest in the sub region. This can be viewed as both strength (value for money, affordability and meeting need) and a challenge (low development values testing the viability of new developments).

2.2.4 New, large developments such as Waverley and Bassingthorpe are not expected to conform to the characteristics of the existing HMAs with regards to self-containment and affordability, but are expected to bring a new, high quality offer which will help to meet housing need from across all areas of the borough.

2.2.5 The overall housing requirement is for 900 (net) new dwellings per year. 10% of which would need to be 1 bed, 40% 2 bed, 50% 3 bed or more in size. Included in the 900 required are 237 (26%) new affordable homes, the rest would be delivered by the private sector. The 237 should consist of 170 dwellings for social rent and 67 intermediate tenures (i.e. shared or low cost ownership). The study indicates a requirement for a higher percentage of smaller 1 and 2 bed properties would be required for social rent properties.

2.2.6 We are not currently delivering at the level suggested by the study. Help to Buy and other Government initiatives are assisting in recovery but the gap between requirement and delivery remains low with an average of between 550 and 600 net homes per year. Affordable housing delivery broadly aligns with policy but also fails to deliver at the rate required, delivering an average of 150 per year. Allocation of new housing sites in the Local Plan Sites and Policies Document will greatly increase the amount of development land available to house builders and ensure that delivery rates are increased.

2.2.7 Welfare Reform is impacting on the housing market through reducing money in the local economy, tenure switching and downsizing which add further pressure on affordable housing.

2.2.8 There is a recognition that regeneration activity has been limited in recent years and it is clear that the housing market would benefit from investment into making communities more attractive. The survey found that the most important factors when making a decision to move were related to quality neighbourhoods, housing choice and affordability rather than education or employment. 55% of people working in Rotherham live outside of the borough.

2.2.9 The residential market for town centre living is considered to be underdeveloped. There is a consensus that it has potential but does not have the right offer as yet. There may be scope for an offer aimed at specific age groups i.e. young people, older households seeking independent living. 12% of residents would consider moving into the town centre if the right housing and environment were created.

2.2.10 The number of older people is rising and will present challenges in the future. Older people have greater levels of self-containment and have a preference towards bungalows. Though it is acknowledged that housing needs for older people are becoming more diverse and there appears to be a lack of alternative housing choices.

2.2.11 The BME population is growing but is still small in comparison to other areas. There were no significant special housing needs arising from BME households. This may require further analysis.

2.2.12 The private rented sector has grown significantly in recent years and continued to do so in the North Urban and South East HMAs. The private rented sector makes up a key part of the housing market in Rotherham and provides a level of housing which is seen as being affordable to many. Selective licencing has been acknowledged as a key tool to assist in improving this offer.

## 2.3 Sheffield / Rotherham Joint SHMA – key findings

2.3.1 The Rotherham housing market has strong links with neighbouring areas, particularly Sheffield. Rotherham and Sheffield are considered as self-contained markets (with over 70% of moves from within their own boundaries) but despite this they form part of a wider system which supports population mobility. Rotherham takes the largest proportion of migrants from Sheffield.

2.3.2 House prices, land values and private rent levels have seen some recovery but are still below national averages and are rising at a slower rate across the two areas.

2.3.3 Migration from Sheffield into Rotherham is dominated by families looking for more affordable options whereas more young people are lost to Sheffield.

2.3.4 Overall housing requirement for the two areas is between 2,875 and 3,375 (Sheffield's need was presented as a range rather than a target figure). There is scope for the two areas to continue to meet each other's needs.

2.3.5 Within the overall requirement there is a need for 962 affordable dwellings per annum. It is suggested that authorities should plan to meet this need locally. Sheffield is expected to need a higher proportion of intermediate tenures (i.e. affordable rent, shared ownership).

**3. Key Issues**

3.1 The report sets out an objective assessment of housing needs and the overall housing requirement for the next five years. It balances out the housing that is needed to meet existing needs whilst considering additional pressures arising from demographic and economic growth.

3.2 The Local Plan must set this requirement against matters related to practical delivery, spatial strategy and development constraints.

3.3 Officers within the strategic housing, growth and planning teams will need to understand the details of the study and ensure it is reflected throughout current and emerging housing policy and strategy.

3.4 The SHMA has been used to develop Rotherham’s new Housing Growth Strategy which is aligned with the wider Economic Growth Plan. The new Housing Strategy is currently being drafted and will reflect the SHMA findings.

3.5 There is scope for further work with neighbouring authorities to meet some areas of housing need and particularly in relation to funding opportunities for the wider region.

**4. Options considered and recommended proposal**

N/A – for info

**5. Consultation**

5.1 The study has involved a large element of qualitative work and has captured views from a wide range of stakeholders including:

- A household survey to capture information from 1,700 local residents
- Stakeholder interviews with professionals from the development, estate agency and social / private landlord community
- Policy workshops with housing professionals to discuss;
- Private Housing Market
- Affordable Housing Sector
- Officers Steering Group with contributions from other Local Authorities

**6. Timetable and Accountability for Implementing this Decision**

6.1 Once approved by Commissioner Kenny the SHMA will be published on the Council’s website on 5th October 2015.

**7. Financial and Procurement Implications**

7.1 There are no financial / procurement implications arising from this report.

**8. Legal Implications**

8.1 There are no legal implications arising from this report.

**9. Human Resources Implications**

9.1 There are no human resources implications arising from this report.

**10. Implications for Children and Young People and Vulnerable Adults**

10.1 There are no implications for children and young people and vulnerable adults arising from this report, however we will be using the SHMA as part of the evidence base for formulating our housing growth plan, which will include specialist housing for young people.

**11 Equalities and Human Rights Implications**

11.1 There are no equalities and / or Human Rights implications arising from this report.

**12. Implications for Partners and Other Directorates**

12.1 The SHMA is an important document for our Registered Social Landlord partners and the summary was shared via a workshop with staff, partners and stakeholders in March 2015. Further discussion took place with RSLs in July.

**13. Risks and Mitigation**

13.1 Supplementary evidence provided at the examination ensured that the Core Strategy was found to be sound on the understanding that a new SHMA study would be carried out and that any changes in the overall housing requirement would be addressed accordingly. The housing requirement has not significantly changed.

13.2 The housing market can be somewhat unpredictable; it is linked to economic sensitivities and has many variables which can impact on delivery and affordability. A SHMA is considered to be a reliable way of understanding the housing market for a five year period but can quickly become out of date if there is a significant change in the market. The Council has access to a wide range of housing intelligence data which will be used alongside the new study to help mitigate against the need to revise the study any sooner.

**14. Accountable Officer(s)**

Karl Battersby, Strategic Director, Environment and Development Services

This report is published on the Council's website or can be found at:-

http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=

# Executive Summary

### Chapter 1: Introduction

This SHMA was commissioned in 2014 and undertaken by the Department of Town and Regional Planning at the University of Sheffield.

The National Planning Policy Framework (NPPF) requires local planning authorities to objectively assess the need for housing in their area. Associated planning policy guidance sets out expectations for the required evidence. This SHMA provides that evidence and has been written in a way that meets and exceeds the requirements of guidance.

### Chapter 2: Policy Context

National housing policy remains focused on getting the housing market moving and growing the supply of new homes, as well as meeting needs through an expanded private rented sector (PRS). The focus of funding for affordable housing will continue to emphasise recoverable loans rather than grants.

House prices are rising after a period of stagnation. Measures differ, but it seems as if affordability has worsened marginally in Rotherham counter to national trends. Lower quartile prices are around 5x lower quartile earnings.

Government measures to stimulate the housing market are having some effect in Rotherham but the gap between requirement and delivery remains low, in line with many other parts of the country. Around 11% of sales in Rotherham since 1 April 2014 have benefited from Help to Buy.

Affordable housing delivery has varied from year to year, but has averaged around 150 units per year recently. This has represented a proportion of all development that broadly meets policy, but is still short of needs in terms of numbers of absolute units.

According to independent studies, welfare reforms have and are likely to continue to impact Rotherham's housing market in a significant way, including through taking money out of the local economy, encouraging downsizing of property, and encouraging tenure switching. The result will be continued pressure on affordable housing. Estimates of the impact of a range of reforms are of a financial loss of £560 per year per working adult.

Parts of the borough's housing stock and neighbourhoods remain in poor condition and previous regeneration programmes were only able to partially tackle this issue. As a result there remains a need for regeneration in many parts of the borough. The lack of mainstream regeneration funding programmes will make this difficult to address, and it is clear that development values are not sufficient to encourage private investment without the need for significant subsidy.

The SHMA is an important part of the evidence base informing local plan strategy and policies. But it is for the local plan to set policy with regards to the borough's housing requirement, using the evidence provided in the SHMA as a starting point but subjecting it to further tests including an assessment of development constraints in the borough.

The SHMA also relates to a range of other corporate strategies and policies and, in particular, the Local Housing Strategy and Local Investment Plan. These documents emphasise the importance of increasing the supply of housing, including affordable housing and the Private Rented Sector, delivering sustainable places, meeting housing needs, and supporting corporate objectives to grow the local economy, protect vulnerable people, and regenerate the town centre.

The approach to the SHMA has involved a significant household survey (1,751 responses), baseline data analysis of Census and administrative data, analysis of housing submarkets, and a programme of engagement with residents, local stakeholders, and sub-regional partners. The methodology is consistent with that of the 2013 Sheffield SHMA, thereby enabling the production of a joint SHMA covering the Sheffield-Rotherham housing market area. A separate report summarises the key issues across this joint housing market area.

## Chapter 3: Defining the Housing Market Area

Rotherham lies at the geographical heart of the Sheffield City Region, a functional economic area of some 1.8 million inhabitants.

The borough has important housing market links with neighbouring areas, particularly the city of Sheffield to the west. These are important in the context of a city-regional housing market 'system' of population mobility. This system sees Rotherham generally catering for incoming households from Sheffield (in addition to needs arising from within the borough). Rotherham in turn tends to lose households to other surrounding districts.

That said, it is clear that technically speaking Rotherham is a self-contained housing market. 73% of moves to dwellings within Rotherham originate in the borough. But there are important links with other areas: the level of self-containment among owner occupiers is lower than the accepted self-containment threshold of 70% (it is 67%), and this reflects the importance of the shared Sheffield-Rotherham market area particularly for working age households seeking family housing.

Households in the borough move on average once every 12.5 years. This varies by tenure and area. Households in the PRS are the most mobile – nearly one in three will move each year. Owner occupiers are the least frequent movers: only 3% of owning households move each year.

The links with other areas in the Sheffield City Region, especially Sheffield, are also borne out in terms of travel to work. 55% of people working in Rotherham live outside the borough. In general for every 10 people living in Rotherham but working elsewhere, there are 9 people living elsewhere but working in Rotherham. This means that Rotherham is a net exporter of commuters to surrounding areas (commuting ratio of 0.9).

Rotherham is comprised of five distinct Housing Market Areas (HMAs) ('sub-markets'). These are:

- South Urban
- North Urban
- Dearne
- South East
- South West

These HMAs vary considerably in terms of their characteristics and housing market role. In general, the urban area of the borough is split between a relatively affluent and high-priced south, and a more deprived, low priced north. There are very popular and attractive outlying settlements throughout the borough, many of which benefit from good road links enabling them to play a sub-regional market role.

Patterns of housing search revealed by Rightmove confirm the existence of these HMAs. In general, levels of mobility between different HMAs are considered to be low and, for certain population groups, levels of place attachment are high and levels of mobility correspondingly low.

## Chapter 4: The current housing market

The population of Rotherham is growing, and currently stands at just less than 259,000 inhabitants living in just over 108,000 households (an average household size of 2.4 persons).

Nearly 29% of Rotherham's households are single person households and this type of household has grown significantly. While the number of single person older households (age 65+) declined slightly between 2001 and 2011, this group is expected to grow in the future.

Although some HMAs show greater diversity, the large majority of Rotherham's residents are from White ethnic groups (this includes some groups, e.g. eastern European, whose origin is outside the UK). 94% of residents describe themselves as White, approximately 4% as Asian, and approximately 1% each within the mixed and Black categories.

Levels of economic activity fluctuate. Around 75% of the population aged 16-64 is economically active.

House prices are among the lowest in the sub-region and although there has been some recovery lately, the market remains relatively depressed. Low development values remain a challenge for the viability of new development.

Low house prices are to some extent mirrored by low income levels in Rotherham although this varies significantly between HMAs. Incomes are lowest in the North Urban HMA. This explains why affordability remains a challenge in Rotherham. Lower quartile house prices are on average 5x lower quartile incomes, higher than the sub-regional average and indeed for Sheffield.

In general, residents in Rotherham move house for reasons related to the house and neighbourhood. Job and education related moves are lower in comparison. A desire to move to a larger house is cited by 33% of movers. Neighbourhood factors are cited by one in five movers. In general the picture is of a housing market in which 'adjustment' moves (e.g. to trade-up or down) are more important that economically-driven moves (e.g. to access particular labour markets).

Levels of neighbourhood satisfaction vary considerably by HMA and by housing tenure. Those in the North Urban HMA are least satisfied; those in the South Urban and Dearne HMAs are most satisfied.

The most important neighbourhood qualities cited by residents are related to the quality, choice and affordability of homes; the quality and cleanliness of the built environment; and levels of ASB/crime. The biggest single improvements sought by residents relate to the condition of roads and the cleanliness of streets, followed by provision of activities and facilities for families.

The regeneration of Rotherham Town Centre is a key corporate objective for the Council. At present the residential market for town centre living is underdeveloped. There is a consensus that it has potential, especially for key groups including young people but also older households seeking independent living. But there is also consensus that the viability of development may be challenging. In all, around 12% of households would consider living in the Town Centre if the right housing and associated services and environment were available.

The private rented sector in Rotherham is small (11.3% of households) compared to the England average (15%), but it has been growing especially in certain neighbourhoods in the North Urban and South East HMAs. This may in part be driven by growth in recent incomers to the borough. There remain concerns about the quality of the sector, and a selective licensing scheme aims to tackle such problems in parts of the borough.

## Chapter 5: The future housing market

The future of the housing market in Rotherham will be shaped by a combination of demand from existing residents, 'concealed' households that will form as a household in their own right, and migration processes.

The moving intentions of existing household vary, although uncertainty is a key aspect of the housing market: nearly one quarter of household do not know what their intentions will be. A similar number of households (26%) think that they will move in the next five years.

Population forecasts for Rotherham indicate that the population will continue to increase primarily as a result of natural change, with some impact also from migration. The extent of the migration increase is contingent on some of the economic assumptions underpinning the forecasts. The ONS 2012-based sub-national population projections estimate there will be 267,400 people in Rotherham by 2022. Whilst the same projection forecasts a fall in the number of people of working age (15-64) over the same period, this does not reflect changes that might occur in the economic environment and potential policy changes.

26% of households in Rotherham think that they will need to move home in the next five years, whilst 50% think that they won't move over the same period. There is a large amount of variation in expectations between HMAs across the borough. 18% think that they will move in the next five years in Dearne HMA and 30% in South Urban HMA. Whilst it is not clear why this variation occurs, demand to move over the next five years is motivated by a very wide range of factor. The five most frequently cited motivations include: to move to a smaller home (7%); to move to a larger home (7%); want a bigger garden (4%); to move to a better neighbourhood (5%); and, to move to cheaper accommodation (4%).

69% of households expecting to move had a preference for owner occupation, and 25% to live in social rented accommodation. The most popular types of property included detached (40%), bungalows (30%) and semi-detached dwellings (18%). The proportion of households aspiring to live in larger properties is greater than the level implied by their realistic expectations. By that measure, 78% of households expect to live in either a two or three bedroom unit. Spatially, some areas are more popular than households' expectations, for example Wickersley, Bramley, Whiston, Breck and Moorgate were the five most frequently cited neighbourhood that households would like to live in, but only half of those households expected to live in each of those neighbourhoods.

The formation of new households from existing households (concealed households) largely comprises single adult or couple households (both without children). Whilst there is a preference amongst these households for flats or apartment accommodation, they are also more likely to be highly mobile households seeking employment and housing outside the borough.

Combining the aspects of housing market analysis, including new household formation, concealed households, in-migration and latent demand it is possible to estimate the overall housing requirement. The annual housing requirement from 2014 is approximately 900 dwellings, lying at the mid-point of an estimation range of 800-1,000. Better than expected economic growth might see the requirement towards the upper end of this range; similarly, ongoing pressures within the housing market might serve to suppress the requirement, and there will be a need for ongoing policy monitoring of the requirement.

The overall housing requirement of 900 dwellings consists of 663 (74%) market housing dwellings and 237 (26%) affordable dwellings (170 social rented and 67 intermediate affordable dwellings).

## Chapter 6: Housing need

In line with DCLG guidance the housing needs model adopts a blend of primary and secondary data sources. The needs model comprises three key components: backlog of housing need; newly arising need and affordable housing supply. The backlog and newly arising need estimates are summed before the supply is subtracted.

The backlog of housing need estimates the number of dwellings required over the next five years to meet existing housing need. The total number of households in unsuitable housing in Rotherham is estimated from the housing survey, comprising 16,279 households. 5,186 of these households' needs can be met in situ or through out-migration. Of the remaining 11,093 households, 6,922 are unable to afford to meet their housing need through a market-based option. Homeless households are added to provide the backlog of housing need total: 6,976 households. Annualised over five years the number of dwellings required to meet housing need in Rotherham is **1,395 per annum**.

Approximately 949 new households are forecast to form in Rotherham every year. Of these households it is estimated that 558 per annum will not be able to afford to buy or access the private rented sector. In addition to new households, extrapolating from existing records, 143 households are likely to fall into priority need each year on average. The total number of households in newly arising housing need is calculated as **701 per annum**.

The supply of affordable housing supply combines vacancies in the existing stock and additions to the stock (minus units taken out of the affordable housing supply). Social rented housing re-lets and shared ownership resales are estimated from recent data at 1,729 dwellings per annum. 61 dwellings are removed form affordable supply each year through a mixture of right to buy options and demolitions. New affordable housing supply is added to the stock at varying levels depending on wider economic circumstances and development processes. Using recent averages, an estimate of 191 dwellings per annum is added to the affordable stock. The total affordable housing supply equates to **1,859 per annum**.

Taking the backlog of needs (1,395), newly arising need (701) and likely affordable housing supply into account an overall shortfall in the borough has been estimated as **237 units per annum**.

All housing need models are sensitive to a range of future policy decisions and changing economic conditions that are difficult to predict. We believe the estimate of 237 units per annum is a prudent basis for future planning.

## Chapter 7: Specific housing groups

Specific housing groups have housing requirements with specific needs. The report considers the housing requirements for older people and households with specific needs arising from disability and/or limiting long term illnesses.

The average age of the population is increasing and the rise in number of older households contributes significantly to expected household numbers. These households are likely to exhibit greater levels of self-containment, moving within the local area. Bungalow households remain sought after within specific neighbourhoods.

37% of household survey respondents included members with a disability or limiting long-term illness. Many of these households included multiple members with disabilities or limiting long-term illnesses. 17% of all households received formal or informal care to support household members with disabilities or limiting long-term illnesses.

Homelessness covers a wide range of complex circumstances, which overlap with other types of housing need. There are approximately 135 statutory homeless acceptances per annum in Rotherham, although this has been increasingly in past years. Homelessness disproportionately occurs among younger people. About half of homelessness acceptances involve a dependent child or a pregnant woman.

The BME population of Rotherham is growing, although it remains small in number relative to other areas. 93.6% of the population identify themselves as 'white'. The largest group is of people who are Pakistani. This group has also grown significantly in size, as has have White European and Black African groups. Recent migrants tender to be younger, often with young children and mainly are asylum seekers/refugees or economic migrants associated with EU enlargement. They are likely to be underpinning the growth of the private rented sector in some parts of the borough. All said, however, the vast majority (97.2%) of Rotherham's population were born in the UK or have lived in the UK for 10 years or more.

There are 126 people who consider themselves as Gypsies or Travellers according to the census 2011. The most recent assessment suggests that there are only six Gypsy/Traveller households in the borough. A significant proportion of Gypsies and Travellers may be living in houses. There are currently five authorised Gypsy and Traveller pitches in Rotherham within the context of a requirement for nine pitches over five years to meet current and future demand.

**Chapter 8: Conclusions**

The SHMA provides an objective assessment of housing need for Rotherham, including the requirement for both affordable and market housing.

It does not take into account policy matters related to the deliverability of housing or planning constraints. These are matters for the Local Plan.

There are a number of broad policy implications, including:

- There is some scope to cooperate with neighbouring areas (especially Sheffield) in meeting market housing requirements for some sectors (e.g. family housing). Affordable housing need will have to be met locally.

- Monitoring delivery against the requirements set out in this report as well as against plan targets will be important. This monitoring should also look at the impacts of policies such as the selective licensing of landlords on affordable housing needs.

- The Council will need to continue to work proactively with market housing developers and other agencies in meeting the housing requirement, especially given ongoing regeneration needs in the borough. Infrastructure may have an important role in underpinning the viability of housing sites.