CABINET

10 JUNE 2014

PLANNING POLICY UPDATE

Portfolio Holder:	Councillor Jane Chitty, Strategic Development and Economic Growth
Report from:	Robin Cooper, Director of Regeneration, Community and Culture
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Summary

Following the withdrawal of the draft Medway Core Strategy from Examination in November 2013, the Council has commenced preparations for a new Local Plan.

The report outlines a programme for the production of a replacement Local Plan which is presented in an updated Local Development Scheme. Members are also asked to consider the findings of independent demographic modelling and relevant data analysis to establish a basis for assessing housing needs in Medway. This information is set out in a Housing Position Statement that indicates a revised annual target of needing to plan for 1000 new homes annually in Medway.

1. Budget and Policy Framework

1.1 The Development Plan forms part of the Council's policy framework. The Medway Local Plan 2003 provides the basis of the authority's planning policy, establishing a spatial strategy for Medway to meet the economic, social and environmental needs of the area, which is used to determine applications for development. It is supported by a number of supplementary planning documents that provide additional guidance to the Local Plan policies.

1.2 Following the withdrawal of the Submission Draft Medway Core Strategy from Examination in November 2013, the Council has commenced preparations for a new Local Plan to replace the Medway Local Plan 2003. The preparation of the replacement plan is therefore a matter to be considered within the Council's policy framework.

1.3 The costs of the preparation of the Local Plan and supporting evidence base are met through the Planning Service budget.

2. Background

2.1 The Council submitted a draft Core Strategy for independent Examination by the Planning Inspectorate in February 2012. This document was produced to align with the Medway Community Plan and was informed by a comprehensive technical evidence base and wide consultation with local communities, statutory and voluntary organisations, developers and wider stakeholders over a number of years. It was to provide strategic level policies for development in Medway, and formed a critical part of the Local Development Framework (LDF). The Medway LDF was to be a portfolio of planning documents and the Core Strategy would be followed by a Development Management and Land Allocations development plan document that would address more detailed planning and design matters.

2.2 Following Natural England's decision in November 2013 to designate land at Lodge Hill, Chattenden as a Site of Special Scientific Interest (SSSI), the Council withdrew its draft Core Strategy from Examination. Officers have commenced work on a new Local Plan to replace the 2003 Medway Local Plan. The National Planning Policy Framework (NPPF) and the Town and Country Planning (Local Planning) (England) Regulations in 2012 both refer to the production of local plans, rather than the Local Development Framework model. National Planning Practice Guidance emphasises that the NPPF makes it clear that the Government's preferred approach is for each local planning authority to prepare a single Local Plan for its area. The replacement plan will therefore be more similar to the 2003 Local Plan rather than the Draft Core Strategy.

2.3 The Council is strongly committed to the sustainable development of Medway, realising the potential for further economic success, providing for the needs of its communities and securing its special natural and historic environments. This is the basis of Medway's planning strategy. The Council is concerned that the delay in updating its planning framework, resulting from the consequences of the designation of the extended SSSI at Lodge Hill, could impact on its ability to promote the most sustainable use of land in Medway. The Council will take every step to secure the adoption of the replacement Local Plan to achieve an effective and sound basis for managing development in Medway up to 2035. In starting out, the Council has been working with the Planning Advisory Service to ensure that the process and programme for the preparation of the replacement plan follows best practice guidance, and meets the requirements for soundness and legal compliance, such as the Duty to Cooperate on strategic planning matters introduced in the Localism Act, 2011.

2.4 Initial activities to support the plan preparation process have included a 'Call for Sites' seeking information on development interests from land owners and agents to produce a Strategic Land Availability Assessment, and a revision of the Medway Statement of Community Involvement that will guide engagement in the local plan process. Officers have also produced a programme for the replacement Local Plan formally presented in an updated Local Development Scheme.

Local Development Scheme

2.5 The Council wishes to provide clear information on the timetable and process for the preparation of the replacement Local Plan. Government requires Councils to make this information available through a Local Development Scheme (LDS). The current LDS was published in August 2011 and covered the work planned for the Medway Local Development Framework. This document has been updated to reflect the programme for the replacement Local Plan, and a copy is attached at Appendix 1. This will be the sixth version of the Medway LDS and it has been updated in line with legislative requirements for maintaining information on the programme for development planning documents.

2.6 The revised Medway Local Development Scheme covers a three year period from 2014 to 2017. It outlines the key stages and dates for the replacement Local Plan. These include two rounds of statutory consultation in summer 2015 and 2016, and the intention to submit the plan and supporting documentation for Examination in December 2016. Following the Examination process, it is anticipated that the new plan would be adopted in summer 2017.

2.7 The Council has been advised by the Planning Advisory Service on the timetable and programme for the replacement Local Plan and robust project management processes have been put in place to coordinate and monitor progress on the preparation of the plan.

Housing Position Statement

2.8 Following the introduction of the National Planning Policy Framework in 2012, local planning authorities are required to identify the level of objectively assessed needs for housing in their housing market area. This is a matter attracting considerable scrutiny by Planning Inspectors at Local Plan Examinations and in development management appeals. The current allocation in Medway is for 815 homes to meet local housing needs. This was determined through the South East Plan, and restated in the draft Core Strategy. With the revocation of the South East Plan, this policy basis does not meet the requirements of the NPPF.

2.9 In coming months, the Council will commission a comprehensive assessment of housing and economic needs to satisfy the full demands of the new requirements. The timing of this work ensures that the analysis can include key data on migration and travel to work from the 2011 Census that are scheduled to be released in later in 2014 and in 2015. The complexity and scope of the work, and the timing of the data releases indicate that the assessment will be concluded in Spring 2015. The findings will be used to inform the development allocations to be made in the replacement Local Plan.

2.10 Pending the publication of this strategic assessment of development needs, the Council acknowledges the importance of providing an appropriate basis for calculating housing needs, as the current target does not comply with policy requirements. This is central to the determination of land supply, which is a key test for local planning authorities. The Council commissioned consultants with specific expertise and experience in producing strategic housing market assessments to analyse demographic data to determine forecasts of household growth in Medway up to 2035. This provides a basis for calculating an annual requirement over the period of the new Local Plan. This analysis identified a potential range of growth scenarios, and the mid-range target recommended an allocation of 1000 homes per year. This is a significant uplift from the level established through the South East Plan and draft Core Strategy.

2.11 The Council has considered this analysis in the context of wider demographic and housing market information and this work supports the revision of the current target to a new level of 1000 homes per year. This will provide a basis for calculating land supply pending the publication of the findings of the full development needs assessment. This is seen as an important step in addressing the need to comply with government policy. This work is set out in a Medway Housing Position Statement, June 2014 in Appendix 2. The Council has sought the advice of the Planning Advisory Service in determining an appropriate target that can be now be used as an effective basis in planning applications. This is critical information, particularly in appeal situations, and the updated target will be used to determine the land supply position in the Authority's Monitoring Report in 2014. It is acknowledged that the current position statement is a starting point and further analysis of economic and housing market needs will be carried out through the forthcoming commission. The Council will reconsider the housing target following the conclusion of this comprehensive development needs assessment in 2015.

3. Options

3.1 The requirements on the Council to produce a replacement Local Plan mean that this is considered to be the only appropriate course of action. However consideration has been given to the timetable and process for this work:

- *Seek to shorten the programme for the adoption of the Local Plan*.

3.2 The Council is required to produce a comprehensive and robust evidence base to support the preparation of a Local Plan. Of particular significance is the assessment of housing and economic needs that define the levels of development that the area requires. As explained above, it is anticipated that this report will not be completed until Spring 2015, to take account of the release dates for key information from the 2011 Census, and to allow for the complexity and scope of the work commissioned. In addition there are a number of statutory requirements in the preparation of a Local Plan, that have implications for the timing of the process, including two rounds of formal consultation.

3.3 Council officers have worked with the Planning Advisory Service to consider the requirements and resources available to prepare a replacement Local Plan. This information has been used to produce the programme set out in the Local Development Scheme in Appendix 1. This timetable is considered to be appropriate to meet the tests of soundness and legal compliance that the Council will be required to demonstrate.

- *Seek to lengthen the programme to adoption*

3.4 Given the difficulties experienced at Examination by many Local Planning authorities in satisfying the requirements of the Planning Inspectorate, and the significant delays that have been incurred to the process of plan preparation, it may be considered appropriate for the Council to be cautious in setting the timetable for its plan preparation process. This could allow for additional time to support plan preparation work, in producing a comprehensive evidence base, and ongoing engagement throughout the preparation process, including additional stages of formal consultation.

3.5 A longer programme to adoption is not considered appropriate. The programme for the replacement Local Plan is based on best practice guidance and assessment of the interpretation of the NPPF and tests being applied by Planning Inspectors. This includes the application of new requirements of the plan making process, such as the Duty to Cooperate. The Council has drawn up an effective work programme to collate a robust evidence base that will provide the basis for sound decision making on policies and land allocations. The process of plan preparation is designed to build in ongoing engagement with members, the local community and wider stakeholders to ensure that the plan is informed appropriately.

3.6 Further delay in bringing a replacement plan forward to adoption increases the risk of inappropriate development in unsustainable locations, and potentially compromising the choices available to the Council to determine the most sustainable development strategy for Medway.

3.7 It is therefore viewed that the programme set out in the Local Development Scheme, June 2014 is the most appropriate to achieve an effective process for the Council leading to adoption of the new plan.

3.8 In relation to the assessment of housing needs as set out in the Housing Position Statement in Appendix 2, the following options have been considered:

- *Retention of the annual housing target of 815 homes as set out in the South East Plan and the draft Core Strategy*

3.9 Following the introduction of the NPPF and the revocation of Regional Spatial Strategies, there has been a strong direction to local planning authorities to produce an objective assessment of local housing needs. Planning Inspector decisions clearly and increasingly frequently reject the use of housing targets derived from Regional Spatial Strategies. The Council would not be compliant with the NPPF should it continue to use the annual target of 815 homes, and would be at risk of challenge from developers. It would likely find that its position to retain South East Plan derived figures would not be supported by Inspectors. This would present the risk of planning applications in unsustainable locations being allowed on appeal.

- *Await the findings of the comprehensive housing and economic needs assessment to establish a revised housing target*

3.10 The scope of this work and the timing of key Census data releases mean that this report will be not available until Spring 2015. Pending the completion this work, the Council could be vulnerable to defending the use of the target set in the South East Plan, for the grounds explained above. The Council acknowledges the critical importance of the comprehensive housing needs assessment in determining the basis for the replacement Local Plan. The

Council will review its position on housing needs on the publication of this assessment and use this information in the plan preparation process. Until this work is completed, the Council considers that it is appropriate to provide a basis for housing needs based on an independent assessment of forecast household growth in Medway, using the best information available at this time.

4. Advice and analysis

4.1 In considering the matters set out above, and articulated in the documents provided at Appendices 1 and 2, it is considered appropriate to progress with the preparation of a replacement Local Plan to the timetable set out in the Local Development Scheme. This provides clear information to communities, developers and other stakeholders on the Council’s work on a new plan.

4.2 With the withdrawal of the draft Core Strategy, Medway Council wishes to establish an updated basis for its planning strategy to support decisions on applications in order to secure the area’s sustainable and successful future, and protect against inappropriate damaging development. It recognises the new policy directions introduced by the NPPF, and the plan making process accounts for these requirements. The determination of a local objectively assessed need for housing demonstrates the Council’s commitment to this new planning process, and understanding the associated tests for the new Local Plan.

4.3 Planning for Medway is based on the principles of sustainable development. Sustainability Appraisals will be carried out at key stages of the plan preparation process to ensure that the impacts of options and draft policies are properly identified and considered.

4.4 A Diversity Impact Assessment screening has been completed and is attached at Appendix 3. The Council’s planning policy seeks to deliver sustainable development for the benefit of all communities, and to recognise the needs of specific groups for services and infrastructure. It is considered the content of this report does not have a disproportionate impact on any specific community sector or group.

5. Risk management

5.1 The Council is aware that the plan preparation process is a challenging one, as demonstrated by the number of plans that have been significantly delayed or withdrawn from Examination, following the introduction of the NPPF. The following risks have been considered in the table below:

Risk	Description	Action to avoid or mitigate risk	Risk rating
Slippage on Local Plan programme	Delays to the preparation of the Local Plan, resulting from additional time required for workstreams, or new legal requirements.	Project plan has been informed by PAS best practice advice. Robust project management processes established to coordinate workstreams, monitor performance and effective use of resources.	D2
Inappropriate development allowed in advance of Local Plan adoption.	Planning proposals for development in unsustainable locations are advanced outside of the Local Plan process, and allowed on appeal.	Production of sound evidence base to determine sustainability and housing need to support the Council's position.	B2
Lack of weight provided to housing needs target in advance of Local Plan adoption.	Inspectors view 'untested' evidence that has not been subject to independent Examination as having limited weight in Appeal decisions, and allow inappropriate development.	Independent work has been commissioned to follow requirements set by government and this takes advice from PAS. Commitment to review target on publication of comprehensive assessment of development needs, and to publish this work for wider review.	C2

6. Consultation

6.1 There is no requirement to consult on the documents set out in Appendices 1 and 2.

6.2 The Local Development Scheme outlines the process and timetable for the preparation of the new Medway Local Plan. This will include two periods of statutory consultation, in addition to ongoing engagement throughout the plan preparation process.

6.3 The Council is also updating its Statement of Community Involvement and a revision has been drafted for consideration by Cabinet, seeking approval to consult on this document.

6.4 The Council will discuss the Housing Position Statement with neighbouring Local Planning authorities as part of its activities in meeting Duty to Cooperate on strategic planning matters. This will include seeking endorsement from adjoining Councils on the boundaries of the functional Medway housing market area. There will be wider consultation on the comprehensive development needs assessment following its publication next year.

7. Financial implications

7.1 The costs of the preparation of the Local Plan and the associated evidence base will be met from existing budgets in the Planning Service.

8. Legal implications

8.1 The Council is required to prepared and maintain a Local Development Scheme which details its programme for the preparation of Development Plan Documents. The LDS must be updated and the timetable reviewed at appropriate intervals, copies of the LDS and any reviews and amendments must be made available to the public.

8.2 The revised housing target set out in the Housing Position Statement seeks to address the implications of the revocation of the South East Plan and to align the Council's work on the replacement Local Plan to the requirements of the NPPF.

9. Recommendations

9.1 Members are asked to note the content of the report and the documents set out in the Appendices, and to:

9.1.1 Approve and publish the updated Local Development Scheme 2014-2017, as set out in Appendix 1 to the report.

9.1.2 Approve the use of an updated housing needs target of 1000 dwellings per year as a basis for planning in Medway, pending the completion of a comprehensive assessment of housing and economic needs in 2015.

9.1.3 Approve the recommendations set out in the Housing Position Statement, as set out in Appendix 2 to the report, as follows

a) Seek endorsement from adjoining authorities to the boundaries of the functional Medway housing market area being the administrative boundary, not least to ensure continuity with the assessments for adjoining market areas.

b) That ORS's recommended annual housing requirement figure for Medway of 1,000 dwellings per annum be accepted as the 'basis for calculating 5 Year land Supply and determining planning applications until a full Strategic Housing Market Assessment has been completed in 2015.

c) Put in place specific monitoring arrangements for the key variables identified in this assessment and particularly migration so that the robustness of the 1,000 per annum figure can continue to be tested.

d) This monitoring should also cover house and land prices to ensure that over supply does not soften a market that is markedly more affordable than adjoining and nearby market areas.

e) Pending preparation of the new local plan, seek to ensure a balance of house types comes forward, including:
   - Smaller units suitable for single person households
   - Family housing, including detached properties (particularly through to 2021)
   - Flatted schemes that are of a standard that will encourage cohesive communities and can be adequately maintained.

f) Establish a self-build register that is available online.

g) Utilise the IPC Extra Care Housing Needs Analysis, reproduced at Appendix 2b, in negotiating provision for specific needs housing.

h) Retain the current 25% (60/40 split) affordable housing policy pending preparation of a full affordable housing analysis that will inform the new local plan.

i) Ensure that a full replacement needs assessment is commissioned to inform the new local plan at the appropriate time. This will cover the full plan period and feed in the most up to date demographic and economic projections to establish the objectively assessed need for Medway.

9.1.4 Approve the commission of a full assessment of development needs in line with policy requirements to inform the new Local Plan

10. Suggested reasons for decision(s)

10.1 These recommendations are to establish a sound basis for the preparation of a new Local Plan for Medway and to provide an appropriate calculation of housing needs in advance of the adoption of the replacement plan.

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Background papers

National Planning Policy Framework
http://planningguidance.planningportal.gov.uk/wp-content/themes/planning-guidance/assets/NPPF.pdf

Planning Practice Guidance
http://planningguidance.planningportal.gov.uk/blog/guidance/

Appendices

Appendix 1 - Local Development Scheme 2014-2017
Appendix 2 - Medway Housing Position Statement, June 2014
Appendix 2a - ORS Medway 2035 Strategic Housing Market Assessment Update 2013
Appendix 2b - Medway Council Extra Care Housing Needs Analysis Report
Appendix 3 - Diversity Impact Assessment

Appendix 1

Medway
Local Development Scheme
2014 - 2017

June 2014

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Medway Local Development Scheme 2014 - 2017

June 2014

Contents

1. Introduction

1.1 This Local Development Scheme provides an updated programme for the production of a new local plan that will provide the basis for development policy in Medway. The scheme covers the period from 2014 to 2017, and updates the Medway Local Development Scheme published in August 2011. This document has come into effect on xxx following approval by Medway Council's Cabinet on xxx.

1.2 The Planning and Compulsory Purchase Act 2004, as amended, requires local planning authorities to prepare, maintain and publish a Local Development Scheme (LDS). The first Medway Local Development Scheme was published in April 2005, and subsequently updated in March 2007, September 2008, December 2009 and August 2011. The LDS provides public information on the process and timetable for the preparation and review of local development documents, and is used by the council to help plan resources and workstreams.

1.3 There have been a number of significant changes since the publication of the Medway Local Development Scheme in August 2011. Nationally new planning legislation has been introduced, notably through the Localism Act in 2011, the Town and Country Planning (Local Planning) (England) Regulations 2012 (as revised) and the National Planning Policy Framework 2012.

1.4 In the Local Development Scheme in August 2011, the Council set out a programme for a Medway Local Development Framework, with strategic policies to be provided in a Core Strategy document, and more detailed development management policies and land allocations in a subsequent document. The Council withdrew the Submission Draft Medway Core Strategy from Examination in November 2013, following the designation of land at Lodge Hill, Chattenden as a Site of Special Scientific Interest.

2. Update to Local Development Scheme

2.1 The Council has commenced on the preparation of a new Local Plan, which is the focus of this Local Development Scheme. The new Local Plan will be a comprehensive planning document, including strategic level and development management policies, land allocations, minerals and waste, and a policies map. The Local Plan will cover the whole of Medway, and will be prepared in conformity with national planning legislation, specifically the National Planning Policy Framework. On adoption it will replace the saved policies from the Medway Local Plan 2003. The Local Plan is a Development Plan Document (DPD). There is reference below to wider local development documents, but it is noted that these do not have DPD status.

2.2 A timetable for the preparation of the replacement Local Plan is set out at Appendix 1.

2.3 In preparation for the new Local Plan, the Council is reviewing its Statement of Community Involvement which has been prompted by the need to update the legislative and local context and to address the engagement processes to be built into the preparation of the new Local Plan. The Council aims to publish an updated Statement of Community Involvement later in 2014, following consultation.

2.4 The Council will be preparing its Community Infrastructure Levy (CIL) charging schedule to align to the Local Plan timetable. Preliminary work on CIL that was started alongside the now withdrawn Core Strategy has been put on hold, but will re-commence as the new plan emerges.

2.5 The Council will meet the requirements of sustainability appraisal throughout the plan preparation process. This will be established from the early stages of plan preparation in line with the NPPF and National Planning Practice Guidance. It will carry out iterative appraisals of the sustainability of the options, proposals and draft policies in the emerging Local Plan and prepare reports setting out the findings. This will be carried out at the key stages of plan preparation. The Council will consult on the Sustainability Appraisals in line with its Statement of Community Involvement. The recommendations from the Sustainability Appraisals will be addressed in the emerging Local Plan.

3. Resources and project management

3.1 Medway Council has strong corporate commitment to the adoption of a replacement Local Plan, and the importance of this work is recognised and supported across the authority. The Medway Local Plan will be produced by the Council’s Planning Service, with the work being led by the Planning Policy team.

3.2 The service was restructured in April 2014 and the need to deliver a new local plan was intrinsic to the design of the review. The work programme for the Planning Policy team is focussed on the production of the local plan. The integrated Planning service provides opportunities to bring in specialist skills and staff capacity to support the delivery of the plan.

3.3 There are strong project management arrangements in place to coordinate and monitor action on the local plan.

3.4 The Council will also seek to use its processes of community involvement and engagement in the planning process and its Duty to Cooperate activities and organisations to help inform and develop the plan, making effective use of intelligence and resources.

3.5 The Council has worked with the Planning Advisory Service in producing a project plan to oversee the local plan process. This has brought independent expertise to the project management process to achieve an effective, timely and robust approach to the production of the new plan.

3.6 The Council has established management and reporting structures to support the delivery of the local plan, through clear targets, roles and responsibilities, performance measures, milestones and risk management.

3.7 There is senior management responsibility for the production of the local plan, through the Assistant Director, Regeneration & Housing, as Project Director.

3.8 Monthly and quarterly reporting mechanisms are established to monitor progress, identify issues and risks, and the need to take any mitigating actions.

3.9 The Project Director reports on a monthly basis to the Portfolio Holder for Strategic Development and Economic Growth. There is a cross party member advisory group that meets on a quarterly basis to consider work on the local plan.

Reporting progress

3.10 The Council will publish this updated Local Development Scheme on its website and make it available for inspection at the Council's offices at Gun Wharf.

3.11 Progress on the Local Plan and supporting activities, such as demonstrating that the Duty to Cooperate is being met in the preparation of the plan, will be reported annually in the Authority's Monitoring Report that is published each December on the Council's website. The report will show the progress being made on the Local Plan, and the degree of compliance with the LDS.

4. Risk management

4.1 The process of preparing a new Local Plan through to its adoption involves the management of various work streams and internal and external factors that may present challenges to the programme set out by the Council. A summary of key risks identified and mitigation measures that could be taken by the Council are outlined in the table below. The plan will build in consideration of contingencies throughout the preparation process, allowing the Council to look at alternative courses of action if required.

Issue	Risk	Mitigation
Timescales	Slippage on programme	Robust project

	resulting from requirements for additional work, longer periods to complete tasks, or reduction in resources.	management process establish to monitor progress and identify issues at early stage and take steps to address, eg, through re-allocation of resources.
Resources & Staffing	Reduced capacity due to staff absence, pressures on budgets and service.	Resources in integrated Planning Service have been allocated to meet corporate priority for delivering new Local Plan. Seek to work in partnership and bring in support, and/or redesign some workstreams.
Evidence base	Inadequate/incomplete or dated information presents risk to soundness or budget available for plan preparation.	Programme has considered evidence needs from outset. Monitoring of work to ensure that key evidence does not become dated, and identify need for updates.
Significant external developments	Major development, eg, Estuary Airport, could create such substantial changes to require new planning strategy.	Council participates in strategic partnerships to maintain awareness of major developments that may impact on Medway, and participates in consultation.
Strategic cooperation	Failure to meet tests of Duty to Cooperate during plan preparation process and/or to achieve successful outcomes could lead to plan being found unsound.	Protocol to guide Duty to Cooperate activities, and ongoing engagement in strategic partnerships.
Support for plan	Failure to secure corporate or political support for plan.	Strong corporate commitment to bring new Local Plan to adoption. Ongoing engagement on plan preparation with all members to support emerging strategy.

Legal and soundness tests	Failure to meet tests applied by Inspector results in plan being unsound, or requiring significant additional work.	Robust standards to ensure quality and effectiveness of evidence, and scrutiny of emerging strategy and policy using PAS self assessment guidance for legal compliance and soundness.
New legislative requirements	Changes in policy may result in abortive work, or requirements for new work that could impact the programme.	Ongoing effective intelligence on legislation and guidance, and review implications for emerging plan.

4.2 The risk register will be reviewed regularly and updated as needed.

5. Contact information

Further information about Medway's planning policy work is available on the Council's website at: www.medway.gov.uk/planningpolicy or by contacting the Planning Policy team at:

Address:

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APPENDIX 1

Timetable for Medway Local Plan – key milestones

	2014							2015												2016												2017						
	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
LDS update																																						
Issues & Options																																						
Publication																																						
Submission																																						
Hearing Session																																						
Inspector's Report																																						
Adoption																																						

APPENDIX 2

Medway Housing Position Statement

June 2014

Medway COUNCIL

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Executive Summary

The Medway Housing Position Statement has been produced in order to establish an up to date Objectively Assessed Need (OAN) figure for Medway in accordance with paragraph 47 of the National Planning Policy Framework (NPPF) and given the withdrawal of both the South East Plan and Medway Submission Draft Core Strategy. This new figure can then be used to inform the determination of planning applications and provide a context for the new Local Plan.

As the name of the document suggests, the Position Statement specifically relates to only the housing element of the Assessment. Future requirements for economic development and main town centre uses will be considered as part of a forthcoming full Housing and Economic Needs Assessment. Medway Council is totally committed to commissioning a new Strategic Housing Market Assessment in readiness for its initial Regulation 18 consultation in respect of its new Local Plan, which is scheduled for June 2015.

The Statement considers the findings of Opinion Research Service's (ORS) Strategic Housing Market Assessment (SHMA) Update (October 2013), which refreshed the findings of the original North Kent SHMA undertaken jointly with Gravesham Council, which was published in 2010.

Medway's Housing Market Area is considered relatively self-contained, although it extends slightly into neighbouring local authority areas. Like most other areas in the South East, the London housing market is a major influence. The Authority's administrative boundaries have been used as the basis for the SHMA Update.

ORS's Medway 2035 Report identified a mid-trend migration requirement of 1,000 dwellings based upon 2011 based projections.

In terms of market indicators, the following findings are particularly relevant.

- Land prices within Medway have been found to be significantly below many other locations within the region.

- Houses prices in Medway fell more than elsewhere in Kent during the housing downturn.

- Rents within Medway are below both national and regional averages.

- In terms of affordability, Medway has had a smaller ratio of lower quartile house prices / earning ratio than neighbouring districts.

- In terms of housing completions against target over the past 10 years, over-delivery has occurred on three occasions. Whilst this might not seem particularly impressive, it must be recognised that this period included a deep and lengthy economic downturn.

- There is no evidence to demonstrate that overcrowding is a particular issue in Medway.

- The biggest forecast change in household types relates to a 30% increase in lone parent households. A need for family housing, including detached properties has been identified (particularly through to 2021).

- Strong growth has occurred in the private rented market, but rents in Medway still remain relatively low compared to elsewhere.

- In terms of affordable housing provision, no significant variation in requirements has been found since the time of the original 2010 ORS SHMA.

Evidence continues to suggest that Medway possesses its own housing market area.

In line with ORS's findings regarding Medway's Objectively Assessed Housing Needs, a new annual housing target figure of 1,000 dwellings is recommended to replace the 815 dwellings per annum housing requirement figure set out in the withdrawn South East Plan and Medway Draft Core Strategy. This will be updated on the publication of the findings of the Strategic Housing and Economic Needs Assessment that will report in 2015.

Contents

1. Introduction

1.1 This Medway Housing Needs Position Statement has been prepared to inform planning decisions in Medway pending the preparation of a new Local Plan for the area.

1.2 There are a number of reasons for producing a Housing Needs Position Statement and these are discussed in Chapter 3.

1.3 It has been prepared following the withdrawal of the Medway Core Strategy in November 2013 and is intended to remain in force until replaced by a new fully comprehensive Strategic Housing Market Assessment informing the new Local Plan for Medway.

1.4 It has been prepared in strict accordance with the relevant guidance. It has also been subject to an independent assessment arranged through the Planning Advisory Service (PAS).

1.5 This document will provide a sound basis for informing planning decisions in the area, pending the preparation of a full housing and employment needs assessment that will underpin the new local plan and endorsement for the approach being taken is being sought from a variety of sources.

1.6 The timeline for key actions over the next 12 months is set out immediately below:

- Call for Sites ended and work commenced on a new Strategic Land Availability Assessment (SLAA) – May 2014
- New Local Plan launch – June 2014
- New Strategic Housing Market Assessment (SHMA) Commission - Autumn 2014
- New Employment Land Review (ELR) – to report by Spring 2015

2. Guidance & Methodology

Derivation

2.1 The concept of housing market assessments has existed for some time but the methodology for preparing them has constantly evolved.

2.2 They can be traced back to 2000 when the then DETR published '*Local Housing Needs Assessment: A Guide to Good Practice*.' This was followed up in 2004 with an ODPM publication '*Housing Market Assessment Manual*'.

2.3 This then developed into ***strategic*** housing market assessments or SHMAs with the publication of PPS 3 in November 2006, which included:

> *"Strategic Housing Market Assessments and Strategic Land Availability Assessments are an important part of the policy process. They provide information on the level of need and demand for housing and opportunities that exist to meet it."*

2.4 In March 2007 '*Strategic Housing Market Assessments, Practice Guidance Version 2*' was published and amended slightly in August 2007. It was prepared by the consultancy DTZ on behalf of the Department of Communities and Local Government (DCLG or CLG)).

2.5 Alongside this an '*Advice Note: Identifying Sub-Regional Housing Market Areas*' was also published by DCLG and based upon a number of regional studies. These included one covering South East England prepared by DTZ in 2004 but which referred to '*local*' as opposed to sub-regional housing markets.

2.6 The 2007 Guidance remained extant until the National Planning Policy Framework (NPPF) was published in March 2012. However in 2010 DCLG published work commissioned by the now defunct National Housing and Planning Advisory Unit (NHPAU). This considered the 'Geography of Housing Markets in England' and it is made up of a number of papers and a web page with statistical data relating to the identified market areas. Its current status is a little unclear but it remains a useful source of reference.

2.7 Paragraph 159 of the NPPF states:

> *"Local planning authorities should have a clear understanding of housing needs in their area. They should:*
>
> - *Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
>   - *Meets household and population projections, taking account of migration and demographic change;*

- o *Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
- o *Caters for housing demand and the scale of housing supply necessary to meet this demand;*
- *Prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period."*

2.8 In August 2013 'beta' or draft National Planning Practice Guidance was published and this was subsequently finalised in March 2014. It includes a section on the "*Assessment of Housing and Economic Development Needs*" that effectively replaces the 2007 Guidance referred to above.

2.9 The Planning Practice Guidance (PPG)states in paragraph 2 that:

"*The primary objective of identifying need is to:*
- *identify the future quantity of housing needed, including a breakdown by type, tenure and size;*
- *identify the future quantity of land or floorspace required for economic development uses including both the quantitative and qualitative needs for new development; and*
- *provide a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in current land supply*."

The Guidance published on 6 March 2014 provided some further clarification regarding certain matters.

Process

2.10 The PPG does not include a process map or a series of tests but the approach that it advocates in relation to housing can be summarised as in the table below.

Figure 1: SHMA Process Steps

No	Step	Key Considerations
Overall Need		
1	Determine the geographical extent of the Housing Market Area	• House prices and rates of change • Household migration and search patterns • Other contextual data including travel to work areas
2	Use latest household projections	• May require adjustment to reflect local

No	Step	Key Considerations
	to provide a "starting point" estimate of overall housing need	factors • Include assessment of past under delivery
3	Take account of market signals to determine if adjustments to the "starting point" assessment are justified	Assess influence of: • Land prices • House prices • Rents • Affordability • Rate of development • Overcrowding
4	Determine an overall housing figure	Taking account of all of the above
5	Break down the overall housing figure between housing types	Tenure; Household type; Household size informed by: • The age profile of the population • Types of household • Current housing stock • Tenure composition of existing stock
6	Consider related aspects	• Private rented sector • Self-build • Family housing • Housing for older people • Households with specific needs
Affordable Housing		
7	Calculate affordable housing need	Add together current unmet need and projected future need and subtract from current housing stock
8	Calculate current unmet gross need	Assess past trends and current estimates of: • Number of homeless H/Hs • Number in priority need in temporary accommodation • Number of overcrowded H/Hs • Number of concealed households • Number of existing affordable tenants in unsuitable accommodation • Number of H/Hs from other tenures in need and these that cannot afford their own homes
9	Calculate the number of new households expected to be in housing need in the future	The number of newly forming H/Hs x the proportion unable to afford market housing + existing H/Hs falling into need
10	Calculate current supply	Dwellings currently occupied by H/Hs in need + surplus stock + committed additional housing stock – units to be taken out of management
11	Assess likely supply of social re-lets and intermediate housing	Future annual supply of affordable housing units = number of social rented units + the number of intermediate units
12	Establish the relationship between current stock and current and future needs	Assess whether the household size in the current stock matches current and future needs
13	Convert total need into annual	Subtract total available stock from total gross

No	Step	Key Considerations
	flows	need
14	Consider deliverability in conjunction with market housing	Is the indicated percentage deliverable?

2.11 This assessment for Medway follows this guidance as closely as possible but deliberately only considers housing. Economic and other needs will be assessed in the new full needs assessment that will inform the new local plan. Nor does it provide a detailed assessment for affordable housing or self-build requirements at this stage. However it does consider the headline need for affordable housing. These matters will be considered fully within the forthcoming new SHMA Assessment.

3. Background

Housing Market Assessments Relating to Medway

3.1 Medway Council was one of the first authorities to commission a housing market assessment and DTZ was selected to prepare it, given its involvement in compiling the 2004 national guidance referred to in Chapter 2. The Assessment was completed in June 2005[1] and it concluded that there was a high level of containment in the local housing market and that the market broadly corresponded to the Medway administrative area.

3.2 Subsequently DTZ was also selected by the South East England Regional Assembly (SEERA) to undertake a regional housing market assessment to inform the (then) emerging South East Plan. This was completed in 2008. This naturally covered Medway but as part of a North Kent sub region – the South East Plan being built around the concept of sub-regions.

3.3 In 2009 the Council, along with Gravesham Borough Council, commissioned Opinion Research Services (ORS) to compile a Strategic Housing Market Assessment for North Kent, with the final report being completed in 2010[2]. This considered the interrelationships between housing markets across North Kent and beyond. It formed part of the evidence base for the Submission Draft Medway Core Strategy, 2012. Alongside this Three Dragons was commissioned to produce an Affordable Housing Viability Study and this was completed in October 2009[3]. In addition Rural Housing Needs Assessments were completed for each parish area in Medway[4].

3.4 In 2010 the Kent Housing Group commissioned DTZ to compile a Kent & Medway SHMA[5]. This was backed by a series of technical papers[6], including one reviewing market geographies and the relationship with London and other adjoining markets[7]. The overall strategy was then updated in 2012[8].

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[1] Medway Housing Market Assessment Final Report, June 2005, DTZ Pieda Consulting (available on request)

[2] http://www.medway.gov.uk/PDF/2010_04_26_north_kent_final.pdf

[3] http://www.medway.gov.uk/pdf/Medway%20Council%20Affordable%20Housing%20Viability%20Study%202010.pdf

[4] Medway Rural Housing Needs Assessment 2009 - Allhallows (pdf 153KB) Medway Rural Housing Needs Assessment 2009 - Cliffe and Cliffe Woods (pdf 158KB) Medway Rural Housing Needs Assessment 2009 - Cuxton (pdf 152KB) Medway Rural Housing Needs Assessment 2009 - Grain (pdf 160KB) Medway Rural Housing Needs Assessment 2009 - Halling (pdf 159KB) Medway Rural Housing Needs Assessment 2009 - High Halstow and Cooling (pdf 153KB) Medway Rural Housing Needs Assessment 2009 - Hoo (pdf 162KB) Medway Rural Housing Needs Assessment 2009 - St Mary Hoo (pdf 103KB) Medway Rural Housing Needs Assessment 2009 - Upnor (pdf 124KB) Medway Rural Housing Needs Assessment 2009 - Stoke (pdf 134KB)

[5] http://www.kenthousinggroup.org.uk/uploads/KentForumHousingStrategyFINAL.pdf

[6] http://www.kenthousinggroup.org.uk/Menu_Text_2.aspx

[7] http://www.kenthousinggroup.org.uk/uploads/TechnicalPaper1-HousingMarketAreas241109v1.0.pdf

[8] http://www.kenthousinggroup.org.uk/uploads/SeptKFHSSHMAUpdateFinalReport.pdf

Clarification Relating to 2010 ORS Report

3.5 The Medway Core Strategy proposed an average annual housing target over the plan period of 815 net new homes per year. This compared to a needs based requirement in the 2010 SHMA report of 878 per year. ORS subsequently confirmed that the correct figure was 815 as unmet need between 2001 and 2006 had been inadvertently double counted. This is explained within paragraphs 3 and 4 of the ORS SHMA Update 2013 (see Appendix 1).

Withdrawal of Core Strategy

3.6 In November 2013 the Council withdrew the Medway Core Strategy from Examination. This followed Natural England's designation of a Site of Special Scientific Interest (SSSI) on the site of a proposed new settlement at Lodge Hill, Chattenden.

3.7 Before withdrawal, Medway like other authorities at Examination were being required to reassess their "*objectively assessed housing need*" in accordance with the NPPF. To address this the Council employed ORS to undertake an urgent refresh/review of the 2010 SHMA in relation to the Medway housing market and taking account of the NPPF.

3.8 In fact two reports were produced – one covering the plan period for the Core Strategy (2011 – 2028) and one for the likely period for a new local plan, should that be required. This covers the period 2011 – 2035. These were not published at the time as they were overtaken by the withdrawal of the Core Strategy but they form what the Guidance calls the "starting point" for this Assessment.

Why A Housing Needs Position Statement?

3.9 One consequence of the withdrawal of the Core Strategy, plus the revocation of the South East Plan, is that there is no recognised housing target for Medway. This is causing uncertainty and negatively impacting on the proper planning of the area but a new formal target cannot be put in place until a new local plan is produced. However, a new SHMA in accordance with paragraph 159 of the NPPF will shortly be prepared, but in the meantime in order to assist planning decisions, the Housing Needs Position Statement has been produced based on the latest information available.

3.10 The new Local Plan will be informed by a new full SHMA but there are a number of reasons as to why it is not appropriate to compile a completely new full SHMA in the short term:

- Certain important datasets from the 2011 census have still not been published that should inform a full SHMA. These include journey to work data, the release of which has been delayed until 2015
- Both the NPPF and the PPG (see paragraph 15) stress that household projections published by DCLG "*should provide the starting point estimate of overall housing need*". However the current, 2011 based projections are 'interim' and only cover a 10 year period, from 2011 to

2021. Longer term and non-interim projections are not expected to be released until the autumn of 2014
- Population figures in the 2011 Census for much of southern England were higher than anticipated by previous forecasts. As a result many standard data sources relying on pre-2011 data are being rebased to take account of the 2011 results. These include the household projections referred to above but also other data that should inform a robust SHMA.
- It is important that a full SHMA that is intended to inform a new local plan ties in with the plan preparation timetable so that it is as up to date as reasonably possible by the time the plan is submitted for Examination. Compiling it too early would not achieve this. Particularly if key datasets to inform it were yet to be published.

Resulting Approach

3.11 Given these various factors the Council has compiled this Housing Needs Position Statement that is intended to cover the period before a completely new SHMA is produced to support the new local plan for Medway.

3.12 Although intended to be relatively short lived it:
- Fully accords with the relevant National Planning Practice Guidance
- It uses the most up to date household projections and other data sources
- It has had regard to completed and emerging assessments for adjoining market areas.

3.13 In order to ensure that it is robust it has also been subject to independent review, arranged through the Planning Advisory Service (PAS). It is also a basis for discussion with adjoining authorities.

4. The Housing Market Area

Introduction

4.1 The National Planning Practice Guidance says that:

> "*A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work*."

4.2 It suggests that they can be broadly defined using three information sources:

- House prices and rates of change in house prices
- Household migration and search patterns
- Contextual data such as travel to work area boundaries.

4.3 These are examined below but useful information can also be found in previous and adjacent assessments and so the conclusions from these are considered first.

Previous Assessments

2004 Identifying the Local Housing Markets of South East England (DTZ)

4.4 This study for the, then, Regional Assembly identified Medway as part of a North Kent sub-regional housing market, bordered by a (greater) Maidstone sub-regional market to the south. It suggested the North Kent market area extended into Dartford to the west and Swale to the east.

2005 Medway Housing Market Assessment (DTZ)

4.5 This assessment noted that a housing market is an area in which around 70% of all household moves are contained – and excluding long distance moves associated with a major lifestyle change (Para 2.05). Similarly a travel to work area (TWAA) is one where at least 70% of the workforce in employment live and work.

4.6 In relation to the 2004 study:

> "*DTZ concluded that a North Kent sub-regional housing market exists which embraces Medway, Gravesham, Dartford and Swale, as evidenced by the distinct household and travel to work movement patterns spanning this area. However, for the purposes of this study it is now important to analyse in more detail the household and travel to work patterns centred upon Medway to fully understand Medway's local and sub-regional market."* (Para 2.10)

4.7 It concluded that "*Medway has a highly self-contained local housing market*" and that "*it exhibits limited connectivity to its surrounding districts*" (Para 2.13)

4.8 It also pointed out that areas to the South West of Medway were much less self-contained and attributed Medway's self containment to it being a large authority offering a wide range of housing (Para 2.14).

4.9 Notwithstanding this self-containment, the assessment also identified a pattern of in migration from Gravesham and, to a lesser degree, out migration to Swale. This reflects a well known gradual pattern of movement down the North Kent coast from London. It also found net inward movements from Maidstone and Tonbridge & Malling but to a lesser degree than those from Gravesham and to Swale (Paras 2.16 – 2.17).

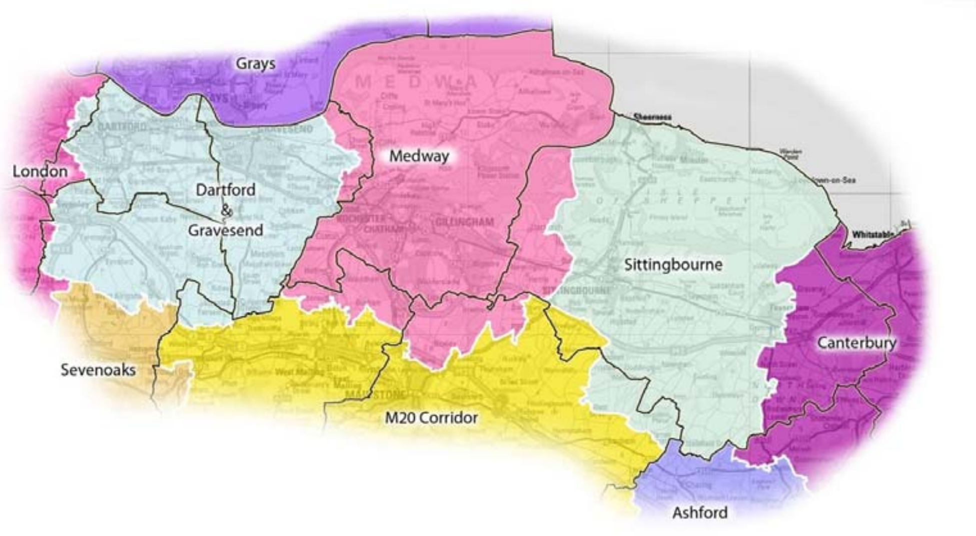
4.10 It identified that Medway was the only part of Kent that functioned as a large-scale centre for employment (defined as over 70,000+ jobs). Equally it recognised the influence of London, which distorts the more localised journey to work travel area patterns.

4.11 On the basis of a ward based analysis of Medway specifically it concluded that "*Medway appears to have a number of distinct housing markets based upon each of the towns located within its boundaries*…" (Para 2.29). These are the formerly freestanding towns that now make up the Medway conurbation.

2010 Strategic Housing Market Assessment for North Kent (ORS)

4.12 As is to be expected this assessment considers market geographies in North Kent in some detail. It concludes that there are " *three substantial sub-markets covering most of the area. Dartford and Gravesend to the west of the area, Medway in the centre and Sittingbourne to the east*" (Para 3.32). These are defined on the map reproduced below and the findings are stated as being "*broadly in line with those obtained by DTZ in their housing market area study*" (Para 3.33).

Figure 2: Functional Housing Sub-Markets Across the Whole North Kent Sub-Region (ORS 2009)



4.13 It will be noted that the Medway "*sub market*" encompasses the whole of the Medway administrative area plus limited adjoining areas in the Gravesham, Tonbridge & Malling, Maidstone and Swale administrative areas. This aspect is considered further below.

2010 Review of Housing Markets in Kent and Medway (DTZ)

4.14 This review was able to access some more recent data than the 2001 census upon which earlier assessments relied. It concluded that the "*broad pattern of housing markets remains, but there is evidence of growing interrelationships between the sub-regional housing markets…*" (Para 1.54) It found a growing "*symbiotic relationship*" with the London housing market and a possible case for adding Maidstone into the west Kent sub-regional market. It considered whether an alternative would be to link Maidstone to the North Kent sub-region but concluded, "*this would obscure the very distinct characteristics of the housing stock and regeneration opportunities in North Kent*" (Para 1.57).

4.15 It does not comment on the level of self-containment in relation to Medway.

2010 Geography of Housing Markets in England

4.16 This work identifies what it refers to as Gold and Silver standards with the former divided into upper and lower tier market areas.

4.17 The map extract below shows the upper and lower tier coverage in the South East.

Source: 'Geography of Housing Market Areas – Executive Summary', Gov.uk website

4.18 This shows Medway as being within a very extensive "upper tier" London market area and a "Medway Towns" "lower tier" market area that is the same as the Council's administrative boundary. This compares to adjacent market areas named "Gravesend"; "Sittingbourne & Sheerness"; and "Maidstone" that are not coincident with local authority boundaries.

Adjacent Assessments

Maidstone

4.19 Maidstone Borough Council has recently (January 2014) published a 'Maidstone Strategic Housing Market Assessment'[9] compiled by GL Hearn Limited.

4.20 This considers the CLG work referred to above, previous regional research, migration flows, commuting patterns including the London influence and house price differentials. It concludes that this analysis "*broadly confirms that the pattern of housing markets in the Kent and Medway area as identified through the CLG work remains a sound foundation for analysis of housing markets*" (Para 2.36).

4.21 In terms of the relationship between Maidstone and Medway it records that previous research has recognised the integration between the two areas and that the analysis set out in the new assessment confirms labour market and migration movement in both directions between Maidstone and Medway. However it then concludes "*having analysed other factors, particularly housing "offer", the London influence and particularly housing costs, we consider there is a justification to distinguish Maidstone from Medway in market terms*" (Para 2.39).

4.22 As far as can be determined the resulting northern boundary of the assessment area is contiguous with the administrative boundary with Medway.

Tonbridge & Malling

4.23 A comparable study to that released in January for Maidstone was published for Tonbridge and Malling in March 2014. It has also been prepared by GL Hearn and reflects similar boundaries and reasoning as applied to Maidstone.

4.24 It indicates that the north eastern margins of Tonbridge & Malling lie within a Medway Towns market area, the remaining northern part of the area within the Maidstone market area and southern wards within a Sevenoaks and Tunbridge Wells market area.

Gravesham

4.25 As indicated above the North Kent SHMA undertaken by ORS in 2009/10 was jointly commissioned with Gravesham Borough Council and the market areas affecting that borough are also shown on Figure 2 above.

4.26 This shows a limited area along the eastern administrative boundary as falling within the Medway market area and the rest of Gravesham being grouped with Dartford and the northern Sevenoaks District Council area around Swanley.

4.27 Gravesham carried out an "interim update" of the SHMA in 2012 but this did not reappraise the market area boundaries.

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[9] http://www.maidstone.gov.uk/__data/assets/pdf_file/0007/44656/Strategic-Housing-Market-Assessment-2014.pdf

Swale

4.28 Ecotec defined sub markets in and around Swale in compiling the 'Strategic Housing Market Assessment for the East Kent Sub-region' in June 2009. These were:

- Sheerness/Minster
- East Sheppey
- Sittingbourne; and
- Faversham

4.29 Taken together they correspond to the Swale administrative area.

4.30 More recently NLP compiled a 'Swale Borough Council - SHMA Update and Development Needs Study'[10]. However this does not review the housing market boundaries promoted in the 2009 assessment.

Other Considerations

4.31 As discussed earlier, the national guidance points to a number of considerations that are likely to help define the geographical extent of a housing market. It is also generally accepted that market area boundaries are not precise in that there are invariably transitional zones between one market area and another. Frequently these will be rural in character.

Strategic Influences

4.32 Medway's location in the South East and relative proximity to London means that the capital inevitably exerts a strong influence. It is generally accepted that this is best expressed as a "ripple" effect that gradually reduces with distance.

4.33 A high proportion of Medway's resident workforce commutes to London but proportionately this has had less impact on house prices in Medway than many other areas. This may be due to Medway commuters occupying lower paid jobs in London compared to commuters from other areas.

4.34 The other known influence of London is a distinct but gradual movement of households out of the capital (particularly South East London) through North Kent and further along the North Kent coast. However this is not of a scale to feature strongly in house sales volumes.

Medway's Geography

4.35 The Medway administrative area includes one of the largest urban conurbation in the greater South East outside London and an extensive rural area, particularly to the north (Hoo Peninsula) and southeast (Kent Downs and Medway Valley) of the main urban area. The conurbation results from the coalescence of the once freestanding five Medway Towns: Strood, Rochester, Chatham, Gillingham and Rainham.

[10] http://www.swale.gov.uk/assets/Planning-General/Planning-Policy/Local-Plan-2013/Misc/13164-Swale-SHMA-Update-Development-Needs-Study-Final-Report-Issue-Low-Res-March-2013.pdf

4.36 The northern boundary of the housing market is contained by the Thames Estuary and the absence of any crossing points downstream of Dartford. To the east there is a rural gap that separates Rainham from Sittingbourne. To the south the M2 and the North Downs form a very strong boundary but this does not respect the administrative boundaries. To the west an area of Metropolitan Green Belt separates Strood from Gravesend.

4.37 It can therefore be said that Medway's geography naturally contains the conurbation and maintains separation from the nearest and rather smaller urban centres of Gravesend, Maidstone and Sittingbourne.

4.38 A conurbation of the size of Medway will normally have a high level of self-containment in housing market terms because it is a focus for economic activity and services with a catchment area supporting that.

4.39 Looking at the peripheral areas indicated on Figure 2 the following characteristics are apparent:

Gravesham: Covers a largely open agricultural belt to the west of Strood and Cliffe Woods but also divides the rural settlements of Lower Higham and Higham equally between the Medway and Gravesham market areas. This reflects the dual pull of Gravesend and Strood on these settlements. The number of sales from this area are unlikely to be statistically significant.

Tonbridge & Malling: This area includes Walderslade to the north of the M2 and which is functionally part of the Medway conurbation. However it also includes a number of rural settlements including Bluebell Hill village, Burham, Wouldham and Holborough. This reflects the absence of a major urban centre in the northern part of Tonbridge & Malling and the greater influence of Medway on these settlements than Maidstone.

Maidstone: Includes Lordswood to the north of the M2 and which is functionally part of the urban conurbation. Also includes a large rural swathe stretching from Stockbury in the east to Sandling in the west that includes Bredhurst and Boxley. As drawn it also includes Penenden Heath but as this is contiguous with the main Maidstone urban area it is considered to be too disconnected to form part of the Medway housing market.

Swale: This covers an essentially rural area but containing the rural settlements of Upchurch, Newington and Hartlip. Newington tends to look to Sittingbourne for local services while Upchurch and Hartlip are closer to Medway. As such it exhibits all the features of a transition zone between market areas.

4.40 This assessment of these areas further points to Medway having a high degree of self-containment but with soft boundaries extending into adjoining administrative areas.

House Prices

4.41 The national Guidance suggests that housing market areas can be identified by assessing patterns in the relationship between housing demand and supply across different locations. One way of doing this is to examine price differentials.

4.42 Using Land Registry data the local situation is shown in the table below.

Table 1: Comparative House Prices: Medway and Surrounding Authorities

Area	Medway	Gravesham	Maidstone	Swale	Tonbridge & Malling
Average price 2012	£171,500	£202,800	£232,500	£180,300	£286,400
% above Medway	N/A	18.3%	30.1%	3.8%	63.7%
Price change 2007-2012	-2.2%	+0.3%	-2.9%	-2.1%	+2.2%

Source: Crown Copyright Land Registry Property Price data

4.43 This shows that Medway is cheaper than the surrounding districts and other than in the case of Swale the difference is significant.

4.44 Looking at affordability, as in the table below, it is apparent that Medway sits substantially below all adjoining districts, including Swale.

Table 2: Housing Affordability

Local authority	1997	2012
Medway UA	**3.16**	**6.35**
Kent	4.08	7.96
Dartford	3.69	7.60
Gravesham	3.74	7.66
Maidstone	4.71	8.36
Swale	3.42	7.22
Tonbridge and Malling	4.48	8.89

Source: DCLG live table 576 Ratio of Lower Quartile House Price to Lower Quartile Earnings, February 2014

4.45 Taken together with the findings from earlier studies this again suggest a high level of containment within Medway.

Household Migration

4.46 The table below shows the pattern and scale of movement between Medway and the Kent districts.

Table 3: Migrants From/To Kent Districts 2012

District	Inflow	Outflow	Net Loss/Gain
Gravesham	+762	-387	+375
Dartford	+372	-186	+186
Sevenoaks	+163	-100	+63
Dover	+80	81	-1
Tunbridge Wells	+81	-89	-8
Ashford	+135	-174	-39
Swale	+876	-918	-42
Shepway	+81	-131	-50
Thanet	+162	-213	-51
Maidstone	+866	-940	-74
Canterbury	+283	-392	-109
Tonbridge and Malling	+502	-643	-141
Kent	+4363	-4254	109

Source: Mid-year Estimates, Office for National Statistics (ONS)

4.47 This further evidences the general pattern of movement through Kent from west to east and particularly north Kent referred to previously. However it also shows a smaller outflow to Swale than in previous years (see below).

4.48 The scale of movement can also be compared with that from London as shown in the table below.

Table 4: Migrants From/To London 2012

Borough	Inflow	Outflow	Net gain
Greenwich	+457	-166	+291
Lewisham	+314	-126	+188
Bexley	+350	-181	+169
Bromley	+288	-141	+147
Croydon	+189	-74	+115
Southwark	+213	-101	+112
Greater London (total)	+3515	-1851	+1664

Source: Mid-year Estimates, Office for National Statistics (ONS)

4.49 The largest migratory flows into Medway from London are from South East London with Greenwich, Lewisham, Bexley and Bromley accounting for almost half of the in migrants from the whole of Greater London.

4.50 Destinations in Kent for Medway residents are most notably: Tonbridge & Malling (-141), Canterbury (-109) then Maidstone.

4.51 This latest situation can be compared to the recent past as set out in the tables below.

Table 5: Historic Trend in Migration Flows - 2002-2008
Migrants To/From Kent

District	Origir	Destination	Net gain/loss
Swale	4,520	8,210	-3,690
Maidstone	4,970	7,030	-2,060
Canterbury	1,740	3,200	-1,460
Tonbridge and Malling	3,290	4,540	-1,250
Ashford	700	1,490	-790
Thanet	900	1,510	-610
Shepway	590	1,030	-440
Dover	520	720	-200
Sevenoaks	1,100	770	330
Dartford	2,360	1,150	1,210
Gravesham	4,460	3,110	1,350
Kent total	25,590	33,350	-7,760

Source: Mid-year Estimates, Office for National Statistics (ONS)

4.52 This shows a more pronounced movement out to Swale and rather less movement to Tonbridge & Malling compared to 2012. However it also confirms the underlying trend of an eastward movement through Kent.

Table 6: Migrants To/From London
2002-2008

Borough	Origir	Destination	Net gain
Greenwich	3,020	1,070	1,950
Bexley	3,040	1,130	1,910
Lewisham	2,340	720	1,620
Southwark	1800	560	1,240
Bromley	2020	1230	790
Lambeth	1180	410	770
Croydon	1270	520	750
London total	23,832	11,300	12,532

Source: Mid-year Estimates, Office for National Statistics (ONS)

4.53 This confirms the pattern of movement out of southeast London with the four boroughs of Greenwich, Bexley, Lewisham and Southwark accounting for 54% of the total for the capital.

4.54 The contained nature of the Medway housing market is also reflected in the way in which local agents organise their advertising in the local papers.

4.55 There are a number of agents that cover Medway but also Maidstone, Tonbridge & Malling and Swale. However they specifically group properties by page with Medway first and other areas always appearing later in the local papers. Occasional properties in peripheral locations such as Higham may appear on a "Medway" page but not properties within Maidstone or Gravesend for example. Again this suggests a high level of containment.

Other Contextual Data

4.56 Other sources of data that help to evidence the geographical extent of the Medway housing market include retail catchment data and cross border movements by school pupils. However the current travel to work area data is considered to be less helpful, given it is now somewhat out of date. The 2015 national data release in relation to revised travel to work areas will rectify this.

4.57 All recent retail studies and associated household surveys indicate a primary Medway catchment broadly corresponding to the administrative boundary but extending to the M2 in the south and the rural margins with Gravesham and Swale to the west and east respectively. This is consistent with Medway being a defined conurbation with an associated hinterland.

4.58 Unfortunately two-way flow information on school pupils was not available at the time of completing this assessment. However it is known that while there are movements both into and out of Kent these are limited in scale and, at secondary level are associated with grammar school choices. Because of the selective system that operates in both Kent and Medway schools do not have defined catchment areas.

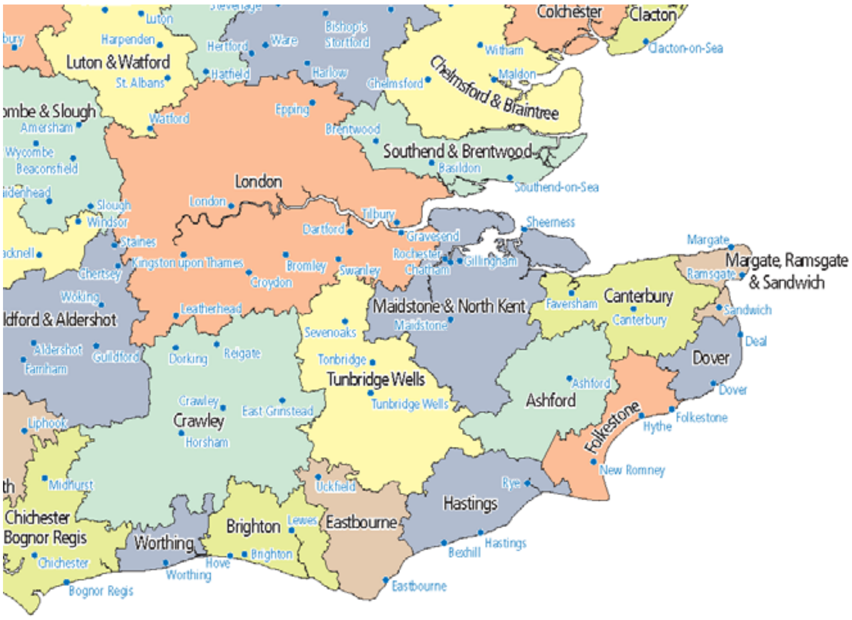
4.59 In relation to Travel to Work Areas (TTWAs) the ONS website includes the following.

> *“The current criteria for defining TTWAs is that generally at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area. The area must also have a working population of at least 3,500. However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted.*
>
> *The resulting pattern is that, although the definitive minimum working population in a TTWA is 3,500, many are much larger - indeed, the whole of London and surrounding area forms one TTWA.*
>
> *The 243 current TTWAs were defined in 2007 using 2001 Census information on home and work addresses, and are based on Lower Layer Super Output areas in England and Wales, data zones in Scotland, and Super Output Areas in Northern Ireland.*
>
> *We see once again a reduction in the number of TTWAs as the trend in more and longer distance commuting increases: in 1991 there were 314 TTWAs and in 1981 there were 334.*
>
> *ONS is drawing up plans to create updated UK TTWAs using commuting flow data from the 2011 Census. It is intended that the updated TTWAs will be published in 2015.”*

4.60 Medway is shown as forming part of a large Maidstone and North Kent TTWA (see plan below). This covers both the greater Maidstone and Medway areas but also the Sittingbourne and Sheppey areas within Swale.

4.61 However, as GL Hearn conclude in relation to the recent Maidstone SHMA, although there are high (two-way) commuting flows between Maidstone and Medway (12,770 people daily) and from Swale into Medway the local housing markets do not tend to reflect the more extensive labour market boundaries; in particular the price differential between Maidstone and Medway.

Figure 3: Extract from Travel to Work Area Map for the United Kingdom 2007



Source: 'Map of 2001 Travel to Work Areas', ONS website

4.62 Given that the TTWA area is based on old data (2001 census) and all other data and assessments pointing to separate Maidstone and Medway market areas it is not considered that it should be used to determine housing market boundaries in this case.

Conclusions

4.63 As explained above, a large number of studies have considered the housing market geography of Medway, Kent and the wider region. All indicate Medway being a market area in its own right. The only uncertainty concerns whether the boundary can be assumed to follow the administrative boundary or whether it takes in peripheral parts of each of the four adjoining districts.

4.64 This is consistent with Medway being a very large standalone conurbation and a range of data sets covering retail behaviour, school catchments, house prices and more.

4.65 There is an argument that the Medway market area also sits within a wider north Kent market but this is not borne out by the available hard data. On the other hand it can be argued that London is a major influence given the extent of commuting to the capital. However while this is undoubtedly the case it is not reflected in either headline house prices or the ratio of affordability. As such it is important that London's influence is not overstated in assessing need.

4.66 Adjoining market areas are also covered by up to date SHMAs and it is therefore important that what are referred to as “peripheral areas” are not double counted. In all cases these SHMAs either follow the administrative boundary shared with Medway or disaggregate the needs assessment to correspond to the administrative area.

4.67 ORS concluded that “Medway is its own housing market area and we consider that it is appropriate to concentrate on objectively assessed needs for Medway as a whole” (Para 10). Accordingly this assessment uses the Medway administrative boundary.

5. Demographics

Introduction

5.1 The PPG emphasises that household projections published by DCLG provide the starting point in estimating overall housing need. However it also acknowledges (see paragraph 15) that these are trend based and "*may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends*." It adds, "*As household projections do not reflect unmet housing need, local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply*."

5.2 Accordingly this Chapter considers all the relevant demographic factors and considers whether any local adjustments are justified.

Available Data

5.3 The latest household projections are 2011 based but only cover a ten-year period (2011-2021) and are described as "interim". This is because the projections need to be rebased to take account of the full 2011 census results. This is also the case with the 2011-based ONS mid-year population projections that underwrite them.

5.4 Replacement population projections are due to be issued late in 2014.

5.5 Until the 2012 based household projections are available in Autumn 2014, it should be noted that both the 2008 based and 2011 based series are not reflective of trends suggested by the 2011 Census results**.** Given this it is considered that they can be given only limited weight in assessing future housing needs. This is why a new full SHMA is required, which will be based upon more reliable and up to date data upon which to base long-term housing requirement needs.

Unmet Need

5.6 The issue of unmet need can be important and its significance increases the longer the length of time since the last census. The census is critical as it reflects all need, including hitherto unmet need. As such, in this case, there is no need to consider the issue for the pre 2011 period. To do so would result in double counting.

ORS Update 'Medway 2035'

5.7 As indicated in Chapter 3, the Council retained ORS to undertake an update of its 2010 Medway SHMA. The resulting report, looking forward to 2035, is reproduced at Appendix 1. It takes the DCLG projections and works these through to produce a demographic needs assessment.

5.8 ORS point out that both the 2011 based mid year population estimates and the DCLG interim household projections on which they are based come with disclaimers and are only partially based upon 2011 census data.

5.9 They also state that "*Medway is its own housing market area and we consider that it is appropriate to concentrate on objectively assessed needs for Medway as a whole*" (Para 10).

5.10 In summary ORS:

- Extrapolate the available forecasts to 2035
- On the basis of official adjusted change figures for the inter-census period 2001 – 2011, consider the forecast effect of low, mid and high migration scenarios
- Apply those to the projected age structure of the population
- Identify the non-household component of the population. That is people residing in communal establishments (including students) and how numbers might change over time
- Apply both 2008 and 2011 headship rates to the projected number of households in each scenario
- This is then converted into a notional dwelling requirement taking account of the dwelling vacancy rate at 2011.

5.11 The results, expressed as a number of housing units required per annum over the assessment period, are summarised in the table below.

Table 7: ORS Medway 2035 Report Summary Results

Scenario	High trend migration	Mid trend migration	Low trend migration	Zero migration
2008 based projections	1,410 pa	1,120 pa	840 pa	970 pa
2011 based projections	1,280 pa	1,000 pa	730 pa	860 pa

Source: ORS report reproduced at Appendix 1

5.12 The key variables used are:

- The revised ONS mid year population estimate for 2011 of 264,900 (compared to the previous projection of 262,700 and a census total of 263,925)
- Components of population change (natural change, migration and "other" change factors) for the period 2001 – 2011 revised by ONS in the light of the 2011 census results
- High, mid and low migration scenarios based on previous 5 and 10 year trends
- Non-household (communal establishments) population held constant other than a proportional increase for over 75's. This includes students occupying such accommodation
- Average household size: 2.45 for the 2011 based projection and 2.41 for the 2008 based projection
- A rebased household number for 2011 of 106,200
- A "dwellings with no usual residents" or vacancy rate of 3.7% as per the 2011 census results.

5.13 As can be seen the resulting range is substantial – 730 pa up to 1,410 pa or a variance of no less than 93%. This shows how volatile such projections can be and the resulting need for sensitivity testing as suggested in the Guidance. It is important that an appropriate methodology is used in the comprehensive SHMA to assist in narrowing the range of figures.

Sensitivity

5.14 The Guidance points to three factors in this context. These are migration, students and household size. Each is considered below.

Migration

5.15 Overall population change is driven by two factors:

- Natural change – births and deaths within the already resident population; and
- Migration – people moving into or out of the area in question.

5.16 These components of change and their overall impact are set out in the table below. The table also shows how the mid year population estimates, produced by ONS, have been updated in light of the 2011 census results.

Table 8: Medway Population 2001/2 – 2011/12: Components of Change

Year	Previous mid year estimate	Live births	Deaths	Natural change	Net migration & other changes	Total change	Current mid year estimate
2011/12	**264.9**	3.6	2.1	1.5	1.8	3.3	**268.2**
2010/11	262.7	3.6	2.1	1.5	0.6	2.1	264.9
2009/10	260.2	3.5	2.0	1.5	1.1	2.5	262.7
2008/09	258.2	3.5	2.1	1.4	0.6	2.0	260.2
2007/08	255.8	3.4	2.1	1.3	1.1	2.4	258.2
2006/07	253.5	3.3	2.0	1.2	1.1	2.3	255.8
2005/06	252.1	3.2	2.2	1.0	0.3	1.4	253.5
2004/05	251.5	3.1	2.1	1.0	-0.4	0.6	252.1
2003/04	251.2	3.2	2.2	1.0	-0.7	0.3	251.5
2002/03	250.3	3.1	2.1	1.0	-0.1	0.9	251.2
2001/02	249.7	3.1	2.2	0.9	-0.3	0.6	250.3
2001-12	**-**	**36.6**	**23.2**	**13.3**	**5.1**	**18.4**	**-**

NB. All figures are in thousands
Source: Mid-year Estimates, Office for National Statistics (ONS)

5.17 The following features are apparent:

- In all years there was positive natural change in Medway. That is, births exceeded deaths
- The level of positive natural change has gradually increased, reflecting the relatively young age structure of the population
- This also points to migrants into Medway being relatively young (of childbearing age) and so countering the natural ageing of the established population
- By comparison to births and deaths, migration is much more volatile.

5.18 Migration falls into two categories – internal migration and international migration and the recorded flows for each in 2012 is shown in the table below.

Table 9: Medway Migration Flows 2012

Internal Migration			International Migration		
In	Out	Net	In	Out	Net
+11,823	-10,280	+1,543	+1,174	-924	+250

Source: Mid-year Estimates, Office for National Statistics (ONS)

5.19 Reasonably robust systems are in place to chart 'internal' movements within the UK via GP patient registrations but accurately counting international migrants is much more problematic and there is considerable speculation over how robust the available figures are. This is illustrated in the table below. This shows that, over a 10 year period, the impact of international migration was highly variable.

Table 10: Medway International Migrant Movements 2001/02 – 2010/11

International Migration			
Year	In	Out	Net
2001-02	974	1053	-79
2002-03	924	872	52
2003-04	1,087	1046	41
2004-05	1,089	867	222
2005-06	2,139	1,110	1029
2006-07	2,784	723	2061
2007-08	2,161	683	1478
2008-09	1,714	1,011	703
2009-10	1666	735	931
2010-11	1,566	1,283	283
Total			6721

Source: Mid-year Estimates, Office for National Statistics (ONS)

5.20 The figures for the 2005-2008 period are particularly high and cannot be related to any event with reasonable certainty. However they do coincide with the introduction by ONS of a new method for counting international migrants.

5.21 In some cases Medway lags behind national trends and another possibility may be a delayed effect from in migration associated with the wave of accession countries joining the EU in 2004 (including the Czech Republic, Slovakia and Poland) and then Bulgaria and Romania in 2007.

5.22 However what is apparent is that the high figures associated with the mid noughties have fallen back and so they are not representative of a longer-term trend.

5.23 Turning to internal migration the pattern of movements between Medway and all Kent districts is set out in Tables 3 and 5 and London in tables 4 and 6 in chapter 4. Inter-regional movements are shown in the table below.

Table 11: Internal Migration: Inter-Regional Movements 2012

Region	In	Out	Net
North East	103	78	25
North West	244	213	31
Yorkshire and The Humber	271	290	-19
East Midlands	357	491	-134
West Midlands	298	270	28
South West	330	483	-153
East of England	999	945	54
London	3513	1850	1663
South East (excluding Kent)	1067	1094	-27

Source: Mid-year Estimates, Office for National Statistics (ONS)

5.24 No particular pattern is evident. As is to be expected the largest numbers relate to London and the southeast. However when looked at over time, as in the table below, a more variable picture emerges.

Table 12: UK Migration into and out of Medway 2001 - 2011

Year	In	Out	Net
2001-02	10,584	10,745	-161
2002-03	10,587	11,000	-413
2003-04	10,240	11,094	-854
2004-05	9,819	10,738	-919
2005-06	9,665	10,581	-916
2006-07	10,362	11,456	-1,094
2007-08	10,876	11,357	-481
2008-09	9,761	10,092	-331
2009-10	10,104	10,259	-155
2010-11	10,702	10,333	369
Total			**-4,955**

Source: Mid-year Estimates, Office for National Statistics (ONS)

5.25 What is apparent is, again, the absence of any obvious trend. The peak in 2006-07 mirrors that for international migrants but the figure for 2010-11 emphasises the point that no specific pattern is apparent.

5.26 The ‘spike’ in international migration has been drawn to the attention of ONS which is considering whether any adjustment is justified to the population projections that are due to be released later in 2014.

5.27 Given this situation ORS applied three alternative scenarios based on the available figures for the 2001 – 2011 period:

- A mid-trend scenario based on a 10 year average
- A low-trend scenario based on a 2001 – 2006 five year average
- A high-trend scenario based on a 2006 – 2011 five year average.

A fourth zero migration projection is also provided for reference purposes.

5.28 The three scenarios might be considered as "standard" in that 5 and 10 year migration trends are usually applied to assessments of this sort. However, given the lack of any discernible trend it is difficult to establish a case as to which should be preferred. Accordingly the pattern of change in Medway has been compared to all Kent districts, the southeast region and England and Wales to put the Medway picture into a wider context. The results are set out in table 12.

Table 13: Proportion of All Migrants 2001 – 2011

Area	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2001-2011 Total	% 2011 pop
Medway	**-0.3**	**-0.1**	**-0.7**	**-0.4**	**0.3**	**1.1**	**1.1**	**0.6**	**1.1**	**0.6**	**3**	**1.2**
Kent	**7.4**	**9.6**	**11.3**	**12.7**	**12.1**	**15.0**	**12.2**	**8.9**	**12.6**	**10.3**	**112**	**7.6**
Ashford	1.0	1.0	1.3	1.8	1.7	1.3	0.7	0.6	0.7	0.9	11	9.3
Canterbury	1.5	2.4	2.3	1.6	1.7	1.8	1.0	0.5	2.3	1.9	17	11.3
Dartford	0.2	0.4	1.0	1.4	0.8	0.5	1.2	0.8	0.5	0.6	7	7.6
Dover	0.5	1.1	1.3	0.7	0.5	1.2	0.8	0.2	1.0	0.7	8	7.2
Gravesham	-0.5	0.0	0.1	0.7	0.3	0.5	0.5	0.4	0.4	0.2	3	2.6
Maidstone	1.0	0.7	0.7	0.8	1.6	2.0	1.4	1.5	1.7	1.4	13	8.2
Sevenoaks	-0.3	0.0	0.6	1.0	0.9	0.3	-0.1	0.2	0.4	0.5	4	3.0
Shepway	1.2	1.6	1.6	1.7	1.1	1.4	0.9	0.9	1.2	1.1	13	11.7
Swale	0.8	0.9	0.3	0.4	0.6	1.8	1.6	0.9	1.3	0.7	9	6.8
Thanet	1.4	1.0	1.1	1.0	0.6	1.2	1.2	0.8	1.1	1.0	10	7.7
Tonbridge and Malling	0.5	0.5	0.5	0.9	1.4	1.5	1.1	1.0	1.2	0.6	9	7.6
Tunbridge Wells	0.1	0.0	0.6	0.6	0.9	1.5	2.0	1.1	0.8	0.7	8	7.2
South East	**14.1**	**32.3**	**31.1**	**54.7**	**48.0**	**54.8**	**46.7**	**37.3**	**55.2**	**42.3**	**417**	**4.8**
England & Wales	**181.4**	**184.6**	**188.2**	**302.3**	**224.8**	**259.8**	**248.4**	**192.2**	**230.0**	**239.4**	**2,251**	**4.0**

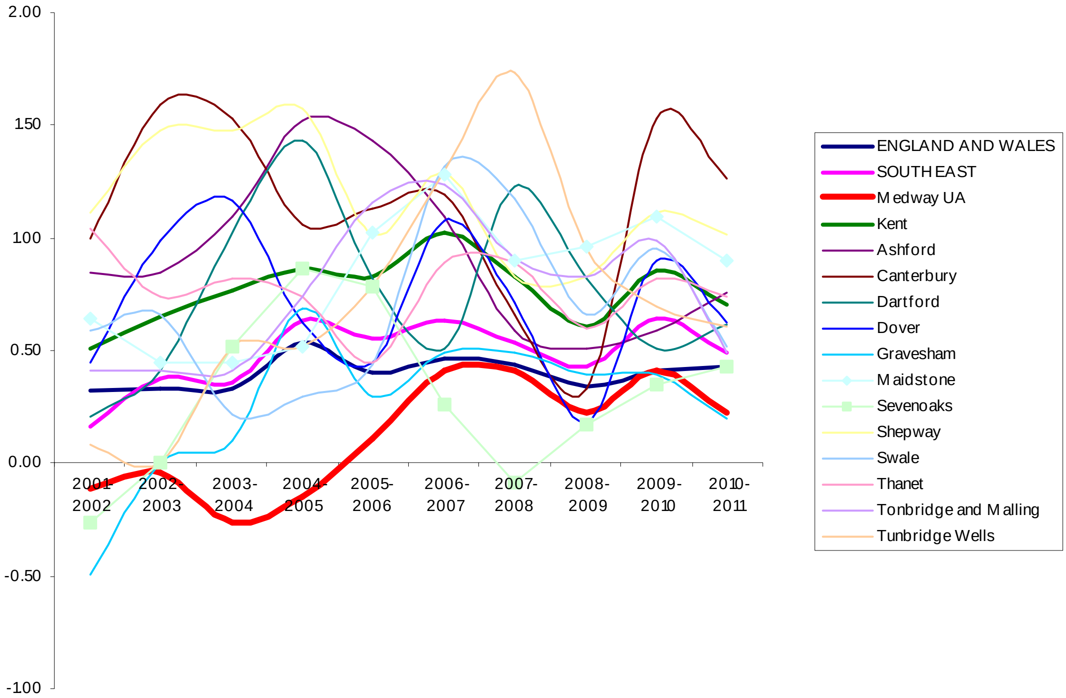
Source: Table 10 mid year population estimates revised in light of 2011 census (Figures in '000s)

5.29 This shows that:

- Migration as a component of change was proportionally much less significant in Medway than in all other areas – 1.2% against a Kent figure of 7.6 for example
- Medway had more years of negative growth than any other area, albeit these were in the early years of the decade

However it also suggests that Medway does not share even a roughly equivalent profile of change with any other area and this is further demonstrated in the graph below that uses the same data as table 12.

Figure 4: Annual migration as a percentage of population 2011



Source: Table 10 mid year population estimates revised in light of 2011 census

Student Population

5.30 Student numbers in Medway expanded rapidly between 2001 and 2011 as a result of four universities establishing campuses in Medway. These are:

- University of Greenwich
- University of Kent
- Christ Church University; and
- University for the Creative Arts (previously KIAD).

Table 14: Student Population Growth 2001 - 2011

Census	Students
2011	16,200
2001	4,050

Source: ONS Census, Crown Copyright

5.31 However that rapid growth has now stabilised and further significant increases are unlikely over the assessment period. In addition the University of Greenwich attracts a high proportion of overseas students (around a quarter of the total) that are unlikely to influence local population changes as they can be expected to leave Medway at the end of their studies rather than becoming longer term residents.

5.32 For these reasons ORS deliberately and in the Council's view correctly, held the student component of the institutional population constant in its assessment of housing needs to 2035.

5.33 Using the trend at the University of Greenwich as an example - the student population peaked in 2009/10 following rapid expansion – but dropped by 15% in the two following years.

Table 15: Student Numbers: University of Greenwich at Medway

Year	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
Number	2575	3202	4031	4766	4712	5528	5532	4783	4731

Source: University of Greenwich

5.34 The Student Council tax exemptions trend provides a good indication of the number of private dwellings used solely by students. The figures in the table below show an upward trend between 2007 and 2012, but a 2% drop in 2013.

Table 16: Total Number of Dwellings Subject to a Council Tax Student Discount (Excluding Halls of Residence)

Year	2007	2008	2009	2010	2011	2012	2013
Numbe	596	640	587	627	681	795	777

Source: DCLG Council Tax return

5.35 This tends to confirm the view that student numbers have peaked. It also helps to define the impact of students on the private rental market in Medway and this aspect is considered later in the assessment.

Household Size

5.36 Changes in average household size can have a major impact on the number of houses required to accommodate any given population. Even if the population stays static, if the average household size reduces more properties are required to house the same population. Even apparently small changes can impact significantly on the number of houses required and so applying the correct assumptions based on local data is important in determining housing need.

5.37 In its household projections DCLG does not use average household sizes as such but instead applies "household representative rates" to each age cohort of the projected population. That is factors are applied to determine the likely number of new households that will form within each age group. In relation to the 2011 based interim projections the website states "*Figures for the number of households for 2011 are derived from household representative rates applied to the ONS mid-year population estimates for 2011. They are therefore not direct estimates of the actual number of households as they are derived from modelled household representative rates*[11]." This is unfortunate

[11] See: https://www.gov.uk/household-projections-notes-and-definitions-for-data-analysts

as it means that this critical aspect of the projections have not yet been rebased to take account of the full census results.

5.38 The average household size in Medway at the date of the 2011 census was 2.45 persons. This compares to a figure of 2.48 for the 2001 census and reflects a general decline nationally over the same period. The UK average figure in 2011 was 2.36.

5.39 Declining household size is caused by a number of factors, including:

- An ageing of the population, resulting in an increasing proportion of older people living on their own
- In some areas, declining birth rates
- Fewer people cohabiting and therefore more single person households
- A move away from extended family structures to 'nuclear' families.

5.40 However, although this trend is long established, it is gradually slowing as the proportion of smaller households reaches saturation point and property costs continue to outstrip incomes, forcing sharing in some cases.

5.41 Medway has a relatively young population and comparatively few flats and this is reflected in its larger average household size compared to the national average.

5.42 The 'Interim' DCLG household projections predict the average household size in Medway dropping to 2.4 persons in 2021 from the 2.45 figure in 2011. The annual change is predicted as shown in the table below.

Table 17: Projected Average Household Size – Medway 2011 – 2021

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
H/H size Medway	2.45	2.44	2.43	2.43	2.42	2.42	2.41	2.41	2.40	2.40	2.40
H/H size England	2.36					2.35					2.33

Source: Derived from ONS Sub National Population Projections and DCLG Interim Household Projections 2011-2021

5.43 By comparison the 2008 based household projections estimated a 2011 average household size of 2.41 with a resulting decline thereafter.

5.44 This is further evidence of the unreliability of datasets that do not fully reflect the 2011 census results. Headship rates will be a key indicator to emerge with the revised household projections.

Other Factors to Consider

5.45 In addition to these variables, which are highlighted in the Guidance, there are two further factors that warrant consideration. These are: potential changes to the institutional population over the assessment period and assumptions concerning vacancy rates and both are covered by ORS.

Institutional population

5.46 By definition what is normally referred to as the “institutional” or” non-household” population does not occupy self-contained residential accommodation (i.e. dwellings). However it can be made up of very varied population groups, some of which will have an affect on a housing needs assessment.

5.47 Groups such as armed forces personnel in barracks, prisoners and some long stay hospital patients for example tend to remain statistically fairly constant. As such they can be disregarded other than ensuring that numerically they are separated from the household population.

5.48 However other groups will have a direct effect and these include:

- Students occupying ‘normal’ housing stock and so displacing permanent residents
- Conversely shared spaces in purpose built halls of residence (usually kitchen, bathroom and lounge) can be counted as a dwelling - according to the DCLG housing definition
- Householders moving from their own self contained accommodation to supported facilities and so freeing up space for a new household to occupy. Supported accommodation includes nursing homes and extra care facilities.

5.49 Given this it is important to know both the current size of the institutional population, its composition and how it is expected to change over the assessment period.

5.50 In 2011 there were 231 communal establishments in Medway housing 3,937 residents. Medway’s profile of communal establishments was similar to both the Kent and national picture.

5.51 Since 2001 the communal population had increased by over 1,100.

5.52 The majority of residents (32.7%) were in medical and care establishments, with most of these residents being in care homes with or without nursing. Although numbers were lower than in Kent, the South East and England & Wales, it matched the national picture as the largest category.

5.53 Medway had a significant population living in detention centres (622) with Cookham Wood Male Juveniles Prison and Medway Secure Training Centre being a significant contributor. This was 15.8% of Medway’s total communal residence population and ranked Medway 10th nationally for detention centre populations.

5.54 The population in defence establishments was also prominent with 15.8% of communal residents falling into this category and ranking Medway 36th nationally. Of the 1066 people employed in the armed forces in Medway, 462 (43.3%) lived in communal residences compared to 23.2% in England and Wales as a whole.

5.55 Medway had comparatively few residents living in educational establishments: 1,127 or (26.6%) compared to 42.1% for the South East and 38.6% nationally.

5.56 The proportion of residents living in homeless shelters or hostels matched England and Wales (2.1%) but was higher than Kent and the South East. The number of individuals living in hotels, establishments whose classification was not stated or 'other' was broadly comparable with the regional and national picture. Only 0.1% of Medway residents lived in religious establishments, compared to 0.7% in Kent or 0.9% in the South East.

5.57 In terms of type of communal property the biggest proportion was medical and care, making up 46.8% of the total properties compared to 45.9% in the South East and 41.7 % in England and Wales**.** The second highest category was 'not stated' with 61 of communal properties (26.4%) ranking Medway 23rd nationally. However, the number of residents living in these establishments was just 47.

5.58 Since the census date there have been a number of changes including:

- **Extra care schemes**: Three schemes completed providing a total of 163 units and 227 bed spaces plus two additional schemes at planning stage that will provide 103 units and 152 bed spaces. 65 bed spaces have also been lost since 2011
- **Cookham Wood**: a further residential block with 179 bed spaces is under construction
- **Student accommodation**: a further 502 rooms have been provided at Victory Pier.

5.59 As explained above it is expected that any future growth in the student population will be limited. Some further provision of specialist student accommodation is anticipated, but this can be expected to mirror student numbers more closely in the future.

5.60 It is also expected that new assisted housing and, in particular, extra care accommodation will continue to come forward but at a scale that matches future needs as opposed to making good historic shortfalls in provision.

5.61 For these reasons the assumptions made by ORS in relation to "communal establishments" are considered reasonable. That is:

- The same proportion of the over 75 population as at present will reside in communal accommodation over the assessment period
- The current student population will remain constant over the assessment period. This issue will be monitored and further information may emerge with the revised population projections.

Vacancy Rates

5.62 A proportion of residential properties within any given area will be vacant at any point in time. This can result from a number of factors but including:

- Natural "churn" in the market as properties are bought and sold
- Properties being vacant over the longer term as a result of many factors including bereavement, business decisions etc.
- New properties that have been completed but are still awaiting their first occupier.

5.63 The position in Medway compared to the national picture is shown in the table below.

Table 18: Dwelling Vacancy Rates 2001 – 2011

Year	2001	2011
Medway	2.8%	3.7%
England and Wales	3.4%	4.4%

Source: 2001 and 2011 Censuses

5.64 The higher figures for 2011 both locally and nationally are unexpected given the very tight property market that existed at census day. ORS simply held the 2011 figure constant for Medway but the economic and social pressures to recycle property efficiently suggest that a reducing rate is more probable moving forward. This will be monitored going forward.

Conclusions

5.65 It is apparent from the above that the 2008 based national household projections have been superseded by the 2011 interim projections. However the latter still have some limitations and need to be treated accordingly.

5.66 The modelling undertaken by ORS uses a sound methodology and the most up to date data available but nevertheless has some limitations:

- Migration is a key variable but there is no obvious trend that can be drawn from the available data (either internal or international migration). As a result none of the three migration scenarios modelled can be considered to be entirely reliable
- The 2011 dwelling vacancy rate is relatively high and some moderation might be expected over a long projection period.

5.67 However, ORS's recommendation that the 2011 headship rates and Mid-trend migration dwelling target of 1,000 dwellings per annum represents the most appropriate objectively assessed needs for Medway and is accepted as being the most reliable and credible housing needs figure at this point in time. This mid trend option is based on ten year trend based data, which is considered to be the most robust approach supported by the Planning Practice Guidance as it covers a longer economic cycle. The forthcoming full SHMA will be able to utilise more up to date migration data.

6. Market Signals

Introduction

6.1 The PPG states (see paragraph 19):

"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand. Relevant signals may include:

- *Land Prices*
- *House Prices*
- *Rents*
- *Affordability*
- *Rate of development; and*
- *Overcrowding."*

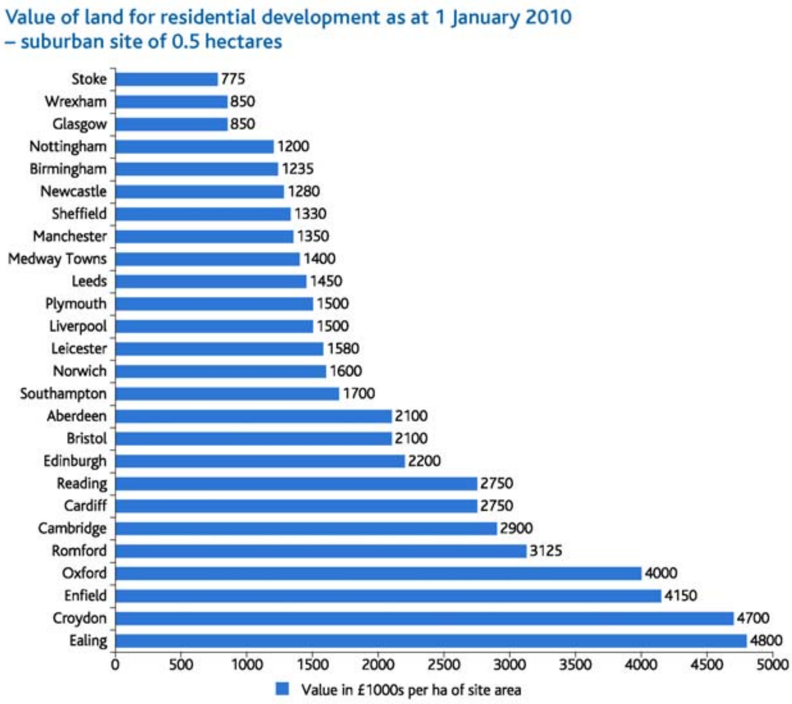
6.2 Accordingly each of these is considered in turn.

Land Prices

6.3 The guidance suggests that local "*price premiums for land provide direct information on the shortage of land in any locality for any particular use*".

6.4 The table below shows the value of residential land in Medway (referred to as Medway Towns) compared to other major urban areas and it will be noted that it was significantly cheaper that all other locations within the southeast.

Figure 5: Residential Land Values 2010



Source: Valuation Office Agency

6.5 The VOA also provides more detailed figures for specific areas and table 18 below shows a consistent fall in land values over the period 2008 – 2010.

Table 19: Residential Land Values: Rochester 2008 – 2010

Site Type Year	Small sites £/Hectare	Bulk Land £/Hectare	Sites for flats or maisonettes £/Hectare
2010	1,450,000	1,400,000	1,400,000
2009	2,100,000	2,000,000	2,000,000
2008	2,700,000	2,500,000	2,100,000

Source: Valuation Office Agency

6.6 This reflects the continuing property downturn that occurred over this period but it also suggests that there were no local factors at play that implied pressure on prices and that might in turn suggest an imbalance between supply and demand.

House Prices

6.7 This picture is also indicated by house price data.

Table 20: Average House Prices 2007 – 2013

Year	Medway	Kent	South East	Eng & Wales
March 2007	£157,400	£196,700	£219,200	£178,900
March 2008	£163,200	£207,500	£227,900	£184,000
March 2009	£134,900	£172,300	£186,900	£153,100
March 2010	£140,900	£183,700	£208,700	£165,300
March 2011	£138,500	£182,500	£206,800	£161,700
March 2012	£134,600	£179,600	£206,900	£160,400
March 2013	£136,500	£180,600	£209,200	£160,800
2007-12 % change	-14.5	-8.7	-5.6	-10.3
2012-13 % change	+1.4	+0.6	+1.1	+0.2

Source: Crown Copyright Land Registry Property Price Data 13 June 2013

6.8 This shows that, over the recent downturn, Medway prices fell more than the Kent and regional averages and by more than the national average. A marginal recovery occurred in 2013 but only on a comparable basis to other areas.

6.9 The chart below also shows that prices have still some way to go before they regain their 2008 peak.

Figure 6: Medway Average Property Prices 2007 - 2013

Source: Crown Copyright Land Registry Property Price Data 13 June 2013

Rents

6.10 The private rented sector has grown significantly since 2001 and rents have increased over the past three years. However the monthly rental level in 2013 remained below the national and regional levels. Once again this does not suggest any particular pressure within the local market, despite the growth of the sector.

Table 21: Average Monthly Rents 2011 – 2013

Area	2010/11	2011/12	2012/13
England	694	705	724
South East	808	823	849
Kent	669	683	729
Medway	**620**	**624**	**653**

Source: Private Rental Market Statistics, Valuation Office Agency

Affordability

6.11 The Guidance points out that assessing affordability involves comparing house costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing.

6.12 The table below, setting out Medway's overall house price/earnings ratio, shows that housing is more affordable in Medway than across England. Moreover housing is slightly more affordable now than it was in 2006.

Table 22: Ratio of Median House Prices to Median Earnings 2006 – 2012

Area	2006	2007	2008	2009	2010	2011	2012
England	6.97	7.23	6.93	6.27	7.01	6.69	6.74
South East	7.97	8.45	8.42	7.28	8.23	7.97	-
Kent	7.92	8.01	7.85	6.80	7.66	7.25	7.42
Medway	**6.12**	**6.41**	**6.40**	**5.53**	**5.69**	**5.65**	**5.89**

Source: Annual Survey of Hours and Earnings, Office for National Statistics

6.13 Looking at the gap between median and lower quartile house price/earnings it is apparent that it narrowed significantly in 2012. This followed a period since 2009 when the two series were widening. This indicates that housing at the lower end of the market has become relatively more affordable, though properties at the more expensive end of the market cost the equivalent of 6.4 lower end salaries compared with an 'average' 5.9 for Medway overall. This reflects the lower than average proportion of detached properties.

Table 23: Lower Quartile and Median House Price/ Earnings Ratio 2006 – 2012

Ratio	2006	2007	2008	2009	2010	2011	2012
Lower quartile house price/earnings	6.71	7.20	7.06	6.01	6.65	6.59	6.35
Median house price/earnings	6.12	6.41	6.40	5.53	5.69	5.65	5.89
Difference	0.59	0.79	0.66	0.48	0.96	0.94	0.46

Source: Annual Survey of Hours and Earnings, Office for National Statistics

6.14 The ratio of lower quartile house prices to lower quartile earnings for neighbouring districts is shown in the table below.

Table 24: Lower Quartile House Price/Earnings Ratio by District 2008 – 2012

District	2008	2009	2010	2011	2012
Medway	7.06	6.01	6.65	6.59	6.35
Gravesham	7.37	6.66	7.16	6.18	7.66
Dartford	9.79	8.18	9.36	9.11	9.27
Swale	7.64	6.46	6.90	7.35	7.22
Maidstone	9.35	7.56	8.39	8.58	8.36
Tonbridge & Malling	10.25	8.52	9.55	9.53	8.89

Source: Annual Survey of Hours and Earnings, Office for National Statistics

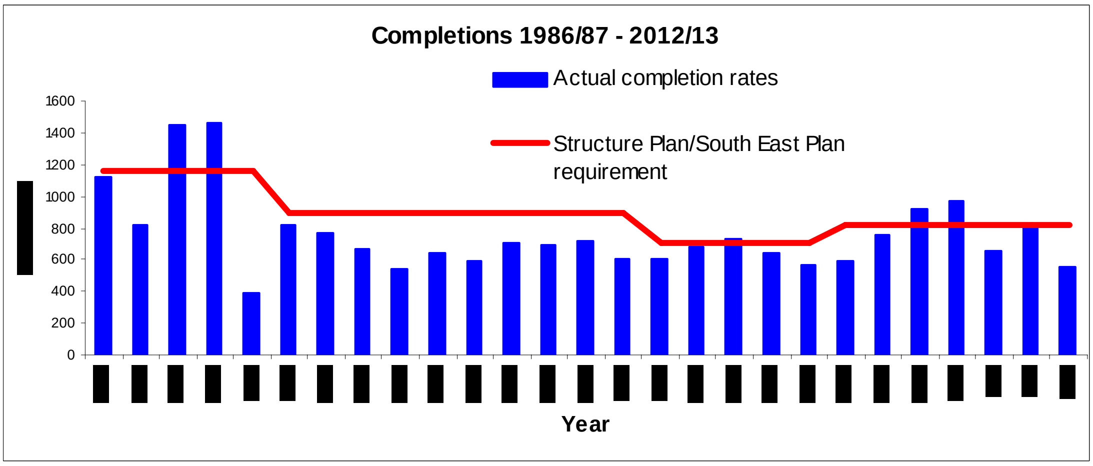
6.15 This shows that, over the past 5 years, Medway has had a smaller ratio of lower quartile house prices to lower quartile earnings than all of its neighbouring districts. Consequently, house price affordability was better than in these districts.

Rate of Development

6.16 The rate of development achieved against the target can be a useful indicator of market performance but it does need to be assessed carefully. On the one hand under delivery can result from a shortage of sites being allocated or planning permissions granted but on the other it can signify that development has not occurred due to weak market demand.

6.17 The following graph and table record the position in Medway over the last 27 years.

Figure 7: Housing Completions Against Requirement Medway 1986 – 2013



Source: Medway Monitoring System (LUPIN) and AMRs'

Table 25: Housing Completions Against Requirement Medway 1986 - 2013

Year	**86/87**	**87/88**	**88/89**	**89/90**	**90/91**	**91/92**	**92/93**	**93/94**	**94/95**	**95/96**	**96/97**
Requirement	1160	1160	1160	1160	1160	900	900	900	900	900	900
Completions	1118	821	1454	1467	391	825	769	669	546	644	598
Year	**97/98**	**98/99**	**99/00**	**00/01**	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**	**06/07**	**07/08**
Requirement	900	900	900	900	700	700	700	700	700	815	815
Completions	702	698	719	603	603	676	733	646	562	591	761
Year	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**						
Requirement	815	815	815	815	815						
Completions	914	972	657	809	556						

Source: Medway Monitoring System (LUPIN) and AMR's

6.18 The annual average rate achieved was **759** units.

6.19 The beginning of this period followed the closure of the Chatham Royal Dockyard when Medway suffered from an extreme economic downturn. However from 1995 and particularly 2003 the area was part of the Thames Gateway with specific delivery arrangements, access to substantial Government funding intended to stimulate housebuilding and a sharp focus on the delivery of sites.

6.20 The following table shows the headline supply available annually since 2006/7. This is made up of sites with planning permission and plan allocations and the actual completions for each year are shown to aid comparison.

Table 26: Medway Housing Land Availability and Completions Achieved 2006 – 2013

Year	Supply	Completions	Multiplier
2006/07	8819	591	14.9
2007/08	8424	761	11.1
2008/09	8271	914	9.1
2009/10	7921	972	8.2
2010/11	7607	657	11.3
2011/12	6728	809	8.3
2012/13	7027	556	12.6

Source: Medway Monitoring System (LUPIN) and AMRs'

6.21 This clearly demonstrates a healthy overall land supply position throughout the period, which includes the whole of the recent economic downturn that occurred from 2008. Looked at overall the average land supply position compared to average completions equates to some 10.42 years over the period. This would seem to suggest the presence of a healthy buffer of available housing sites to develop.

Overcrowding

6.22 The Guidance suggests that indicators on overcrowding, concealed and sharing households, plus the numbers in temporary accommodation demonstrate unmet need and this can certainly be the case. However care is required, as some people share through choice and certain kinds of household will accept an element of overcrowding because of location or other factors.

6.23 Looking at the available data the position in Medway is as set out below.

Occupancy Rating

6.24 The occupancy rating or level shows that Medway does not have an issue with overcrowding at overall stock level. In 2011 just 7.4% of households had too few rooms, compared with 8.6% nationally. This margin is narrower in relation to bedrooms, however Medway still had proportionally fewer households with a bedroom shortage at 4.1% against 4.7% nationally. This reflects the fact that Medway has a larger stock of medium sized properties than the average and so overcrowding should naturally be less of an issue.

6.25 Looking at 'overcrowding' by tenure, the 2011 Census figures indicate that **'**owner occupied' properties stand out amongst the households with too few bedrooms and 'private rented' households for **'**too few rooms'. This is a typical position.

6.26 There was a slight drop in the proportion of properties reported as having one room too few, from 6% in 2001 to 5.6% in 2011. As such there is no deterioration in the situation.

Concealed Households

6.27 Concealed households are those where, for example, a son or daughter wishes to leave home and live independently but is unable to do so due to the cost and/or the availability of suitable property.

Table 27: Concealed Households as a Proportion of all Households 2011

Medway	South East	England and Wales
1.7% (1,312)	1.6%	1.8%

Source: 2011 census

6.28 As can be seen from the table the proportion of concealed households in Medway is slightly less that the national average but also marginally above the regional figure. This is consistent with Medway being a more affordable location but also a low wage area.

Sharing

6.29 The 2011 census results show a consistent level of 0.1% for shared dwellings at national, regional, county and Medway levels. In Medway this amounts to 62 properties. As such it is not considered to be a significant factor.

Homelessness and Temporary Accommodation

6.30 The rate of homelessness applications has risen steadily over the last three years for which data is available. This and the comparative position with England overall is set out in the following tables.

Table 28: Homelessness Applications in Medway 2011 - 2014

Period	2010/11	2011/12	2012/13	2013/14
Q1	64	73	151	188
Q2	107	134	155	218
Q3	72	106	126	277
Q4	78	120	181	202
Year end	321	433	613	885

Source: Council records

Table 29: Proportion Per '000 Resident Population Accepted as Being Homeless and in Priority Need and the Proportion in Temporary Accommodation

Year	Medway: In Priority Neec	England: In Priority Neec	Medway: In Temp. Acc	England: In Temp. Acc
2012/13	2.40	2.37	1.12	2.44
2011/12	1.62	2.31	1.05	2.32
2010/11	1.40	2.03	0.98	2.22
2009/10	1.8	2.5	N/A	N/A

Source: DCLG Live Tables

6.31 The second table shows that, until 2012/13, Medway had a substantially lower proportion of people in priority need than the national average. Although the rate now exceeds the national average this is a marginal difference. The number of persons in temporary accommodation has stayed significantly below the national average but it has shown a gentle increase over the last three years as the homelessness rate has risen. This will be monitored to see if this trend continues.

Conclusions

6.32 The Guidance emphasises the importance of avoiding a mismatch between supply and demand in local housing markets because this would be reflective of unsatisfied demand and so unmet need. However an examination of all the relevant factors applied to Medway does not highlight the existence of any such mismatch.

6.33 Land prices, house prices, rents and affordability all suggest a balanced market that is not typical of the wider area or region. Nor is there evidence that supply has been constrained by a shortage of suitable sites and there are no significant issues with overcrowding, sharing or homelessness rates compared to the average.

6.34 After careful consideration, it is not apparent that there are any market signals pointing to a necessity to adjust ORS's recommended annual housing requirement figure for Medway of 1,000 dwellings per annum.

7. Market Segments and Specific Needs

Introduction

7.1 This chapter looks specifically at the types of housing that would be required to match the trend based demographic needs assessment. In accordance with the Guidance it considers a range of factors from the expected age structure of the population, household types, the characteristics of the existing housing stock to groups with specific needs.

Age Profile

7.2 The 2011 interim population projections suggest the largest growth in the Medway population to 2021 will be amongst those of retirement age, with over 64's increasing by 28% (+10,400) compared to 0-15's increasing by 11% (+5,800) and those of working age up by 5% (+9,300).

Table 30: Medway population projection by broad age group - 2011, 2016 and 2021

Age Group	0 – 15	16 – 64	65+	Total
Year				
Population Numbers by Age Group				
2011	53,547	174,007	37,331	264,885
2016	55,768	178,281	43,408	277,457
2021	59,310	183,262	47,766	290,337
Percentage Breakdown by Age Group				
2011	20.2	65.7	14.1	100
2016	20.1	64.3	15.6	100
2021	20.4	63.1	16.5	100
Population Change by Age Group				
2011-16	2,221	4,274	6,077	12,572
%	4.1	2.5	16.3	4.7
2011-21	5,763	9,255	10,435	25,452
%	10.9	5.3	28.0	9.6

Source: ONS Interim Population Projections 2011 - 2021

7.3 However by 2035 ORS forecast, based on their mid-trend migrations scenario, that the broad age structure will be as shown below.

Table 31: Change in Age Structure 2011 – 2035

Year	0 – 15	16 – 64	65+	Total
2035	53,500	188,000	64,100	305,500
%	17.5	61.5	21.0	100
2011 - 2035	-47	13,993	26,769	40,715
% change	-0.09	8.04	71.71	15.33

Source: Derived from ORS Table 7

7.4 This implies a general ageing of the population with, by the end of the period, virtually zero growth amongst the 0-15 age group, a continuing but modest increase in the working age population and a 71% increase in the over 65 population.

7.5 What is significant is the variance between the shorter and longer term trends and the need to profile the provision of house types over the period in the forthcoming local plan.

Household types

7.6 Turning to how this population is expected to form into households, the table below shows the forecast position for 2021 taken from the DCLG 2011 interim household projections. ORS did not provide a forecast for household types for 2035, and used extrapolated headship rates, but this will be possible when replacement projections are issued by DCLG.

Table 32: Forecast Changes in Household Types 2011 – 2021

Household Type	2011	2021	change	%
One person households	29,833	33,798	3,965	13.3
Couple: No dependent children	26,267	27,564	1,297	4.9
Couple: dependent children	20,478	21,396	918	4.5
Lone parent	7,864	10,231	2,367	30.1
Couple +one or more other adults: No children	9,575	11,323	1,748	18.3
A couple + one or more other adults: children	3,725	3,337	-388	-10.4
A lone parent + one or more other adults	1,372	1,496	124	9.0
Other households	7,465	10,175	2,710	36.3

Source: Household Interim Projections, 2011 to 2021, England, April 2013

7.7 As can be seen from the table above, the largest growth to 2021 is predicted to be in the number of single parent households than couples with no children. By the end of the period fewer families with children are indicated.

7.8 Overall this suggests a need for smaller new housing units to match the growth in smaller households.

7.9 A striking feature of the table is the forecast percentage increase in the number of single parent households. Unfortunately the reasons for this are not clear from the raw data and it would seem to be at odds with current reductions in teenage pregnancies and fairly stable rates for divorces and separations.

7.10 However it again points to the need for care in applying the projections.

Existing Housing Stock

7.11 Medway's existing housing stock has some particular characteristics as shown in the table below. It has:

- A much smaller proportion of detached properties than the average and with no significant change between 2001 and 2011
- An average sized stock of semi-detached properties
- A very high proportion of terraced properties
- A smaller proportion of flats that the average but with less divergence from the average in 2011 than in 2001.

7.12 This is reflected in a relative premium in the cost of detached properties within the local market and less overcrowding than the average due to the relatively small proportion of flats.

Table 33: Existing Housing Stock: Property Type

Property Type	% Medway 2011	% Medway 2001	% England 2011	% England 2001
Detached	13.6	14.0	22.6	22.5
Semi-detached	29.5	30.2	30.7	31.6
Terraced	40.8	42.2	24.7	25.8
Flats/Maisonettes	15.3	12.6	21.6	19.7
Other	0.8	1.0	0.4	0.4
Total	100	100	100	100

Source: 2011 Census

Current Tenure Mix

7.13 The current tenure mix of the housing stock and how this has changed since 2001 is shown in the table below.

Table 34: Tenure Breakdown of Housing Stock 2001 and 2011

Tenure Type	Medway 2001	Medway 2011	Medway % change	England and Wales 2011
Owned: Owned outright	26.9	28.9	+2.0	30.8
Owned: Owned with a mortgage or loan	47.7	38.8	-8.9	32.7
Shared ownership (part owned and part rented)	1.1	1.0	-0.1	0.8
Social rented: Rented from council (Local Authority)	4.3	3.9	-0.4	9.4
Social rented: Other	9.1	9.3	+0.2	8.2
Private rented: Private landlord or letting agency	8.1	15.7	+7.6	15.3
Private rented: Other	1.3	1.4	+0.1	1.4
Living rent free	1.4	1.0	-0.4	1.4

Source: 2011 Census

7.14 This shows that:

- Owner occupation (with or without a mortgage) is higher than the national average, although it has fallen since 2001
- The proportion of social rented properties has essentially stayed static and it remains below the national average
- The biggest change since 2001 has been in the growth of the private rented market – essentially at the expense of mortgaged owner occupation. It is now on a par with the national average, having lagged well behind in 2001.

7.15 It would appear that three factors might be underlining the marked growth in the private rented sector:

- General growth in the buy to let market – a national trend

- The large increase in the student population, further stimulating the local buy to let market; and
- Relatively cheap property prices encouraging private landlords to provide units within the housing benefit cap.

Private Rented Sector

7.16 How this is, or is not, reflected in open market rental levels is shown in the table below.

Table 35: Average Monthly Rents 2010 - 2013

Area	2010/11	2011/12	2012/13
England	£694	£705	£724
South East	£808	£823	£849
Kent	£669	£683	£729
Medway	£620	£624	£653

Source: Private Rental Market Statistics, Valuation Office Agency

7.17 This shows that Medway remains cheaper than the average, despite a higher rate of increase over the year 2012/13. However even this was no greater than the general increase regionally and nationally.

7.18 The growth in the student population does not appear to have impacted on average rents - probably due to the fact that the 625 student only lets account for only around 3% of the rented stock.

7.19 On the other hand a greater proportion of the EU accession country migrants are housed in privately rented accommodation – 50% of over 3,000 households, accounting for nearly 10% of households in private rent.

7.20 The position in relation to social rented property is rather different given that rents are regulated nationally. The table below shows the average weekly rent charged by 'private registered providers' – esentially housing associations or other providers registered with the Homes and Communities Agency (HCA).

Table 36: Average PRP Weekly Rents 2001 – 2011

Area	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
England	53.90	55.81	56.52	58.23	61.49	64.32	66.67	69.96	73.51	77.91	78.28
South East	61.23	63.67	65.35	66.68	71.37	74.69	77.40	80.67	84.61	89.54	89.94
Medway	**65.63**	**67.74**	**68.32**	**69.60**	**71.36**	**74.95**	**75.93**	**77.40**	**80.70**	**84.22**	**84.16**

Source: Tenant Services Authority RSR (Regulatory and Statistical Return), 2011

7.21 This shows the effect of 'rent convergence' that is intended to more closely align council and housing association rents on an area basis.

7.22 However DWP data shows that, between April 2010 and January 2013 Medway had the highest growth in the southeast of housing benefit claimants in the private rented sector (around 50%), further demonstrating Medway's relative affordability.

Self Build

7.23 The Council does not currently have a register of possible self-builders and/or sites reserved for self-build but it does intend to address this issue in its forthcoming local plan.

Family Housing

7.24 As indicated above Medway has, in terms of the average number of habitable rooms, a slightly larger than average stock profile. This is due to the high number of terrace properties and the correspondingly low number of flats.

7.25 Given this there is a better than normal match with family needs but the low proportion of detached properties will need to be addressed if the full spectrum of family accommodation is to match needs in the future.

Older People

7.26 The forecast increase of 71.71% in the size of the over 65 population by 2035 referred to earlier eclipses changes in the other age segments and it is critical that future needs are met.

7.27 Social care strategies explicitly centre on maintaining older people in their own homes for as long as possible. Doing so maintains independence, personal dignity and is much more cost effective than specialist, supported accommodation. On the other hand it can result in the under-occupation of properties better suited to families with children.

7.28 Given this situation, what is known as the “extra care” model, is being followed. Normally this involves providing a range of accommodation types within a single “extra care scheme” and which can involve both private and social rented tenures.

7.29 At one end of the care spectrum such schemes can provide for the economically independent that want to downsize as a lifestyle choice, through to those with complex needs requiring full nursing care that can no longer be provided at home.

7.30 In the context of meeting housing needs such schemes free up owner occupied and other forms of accommodation better suited to multiple person households. This in turn means that the available stock is utilised more efficiently.

7.31 However it is also important to appreciate that housing models for older people generally evolve faster than for other age groups as social attitudes and economic conditions change. Relying on a fixed model for a long period would be wrong. Instead careful monitoring is essential to ensure future needs are met in a holistic way.

7.32 The Guidance points out that a number of “toolkits” are available to determine the future need for older persons housing and the Council employed the Institute of Public Care (IPC) to undertake an ‘Extra Care Housing Needs

Analysis' in 2011. The IPC uses such a toolkit and its resulting report is reproduced at Appendix 2 to this assessment.

7.33 It considers the likely levels of demand for support from a range of client groups including the over 85s, people living alone, people with learning difficulties, people with a long term limiting illness and those with dementia.

Households With Specific Needs

7.34 As indicated above, the extra care housing needs study considers this aspect in detail but concentrating on the needs of older people. Looking at the population more generally tables 37 and 38 look at projected disability within the working age population and the over 65s.

Table 37: Population Number and Proportion Aged 18-64 Predicted to Have a Moderate/Serious Physical Disability

Area	Year					Change	
	2012	2014	2016	2018	2020	Number	%
Medway	16,464	16,598	16,934	17,232	17,548	1,084	6.6%
	9.8%	9.8%	9.9%	9.9%	10.0%		
England							5.4%
	9.9%	9.9%	10.0%	10.0%	10.1%		

Source: PANSI 2013

Table 38: Population Aged Over 65 Unable to Manage at Least One Mobility Activity On Their Own

Area	Year					Change	
	2012	2014	2016	2018	2020	Number	%
Medway	6,831	7,164	7,451	7,878	8,313	1,482	21.7
	17.5%	17.2%	17.2%	17.4%	17.7%		
England							20.4
	18.3%	18.3%	18.4%	18.6%	18.9%		

Source: POPPI 2014

7.35 Residents with a physical disability are increasing in real terms but not increasing over and above the overall growth in the population. Those with a physical disability are forecast to increase by 6.6% but the total population by 9.6%.

7.36 Strategies are already in place to address the needs of such households, including the Medway Housing Strategy 2011 - 14[12]. However it is important that these are reviewed and updated as necessary and that they inform more detailed policies in the forthcoming local plan.

[12] See: http://www.medway.gov.uk/housing/housingstrategy.aspx

Conclusions

7.37 This chapter provides an overview of how specific housing needs are likely to change over the assessment period. It highlights the fact that increasing numbers of households will be single person or childless couples and an increasing proportion will be formed of older people. However Medway will still have a younger population profile than many areas and the existing stock profile already reflects this.

7.38 The available data again points to Medway's relative affordability and highlights one affect of that, namely the high proportion of private rented tenants in receipt of housing benefit.

7.39 An up to date extra care housing needs analysis identifies the likely numbers of households expected to have specific needs.

8. Affordable Housing

Introduction

8.1 As indicated in Chapter 3, as this Housing Position Statement is intended to have a relatively short life, work is shortly intended on a comprehensive new SHMA that will include a fully detailed assessment of the different aspects of affordable housing need. However attention is drawn to the ORS report at Appendix 1 and its concluding section that considers housing requirements by tenure. In turn this refers back to the 2010 full needs study that included preferred estimates for market, intermediate and social housing for Medway.

8.2 That work is reviewed below with the recommendations made for the rates that should be applied to affordable housing in proportion to market housing.

Projected Needs

8.3 ORS set outs requirements for Medway based on the housing target included in the now revoked South East Plan. However, in updating their original assessment to take account of the 2011 interim household projections, they note that the assessed results do not vary strongly with any alternative set of household projections. As such they conclude that "*the overall results of the higher number of dwellings required is to marginally reduce the percentage requiring to be affordable; but increase [the] physical number of affordable units required*."

8.4 The results are set out in tabular form but are expressed numerically reflecting the South East Plan target of 815 units per annum through to 2035 as well as in percentage terms. The South East Plan is no longer relevant but given the stated lack of sensitivity in the projected requirement adopting the percentage tenure split is appropriate for this assessment. That is:

- Market housing 65.9%
- Intermediate Affordable Housing 16.3%
- Social Rented Housing 17.8%.

8.5 This is reported for information at this stage, and it is not to be used in reviewing the Council's policy for affordable housing. This will be addressed through the development of the new Local Plan.

9. Key Issues and Findings

Introduction

9.1 This chapter draws together the analysis set out in previous chapters and considers what conclusions can be drawn. Overall conclusions and recommendations are set out in the final chapter.

The Housing Market Area

9.2 All the available indicators show that there is a Medway specific housing market. This reflects its city scale and contained geography with limited transition zones to adjoining market areas. It also reflects the available statistical data relating to house prices, affordability and limited scale of movement from and to adjoining areas.

9.3 This finding is consistent with a number of other studies, including recent SHMAs for adjoining areas.

9.4 Although, as is to be expected, the market area has soft boundaries it nevertheless corresponds closely enough to the Medway administrative area to allow this to be used for the assessment. This also has the benefit of avoiding the potential for double counting with adjoining assessments and it means that datasets can be consistently applied.

9.5 The analysis shows that London has less of an influence than might be expected, notwithstanding an established pattern of movement from southeast London to and through north Kent, including Medway. This is particularly the case with house prices that are markedly lower than other London commuter areas. The comprehensive development needs assessment will consider this matter in more detail, with the release of Travel to Work data.

Demographics and Headline Need

9.6 Up to date analysis provided by ORS uses the latest population and household projections, in accordance with national Guidance. It extrapolates the available 10 year projections (2011 – 2021) to 2035. However the baseline projections do not fully reflect the results of the 2011 census and so are described as “interim”.

9.7 As a consequence all assessments based on these projections need to be treated with caution but they can be considered to be more reliable than the 2008 projections that preceded them – given the variance of these from the 2011 census results.

9.8 The main variables within the forecasts are:

- Natural change
- Migration
- Headship rates/average household size
- Student population
- Institutional or non-household population.

9.9 The data shows that Medway has a comparatively young population and so there is a consistent positive pattern of natural growth. Migration on the other hand is highly volatile with no discernible trend since 2001. This means that scenarios based on assumed migration rates need to be treated with caution.

9.10 Medway has a larger average household size than the national average and the DCLG 2011 based household projections rely on pre census headship rates that are derived from household size. This again means that an element of caution should be applied to results based on the 2011 projections, and that the forthcoming SHMA will be able to incorporate the 2011 Census findings regarding average household sizes.

9.11 A full analysis suggests that holding the student population constant over the assessment period to 2035 is correct, as are the assumptions used by ORS in relation to the rest of the non-household population. However some reduction in the dwelling vacancy rate over the period could reasonably be assumed.

9.12 Given the unreliability of the 2010 projections they are not considered further. ORS assess the 2011 demographic trend based need to be within the following range.

Table 39: Medway 2035 Scenarios Based on 2011 Interim Projections

Scenario	Requirement Per Annum	Requirement 2011 - 3035
High Trend Migration: 5 year average trend based on 2006 - 2011	1,280	32,000
Mid Trend Migration: 10 year average trend based on 2001 - 2011	1,000	25,000
Low Trend Migration: 5 year average trend based on 2001 - 2006	730	18,250
Zero Migration	860	21,500

Source: derived from ORS Figure 10 – see Appendix 1

9.13 The top of the range is 75% higher than the bottom, which further points to the volatility caused by the migration element. Nor is there a simple statistical case for preferring one scenario above any other, although ORS recommend the mid trend scenario.

Market Response

9.14 Taking account of this uncertainty the issue is whether there are any market signals that would suggest these headline figures should be adjusted to reflect the supply/demand balance.

9.15 Consideration of a broad range of data suggests that the Medway housing market is operating satisfactorily, with no indications of stress.

9.16 Medway is significantly more affordable than other areas and this is reflected in lower land values, house prices and rental levels. The only slight indication of a market premium operating concerns detached properties, of which there are less in Medway than the Kent average.

9.17 Overcrowding, concealment and sharing rates are also all below the average. The proportion of homeless in priority need has increased but only reaching the national average level in 2013. The proportion housed in temporary accommodation is less than half the national average.

9.18 The available data suggests that, historically, land supply has not constrained the market but, compared to the range set out in table 39 above, the average build rate over the last 27 years was only 759. This is within 4% of the low trend scenario but 24% below the mid trend scenario and 40% below the high trend scenario. As such, a step change in build rates would be required in order to meet the higher trend growth scenario figures.

Current Housing Stock and Future Requirements

9.19 The available population forecasts show the younger and older age groups showing the highest level of growth to 2021. However, according to the ORS extrapolation by 2035 growth in the younger age band will have petered out while the rate of increase in the over 65s will have accelerated further. The population projections will provide more information about whether these trends are robust and likely to continue.

9.20 This suggests a short term need for family properties but with demand moderating in the longer term. It also suggests more sustained demand for properties that will meet the needs of older people.

9.21 Numerically there are currently more one person households than any other individual category of household type and this is also expected to be the case in 2021. Such households cover the entire adult age range and so properties will still need to satisfy a range of lifestyles, from young single professionals to older people with varying levels of independence.

9.22 The existing housing stock has significantly smaller proportions of detached properties and flats than the average but many more terraced properties. This accounts for the slightly larger average size of property than the norm.

9.23 The proportion of flats did grow between 2001 and 2011 but it remained well below the average. This may well have helped the local market during the recent downturn as nationally and regionally the greatest fall in value was for flats. It should also make it easier to match demand going forward – assuming the market does not overheat as it did in 2007/8.

9.24 In tenure terms the most significant trend in Medway over the last ten years has been the growth in the private rented sector – from 8% to 15% and putting it on a par with the national average. This has been almost solely at the expense of owner occupation – with or without a mortgage.

9.25 In the short term some further growth seems likely given the number of units with housing benefit tenants but if rental increases breach the housing benefit cap this will choke off demand. Demand for student properties is not expected to increase to any significant degree.

9.26 The proportion of social rented properties remained fairly constant between 2001 and 2011 and at 13.2% is substantially below the national average of 17.6%. On the face of it this would tend to suggest suppressed demand but this is not borne out when affordability is considered. Accordingly ORS estimate that going forward only 17.8% of new stock will be needed in this category.

9.27 There is currently an absence of evidence to determine the extent of demand for self build in Medway. Accordingly it is important that this issue is addressed in the full SHMA that will inform the forthcoming local plan.

9.28 The proportion of households with specific needs is expected to stay broadly constant through to 2020, for which the latest data is available. However this will still require more properties and this should be also reflected in the local plan. In the short term the five extra care schemes coming forward will make a major contribution and provide flexibility until longer term plans are established.

Affordable Housing

9.29 This Housing Position Statement does not consider this matter in detail but forecast requirements for intermediate housing (16.3%) and social rented housing (17.8%) are put forward by ORS. This will help to inform decisions in the short term pending preparation of a full SHMA and the development of local plan policy. Further work is required on needs assessment and viability testing in preparation of the new Local Plan, to support a review of policies at the appropriate stages of the plan making process.

10. Overall Conclusions and Recommendations

Introduction

10.1 This chapter returns to the methodology set out in national guidance and seeks to answer each of the key questions that it poses. It then sets out specific recommendations based upon the conclusions reached.

What is the Functional Housing Market Area?

10.2 As a major, city scale, conurbation Medway is a well-defined functional housing market area in its own right. That is borne out by previous assessments, DCLG research, the available statistical data and assessments for adjoining areas. However it will be important to have this conclusion endorsed by neighbouring authorities and, in the light of discussions, consider whether any statistical adjustments are required to take account of needs within transitional areas.

What is the Starting Point to Establish the Need for Housing?

10.3 This is the latest available household projections extrapolated to cover the expected local plan period of 2011 – 2035. However there are significant issues with the projections:

- Their interim status and the fact that they do not yet fully incorporate the 2011 census results
- The extreme volatility of net migration over the period 2001 – 2011 and therefore the trend to apply to the post 2011 period.
- The difficulties of extrapolating the interim projections from unknown headship rates.

10.4 Applying standard 5 and 10 year migration assumptions results in very different headline need figures: 730, 1,000 and 1,280 dwellings per annum, with a zero migration scenario resulting in a figure of 860. Given this ORS conclude as follows:

"CLG 2011 based household projections show a rise of 1,275 households per annum in the period 2011-2021, equating to 1,320 dwellings per annum. Therefore, CLG household projections do fall within the potential range of objectively assessed needs as set out in this report, but at the high end of potential scenarios. However, 2008 based CLG household projections of around 910 dwellings per annum also fall within the range of objectively assessed needs.

The NPPF states that:
'Local planning authorities should positively seek opportunities to meet the development needs of their area'

On this basis the Low-trend projections are unlikely to be seen as planning positively and instead we would favour using Mid–trend figures, setting a potential dwelling target of between 1,000 and 1,120 per annum.

As noted earlier there is an argument that 2011 headship rates underestimate future household formation rates, while 2008 headship rates may have been *overstating future household formation rates. Given that the figures fall between 2008 based and 2011 based CLG projections we consider that the 2011 headship rates and Mid-trend migration dwelling target of 1,000 dwellings per annum represents the most appropriate objectively assessed needs for Medway."*

10.5 Given the available evidence this is a pragmatic conclusion but one that still needs to be applied with some caution for the reasons set out in the previous chapter.

Are Any Adjustments to the Household Projection Based Estimate of Housing Need Justified?

10.6 At this stage of the planning process and looking forward over the assessment period to 2035 no need for such adjustments has been identified.

10.7 Pending a new assessment of the scope for economic initiatives, radical changes to the local economy cannot be assumed. The Council recognises the need to assess the economic potential of the area and to determine what an economic led projection will identify in terms of the number of households required to support the most appropriate economic strategy for Medway. This will be carried out as part of the full economic needs assessment. The exceptional growth in higher education between 2001 and 2011 is unlikely to be repeated. Net migration levels are the real unknown but also a critical component of future need. Neither international nor internal migration are exhibiting any clear trends. Given this careful monitoring will be essential to see whether adjustments are required in the future. Key findings will be reported in our AMR.

What are the Market Signals?

10.8 A demographic based needs rate of 1,000 dwellings per annum compares to an average build rate over the last 27 years of 759. At face value this would tend to suggest a constrained market that has not been free to react to population changes. However all the available evidence indicates to the contrary.

10.9 Land supply has not been an issue given the success in bringing forward land as part of the Thames Gateway initiative, Medway remains much more affordable than adjoining areas and none of the accepted indicators point to pent up demand. Indeed all the suggestions are that the Medway housing market is operating in a much more balanced way than other parts of the southeast.

10.10 If this is indeed the case then it does pose the question of whether there is sufficient market demand to support a demographically driven needs target of 1,000 per annum.

How should Plan Makers Respond to Market Signals?

10.11 None of the available data points to unmet need that would justify an increase in the overall needs figure. On the contrary improving affordability suggest some caution should be exercised to ensure that the market does not soften as a result of over supply relative to expressed demand.

What are the Implications for the Different Types of Housing?

10.12 Housebuilders understandably consider that they best understand how local markets operate and so are always averse to policies they consider are too detailed. This can include house types, sizes and tenure that the national Guidance covers. Finding the right balance between prescription and flexibility will therefore be a test for the forthcoming local plan.

10.13 What is clear from the assessment is that a continuing emphasis will need to be applied to the provision of smaller dwellings, suitable for occupation by a range of single person households. Medway's smaller than average proportion of detached properties should also be addressed so that there is greater choice in the market. A higher proportion of flats would, in theory at least, help to meet the needs of single person households but experience, both locally and more widely, points to the need for minimum quality standards to maintain quality of life and cohesive communities.

10.14 With house prices continuing to outstrip wages growth, further increases in the size of the private rented market are likely. However in Medway low values are supporting rents below the housing benefit cap and it is important that adequate standards are maintained so that more vulnerable tenants are not disadvantaged.

10.15 The absence of data on those wishing to self build will need to be addressed, although numerically this will always be a niche market.

10.16 The proportion of households with specific needs is expected to stay broadly constant through to 2035 but this will still need provision to match the increased population. A detailed picture is provided in the needs assessment reproduced at Appendix 2.

What Provision Should be Made for Affordable Housing?

10.17 This aspect is only dealt in outline in this assessment but the work undertaken by ORS once again points to the Medway housing market being relatively affordable and a consequent limit on those in need that cannot be housed within the private sector.

10.18 Averaged over the assessment period ORS conclude that a total of 34.1% of new stock should be affordable of which 52% should be 'social rented' (now affordable rent) and 48% 'intermediate' housing. This compares to current policy, which seeks 25% overall and broadly, a 60/40 split between affordable rent and shared ownership or other form of intermediate housing.

10.19 It is proposed that the current 25% requirement should be retained until a more detailed assessment is completed and the implications for viability can be tested through the plan preparation process.

Recommendations

10.20 Based on the foregoing the following recommendations are made.

1. Seek endorsement from adjoining authorities to the boundaries of the functional Medway housing market area being the administrative boundary, not least to ensure continuity with the assessments for adjoining market areas.

2. That ORS's recommended annual housing requirement figure for Medway of 1,000 dwellings per annum be accepted as the 'basis for calculating 5 Year land Supply and determining planning applications until a full Strategic Housing Market Assessment has been completed in 2015.

3. Put in place specific monitoring arrangements for the key variables identified in this assessment and particularly migration so that the robustness of the 1,000 per annum figure can continue to be tested.

4. This monitoring should also cover house and land prices to ensure that over supply does not soften a market that is markedly more affordable than adjoining and nearby market areas.

5. Pending preparation of the new local plan, seek to ensure a balance of house types comes forward, including:
   - Smaller units suitable for single person households
   - Family housing, including detached properties (particularly through to 2021)
   - Flatted schemes are of a standard that will encourage cohesive communities and can be adequately maintained.

6. Establish a self-build register that is available online.

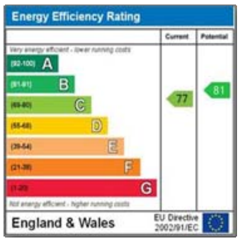
7. Utilise the IPC Extra Care Housing Needs Analysis, reproduced at Appendix 2, in negotiating provision for specific needs housing.

8. Retain the current 25% (60/40 split) affordable housing policy pending preparation of a full affordable housing analysis that will inform the new local plan.

9. Ensure that a full replacement needs assessment is commissioned to inform the new local plan at the appropriate time. This will cover the full plan period and feed in the most up to date demographic and economic projections to establish the objectively assessed need for Medway.

Opinion Research Services

Excellent research for the public, voluntary and private sectors



Appendix 2A

Medway 2035

Strategic Housing Market Assessment Update 2013

October 2013

Contents

Medway SHMA Update 2013

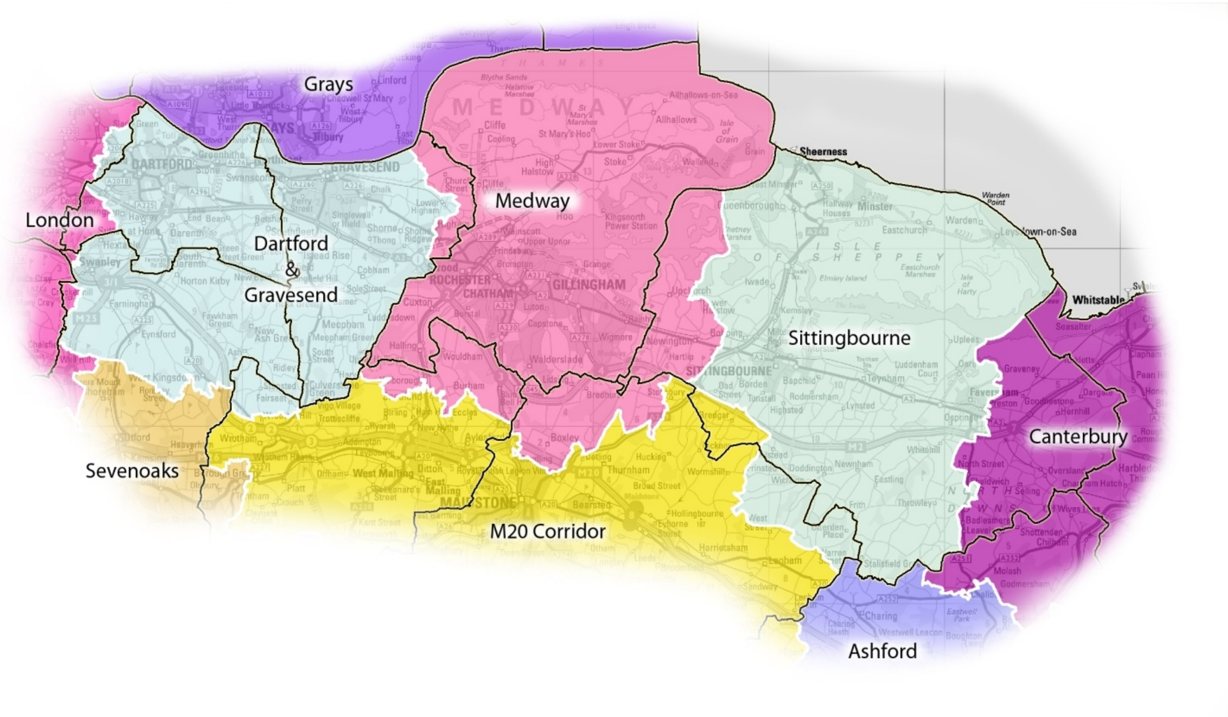
Updated SHMA analysis incorporating newly published data

North Kent SHMA 2010

1. The original Strategic Housing Market Assessment (SHMA) for Medway was undertaken jointly with Gravesham Borough Council as part of a North Kent sub-region assessment. This was published in February 2010.

2. The North Kent SHMA 2010 identified housing markets across the study area (Figure 1). While the Medway housing market was found to extend into Gravesham, Swale, Tonbridge and Malling and Maidstone local authorities, in each case this covers only a small area of these authorities. Therefore, we have developed this report on the basis that Medway is a self-contained housing market and that housing requirements in the area will be met within the authority. We have also assumed that housing requirements for neighbouring authorities will be met in their own area and for example, Medway will not be required to help meet the housing needs of Swale.

Figure 1: Identifying the Functional Housing Sub-Markets across the Whole North Kent Sub-Region (Source: North Kent Strategic Housing Market Assessment 2009)



3. At the time of the study, Medway had a housing allocation of 815 dwellings per annum contained in the South East Regional Spatial Strategy (RSS). However, the modelling for the SHMA used a figure of 878 dwellings per annum. This reflected a shortfall in provision in the period 2001-2010 which was to be made up in the remainder of the RSS period. This is known as the backlog of provision, as opposed to the backlog

of need which reflects the number of housed households who are not suitably housed and cannot afford to meet their housing needs.

4. However, it has since been confirmed that the South East Plan incorporated any prior backlog figures into the housing requirements for the RSS period commencing in 2006. Therefore, the 878 figure overstated the requirements for Medway from 2006 onwards by adding a backlog of provision from 2001-2006 which had already been incorporated into the RSS figures commencing in 2006.

5. Since the time of the SHMA in 2010, the RSS has been abolished and the National Planning Policy Framework (NPPF) introduced. Paragraph 14 requires that, 'Local Plans should meet objectively assessed needs'. This paragraph has been support by Practice Guidance issued by Communities and Local Government in August 2013 in the form of 'Assessment of housing and economic development needs'. This document requires that local authorities produce their assessment of objectively assessed needs at housing market area level. It notes at page 9 that

'Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.'

6. However, it also notes that (Pages 9-10)

'Plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office of National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence.'

7. Therefore, Practice Guidance is clear that local authorities should consider household projections produced by CLG as part of their evidence base, but are also allowed to propose alternatives if local evidence variations indicate that this may be appropriate. Current CLG household projections for Medway show a projected number of households in 2011 of 106,578 rising to 119,323 by 2021. The projections do not extend beyond 2021. Therefore the projected annual growth for Medway in the period 2011-2021 is 1,275 households per annum. Allowing for a 3.7% vacancy rate this equates to 1,320 dwellings per annum, well above the 815 dwellings per annum set out in the RSS.

8. However, we would note that the 2008 based CLG household projections identified that household numbers in Medway would rise from 104,000 in 2008 to 126,000 by 2033, a rise of 880 households per annum which equates to 910 dwellings per annum. We would also note that both CLG 2011 based household projections and the 2011 based ONS mid-year population projections which underwrite them come with disclaimers, are only partially based upon 2011 Census data, and that both the ONS and CLG have confirmed that new mid-year population and household projections based fully on Census data will be issued next year.

9. The range of estimate from CLG confirms a statement in Practice Guidance (page 9):

'Establishing future need for housing is not an exact science. No single approach will provide a definitive answer.'

10. This document represents an additional evidence base to assess the objectively assessed needs of Medway across a range of scenarios. Given that Medway is its own housing market area we consider that it is appropriate to concentrate on objectively assessed needs for Medway as a whole.

Population Estimates

11. The original ONS Mid-2011 Population Estimate suggested that Medway had an overall population of 256,425 people; but the 2011 Census suggested that the actual population for the area was 263,925 people, 7,500 more than previously estimated.

12. The ONS has now revised their Mid-Year Population Estimates in the light of the 2011 Census, and has published adjusted components of population change for the 10-year intercensal period. This data provides the basis for establishing the trend-based migration scenarios for the population and household projections.

13. Figure 2 presents the revised data that has now been published, detailing the components of population change for Medway over the last 10 years.

Figure 2: Components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Estimates, revised. Note: "Other Changes" includes adjustments for asylum seekers, prisoners, armed forces and other unattributable changes. All figures presented unrounded for transparency, but should only be treated as accurate to the nearest 100)

Year	Births	Deaths	Natural Change	UK Migration		International Migration		Other Changes	Migration and Other Changes	Total Change
				In	Out	In	Out			
2001-02	3,092	2,213	**879**	10,584	10,745	974	1053	-81	**-321**	558
2002-03	3,110	2,064	**1,046**	10,587	11,000	924	872	212	**-149**	897
2003-04	3,223	2,235	**988**	10,240	11,094	1,087	1046	125	**-688**	300
2004-05	3,104	2,074	**1,030**	9,819	10,738	1,089	867	306	**-391**	639
2005-06	3,206	2,173	**1,033**	9,665	10,581	2,139	1,110	234	**347**	1,380
2006-07	3,294	2,047	**1,247**	10,362	11,456	2,784	723	132	**1,099**	2,346
2007-08	3,387	2,083	**1,304**	10,876	11,357	2,161	683	99	**1,096**	2,400
2008-09	3,491	2,108	**1,383**	9,761	10,092	1,714	1,011	251	**623**	2,006
2009-10	3,474	2,024	**1,450**	10,104	10,259	1666	735	282	**1,058**	2,508
2010-11	3,595	2,056	**1,539**	10,702	10,333	1,566	1,283	-44	**608**	2,147
10-year Average	**3,298**	**2,108**	**1,190**	**10,270**	**10,766**	**1,610**	**938**	**152**	**328**	**1,518**
5-Year Averages										
2001-06	3,147	2,152	**995**	10,179	10,832	1,243	990	159	**-240**	755
2002-07	3,187	2,119	**1,069**	10,135	10,974	1,605	924	202	**44**	1,112
2003-08	3,243	2,122	**1,120**	10,192	11,045	1,852	886	179	**293**	1,413
2004-09	3,296	2,097	**1,199**	10,097	10,845	1,977	879	204	**555**	1,754
2005-10	3,370	2,087	**1,283**	10,154	10,749	2,093	852	200	**845**	2,128
2006-11	3,448	2,064	**1,385**	10,361	10,699	1,978	887	144	**897**	2,281
Lowest Net Migration	**3,147**	**2,152**	**995**	**10,179**	**10,832**	**1,243**	**990**	**159**	**-240**	**755**
Highest Net Migration	**3,448**	**2,064**	**1,385**	**10,361**	**10,699**	**1,978**	**887**	**144**	**897**	**2,281**

14. The mid-trend migration scenario is based on a 10-year average, and the high- and low-trend scenarios based on 5-year averages. Figure 3 details the assumed migration levels for each scenario. Given that no further data is available about "Other Changes", these are incorporated by adjusting the primary flows on a proportionate basis. Therefore the data in Figure 3 is based upon the flows set out in Figure 2, but is then adjusted to accommodate 'Other Changes' in flows which are not accounted for elsewhere.

15. The analysis also presents outputs based on a zero migration scenario, where all migration flows are assumed to be zero.

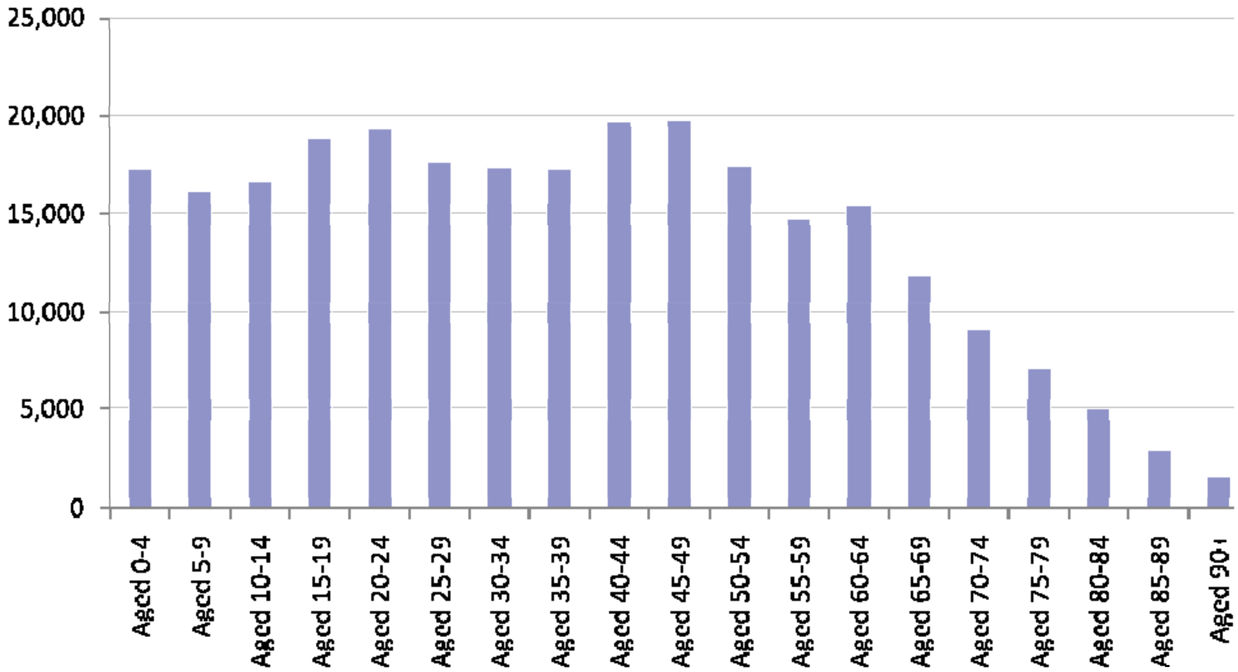
Figure 3: Assumed migration flows for population projections based on high-, mid- and low-trend migration scenarios for period 2011-2035

Scenario	Base Data					Adjusted Flows				Migration and Other Changes
	UK		International		Other Changes	UK		International		
	In	Out	In	Out		In	Out	In	Out	
High-trend	10,361	10,699	1,978	887	144	10,423	10,635	1,990	882	**897**
Mid-trend	10,270	10,766	1,610	938	152	10,336	10,696	1,621	932	**328**
Low-trend	10,179	10,832	1,243	990	159	10,249	10,757	1,251	983	**-240**

Population Projections

16. The population projections have been produced using the PopGroup software (developed by Manchester University). The analysis is informed by a range of assumptions which have been determined on the basis of the most up-to-date information about the population of Medway.

Figure 4: Medway population by Age for 2011 (Source: Overall population based on ONS Mid-2011 Estimate)



17. Figure 5 and Figure 6 show the overall population projections for the four migration-based scenarios over the period 2010-35 and the projected 5-year age cohorts by gender. The projections range from 288,600 based on the Low-trend Migration scenario up to 322,400 based on the High-trend Migration scenario, which represent 25-year increases of 25,900 persons and 59,700 persons respectively (a range of 33,800 persons between the two scenarios).

Figure 5: Population projections 2010-35 comparing Zero Migration with High-, Mid- and Low-trend Migration scenarios

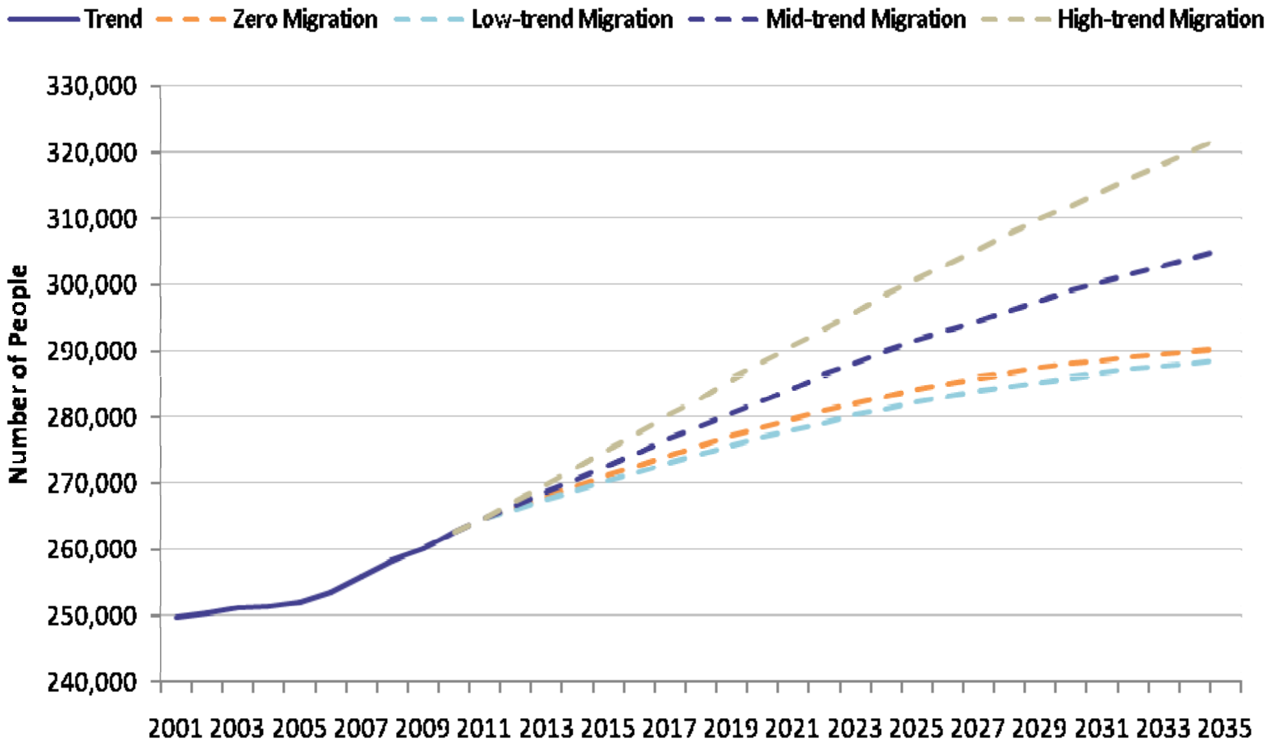


Figure 6: Population projections 2010-35 by gender and 5-year age cohort based on High-, Mid-, Low-Trend and Zero Migration scenarios (Note: Figures rounded to nearest 100. All calculations based on unrounded data)

Age	2010 Mid-year Estimate			2035 High-trend Migration			2035 Mid-trend Migration			2035 Low-trend Migration			2035 Zero Migration		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
Aged 0-4	8,700	8,400	**17,100**	9,600	9,000	**18,600**	9,000	8,400	**17,400**	8,300	7,800	**16,100**	7,900	7,500	**15,400**
Aged 5-9	8,000	7,800	**15,800**	9,700	9,100	**18,900**	9,100	8,500	**17,600**	8,500	8,000	**16,400**	8,100	7,700	**15,800**
Aged 10-14	8,700	8,200	**16,900**	10,100	9,500	**19,600**	9,500	9,000	**18,500**	8,900	8,400	**17,400**	8,600	8,200	**16,800**
Aged 15-19	10,000	9,400	**19,500**	10,200	9,700	**19,900**	9,800	9,200	**19,000**	9,300	8,800	**18,100**	9,200	8,700	**17,900**
Aged 20-24	9,400	8,900	**18,400**	10,100	10,000	**20,100**	9,600	9,600	**19,200**	9,100	9,100	**18,200**	9,300	8,900	**18,200**
Aged 25-29	8,800	8,800	**17,600**	10,500	10,200	**20,700**	9,800	9,600	**19,400**	9,100	8,900	**18,100**	8,700	8,400	**17,100**
Aged 30-34	8,500	8,400	**17,000**	10,100	9,800	**19,900**	9,200	9,000	**18,200**	8,400	8,200	**16,600**	8,000	7,800	**15,800**
Aged 35-39	8,900	9,000	**17,900**	10,800	10,300	**21,000**	9,800	9,400	**19,200**	8,900	8,500	**17,300**	8,600	8,200	**16,800**
Aged 40-44	9,900	10,000	**19,900**	12,200	11,800	**24,000**	11,200	10,800	**22,000**	10,100	9,900	**20,000**	9,900	9,400	**19,300**
Aged 45-49	9,700	9,900	**19,600**	11,100	10,600	**21,700**	10,300	9,900	**20,200**	9,500	9,200	**18,700**	9,400	9,100	**18,400**
Aged 50-54	8,300	8,400	**16,800**	9,500	9,400	**18,800**	8,900	8,900	**17,800**	8,400	8,500	**16,900**	8,500	8,700	**17,100**
Aged 55-59	7,300	7,300	**14,600**	8,800	8,600	**17,400**	8,400	8,300	**16,700**	8,000	8,000	**16,000**	8,100	8,200	**16,400**
Aged 60-64	7,600	7,800	**15,400**	8,300	8,400	**16,700**	8,100	8,200	**16,300**	7,800	8,000	**15,800**	8,300	8,500	**16,700**
Aged 65-69	5,600	5,600	**11,200**	8,400	8,800	**17,200**	8,300	8,600	**16,900**	8,100	8,500	**16,500**	8,700	9,200	**17,900**
Aged 70-74	4,300	4,800	**9,100**	7,500	8,200	**15,700**	7,400	8,100	**15,400**	7,200	7,900	**15,200**	8,000	8,700	**16,600**
Aged 75-79	3,100	3,800	**6,900**	5,600	6,500	**12,100**	5,600	6,400	**12,000**	5,500	6,300	**11,800**	6,000	6,900	**12,900**
Aged 80-84	2,000	2,900	**4,800**	4,100	4,800	**8,900**	4,100	4,700	**8,800**	4,000	4,700	**8,700**	4,400	5,100	**9,400**
Aged 85-89	900	2,000	**2,900**	2,900	4,000	**6,900**	2,900	3,900	**6,800**	2,900	3,900	**6,800**	3,100	4,200	**7,300**
Aged 90+	400	1,000	**1,400**	1,600	2,600	**4,200**	1,600	2,600	**4,200**	1,500	2,600	**4,100**	1,700	2,800	**4,500**
Total	**130,300**	**132,400**	**262,700**	**161,100**	**161,300**	**322,400**	**152,300**	**153,200**	**305,500**	**143,500**	**145,100**	**288,600**	**144,600**	**145,800**	**290,400**

Communal Establishments

18. Prior to considering household projections, it is necessary to identify the household population and separate out the population assumed to be living in Communal Establishments.

19. The 2011 Census identified 3,937 persons living in Communal Establishments in the Medway area. This is consistent with the 4,011 persons identified by the CLG 2011-based household projections. Therefore, the age-gender distribution of the Communal Establishment population has been based on CLG data.

20. Consistent with the CLG approach, we have assumed that the number of people aged under 75 living in Communal Establishments will remain constant over the projection period; however, it is the proportion of people aged 75 or over that is held constant by gender. Essentially the model is assuming that as the number of people aged over 75 years in Medway grows, a higher number of people aged over 75 years will live in communal establishments, but that the proportion of over 75 year old males and females in communal establishments will not rise. Meanwhile, the physical number of people aged under 75 years in communal establishments is assumed to remain constant, so as the population grows the percentage of the population in communal establishments will fall.

21. We would note that one result of this assumption is that the population of students in communal housing has also been held as a constant, as has the total size of the student population. Medway has seen a rapid growth in student numbers in recent years, but this past growth is already incorporated into ONS and CLG data. The model assumes a fixed number of students in Medway for the plan period, so if the number of communal student bedspaces were to rise in the future, this would release some pressure on the private housing stock of Medway. However, if student numbers were to rise with no rise in student bedspaces then this would place additional pressure on private housing and would necessitate additional private dwelling provision.

22. Figure 7 shows the breakdown between the household population and the population living in Communal Establishments for each of the four scenarios.

Figure 7: Population projections to 2035 by gender and 5-year age cohort based on High-trend, Mid-trend, Low-trend, and Zero Migration scenarios (Note: Communal Establishment population held constant for population aged under 75 (light blue cells), and held proportionately constant for population aged 75 or over (orange cells). Household population and Total population figures rounded to nearest 100. Communal Establishment population rounded to the nearest 10. All calculations based on unrounded data)

Age	2010			2035 High-trend Migration			2035 Mid-trend Migration			2035 Low-trend Migration			2035 Zero Migration		
	HH	CE	Total	HH	CE	Total	HH	CE	Total	HH	CE	Total	HH	CE	Total
Aged 0-4	17,100	10	**17,100**	18,600	10	**18,600**	17,400	10	**17,400**	16,100	10	**16,100**	15,400	10	**15,400**
Aged 5-9	15,800	0	**15,800**	18,900	0	**18,900**	17,600	0	**17,600**	16,400	0	**16,400**	15,800	0	**15,800**
Aged 10-14	16,900	50	**16,900**	19,600	50	**19,600**	18,400	50	**18,500**	17,300	50	**17,400**	16,800	50	**16,800**
Aged 15-19	19,000	480	**19,500**	19,500	480	**19,900**	18,500	480	**19,000**	17,600	480	**18,100**	17,400	480	**17,900**
Aged 20-24	17,900	540	**18,400**	19,600	540	**20,100**	18,600	540	**19,200**	17,700	540	**18,200**	17,600	540	**18,200**
Aged 25-29	17,300	300	**17,600**	20,400	300	**20,700**	19,100	300	**19,400**	17,800	300	**18,100**	16,800	300	**17,100**
Aged 30-34	16,800	190	**17,000**	19,700	190	**19,900**	18,100	190	**18,200**	16,400	190	**16,600**	15,600	190	**15,800**
Aged 35-39	17,800	140	**17,900**	20,900	140	**21,000**	19,000	140	**19,200**	17,200	140	**17,300**	16,700	140	**16,800**
Aged 40-44	19,800	90	**19,900**	23,900	90	**24,000**	21,900	90	**22,000**	19,900	90	**20,000**	19,200	90	**19,300**
Aged 45-49	19,500	100	**19,600**	21,600	100	**21,700**	20,100	100	**20,200**	18,600	100	**18,700**	18,300	100	**18,400**
Aged 50-54	16,700	60	**16,800**	18,800	60	**18,800**	17,800	60	**17,800**	16,800	60	**16,900**	17,000	60	**17,100**
Aged 55-59	14,600	30	**14,600**	17,300	30	**17,400**	16,600	30	**16,700**	16,000	30	**16,000**	16,400	30	**16,400**
Aged 60-64	15,300	50	**15,400**	16,700	50	**16,700**	16,200	50	**16,300**	15,700	50	**15,800**	16,700	50	**16,700**
Aged 65-69	11,100	80	**11,200**	17,100	80	**17,200**	16,800	80	**16,900**	16,400	80	**16,500**	17,800	80	**17,900**
Aged 70-74	9,000	120	**9,100**	15,600	120	**15,700**	15,300	120	**15,400**	15,000	120	**15,200**	16,500	120	**16,600**
Aged 75-79	6,600	260	**6,900**	11,700	440	**12,100**	11,500	430	**12,000**	11,400	430	**11,800**	12,400	460	**12,900**
Aged 80-84	4,400	420	**4,800**	8,200	740	**8,900**	8,100	730	**8,800**	8,000	720	**8,700**	8,700	780	**9,400**
Aged 85+	3,200	1,100	**4,300**	8,500	2,610	**11,100**	8,400	2,580	**11,000**	8,300	2,560	**10,900**	9,000	2,760	**11,800**
Total	**258,700**	**4,010**	**262,700**	**316,400**	**6,020**	**322,400**	**299,500**	**5,980**	**305,500**	**282,600**	**5,940**	**288,600**	**284,100**	**6,250**	**290,400**

Household Projections

23. The Census identified that Medway had a total population of 263,900 persons on 27 March 2011, of which 260,000 formed the household population (98.5%) with the remaining 3,900 resident in communal establishments. There were a total of 106,200 households with at least one usual resident, therefore an average household size of 2.45 persons.

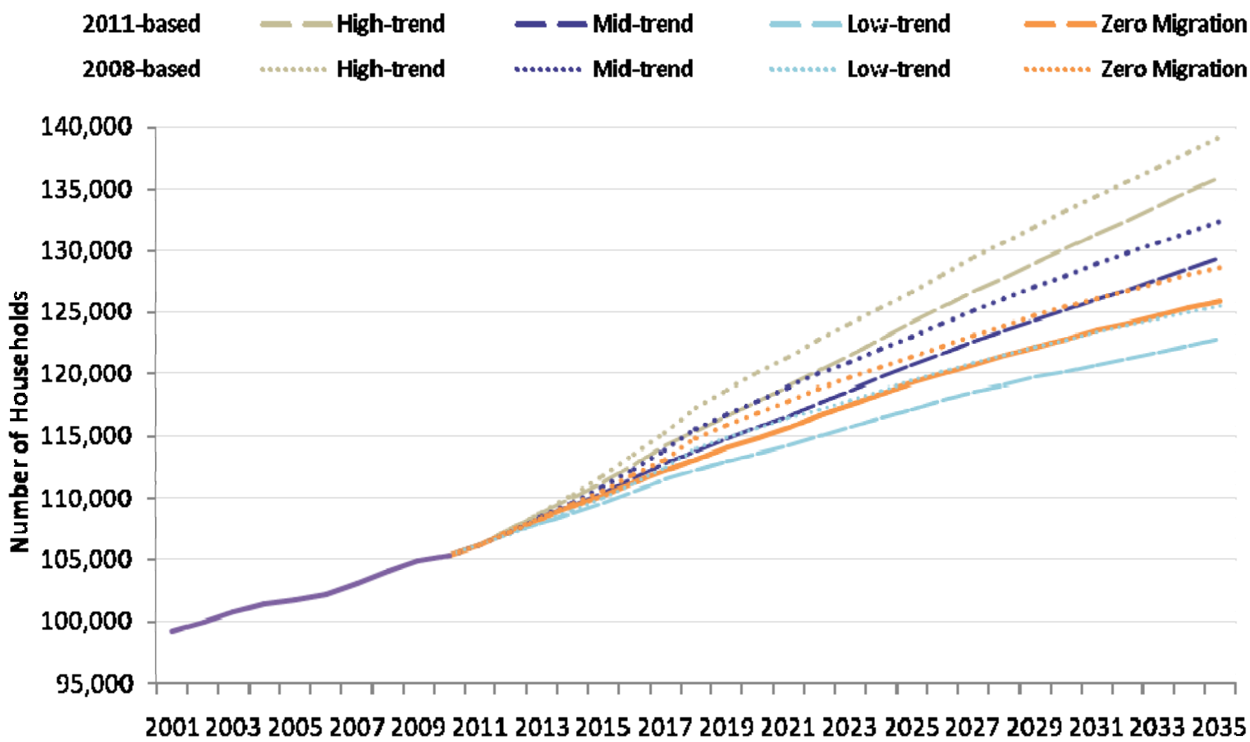
24. The ONS Mid-2011 Population Estimate identified that Medway had a total population of 264,900 persons at the end of June 2011, which suggests a household population of around 260,900 persons. By applying the headship rates (by age and gender) from the CLG 2011-based household projections, the ONS Mid-2011 Population Estimate translates to 106,600 households with an average household size of 2.45 persons. The headship rates from the CLG 2008-based household projections translate to 107,900 households in 2011, with an average household size of 2.41 persons.

25. It would appear that the CLG 2011-based headship rates provide a more realistic basis in the context of the current population. Nevertheless, it could be argued that the current economic circumstances are unrealistically suppressing household formation and if new households were more readily able to form and live independently, then headship rates might return to the levels assumed in the 2008-based projections. Conversely, it could be argued that the 2008-based headship rates were perhaps inflated by the availability

of credit in the period before the recession; and more prudent lending may constrain household formation and headship rates in future.

26. Given this context, the analysis has therefore considered the impact of both 2008-based and 2011-based headship rates on the projected number of households based on the High-trend, Mid-trend and Low-trend and Zero Migration scenarios, after taking account of the population assumed to be living in Communal Establishments (Figure 8). The figures for 2011 have been rebased to 106,200 households for each scenario, to ensure consistency with the Census.

Figure 8: Household projections 2010-35 comparing High-trend, Mid-trend, Low-trend and Zero Migration scenarios



27. Figure 9 summarises the projected number of households for each of the four migration-led population scenarios and each of the two headship rates.

28. This has then been converted to a dwelling requirement, taking the proportion of dwellings with no usual residents from the 2011 Census and assuming that this rate remains constant over the period to 2031. Any empty properties reintroduced into the stock would therefore contribute to the overall additional housing requirement identified.

29. On this basis, the "objectively assessed need" for housing in the Medway area ranges from 18,200 dwellings up to 35,200 dwellings over the 25-year period of 2010-35; equivalent to a rate of between 730 and 1,410 dwellings per year.

Figure 9: Household projections 2010-35 based on High-, Mid- and Low-Trend and Zero Migration scenarios and 2011-based Headship Rates (Note: Figures rounded to nearest 100. All calculations based on unrounded data)

	2008-based Headship Rates				2011-based Headship Rates			
	High-trend Migration	Mid-trend Migration	Low-trend Migration	Zero Migration	High-trend Migration	Mid-trend Migration	Low-trend Migration	Zero Migration
Households								
2010	105,300	105,300	105,300	105,300	105,300	105,300	105,300	105,300
2035	139,200	132,300	125,500	128,600	136,000	129,400	122,900	125,900
Net change	**+33,900**	**+27,000**	**+20,200**	**+23,300**	**+30,700**	**+24,100**	**+17,600**	**+20,600**
Dwellings								
Additional occupied dwellings	33,900	27,000	20,200	23,300	30,700	24,100	17,600	20,600
Dwellings with no usual residents	3.7%	3.7%	3.7%	3.7%	3.68%	3.68%	3.68%	3.7%
Total dwelling requirement	**35,200**	**28,100**	**21,000**	**24,200**	**31,900**	**25,100**	**18,200**	**21,400**
Annual average dwelling requirement	***1,410***	***1,120***	***840***	***970***	***1,280***	***1,000***	***730***	***860***

Summary of Key Findings

30. Figure 10 provides a summary of the key outputs presented throughout this report.

Figure 10: Population and household projections 2010-35 based on High-, Mid- and Low-Trend and Zero Migration scenarios (Note: Figures rounded to nearest 100. All calculations based on unrounded data)

	High-trend Migration	Mid-trend Migration	Low-trend Migration	Zero Migration
Population Projections				
2010	262,700	262,700	262,700	262,700
2035	322,400 ***+59,700***	305,500 ***+42,800***	288,600 ***+25,900***	290,400 ***+27,700***
Household Projections				
2010	105,300	105,300	105,300	105,300
2035 *Future Headship based on rates from CLG 2008-based projections*	139,200 ***+33,900***	132,300 ***+27,000***	125,500 ***+20,200***	128,600 ***+13,300***
2035 *Future Headship based on rates from CLG 2011-based projections*	136,000 ***+24,100***	129,400 ***+24,100***	122,900 ***+17,600***	125,900 ***+20,600***
Dwelling Requirement				
2010-35 *Future Headship based on rates from CLG 2008-based projections*	***+35,200*** *1,410 per annum*	***+28,100*** *1,120 per annum*	***+21,000*** *840 per annum*	***+24,200*** *970 per annum*
2010-35 *Future Headship based on rates from CLG 2011-based projections*	***+31,900*** *1,280 per annum*	***+25,100*** *1,000 per annum*	***+18,200*** *730 per annum*	***+21,400*** *860 per annum*

Summary of Key Findings for Population and Household Projections

» *Population projections based on the Mid-trend Migration scenario show the number of people increasing from 262,700 up to 305,500 over the period 2010 to 2035, an overall increase of 42,800 persons*

» *The projections to 2035 range from 288,600 (based on the Low-trend Migration scenario) up to 322,400 (based on the High-trend Migration scenario) which represent 25-year increases of 25,900 persons and 59,700 persons respectively, with a range of 33,800 persons between the two scenarios*

» *The number of people aged under 75 living in Communal Establishments is assumed to remain constant, however it is assumed that the proportion of population aged 75 or over living in Communal Establishments is held constant by gender. This implies that the Communal Establishment population would increase by around 2,000 bedspaces over the 25-year period to 2035*

» *The number of households is projected to increase to between 122,900 (based on the Low-trend Migration scenario with 2011-based Headship Rates) up to 139,200 (based on the High-trend Migration scenario with 2008-based Headship Rates) which represent 25-year increases of 17,600 households and 33,900 households respectively, with a range of 16,300 households between the two scenarios*

» *The "objectively assessed need" for housing in the Medway Authority area ranges from 18,200 dwellings up to 35,200 dwellings over the 25-year period of 2010-35; equivalent to a rate of between 730 and 1,410 dwellings per year.*

» *CLG 2011 based household projections show a rise of 1,275 households per annum in the period 2011-2021, equating to 1,320 dwellings per annum. Therefore, CLG household projections do fall within the potential range of objectively assessed needs as set out in this report, but at the high end of potential scenarios. However, 2008 based CLG household projections of around 910 dwellings per annum also fall within the range of objectively assessed needs.*

» *The NPPF states that:*

> *'Local planning authorities should positively seek opportunities to meet the development needs of their area'*

» *On this basis the Low-trend projections are unlikely to be seen as planning positively and instead we would favour using Mid–trend figures, setting a potential dwelling target of between 1,000 and 1,120 per annum.*

» *As noted earlier there is an argument that 2011 headship rates underestimate future household formation rates, while 2008 headship rates may have been overstating future household formation rates. Given that the figures fall between 2008 based and 2011 based CLG projections we consider that the 2011 headship rates and Mid-trend migration dwelling target of 1,000 dwellings per annum represents the most appropriate objectively assessed needs for Medway.*

Housing Requirements by Tenure

31. The North Kent SHMA 2010 produced a preferred estimate for the market, intermediate and social housing requirements for Medway at Figure 108 Scenario 4 in the original report. This figure was based upon the RSS dwelling delivery target and is reproduced below at Figure 11.

Figure 11: Housing Requirement for Medway 2008-2026 based Upon RSS Dwelling Delivery Target (Source: North Kent SHMA 2010 Figure 108. Note: Figures may not sum due to rounding)

Housing Type	Medway
House Prices at 2008 levels	
Market housing	9,500
Intermediate affordable housing	3,000
Social rented housing	3,300
Total Housing Requirement	**15,800**
Market housing	60.3%
Intermediate affordable housing	18.9%
Social rented housing	20.9%

32. For this study we have updated the housing requirements modelling below at Figure 12. To undertake the update we used the Mid-trend household projections with 2011 based headship rates, but would note that the results do not vary strongly for any alternative set of household projections. We also incorporate a range of different updated data to 2010, but these do not significantly impact upon the results of the study. For example. right to buy sales had already declined in Medway by 2008 and therefore extending this trend to 2010 does not significantly impact upon the results. Therefore, the overall results of the higher number of dwellings required is to marginally reduce the percentage requiring to be affordable; but increase physical number of affordable units required.

Figure 12: Housing Requirement for Medway 2010-2035 based Upon Mid-trend Household Projections and 2011 Headship Rates (Note: Figures may not sum due to rounding)

Housing Type	Medway
House Prices at 2008 levels	
Market housing	16,600
Intermediate affordable housing	4,100
Social rented housing	4,500
Total Housing Requirement	**25,100**
Market housing	65.9%
Intermediate affordable housing	16.3%
Social rented housing	17.8%

Table of Figures

Appendix 2b

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Medway Council

Extra Care Housing Needs Analysis

Report

July 2011

OXFORD BROOKES UNIVERSITY

Medway Council

Extra Care Housing Needs Analysis

Report

1 Introduction

This extra care housing needs analysis has been conducted by the Institute of Public Care at Oxford Brookes University to support a bid by Medway Council and Registered Provider partners to the Housing and Communities Agency for funding for the development of a number of extra care housing schemes.

Currently, there is no fixed definition of extra care housing (ECH). However, there is a broad consensus that extra care housing should provide a fully accessible home for life for older people, meeting both their accommodation and care needs: the provision of access to flexible 24-hour care is a key component of extra care housing. It therefore has the potential to provide an alternative to residential care for older people who can no longer be cared for in their own homes.

Medway plans to work to an ECH model which will allocate accommodation on the basis of one third to residents having low or no care needs, one third to residents needing around six to seven hours of care per week and the final one third to residents with high care needs equivalent to residential care. The creation of mixed communities of both active and frail older people, and housing with different types of tenancies, has been identified as desirable by the Department of Health's Housing Learning and Improvement Network. Extra care housing can include a range of housing types such as groups of bungalows, flats, and care villages, each providing security of tenure.

As a housing-based model of care, ECH encompasses principles such as independence, choice, empowerment, and participation. It is promoted by central Government as part of its vision for improving older people's quality of life, housing, health and social care. Policy guidance supports the development of ECH that meets the needs of older people with dementia, the needs and wishes of black and minority ethnic older people and learning disabled older people.

This report looks at the likely need for extra care housing, the current supply of specialist housing for older people, and presents an estimate of the need for new extra care housing in Medway.

2 Population projections

The older population in Medway is increasing, with the numbers of people aged 65 and over projected to increase from 36,000 to 46,100 by 28% in the next ten years (see Table 1). The numbers aged 85 and over are projected to increase by 38% in the next 10 years, and more than double in the next 20 years.

Table 1: Population aged 65 and over, projected to 2030

	2010	2015	2020	2025	2030
People aged 65-74	20,200	23,900	25,000	25,000	28,300
People aged 75-84	13,600	13,200	15,300	18,500	19,600
People aged 85 and over	4,200	4,800	5,800	7,400	9,200
Total population 65 and over	**36,000**	**41,900**	**46,100**	**50,900**	**57,100**

Figures may not sum due to rounding Crown copyright 2010
Source: POPPI

The projected population of older people from the BME community is less than 5% of the total, and less than 1.5% of those aged 85 and over. The largest BME group in the older population is Asian or Asian British (see Table 2).

Table 2: People aged 65 and over by age and ethnic group, year 2007

	People aged 65-74	People aged 75-84	People aged 85+
White (this includes British, Irish and Other White)	17,936	10,973	3,936
Mixed Ethnicity (this includes White and Black Caribbean; White and Black African; White and Asian; and Other Mixed)	68	34	9
Asian or Asian British (this includes Indian; Pakistani; Bangladeshi; and Other Asian or Asian British)	491	176	34
Black or Black British (this includes Black Caribbean; Black African; and Other Black or Black British)	136	45	8
Chinese or Other Ethnic Group	74	27	5
Total population 65 and over in 2007	**18,705**	**11,255**	**3,992**

Figures may not sum due to rounding Crown copyright 2010
Source: POPPI

3 Vulnerable older people

There are a number of categories of older people for whom ECH housing is likely to be particularly valuable in meeting their care and social needs and enabling them to live independently, in particular: people aged 85 and over, older people who live alone, and older people with learning disabilities. People with health and self-care needs are discussed later.

3.1 Over 85s

As indicated in Table 1, the numbers of people aged 85 and over are projected to increase from 4,200 in 2010 to 5,800 in 2020 and to 9,200 in 2030. This represents an increase of 38% in the next 10 years, and more than a doubling in the next 20 years.

3.2 People who live alone

Older people who live alone are more likely than others to move into residential care. This may be because they are less likely to have access to informal care to enable them to remain in their own homes and be more socially isolated. Table 3 indicates that the number of older people aged 75 and over who live alone is projected to increase by more than 28%.

Table 3: People aged 65 and over living alone, by age, projected to 2030

	2010	2015	2020	2025	2030
People aged 65-74 predicted to live alone	5,100	6,030	6,310	6,290	7,140
People aged 75 and over predicted to live alone	7,937	9,016	10,475	12,748	14,132
Total	**13,037**	**15,046**	**16,785**	**19,038**	**21,172**

Figures may not sum due to rounding Crown copyright 2010
Source: POPPI

3.3 People with learning disabilities

Many people with learning disabilities have no need for extra care housing. However, due to overall increases in life expectancy, there is projected to be a steadily increasing number of older people with learning disabilities in Medway over the next 20 years (see Table 4). Many of these people will have been cared for by their parents. As they approach old age, their parents may no longer be able to care for them, and extra care housing provides a positive alternative to a residential placement for this group.

Table 4: People aged 65 and over predicted to have a moderate or severe learning disability, and hence likely to be in receipt of services, by age

	2010	2015	2020	2025	2030
People aged 65-74 predicted to have a moderate or severe learning disability	71	84	87	88	99
People aged 75-84 predicted to have a moderate or severe learning disability	24	28	32	39	40
People aged 85 and over predicted to have a moderate or severe learning disability	8	9	10	13	17
Total	**103**	**120**	**130**	**140**	**156**

Figures may not sum due to rounding Crown copyright 2010
Source: POPPI

4 Health, mobility and self-care

The health of people in Medway is generally worse than the average for England. Although early deaths from cancer, heart disease and stroke, and deaths from all causes, are falling, these remain higher than the national average (Health profile, 2010).

There are a range of data sets which provide an indication of the numbers of older people with ill-health and care needs who could benefit from the accessible environments provided by ECH along with access to 24 hour care.

4.1 People with a long-term limiting illness

A projected 2,437 people aged 85 and over have a long-term limiting illness in Medway (see Table 5). An evaluation of an extra care housing scheme in Bradford for the Joseph Rowntree Foundation found that people's use of health services reduced following their move into the ECH scheme.

Table 5: People aged 65 and over with a limiting long-term illness, by age, projected to 2030

	2010	2015	2020	2025	2030
People aged 65-74 with a limiting long-term illness	8,131	9,620	10,063	10,063	11,392
People aged 75-84 with a limiting long-term illness	6,250	7,112	8,243	9,967	10,560
People aged 85 and over with a limiting long-term illness	2,437	2,786	3,366	4,294	5,339
Total	**16,818**	**19,518**	**21,672**	**24,325**	**27,291**

Figures may not sum due to rounding
Source: POPPI

People with long-term limiting illness who live alone are particularly vulnerable. Table 6 indicates that the number of people aged 85 and over who live alone with a long-term limiting illness is projected to increase from 1,529 to 2,111 between 2010 and 2020, an increase of over 38%.

Table 6: People aged 65 and over with a limiting long-term illness, living alone, by age, projected to 2030

	2010	2015	2020	2025	2030
People aged 65-74 with a limiting long-term illness, living alone	2,160	2,521	2,733	2,679	3,015
People aged 75-84 with a limiting long-term illness, living alone	2,867	3,246	3,792	4,539	4,944
People aged 85 and over with a limiting long-term illness, living alone	1,529	1,747	2,111	2,694	3,349
Total	**6,553**	**7,514**	**8,636**	**9,912**	**11,308**

Figures may not sum due to rounding
Source: POPPI

4.2 Mobility

As extra care housing is designed to meet Lifetime Homes standards, it can provide a fully accessible home to people with mobility difficulties, who might otherwise move into residential care when they can no longer move around their home. While adaptations may enable some people to remain in their own homes, appropriate adaptations are not always feasible or affordable.

Table 7 indicates that the number of people aged 85 and over, unable to manage activities such as getting to the toilet, or getting up and down stairs, is projected to increase from nearly 2,000 in 2010 to over 2,600 in 2020, and over 4,000 in 2030.

Table 7: People aged 65 and over unable to manage at least one mobility activity on their own, by age, projected to 2030
(Activities include: going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; getting in and out of bed)

	2010	2015	2020	2025	2030
People aged 65-74 unable to manage at least one activity on their own	2,149	2,497	2,718	2,649	2,992
People aged 75-84 unable to manage at least one activity on their own	2,303	2,640	3,056	3,647	3,965
People aged 85 and over unable to manage at least one activity on their own	1,955	2,160	2,620	3,265	4,045
Total	**6,407**	**7,297**	**8,394**	**9,561**	**11,002**

Figures may not sum due to rounding.
Source: POPPI

4.3 Self-care

Extra care housing provides a housing-based model for the delivery of care and support to those who need it. Tables 8 and 9 indicate projected current and future numbers of older people in Medway who are unable to manage at least one self-care activity and unable to manage at least one domestic task. People in these groups are likely to benefit from ECH, especially where they live alone with little informal care available.

Table 8 indicates that the projected number of people aged 85 and over unable to manage at least one self-care activity, such as washing or dressing themselves will increase from 2,883 in 2010 to 3,860 in 2020 and 5,957 in 2030.

Table 8: People aged 65 and over unable to manage at least one self-care activity on their own, by age, projected to 2030
(Activities include: bathing, showering or washing all over, dressing and undressing, washing their face and hands, feeding, cutting their toenails, taking medicines)

	2010	**2015**	**2020**	**2025**	**2030**
People aged 65-74 unable to manage at least one self-care activity on their own	4,440	5,193	5,555	5,468	6,191
People aged 75-84 unable to manage at least one self-care activity on their own	4,453	5,109	5,907	7,067	7,617
People aged 85 and over unable to manage at least one self-care activity on their own	2,883	3,184	3,860	4,809	5,957
Total	**11,773**	**13,486**	**15,322**	**17,344**	**19,765**

Figures may not sum due to rounding
Source: POPPI

In Table 9, the number of people aged 85 and over who are unable to manage at least one domestic task, such as vacuuming and household shopping is projected to increase from over 3,300 in 2010 to over 4,500 in 2020 and over 7,000 in 2030.

Table 9: People aged 65 and over unable to manage at least one domestic task on their own, by age, projected to 2030
(Tasks include: household shopping, washing and drying dishes, cleaning windows inside, jobs involving climbing, using a vacuum cleaner to clean floors, washing clothing by hand, opening screw tops, dealing with personal affairs, doing practical activities)

	2010	**2015**	**2020**	**2025**	**2030**
People aged 65-74 unable to manage at least one domestic task on their own	5,302	6,188	6,671	6,541	7,391
People aged 75-84 unable to manage at least one domestic task on their own	5,695	6,537	7,547	9,041	9,717
People aged 85 and over unable to manage at least one domestic task on their own	3,344	3,712	4,530	5,662	7,026
Total	**14,341**	**16,437**	**18,748**	**21,244**	**24,134**

Figures may not sum due to rounding

Source: POPPI

4.4 Dementia

ECH can provide an alternative to residential care for people with dementia, particularly those who develop dementia while living in ECH, and those who are cared for by their partner. Extra care housing has an important role in enabling couples to continue to live together where one partner has dementia.

Table 10 indicates a projected increase of 34% in the number of older people with dementia in Medway from 2,364 to 3,176 between 2010 and 2020, and of 87% between 2010 and 2030.

Table 10: People aged 65 and over predicted to have dementia, by age, projected to 2030

	2010	**2015**	**2020**	**2025**	**2030**
People aged 65-74 predicted to have dementia	386	446	498	477	537
People aged 75-84 predicted to have dementia	965	1,104	1,293	1,526	1,707
People aged 85 and over predicted to have dementia	1,013	1,136	1,386	1,740	2,192
Total	**2,364**	**2,684**	**3,176**	**3,742**	**4,436**

Figures may not sum due to rounding

Source: POPPI

4.5 Carers

Older people who provide a large amount of unpaid care provide a vital role in enabling others to maintain their independence in their own homes. It is likely that most of the older people providing large volumes of unpaid care are caring for partners. When these arrangements break down, due to the illness or death of the carer, it is often the trigger for an admission to residential care. ECH can potentially help to relieve some of the carer burden and isolation, by providing access to formal care and social support, thereby helping to prevent or delay an admission to residential care.

There are a projected 1,379 people aged 65 and over currently providing 50 or more hours of unpaid care per week (see Table 11). This figure is projected to rise to 1,754 by 2020 and 2,122 by 2030.

Table 11: People aged 65 and over providing unpaid care to a partner, family member or other person, by age and by hours of care provided, projected to 2030

	2010	**2015**	**2020**	**2025**	**2030**
People aged 65-74 - Provide care for 50 or more hours per week	855	1,012	1,058	1,058	1,198
People aged 75-84 - Provide care for 50 or more hours per week	447	509	590	713	755
People aged 85 and over - Provide care for 50 or more hours per week	77	88	106	136	169
Total	**1,379**	**1,609**	**1,754**	**1,907**	**2,122**

Figures may not sum due to rounding

Source: POPPI

5 Tenure, prices and deprivation

5.1 Tenure

According to the 2001 Census, nearly two-thirds (66%) of those aged 85 and over were owner-occupiers, and more than one fifth (22%) of those aged 85 and over rented social housing. Since then, the proportion of owner-occupiers will have increased as younger age cohorts have higher rates of owner-occupation. Although levels of owner-occupation among older people in Medway are above the national average, they are below the regional average. In 2007, it was calculated that 62% of the older population were outright owner-occupiers (ie mortgage free).

Table 12: Proportion of population aged 65 and over by age and tenure (2001)

	People aged 65-74	**People aged 75-84**	**People aged 85 and over**
Owned	80.76%	71.72%	65.97%
Rented from council	4.66%	7.15%	8.13%
Other social rented	9.76%	13.67%	14.20%
Private rented / living rent free	4.82%	7.45%	11.70%

Figures may not sum due to rounding

Source: POPPI

5.2 House prices

Land registry data indicate that average house prices in Medway in December 2010 were £142,175. Average prices are £101,711for a maisonette/flat, £121,610 for a terraced house, £170,894 for a semi-detached house, and £285,470 for a detached house. This indicates that a significant majority of older people in Medway could potentially buy or lease extra care housing, if available.

5.3 House conditions

According to Census data, there were nearly 4,300 older people living in homes with no central heating in 2001, representing more than one in eight of the older population (see Table 13) and significantly higher than the average for England of 9.78%. Extra care housing built to modern standards of heating and insulation provides a positive alternative to homes with no central heating which may also be poorly insulated.

Table 13: People aged 65 and over by age, living in a dwelling with no central heating, year 2001

	Number of 65 and over population with no central heating (2001)	**Percentage of 65 and over population with no central heating (2001)**
People aged 65-74	2,099	6.66%
People aged 75-84	1,629	5.17%
People aged 85 and over	568	1.80%
Total	**4,296**	**13.63%**

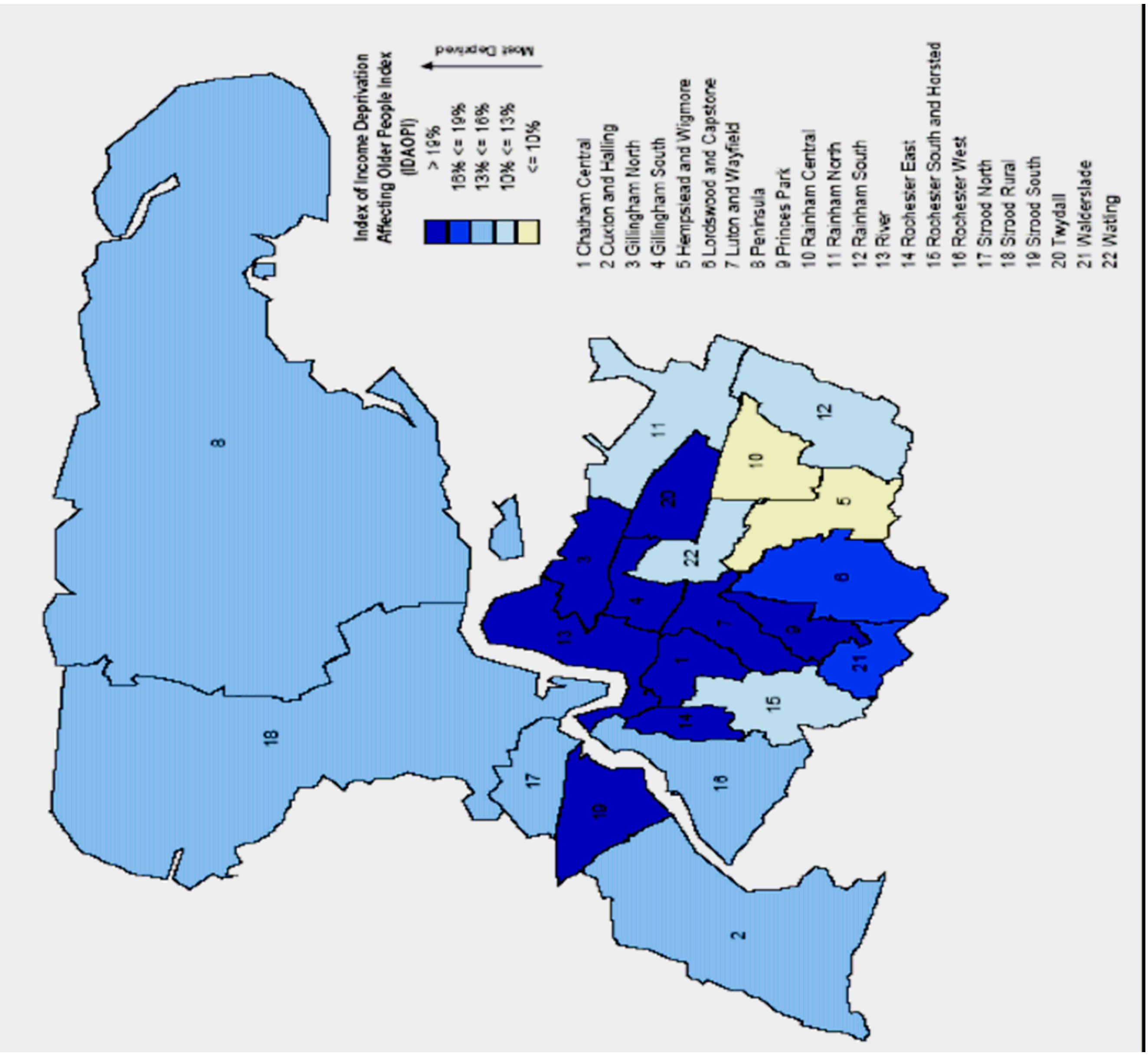
Figures may not sum due to rounding

Source: POPPI

5.4 Deprivation

According to the Medway Joint Strategic Needs Assessment 2008-2009, Medway has a relatively diverse level of deprivation with three wards falling within the 20% most deprived wards of England, and two wards falling within the 20% least deprived. The three most deprived wards: Gillingham North, Chatham Central and Luton & Wayfield, have the highest levels of people estimated to have future health problems. Deprivation among older people appears to be concentrated in the southern central part of Medway (see Figure 1).

Figure 1: Map of Index of Deprivation affecting Older People by ward 2007



6 Current accommodation and services

6.1 Care and support services

There are 85 care homes providing services to older people and people with dementia in Medway according to the CQC Care Directory (of which 24 provide care homes with nursing care), providing an estimated 1,124 care home places for older people in Medway.

In 2009-2010, 289 people aged 65 and over were admitted to permanent residential or nursing care purchased or provided by Medway, and a total of 704 older people were in permanent residential or nursing care purchased or provided by Medway. Based on CQC data obtained for NMDF study of self-funders in 2010, at 30.3.09, there were an estimated 359 self-funders in care homes in Medway.

A total of 2,762 older people were helped to live independently and 2,227 received community-based services in Medway in 2009-2010. Of these, a total of 1,280 received home care, of whom, 540 people received intensive home care services (ie more than 10 hours and more than 6 or more visits a week). In addition, an estimated 633 people aged 65 and over funded their own home care[1] (NMDF study).

From RAP data, 515 older people received a day care service, 230 received a meals service, 175 received one or more telecare services from adult social care exclusively or in partnership with another agency, and 217 older people received either a direct payment or had a personal budget in 2009-2010.

6.2 Sheltered housing

There are a total of 1,442 affordable sheltered housing units of accommodation in Medway, of which 573 are described as bedsit or studio apartments (see Appendix I for map). Average void times for Medway council sheltered stock appear to be rising steadily from 22.9 days in 2006-2007, to 55.1 days in the first ten months of 2010-2011. This increase reflects, at least in part, the changing expectations and requirements of older people in terms of housing standards. MHS homes, which owns 601 sheltered housing units, have had an average void time of 22 days in the year 2010-2011 to date. The high proportion of bedsits and studios is no longer likely to meet the aspirations of today's older people.

The Council's housing register indicates that there are 674 applicants who have indicated a preference for sheltered housing. However, in 2009-2010 there was a total of 79 voids in sheltered social housing and in the first ten months of 2010-2011, there have been 57 sheltered social housing voids. At these rates, it is likely that it would take at least ten years to house all current applicants.

There are 86 two-bedroom sheltered flats and 6 three-bedroom sheltered flats, with 57 applicants on the housing register aged 65 and over who are looking for two-bedroom accommodation. It can be assumed that the wait for two-bedroom sheltered accommodation is considerably longer than that for bedsit and one-bedroom sheltered housing.

According to the Elderly Accommodation Counsel, there are 78 sheltered housing schemes in Medway of which 12 provide leasehold or shared ownership options. The Medway housing needs survey in 2006 stated that there were 727 sheltered housing units in the private sector.

6.3 Extra care housing

There is currently no extra care housing provision in Medway, although there are a number of schemes on site and in the pipeline. Medway has a target of 300 new units of affordable extra care housing over the two years to 2012. These

[1] Unpublished technical appendix to LGID/ADASS/LGA (2011) People who pay for care: quantitative and qualitative analysis of self-funders in the social care market

are predominantly being delivered using S.106 Agreements with funding from the Homes and Communities Agency (HCA) and include:

- Berkeley First and Housing 21 Extra Care Scheme – . This 60 unit (social rented) scheme is currently under construction with an estimated completion date of June 2012.
- Rochester Riverside Extra Care Scheme to be provided by Hyde – 41 units (social rented). Construction due to start in September 2011.
- Liberty Park Extra Care Scheme to be provided by Crest – 56 units (social rented).
- The former Horsted college site to be provided by Countryside. 40 units (tenure mix not yet determined)

A number of other extra care housing schemes are currently being considered by Medway Council with a preference for new schemes to be delivered as mixed tenure where possible. The master plan and planning brief for the new settlement at Lodge Hill also contain a requirement for a minimum of one extra care scheme. The delivery of this is likely to be delivered in one of the later phases when demand from within the settlement for such provision has arisen to at least partially require such accommodation, and therefore will not count towards meeting any identified need from the rest of Medway.

6.4 Delayed transfers of care

Health service data indicate that in the third quarter of 2010-2011, there were 16 delayed transfers of care of people aged 75 and over. If delays are consistent across the year, this would indicate a total of 64 delayed transfers of care across 2010-2011. It has not been possible to obtain details from the local NHS trust on how many delayed transfers are due to housing circumstances.

6.5 Intermediate care

Within NHS Medway's boundary, there is a range of intermediate care beds. *Our Future Health Secured; A Review of NHS Funding & Performance (DoH 2008),* identifies intermediate care services as having made a significant contribution to the reduction in delayed discharges from hospital. ECH schemes can sometimes provide a limited number of units for people receiving intermediate care.

A review and remodelling of intermediate care services in Medway has been scheduled as part of a series of actions falling out of Positive Ageing in Medway - the Older People Strategic Plan and Joint Commissioning Strategy for Health and Social Care 2010-13.

7 What do older people want?

7.1 National Perspective

Most older people want to remain in their own home for as long as possible. However this does not necessarily mean that they do not want to move. Older people move for a variety of reasons including: convenience, location, better accessibility, security, easier to maintain and manage property, availability of care, and to release equity.

Research by Karen Croucher to inform *Lifetime Homes, Lifetime Neighbourhoods* (DCLG, 2008) found that the factors which underpinned older people's decision to move or to stay put are common across very diverse groups. The key factors were: attachment to current home, complexity of family/caring relationships, neighbours and neighbourhood (especially for lesbian, gay and transgender older people), access to services and amenities, and health and well-being[2].

Croucher found that two bedrooms were seen as a minimum requirement for most people. Some people (particularly from the Asian community) wanted better independent advice about the housing options available to them; and there was also felt to be a lack of low intensity support, for example, help with small repairs. Sheltered housing was seen as a 'good thing' but there was little awareness of extra care housing or the potential of assistive technology.

The Audit Commission, in partnership with Better Government for Older People[3] set out some of the aspirations of older people gleaned from a range of consultation exercises, including:

- Having choice and control over how they live their lives.
- Opportunities to contribute to the life of the community, and for that contribution to be valued and recognised (interdependence).
- Comfortable, secure homes.
- Safe neighbourhoods.
- Friendships and opportunities for learning and leisure.
- The ability to get out and about.
- Good relevant information.
- The ability to keep active and healthy.
- Being involved in making decisions.
- Joined up services.

7.2 Local perspectives

A recent local study of Older People's Housing Needs and Aspirations indicated a strong consensus that two-bedroom accommodation for older people is "a must". The study which involved focus groups found little knowledge or understanding among participants of extra care housing.

The next generation of older people from the baby boomer generation are likely to have higher expectations and demands of public and private services, with a more individualistic and consumerist approach to housing and support services than their predecessors.

8 Gap Analysis and the Need for Future Provision

From this survey of the current and future characteristics of the population and current services in Medway, a range of indicators emerge which point to a gap in terms of the profile of accommodation and related services to meet the needs of

[2] Karen Croucher (2008) Housing Choices and Aspirations of Older People, DCLG
[3] Audit Commission (2004) Older People: Independence and Wellbeing, Audit Commission

older people across the continuum of housing, health and social care, such as that provided by extra care housing.

There are a number of approaches to assess the need for extra care housing in Medway: a review of the current and future population projections; looking at existing service use and applying a set of assumptions about the proportion of people that would be more appropriately housed in extra care housing; or applying rates developed in More Choice, Greater Voice[4] to the Medway population.

8.1 Current and future population projections

The steady overall growth in the population will put pressure on existing services. The increases in particularly vulnerable groups: very old people living alone, with long-term limiting illness and needing high levels of care; older people with learning disabilities; and older people with dementia, will add to the pressure for more intensive support.

Between 2010 and 2020, increases of an additional: 1,600 people aged 85 and over; 3,748 older people living alone; 4,814 older people with a long-term limiting illness; 375 older people providing 50 or more hours a week of unpaid care; 27 older people with a moderate or severe learning disability; and more than 800 people with dementia are projected. In addition, the growth in the projected number of older carers providing high levels of unpaid care from 1,379 to 1,754 in 2020 is likely to increase the need for two-bedroom housing with support as many will be part of a couple.

Medway will need to plan how it will accommodate and care for these groups. Extra care housing potentially has a vital part to play in meeting the accommodation and care needs of many of these people.

8.2 Current service use: care homes, social care, sheltered housing

The most recent data indicate 704 older people in permanent care home accommodation, purchased or provided by Medway, with an additional 359 people paying for their own place in a care home. If it is assumed that one-third of the total 1,063 could be accommodated in mixed tenure extra care housing[5], this alone would indicate a need for 235 social rented units of ECH, and 120 leasehold or shared ownership units, totalling 355 units for the current population, and rising to 490 in ten years' time (applying population projections for the over 85 population).

Currently, 540 people receive intensive packages of social care. If it is assumed that 10% of this group could be better accommodated in extra care housing, this would indicate a need for 54 units of extra care housing.

Demand for ordinary sheltered housing remains high, but it appears that much sheltered housing will not meet rising expectations in terms of wheelchair accessibility, size, and the needs of couples. It is not known how much existing

[4] DCLG/CSIP (2008) *More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people*, DCLG/CSIP
[5] CSIP/Housing LIN (2006) *Extra Care Housing Toolkit* considers that 30% of individuals currently in residential care would be better provided for in extra care scheme (p79) .

sheltered housing is fit for future needs, and how much could feasibly be adapted to meet those needs.

Making a conservative assumption that 10% of the current sheltered housing population could be better accommodated in extra care housing, this would indicate a need for 144 units of extra care housing.

Using this approach to estimating the current need for extra care housing in Medway, indicates *a need for 553 units of extra care housing, including 120 leasehold or shared ownership units*.

8.3 Applying rates proposed by DCLG/CSIP

The toolkit - *More Choice, Greater Voice*[6] suggests a 'norm' for conventional sheltered housing of 125 units of sheltered housing per 1,000 population aged 75 and over is assumed, with a combination of housing for rent and leasehold according to the local tenure balance. Applying this rate to the current population aged 75 and over would indicate a need for 2,225 units of conventional sheltered housing for rent, leasehold or shared ownership. Assuming the pattern of provision followed the current tenure pattern among the very old of 66% owner occupied and 34% other tenures, this would indicate a need for 756 units of affordable sheltered housing – a little more than half the current level of provision in Medway.

In terms of extra care housing, the toolkit recommends: "*Full extra care housing offers the possibility of housing a balanced community of people with relatively limited care needs through to those who might otherwise be living in residential care, total provision is projected at 25 per 1,000, again divided between rent and sale*".

Applying this rate to the current projected population of 17,800 people aged 75 and over, *indicates a need for 445 units of extra care housing in Medway in 2011*. If current tenure patterns among the very old are applied, this indicates a need for 151 units of affordable extra care housing with nearly 300 units in other tenures. Based on population projections, *the total need will increase to a total 527 units of extra care housing by 2020*.

9 Concluding remarks

The population of older people in Medway is diverse, with deprivation among older people concentrated in the southern central part of the authority. There is a need to develop a range of housing and services recognising that these different populations may have different needs.

The Medway housing needs survey in 2006 identified a need for 1,929 units of sheltered housing over the next 3 years: 1,202 in the affordable sector and 727 in the private sector. Whilst some of this requirement is being addressed through relets, the ability of the existing stock to meet today's standards and expectations needs to be considered in calculating future provision.

[6] DCLG/CSIP (2008) More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people, DCLG/CSIP

While the development of extra care provision is not seen as a *solution* to bricks and mortar issues, the future role of sheltered housing needs to be linked to the contribution it is able to make to meeting the care, as well as the accommodation, needs of dependent and vulnerable older people. For future generations of older people, it is likely that there will be less demand for conventional sheltered housing than there has traditionally been.

Medway has identified a long term objective to "*ensure that all appropriate people can access Extra Care Housing as an alternative to residential care"* as set out in Positive Ageing in Medway - the Older People Strategic Plan and Joint Commissioning Strategy for Health and Social Care 2010-13. However, there is currently no extra care housing for rent, and no extra care housing for sale or shared ownership, although there are a number of schemes in the pipeline.

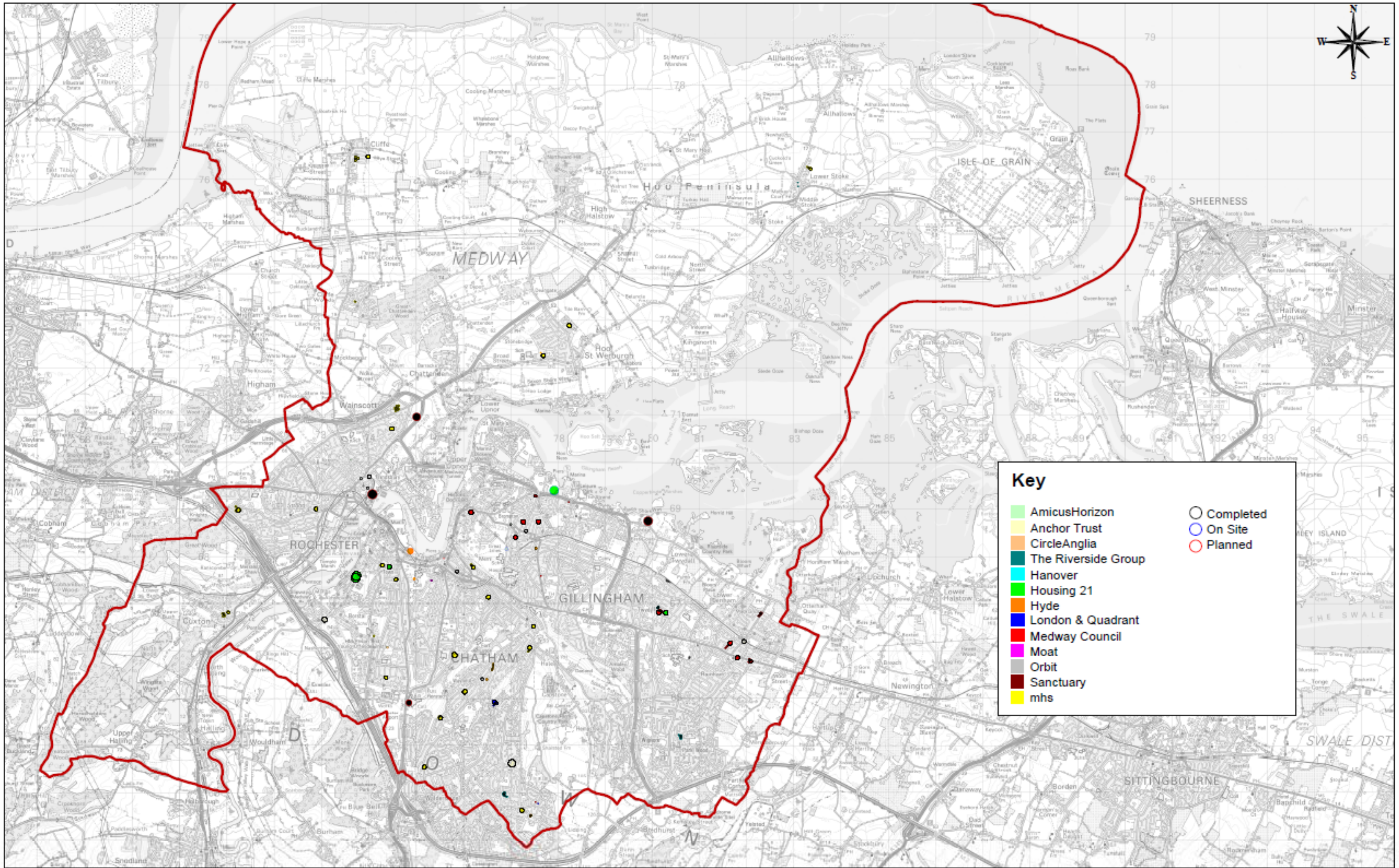
This analysis indicates a need for between 445 and 553 units of extra care housing to match the requirements of the current older population for both social/affordable rent, leasehold and shared ownership extra care housing. By 2020, this need is likely to have increased to a minimum of 527 units.

The emergence of owner-occupation as a significant factor in old age has shifted the balance between estimates of need and response to demand. The benefits of providing more leasehold and shared ownership extra care housing, for example, may be as much in its effect in releasing family sized accommodation into the market, as in meeting the particular needs of those who move into it.

There are a considerable number of older people who are mortgage free owner-occupiers who could use their assets to downsize or move to accommodation better suited to their needs. Given the proportion of older owner-occupiers, some people will be attracted to leasehold schemes as a way of preserving some of their equity.

In summary, there is scope to widen the range of housing and support options available to older people across tenures, and a need to configure specialist housing and services differently to enable the growing number of older people to live independently.

Appendix I – Map of specialist accommodation in Medway



Specialist Accomodation

Medway Council Serving You
Scale:1:75000 02/03/11

Appendix 3

Diversity Impact Assessment: Screening Form

<table>
<tr><td>Directorate

RCC</td><td colspan="3">Name of Function or Policy or Major Service Change

Local Development Scheme revision 2014-2017
Housing Position Statement</td></tr>
<tr><td colspan="2">Officer responsible for assessment

Catherine Smith</td><td>Date of assessment

21 May 2014</td><td>New or existing?

New</td></tr>
<tr><td colspan="4">Defining what is being assessed</td></tr>
<tr><td>1. Briefly describe the purpose and objectives</td><td colspan="3">The reports provide a basis for updating work in planning for Medway. They report the position on development policy through publication of an updated programme for the production of a new local plan, and provide advice on a revised assessment of housing needs in advance of the adoption of a new local plan.

The production of a new local plan will present the development strategy for Medway in meeting the area’s needs for homes, jobs, services and infrastructure up to 2035.</td></tr>
<tr><td>2. Who is intended to benefit, and in what way?</td><td colspan="3">The local plan will cover the whole of Medway and seek sustainable development to benefit all in Medway, through planning for social, economic and environmental needs.

The Local Development Scheme does not consider the content of policies, but sets out a programme for the preparation of the local plan. The Housing Position Statement provides information on assessing housing needs in Medway, but does not seek to change policy in advance of the adoption of the local plan.</td></tr>
<tr><td>3. What outcomes are wanted?</td><td colspan="3">The wider plan making process seeks the sustainable development of Medway, for its economic success and wellbeing of its residents and environment.

The outcomes of the specific work presented in the report are to provide information on the process of plan preparation, and advice on a housing target to be considered in determining planning applications in the short term.</td></tr>
<tr><td>4. What factors/forces could contribute/detract from the outcomes?</td><td colspan="2">Contribute

Support for local plan process.
Resources
Effective information gathering and analysis</td><td>Detract

Challenges to planning position
Resources
Difficulties in obtaining relevant information.
Changes to planning legislation</td></tr>
</table>

5. Who are the main stakeholders?	Whole community of Medway, statutory and voluntary organisations, businesses and all with an interest in development of Medway.	
6. Who implements this and who is responsible?	The Council is required to publish and maintain the Local Development Scheme (LDS). The Council will use the LDS to progress a new Local Plan to adoption, following independent examination by the Planning Inspectorate.	
Assessing impact		
7. Are there concerns that there <u>could</u> be a differential impact due to *racial/ethnic groups*?	~~YES~~ **NO**	This concerns work on a land use planning document that covers all areas of Medway. The work will assess the needs of the area and its communities and seek to address these in producing planning policies. The Council will seek to engage all sectors of the community in information gathering and consultation throughout the plan preparation process. This is specifically addressed in the Medway Statement of Community Involvement.
What evidence exists for this?	Statutory basis for planning policy requirements. Principles for engagement set out Medway Statement of Community Involvement	
8. Are there concerns that there <u>could</u> be a differential impact due to *disability*?	~~YES~~ **NO**	This concerns work on a land use planning document that covers all areas of Medway. The work will assess the needs of the area and its communities and seek to address these in producing planning policies. The Council will seek to engage all sectors of the community in information gathering and consultation throughout the plan preparation process. This is specifically addressed in the Medway Statement of Community Involvement.
What evidence exists for this?	Statutory basis for planning policy requirements. Principles for engagement set out Medway Statement of Community Involvement	
9. Are there concerns that there <u>could</u> be a differential impact due to *gender*?	~~YES~~ **NO**	This concerns work on a land use planning document that covers all areas of Medway. The work will assess the needs of the area and its communities and seek to address these in producing planning policies. The Council will seek to engage all sectors of the community in information gathering and consultation throughout the plan preparation process. This is specifically addressed in the Medway Statement of Community Involvement.
What evidence exists for this?	Statutory basis for planning policy requirements. Principles for engagement set out Medway Statement of Community Involvement	

10. Are there concerns there could be a differential impact due to *sexual orientation*?	~~YES~~ **NO**	This concerns work on a land use planning document that covers all areas of Medway. The work will assess the needs of the area and its communities and seek to address these in producing planning policies. The Council will seek to engage all sectors of the community in information gathering and consultation throughout the plan preparation process. This is specifically addressed in the Medway Statement of Community Involvement.
What evidence exists for this?	Statutory basis for planning policy requirements. Principles for engagement set out Medway Statement of Community Involvement	
11. Are there concerns there could be a have a differential impact due to *religion or belief*?	~~YES~~ **NO**	This concerns work on a land use planning document that covers all areas of Medway. The work will assess the needs of the area and its communities and seek to address these in producing planning policies. The Council will seek to engage all sectors of the community in information gathering and consultation throughout the plan preparation process. This is specifically addressed in the Medway Statement of Community Involvement.
What evidence exists for this?	Statutory basis for planning policy requirements. Principles for engagement set out Medway Statement of Community Involvement	
12. Are there concerns there could be a differential impact due to people's *age*?	~~YES~~ **NO**	This concerns work on a land use planning document that covers all areas of Medway. The work will assess the needs of the area and its communities and seek to address these in producing planning policies. The Council will seek to engage all sectors of the community in information gathering and consultation throughout the plan preparation process. This is specifically addressed in the Medway Statement of Community Involvement.
What evidence exists for this?	Statutory basis for planning policy requirements. Principles for engagement set out Medway Statement of Community Involvement	
13. Are there concerns that there could be a differential impact due to *being trans-gendered or transsexual*?	~~YES~~ **NO**	This concerns work on a land use planning document that covers all areas of Medway. The work will assess the needs of the area and its communities and seek to address these in producing planning policies. The Council will seek to engage all sectors of the community in information gathering and consultation throughout the plan preparation process. This is specifically addressed in the Medway Statement of Community Involvement.
What evidence exists for this?	Statutory basis for planning policy requirements. Principles for engagement set out Medway Statement of Community Involvement	

<table>
<tr><td rowspan="2">14. Are there any other groups that would find it difficult to access/make use of the function (e.g. speakers of other languages; people with caring responsibilities or dependants; those with an offending past; or people living in rural areas)?</td><td>~~YES~~</td><td rowspan="2">This concerns work on a land use planning document that covers all areas of Medway. The work will assess the needs of the area and its communities and seek to address these in producing planning policies.
The Council will seek to engage all sectors of the community in information gathering and consultation throughout the plan preparation process. This is specifically addressed in the Medway Statement of Community Involvement.</td></tr>
<tr><td>NO</td></tr>
<tr><td>What evidence exists for this?</td><td colspan="2">Statutory basis for planning policy requirements. Principles for engagement set out Medway Statement of Community Involvement</td></tr>
<tr><td rowspan="2">15. Are there concerns there <u>could</u> be a have a differential impact due to multiple discriminations (e.g. disability <u>and</u> age)?</td><td>~~YES~~</td><td rowspan="2">This concerns work on a land use planning document that covers all areas of Medway. The work will assess the needs of the area and its communities and seek to address these in producing planning policies.
The Council will seek to engage all sectors of the community in information gathering and consultation throughout the plan preparation process. This is specifically addressed in the Medway Statement of Community Involvement.</td></tr>
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</table>

<table>
<tr><td colspan="3">Conclusions & recommendation</td></tr>
<tr><td rowspan="2">16. Could the differential impacts identified in questions 7-15 amount to there being the potential for adverse impact?</td><td>~~YES~~</td><td rowspan="2"></td></tr>
<tr><td>NO</td></tr>
<tr><td rowspan="2">17. Can the adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or another reason?</td><td>~~YES~~</td><td rowspan="2"></td></tr>
<tr><td>NO</td></tr>
<tr><td colspan="3">Recommendation to proceed to a full impact assessment?</td></tr>
<tr><td>NO</td><td colspan="2">This function/ policy/ service change complies with the requirements of the legislation and there is evidence to show this is the case.</td></tr>
</table>

Planning ahead: Reminders for the next review			
Date of next review	Key stages of Local Plan preparation, or revision of Local Development Scheme		
Areas to check at next review (e.g. new census information, new legislation due)	Local Plan preparation will take account of comprehensive range of demographic and other information in assessing development needs in Medway.		
Is there *another* group (e.g. new communities) that is relevant and ought to be considered next time?	No		
Signed (completing officer/service manager) Catherine Smith, Planning Manager - Policy		**Date**	21 May 2014
Signed (service manager/Assistant Director) Dave Harris, Head of Planning		**Date**	21 May 2014