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HOUSING AND ECONOMIC DEVELOPMENT NEEDS ASSESSMENT

Housing and Economic Development Needs Assessment

Redditch Borough Council
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This document has been prepared and checked in accordance with the Lambert Smith Hampton Quality Assurance procedures and authorised for release.

Signed:

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For and on behalf of Lambert Smith Hampton

CONTENTS PAGE

1.0 INTRODUCTION

1.1 Overview

1.1.1 Lambert Smith Hampton and Edge Analytics have been appointed by Redditch Borough Council to undertake a Housing and Economic Development Needs Assessment (HEDNA) to identify the future employment land and housing needs across Redditch Borough for the period 2021-2040.

1.1.2 The purpose of the HEDNA is to provide comprehensive housing and employment evidence to support preparation of the review of Redditch Local Plan No.4.

Figure 1: Redditch and surrounding area

1.1.3 This report has been prepared in accordance with the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG) and will provide an up to date and robust evidence from which can help to guide the development of the emerging Local Plan.

1.2 Study Scope

1.2.1 This report provides a robust assessment based on both wide-ranging data analysis as well as contextual evaluation. The first half of this HEDNA (Sections 2 to 12) considers Redditch's economic growth and future employment land requirements. The second half of the HEDNA (Sections 13 to 21) consider Redditch's population growth and future housing requirement.

 i)   *Economic Needs Assessment*

- Identification and background of Redditch's Functional Economic Market Area
- Policy review of the national, regional, and local economic policies and strategies
- Review of the economic baseline of Redditch
- Commercial Market Review of Redditch
- Assessment of Redditch's patterns of employment land supply and loss
- Review of the risks to Redditch's economy due to Brexit and Covid
- Review of the economic forecasts for Redditch
- Identification of the future floorspace and land area for Redditch

 ii)   *Housing Needs Assessment*

- Review of the context and approach to determining housing need
- An overview of the demographic profile of Redditch
- Assessment of the Local Housing Need using the Standard Method
- Exploration of the Growth Scenarios
- Assessment of the level of affordable housing need
- Assessment of Housing Mix
- Older People
- People with disabilities
- Needs of different groups
- Conclusions

1.2.2 The Appendices provide key context for the analysis:

- Appendix A: Standard Method Calculation
- Appendix B: POPGROUP Forecasting Methodology & Assumptions
- Appendix C: Housing Stock Profile
- Appendix D: Housing Market Profile
- Appendix E: Income & Affordability Profile
- Appendix F: Redditch Housing Register
- Appendix G: Older Age Housing
- Appendix H: Abbreviations

2.0   THE FUNCTIONAL ECONOMIC MARKET AREA

2.1   National Planning Policy Framework

2.1.1   This section considers the functional economic market areas (FEMAs) covering Redditch Borough and surrounding areas.

2.1.2   Functional Economic Market Areas (FEMAs) aim to capture the spatial level at which an economic market operates, and the PPG provides the following guidance on how they should be identified:

"Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including:

- *extent of any Local Enterprise Partnership within the area;*
- *travel to work areas;*
- *housing market area;*
- *flow of goods, services and information within the local economy;*
- *service market for consumers;*
- *administrative area;*
- *catchment areas of facilities providing cultural and social well-being; and*
- *transport network."*

Paragraph: 019 Reference ID: 61-019-20190315

2.2   Administrative Geographies and Transport Network

2.2.1   Figure 2 shows the administrative geographies and strategic transport network for Redditch and the surrounding authorities. This provides an overview to inform the more detailed analysis of Travel to Work Areas (TTWAs) and flows later in this section.

2.2.2   Redditch Borough's administrative boundaries are tightly drawn around Redditch's urban area, particularly around the northern half of the borough and its boundaries with Bromsgrove and Stratford-on-Avon, which are more rural in character. The southern, more rural, part of the borough is bounded by Wychavon to the south.

2.2.3   The borough is served by a number A Roads including the A435 and A448 dual carriageways, as well as the A441 and A4189. The borough lies within close proximity to the M42, M5, and M40 motorways providing good access across the region and to the national motorway network.

Figure 2: Administrative Boundaries and Transport Network

2.3 Evidence of Existing Studies

2.3.1 Table 1 provides a summary of the findings from existing economic evidence base studies for the neighbouring areas. This table focusses on the conclusions regarding any identified FEMAs and identified functional links with Redditch.

Table 1: Summary of Existing Studies

Authority	Functional Links / FEMA	Source
South Worcestershire	It is concluded that the primary FEMA for the South Worcestershire area can be approximated by the Worcestershire County area. A broader area extending to Stratford-upon-Avon, Cotswold, Tewkesbury and Cheltenham local authorities in the south and east and Birmingham in the north would be an approximation of a secondary functional economic market area for South Worcestershire.	South Worcestershire Economic Development Needs Assessment (2018)
Bromsgrove	Doesn't provide an assessment of the FEMA, but notes that there is a strong history of cross boundary joint working with	Bromsgrove's Local Economic

	Redditch, reflecting the fact that Redditch is largely built out within its administrative boundary. Like Redditch, Bromsgrove is also included within two LEP areas, but not included within the WMCA Constituent Members.	Future (2018)
Wyre Forest	It is considered that the FEMA predominantly aligns with the boundary of Wyre Forest's administrative boundary and the northern part of Wychavon District.	Wyre Forest Employment Land Review Update (2018)
Solihull	The statistical evidence suggests that the borough is split between two sub-regional FEMAs: Birmingham and Coventry. Closer examination of the linkages within the TTWAs indicate that the strength of linkage between Solihull and Birmingham far outstrips those links to Coventry. The commercial market evidence shows Solihull forms part of an M42 corridor market, with occupiers looking at locations anywhere along this strategic corridor. A pragmatic solution is to treat Solihull as a standalone FEMA.	Solihull Employment Land Review (2017)
Stratford on Avon	Employment land evidence is based on study commissioned by the Coventry and Warwickshire LEP and produced on a LEP-wide basis. While the report doesn't explicitly identify the sub-region as a FEMA, the analysis does provide outputs for employment land need at aggregate level.	Coventry & Warwickshire Strategic Employment Land Study (2014)
West Midlands Combined Authority (WMCA)	This study provides data regarding commuting and migration flows across the region but does not draw any overall conclusions on the definition of a FEMA. Commuting self-containment rates for the three West Midland LEP areas are calculated: • Black Country LEP: 71% • Coventry and Warwickshire LEP: 77% • Greater Birmingham and Solihull LEP: 77% • Self-containment rate of all three combined: 90% • Just the 7 West Midlands Unitary Authorities: 85%	West Midlands Functional Economic Market Area Study (2015)
Black Country Authorities	This report concludes that the Black Country represents a clearly defined FEMA. The report recognises that the authorities have strong links to the surrounding areas, particularly Birmingham and South Staffordshire, and 'moderate economic transactions' with Solihull, Bromsgrove, and Wyre Forest. However, there is no mention of any links with Redditch.	Black Country Economic Development Needs Assessment (May 2017)

2.4 Local Enterprise Partnerships (LEP)

2.4.1 Redditch has traditionally been included within two LEP areas:

- Greater Birmingham and Solihull LEP (GBSLEP) – along with Birmingham, Solihull, Cannock Chase, East Staffordshire, Lichfield, Tamworth, Bromsgrove, and Wyre Forest.
- Worcestershire LEP (WLEP) – along with Bromsgrove, Wyre Forest, Worcester, Wychavon, and Malvern Hills.

2.4.2 However, following the government's Strengthened Local Enterprise Partnerships Review, overlapping LEP areas are to be eliminated and that LEP boundaries should be adjusted so that all Local Authorities should be aligned within a single LEP going forward. The LEP Network advises that this work is currently ongoing and to be undertaken on a case-by-case basis. We understand that going forward Redditch will remain as part of GBSLEP and will cease to be part of WLEP.

2.4.3 Nonetheless, for the purpose of considering the FEMA, the historic and existing LEP boundaries remain a relevant consideration which may have and continue to influence the economic geography of the area.

2.4.4 The map below shows the LEP areas with the cross-hatched area indicating the three authorities which have been covered by the two LEP areas – Redditch, Bromsgrove, and Wyre Forest – which are on the southern edge of the GBSLEP area and the north-eastern edge of the WLEP area.

Figure 3: Local Enterprise Partnerships Map

Source: ONS

2.5 Travel to Work Areas and Commuting Patterns

2.5.1 The Office of National Statistics (ONS) publishes Travel to Work Areas (TTWAs), the latest TTWAs were published in 2015 and are based on commuting data from the 2011 Census. The TTWAs aim to identify self-contained labour market areas in which the majority of commuting occurs within the boundary of the area.

2.5.2 The TTWAs were developed as approximations to self-contained labour markets, i.e. areas where most people both live and work. As such they are based on a statistical analysis rather than administrative boundaries.

2.5.3 In terms of self-containment rates ONS's notional target for a Travel to Work Area is for at least 75% of an area's resident workforce to work in the area and at least 75% of the people who work in the area to also live in the area. However, for areas where the working population is in excess of 25,000, self-containment rates as low as 66.7% were accepted. The area must also have had a working population of at least 3,500.

2.5.4 As shown in Figure 4, Redditch lies entirely within the Birmingham TTWA which also covers the southern half of Bromsgrove and extends into the edges of Wychavon and Stratford-on-Avon.
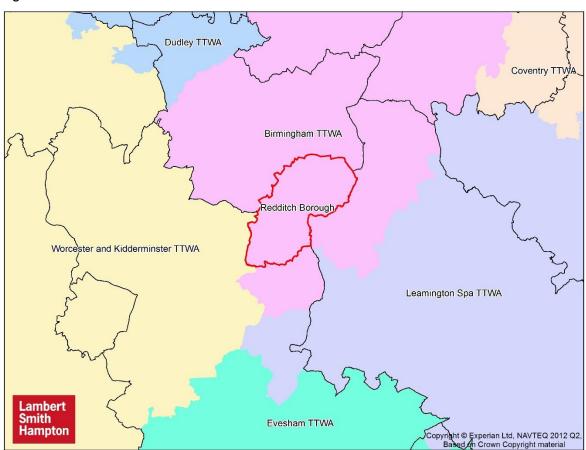
Figure 4: Travel to Work Area for Redditch

Source: ONS

2.5.5   ONS have identified a network of 228 TTWAs covering the country. However, boundaries between TTWAs are less well defined and commuting flows between areas are complex. The TTWAs are based on commuting flow data from the 2011 Census. This data can be assessed in greater detail to allow for more detailed analysis by showing the extent to which labour markets merge and overlap.

2.5.6   Table 2 shows the top local authority commuting destinations for Redditch residents. This shows a resident self-containment of 51.7% indicating just over half of commuting is out of the borough. The destinations of out-commuting are quite diverse and quite evenly spread between Worcestershire, Greater Birmingham and Solihull, and Warwickshire.

Table 2: Destination of Redditch Out-Commuting

Commuting Destination	% of Redditch Out-Commuters
Redditch	51.7%
Bromsgrove	10.4%
Birmingham	9.1%
Stratford-on-Avon	9.0%
Solihull	3.5%
Wychavon	3.2%
Worcester	2.4%
Warwick	1.5%
Sandwell	1.1%

Source: Census 2011 Origin Destination Data

2.5.7   Table 3 shows the local authority of residence for in-commuters who work in Redditch. This shows Redditch has a workplace self-containment of 57.7%. The local authorities with the highest in-commuting are largely the same as those with the highest out-commuting shown above, and are quite evenly spread between Worcestershire, Greater Birmingham and Solihull, and Warwickshire.

Table 3: Origin of Redditch In-Commuting

Commuting Origin	% of Redditch In-Commuters
Redditch	57.7%
Bromsgrove	8.9%
Birmingham	8.2%
Stratford-on-Avon	5.2%
Wychavon	3.7%
Solihull	2.5%
Worcester	1.8%
Dudley	1.7%
Wyre Forest	1.5%

Source: Census 2011 Origin Destination Data

2.6 Self-containment Rates

2.6.1 The commuting self-containment rates are shown in Table 4 below. The self-containment rates have been calculated based on origin destination data from the Census 2011 which is the same data that underpins the ONS TTWAs.

2.6.2 Table 4 shows the commuting self-containment rates for Redditch and the surrounding authorities. The residence-based self-containment measures commuting flows against the resident population of an area, while the workplace-based self-containment measures against the workplace population.

2.6.3 Redditch's self-containment rates are the highest of the neighbouring authorities. However, this does not represent a particularly high level of self-containment for a local authority but rather reflects the low self-containment of area generally and the high level of inter-connectivity across the region.

2.6.4 As noted above, Redditch is a tightly bounded authority, so the self-containment rates for Redditch combined with neighbouring areas has been calculated in order to assess the self-containment of different combined areas. However, the highest self-containment rate of 58% is still relatively low due to the strength of links to the surrounding employment centres.

Table 4: Commuting Self-Containment Rate – Redditch and Neighbouring Local Authorities

Area	Residence Based	Workplace Based
Redditch	51.7%	57.7%
Bromsgrove	30.2%	37.3%
Wychavon	45.6%	50.1%
Stratford-on-Avon	50.7%	47.8%
Redditch + Bromsgrove	49.9%	58.5%
Redditch + Stratford-on-Avon	57.2%	57.8%
Redditch + Bromsgrove + Wychavon + Stratford-on-Avon	58.0%	62.6%

Source: Analysis of 2011 Census data

2.6.5 Looking at the wider geographical areas, Table 5 provides the self-containment rates for the LEP areas and provides figures with Redditch included and excluded from the analysis. This shows that both the Worcestershire LEP and Greater Birmingham and Solihull LEP areas have a higher self-containment with Redditch included – indicating strong links and suggesting Redditch could be included within either TTWA. Conversely, the self-containment for Coventry and Warwickshire LEP is lower when Redditch is included within the area.

2.6.6 Considering a combined area of GBSLEP and Warwickshire – as these areas share three local authorities – increases the self-containment further to 79.4%. Indeed, further combining LEP areas increases the level of self-containment with a combined area of all four LEPs achieving a self-containment of 91.1%. This highlights the considerable interlinkages across the region. However, a FEMA spanning four LEP areas does not provide a practical definition for plan making purposes.

Table 5: Commuting Self-Containment Rate – LEP Areas

Area	Including Redditch	Excluding Redditch
Worcestershire (WLEP)	70.2%	67.6%
Coventry and Warwickshire (CWLEP)	76.6%	77.3%
Greater Birmingham and Solihull (GBSLEP)	77.1%	76.2%
GBSLEP + WLEP	79.4%	78.1%
GBSLEP + CWLEP + BCLEP	90.2%	89.5%
GBSLEP + CWLEP + BCLEP + Worcestershire	91.1%	90.2%

Source: Analysis of 2011 Census data

2.7 Conclusion

2.7.1 This section has considered a range of criteria for assessing the Functional Economic Market Area (FEMA) within which Redditch sits. The range of data all indicate that Redditch is located on the fringes of a number of FEMAs without being clearly located within a single one. The evidence suggests that Redditch most clearly falls within both a Greater Birmingham and Solihull centred FEMA and a Worcestershire centred FEMA. However, there are also strong economic linkages with Stratford-on-Avon within the Coventry and Warwickshire FEMA.

2.7.2 This situation is not uncommon within the West Midlands which has significant areas of economic overlap and many local authorities facing multiple economic markets. Studies for authorities in similar positions, such as Bromsgrove and Solihull, have taken the pragmatic approach of identifying the economic development needs for the local authority area alone, effectively treating the local authority area as a best-fit FEMA, whilst also recognising the multifaceted linkages with neighbouring areas. It is considered that this approach is also the most appropriate for Redditch Borough.

3.0   ECONOMIC POLICY REVIEW

3.1   National Economic Strategy

    i)   *Build Back Better: Our plan for growth*

3.1.1   In March 2021 the Government published 'Build Back Better: our plan for growth' which sets out the strategy for economic growth in Britain following the Covid-19 pandemic and lockdowns.

3.1.2   This report identified three core pillars of economic growth:

    a-   Infrastructure – investment into roads, rail, and cities with the aims of connecting people with economic opportunities as part of the 'levelling up' agenda and progressing the Green Industrial Revolution,

    b-   Skills – additional investment into Further Education, introduction of the Lifetime Skills Guarantee, and continued focus on apprentice quality

    c-   Innovation – support the development of creative technologies, attracting a creative workforce, and introducing new schemes to encourage small and medium enterprises

3.1.3   The paper recognizes that economic growth is not equal and so to drive growth the Government will:

    a-   Level up the whole of the UK: the government aim to achieve economic growth that improves the quality of life for communities across the UK and reducing the current geographical disparities.

    b-   Net Zero: aim to continue tackling climate change, and deliver a Ten Point Plan for a Green Revolution

    c-   Global Britain: As UK prosperity is built on the integration with global economics, following the exit from the European Union the UK aims to take advantage of the new opportunities to ensure it remains a leading destination for global investment.

3.1.4   The Plan sets out range of funding measures to achieve these aims:

- A commitment to capital spending plans worth £100 billion next year to drive long-term productivity improvements via record investment in broadband, roads, rail and cities.

- The UK-wide Levelling Up Fund and UK Shared Prosperity Fund, as well as the Towns Fund and High Street Fund, to invest in local areas.

- £12 billion of funding for projects through the Ten Point Plan for a Green Industrial Revolution, which aims to support up to 250,000 highly-skilled jobs in the green energy sector by 2030.

- Support investment through the new UK Infrastructure Bank.

- A new £375 million Future Fund: Breakthrough product to address the scale up gap for our most innovative businesses.

- Continued Town and City Growth Deal funding; £4.2 billion in intra-city transport settlements from 22-23; continued Transforming Cities Fund Investment to 2022-23.

ii)   *Industrial Strategy: Sector Deals*

3.1.5   In November 2017 the UK's Sector Deals were announced; these are partnerships between the government and industries in specific sectors and they aim to create significant opportunities to boost productivity, employment, innovation, and skills:

- Artificial Intelligence
- Automotive
- Construction
- Creative industries
- Life sciences
- Nuclear
- Offshore wind

3.1.6   Since November 2017, Rail and Aerospace were added in December 2018, and Tourism was added in June 2019.

3.2   Regional Policy

3.2.1   When LEPs were introduced in 2011, Redditch was part of an overlapping LEP area covered by both the Greater Birmingham and Solihull LEP (GBSLEP) and the Worcestershire LEP (WLEP). However, the Strengthening Local Enterprise Partnerships report in July 2018 set out that overlapping LEP areas should be eliminated and that LEP boundaries should be adjusted so that all Local Authorities should be aligned within a single LEP going forward.

3.2.2   In July 2019, Redditch Borough Council published a statement that there had been a unanimous vote that Redditch should be part of the GBSLEP. The LEP Network advises that this work is currently ongoing and to be undertaken on a case-by-case basis. We understand that going forward Redditch will remain as part of GBSLEP and will cease to be part of WLEP.

i)   *West Midlands Local Industrial Strategy – May 2019*

3.2.3   The GBSLEP Local Industrial Strategy (LIS) published in 2019 was created in collaboration with the West Midlands Combined Authority, the Black Country LEP, and the Coventry and Warwickshire LEP, and it sets out the long-term vision for the West Midlands.

3.2.4   The report summarises the strategy as follows:

Major new market opportunities			
Future of mobility	Data driven health and life sciences	Creative content, techniques, and technologies	Modern Services
A distinctive economy – Creative and innovative, with global supply chain strengths a diverse and young population, well connected, trading, and entrepreneurial. Unique opportunities ahead in the Commonwealth Games and City of Culture.			

Sector Strengths			
Low carbon technology Energy and clean growth	Aerospace Precision component manufacturing	Logistics / transport technology Future mobility	Metals & materials Innovative supply chains
Life sciences Devices Diagnostics, real life testing	Professional skills Skills and a full services sector	Rail Digital rail High Speed 2	Construction Offsite modern manufacturing Land remediation
Creative Games, Next Gen content, process and product design and designer maker	Food & drink Machinery, food & fluid control tech, Photonics R&D	Automotive Battery development Drive train CAV	Tourism Shakespeare's England Commonwealth Games Business City of Culture

Actions to unblock barriers to productivity and growth, integrated in places and communities to drive inclusion				

Foundations of productivity – drivers and enablers of growth				
People, skills & employment	Infrastructure & environment	Ideas / Innovation	Business environment	Place

3.2.5   In addition to the sector strengths detailed above, the LIS identifies four Major New Market Opportunities to drive economic growth:

- **Future of Mobility** – the West Midlands is the centre of transport innovation in the UK, leading on the smart, low carbon movement of people and goods. It will seek to build on the UK Battery Industrialisation Centre to consolidate the West Midlands position as a batter research development and manufacturing hub.

- **Data-driven health and life sciences** – the West Midlands is a growing centre for testing and providing health innovation. The ambition is to build on its growing cluster to deliver improved clinical care and health outcomes, as well as significant business growth and scale-up success.

- **Modern Services** – the West Midlands aims to continue to promote the area as a good location for high-value business and professional services location which has a highly diverse and skilled workforce.

- **Creative content, techniques, and technologies** – the West Midlands is well placed to take advantage of the global growth in creative content, techniques and technologies, by building on a history of success. This will be achieved by continuing to maximise the opportunities provided by the Department of International Trade's High Potential Opportunities scheme within the gaming sector in Leamington Spa.

ii) *GBSLEP Strategic Economic Plan (SEP)*

3.2.6 The GBSLEP Strategic Economic Plan 2016-2030 sets out the LEP's vision for delivering smarter, more sustainable, and more inclusive growth in the area. The mission of the SEP was identified as:

"Our MISSION is to create jobs and grow the economy – and, in doing so, to raise the quality of life for all of those that live and work here"

3.2.7 As part of the following objectives were identified:

- Increase business and workforce productivity and competitiveness – particularly by raising skills levels and stimulating demand-led innovation
- Increase private sector investment, including overseas investment
- Increase business survival and growth
- Increase exports particularly amongst Small and Medium Sized Enterprises (SMEs)
- Enable more inclusive growth that delivers benefits more widely and reduces unemployment – particularly in parts of Birmingham and North Solihull with high rates.

3.2.8 The SEP identifies that the responsibility in achieving these objectives lies with the LEP which has three primary roles:

a) Agitator – shouting up for the city region, using influence to bring in greater funding and devolution from the government, and greater investment from the private sector and internationally.

b) Enabler - bringing together existing partners and organisations within the area, supporting and guiding their activity and resources to deliver shared priorities

c) Commissioner - using resources directly aligned to the LEP to guide investment into priorities that support the strategy.

iii) *GBSLEP Key Sectors*

3.2.9 In addition to the LIS and SEP, the GBSLEP has identified five key sectors on their website. These are:

- Health Technologies and Life Sciences – the West Midlands large population, innovative healthcare ecosystem, and rich R&D environment makes it the ideal location to train and work in healthcare and grow health technology businesses. There are numerous large medical technologies and biopharma companies with a presence in the area: The Binding Site Group (immune-diagnostics) and Salts Healthcare Ltd (stoma care). So far there has been £14m funding for the Precision Health Technologies Accelerator, and the development of a Health Technology Cluster for the West Midlands. Moving forward, the GBSLEP aims to identify new facilities to meet domestic and international growth in innovation space, support the internationalisation and access to export markets, and improve access to skills and career paths through the establishment of a WM Science Industry Partnership.

- Creative Industries – GBSLEP has a large and growing creative economy that employs nearly 50,000 people and generates almost 9% of the total GVA. A high potential area is the High-End Film and

TV production and expertise in next Generation Content Creation including the application of virtual and augmented reality. To further this, there has been a £3million investment into Creative Content Hub infrastructure in Birmingham which has encouraged further investment as well as business relocation. Moving forward, the GBSLEP aims to continue this growth by: delivering a Covid recovery creativity sector support programme, establishing a creative industry data portal to improve information sharing, and support the provision of suitable workspace and facilities to reimage our town and local centres.

- Low Carbon and Energy Technology (LCET) – the low carbon sector is one of the regions key areas of strength that can help to facilitate clean growth. The sector already contributes £3.3bn GVA across the WMCA and is forecast to dramatically increase. So far there has been a £2.2 million invested in the Clean Air Hydrogen Bus Project to help build back greener, a Sector Steering Group set up with local businesses, and helped make businesses cleaner through the Low Carbon Grant Fund of £97,000 which supported three projects with industrial energy efficiency, distributed power generation, and decarbonisation. Moving forward, the GBSLEP will continue to support the commercialisation and innovation of LCET businesses and raise the profile of LCET sector through marketing.

- Advanced Manufacturing: Food and Drink – this has been identified as a key sector for the region, that has the potential to provide high value jobs, innovation and growth. Food and drink manufacturing is the largest UK manufacturing sector contributing £28.2bn, and employs around 16,000 people across the three West Midlands LEPs. The regional ambition is to grow the GVA from £1.04bn to £2.05bn by 2030. As part of this, the GBSLEP has announced the launch of the West Midlands Low Carbon and Circular Economy Innovation Fund that offers funds to help support the development of collaborative projects between West Midlands' based businesses that can help the deployment of environmentally sustainable approaches and practices in the region's food and drink manufacturing businesses.

- Business, Professional, and Financial Services – the GBSLEP area has a strong history of success in Business, Professional, and Financial Services and they aim to focus on continuing this by driving technology led innovation, drawing on our centres of excellence in higher education institutions. There are 354,000 jobs in the Business, Professional, and Financial Services sector, making it the largest sector for overall employment and accounting for 28.9% of all businesses. To continue growth in this sector, the GBSLEP aims to develop the ProfTech Cluster and SuperTech Partnership, develop a Modern Service sector board, and continue to work with education and training providers at all levels.

3.3 **Local Policy**

iv) *Borough of Redditch Local Plan (2011-2030)*

3.3.1 The Borough of Redditch Local Plan was adopted on the 30th January 2017. The plan sets out the following visions for Redditch:

- Sustainable Places to Live which Meet our Needs

- Creating and Sustaining a Green Environment

- Creating a Borough where Businesses Can Thrive

- Improving the Vitality and Viability of Redditch Town Centre and District Centres

- Creating Safe and Attractive Places to Live and Work

- Conserving and Enhancing Redditch's Historic Environment

- Promoting Redditch's Community Well-being

3.3.2 Policy 23: Employment Land Provision states that some 55 hectares of land has been made available for employment across both Redditch and Bromsgrove. Key sites included: Redditch Eastern Gateway, the Former Ravensbank ADR (10ha), Gorcott (Stratford-on-Avon, 7ha), and Winyates Green Triangle (Stratford-on-Avon, 12ha). This is in accordance with the Employment Land Review, which concluded there was insufficient land within Redditch to accommodate the Borough's employment land needs.

3.3.3 Policy 24: Development within Primarily Employment Areas, states that development will not be permitted where it would restrict the current or future use or development of Primarily Employment Areas (as defined on the policies maps) for employment purposes. It is stated that the Primarily Employment Areas are appropriate locations for waste management facilities, however non-employment development will only be permitted in these areas under certain circumstances.

3.3.4 Policy 25: Development outside of Primary Employment Areas, states that sites beyond the Primarily Employment Areas may be suitable for economic development, redevelopment, or change of use if:

- Be in close proximity to suitable transport routes and services;

- Have regard to the scale and nature of the travel demand across all likely modes to be generated;

- Be accessible from existing residential areas by all appropriate models of transport and are not dependant upon access by private transport, where amenity is not negatively affected;

- Be acceptable in terms of impact on the wider environment; and

- Demonstrate the provision of adequate infrastructure including Green Infrastructure required to support the proposal.

3.3.5 Policy 26: Office Development states that provision has been made for around 14,500sqm (5.3hectares) of office development up to 2030. Office development (B1a), will be considered favourably in Primarily Employment Areas provided the total floorspace in any one location does not exceed 5,000sqm. Within Redditch Town Centre, proposals for the new office development or redevelopment of existing office premises will be encouraged.

3.3.6　Policy 27: Rural Economic Development states that sustainable rural economic development within the borough will be promoted, especially where the proposals will deliver economic, social, and environmental benefits for local communities.

i)　*Employment Land Review (2013)*

3.3.7　The Employment Land Review published in 2013 sets out the demand and supply of employment land in Redditch Borough, and assessed numerous sites to meet the projected growth needs.

3.3.8　The report concluded that there are insufficient sites to meet the Boroughs employment needs within the administrative boundaries of Redditch. Therefore, collaboration with neighbouring authorities to ensure that this need can be met within the vicinity of Redditch.

3.3.9　The report identifies that 40ha of employment land is required to meet the needs up to 2030 as well as an additional 15ha of land to facilitate waste management facilities.

3.3.10　Table 6 sets out the conclusions:

Table 6: Employment Land Review, 2013 Extract

Redditch Employment Land Requirements	Hectares
Amount of employment land required up to 2030	**40**
Land required for waste management facilities	**15**
Total available employment land in the Borough (including completions and commitments from 2011)	(Completions 0.615) (Commitments 27.806) Total: 28.462 (28.5 rounded)
Deficit	**55 (40+15) – 28.5 = 26.5**

3.3.11　From this, it is clear that there is not enough available land to meet the employment needs in the Borough up to 2030, and around 26 additional hectares are required to meet the predicted needs which cannot be accommodated within the borough.

3.3.12　As such, it was concluded that additional land within neighbouring districts must be identified to meet the shortfall in Redditch of 26ha.

ii)　*Employment Land Review Update (2017)*

3.3.13　The Updated Employment Land Review published in April 2017 presents data on the employment land supply in Redditch Borough which contributes towards the employment provision.

3.3.14　The report identifies that there is around 55ha of land available for employment uses between 1st April 2011 and 31st March 2030. This equates to a total supply of 22.9a of employment land within Redditch, and 34.79ha in neighbouring districts.
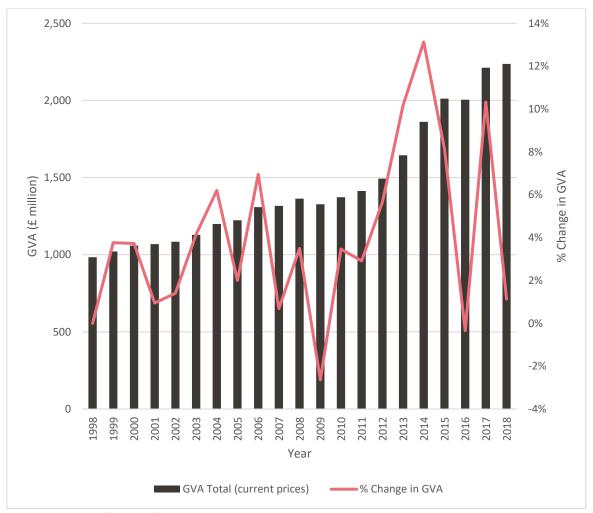
4.0   ECONOMIC BASELINE

4.1.1   This section provides an assessment of the local and regional economic baseline and characteristics of Redditch's economy.

4.1.2   Redditch has a current residential population of 85,568 (ONS MYE, 2020) and an economy that supports 41,000 jobs (Business Register and Employment Survey (BRES), 2018).

4.2   Productivity (GVA)

4.2.1   Gross Value Added (GVA) is a measure of the increase in the value added to the economy due to the production of goods and services. In 2018, Redditch's GVA was measured to be £2,237 million.

4.2.2   Figure 5 shows the historical trends of GVA in Redditch between 1998 and 2018. This shows that in all years there was a growth in GVA, with the exception of 2009 following the global financial crash in 2008. Furthermore, despite fluctuations, GVA has generally risen steadily between 1998 and 2018 from £984million to £2,237million representing a 127% increase.

Figure 5: Historical Trends of GVA (balanced) – Redditch
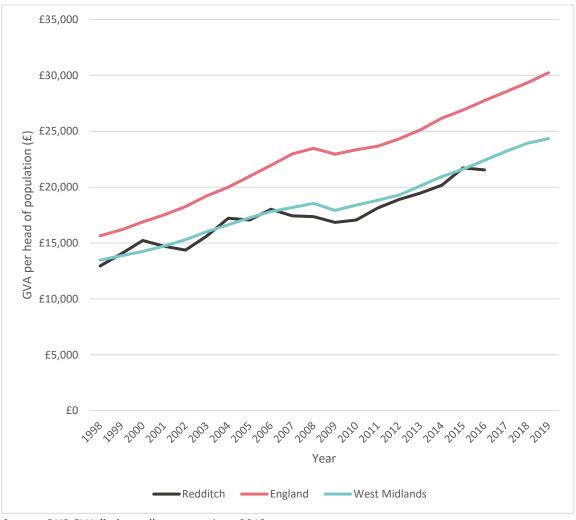
Source: ONS GVA (balanced) current prices, 2018

4.2.3   Figure 6 shows the historic GVA trends on a per head basis for Redditch, the West Midlands, and England. This shows that GVA per head for Redditch and the West Midlands has been consistently lower than national levels between 1998 and 2016. Nonetheless, Redditch and the West Midlands show similar levels of GVA per head between 1998 and 2016, with Redditch showing a more pronounced negative effects between 2008-2010 following the global recession.

Figure 6: Historic Trends of GVA per head (balanced) – Redditch, West Midlands, and England

Source: ONS GVA (balanced) current prices, 2018

the data for Redditch for the years after 2016 is not available as it is not reported at this geographical level each year

4.2.4   Table 7 shows the percentage growth in GVA for Redditch, the West Midlands, and England. This shows that between 1998 and 2008, GVA per head for both Redditch and England increased by 50%, whereas growth in the West Midlands was slightly lower at 35%. Between 2008 and 2016, the percentage growth in GVA per head was lower than the preceding 10-year period, nonetheless growth in Redditch was the highest at 24%, followed by the West Midlands at 21%, and then England at 18%.

Table 7: GVA per head growth - Redditch, West Midlands, and England

	% growth (GVA per head)	
	1998-2008	2008-2016
Redditch	50%	24%
West Midlands	38%	21%
England	50%	18%

Source: ONS GVA (balanced) current prices, 2018

4.2.5   Table 8 shows the sectoral breakdown of GVA. This shows that Manufacturing provides the largest contribution to GVA in Redditch at 19.74% of the total GVA. This is followed by Wholesale and Retail Trade and Repair of Motor Vehicles at 17.32%, and Information and Communication at 10.31%.

Table 8: Sectoral breakdown of GVA - Redditch

	GVA (£ million)	% of total GVA
Agriculture, mining, electricity, gas, water and waste	12	0.56%
Manufacturing	425	19.74%
Construction	110	5.11%
Wholesale and retail trade	373	17.32%
Transportation and storage	69	3.20%
Accommodation and food service activities	31	1.44%
Information and communication	222	10.31%
Financial and insurance activities	8	0.37%
Real estate activities	200	9.29%
Professional, scientific and technical activities	62	2.88%
Administrative and support service activities	176	8.17%
Public administration and defense	49	2.28%
Education	90	4.18%
Human health and social work activities	179	8.31%
Arts, entertainment and recreation	130	6.04%
Other service activities	16	0.74%
Activities of households	3	0.14%
All industries	**2,153**	**100.00%**

Source: ONS GVA (balanced) by industry, 2018

4.3   Employment Rates

4.3.1   Figure 7 shows the trend in employment rates since 2004. Whilst the levels in Redditch show greater volatility due to a smaller population, the employment rate in Redditch has broadly been higher than that of England and Worcestershire, with the exceptions of 2008 and 2015.

4.3.2   Over the last four years, employment rates have been highest in Redditch, followed by Worcestershire, England, and then the West Midlands. However, in 2020 the employment rate in Redditch took a notable dip, likely due to the impacts of the Covid-19 pandemic.

Figure 7: Employment Rate aged 16-64 (%) – Redditch, Worcestershire, West Midlands, England

Source: Annual Population Survey, 2020

4.3.3   With regard to self-employment rates, Table 9 shows that self-employment in Redditch is far lower at 4.5% compared to the wider comparator areas of Worcestershire, the West Midlands, and England where levels are 9.1-9.8%.

Table 9: Self Employment % aged 16-64 years old - Redditch, Worcestershire, West Midlands, England

	% aged 16-64 who are self employed
Redditch	4.5%
Worcestershire	9.8%
West Midlands	9.1%
England	9.8%

Source: Annual Population Survey, 2020

4.4   Business Demography

4.4.1   Table 10 shows the business composition of Redditch, Worcestershire, the West Midlands, and England. This shows the majority 85.6% of businesses in Redditch are Micro-businesses with 0-9 employees, followed

by small businesses at 10.8% (10-49 employees), medium businesses at 2.9% (50-249 employees), and large businesses 0.6% (250+ employees).

4.4.2   However, compared to other areas Redditch has lower proportion of micro businesses at 85.6%, compared to the comparator areas which range between 89.4%-90.7%. Conversely, Redditch has higher proportions of small, medium, and large businesses.

Table 10: Business Composition – Redditch, Worcestershire, the West Midlands, and England

	Micro (0 to 9)	Small (10 to 49)	Medium (50 to 249)	Large (250+)
Redditch	85.6%	10.8%	2.9%	0.6%
Worcestershire	90.7%	7.6%	1.3%	0.3%
West Midlands	89.4%	8.6%	1.6%	0.4%
England	89.7%	8.4%	1.5%	0.4%

Source: BRES, 2021

4.4.3   Furthermore, although small, Redditch has a higher percentage of large businesses at 0.6% compared to Worcestershire County (0.3%), West Midlands (0.4%), and England (0.4%). Of the large businesses in Redditch, 50% are manufacturing and 50% are wholesale businesses.

Table 11: Business Composition by sector

Industry	Micro (0 to 9)		Small (10 to 49)		Medium (50 to 249)		Large (250+)	
Agriculture, forestry & fishing	40	1%	0	0%	0	0%	0	0%
Mining, quarrying & utilities	10	0%	0	0%	0	0%	0	0%
Manufacturing	205	7%	70	20%	30	30%	5	50%
Construction	430	16%	35	10%	0	0%	0	0%
Motor trades	115	4%	20	6%	5	5%	0	0%
Wholesale	115	4%	30	9%	10	10%	5	50%
Retail	160	6%	15	4%	5	5%	0	0%
Transport & storage (inc postal)	320	12%	25	7%	5	5%	0	0%
Accommodation & food services	150	5%	35	10%	5	5%	0	0%
Information & communication	190	7%	10	3%	5	5%	0	0%
Financial & insurance	50	2%	0	0%	5	5%	0	0%
Property	85	3%	5	1%	0	0%	0	0%
Professional, scientific & technical	400	14%	30	9%	5	5%	0	0%
Business administration & support services	270	10%	25	7%	10	10%	0	0%
Public administration & defense	0	0%	0	0%	0	0%	0	0%
Education	40	1%	5	1%	10	10%	0	0%
Health	55	2%	30	9%	5	5%	0	0%
Arts, entertainment, recreation & other services	130	5%	15	4%	0	0%	0	0%
Total	**2,765**	**100**	**350**	**100**	**100**	**100**	**10**	**100**

Source: BRES 2021

Sectoral Breakdown

4.4.4 Analysis of the Business Registration and Employment Survey (BRES) data shows that the top sectors in Redditch are Manufacturing (21.48%), Business administration and support services (10.74%), Health (10.74%), and Retail (9.55%).

Table 12: Composition of Employment Broad Sectors, Redditch

Industry	Employment	Percentage
Agriculture, forestry & fishing	75	0.18%
Mining, quarrying & utilities	125	0.30%
Manufacturing	9,000	21.48%
Construction	1,750	4.18%
Motor trades	2,000	4.77%
Wholesale	2,250	5.37%
Retail	4,000	9.55%
Transport & storage (inc postal)	2,250	5.37%
Accommodation & food services	2,500	5.97%
Information & communication	1250	2.98%
Financial & insurance	600	1.43%
Property	450	1.07%
Professional, scientific & technical	2,250	5.37%
Business administration & support services	4,500	10.74%
Public administration & defense	900	2.15%
Education	2,500	5.97%
Health	4,500	10.74%
Arts, entertainment, recreation & other services	1,000	2.39%
Total	**41,900**	**100.00%**

Source: BRES, 2019

4.4.5 A location quotient (LQ) has been calculated to analyse the sectoral composition of businesses in Redditch compared to the wider areas. A location quotient analyses sectoral strengths by describing the proportionate employment in a sector relative to a wider area. Whereby a LQ of 1 means there is equal employment in Redditch as well as the comparator area. A LQ above 1 means there is a higher concentration within Redditch; for example a LQ of 2 would mean that there is double the proportion of employment in the sector compared to the comparator area. Conversely, a LQ of less than 1 means there is a lower concentration of employment in that sector compared to the comparator sector.

4.4.6 The LQ analysis identified the following:

- There is a strong representation of Manufacturing in Redditch compared to Worcestershire County (1.83), the West Midlands (1.88), and particularly England (2.76).

- There is also a sectoral strength in Motor Trades also compared to Worcestershire County (1.86), the West Midlands (1.91), and particularly England (2.51).
- The Wholesale and Retail sectors have moderately strong representation compared to the comparator areas
- Compared to both Worcestershire County and the West Midlands there is a sectoral strength in Information and Communication, however compared to England the representation is comparatively lower (0.68).

Table 13: Location Quotient Broad Sectors – Redditch vs. Worcestershire County, West Midlands, and England

Industry	Redditch vs. Worcester-shire	Redditch vs. West Midlands	Redditch vs. England
Agriculture, forestry & fishing	0.07	0.10	0.14
Mining, quarrying & utilities	0.33	0.24	0.27
Manufacturing	1.83	1.88	2.76
Construction	0.81	0.89	0.84
Motor trades	1.86	1.91	2.51
Wholesale	1.22	1.10	1.36
Retail	1.13	1.11	1.04
Transport & storage (inc postal)	1.05	0.91	1.08
Accommodation & food services	0.71	0.81	0.80
Information & communication	1.16	1.19	0.68
Financial & insurance	0.87	0.61	0.41
Property	0.42	0.56	0.54
Professional, scientific & technical	0.98	0.84	0.59
Business administration & support services	0.98	1.17	1.21
Public administration & defense	0.65	0.60	0.55
Education	0.78	0.70	0.71
Health	0.89	0.83	0.87
Arts, entertainment, recreation & other services	0.54	0.56	0.52
Total	**1.00**	**1.00**	**1.00**

Source: BRES, 2019

Summary

4.4.7   This section has provided an overview of the economic baseline in Redditch Borough, the following key points were outlined:

- GVA in Redditch has grown over the last 20 years between 1998-2018 by 127% from £984 million to £2,237 million.

- With regard to sectoral GVA, Manufacturing represents the largest contribution at 19.74%, followed by Wholesale and Retail at 17.32%, and then Information and Communication at 10.31%.
- Redditch has the highest employment rate compared to Worcestershire, the West Midlands, and Worcestershire.
- Redditch's self employment rate is comparatively lower at 4.5% compared to Worcestershire at 9.8%, the West Midlands at 9.1% and England at 9.8%.
- Regarding business demography, the majority of businesses in Redditch are micro businesses of between 0-9 employees which comprises 85.6% of businesses.
- Analysis of the BRES data shows that the top sectors in terms of employment are Manufacturing at 21.48%, followed by Business Administration and Support at 10.74%, and Health at 10.74%.

5.0 COMMERCIAL MARKET REVIEW

5.1 Introduction

5.1.1 This section provides a commercial market assessment, which sets a baseline understanding of current and recent historic market activity. This will consider the office, industrial, and warehousing markets within both Redditch Town Centre and the wider borough, by drawing on a range of data sources, proprietary LSH data and market intelligence, including consultation with other local agents.

5.2 Macro Market Factors – Worcestershire

5.2.1 Worcestershire's central, strategic position in the UK and proximity to established motorway, rail and international aviation networks makes it a desirable location for a range of commercial activity. Worcestershire's employment market has been traditionally centred around manufacturing; a sector that has remained resilient throughout the pandemic. However, in addition, Worcestershire is successful across a multitude of sub-markets and this business mix is recognised as a key strength and asset for achieving long-term sustainable growth. The borough further seeks to diversify through attracting and supporting start-ups, to encourage economic resilience.

5.2.2 Nonetheless, whilst the impacts of the Covid-19 pandemic on Redditch's economy are undeniable and far-reaching but, positively, recent trends suggest that recovery of the commercial property market is underway, particularly enquiries for office accommodation following a shift towards working from home.

5.3 Redditch Overview

5.3.1 Redditch Borough lies approximately 12 miles south-east of Birmingham, separated by roughly 5 miles of Green Belt. Its established road network provides efficient access to three motorways and associated junctions – M42, M40 and M5 – via the A435 and A441, and is consequently an attractive location for employment estates, which are distributed predominantly in the north-east of the borough. Whilst Redditch Town Centre remains the principal employment centre, the Borough Centres of Winyates, Matchborough and Woodrow also provide attractive employment locations.

5.3.2 As of 2018, manufacturing remained Redditch's greatest contribution to GVA (29.7%), and the sector providing the highest proportion of employment (20.4%). Several historical, well-established employment estates in Redditch include Moons Moat, Park Farm and Washford.

5.3.3 More recently, strategic developments such the Redditch Gateway site to the east of the town are delivering a new era of commercial mixed-use development, including office, logistics and manufacturing accommodation, with Amazon notably having secured a high-profile pre-let for the largest of the three units at the Gateway site.

5.3.4   Alongside this, there is also evidence of Redditch's traditional larger floorplate units giving way to growth in smaller spaces, such as Crescent Trade Park. Research[1] suggests that Redditch town is a hotspot for occupiers looking for well-connected industrial space, with a particularly high take-up of floorspace below 1,000sqm; this catered for 95% of transactions in 2018. Regarding office space, the proximity and quality of connections to Birmingham make Redditch a more viable and affordable option, however there is little supply of Grade A office stock in Redditch that is able to compete with the offer in Birmingham.

5.3.5   Looking forward, Redditch is set to become an increasingly well-connected, desirable location of quality; on 8th June 2021, the town was awarded £15.6m from the Government's Town Deals Fund, which will provide investment to undertake regeneration priorities including a redeveloped Transport Interchange and Railway Quarter and creation of a Digital Manufacturing and Innovation Centre. The enhanced rail access will eventually increase services from 3 to 6 trains per hour, further improving links to Birmingham and the wider West Midlands.

5.3.6   The Borough has considerably benefitted from - and is set to continue to – its constituent involvement in the North Worcestershire Employment and Skills Board, which is led by the North Worcestershire Economic Development and Regeneration (NWedR) team, and made up of local business leaders and public sector partners, with the objective of raising skills levels and highlighting synergies between businesses, local government, training providers and schools.

5.4   Office and Industrial Within Redditch Town Centre

5.4.1   The Borough's Town Centre (the boundaries for which have been defined by the Town Centre Inset Plan that forms part of the adopted Local Plan) is a relatively small area that encompasses the Kingfisher Shopping Centre, the Borough's only train station, civic facilities and amenities, and other town centre uses. It is the principal focus for retail, leisure and office development within the Borough and as such, comprises a relatively compact mix of both historic and modern buildings.

5.4.2   Spatially, the Town Centre is bisected by the B4160; a one-way ring road that largely contains the Kingfisher Shopping Centre and provides an efficient route through the centre. Current employment uses are predominantly located to the north of the Ringway, with this also serving as a buffer to the established residential areas that sit just outside the Town Centre boundary.

5.4.3   A noteworthy cluster of employment space within the Town Centre is the loosely formed civic core around Queen Street, Grove Street, Alcester Street and Silver Street, which contains the Borough's Town Hall, Magistrates Court, Police Station and main library.

i)   *Redditch Town Centre - Industrial*

         Availability

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[1] WLEP SEP Refresh and LIS Development Evidence Base presentation (September 2019)

5.4.4 The Industrial stock within the Town Centre boundary is unsurprisingly limited, especially given the proportion of the centre that would be unsuitable for industrial development, by virtue of either being occupied by, or associated with, the Kingfisher Shopping Centre, or designated as being within the Church Green Conservation Area. In the absence of an established industrial or business park within the Town Centre, availability of existing accommodation is sparse, and this is reflected in Table 14 below.

Table 14: Availability of Industrial space in Redditch Town Centre

Size Range (sq ft)	Number of Units Available	Total Floorspace Available (sq ft)	Total Floorspace Available (sq m)
0 – 5,000	0	0	0
5,000 – 10,000	0	0	0
10,000 – 20,000	2	21,208	1,970
20,000 – 50,000	0	0	0
50,000 – 100,000	0	0	0
100,000 +	0	0	0
Total	**2**	**21,208**	**1,970**

Source: EG Radius

Demand

5.4.5 Demand for industrial space within the Town Centre is also comparatively limited, with only two take up transactions recorded since 2019. The larger of the two transactions listed in Table 15 relates to the letting of the 17,000 sq ft former Bus Depot on Church Road to the north of the Town Centre.

Table 15: Industrial space take up in Redditch Town Centre

Year	Number of Deals	Total Size (sq ft)	Total Size (sq m)
2019	0	0	0
2019	1	1,160	108
2020	1	17,011	1,580
2021	0	0	0

Source: EG Radius

5.4.6 With such limited availability and so few recent transactions recorded, it is difficult to separate the data and deduce headline metrics and commentary on industrial rental values specifically within the Town Centre. It is, however, possible to compare this data with that more abundantly available for the wider Borough, from which it is clear that industrial rental values within the Town Centre are not disproportionate with the wider Borough. This very much reflects the geography of employment land within the Borough, with significant clusters and corridors of industrial sites embedded within the built-up area and focused towards key transport routes.

ii) *Redditch Town Centre - Office*

Availability

5.4.7 The long-established presence of institutional and civic occupiers, accommodated in relatively large yet somewhat dated premises, predominantly characterises the office market within Redditch Town Centre.

The Town Hall is one such example, comprising over 60,000 sq ft of office floorspace, arranged over 5 storeys, with a distinctive layout that is archetypal of many post-war civic buildings. As Table 16 indicates, the market for office accommodation is heavily skewed towards smaller office premises, with current availability limited to units no more than 5,000 sq ft in size, with an average asking rent of £12.43 per sq ft.

Table 16: Availability of Office space in Redditch Town Centre

Size Range (sq ft)	Total Size (sq ft)	Total Size (sq m)	Number of units
0 – 5,000	8,273	769	6
5,000 – 10,000	0	0	0
10,000 – 20,000	0	0	0
50,000 – 100,000	0	0	0
100,000 +	0	0	0
Total	8,273	769	6

Source: EG Radius

5.4.8 The lack of new office space within the Town Centre – an issue that was identified within the Council's successful bid to the Town Deals Fund – is considered to be a factor that deters start-up ventures and hinders business growth. Research[2] has shown that availability of office space was falling, creating a struggle for owner occupiers who face competition from the investment market to buy properties, which in turn increases sales prices and diminishes the stock of good quality office space. This trend is corroborated by analysis from Aspinall Verdi[3] which found limited significant investment in new office development for some time, with most office stock dating from the 1960s-1980s. Aspinall Verdi assessed that in most parts of the Borough, rental values achieved are not high enough to viably deliver new-build office development without public sector involvement. There is consequently no focal point for enterprise, collaboration and innovation within the Town Centre, with neighbouring and more prosperous towns such as Bromsgrove providing a more competitive supply of managed office space to meet the needs of local starts ups and SMEs.

Demand

5.4.9 Notwithstanding the aforementioned commentary on the availability of new office space within the Town Centre, there have been 17 transactions recorded since 2018 (as set out in Table 17) which also provide an indication of how the office market has been unable to sustain healthy take up figures, with this clearly peaking in 2018 with 11 deals, and struggling to reach similar quantities in the years thereafter.

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[2] Analysis by GJS Dillion, referred to within the Town Investment Plan.
[3] Draft Report: Property Market Report, Redditch Town Investment Plan, Aspinall Verdi, December 2020.

Table 17: Office space take up in Redditch Town Centre

Year	Number of deals	Total Size (sq ft)	Total Size (sq m)
2018	11	15,169	1,409
2019	3	864	80
2020	2	1,801	167
2021	1	1,852	172

Source: EG Radius

5.4.10   In considering demand for office space within the Town Centre, it is also worth taking note of the initial soft market testing that was undertaken in January 2021 in support of the Town Investment Plan (TIP) that formed part of the Council's bid to the Town Deals Fund. Part of the focus of the initial testing was to identify a representative sample of operators, end-occupiers and delivery partners that have experience in developing, managing and using the type of project envisaged to be delivered through the TIP, which include a purpose built, landmark Digital Manufacturing and Innovation Centre. In this context, clear interest had been expressed by a potential anchor tenant, who would operate the whole centre on a lease basis, to deliver university-accredited and private sector supported training programmes in a variety of cutting-edge digital specialisms.

5.4.11   This insight, alongside recurring market research from as early as 2018, highlights the acute lack of new office space within Redditch Town Centre, which is failing to meet both current and future demand, especially in the context of an urgent and more strategic need to diversify and strengthen the Town Centre's economy, and increase its resilience and competitiveness in post-pandemic climate.

5.5   Office and Industrial Across Wider Borough

5.5.1   It is clear that employment uses within Redditch are predominantly concentrated towards the north of the borough where land is more built-up and served by strategic transport routes. Whilst this section, which concerns the area of the borough beyond the Town Centre boundary, does capture market data from rural villages towards the south such as Astwood Bank and Feckenham, it is mostly informed by data that relates to the significant clusters and corridors of sites that are embedded within the built-up area towards the north of the borough.

5.5.2   The north of Redditch benefits from good access to the strategic road network via the A441, A4023, A4189 and A435, all of which are dualled and contribute to the ease of travelling both within and through the borough. A specific road hierarchy tailored to the historic New Town layout also helps to achieve this at a more local scale.

5.5.3   As set out at Policy 23 of the adopted Local Plan (2017), the limited availability of employment land within the borough's own administrative boundary is such that is has, in the past, been necessary to work with neighbouring Local Authorities to identify adjoining locations that are suitable to accommodate Redditch's shortfall of employment land. This has been the case the Redditch Eastern Gateway site, where approximately 10 hectares of employment land has been accommodated within Bromsgrove District,

adjacent to the south-eastern boundary of the existing Ravensbank Business Park. The strategic objective for doing so has been to create a high-quality business park which enables both Redditch and the surrounding areas to retain key businesses, as well as to diversify the employment land supply and compete more effectively in attracting investment from companies within key growth areas of the local and national economy, whilst offering the potential to function within the wider M42 economic gateway. Further employment provision has also been accommodated within Stratford-on-Avon District at Gorcott (around 7 hectares) and Winyates Green Triangle (around 12 hectares).

5.5.4 The status of employment sites that have been allocated by the Local Plan either strategically in accordance with Policy 23, or within Primary Employment Areas in accordance with Policy 24, is detailed within Table 22 at the end of this section.

iii) *Redditch Borough - Industrial*

Availability

5.5.5 The industrial market very much remains the strongest employment sector within the wider borough, with manufacturing and distribution companies of various sizes continually seeking benefit from the strategic connectivity that Redditch offers to the M42, M40 and M5 motorways. Availability of space is largely concentrated within well-established estates such as Moons Moat (both North and South), Ravensbank, Lakeside, Washford and Enfield, which each occupy prominent edge-of-settlement locations relative to key transport routes.

5.5.6 As the figures in Table 18 highlight, near to 1.2 million sq ft of industrial space is currently available within the borough, of which approximately 27% concerns units within the sub 20,000 sq ft range. At the upper end of the scale (units exceeding 50,000 sq ft), the market is largely dominated by new-build premises at Velocity 42 – Canmoor and Tristan Capital Partners industrial scheme within Park Farm Industrial Estate - as well existing units within the established Moons Moat North Industrial Estate. There are also examples of smaller schemes, such as Crescent Trade Park which sits within Moons Moat North, which have also successfully supplied the SME market with shell specification units, suitable warehouse and trade counter usage. The average asking rent across the market is £7.71 per sq ft.

Table 18: Availability of Industrial space in Redditch Borough

Size Range (sq ft)	Total Size (sq ft)	Total Size (sq m)	Number of units
0 – 5,000	35,880	3,333	22
5,000 – 10,000	60,008	5,575	10
10,000 – 20,000	220,845	20,517	17
20,000 – 50,000	191,532	17,794	6
50,000 – 100,000	574,158	53,341	9
100,000 +	111,729	10,380	1
Total	1,194,152	111,940	65

Source: EG Radius

5.5.7   It is evident from the Borough's Local Plan that it has been – and will continue to be – necessary to take into account the role that land within adjoining Local Authority areas will have in contributing to Redditch's employment land supply. In this regard, the data provided at Table 18 is somewhat limited in that it does not account for the significant amount of industrial space that is available within the Eastern Gateway site which, despite falling within the administrative boundaries of Bromsgrove and Stratford-on-Avon, is directly attributable to Redditch's commercial market. Therefore, to ensure coverage, but without conflating the two sets of data, the Eastern Gateway site is considered separately below.

5.5.8   The Eastern Gateway development – also referred to as Redditch Gateway – is a £200 million build-to-suit employment development extending to approximately 78 acres, strategically located on the eastern fringe of Redditch. Stoford, with funding support from Royal London Asset Management (RLAM), has now completed on the first of three units that comprise the scheme, with Amazon notably having secured the high-profile pre-let for the 366,414 sq ft warehouse in 2020, thereby enhancing Redditch's profile as an industrial centre for national and multi-national occupiers. Availability within the scheme remains in the form of two further speculative build-to-suit units which are to sit on the opposite side of the A4023, totalling up to 407,066 sq ft of floorspace.

5.5.9   It should be noted that additional availability of industrial space to the sum of 57,238 sq ft also exists within Ravensbank Business Park, which sits beyond the administrative boundary for Redditch.

Demand

5.5.10   It is evident from Table 19 that the take up of industrial space within the wider borough has been largely consistent over the four years for which data has been collected. This is despite the vacancy rate for industrial premises within Redditch at 12.3% remaining higher than that of neighbouring Local Authorities within Worcestershire, at 6.3%.

Table 19: Industrial space take up in Redditch Borough

Year	Number of deals	Total Size (sq ft)	Total Size (sq m)
2018	46	405,264	37,650
2019	43	482,517	44,827
2020	54	237,983	22,109
2021	25	86,900	8,073

Source: EG Radius

5.5.11   While the pace of new development across the entire size spectrum has yet to meet market demand, progress at more strategic sites such as Eastern Gateway and Velocity 42 has established a clear path for some significant transactions in the near future, particularly given the appetite of national and multinational occupiers for hybrid warehouse/office products which have become increasingly popular both throughout and as a result of the Covid-19 pandemic. One such transaction noted more recently, which is not accounted for the above availability and take up figures due to the point at which it was reported, is the take up by

Fish4Pets Limited of a 57,153 sq ft unit at Velocity 42, which includes a fully fitted first-floor office accommodation.

iv)   *Redditch Borough - Office*

        Availability

5.5.12   The office market within the wider borough is largely comparable to that of the Town Centre, with current availability focused more towards smaller premises that typically do not exceed 5,000 sq ft. As Table 20 notes, there are two exceptions to this; these relate to opportunities to acquire the freehold for purpose-build office buildings at Paper Mill Drive, just off A4023, which each amount to near to 13,000 sq ft of floorspace arranged over three storeys. Despite these opportunities, there remains a critically low amount of freehold office space available within the wider borough, which local agents consider to be having an impact on owner occupiers who face competition from the investment market, which remains particularly active across the borough.

Table 20: Availability of Office space in Redditch Borough

Size Range (sq ft)	Number of units	Total Size (sq ft)	Total Size (sq m)
0 – 5,000	17	31,227	2,901
5,000 – 10,000	2	25,680	2,386
10,000 – 20,000	0	0	0
50,000 – 100,000	0	0	0
100,000 +	0	0	0
Total	19	56,907	5,287

Source: EG Radius

5.5.13   There is evidently a far greater amount of office floorspace available within the wider borough than there is in the Town Centre, with this very much reflecting the lack of new office space that has come forward within the Town Centre, as well as a response to the shift in occupier appetite towards more cost-effective satellite locations.

5.5.14   The borough still undoubtedly remains popular for occupiers seeking premises that are easily accessible from nearby motorways and that command relatively low asking rents, currently averaging £10.42 per sq ft. However, for some years, availability within the borough has been dictated by major vacancies – the most notable of which was the British automotive and aerospace component manufacturer, GKN, vacating its head office in 2019 – as well the sporadic refurbishment of existing premises, which are often quickly taken up. There is therefore recognition that supply will need to increase, within both the borough and the Town Centre as the previous section explains, to allow for a resurgence in take up over a long-term period.

        Demand

5.5.15   As explained above, the borough remains a popular location for office take up by reason of its accessibility and affordability. The number of transactions for 2021 looks to be consistent with that of the two previous years, but is unlikely to reach the same amount as that achieved in 2018. Headline rental levels have

increased on year prior, to £11.68 per sq ft, owing somewhat to the increased competition for good quality, low maintenance and therefore long-term cost-effective space.

5.5.16 Notwithstanding the comments already made in relation to the supply of office space, the presence of large floor plate premises across the borough, which are increasingly in demand from national occupiers as they look to downsize yet remain in well-connected spaces, has resulted in the highest average deal size in the county at 2,695 sq ft, which is an increase of 31% on the previous year.

Table 21: Office space take up in Redditch Borough

Year	Total Size (sq ft)	Total Size (sq m)	Number of deals
2018	63,948	5,941	22
2019	20,891	1,941	14
2020	20,545	1,909	12
2021	13,001	1,208	8

Source: EG Radius

5.5.17 A transaction to take note from earlier in the year is the construction and development company, Wates, taking 3,896 sq ft at Empire Court on Prospect Hill, to the north of the Town Centre. The listed building was once the British Mills Complex, which has now been sensitively refurbished to provide a high-quality business environment comprising office and studio spaces amongst a courtyard setting, all within close proximity to the Town Centre. Market research from acting joint agents, KWB, provides further insight into the transaction, in noting that Wates chose this location in response to being awarded a major contract by Worcestershire County Council, thereby requiring what is now the company's first location within the county of Worcestershire. It is understood that the transaction's achieved rent was £10.02 per sq ft.

5.6 Local Plan Allocations

5.6.1 Table 22 provides the details of each of the strategic sites in the adopted Local Plan (2017) employment trajectory.

Table 22: Status of Employment Allocations

Site Ref.	Comments
IN15	**Woolaston Road, Park Farm** • Greenfield site with available capacity of 0.4ha. • Planning permission was granted in December 2020 for the installation and operation of a backup electricity generation and storage facility (20/01011/FUL). • There's no evidence to suggest that development has commenced.
IN19	**Studley Road (Aeroquip)** • Brownfield site with available capacity of 1.44ha. • Planning permission was granted in July 2019 for a change of use (in part) application from B8 (storage and distribution) to B2 (general industrial) and the extension of the existing building for B2 use, together with additional parking, service yard alterations, an external store, gatehouse and associated works. • The extension and associated works have been completed.

IN20	**Old Forge Drive (BACO)** • Greenfield site with an available capacity of 1.21ha. • A hybrid application was approved for the site in March 2017 (Ref. 2016/350/HYB). Outline permission was granted for the construction of B1, B2 and B8 uses with ancillary office space, parking and servicing areas. Full permission was received for access works and internal service roads, including surface water drainage. • A further application was approved in June 2018 (ref. 18/00339/FUL) for the erection of 5 buildings of B1/B2 and B/8 use. This has now been completed.
IN34	**Merse Road, North Moons Moat** • Greenfield site with an available capacity of 0.65ha. • The site is within the ownership of Kettler, who submitted an application (ref. 18/00753/FUL) to extend their adjacent premises, which was approved in January 2019. The works have been completed.
IN37	**Bartleet Road, Washford** • Greenfield site with an area capacity of 0.62ha. • The entire site remains undeveloped, despite permission being granted in 2005 for a warehouse extension.
IN38	**Adj. 47/52 Heming Road, Washford** • Greenfield site with an available capacity of 0.22ha. • Despite several outline applications for B1, B2 and B8 being approved on the site, it remains undeveloped.
IN52	**Shawbank Road, Lakeside** • Greenfield site with an available capacity of 1.03ha. • There have been no applications for employment development on the site, currently occupied by a haulage depot. • The site has not been developed.
IN54	**Palmer's Road, Moons Moat** • Greenfield site with a capacity of 0.29ha. • An application (ref. 19/00827/FUL) was approved in August 2019 for an extension to the industrial building that lies adjacent to the west. Evidence suggests works have not yet started.
IN58	**Crossgate Road, Park Farm** • Greenfield site with a capacity of 1.04ha. • There have been no applications on the site.
IN59	**Adj. Greenlands Business Centre, Park Farm (N)** • Greenfield site with a capacity of 0.38ha. • No planning applications have been submitted for site since its allocation. A historic application (ref. 2001/293) for a two storey office development was granted in July 2001, but not developed.
IN67	**Brockhill East (west of railway)** • Greenfield site with capacity of 6.6ha.

	• The site is included within the Brockhill East Strategic Site, allocated within Policy 46 of the Local Plan, which outlines plans for 8.45ha of employment floorspace as part of a mixed-use development incorporating 1,025 dwellings.
	• Phase 1 of Brockhill East (ref. 2011/177/OUT) was approved in October 2011, granting outline permission for 4,738sqm of Class B1 floorspace.
	• An application for Phase 2 was approved in March 2017, including all matters reserved for up to 3,100sqm of Use Class B1 floorspace.
	• This commercial element is yet to be completed.
IN69	**Land rear of Alexandra Hospital** • Greenfield site with capacity 2ha. • This forms part of the Strategic Site to the rear of Alexandra Hospital, allocated in Policy 47 as a mixed-use site of approximately 5000sqm employment floorspace and 145 dwellings. • Originally, a mixed-use, hybrid application was approved in January 2017 (ref. 2016/118/OUT) for 131 homes and 5000sqm of B1 Use floorspace. • However, following market research, an application (ref. 18/00169/FUL) was approved for 42 dwellings in March 2019, subject to S106. Market research was conducted in support of redeveloping an employment allocation with residential, which concluded that there was limited interest in the site for employment development. This was supported by the Council, who agreed loss of the site to residential would not constrain the future supply of employment land in the borough. • The site has been developed, with no commercial floorspace.
IN80	**Land at Winyates Way/Moons Moat Drive** • Greenfield site with capacity 0.64ha. • An application (ref. 2015/331/FUL) was granted planning permission in January 2016, for the erection of an industrial unit (B8) with associated offices, car parking and service yard with new access from Winyates Way. • This has been completed.
IN81	**Brockhill East (Weights Lane, east of railway)** • Greenfield site with capacity 1.85ha. • The site is also included within the Brockhill East Strategic Site, allocated within Policy 46 of the Local Plan. • A small eastern portion of the site is included within the application area for the development of a three storey, 66-bed care home for the elderly (ref. 20/01638/FUL), which received permission on 10th May 2021. This redevelopment for residential was justified through market research indicating the site's lack of viability for employment development, and the lack of impact on the Council's employment land supply. • The remaining area of the allocation is included within the boundary of an application (ref. 2012/120/OUT, 12/0401) for a mixed use development of up to 200 dwellings with 5,000 sqm of Class B1 office floorspace. Although the residential element has been built, the remaining employment allocation area remains undeveloped.
IN83	**Land at Kingham Close/Far Moor Lane** • Greenfield site with capacity 0.19ha. • There have been no applications on this site.
IN84	**Land off Pipers Road** • Greenfield site with capacity 0.22ha.

	• An application was approved in January 2019 for the construction of a new industrial building for assembly and distribution purposes, which included the allocation site. • This has been constructed.

6.0 PATTERNS OF SUPPLY AND LOSS

6.1 Industrial Floorspace – Completions and Losses

6.1.1 This section provides an overview of the patterns of losses and completions in office and industrial space across Redditch.

6.1.2 Table 23 shows that overall there is 79,000 sqm of office floorspace in Redditch, and 908,000 sqm of industrial floorspace according to the Valuation Office Agency (VOA). The VOA data is divided into office and industrial, where industrial includes the (previous) use classes of B2 and B8.

6.1.3 The VOA data below shows that since 2001 there has been a net loss of -9,000sqm of office space, equating to a -10% decrease. Industrial floorspace has decreased by 65,000sqm since 2001, equating to decrease of -7%.
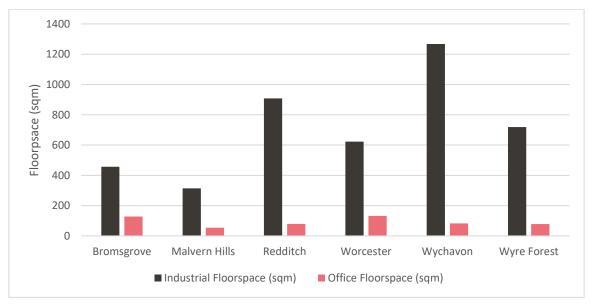
Table 23: Existing Stock of Industrial and Office Floorspace (sqm)

	Floorspace 2019/20 (sqm)	Increase 2000/01 to 2019/20	Percentage change 2000/01 to 2019/20
Office	79,000	-9,000	-10%
Industrial	908,000	-65,000	-7%

Source: VOA, 2020

6.1.4 Figure 8 shows the commercial floorspace in Redditch compared to the neighbouring areas. This shows that Redditch has more industrial floorspace compared to the other Worcestershire Local Authorities, with the exception of Wychavon. With regard to office floorspace, Redditch has similar quantities to Wyre Forest and Wychavon, but more than Malvern Hills, and considerably less than Bromsgrove and Worcester.

Figure 8: Commercial floorspace (sqm), 2020 – Redditch and neighbouring areas

Source: VOA, 2020

6.2 Industrial Floorspace – Completions and Losses

6.2.1 The map below shows the distribution of industrial floorspace across Redditch Borough and beyond. The data is clustered by Lower Super Output Areas (LSOAs) and so represents local clusters rather than individual units. This highlights the concentration of industrial units in the north and east of Redditch town and Borough and lack of space in the southwest of the Borough or the areas in neighbouring authorities immediately adjoining which are predominantly rural. The exception to this being on the northern edge of the Redditch where the industrial development at Moons Moat extends into Bromsgrove District.

Figure 9: Industrial Floorspace by Location, 2020

Source: VOA, 2020

6.2.2 Analysis of the data on completions provided by the council shows that there has been a total of 27.15ha of industrial land has been delivered across Redditch on 19 sites since 2011/12, equating to 2.71ha per annum.

6.2.3 As shown in Figure 10, the majority of industrial completions (89%) were B8, followed by 9% B2 completions, and then 2% B1c completions.

Figure 10: Industrial Completions – by Type

Source: Analysis of the Local Authority Monitoring Data

6.2.4   Table 24 shows the gross rate of completions in Redditch since 2011/12. This shows that over the period 2011/12 to 2020/21, gross completions in Redditch. This shows that industrial completions have been highest in the previous two years of 2019/20 and 2020/21 which account for 68% of the land delivered.

Table 24: Gross Completions of Industrial Developments (ha)

Year	Industrial Development Completions (ha)
2011/12	0.04
2012/13	0.58
2013/14	0.39
2014/15	0.05
2015/16	2.34
2016/17	4.06
2017/18	1.27
2018/19	0.00
2019/20	8.14
2020/21	10.29
Gross Gains 2011/12 - 2020/21	**27.15**
Per annum	**2.72**

Source: Analysis of Council Data

6.2.5   Table 25 shows the gross rate of completions in Redditch since 2011/12 comparative to the total stock in the district. This shows that over the period 2011/12 to 2020/21, gross completions in Redditch have been equivalent to 2.99% of the total stock. A healthy rate of growth is usually considered to be 1% per annum, therefore there has been a strong level of completions in Redditch since 2011/12.

Table 25: Gross Completions of Industrial Floorspace (sqm)

Year	Industrial Floorspace
2011/12	400
2012/13	5,750
2013/14	3,940
2014/15	500
2015/16	23,360
2016/17	40,600
2017/18	12,700
2018/19	0
2019/20	81,390
2020/21	102,870
Gross Gains 2011/12 - 2020/21	**271,510**
Per annum	**27,151**
2019 Stock	**908,000**
Percentage Growth per Annum	**2.99%**

Source: Analysis of Council Data

6.2.6   Figure 11 shows industrial developments lost in Redditch since 2011/12. Since 2011/12 there has been 1.91ha of industrial floorspace lost in Redditch; 0.27ha of B1c, 0.70ha of B2, and 0.94sqm of B8. This equates to an annual loss of 1,910sqm over this period.

Figure 11: Loss of Industrial Land (ha)

Source: Analysis of Council Data

6.2.7   Comparison of the industrial development losses and completions figures reveal that there has been a net gain of 25.24ha in industrial floorspace in Redditch since 2011/12 as shown in Table 26.

Table 26: Net gain of industrial floorspace (2011/12 – 2020/21) (ha)

Year	Gross Gains (sqm)	Losses (sqm)	Net (sqm)
2011/12	0.04	0.00	0.04
2012/13	0.58	-0.31	0.26
2013/14	0.39	-0.03	0.37
2014/15	0.05	-0.05	0.00
2015/16	2.34	-1.32	1.01
2016/17	4.06	-0.04	4.02
2017/18	1.27	0.00	1.27
2018/19	0.00	-0.02	-0.02
2019/20	8.14	-0.14	8.00
2020/21	10.29	0.00	10.29
Total	**27.15**	**-1.91**	**25.24**

Source: Analysis of Council Data

6.3   Office Floorspace – Completions and Losses

6.3.1   The map below shows the distribution of office floorspace across Redditch. The data is clustered by Lower Super Output Areas (LSOAs) and so represents local clusters rather than individual units. This shows the location of office floorspace within Redditch disaggregated quite broadly across the main employment

areas of the town, rather than centralised in a core office area. As with the pattern of industrial floorspace set out above there is very little office floorspace in the rural southwest of the borough. However, as shown below there are small pockets of office space in the rural neighbouring areas, particularly Stratford-on-Avon.

Figure 12: Office Floorspace by Location, 2020

Source: VOA, 2020

6.3.2   Analysis of Local Authority Monitoring data shows that a total of 0.018ha of office land has been delivered across Redditch since 2011/12 on two separate sites with areas of 0.005ha and 0.013ha as shown in Table 27.

Table 27: Office Completions

Size of developments (ha)	Floorspace delivered (ha)	Count of developments
0-0.001	0.005	1
0.001-0.025	0.013	1
Total	**0.018**	**2**

Source: Analysis of Council Data

6.3.3   Table 28 shows office completions 2011/12-2020/21 compared to current stock. This shows that the two office completions since 2011/12 were both in 2018/19.
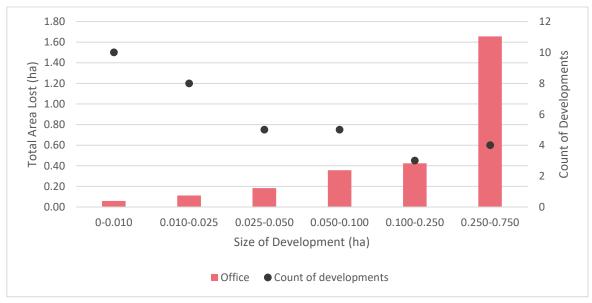
Table 28: Office Completions

Year	Office Development Completions (ha)
2011/12	0.000
2012/13	0.000
2013/14	0.000
2014/15	0.000
2015/16	0.000
2016/17	0.000
2017/18	0.000
2018/19	0.018
2019/20	0.000
2020/21	0.000
Gross Gains 2011/12 - 2020/21	**0.018**
Per annum	**0.0018**

Source: Analysis of Council Data

6.3.4   Figure 13 shows the losses in office floorspace across Redditch. Since 2011/12 2.79ha of office development has been lost in Redditch. The majority of offices lost were smaller than 0.01ha in area, however the largest quantity of office development lost was in between 0.25-0.75ha category.

Figure 13: Redditch Office Development Losses

Source: Analysis of Council Data

6.3.5   Comparison of the Council's office losses and gross completions figures reveal that there has been a net loss of 2.77ha of office development in Redditch since 2011/12 as shown in Table 29.

Table 29: Net gain of Office Development, 2011/12 to 2020/21

Year	Gross Gains (ha)	Losses (ha)	Net (ha)
2011/12	0.00	-0.18	-0.18
2012/13	0.00	-0.30	-0.30
2013/14	0.00	-0.02	-0.02
2014/15	0.00	-0.56	-0.56
2015/16	0.00	-0.13	-0.13
2016/17	0.00	-0.12	-0.12
2017/18	0.00	-0.40	-0.40
2018/19	0.02	-0.08	-0.06
2019/20	0.00	-0.03	-0.03
2020/21	0.00	-0.98	-0.98
Total	**0.02**	**-2.79**	**-2.77**

Source: Analysis of Council Data

6.4 Future Employment Land Requirements based on past completions trends

6.4.1 Table 30 sets out the employment land requirement figures for 2021-2040 based on the past completions trends.

Table 30: Forecast Employment Land Needs based on past completions (ha)

Year	B1a	B1b	B1c	B2	B8	Total
2011/12	0.00	0.00	0.00	0.00	0.04	0.04
2012/13	0.00	0.00	0.03	0.55	0.00	0.58
2013/14	0.00	0.00	0.02	0.37	0.00	0.39
2014/15	0.00	0.00	0.05	0.00	0.00	0.05
2015/16	0.00	0.00	0.42	0.02	1.90	2.34
2016/17	0.00	0.00	0.00	0.00	4.06	4.06
2017/18	0.00	0.00	0.00	1.27	0.00	1.27
2018/19	0.02	0.00	0.00	0.00	0.00	0.02
2019/20	0.00	0.00	0.00	0.05	8.09	8.14
2020/21	0.00	0.00	0.00	0.22	10.07	10.29
Total increase 2011/12 to 2020/21	**0.02**	**0.00**	**0.52**	**2.47**	**24.16**	**27.17**
Annual increase 2011/12 to 2020/21	**0.00**	**0.00**	**0.05**	**0.25**	**2.42**	**2.72**
Forecast 2021-2040	**0.03**	**0.00**	**0.99**	**4.70**	**45.90**	**51.62**

6.4.2 This shows that between 2021-2040, there is a requirement for 51.6ha of employment land required. This is broken down into 0.03ha of office B1a floorspace, 0.99ha of B1c floorspace, 4.70ha of B2 industrial floorspace, and 45.90ha of B8 warehouse and distribution floorspace.

6.4.3   However, it is important to considered that these forecast figures are derived from past completion rates. Therefore, any factors constraining delivery that have been present in the past will be reflected in the future figures.

6.4.4   Nonetheless, these forecasts provide simple and transparent model that should be considered alongside the job-based forecasts that are detailed in the later sections of this report.

7.0 FUTURE EMPLOYMENT GROWTH

7.1 Introduction of Economic Forecasts

7.1.1 This section provides an assessment of the future employment growth in Redditch Borough to 2040. The starting point for this assessment is the workforce jobs growth forecasts produced by the following forecasting companies:

- Cambridge Econometrics (dated March 2021)
- Oxford Economics (dated July 2021)
- Experian (dated June 2021)

7.1.2 All forecasts take account of the final terms of the Brexit deal agreed between the UK and EU in December 2020 and all three Covid-19 lockdown periods throughout 2020/21.

7.1.3 The outputs of the three forecasts for Redditch are set out and analysed below. The forecasts are assessed in terms of their total employment growth as well as on a sectoral basis in order to consider their suitability and robustness for planning purposes.

7.1.4 All three forecasts provide outputs for Redditch which sit within the respective national and regional modelling provided by that forecaster. However, due to the different modelling methodologies and assumptions, the three forecasts provide different outlooks on the future economic growth in Redditch. These are briefly described below.

Cambridge Econometrics (CE)

7.1.5 The CE forecast is not constrained by supply-side factors – such as population and the supply of labour. The forecast provides outputs for total employment, which is equivalent to workforce jobs. Therefore, the CE forecast makes no estimates of population, activity rates and unemployment rates of the local population.

7.1.6 The CE forecast assumes that there will be enough labour (either locally, or through commuting and future in-migration) with the right skills to fill the jobs. The forecast provides no outputs on demographic or local population labour supply, and makes no assumption regarding the existence of labour supply.

7.1.7 The CE forecast is based on the historic growth trend assessed in terms of a local area's performance relative to the region or UK trend (whichever has the strongest relationship with the local area in question). This process is undertaken on a sector-by-sector basis. The CE forecast assumes that these relationships continue into the future. Thus, if an industry in the local area outperformed the industry in the region (or UK) in the past, then it will be assumed to continue to do so in the future. Similarly, if it underperformed the region (or UK) in the past then this will be projected forward in the future.

Oxford Economics (OE)

7.1.8 The OE forecast is produced within an integrated modelling framework, which takes account of labour supply-side factors such as migration, commuting and activity rates and both models' employment and population growth. The OE forecast considers three factors:

- National/regional outlooks – consistency with the broader global and national forecasts;
- Historical trends in an area (which implicitly factor in supply-side factors impinging on demand), augmented where appropriate by local knowledge and understanding of patterns of economic development; and
- Fundamental economic relationships which interlink the various elements of the outlook.

7.1.9 The starting point in producing employment forecasts is the determination of workplace-based employees in employment in each of broad sector consistent with the regional and UK outlooks. At local authority level sectoral growth is driven by a range of factors:
- Some sectors are driven predominantly by population estimates;
- Others by total employment in the area;
- The remainder relative to the regional performance (largely exporting sectors);
- All sectors are also influenced by past trends in the local area.

7.1.10 Total employment is calculated by adding the employees in employment, the self-employed and Her Majesty's Forces. Self-employment data by region is taken from Workforce jobs data which is then broken down into detailed sectors using both employee trends and the UK. Data for the local authorities is Census based (and scaled to the regional self-employed jobs estimates) and is broken down using the employees in employment sectoral structure. The sectors are forecast using the growth in the sectoral employees in employment data and the estimates are scaled to the regional estimate of self-employment by sector.

7.1.11 The OE framework models population as an output which is economically driven and thus forecasts differ from the official Sub-National Population Projections. The OE model uses official births and deaths projections from the 2016-based population projections; however, they use different migration assumptions based on their modelled UK migration, and at the local level, migration is linked to the forecast employment rate.

7.1.12 OE report in their data guide that the current macro-economic climate means that their local forecasts show most, if not all, local areas will face challenges in the short-term, irrespective of how they have performed over the past 15 years.

Experian

7.1.13 Like OE, the Experian forecast is an integrated model providing a wide range of outputs on employment, workforce, and population trends. The Experian model is based on the resolution of demand and supply for labour. This process takes account of commuting between local areas within a region and across the regional boundary as well as an estimate of the growth in the economic participation rates in a local area. For population, the Experian model takes as an input data from the Sub-National Population Projections. Commuting flows are used to derive the available labour force for a region.

7.1.14   In parallel, labour demand (in terms of workforce jobs) is estimated. This is done by industry sector by linking job growth in a local area to growth in the same industry at the regional level and then constraining demand for jobs by industry to demand for jobs for the same industry at the regional level.

7.1.15   The Experian forecast constructs workforce jobs series for each local area using data from the Business Register and Employment Survey (BRES) and Annual Business Inquiry (ABI) to disaggregate estimates for each industry sector. The effect of this is:

- Demand for jobs at the local level is greatest / grows faster in those industries which are performing best at the regional level.

- Total demand for jobs at the local level depends on its industrial structure. Those local areas which have a more than proportionate share of the best performing industries will perform best overall.

7.1.16   The supply and demand for labour is then resolved by considering:

- The historic ratio between resident employment and workplace-based employment in that local area;

- The inflow and outflow of workers across regional boundaries; and

- Historic commuting patterns.

7.1.17   This is then converted back into jobs and used to produce final workforce jobs estimates for each local area.

7.2   Comparison of Economic Forecasts for Redditch

7.2.1   Figure 14 shows the total employment forecasts for Redditch, showing the historic trend since 1997 and the forecast growth trend to 2040. The historic trend shows variations due to how the historic 'backcasts' are formed which differs slightly for each forecaster in terms of methodology and data sources used.

7.2.2   Whilst we would expect some variation in these figures due to methodological differences, there is notable difference between the Experian forecasts and OE and CE between 1997 and 2008. Both OE and CE show significant fluctuation compared to the Experian forecasts that are fairly stable.

7.2.3   Furthermore, there is also considerable divergence between the forecasts for total employment in 2021 (i.e the base date of the forecasts) of 44,400 (OE), 43,800 (CE), and 41,500 (Experian). This is due to the forecasts combining multiple variables across multiple geographical areas meaning they are not a simple record of employment figures for an area (such that might be the result of a survey for example).

Figure 14: Total Employment – Redditch 1997-2040

7.2.4   To corroborate the historic data shown in the forecasts comparison can be made against the figures shown by the total number of employment jobs in Redditch shown in the BRES plus the total number of self-employed in Redditch shown in the APS. This provides the figures in Table 31 up to 2019 which is the date of the most recently available data. This shows that there was a dip in employment in 2016, followed by a rise in 2017 and 2018.

Table 31: Employment and Self-Employment – Redditch 2015-2019

Year	Employment	Self-Employed	Total
2015	39,000	3,700	42,700
2016	38,000	3,300	41,300
2017	38,000	4,400	42,400
2018	40,000	5,100	45,100
2019	41,000	4,500	45,500

Source: BRES and APS

7.2.5   Figure 15 charts the sum of the BRES and APS data against the three forecasts and shows that the CE forecast most closely tracks these recorded data suggesting that it might provide the most reasonable estimate of jobs growth in Redditch up to the basedate of the forecasts in 2021.
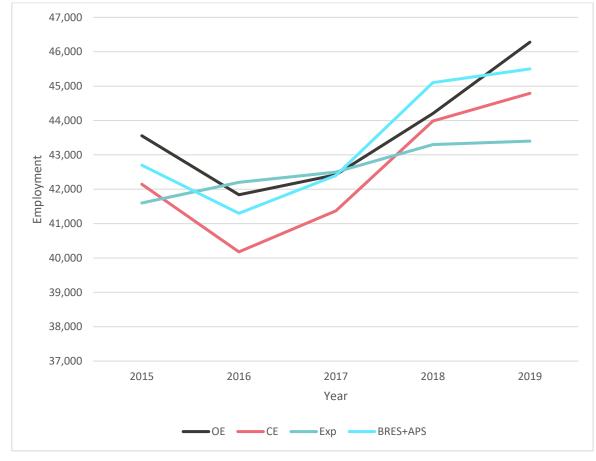
Figure 15: Total Employment – Redditch 2015-2019

Source: BRES and APS

7.2.6   The BRES data is not yet available post-2019 and so similar analysis of the three forecasts in 2020 and 2021 is not possible at this point in time. The forecasts for these years will be heavily influenced by the impact of the Covid Pandemic and subsequent lockdown restrictions which had severe impacts on the worldwide economy.

7.2.7   The short-term indexed forecast (for 2019-25) can be seen in Figure 16. The OE and Experian forecasts show a similar overall scale of impact on total employment, with lows in 2021 of 3.05% and 2.76% below 2019 levels respectively. The CE forecast shows the smallest negative impacts of Covid, with employment in 2021 dropping by just 2.19% below 2019 levels.

7.2.8   The OE forecasts show the strongest recovery, with employment levels in Redditch returning to the 2019-levels by 2023, followed by CE in 2024, and then Experian in 2028.

7.2.9   Considering the long-term employment levels, CE shows a consistent increase following the drop in 2020, Experian also shows a general increase in employment following drops in 2020 and 2021 with some small fluctuations, whereas OE shows a bounce back in employment between 2022-2024 but then a decrease in employment between 2024-2030.
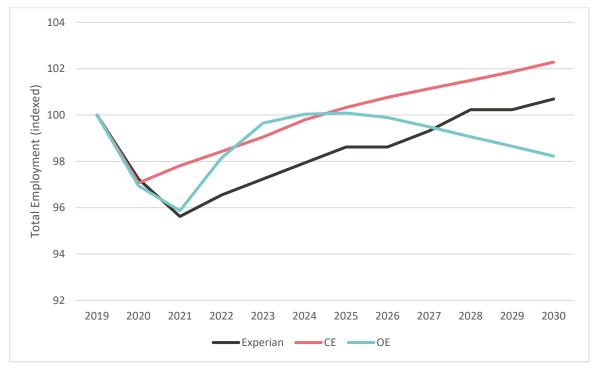
Figure 16: Total Employment (Indexed) – Short Term Impact 2019-30

7.2.10 While it is difficult at the present time to predict whether 2021 will represent a low point or 'trough' in employment in Redditch (as well as nationally), the three forecasts as well as the wider economic signals suggests a returning upward trend. This suggests that 2021 will indeed represent a trough.

7.2.11 This provides a useful time period for assessment of growth from the previous trough which in Redditch was in 2010 in the recession following the global financial crisis in 2008. Table 32 identifies the growth in Redditch from trough to trough between 2011 and 2021, which usefully indicate a 'market cycle'.

7.2.12 The total level of employment in Redditch, as shown in the three forecasts, can be usefully compared over two periods:

- 2011-21: representing the most recent 'trough to trough'; and
- 2021-40: the future growth over the Plan period

7.2.13 Looking at the period from 2011-21, CE and OE show a similar annual net employment growth of 454 jobs and 431 jobs per annum respectively, whereas the Experian forecasts show the lowest average annual net employment growth of around 190 jobs per annum. This is equivalent to an annual growth rate of 1.0% per annum for OE, and 1.1% for CE, and 0.5% for Experian. This difference is due to the much more muted growth shown in the Experian forecast over the 2015-19 period, as shown in Figure 16 above. As set out above, the Experian growth for this period does not align with the recorded data. This suggests that the OE and CE growth rates for this period (i.e. 1.0-1.1% per annum) provide a better benchmark of economic growth for Redditch.

7.2.14   Table 32 below compares the past growth rates with the future growth shown in each of the economic forecasts. For the period 2021-2040, CE and Experian show the highest growth in employment of 0.4% per annum while OE shows a growth rate of -0.2% per annum. All of the forecasts show lower growth rates than the past ten-year trend. This is principally due to the forecasts accounting for the macro-economic impacts of Brexit which is negatively affecting the outlook for a number of sectors (see Section 11 for further details). Considered within this context, the growth rates shown in the Experian and CE forecasts appear to be the more reasonable compared against the historic growth rates for Redditch.

Table 32: Total Employment Growth in Redditch, 2011-21 vs 2021-40

	2011-21			2021-40		
	Jobs Growth	**Average Per Annum**	**Annual Growth Rate**	**Jobs Growth**	**Average Per Annum**	**Annual Growth Rate**
Experian	1,900	190	0.5%	2,900	264	0.4%
CE	4,543	454	1.1%	3,576	325	0.4%
OE	4,308	431	1.0%	-925	-84	-0.1%

7.2.15   Table 33 shows the jobs growth in each forecast broken down into four- or five-year periods from 2021-40. This highlights the following trends:

- CE and Experian both show a relatively similar post-covid bounce and short-term growth rate between 2021-2025 of 0.6% and 0.8% respectively. Whereas OE shows a stronger short-term post covid recovery at 1.1%.
- For the OE forecast, the remainder of the forecasting period post-2025 shows steady decline with a total loss of 2,876 jobs. One of the key reasons for this decline is OE's assumptions regarding the economic impacts (at a national scale) of renegotiated trade agreements and availability of labour force following Brexit.
- Conversely, the CE forecast shows a relatively steady rate of growth over the forecasting period with only a relatively slight post-Covid bounce increasing growth in the initial period, and with steady growth around 0.4% per annum thereafter.
- The Experian forecast falls in between the OE and CE forecasts, it shows a moderate post-Covid bounce and a more modest slowing of growth towards the end of the forecasting period.

Table 33: Comparison of Forecasts Over Four/Five-Year Periods, 2021-40

	2021-25		2025-30		2030-35		2035-40	
	Jobs Growth	**Growth Rate**	**Jobs Growth**	**Growth Rate**	**Jobs Growth**	**Growth Rate**	**Jobs Growth**	**Growth Rate**
Experian	1,300	0.8%	900	0.4%	600	0.3%	100	0.05%
CE	1,127	0.6%	876	0.4%	860	0.4%	713	0.3%
OE	1,952	1.1%	-860	-0.4%	-1,041	-0.5%	-975	-0.4%

7.3 Analysis of Forecasts for Redditch at Sectoral Level

7.3.1 Table 34 sets out the jobs growth and compound annual growth rate for each sector in each forecast for Redditch over the period 2021-40. The headline findings, with particular regard to the sectors which typically require employment land, are as follows:

- All three forecasts show the largest loss in the manufacturing sector between 2021 and 2040. However, the scale of losses ranges from 600 jobs (Experian) to 2,629 jobs (OE) between the forecasts.
- With regards to the Professional and Business support sector, all forecasts show similar levels of growth with OE at 0.6% (1,117 jobs), followed by CE at 0.5%, and then Experian at 0.5%.
- Considering transport and storage sectors, CE shows a growth of 405 jobs (0.8%), Experian shows growth 800 jobs (1.6%), whereas OE shows much weaker growth at just 51 jobs (0.1%).

Table 34: Jobs Growth by Broad Sector, 2021-40

Sector	Forecast Jobs Growth 2021-40					
	CE		OE		Experian	
	Jobs Growth	Growth Rate	Jobs Growth	Growth Rate	Jobs Growth	Growth Rate
Agriculture etc	5	0.0%	-6	0.0%	0	0.0%
Mining & quarrying	-5	0.0%	-3	0.0%	0	0.0%
Manufacturing	-1,183	-0.8%	-2,629	-2.0%	-600	-0.4%
Electricity, gas & water	11	0.0%	7	0.0%	0	0.0%
Construction	225	0.5%	131	0.3%	600	1.3%
Wholesale & Retail	253	0.2%	-184	-0.1%	0	0.0%
Transport & storage	405	0.8%	51	0.1%	800	1.6%
Accommodation & food services	2,005	3.4%	110	0.2%	500	1.2%
Information & communications	321	1.0%	21	0.1%	-100	-0.5%
Professional & Business Support	886	0.5%	1,117	0.6%	700	0.5%
Government services	626	0.4%	300	0.2%	900	0.5%
Other	27	0.1%	162	0.6%	100	0.4%
Total	**3,576**	**0.4%**	**-925**	**-0.1%**	**2,900**	**0.4%**

7.3.2 The sector with the single biggest forecast growth is the Accommodation and Food services sector in the CE forecast. This is forecast to increase by 2,005 jobs over the period. This equates to an 88% increase in existing jobs in this sector in Redditch. This compares to the OE and Experian forecasts which show gains of 110 jobs (5%) and 500 jobs (26%) respectively.

7.3.3 The level of growth in the Accommodation and Food services sector shown in the CE forecast looks to be unreasonably strong, and is not supported by wider trends or evidence. As this sector accounts for 56% of

the total jobs growth in the CE forecast, growth in the other sectors (cumulatively) in the CE forecast is considerably lower than the Experian forecast.

Table 35: Total Jobs Growth Excluding Accommodation and Food Service Sector, 2021-40

	CE	OE	Experian
Total Jobs minus Accommodation and Food Service	1,571	-1,035	2,400

7.4   Conclusions

7.4.1   This section has provided a comparative assessment of the three forecasts for Redditch comparing the forecasts against each other and a range of other data sources to assesses the reasonableness of each forecast for planning purposes at both a headline and sectoral level. This assessment was informed by the up-to-date commercial market signals and economic baseline data set out in previous sections of this report.

7.4.2   Overall, the assessment suggests that for the purposes of assessing future growth in Redditch the Experian forecast provides the most reasonable looking outlook of the three forecasts. The Experian forecast best reflects the recent patterns of demand as shown in the commercial market signals and other indicators for Redditch. It shows a lower rate of decline in manufacturing sector and also forecasts a higher rate of growth in the Transport and storage sector which reflects more recent trends seen within the commercial property market in Redditch.

7.4.3   The Experian forecast also shows the strongest growth in the LEP growth sectors and aligns more closely with the LEP aspirations than the other forecasts. This is considered in more detail in the following section.

8.0 LEP Growth Scenarios

8.1.1   This section considers the economic implications of the Local Enterprise Partnership's (LEP) economic growth policies and programmes, principally those set out in the Local Industrial Strategy (LIS).

8.1.2   Redditch has traditionally formed part of both the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and Worcestershire LEP (WLEP) areas. However, following the government's Strengthened Local Enterprise Partnerships Review, overlapping LEP areas are to be eliminated and that LEP boundaries should be adjusted so that all Local Authorities should be aligned within a single LEP going forward. The LEP Network advises that this work is currently ongoing and to be undertaken on a case-by-case basis. We understand that going forward Redditch will remain as part of GBSLEP and will cease to be part of WLEP.

8.1.3   This section considers the implications of the GBSLEP LIS and how this will impact on economic growth in Redditch. The future economic forecasts have been assessed to consider the extent to which performance in the growth sectors identified in the LIS has been captured and is reflected in the future growth figures.

8.2   GBSLEP Local Industrial Strategy

8.2.1   The Greater Birmingham LEP comprises Birmingham, Solihull, East Staffordshire, Cannock Chase, Lichfield, Tamworth, Redditch, Bromsgrove, and Wyre Forest.

8.2.2   The GBSLEP LIS identifies the following sectors as growth sectors:

- Health Technologies and Life Sciences
- Creative Industries
- Low Carbon and Energy Technology
- Advanced Manufacturing: Food and Drink
- Business, Professional, and Financial Services

8.2.3   Not all of these sectors are neatly described in terms of Standard Industrial Classification (SIC) codes which are used by ONS to record job growth and used in the forecasts of future economic growth. Therefore, estimations of these growth sectors have been constructed using the SIC sectors as follows:

Table 36: GBSLEP growth sectors and comparative SIC Codes

GBSLEP Growth Sector	SIC Codes
Health Technologies and Life Sciences	21 : Manufacture of basic pharmaceutical products and pharmaceutical preparations 72110 : Research and experimental development on biotechnology 32500 : Manufacture of medical and dental instruments and supplies 72190 : Other research and experimental development on natural sciences and engineering

Creative Industries	90 : Creative, arts and entertainment activities
Low Carbon and Energy Technology	74901 : Environmental consulting activities 35110 : Production of electricity 35120 : Transmission of electricity 35130 : Distribution of electricity
Advanced Manufacturing: Food and Drink	28930 : Manufacture of machinery for food, beverage and tobacco processing 10 : Manufacture of food products 11 : Manufacture of beverages
Business, Professional, and Financial Services	64 : Financial service activities, except insurance and pension funding 65 : Insurance, reinsurance and pension funding, except compulsory social security 66 : Activities auxiliary to financial services and insurance activities 68 : Real estate activities 69 : Legal and accounting activities 70 : Activities of head offices; management consultancy activities 71 : Architectural and engineering activities; technical testing and analysis 72 : Scientific research and development 73 : Advertising and market research 74 : Other professional, scientific and technical activities

8.2.4   Table 37 shows the growth in employment between 2009 to 2019 in Redditch and the GBSLEP area for each of the growth sectors, calculated by utilising the SIC codes identified above. This has been calculated by using data from the Business Register and Employment Survey (BRES). The BRES data are one of the key data sources feeding into all of the economic forecasts, however as discussed above the future jobs growth forecasts are produced to align with a range of other metrics and the national and regional forecasts. This allows more fine grained analysis of the LEP growth sectors.

8.2.5   This analysis has shown the following:

- The Health Technologies and Life Sciences, Creative Industries, and Low Carbon and Energy Technology sectors all have relatively low representation within Redditch and have all seen relatively small levels of job change over this period.

- For Health Technologies and Life Sciences, the GBSLEP has seen a higher growth in employment at 11.2% compared to a loss in Redditch at -2.5%.

- With regard to both the Creative Industries and Business, Professional, and Financial Services, the growth in the GBSLEP has been slightly higher than that in Redditch. Nonetheless, the data show a

growth in both the Creative Industries at a rate of 5 jobs per annum, and in Business, Professional, and Financial Service at a rate of 59 jobs per annum.

- For Low Carbon and Energy Technology, there has been a loss in jobs in the GBSLEP area at a rate of -5.6% between 2009-2019, whereas there has been negligible growth in Redditch equivalent to 0.5 jobs per annum.
- For Advanced Manufacturing of Food and Drink there has been a loss in employment in the GBSLEP area at a rate of -1.3% between 2009-2019, whilst conversely there has been a growth in employment in Redditch at a rate of 5.4% equivalent to a growth of 21 jobs per annum.

Table 37: Past jobs growth 2009-2019

	Jobs Growth Rate 2009-19		Jobs Growth 2009-19	Jobs Growth per annum 2009-19
	GBSLEP	Redditch	Redditch	Redditch
Health Technologies and Life Sciences	11.2%	-2.5%	-25	-2.5
Creative Industries	9.1%	7.2%	50	5
Low Carbon and Energy Technology	-5.6%	0.0%	5	0.5
Advanced Manufacturing: Food and Drink	-1.3%	5.4%	210	21
Business, Professional and Financial Services	2.1%	2.0%	590	59

Source: BRES data

8.3 Future Jobs Growth in LEP Growth Sectors

8.3.1 To calculate future jobs growth in each of the LEP growth sectors, the past jobs growth shown above was converted on a proportional basis whereby the proportion of jobs in the broad SIC code sector compared to the specific sector has been calculated and applied, and the future growth shown in Table 38 for each of the LEP sectors has then been calculated in accordance with the rate of growth in the sectors shown in the forecasts.

8.3.2 Table 38 shows the annual growth rate between 2021-2040 as shown by the forecasts for each of the growth sectors, as well as the annual growth rate according to BRES for the period 2009-2019. This analysis shows that the Experian forecast implicitly supports a strong growth in the majority of the LIS growth sectors.

8.3.3 For three of the sectors – Creative Industries, Advanced Manufacturing of Food and Drink, and Business Professional and Financial Services – the Experian forecast for Redditch show lower growth for these sectors than has been seen in Redditch previously. Two of these sectors are forecast to see future jobs growth in the Experian baseline forecast, and Food and drink manufacturing is forecast zero growth. This notwithstanding Experian's wider forecasting assumptions regarding Covid recovery and Brexit. However, as these sectors are identified as growth sectors within the LIS and the additional LEP interventions relating

to the sector, the Council may wish to consider an uplift to these sectors in order to reflect the aims of the GBSLEP LIS.

8.3.4   Conversely, for the Health Technologies and Life Sciences, and Low Carbon and Energy Technology sectors the employment growth already contained within the forecasts represents an uplift compared to the past growth rates seen in Redditch, therefore any further uplift to these sectors is not considered reasonable.

Table 38: Forecasted Jobs growth 2021-2040

GBSLEP Sector	Jobs 2021	Jobs 2040	Growth Rate 2021-40	Growth Rate 2009-19
Health Technologies and Life Sciences	85	131	2.3%	-2.5%
Creative Industries	100	122	1.1%	7.2%
Low Carbon and Energy Technology	5	7	1.3%	0.0%
Advanced Manufacturing: Food and Drink	509	507	0.0%	5.4%
Business, Professional and Financial Services	3,340	4,240	1.3%	2.0%

8.3.5   Table 39 shows the LIS sector uplifts calculated on the basis of applying the linear per annum growth rates for each growth sector that was seen in the period 2009-2019. This results in a total uplift to the number of jobs created between 2021-40 of 695 jobs.

Table 39: Uplifts applied to jobs forecasts

GBSLEP Sector	Adjusted Jobs 2040	Growth Rate 2021-2040	Uplift 2021-40 (jobs)
Creative Industries	195	3.6%	73
Advanced Manufacturing: Food and Drink	908	3.1%	401
Business, Professional and Financial Services	4,461	1.5%	221

8.3.6   These uplifts for the LEP sectors have then been mapped back on a proportional basis to the Experian forecast using the sector alignment shown in Table 40.

Table 40: Alignment of GBSLEP sectors and Experian forecasting sectors

GBSLEP Sector	Experian Forecasting Sector	Proportion
Creative Industries	Recreation	100%
Advanced Manufacturing: Food and Drink	Food, Drink & Tobacco (manufacture of)	98%
	Machinery & Equipment (manufacture of)	2%
Business, Professional and Financial Services	Professional Services	66%
	Finance	20%
	Insurance & Pensions	0%
	Real Estate	14%

8.3.7   Table 41 shows the jobs growth for the LEP growth scenarios based on the compared to the Experian baseline forecast.

Table 41: Comparison of Growth Scenarios, 2021-40

2021-40	Job Growth	Growth Rate
Experian	2,900	0.36%
GBSLEP Growth Scenario	3,595	0.44%

9.0 EMPLOYMENT LAND REQUIREMENTS

9.1 Labour Demand Scenarios

9.1.1 This section considers the quantum of employment land needed to support the employment growth shown in the economic forecasts from CE, OE, and Experian, and the Growth Scenario aligned to the GBSLEP Local Industrial Strategy (LIS).

9.1.2 This is one of the approaches to assessing future need – the 'labour demand' approach – as set out in PPG, and should be considered alongside other approaches to assessing future need and the economic and contextual data set out in the other sections of this report.

9.1.3 The starting point for the labour demand scenarios is the employment growth shown in the economic forecasts. Analysis and comparison of these forecasts are set out in more detail in Section 7 and employment outputs of each forecast are set out below.

Table 42: Comparison of Forecasts, Total Employment Growth 2021-40
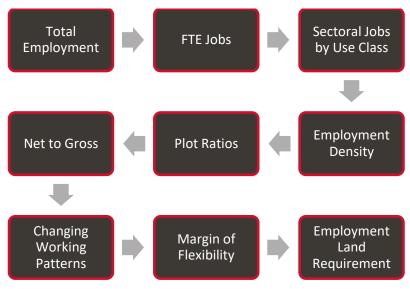
Sector[4]	CE	OE	Experian	LEP
Agriculture etc	5	-6	0	0
Mining & quarrying	-5	-3	0	0
Manufacturing	-1,183	-2,629	-600	-199
Electricity, gas & water	11	7	0	0
Construction	225	131	600	600
Wholesale & Retail	253	-184	0	0
Transport & storage	405	51	800	800
Accommodation & food services	2,005	110	500	500
Information & communications	321	21	-100	-100
Professional & Business Support	886	1,117	700	921
Government services	626	300	900	900
Other	27	162	100	173
Total Jobs	**3,576**	**-925**	**2,900**	**3,595**

9.1.4 The approach to modelling the labour demand scenarios is set out in the flow chart below. The starting point for each scenario is the total net growth in employment in each sector shown in each forecast. Other than these differing inputs the modelling assumptions made are consistent for each scenario.

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[4] The table shows the broad sectors provided in the CE forecast. The OE, Experian, and Growth Scenarios include more detailed sectoral breakdown, but have been collated into broad sectors for purposes of comparison.

Figure 17: Approach to Employment Land Needs Modelling

9.1.5 The modelling assumptions for each stage of the process are set out in Table 43:

Table 43: Labour Demand Modelling Assumptions

Stage	Description
FTE Jobs	Full time equivalent (FTE) jobs have been calculated for each sector based on the ratio of full-time and part-time employment jobs for each sector in Redditch using data from BRES 2019.
Sectoral Jobs by Use Class	The proportion of jobs in each sector is disaggregated by the type of employment (B Class)[5] use class and non-employment use classes. The use classes are: • B1a – office • B1b – Research and development office • B1c – Light Industrial • B2 – General Industrial • B8 – Distribution • Other (any jobs not requiring B Class space) The use class proportions for each sector are based on a detailed assessment of the current breakdown of jobs in the sub-sectors within each sector in Redditch's economy (using SIC 5-digit data from BRES 2019). Each SIC5 sub-sector has been allocated a use class, and this is used to calculate the proportional jobs in each sector by use class, where the proportions of each sector reflect the proportions of jobs in each SIC5 sub-sector.

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[5] It is noted that B1 uses are now designated under Use Class E. However, the modelling takes account of the employment densities set out in the HCA Employment Densities Guide 3rd Edition which provides figures in terms of the B Class sectors.

Stage	Description

Employment Density	This reflects the quantum of floorspace required for each job. This is informed by the Employment Density Guide 3rd Edition (HCA, 2015). The following employment densities are used:
	
	• B1a office:
	
	    ○ Corporate: 13 sqm/job
	
	    ○ Technology / Media / Telecoms: 11 sqm/job
	
	    ○ Professional services: 12 sqm/job
	
	    ○ Public services: 12sqm/job
	
	• B1b Research and Development: 60 sqm/job
	
	• B1c Light Industrial: 47 sqm/job
	
	• B2 general industrial: 36 sqm/job
	
	• B8 distribution: 80 sqm/job
	
	The employment densities have then been adjusted in line with benchmarks in the guidance so that they all relate to gross external area (GEA). The employment densities for B1 are quoted as net internal area (NIA) and have been converted to GEA based on a conversion of 20% for B1a office and 10% for B1b and B1c. The employment densities for B2 are quoted for gross internal area (GIA) and have been converted to GEA based on a conversion of 5%. The employment densities for B8 are quoted as GEA.

Plot Ratios	The next stage is to convert floorspace requirements to land requirements. A plot ratio of 40% has been assumed for all use classes. This is based on the assumption that the majority of the new office space will be delivered at lower density urban sites.
Net to Gross	The economic forecasts all provide jobs growth on a net basis – i.e. they include for sectors which will see growth and sectors which will see decline. This means the growth figures derived via the modelling stages to this point, as set out above, estimate the employment land required to support net jobs growth. However, when identifying future land for employment uses, e.g. through employment allocations, it is necessary to account for gross development needs. This accounts for existing employment sites and premises coming to the end of their usable lifespan and/or being redeveloped for alternative uses. This means existing jobs at such sites relocating to alternative, more suitable sites, and land needs to be provided to enable this. The next stage is therefore to convert the net needs to gross development needs. This is done by accounting for the quantum of losses of existing stock which will be expected to be lost over the forecasting period. This is estimated based on past trends of employment land lost to other uses in Redditch annualised and then

Stage	Description
	forecast forward over the forecasting period.
Changing Working Patterns	A key factor arising from the lockdown following the outbreak of Covid-19 has enforced many more people to work from home. This is likely to have a long-term impact on the proportion of workers in office-based sectors who would work from home permanently or a considerable amount of the time, resulting in lower office space requirements.
	However, the lockdown rate of homeworking is not expected to continue in the long-term, and levels of home working are expected to drop as social distancing measures are reduced. There is also a limit to the level of scaling back which is practicable without compromising business operations, even for businesses practicing increased flexible working.
	Consideration has therefore been given to the increasing rate of flexible working in office-based sectors. The rate of remote working has been slowly but steadily increasing over time, even prior to the Covid pandemic. The enforced homeworking has in many ways accelerated this underlying trend, rather than establishing a totally new pattern of working. Therefore, this underlying growth rate has been projected forward to 2040 to reflect the accelerating effect of the pandemic.
	The rates of home working will affect different sectors to different degrees, and this is captured in the home working projection which has been forecast on the growth of homeworking on a sector-by-sector basis.
	These are then used to calculate FTE jobs for home workers based on the proportion of jobs in each sector which require B1a space within Redditch, based on the analysis undertaken in the 'Sectoral Jobs by Use Class' stage.
	This is used to estimate the proportion of B1a jobs in Redditch which will be predominantly working from home. It is assumed that these jobs will not require B1a floorspace.
Margin of Flexibility	A margin of flexibility is included to reflect the following factors: • To provide a choice of sites to facilitate competition in the property market; • To provide flexibility to allow for any delays in individual sites coming forward; • In recognition that changing business needs may present additional land requirements which are currently unforeseen; • The potential error margin associated with the forecasting process. The size of the margin of flexibility depends on the location and local drivers of demand. Generally, a flexibility margin providing between 2 and 5 years' worth of additional supply is considered to provide a reasonable buffer. Given the current economic uncertainty regarding the emergence and recovery

Stage	Description
	from Covid and the unprecedented impacts of withdrawing from the European Union, it is recommended that a high level of flexibility should be included in order to respond to potential changing circumstances and react to emerging opportunities. Accordingly, we have calculated the margin of flexibility based on 5 years' worth of completions based on the past completions data for Redditch.
Total Land Needs	Outputs are provided in terms of hectares required for each type of employment use. The use classes have been combined in terms of B1a / E(g)(i) office, B1b / E(g)(ii) R&D, B1c/ E(g)(iii) and B2 industrial, and B8 distribution. This is in order to provide an indication of demand for each type of use. However, it is recommended the Council are flexible with regard to allocating land for specific types of B Class and E Class employment use at the detriment to other types of employment uses.

9.1.6   The starting point for the labour demand modelling is the jobs growth forecasts. A worked example of this process is set out below based on the CE forecast[6]. The scenarios based on the other forecasts take the same approach and use the same modelling assumptions. The CE, OE, and Experian forecasts provide slightly different sectoral breakdowns and so the model has been calibrated, where necessary, to support each forecast by dividing sectors on a proportional basis, thereby ensuring consistency in modelling between scenarios.

9.2   Full Time Equivalent (FTE) jobs

9.2.1   The first stage is to calculate the FTE jobs. This is calculated individually for each sector in each forecast based on the ratio of full-time and part-time employment jobs for each sector in Redditch using data from BRES 2019.

Table 44: CE – FTE Jobs Growth 2021-40

	FTE %	FTE Growth 2021-40
Agriculture etc	97%	0
Mining & quarrying	100%	-10
Manufacturing	95%	-1,120
Electricity, gas & water	96%	10
Construction	93%	210
Wholesale & Retail	81%	210
Transport & storage	84%	340

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[6] The CE forecast has been chosen as a worked example due to it disaggregating outputs across a smaller number of broad sectors thus making the process easier to present. It does not indicate that the CE forecast is the preferred forecast.

Accommodation & food services	66%	1,320
Information & communications	93%	300
Financial & business services	84%	740
Government services	80%	500
Other services	77%	20
Total	**84%**	**2,520**

9.3 Sectoral Jobs by Use Class

9.3.1 This estimates the number of jobs which will require each type of employment premises and other floorspace. This is based on estimates of the current breakdown of jobs for each sector in Redditch using detailed analysis of 2019 BRES data. The jobs growth for each type of employment uses is shown in Table 45.

Table 45: CE – Jobs Growth by Use Class 2021-40

	B1a/b	B1c	B2	B8	Non B Class
Agriculture etc	-	-	-	-	-
Mining & quarrying	-	-	-	-	-10
Manufacturing	-	-340	-790	-	-
Electricity, gas & water	-	-	-	-	10
Construction	-	-	50	-	160
Wholesale & Retail	-	-	-	70	130
Transport & storage	-	-	-	290	50
Accommodation & food services	-	-	-	-	1,320
Information & communications	300	-	-	-	-
Financial & business services	260	70	-	-	410
Government services	50	-	-	-	450
Other services	10	-	-	-	10
Total	610	-260	-730	360	2,540

9.4 Employment Density

9.4.1 Applying the average employment densities results in the floorspace requirement for each type of employment use. The floorspace (sqm) is shown in Table 46.

Table 46: CE – Floorspace (sqm) by Use Class 2021-40

	B1a/b	B1c	B2	B8
Agriculture etc	-	-	-	-
Mining & quarrying	-	-	-	-
Manufacturing	-	-17,430	-29,740	-
Electricity, gas & water	-	-	100	-
Construction	-	-	1,970	-
Wholesale & Retail	-	-	-	5,760
Transport & storage	-	-	-	23,260
Accommodation & food services	-	-	-	-
Information & communications	3,940	-	-	-
Financial & business services	3,750	3,850	-	-
Government services	720	-	-	-
Other services	70	50	-	-
Total	**8,480**	**-13,530**	**-27,660**	**29,010**

9.5 Plot Ratios

9.5.1 Using assumed plot ratios, the future floorspace requirement figures identified above can be used to estimate future employment land requirements. This is the net employment land required to support the level of additional jobs growth shown in the econometric forecasts only. This is one factor of the labour demand calculation, and the figures below do not represent overall employment land requirement figures for Redditch.

9.5.2 Table 47 shows the employment land requirement for the net jobs growth shown in the CE and Experian forecasts and for the LEP Growth Scenario. Overall, the Experian forecast identifies a net need for 14.3 ha of additional employment land by 2040 to meet the net jobs growth shown in the forecast. Conversely, the CE forecast results in a net need for a slight reduction in demand for additional employment land by 2040. This is because the CE forecast shows considerable job losses in the Manufacturing sector by 2040, whereas job growth is focussed in sectors which do not require employment land (primarily the Food and Accommodation Services sector).

9.5.3 The LEP Scenario shows a need for slightly higher levels of employment land than the Experian forecast, showing a need for 19.1ha. This is to meet higher levels of jobs growth in LIS growth sectors, which results in higher employment land requirements for office and industrial uses.
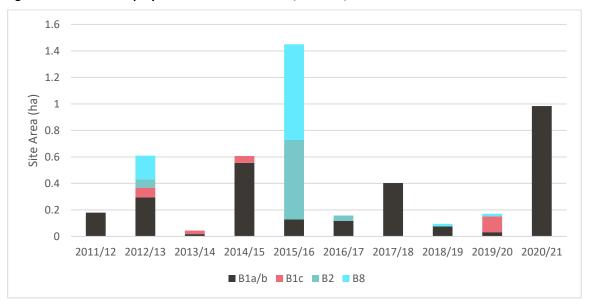
Table 47: Net Employment Land Needs (ha), 2021-40

	B1a	B1c	B2	B8	Total
CE	2.1	-3.4	-6.9	7.3	-0.9
Experian	2.4	-2.5	-2.6	17.0	14.3
LEP	3.0	-1.0	0.0	17.0	19.1

9.6 Net to Gross Needs

9.6.1 The figures in Table 47 show the net need for employment land to support the levels of jobs growth identified in the economic forecasts. In addition to this, there will also be an employment land requirement arising from the need to update and replace existing stock. This is calculated by looking at the trend of losses of employment land to alternative uses and using this to forecast expected future losses of employment land.

9.6.2 Figure 18 shows the net losses of employment land in Redditch since 2011/12. This shows a total of 4.7 ha of employment land has been lost over this ten-year period. This applies to all sites under employment use, not just employment allocations. This has been more than counterbalanced by employment land gains over this period, as set out in Section 6.

9.6.3 However, it is important that the losses of currently existing employment sites are adequately re-provisioned or else there will not be sufficient employment land to support the net growth in jobs over the plan period. Assuming the historic trend of losses seen in Redditch continues going forward would mean 0.47 ha of employment floorspace being re-provided per annum.

Figure 18: Redditch Employment Land Losses – 2011/12-2020/21

9.6.4 The net losses data has been annualised and then multiplied by 19 to identify the replacement demand required for the forecasting period. This replacement demand is then added to the net requirement in order to estimate gross needs.

Table 48: Replacement Demand (ha), 2021-40

	B1a/b	B1c	B2	B8	Total
Replacement Demand	5.3	0.5	1.3	1.8	8.9

9.7 Changing Trends in Working from Home

9.7.1 One of the key impacts of Covid-19 and the subsequent lockdown restrictions has been the number of people working from home. Working restrictions has necessitated many of the barriers to home working being overcome. Prior to the Covid-19 pandemic there had been several barriers to home working, however three main issues have been identified:

- Technological barriers e.g. home broadband and corporate IT infrastructure,
- Corporate attitudes towards homeworking and fears about reduced productivity,
- Limitations on key business operations such as teamworking, training, and interacting with clients.

9.7.2 These barriers have meant that historically the growth in the proportion of workers mainly working from home is relatively small and growth has been relatively slow. It also raises significant questions about the scale of future growth in the rates of homeworking, and none of the recognised forecasting houses produce forecasts of how this might increase in future.

9.7.3 The enforced homeworking due to Covid-19 has resulted in the first two of these barriers being overcome to a considerable degree for traditionally office-based sectors, and in some cases for office-based functions (e.g. payroll) in non-office-based sectors.

9.7.4 For non-office-based professions (except for key workers) the enforced lockdown restrictions had either resulted in severely restricted operations or the furloughing of non-office staff. This is widely accepted as non-sustainable long-term and there is not expected to be a significant change in home working patterns for non-office-based professions once lockdown restrictions are lifted.

9.7.5 For office-based sectors, the removal of these barriers suggests that the prevalence of remote working is likely to increase in future. However, the scale of growth is currently unclear. Lockdown restrictions remain widespread meaning the current level of remote working is unlikely to be sustained. Conversely, a continuation of pre-Covid-19 levels also seems unlikely.

9.7.6 However, the third barrier largely remains in place and is generally considered by many businesses to be a large reason why there is a limitation to the level of scaling back which is practicable without compromising business operations, and why many office occupiers will likely look to retain a significant office presence, even when accounting for increased levels of flexible working.

9.7.7 Naturally, many office-based businesses have been and continue to investigate how these changes in working patterns will impact on their future office requirements. However, this section specifically considers the overall impact that the changing working patterns might be expected to have on the quantum of future office floorspace requirements for Redditch. However, the implications of this shift in

homeworking are not yet clear as many businesses are still working under temporary arrangements and are currently exploring their opportunities to readjust their occupancy requirements. Therefore, no currently available data provides an appropriate benchmark for future for home working rates in Redditch.

9.7.8   Prior to the pandemic, the levels of home working had been slowly but steadily increasing, albeit with rates varying considerably between sectors. The emerging commercial market evidence suggests that the Covid-19 pandemic has accelerated this trend, particularly for office-based sectors, rather than establishing a completely new trend.

9.7.9   It is therefore appropriate to consider the implications that changing working patterns will likely have on the future office requirement in Redditch going forward and making an appropriate adjustment to the overall office need figure. This has been done by projecting forward the past growth rates in home-working for each sector to 2040 and applying this rate of home working, rather than the pre-Covid-19 rate, to future office requirements. This is applied in addition to considerable flexibility incorporated into the methodology.

9.7.10   This has been done using national data on home working from ONS for the period 2012-19. This has been extrapolated forward to 2040. This is done for each sector and results in a total proportion of home working of 9.0% by 2040 although for office-based sectors this is generally higher – the highest is IT and Communications which grows to 23.3% by 2040.

Table 49: Percentage Working from Home per Sector[7]

	2019	2040
Manufacturing	4.4%	6.9%
Electricity, gas, air cond supply	4.9%	14.1%
Water supply, sewerage, waste	1.9%	4.5%
Construction	4.5%	7.3%
Wholesale, retail, repair of vehicles	3.9%	6.1%
Transport and storage	1.9%	2.9%
Accommodation and food services	3.4%	2.4%
Information and communication	15.4%	23.3%
Financial and insurance activities	5.4%	13.3%
Real estate activities	13.6%	15.3%
Prof, scientific, technical activ.	13.5%	17.8%
Admin and support services	6.0%	10.4%
Public admin and defence	2.7%	6.2%
Education	3.0%	5.8%
Health and social work	4.1%	5.8%
Arts, entertainment and recreation	11.2%	12.6%
Other service activities	10.2%	13.9%
Total	**6.0%**	**9.0%**

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[7] The data for the Agriculture, forestry and fishing and Mining and quarrying sectors has been omitted due to unreliable outputs based on the small sizes of these sectors. This does not affect the employment land requirement figures for Redditch.

9.7.11   The increase in homeworking for each sector is then factored into the employment land modelling for Redditch as follows. The total FTE jobs in each sector in Redditch by 2040 is taken for each of the forecasts (Table 50 shows the figures from the CE forecast as a worked example). The proportions of each sector which will require office (B1a / E(g)(i)) floorspace has been applied on a consistent basis as set out in the 'Sectoral Jobs by Use Class' stage above. This gives the number of FTE jobs in each sector which will likely require office floorspace. The sectoral projection of workers working from home in each sector is then applied to identify the number of office workers in each sector who will predominantly work from home. This identifies that, under the CE forecast by 2040 around 16.6% of office-based workers will work predominantly from home. The comparator figure using the Experian forecast is 16.9%.

Table 50: Working from Home (WFH) Rates in 2040 – based on CE FTE

	FTE	B1a %	B1a FTE	WFH%	B1a WFH
Agriculture etc	86	0%	0	10.6%	0
Mining & quarrying	6	0%	0	6.9%	0
Manufacturing	6,859	0%	0	6.9%	0
Electricity, gas & water	106	0%	0	8.7%	0
Construction	2,418	0%	0	7.3%	0
Distribution	6,883	0%	0	6.1%	0
Transport & storage	2,387	0%	0	2.9%	0
Accommodation & food services	2,809	0%	0	2.4%	0
Information & communications	1,721	100%	1,721	23.3%	400
Financial & business services	7,774	35%	2,721	15.6%	425
Government services	7,185	10%	719	5.9%	42
Other services	1,266	25%	317	13.2%	42
Total	**39,500**	**14%**	**5,476**	**16.6%**	**909**

9.7.12   An adjustment should therefore be made to the future office requirement in response to the actual and expected future changes in working patterns precipitated by the Covid-19 pandemic. The office requirement figure for Redditch is therefore reduced by around 17% to account for increased levels of home working[8]. This adjustment applies to the new space to support net jobs growth as well as the replacement demand.

9.8   Margin of Flexibility

9.8.1   A margin of flexibility is included for a number of reasons: in recognition that changing business needs may present additional land requirements which are currently unforeseen; to provide a choice of sites to

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[8] Note: The WFH adjustment has not been applied to the figures in Tables 46 and 47 above but is applied to the final Employment Land Requirement Figures set out in Table 52 below.

facilitate competition in the property market; to provide flexibility to allow for any delays in individual sites coming forward; and to account for the potential error margin associated with the forecasting process.

9.8.2   The margin of flexibility has been considered based on a number of years' worth of completions in Redditch. It is typical to add between 2-5 years' worth of completions as a margin. There is a considerable level of uncertainty within the national economic climate given changes surrounding Covid-19 and Brexit and the implication this has on commercial property requirements. Therefore, it is appropriate now in Redditch to include a margin of flexibility equivalent to 5 years' worth of completions data. This margin is added to the cumulative total of employment land need.

Table 51: Flexibility Margin (ha) 2021-40

	B1a/b	B1c	B2	B8	Total
Margin	0.01	0.3	1.2	12.1	13.6

9.9   Total Employment Land Needs

9.9.1   The range of labour demand scenarios is calculated by taking the sum of the net employment land needs, the net to gross demand, and the flexibility margin identifies the total employment land requirement and applying the adjustment for changing patterns of working from home.

9.9.2   Table 52 shows the outputs of the labour demand scenarios which provides the scenarios with estimates of future employment land needs for Redditch for the period 2021-40 ranging from 20.4-40.2ha.

9.9.3   These figures identify a range of total gross employment land need figures for Redditch for 2021-40. The figures do not take account of the current supply position or existing or future allocations in Redditch which could contribute to meeting this need.

Table 52: Comparison of Labour Demand Forecasts, Total Employment Land Needs (ha), 2021-40

	B1a/b	B1c	B2	B8	Total
CE Baseline	6.2	-2.6	-4.3	21.1	**20.4**
Experian Baseline	6.4	-1.8	0.0	30.9	**35.5**
LEP Growth Scenario	6.9	-0.2	2.6	30.9	**40.2**

10.0 LABOUR SUPPLY

10.1.1 An alternative way to consider the future employment land requirement, as set out in PPG, is the labour supply approach. This approach considers the amount of employment land required to support the level of jobs growth implied by the projected future growth in an area's population.

10.1.2 The relationship between population and jobs growth has been considered in detail alongside the range of other demographic projections in Section 16 of this report, and the demographic assumptions used are consistent with the other population projections in that section (see also Appendix B for further details).

10.1.3 The relationship between population and jobs growth is complex and relies on the interconnected relationship regarding economic activity rates, double jobbing rates, and commuting assumptions. While in reality each of these factors is likely to vary over time as the population and job opportunities in an area fluctuate, meaning there is unlikely to be a direct linear relationship between the working age population of an area and the number of jobs within that area.

10.1.4 However, equally there is no evidence to suggest that the current economic activity rates, double jobbing rates, and commuting rates for Redditch are out of the ordinary or require particular adjustment.

10.1.5 The economic activity rates (derived from Census statistics, with adjustments in line with OBR labour market analysis) determine the estimated annual change in the size of the resident labour force, whilst the unemployment rate (from ONS) and commuting ratio (derived from Census statistics) link the labour force to workplace-based employment in Redditch (see Appendix B). Double Jobbing rates are based on the ratio of workplace-based employment to workplace jobs which indicate that 6% of workers work more than one job.

10.1.6 The labour supply analysis identifies the level of population growth in Redditch Borough which would be required to support the level of jobs growth shown in each of the economic forecasts (the OE forecast shows negative growth and is therefore excluded). This data is set out in full in Table 67 in Section 16 of this report. The findings are summarised in Table 53.

10.1.7 This shows that the Experian economic forecast implies a population growth which is very similar to the projected population growth in the preferred demographic projection (PG-Long-Term). This means the Experian forecast would not require any significant increase to the workforce, e.g. through increased in-migration (holding all other variables constant[9]), and neither would there be an oversupply of labour under this scenario.

1.1.1 [9] Increasing in-migration is the standard way to model the labour force implications of a jobs growth forecast. However, it could be possible that workforce growth could be achieved in other ways, for example increased in-commuting, reduced out-commuting, or improving economic activity rates. However, we are not aware of any policy interventions which would justify the use of alternative modelling assumptions of these variables at this time.

10.1.8　This means that the Experian forecast can be considered to form a fairly accurate approximation of a labour supply scenario, and there is no need to consider a separate labour demand scenario as its outputs would be the same as the Experian scenario.

10.1.9　Conversely, the CE forecast would require a significant increase in the rate of population growth above the levels of growth shown in the demographic analysis. This would require annual in-migration at double the rates shown in the preferred demographic projection. Similarly, the LEP Scenario requires a slightly higher uplift to the population growth than the CE forecast.

Table 53: Redditch – Labour Demand Scenario Outcomes on Population, 2021–2040

Scenario	Population Change 2021-40	Net Migration per Annum
Employment-led_LEP	5,011	122
Employment-led_CE	4,900	121
Employment-led_Exp	3,734	61
PG-Long-Term	3,649	61

10.1.10　Overall, the Experian forecast provides a level of jobs growth which support a population growth very similar to that shown in the preferred demographic projection. This suggests a high level of alignment between the Experian economic forecast and the preferred demographic scenario.

10.1.11　Conversely, the CE and LEP forecasts would require a significant increase in the level of in-migration required to support the level of jobs growth shown in these forecasts, which the demographic analysis suggests is unlikely. This adds significant risk to these forecasts.

10.1.12　For the CE forecast, the higher labour supply requirement is likely driven by the very high projected growth in the Accommodation and food services sector which, as noted in Section 7, looks unrealistically high. This would explain the high labour supply requirement figure for this forecast.

10.1.13　For the LEP Growth Scenario, growth exceeds both the baseline labour demand and baseline labour supply projections. Given the current economic uncertainty and risks related to Brexit and Covid related to this scenario (see Section 11) this scenario is considered to represent an aspirational scenario at this point in time.

10.1.14　Overall, the labour supply analysis suggests that the Experian forecast provides a more realistic and less risky economic forecast in terms of its labour requirement.

11.0   RISKS DUE TO BREXIT AND COVID

11.1   Brexit

11.1.1   In June 2016, the UK voted to leave the European Union in a referendum vote. Following this, numerous proposed leave dates were agreed and revised, subsequently it was agreed that the UK would leave the EU in January 2020 with a transition period lasting until 1 January 2021.

11.1.2   The exit of the UK from the EU has had undoubtable implications on the UK's economy, however the nature of the political relationship between the UK and the EU remains uncertain, therefore predicting the long-term economic implications is a difficult process.

11.1.3   Nonetheless, all three forecasting houses (Cambridge Econometrics, Oxford Economics, and Experian) have included the predicted implications of Brexit into their forecasts. Their assumptions have been made based on considerations of the likely outcomes, announcements, think-tanks, non-profit organisations, and the UK Government.

11.1.4   However, the political intricacies of the future relationships between the UK and EU have not yet been agreed and so there remains uncertainty on the assumptions that have been used in the forecasts. These have been converted into economic modelling assumptions that have been inputted as part of the forecasting process.

11.1.5   The macroeconomic impacts of Brexit have been considered in terms of three main factors for the purpose of forecasting:

- Export Impact
- Workforce Impact
- Investment Impact

11.1.6   Table 54 details Cambridge Econometrics' (CE) overview of the long-term economic assumptions on the impacts of Brexit broken down by sector, as well as the overall risk which is determined by aggregating the results for each three impacts.

Table 54: Sectoral Brexit Risk Rating

Sector	Export Impact	Workforce Impact	Investment Impact	Overall Risk
Agriculture	Mild slowdown in EU demand	Strong employment constraints	Mild slowdown in investment	Moderate risk
Mining and Quarrying	No specific impact	Moderate employment constraints	Moderate to pronounced slowdown in investment	Moderate risk
Low and medium-low tech manufacturing	Mild slowdown in EU demand	Moderate employment constraints	Moderate to pronounced slowdown in investment	Moderate risk
High and medium-high tech manufacturing	Mild to moderate slowdown in EU demand	Moderate employment constraints	Moderate to pronounced slowdown in investment	Moderate risk
Construction	Mild slowdown in EU demand	Moderate employment constraints	Moderate to pronounced slowdown in investment	Moderate risk
Utilities and energy	Mild slowdown in EU demand	Moderate employment constraints	No specific impact	Low risk
Transport, distribution, retail and wholesale trade	Moderate to pronounced slowdown in EU demand	Strong employment constraints	Moderate to pronounced slowdown in investment	Most at risk
Accommodation and food service	Moderate to pronounced slowdown in EU demand	Strong employment constraints	Moderate to pronounced slowdown in investment	Most at risk
Administrative and support services	Moderate to pronounced slowdown in EU demand	Strong employment constraints	Moderate to pronounced slowdown in investment	Most at risk
Information and communication	Pronounced slowdown in EU demand	No specific impact	Moderate to pronounced slowdown in investment	Moderate risk
Financial and insurance	Pronounced slowdown in EU demand	No specific impact	Moderate to pronounced slowdown in investment	Moderate risk
Real estate	Pronounced slowdown in EU demand	No specific impact	Moderate to pronounced slowdown in investment	Moderate risk
Professional, scientific and technical	Pronounced slowdown in EU demand	No specific impact	Moderate to pronounced slowdown in investment	Moderate risk
Government services	Mild slowdown in EU demand	Moderate employment constraints	Mild slowdown in investment	Low risk
Arts, recreation, and other services	Mild slowdown in EU demand	Moderate employment constraints	Mild slowdown in investment	Low risk

11.1.7   Aggregating the risk factors for each sector identifies the following sectors which are most at-risk due to Brexit:

- Transport, distribution, retail and wholesale trade
- Accommodation and food service
- Administrative and support services

11.1.8   Conversely, the following sectors are considered to be at lower risk due to Brexit:

- Utilities and energy
- Government services
- Arts, recreation, and other services

11.1.9   This analysis has been used to inform the risk of Brexit for each sector in Redditch. Table 55 sets out the jobs growth in each sector between 2021-2040 as projected by each forecasting house alongside the risk rating identified in Table 54 above.

Table 55: Sectoral Brexit Risk – Redditch

Sector	Total Jobs 2021	Forecast Jobs Growth 2021-40				Brexit Risk
		Experian	CE	OE	LEP	
Agriculture etc	84	0	5	-6	0	Med
Mining & quarrying	11	0	-5	-3	0	Med
Manufacturing	8,403	-600	-1,183	-2,629	-199	Med
Electricity, gas & water	100	0	11	7	0	Low
Construction	2,379	600	225	131	600	Med
Wholesale & Retail	8,218	0	253	-184	0	High
Transport & storage	2,422	800	405	51	800	High
Accommodation & food services	2,272	500	2,005	110	500	High
Information & communications	1,529	-100	321	21	-100	Med
Professional & Business Support	8,366	700	886	1,117	921	Med
Government services	8,405	900	626	300	900	Low
Other	1,621	100	27	162	173	Low
Total	**43,810**	**2,900**	**3,576**	**-923**	**3,595**	

11.1.10   Table 56 shows the total number of jobs in each Brexit risk category. Table 56 shows the percentage of total jobs in each Brexit risk category.

Table 56: Jobs by Brexit Risk Rating, Redditch

	Total Jobs 2021	Forecast Jobs Growth 2021-40			
		Experian	CE	OE	LEP
High	12,912	1,300	2,663	-23	1,300
Moderate	20,772	600	249	-1,369	1,222
Low	10,126	1,000	664	469	1,073

11.1.11 The analysis provides a useful assessment of the forecasts, with the exception of OE which shows overall negative jobs growth. For the other forecasts, the analysis indicates that the CE forecast relies most heavily on growth in high risk sectors with 74% of jobs in the CE forecast for Redditch in these sectors. Much of this is due to the very high forecast growth in the Accommodation and food service sector in the CE forecast. This is considerably higher than the Experian (45%) or LEP (36%) forecasts, or the current profile of jobs in the Borough (29%).

11.1.12 The LEP forecast shows lowest proportional growth in high-risk sectors, however, as shown above, this is due to higher forecast growth in moderate risk sectors, rather than lower actual growth in high risk sectors. Similarly, the Experian forecast also shows higher proportional growth in low risk sectors although the actual figures are very similar to the LEP figures.

11.1.13 Overall, this analysis suggests that the Experian and LEP forecasts provide greater levels of growth in low risk sectors and lower levels of growth in the high risk sectors. These forecasts are therefore considered to be at lower risk due to the uncertainties of Brexit.

Table 57: Proportion of Jobs by Brexit Risk Rating, Redditch

	Total Jobs 2021	Forecast Jobs Growth 2021-40			
		Experian	CE	OE	LEP
High	29%	45%	74%	2%	36%
Moderate	47%	21%	7%	148%	34%
Low	23%	34%	19%	-51%	30%

11.2 Risks of Covid

11.2.1 In the first half of 2020 the UK was hit by the Coronavirus (Covid-19) pandemic which has had a significant impact on the global, national, and local economy. The forecasts used in this HEDNA take account of the impact of Covid-19 and show the significant impact of the pandemic on employment levels throughout 2020 and 2021.

11.2.2 As set out in Section 7, all three forecasts show employment in Redditch returning to growth in 2022 and show overall employment levels returning to pre-pandemic levels by 2024-28.

11.2.3 All forecasts have taken account of the three national lockdowns, the rollout of vaccines, and the implications this will have on the workforce returning to work and the related demand for goods and services. This means the forecasts are considered to provide a robust basis for assessing future growth with regards to the implications of Covid-19, as they are currently understood.

11.2.4 However, the past 18 months has shown that unexpected developments can quickly develop. Therefore, this section provides a risk assessment of Redditch's economic profile with regards to the implications of Covid-19 should any potential further unforeseen developments occur.

11.2.5   To assess future risks of Covid-19 to each sector within the Redditch economy, data has been taken from the height of the first national lockdown (March-June 2020) when lockdown restrictions were tightest. The following indicators highlight the resilience of businesses and organisations within each sector to continue operations during the first national lockdown.

11.2.6   Data from the Business Impact of Coronavirus (Covid-19) Survey (BICS) for this period has been assessed which captures businesses' responses on how their turnover, workforce prices, trade and business resilience have been affected. However, by its nature the BICS data covers a very short time period from which to draw conclusions and so should be treated with caution.

11.2.7   Figure 19 shows the trading status of businesses in each sector as of June 2020. This shows that 85.1% of all businesses were continuing to trade and had been for more than the previous two weeks. This figure increases to 88.9% when including businesses which had resumed trading in the previous two weeks.

11.2.8   However, there are two sectors where this figure is considerably lower. For Accommodation and Food Service just 51.3% of businesses are currently trading. For Arts, Entertainment and Recreation this figure is even lower at 39.1%.

Figure 19: Business Trading Status, UK

Source: ONS BICS June 2020

11.2.9   Figure 20 shows the reported change in turnover in June 2020 compared to the same period in 2019. Across all sectors, 57.6% of businesses reported a drop in turnover. The data again showed the worst hit sectors have been the Accommodation and Food Service sector (86.0% reporting lower turnover), and the Arts, Entertainment and Recreation sector (76.6% lower). However, the following sectors all had the majority of businesses reporting a lower turnover compared to 2019:

- Accommodation and Food Service (86.0%)
- Arts, Entertainment and Recreation (76.6%)
- Education (69.3%)
- Transportation and Storage (67.1%)
- Construction (62.9%)
- Administrative and Support Services (59.6%)
- Manufacturing (58.7%)
- Professional, Scientific and Technical (53.1%)
- Real Estate (52.7%)
- Wholesale and Retail (52.6%)

Figure 20: Change in turnover June 2019 vs 2020, UK

Source: ONS BICS June 2020

11.2.10 One of the key factors affecting businesses continuing to trade was the decreasing availability and increasing cost of importing and exporting goods. This particularly impacted businesses who trade overseas due to differing restrictions of trade and movement in different jurisdictions, and different countries enforcing and relaxing lockdown restrictions at different times.

11.2.11 Overall, nearly half (44.6%) of businesses reported having challenges relating to exporting. The sectors most widely hit have Transportation and Storage, Wholesale and Retail trade, and Manufacturing.

Table 58: Covid impacts on exporting

	Manufacturing	Wholesale and Retail Trade	Transportation and Storage	Information and Communication	Professional, Scientific and Technical	Administrative and Support	Education	All Sectors
Coronavirus-related transport restrictions	22.5%	25.0%	55.0%	17.4%	21.1%	21.7%	50.0%	23.9%
Increases in transportation costs	28.7%	33.6%	35.0%	15.2%	9.2%	13.0%	10.0%	25.5%
Closure of infrastructure used to export goods or services	7.9%	16.4%	40.0%	10.9%	3.9%	8.7%	0.0%	10.0%
Destination countries changing their border restrictions	9.6%	14.3%	45.0%	17.4%	10.5%	17.4%	10.0%	12.3%
Other	2.0%	2.1%	10.0%	2.2%	9.2%	8.7%	0.0%	3.5%
Did not experience any challenges with exporting	58.2%	50.0%	30.0%	56.5%	59.2%	52.2%	40.0%	55.4%

Source: ONS BICS June 2020

11.2.12 Restrictions on imports have had a similar impact to a wide range of sectors with Transportation and Storage, Administration and Support, Wholesale and Retail trade, and Manufacturing most affected.
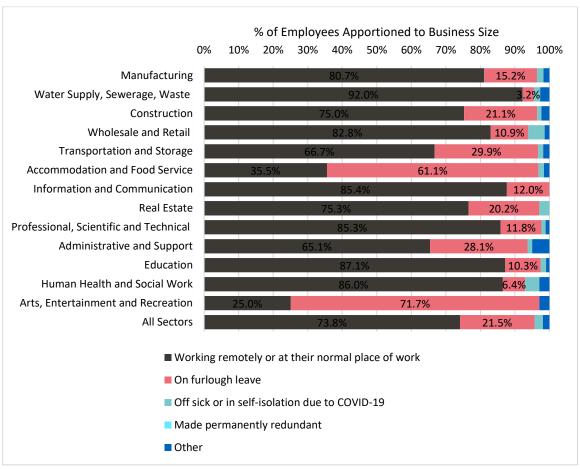
Table 59: Covid impacts on importing

	Manufacturing	Construction	Wholesale and Retail	Transportation and Storage	Information and Communication	Professional, Scientific and	Administrative and Support	Education	All Sectors
Coronavirus-related transport restrictions	27.8%	20.0%	26.6%	50.0%	18.8%	21.6%	30.0%	41.2%	27.7%
Increases in transportation costs	28.8%	10.0%	32.4%	40.9%	15.6%	13.7%	20.0%	5.9%	27.1%
Closure of infrastructure used to import goods or services	8.7%	20.0%	14.4%	22.7%	12.5%	7.8%	13.3%	0.0%	10.9%
Source countries changing their border restrictions	8.4%	0.0%	9.0%	40.9%	9.4%	9.8%	13.3%	5.9%	10.2%
Other	2.3%	0.0%	4.5%	0.0%	9.4%	7.8%	0.0%	0.0%	3.7%
Did not experience any challenges with importing	53.8%	70.0%	46.4%	40.9%	53.1%	60.8%	53.3%	58.8%	51.6%

Source: ONS BICS June 2020

11.2.13 This challenging economic environment had a significant impact on businesses' ability to retain employees. Figure 21 shows the employee status of all businesses which have not permanently stopped trading in June 2020. This shows that across all sectors 21.5% of staff were placed on furlough leave, while 73.8% continued to work (either at their normal place of work or remotely).

11.2.14 The data again shows the worst hit sectors were the Accommodation and Food Service sector (61.1% on furlough), and the Arts, Entertainment and Recreation sector (71.7% on furlough). Other sectors which have seen higher than average rates of staff furloughing were Transportation and Storage (29.9%) and Administrative and Support Services (28.1%).

Figure 21: Employee Status, June 2020

% of Employees Apportioned to Business Size

Sector	Working remotely or at their normal place of work	On furlough leave
Manufacturing	80.7%	15.2%
Water Supply, Sewerage, Waste	92.0%	3.2%
Construction	75.0%	21.1%
Wholesale and Retail	82.8%	10.9%
Transportation and Storage	66.7%	29.9%
Accommodation and Food Service	35.5%	61.1%
Information and Communication	85.4%	12.0%
Real Estate	75.3%	20.2%
Professional, Scientific and Technical	85.3%	11.8%
Administrative and Support	65.1%	28.1%
Education	87.1%	10.3%
Human Health and Social Work	86.0%	6.4%
Arts, Entertainment and Recreation	25.0%	71.7%
All Sectors	73.8%	21.5%

- Working remotely or at their normal place of work
- On furlough leave
- Off sick or in self-isolation due to COVID-19
- Made permanently redundant
- Other

Source: ONS BICS June 2020

11.2.15 The range of data set out above has been collated in Table 60 in terms of low, medium, and high risk for each element and sector. This is then aggregated to identify an overall level of risk for each sector.

Table 60: Sectoral Risk of Covid-19

	Trading Status	Turnover	Import/ Export	Employee Status	Overall Risk
Manufacturing	Low	Med	High	Low	Med
Water Supply, Sewerage, Waste	Low	Low	Low	Low	Low
Construction	Low	High	Med	Med	Med
Wholesale and Retail	Low	Med	High	Low	Med
Transportation and Storage	Low	High	High	Med	High
Accommodation and Food Service	High	High	Low	High	High
Information and Communication	Low	Low	Med	Low	Low
Real Estate	Low	Med	Low	Med	Med
Professional, Scientific and Technical	Low	Med	Med	Low	Med
Administrative and Support	Low	Med	Med	Med	Med
Education	Low	High	Med	Low	Low
Human Health and Social Work	Low	Low	Low	Low	Low
Arts, Entertainment and Recreation	High	High	Low	High	High

11.2.16 This analysis has been used to identify the scale of risk in the sectoral jobs growth forecasts for Redditch. The scale of jobs growth in each sector is set out in Table 61 along with the risk rating identified above.

Table 61: Sectoral Covid Risk Rating, Redditch

Sector	Total Jobs 2021	Forecast Jobs Growth 2021-40				Covid Risk
		Experian	CE	OE	LEP	
Agriculture etc	84	0	5	-6	0	Low
Mining & quarrying	11	0	-5	-3	0	Low
Manufacturing	8,403	-600	-1,183	-2,629	-199	Med
Electricity, gas & water	100	0	11	7	0	Low
Construction	2,379	600	225	131	600	Med
Wholesale & Retail	8,218	0	253	-184	0	Med
Transport & storage	2,422	800	405	51	800	High
Accommodation & food services	2,272	500	2,005	110	500	High
Information & communications	1,529	-100	321	21	-100	Low
Professional & Business Support	8,366	700	886	1,117	921	Low
Government services	8,405	900	626	300	900	Low
Other	1,621	100	27	162	173	High
Total	**43,810**	**2,900**	**3,576**	**-923**	**3,595**	

11.2.17 Table 62 sums the total number of jobs growth forecast in Redditch categorised by the identified risk rating due to Covid. Table 63 shows the proportion of jobs in each risk rating.

Table 62: Jobs by Covid Risk Rating, Redditch

	Total Jobs 2021	Forecast Jobs Growth 2021-40			
		Experian	CE	OE	LEP
High	6,315	1,400	2,437	323	1,473
Moderate	19,000	0	-705	-2,682	401
Low	18,495	1,500	1,844	1,436	1,721

11.2.18 The analysis provides a useful assessment of the forecasts, with the exception of OE which shows overall negative jobs growth. As with the Brexit risk assessment, the CE forecast has the highest Covid risk rating, again due to the high number of jobs in the Accommodation and food services sector. All forecasts show much higher proportional growth in high risk sectors (41-68%) than is reflected in the Borough's current job profile (14%).

11.2.19 All three forecasts show broadly similar levels of growth in low risk sectors with growth constituting roughly half of the growth shown in each forecast. Only the LEP forecast shows a growth in moderate risk sectors.

11.2.20 Overall, the analysis suggests that the Experian and LEP forecasts represent the lowest levels of risk due to the impacts of Covid. The LEP forecast doesn't add any additional high risk jobs but does add 400 additional moderate risk jobs above the Experian baseline.

Table 63: Proportion of Jobs by Covid Risk Rating, Redditch

	Total Jobs 2021	Forecast Jobs Growth 2021-40			
		Experian	CE	OE	LEP
High	14%	48%	68%	-35%	41%
Moderate	43%	0%	-20%	291%	11%
Low	42%	52%	52%	-156%	48%

12.0 Conclusions on the Overall Employment Land Requirement

12.1 Quantitative Conclusions

12.1.1 The labour demand scenarios provide estimates of future employment land needs for Redditch for the period 2021-40 ranging from 20.4-40.2ha. The outputs of the labour demand scenarios should be assessed against the labour supply approach (as set out in Section 10), the completions trend forecast (as set out in Section 6), as well as wider economic and commercial market factors (Section 5), economic baseline (Section 4) and analysis of the risks due to Brexit and Covid (Section 11). Taken together, these various analyses inform the overall conclusions on employment land needs for Redditch.

12.1.2 A comparison of the scenarios is set out in Table 64. This shows a projected need for between 20.4-51.6ha of employment land in Redditch by 2040.

Table 64: Employment Land Needs (ha), 2021-40

	B1a/b	B1c	B2	B8	Total
CE Baseline	6.2	-2.6	-4.3	21.1	**20.4**
Experian Baseline	6.4	-1.8	0.0	30.9	**35.5**
Labour Supply	6.4	-1.8	0.0	30.9	**35.5**
LEP Growth Scenario	6.9	-0.2	2.6	30.9	**40.2**
Completions Trend	0.0	1.0	4.7	45.9	**51.6**

12.1.3 As set out in Section 7, the economic forecasts take into account a range of future economic drivers – most notably at this point in time are the impacts of Covid and Brexit, with Brexit anticipated to have the largest long-term impact on future economic growth. The labour demand scenarios take these factors into account, whereas the completions trend projection does not.

12.1.4 Taking Brexit and Covid into account, the economic forecasts all project lower levels of economic growth over the period to 2040 than has been seen over the past ten years. It therefore makes sense that this is reflected in lower employment land requirement figures in the labour demand scenarios than in the completions trend scenario which assumes a continuation of past performance.

12.1.5 Brexit and Covid sectoral risk assessments were undertaken for Redditch which indicates that the Borough's existing economic profile has a reasonably low level of risk overall. However, this shows that the profile of sectoral growth shown in the economic forecast is within sectors which are at a much higher level of risk. However, the analysis suggests that the Experian forecast provides lower overall risk.

12.1.6 The LEP's growth agenda, as set out in the LIS, has been assessed in terms of the impact this will likely have on jobs growth and employment land needs in Redditch. This identified that the Experian baseline forecast includes significant jobs growth in Redditch in the majority of the LIS growth sectors. However, the Council may wish to consider planning for additional employment land to support additional growth in a number of the LIS sectors. The LEP Growth Scenario identifies an aspirational yet realistic uplift to support the growth targets of the LIS.

12.1.7   The forecasts were considered in terms of their relationship to the Labour supply. This shows that the Experian forecast entails a very similar level of population growth to that shown in the preferred demographic projection. Conversely, the CE and LEP forecasts would require a significant increase to in-migration above that shown in the demographic analysis. This makes these forecasts high risk and less realistic prospects.

12.1.8   Considering the labour demand, labour supply, and completions trend scenarios against the wider economic indicators in this report suggest that that the Experian Baseline Forecast provides the most reasonable assessment of future employment land needs for Redditch to 2040. This is for the following reasons:

- The Experian baseline forecast which is considered to provide the most reasonable and robust forecast for assessing future jobs growth in Redditch for this period.

- The Experian baseline forecast aligns reasonably well with LEP growth ambitions and includes considerable growth in the LEPs growth sectors.

- It aligns with the growth in labour demand shown in the demographic scenarios and doesn't rely on further assumptions regarding future workforce growth.

- It takes account of the economic impacts of Brexit and Covid and how these are expected to impact on future jobs growth and deviate from past performance. It shows a lower proportion of growth in high-risk sectors.

- It takes account of changes to working from home patterns for office-based sectors, which have accelerated during the Covid-19 pandemic.

- The scenario therefore takes account of structural changes to the economy and working patterns which will impact on the requirement for new employment land going forward, which a simple extrapolation of past trends could not achieve.

- They incorporate significant flexibility to account for the uncertainty within the current economic climate.

12.1.9   For these reasons the Experian forecast provide the most reasonable assessment of future employment land needs for Redditch to 2040. This provides an overall employment land requirement of 35.5ha.

12.2   Qualitative Conclusions

12.2.1   The industrial market very much remains the strongest employment sector within the borough, with manufacturing and distribution companies of various sizes continually seeking benefit from the strategic connectivity that Redditch offers.

12.2.2   Industrial demand is predominantly concentrated towards the north of the borough where land is more built-up and served by strategic transport routes to the M42, M40 and M5 motorways via the A441, A4023, A4189 and A435, all of which are dualled.

12.2.3　There is a particular demand for smaller units of floorspace of 1,000sqm or less, and units of this size have seen the highest rates of activity. However recently larger developments have established a clear appetite of national and multinational occupiers for hybrid warehouse/office products which have become increasingly popular during the pandemic. The Council should identify a range of sites of different sizes to ensure this full range of demand is accommodated.

12.2.4　Regarding office space, the proximity and quality of connections to Birmingham make Redditch a more viable and affordable option, however there is little supply of Grade A office stock in Redditch meaning that Redditch has been less able to meet demand than other neighbouring centres, for example Bromsgrove. The Covid Pandemic saw a growing occupier demand for smaller 'satellite' office locations as workers seek to retain local working patterns established during the lockdowns. Redditch is primed to benefit from this emerging trend.

12.2.5　However, there is an identified lack of office space within the Town Centre which is failing to meet both current and future demand, and much of the existing Town Centre office stock is dated. The Council will need to ensure high quality stock is not further eroded and that sufficient new provision is provided, as this will help to diversify and strengthen the Town Centre's economy and increase its resilience and competitiveness in post-pandemic climate.

13.0 HOUSING NEED

13.1.1 The following sections provide an analysis of Redditch's population and housing needs and how these can be expected to change in future to 2040. This to provide robust and sound evidence to support the review and update of the Redditch Local Plan No. 4[10].

13.2 Context and Approach

13.2.1 The current Local Plan was adopted in 2017 and sets out a requirement for 6,400 homes over the 2011–2030 plan period, as well as making provision for 55 ha of employment land.

13.2.2 With the revisions to the National Planning Policy Framework (NPPF) in 2019, and subsequent updates to Planning Practice Guidance (PPG), there is now a requirement to assess housing needs using the 'Standard Method'. Paragraph 60 of the NPPF allows for alternative approaches in 'exceptional circumstances' that take into account current and future demographic trends and market signals.

13.2.3 Edge Analytics has used its DOMUS Housing Needs Toolkit, in combination with local datasets and insight to produce a range of evidence to inform the Redditch HEDNA. The DOMUS Toolkit combines datasets on demographics, housing, socio-economic and housing market indicators for all local authorities in England, providing key datasets and data visualisations to inform the housing needs element of the HEDNA.

13.2.4 This study has been prepared in line with the NPPF and PPG, using the 'Standard Method' as the starting point for determining the overall minimum Local Housing Need (LHN) figure for Redditch. The NPPF states:

> *"61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the Standard Method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.*
>
> *62. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes)."*

13.2.5 The Standard Method, as set out in the PPG, is based on official household projections, an adjustment to account for affordability, a 'cap' to ensure deliverability, and, where applicable, a cities and urban centres uplift.

13.2.6 To inform the assessment of whether there are 'exceptional circumstances' that might warrant an alternative approach to that outlined in the Standard Method, key demographic and market signal statistics

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[10] Borough of Redditch Local Plan No. 4

and evidence are also presented. Using POPGROUP technology, a range of demographic scenarios have been developed for Redditch, for comparison with the LHN Standard Method figure.

13.2.7 The need for affordable housing in Redditch is also considered. Affordable housing is housing that is available for sale or rent to people whose needs are not met by the market. In line with the NPPF, this includes social and affordable rent, and affordable home ownership products. Also presented is an assessment of the overall housing mix, and the housing needs of older people and people with disabilities.

13.3   The Remaining Sections of this Document

13.3.1 Section 14 of this report provides a demographic profile of Redditch, including commentary on the latest mid-year population estimates, and the components of change (births, deaths and migration) that have driven population growth since 2001.

13.3.2 In Section 15, the LHN Standard Method calculation for Redditch is presented and is benchmarked against a range of housing growth indicators for the district, and against all other local authorities.

13.3.3 Section 16 presents a range of population growth scenarios for Redditch, including the latest official projections from the Office for National Statistics (ONS), alternative trend scenarios (based on alternative migration histories), and employment-led scenarios, linked to economic forecasts from Cambridge Econometrics and Experian. The dwelling growth outcomes from these scenarios are compared to the LHN figure, to inform the discussion of whether there are 'exceptional circumstances' that may support an alternative housing needs figure for Redditch.

13.3.4 In Section 17, the affordable housing needs for Redditch are assessed, including the need for social and affordable rent, and affordable home ownership.

13.3.5 Section 18 presents the Housing Mix analysis, suggesting what an appropriate housing type and tenure mix might be, based on the preferred demographic scenario and affordable needs analysis.

13.3.6 Section 19 and Section 20 provide an indication of the housing needs of Older People and People with Disabilities, respectively.

13.3.7 Section 21 provides an assessment of other specialist housing needs for different groups.

14.0 DEMOGRAPHIC PROFILE

14.1.1   The borough of Redditch is located south of Birmingham and has borders with Bromsgrove to the north, and Wychavon and Stratford-upon-Avon to the south. With an estimated population of 85,600 as of mid-year 2020[11], Redditch is the second smallest district in Worcestershire.

14.2   Historical Population Growth

14.2.1   According to the Office for National Statistics (ONS) mid-year population estimates (MYEs), between 2001 and 2020, the population of Redditch grew by 8.6%, an increase of approximately 6,800 people (Figure 22). The historical population growth profile is characterised by higher rates of growth in the first decade of the 20-year period, followed by slower rates of growth since 2011. The rate of population growth had been particularly high following the European Union (EU) expansion in 2004, peaking in 2006 (Figure 23).
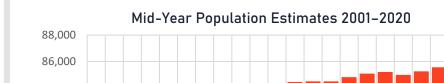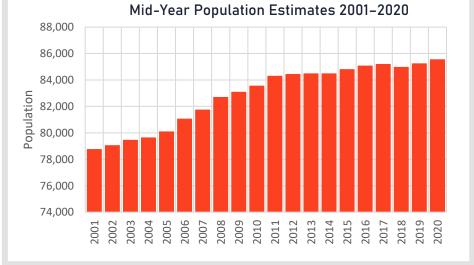
Figure 22: Redditch - Mid-Year Population Estimates, 2001–2020

Source: ONS

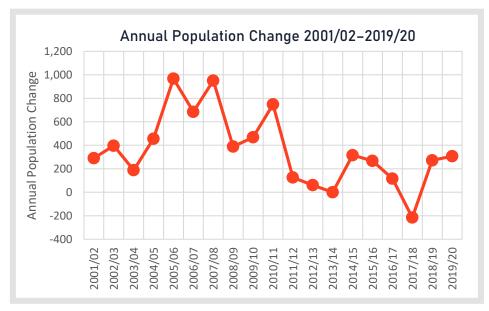
[11] ONS Population Estimates

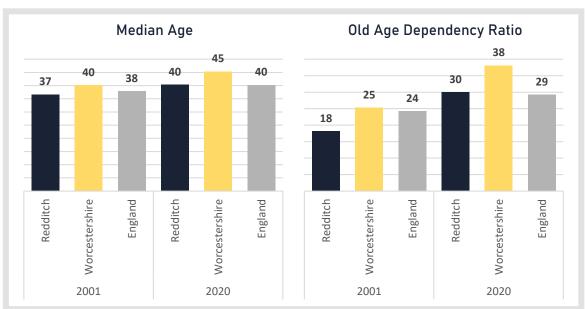**Figure 23: Redditch – Population Growth Profile, 2001/02–2019/20**

Source: ONS

14.2.2   Figure 24 presents a profile of the population age structure of Redditch, comparing the 2001, 2011 and 2020 datasets. The ageing of the relatively large cohorts born after the Second World War and in the decades that followed have resulted in significant population growth in the older age groups (aged 55+). It is the continued ageing of these cohorts that will have an important influence on the need for housing and social care in Redditch, as well as impacting the size and shape of the resident labour force.

14.2.3   The ageing of the population in Redditch is reflected in the median age, which increased from 37 in 2001, to 40 in 2020, in line with the England median age (Figure 25). Compared to Worcestershire, Redditch has a relatively more youthful population; the median age in Worcestershire is currently 45.

14.2.4   The current (2020) Old Age Dependency Ratio (OAD), which is a measure of the size of the older age (65+) population relative to the size of working age population (15–64), also reflects this relatively youthful age profile; the OAD for Redditch (30) is lower than the Worcestershire figure (38) and is similar to the England figure (29). The increase in the OAD between 2001 and 2020 has, however, been more pronounced in both Redditch (+12) and Worcestershire (+13) when compared to the OAD for England (+5).

Figure 24: Redditch – Population Age Profile, 2001, 2011 & 2020

Source: ONS

Figure 25: Redditch – Population Age Profile characteristics, 2001 and 2020

Source: ONS. Note: Old Age Dependency Ratio is the proportion of the population aged 65+ relative to the population aged 15–64.

14.3 Components of Change

14.3.1 Between successive Censuses, population estimation is necessary. MYEs are derived by applying the 'components of population change' to the previous year's MYE, comprised of natural change (the balance between births and deaths), internal migration and international migration.

14.3.2 Figure 26 presents an illustration of the components of change for Redditch, illustrating the relative importance of each in driving historical population growth. Detail on each of these components is provided below.

Figure 26: Redditch – Components of Change, 2001/02–2019/20

Source: ONS

14.4 Natural Change

14.4.1 Natural change has had a consistently positive impact upon annual population growth, averaging +409 per year, although the contribution of natural change has reduced since its peak in 2011/12.

14.4.2 The positive natural change is a result of an excess of births over deaths. Birth numbers gradually increased from 2001/02 to reach a peak of +1,211 in 2011/12. Since then, the number of births has begun to reduce, with the last 4 years all showing levels of births below the long-term average of +1,066 per year (Figure 27).
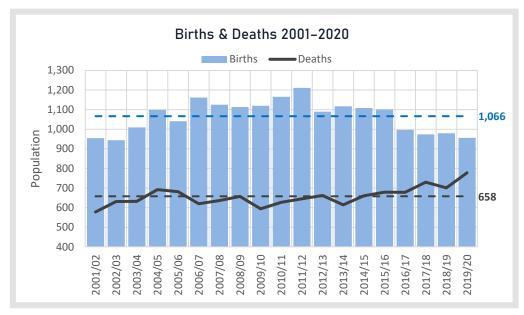
Figure 27: Redditch – Births and deaths, 2001/02–2019/20

Source: ONS

14.4.3   Unlike births, the number of recorded deaths has shown less variation over the last 20 years. In most years, the number of deaths has fluctuated around the long-term average of +658 per year. However, the most recent years show signs of an upward trend in deaths, most likely linked to the ageing of Redditch's population.

14.5   Internal Migration

14.5.1   Internal migration has had a consistently negative impact upon population over the historical period, averaging -404 per year; the highest net out-flow was estimated at -750 in 2013/14. However, the latest two years suggest a much lower net out-flow through internal migration.

14.5.2   A closer look at migration flows between Redditch and other parts of the UK shows that there has been a relatively high churn of population due to internal migration, with consistently high inflows and outflows. Averaging +3,188 over the 2001/02–2019/20 period, out-migration has consistently exceeded in-migration (+2,784 per year), resulting in a net loss of population. However, in the last 2 years, the gap between the two has narrowed, with inflows and outflows balanced in 2019/20 (Figure 28).

Figure 28: Redditch – Internal Migration Profile, 2001/02–2019/20

Source: ONS

14.5.3   In terms of migration links between Redditch and other areas, historically the highest net inflow has been from Birmingham. The highest net outflow has been to the neighbouring authorities of Wychavon and Stratford-on-Avon (Figure 29).

Figure 29: Redditch – Net Migration Inflow and Outflow, 2001/02–2019/20

Source: ONS

14.5.4   The importance of the student-age population migration flow is emphasised in Redditch's internal migration age profile, with a large net outflow in the 15–19 age group, as students leave the Borough for study. A net inflow is recorded in the 20–24 and 25–29 age groups, likely reflecting the return of students

following graduation, and the movement of economically active young people to Redditch for work. In all other age groups, net outflows are seen (Figure 30).

Figure 30: Redditch – Internal Migration Age Profile, 2001/02–2019/20

Source: ONS

14.6   International Migration

14.6.1   International migration has had a largely positive impact upon population growth in Redditch (Figure 31). With an average of +151 per year, net international migration peaked at +411 in 2015/16, reducing thereafter. The profile of international migration over time reveals two distinct peaks in inflows of migrants from overseas, the first following expansion of the EU in 2004 and the second after 2014 when temporary migration and work restrictions were lifted for migrants from Bulgaria and Romania.

14.6.2   International migration continues to be the most difficult component of change to estimate robustly, with ONS downgrading its output to 'experimental statistics' status whilst improvements continue[12]. The International Passenger Survey (IPS) provides the foundation of the UK's immigration and emigration estimates, but this is being discontinued in favour of a mix of administrative datasets, including the patient register, higher education statistics and national insurance number (NINo) registrations.

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[12] Statement from ONS on the reclassification of international migration statistics, August 2019

Figure 31: Redditch – International Migration Profile, 2001/02–2019/20

Source: ONS

14.6.3   The Department for Work and Pensions' (DWP) NINo statistics provide a complementary illustration of international migration inflow to Redditch. They are different to the ONS MYE statistics in that they refer only to work-based in-migration and include migrants whose stay may be shorter than 12 months. Regardless of these differences, NINo registrations in Redditch follow a similar pattern to the ONS MYE estimates, with two peaks in 2007 and 2015, and falling thereafter (Figure 32).
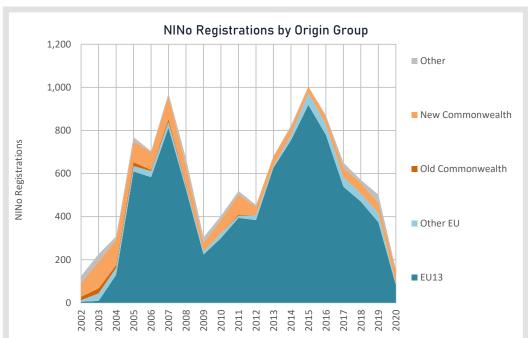
Figure 32: Redditch - NINo Registrations by Country of Origin Category, 2002–2020

Source: DWP. Note that EU13 refers to countries who have joined the EU since 2004: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia

14.6.4   NINo registrations have predominantly been associated with migrant workers from countries that have joined the EU since 2004. Migrants from Poland account for the largest number of NINo registrations since its accession to the EU, making up approximately 50% of all NINo registrations in Redditch between 2002–2020. Migrants from Romania have become the second largest group, following the changes to migration rules in 2014. However, it is unclear how many of these migrant workers have remained in Redditch, moved elsewhere in the UK, or returned to their country of origin.

14.7   Unattributable Population Change (UPC)

14.7.1   Following the 2011 Census, the 2002–2010 MYEs were rebased to align with the 2011 Census population count, with the adjustments referred to as 'Unattributable Population Change' (UPC). In Redditch, the UPC component is positive (see Figure 26), suggesting that between the 2001 and 2011 Censuses, the population was being underestimated.

14.7.2   Robustly estimating population change between Censuses is challenging; this is particularly the case for the estimation of immigration and emigration. ONS has not explicitly assigned the UPC adjustment to any one component of change, suggesting that UPC is likely due to issues around the estimation of international migration, internal migration, or the Census estimates themselves.

14.7.3   Population adjustments will invariably be a feature of the population estimation that results from the 2021 Census, although it is currently not certain exactly what that impact might be. Given the UPC adjustment seen historically in Redditch, and the challenges of robustly estimating population change, it is not unreasonable to assume that a similar under-estimation will have continued between 2011 and 2021 Censuses.
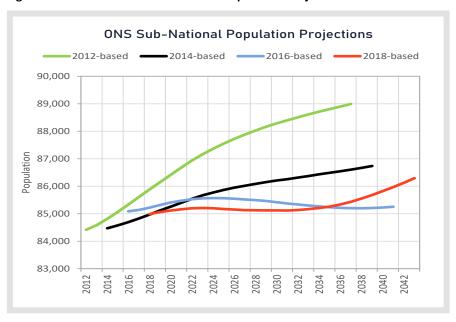
14.8   Official Population Projections

14.8.1   The historical profile of growth and the relative scale and importance of each of the components of change have important implications in the formulation of future scenarios of population growth.

14.8.2   The official projections produced by ONS are trend-based, drawing their migration, fertility and mortality assumptions from the historical period preceding the base year (with no adjustment to account for UPC). The latest 2018-based SNPP for Redditch projects an annual average growth of 0.06% per year over its 25-year projection period, higher than the earlier 2016-based (0.01% per year), but lower than the 2014-based (0.11% per year) and earlier 2012-based projections (0.22% per year) (Figure 33).

14.8.3   The latest 2018-based projection has a lower growth outlook compared to the 2014-based (which underpins the 2014-based household projections used in the Standard Method) due to a dampened fertility and mortality outlook, which reduces birth numbers and slows the rate of improvement in life expectancies

across the UK. Methodological adjustments to local area emigration and the recently introduced Higher Education Leavers Methodology (HELM) have also had an impact.[13]

Figure 33: Redditch – ONS Subnational Population Projections

Source: ONS

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[13] The ONS HELM methodology aims to better reflect the speed and pattern of movement of students following graduation and applies to internal migration MYEs from 2016/17 onwards. See Population estimates for the UK, mid-2019 methods guide, July 2020
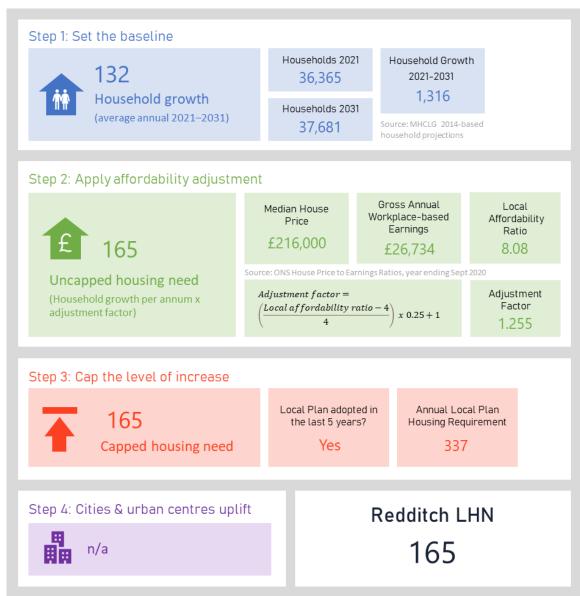
15.0 LOCAL HOUSING NEED

15.1.1   In this section, the LHN figure derived using the Standard Method is presented, followed by a range of demographic growth scenarios, developed for comparison with the latest 2018-based, and previous 2014-based, official ONS projections.

15.2   Standard Method

15.2.1   The starting point in assessing housing needs is the Government's Standard Method, used to calculate a minimum annual Local Housing Need (LHN) figure for an area. The Standard Method combines the 2014-based official household projection (for a 10-year baseline period) with an adjustment to account for affordability, a cap to the level of increase based on the status of the Local Plan, and a cities and urban centres adjustment (where applicable)[14].

15.2.2   The Standard Method for Redditch results in a minimum LHN +165 homes per year (Figure 34). Appendix A provides detail on the steps of the calculation.

15.2.3   The NPPF states that the Government's Standard Method should provide the basis for assessing the minimum number of homes needed, unless there are 'exceptional circumstances' that justify an alternative approach that reflects *"current and future demographic trends and market signals"* (NPPF paragraph 61). If authorities choose to use an alternative method for calculating housing need, it must be based on robust evidence and will be tested at examination (particularly where a lower figure is considered appropriate).

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[14] The current Standard Method is summarised in PPG, paragraph 004 Reference ID: 2a-004-20190220.

Figure 34: Redditch – Standard Method LHN Calculation

Source: MHCLG, ONS, RBC

15.3 Benchmarking the LHN

15.3.1 The LHN figure for Redditch is compared to all other Local Planning Authorities (LPAs) using a percentile ranking approach, introduced by a team at the University of Liverpool in their assessment of housing need in Wirral[15]. This approach divides the key components of the LHN calculation for all LPAs into equally sized groups (deciles), ranked from highest to lowest. To remove the effect of the size of an LPA upon the ranking process, the rates of projected growth are calculated using the current (2020) housing stock estimate as a denominator. Using the percentile framework, Redditch's LHN components are set out below (Table 65).

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[15] Exploring the computation of housing need in Wirral in 2020, University of Liverpool

Table 65: Redditch – Completions & LHN Components

LPA Decile	Step 1: Set the Baseline	Step 2: Apply Affordability Adjustment				Step 3: Cap the Level of Increase	Step 4: Cities & Urban Centres Uplift	LHN Growth 10yr*
	House-hold Growth 10yr*	Median House Price	Annual Work-place Based Earnings	Local Afford-ability Ratio	Uncapp-ed Growth 10yr*			
High								
2								
3								
4						0	No change	
5								
6				8.08				
7		£216,000						
8								
9			£26,734					
Low	3.51%				4.4%			4.4%

Growth rates calculated using a 2020 housing stock denominator. For Redditch, MHCLG Live Table 125 records a dwelling stock figure of 37,477 as of mid-year 2020. Property prices, earnings data and affordability ratios are for year ending September 2020.

15.3.2 The baseline level of growth is determined by the MHCLG's 2014-based household projections, resulting in a baseline of **132 households per year** (calculated over a 10-year period from the current year, 2021), equivalent to a 3.51% growth in the current housing stock (recorded at 37,477 as of 2020). This rate of growth positions Redditch towards the bottom of the LPA ranking; 92% of LPAs allocated a higher growth rate in Step 1 of the LHN calculation.

15.3.3 To this baseline figure, an affordability adjustment is applied, calculated using a local house price to earnings ratio. With a median property price of £216,000 (7th Decile), and a gross annual workplace-based earning figure of £26,734 (9th Decile), the local affordability ratio is 8.08. The affordability adjustment increases the baseline to **165 dpa**, equivalent to a 4.4% growth in the current housing stock over 10 years; 90% of LPAs have a higher growth rate at this stage of the LHN calculation.

15.3.4 The third step of the LHN calculation caps the level of increase that can be applied, which is dependent on the status of the adopted Local Plan and the Local Plan housing requirement. In the case of Redditch, the Local Plan was adopted in 2017[16], setting an annual housing target of 337 dwellings per year, with 157 per year accommodated within Redditch.[17] No cap is therefore applied. With no adjustment to Redditch in Step 4 of the calculation (the Cities and Urban Centres uplift), the final LHN figure is **+165 dpa**.

15.3.5 When compared to the historical completion rate (averaging 230 per year since 2011), the LHN figure of 165 per year for Redditch is relatively low. It is, however, higher than the dwelling growth implied by the

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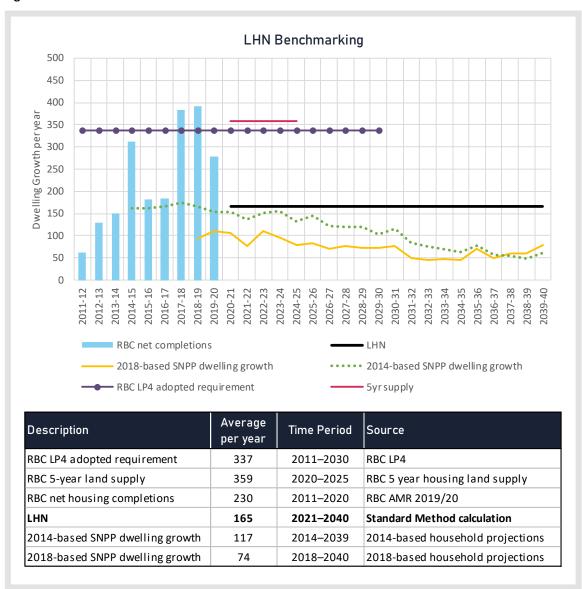
[16] [Borough of Redditch Local Plan No. 4](#)
[17] Policy 4 of LP4 states that around 3,000 dwellings can be accommodated in Redditch, with the remaining 3,400 in Bromsgrove.

2014-based SNPP for Redditch (117 per year) and is over double that implied by the latest 2018-based projection (Figure 35).[18]

Figure 35: Redditch - LHN in Context

Description	Average per year	Time Period	Source
RBC LP4 adopted requirement	337	2011–2030	RBC LP4
RBC 5-year land supply	359	2020–2025	RBC 5 year housing land supply
RBC net housing completions	230	2011–2020	RBC AMR 2019/20
LHN	**165**	**2021–2040**	**Standard Method calculation**
2014-based SNPP dwelling growth	117	2014–2039	2014-based household projections
2018-based SNPP dwelling growth	74	2018–2040	2018-based household projections

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[18] Dwelling growth outcomes derived from the 2014-based and 2018-based population projections, applying Household Representative Rates (HRR) from MHCLG's 2014-based household projection model in each case, and a dwelling vacancy rate.

16.0 GROWTH SCENARIOS

16.1.1 The NPPF states that the Government's Standard Method should provide the basis for assessing the minimum number of homes needed, unless there are 'exceptional circumstances' that justify an alternative approach that reflects "current and future demographic trends and market signals" (NPPF paragraph 61). In this section, a range of demographic growth scenarios are therefore presented for Redditch, generating a range of dwelling growth outcomes for comparison with the LHN figure. Scenarios have been developed using POPGROUP technology (see Appendix B for detail on the POPGROUP methodology, and data inputs and assumptions).

16.2   Scenario Definition

16.2.1 Using POPGROUP, the following scenarios have been configured, using the latest demographic statistics (Table 66). These scenarios are benchmarked against the official population projections from ONS, including the 2014-based projections (which underpin the Standard Method calculation), and the full suite of variants that make up the 2018-based ONS projections. These scenarios have 2014 and 2018 base years respectively.

16.2.2 Two alternative trend-based scenarios have been developed, using alternative migration histories from which to calibrate future growth assumptions. These 'PG' (i.e. POPGROUP) trend scenarios are based on a continuation of short-term (5-year) and long-term (19-year) migration histories and both incorporate a 2020 base year. In the long-term scenario, the UPC adjustment is included within the historical migration profile. In both alternative trend scenarios, fertility and mortality assumptions are drawn from the latest 2018-based ONS projection for Redditch.

16.2.3 Three employment-led scenarios have been configured, underpinned by employment forecasts formulated by Cambridge Econometrics (CE) and Experian (Exp), together with modelled growth aligning with the Greater Birmingham and Solihull Local Enterprise Partnership (LEP). The relationship between population and employment growth has been modelled using key assumptions on economic activity rates, unemployment and commuting. The economic activity rates (derived from Census statistics, with adjustments in line with OBR labour market analysis) determine the estimated annual change in the size of the resident labour force, whilst the unemployment rate (from ONS) and commuting ratio (derived from Census statistics) link the labour force to workplace-based employment in Redditch (see Appendix B).

16.2.4 In all scenarios, household and dwelling growth have been estimated using headship rate and communal establishment assumptions from MHCLG's 2014-based household projections model (HH-14), and a dwelling vacancy rate of 1.8%, drawn from 2011 Census data. The potential for alternative rates of household formation amongst young adult populations has also been considered.

16.2.5 A final 'dwelling-led' scenario illustrates the potential population growth impact of the standard method LHN figure of 165 per year. This scenario effectively 'works backwards' from a housing figure to derive an associated level of population growth, using the household headship rate, communal establishment, and dwelling vacancy rate assumptions. Domestic migration is used to 'balance' between dwelling and

population growth in this scenario, using migration rate assumptions from the long-term (19-year) trend. This scenario is intended to be illustrative, assessing the level of population growth that could occur if the LHN housing figure was realised in each year of the forecast period.
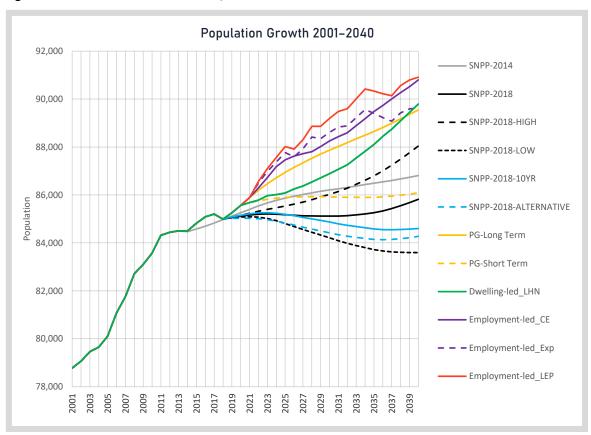
Table 66: Scenario Definition

Scenario Name	Description
SNPP-2014	Replicates the ONS 2014-based SNPP population projection, using historical population evidence for 2001–2014, extended to a 2040 horizon.
SNPP-2018	Replicates the ONS 2018-based SNPP *Principal* population projection, using historical population evidence for 2001–2018, drawing migration assumptions from a two-year period (consistent with the new ONS HELM methodology).
SNPP-2018-HIGH	Replicates the ONS 2018-based SNPP *Higher Migration* population projection, using historical population evidence for 2001–2018. This variant assumes higher levels of net international migration.
SNPP-2018-LOW	Replicates the ONS 2018-based SNPP *Lower Migration* population projection, using historical population evidence for 2001–2018. This variant assumes lower levels of net international migration.
SNPP-2018-ALTERNATIVE	Replicates the ONS 2018-based SNPP *Alternative Internal Migration* population projection, using historical population evidence for 2001–2018. This variant uses five years of internal migration data to inform the projection: two years using ONS' new HELM methodology and three years using the previous ONS methodology.
SNPP-2018-10YR	Replicates the ONS 2018-based SNPP *10-year Migration* population projection, using historical evidence for 2001–2018. This variant uses 10 years of all migration data to inform the projection.
PG-Short-Term	Uses an ONS 2020 MYE base year, with migration assumptions calibrated from a 5-year historical period (2015/16–2019/20).
PG-Long-Term	Uses an ONS 2020 MYE base year, with migration assumptions calibrated from a 19-year historical period (2001/02–2019/20), including the UPC adjustment in the 2001/02–2010/11 MYEs.
Employment-led_CE	Models the population growth impact of an average employment growth of +177 per year (2021–2040), as implied by the Cambridge Econometrics forecast for Redditch.
Employment-led_Exp	Models the population growth impact of an average employment growth of +144 per year (2021–2040), as implied by the Experian 'baseline' forecast for Redditch.
Employment-led_LEP	Models the population growth impact of an average employment growth of +178 per year (2021–2040), as implied by the forecast aligned with the LEP growth forecasts.
Dwelling-led LHN	Models the population growth impact of the MHCLG's standard method target of +165 dpa.

16.3 Scenario Outcomes

16.3.1 The population growth trajectories for all scenarios are presented in Figure 36, from 2001 to 2040. In Table 67, each of the scenarios is summarised in terms of population and household growth for the 2021–2040 plan period, alongside the average annual net migration and associated dwelling growth outcomes.

Figure 36: Redditch - Growth Scenarios, 2001–2040

Source: ONS, Edge Analytics POPGROUP modelling

Table 67: Redditch - Scenario Outcomes, 2021–2040

| Scenario	Change 2021–2040				Average per year	
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings
Employment-led_LEP	5,011	5.8%	3,526	9.7%	122	189
Employment-led_CE	4,900	5.7%	3,445	9.5%	121	185
Dwelling-led-LHN	4,105	4.8%	3,077	8.5%	90	165
Employment-led_Exp	3,734	4.3%	3,018	8.3%	61	162
PG-Long-Term	3,649	4.2%	2,949	8.1%	61	158
SNPP-2018-HIGH	2,801	3.3%	2,146	5.9%	8	115
SNPP-2014	1,408	1.6%	1,948	5.4%	-158	104
SNPP-2018	654	0.8%	1,319	3.7%	-84	71
PG-Short-Term	419	0.5%	1,412	3.9%	-81	76
SNPP-2018-10YR	-612	-0.7%	1,264	3.5%	-110	68
SNPP-2018-ALTERNATIVE	-754	-0.9%	1,202	3.3%	-116	64
SNPP-2018-LOW	-1,495	-1.8%	490	1.4%	-177	26

Source: ONS, Edge Analytics POPGROUP modelling.
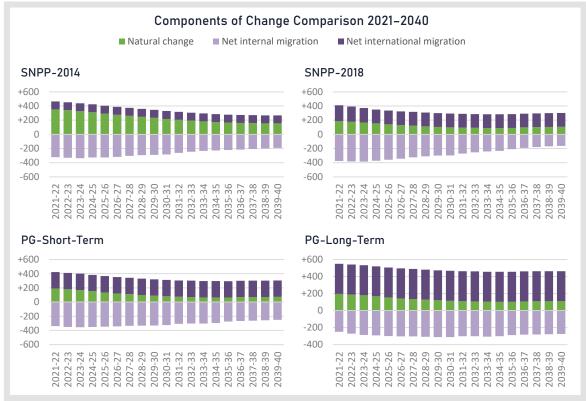
16.3.2   Population growth ranges from -1.8% under the **SNPP-2018-LOW** scenario to 5.8% growth under the **Employment-led_LEP** scenario. This range of population growth equates to an estimated dwelling growth requirement between 26 and 189 dpa.

16.3.3   The **SNPP-2014** scenario projects a population growth outcome of 1.6% to 2040, double the 0.8% growth estimated by the **SNPP-2018** scenario, with a corresponding dwelling growth outcome of 104 and 71 dpa, respectively.

16.3.4   The **SNPP-2018-LOW, SNPP-2018-HIGH, SNPP-2018-ALTERNATIVE** and **SNPP-2018-10YR** scenarios provide alternative outcomes to the principal **SNPP-2018** projection, incorporating variation in internal and international migration assumptions. With the exception of the **SNPP-2018-HIGH** scenario, all the variant SNPP projections result in population decline in Redditch over the plan period, with the most pronounced decline seen under the **SNPP-2018-LOW** scenario (-1.8%). This reflects the importance of international migration in sustaining population growth in Redditch.

16.3.5   The three **Employment-led** scenarios result in the highest growth outcomes, with two exceeding the LHN dwelling growth requirement of 165 dpa. The **Employment-led_Exp** scenario (based on the baseline Experian forecast for Redditch) results in a similar dwelling growth outcome to the LHN figure, and to the **PG-Long-Term** scenario, at 162 dpa.

16.3.6   The components of change illustrations presented in Figure 37 highlight the relative importance of each driver of growth over the plan period for the two ONS projections, and the two alternative trend scenarios.

In each, internal migration results in a net loss of population in each year, and natural change and international migration a net gain.

Figure 37: Redditch - Growth Scenarios: Components of Change 2021–2040

Source: ONS, Edge Analytics POPGROUP modelling

16.3.7   The differences seen between the **SNPP-2014** and **SNPP-2018** scenarios are the result of several factors. Each scenario has a different base year, and therefore derives its underpinning assumptions from different historical time periods. The **SNPP-2018** scenario draws its assumptions from the years immediately preceding 2018. This, coupled with methodological changes to local area emigration estimation since 2016/17, results in a lower level of projected growth compared to the **SNPP-2014** scenario. Furthermore, in the 2018 round of projections, ONS has applied a dampened fertility and mortality outlook, which reduces birth numbers and slows the rate of improvement in life expectancies across the UK. This results in a lower level of growth through natural change under the **SNPP-2018** scenario.

16.3.8   The **PG-Short-Term** and **PG-Long-Term** scenarios, drawing migration assumptions from a 5-year and 19-year history respectively, estimate population growth of 0.5% and 4.2%. The higher level of growth seen under the **PG-Long-Term** scenario is a direct reflection of the historical migration profile in Redditch (see Figure 26). During the first half of the historical period, population growth rates were higher, driven by a lower net outflow through internal migration, and the positive UPC adjustment. Carrying this trend forward
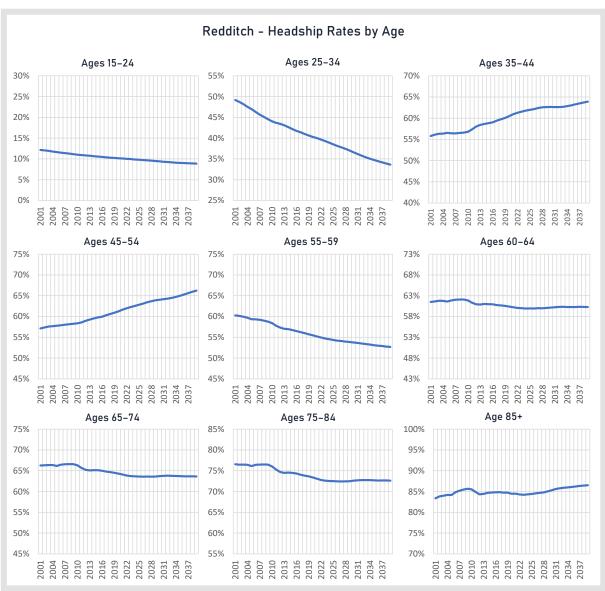
in the projection therefore results in higher levels of net in-migration and a corresponding higher dwelling growth outcome of 158 dpa.

16.4   Headship Rates Sensitivity

16.4.1   In the scenarios presented above, household growth has been estimated using assumptions from the MHCLG's 2014-based household projection model for Redditch (the household projections that underpin the Standard Method). This results in a household growth range of 1.4% to 8.1%.

16.4.2   It is likely that it is the younger age-groups that have seen the most significant change in household formation following the recession, due to a combination of housing undersupply and affordability issues, which may have led to 'supressed' rates of household formation. For the younger 25–34 age group, the rate of household formation has declined since 2001, a trend which is continued in the 2014-based household projection model (Figure 38).

16.4.3   This trend is not unique to Redditch, being reflected nationally and regionally, with a similar rate of decline seen in neighbouring Wychavon in this age group (Figure 39). In Bromsgrove, the decline in this age group is slightly more pronounced.

16.4.4   To illustrate the impact that improvements in the household formation rates of the 25–34 age group could have on household and dwelling growth, a sensitivity analysis has been produced. In the **HH–14-ALT** alternative, the rates of the 25–34 age group have been fixed from 2020 onwards, to prevent further decline in the rates of household formation (see Appendix B for further detail). All other age-groups remain unadjusted.

16.4.5   Figure 40 compares the dwelling growth outcomes derived from the trend scenarios under the two alternative headship rate assumptions. The **HH-14-ALT** scenarios result in higher average dwelling growth than the unadjusted **HH-14** scenarios, as without the continued reduction in the rate of household formation in the 25–34 age groups, a higher number of households are formed, which translates to a higher dwelling requirement.

16.4.6   This sensitivity is illustrative; it is not intended that it replace the 'baseline' household growth assumptions drawn from the 2014-based household projection model (i.e. HH-14), but instead provides a picture of the potential impacts of higher rates of household formation if affordability were to improve in the younger age groups. As the standard method is underpinned by the HH-14 rates, for comparability with this benchmark scenario, it is appropriate to consider the scenario growth outcomes associated with the 'core' range of scenarios.

Figure 38: Redditch - 2014-based Stage 2 Headship Rates

Source: MHCLG

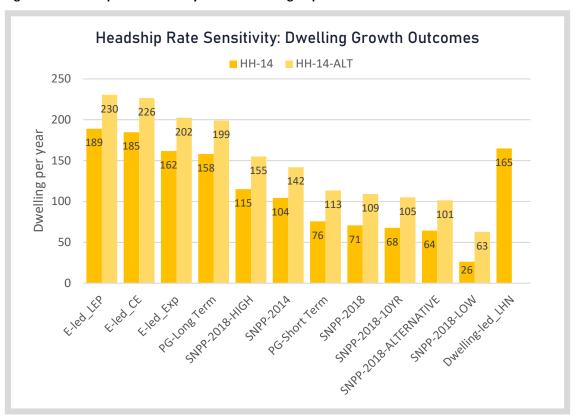**Figure 39: 2014-based Headship Rate Comparison, ages 25–34**

Source: MHCLG

Figure 40: Headship rate sensitivity: annual dwelling requirements

Source: Edge Analytics POPGROP modelling. Note that 'E-led' refers to the employment-led scenarios.

16.5 Conclusions on Demographic Scenarios and Overall Housing Needs

16.5.1 In Redditch, the historical profile of population growth is varied, with fluctuations in the estimated levels of international and internal migration since 2001. These variations result in a range of population growth outcomes in the trend scenarios, each configured with varying migration (and fertility and mortality) assumptions.

16.5.2 With a population undercount identified between the 2001 and 2011 Censuses, and a continuation of this possible between 2011 and 2021, the **PG-Long-Term** scenario is considered to be an appropriate trend-based scenario for Redditch. In this scenario, future migration assumptions are drawn from the full historical time-period (2001–2020), therefore taking into account the higher rates of growth resulting from the UPC adjustment between 2001 and 2011.

16.5.3 Using the 2014-based household growth assumptions (HH-14), which underpin the standard method, the **PG-Long-Term** scenario results in a comparable dwelling growth outcome to the **LHN** figure (+158 dpa compared to +165 dpa respectively). This confirms that **the LHN figure of 165 dpa provides an appropriate housing need figure for Redditch to 2040 based on the latest demographic trends.**

16.5.4 The level of population growth projected under the **PG-Long-Term** scenario also supports a level of employment growth comparable to that seen under the **Employment-led_Exp** baseline forecast. The LHN figure of 165 per year is therefore also sufficient to support this baseline employment growth forecast, using the defined economic activity, unemployment and commuting ratio assumptions for Redditch.

16.5.5 Whilst the overall housing need figure of 165 dpa is appropriate (based on demographic trends and forecast employment growth), the analysis that follows in this report has been prepared in alignment with the population and household growth profile of the **PG-Long-Term** scenario. This scenario is a robust trend-based scenario and produces similar overall levels of growth to the Dwelling-led LHN scenario. The important difference between these two scenarios is that the Dwelling-led scenario results in a different profile of migration over the projection period (compared to the PG-Long-Term scenario) a result of the way in which the POPGROUP model adjusts the level of net migration to meet the defined dwelling growth targets.

17.0   AFFORDABLE HOUSING NEED

17.1.1   In this section, an assessment of affordable housing need is presented for Redditch, in line with the requirements of the NPPF and following the method outlined in the PPG.[19]

17.1.2   Affordable housing is defined in the NPPF as: *"…housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)"*.[20] This includes affordable housing for rent (either social or affordable), including starter homes, discounted market sales housing, and other affordable routes to home ownership (including shared ownership, relevant equity loans, rent to buy).

17.1.3   The need for affordable housing has been assessed following the steps outlined in the PPG. This includes an assessment of current and future need, estimates of current affordable housing stock and potential future affordable housing supply. The total net need for affordable housing (calculated by subtracting total available stock from the gross need) is converted into an annual flow based on the plan period.

17.1.4   This section is split into two. The first part considers the need for social and affordable *rent*, with the second part considering the need for affordable home *ownership*.

17.2   Affordable Need: Social & Affordable Rent

17.3   Step 1: Current Need

17.3.1   In line with the PPG, the assessment of current need should include only those households who cannot afford to access suitable housing in the market, including (but not limited to): homeless households and those in temporary accommodation, households in over-crowded housing, concealed households, and households in unsuitable housing.

17.3.2   The Redditch Homes Housing Register provides an illustration of the current 'backlog' of need for social and affordable rental housing. The Register may potentially not include all households that fall into the PPG categories of need, but is considered preferable to relying on Census and other secondary data sources (e.g. the English Housing Survey, MHCLG homelessness data) due to the possibilities of double-counting, and the time that has elapsed since the last Census.

17.3.3   For a household to appear on Redditch's housing register, certain eligibility criteria must be met. Households must have valid immigration status, be over 18, and have a local connection to Redditch Borough. Certain exemptions apply to the 'local connection' requirement if a person is a member of the armed forces, is a care leaver, has fled domestic abuse, or falls into a reasonable preference category. Households with an income that would enable them to access private accommodation are supported to do so (through the housing options service) and are moved to an appropriate priority band where they have a housing need.[21]

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[19] PPG paragraph 020 Reference ID: 2a-020-20190220
[20] NPPF Annex 2: Glossary
[21] Redditch Homes

17.3.4 As of September 2021, there were 2,042 households on the RBC Register, categorised into six bands based on the priority of housing need (Appendix F). 80% of households on the register currently live within the district, with the remaining 20% either living outside the district or with no given location. Most households are seeking 1 or 2-bedroom properties.

17.3.5 Whilst the Register provides a count of the number of households seeking social/affordable housing in Redditch, there is limited information on the specific reason for a household appearing in the identified priority band. To derive the current number of households in need, Local Authority Housing Statistics (LAHS) for Redditch have therefore been evaluated, with the proportion of households in 'reasonable preference' categories derived from a 3-year average. Scaled to the household count from the Register results in an identified 965 households who are either homeless, owed a duty by a local authority, or living in unsatisfactory, overcrowded or insanitary dwellings.

17.3.6 The gross backlog (current) need is divided by 19 to give an annual quota of current need of 51 households per year (2021–2040).

17.4 Step 2: Future Need

17.4.1 The second step of the affordable need calculation involves an assessment of the number of newly arising households likely to be in affordable housing need in the future which includes:

- New household formation, and the proportion of these unable to rent in the market area.
- An estimate of the number of existing households falling into need.

New Household Formation

17.4.2 The number of newly forming households has been estimated through demographic modelling and the application of an affordability test. By considering the changes in household numbers by 10-year age group and household type over 10-year periods to 2040, the annual change in the number of households aged 15–44 has been calculated. Household growth in the 45+ age groups has not been considered as new household formation is concentrated in the younger age groups.

17.4.3 Based on the PG-Long-Term population projection (as defined in the previous section), combined with the 2014-based household growth assumptions, gross household formation is calculated at 751 per year.

17.4.4 As set out in the PPG[22], affordable housing need projections should include an assessment of the proportion of newly forming households that are unable to afford housing in the market area. This process involves identifying the minimum household income required to access entry-level (i.e. lower quartile) market housing, and then estimating the proportion of households that earn less than the calculated threshold. As this section of the affordable need calculation considers the need for social/affordable rent, only those households that are unable to afford lower quartile market rents are considered here.

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[22] PPG paragraph 021 Reference ID: 2a-021-20190220

17.4.5 The latest lower quartile rental figure in Redditch is £575 per month.[23] This equates to an annual housing cost of £6,900. On the assumption that around 26% of a household's gross income is spent on housing costs[24], a minimum household income of around £26,538 is needed to afford lower quartile rents in Redditch (see Appendix E).

17.4.6 To estimate the proportion of households that earn less than this threshold, CAMEO income data for Redditch has been adjusted to reflect the lower average income for newly forming households (see Appendix E). On average, younger households (aged 16-44) earn 96% of the 'all households' average (EHS 2019-20). With the CAMEO income bands adjusted accordingly, it is estimated that just 45% of newly forming households earn less than the threshold required to afford lower quartile rents in Redditch.

17.4.7 Applying this proportion to the gross household formation figure of 751 results in 339 newly forming households per year unable to afford open market rents over the 2020–2040 plan period.

Existing Households Falling into Need

17.4.8 The number of existing households that might be expected to fall into affordable need in the future is derived from COntinuous REcording of Lettings and Sales in Social (CORE)[25], which records information on the characteristics of new social housing tenants.

17.4.9 By examining the previous tenure of households that have secured accommodation over the last three years (2017/18–2019/20), an estimate of the 'flow' of households onto the Housing Register has been calculated, averaging 113 households per year (Table 68). This step excludes newly-forming households (e.g. those previously living with family) and those previously living in social or affordable housing (i.e. transfers).

Table 68: Existing households falling into need

Year	Total General Needs Social Housing Lettings (a)	Previous Tenure LA or PRP/HA (b)	Newly Forming Households (other + living with friends or family) (c)	Existing households falling into need a–(b+c)
2017/18	297	145	85	67
2018/19	537	246	143	148
2019/20	435	182	128	125
Average	423	191	119	113

Source: DHLUC CORE

Total Future Need

17.4.10 Adding the number of newly forming households unable to afford lower quartile rents (339) to the number of existing households falling into need (113) gives an estimated gross figure of 452 households per year falling into need over the plan period.

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[23] ONS Private rental market summary statistics, April 2020 to March 2021
[24] EHS 2019-20
[25] DHLUC CORE

17.5   Step 3: Current Affordable Housing Supply

17.5.1   The third step of the affordable need calculation involves estimating the current supply of affordable housing, which includes an estimate of the number of affordable homes currently occupied by households in need, the level of surplus stock (i.e. vacant but available for letting), the committed supply of affordable housing, and the number of units 'to be taken out of management' (i.e. demolitions).

Affordable Homes Occupied by Households in Need

17.5.2   The movement of households within existing affordable housing (i.e. transfers) will have a net nil effect on overall housing need, and is therefore an important consideration in the calculation. Using the CORE data illustrated above in Table , the number of homes vacated by current occupiers that are fit for use by other households in need has been estimated at 191 per year.

Surplus Stock

17.5.3   PPG and the previous 2007 CLG SHMA guidance states that if the vacancy rate of the social and affordable housing stock exceeds 3%, it can be considered as surplus and therefore available for letting. The relevant data for this step of the analysis is drawn from MHCLG Local Authority Housing Statistics and Statistical Data Returns.[26, 27]

17.5.4   For both local authority owned stock and that owned by private registered providers (PRPs), vacancy rates over the last three years have consistently been less than 1%. Therefore, the level of surplus stock is assumed to be zero.

Committed Supply

17.5.5   PPG recommends considering the pipeline of affordable housing within the supply calculation. However, no committed supply element is assumed here, as to include this could fail to show the full extent of need. New affordable housing is a 'one-off' element of supply, rather than part of the continuous flow of properties through re-lets. It is important to note, however, that any new affordable dwellings should be 'netted off' during monitoring.

Units Taken out of Supply

17.5.6   To calculate the number of units taken out of supply, data on the number of demolitions of local authority and PRP stock have been analysed (based on the LAHS and SDR). There are no recorded demolitions of properties over the last three years, and the figure for this step is therefore zero.

17.6   Step 4: Future Affordable Housing Supply

17.6.1   The future supply of affordable housing involves calculating the number of re-lets, based on past trends, excluding internal transfers and renewals of tenancies. This data is drawn from CORE data for general needs affordable and social rent19F. Over the 2017/18–2018/19 period, the rate of re-lets averages 261 per year.

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[26] Local Authority Housing Statistics, MHCLG 2020
[27] Statistical Data Return 2018 to 2019, ONS 2020

Table 69: Estimated future supply of re-lets (2017/18–2019/20)

Year	Total Lettings (General Needs)	New Lets	Re-Lets*
2017/18	297	21	193
2018/19	537	75	326
2019/20	435	69	264
Average	423	55	261

Source: CORE, Social Housing Lettings in England. *categories excluded are: Internal transfers, Relet to tenant who occupied same property as temp accommodation, and Renewal of fixed term tenancy.

17.7 Finalising the Calculation

17.7.1 The current and future supply of affordable rental housing is subtracted from the need to give a net annual affordable housing need figure of 51 per year over the plan period (Table 70).

Table 70: Social and affordable rental housing need calculation

Stage 1: Current Need		
1.1	Homeless or owed a duty by an LHA	209
1.2	In insanitary, overcrowded or unsatisfactory accommodation	722
1.3	Other groups	35
1.4	Total current gross need (1.1 + 1.2 + 1.3)	965
1.5	Annual quota of current need (1.4 / 19)	51
Stage 2: Future Need		
2.1	New household formation (gross p.a.)	751
2.2	% households that cannot afford to rent in the open market	45%
2.3	No. households that cannot afford to rent in the open market (2.1 x 2.2)	339
2.4	Existing households falling into need	113
2.5	Total newly-arising housing need (gross each year) (2.3 + 2.4)	452
Stage 3: Affordable Housing Supply		
Current Supply		
3.1	Affordable dwellings occupied by households in need (p.a.)	191
3.2	Surplus stock (vacant but available for letting)	0
3.3	Committed Supply	0
3.4	Units to be taken out of management	0
3.5	Total affordable housing stock available (3.1 + 3.2 + 3.3 - 3.4)	191
Future Supply		
3.6	Annual supply of social re-lets (net)	261
Stage 4: Estimate of Annual Housing Need		
4.1	Gross annual CURRENT AND FUTURE affordable need (1.5 + 2.5)	503
4.2	Annual affordable CURRENT AND FUTURE SUPPLY (3.5 + 3.6)	452
	NET Annual Affordable Housing Need (to rent) (4.1 - 4.2)	51

17.8 Social/Affordable Rent Split

17.8.1 The analysis above has considered the overall need for affordable rent, the two types of which are affordable and social rent. To provide an indication of the split between affordable and social rent, it is

necessary to examine the cost of these housing options and the household incomes required to afford these.

17.8.2   Lower quartile (open market) rents average £575 pcm in Redditch, requiring a household income of £26,538. CAMEO Income data indicates that around 43% of households are unable to afford this. These households are therefore only likely able to afford affordable or social rents, which are typically around 80% and 60% of the lower quartile market figure respectively (Table 71).

Table 71: Indicative affordable/social rental costs

Type	Monthly Rent	Minimum Household Income Needed	% Newly Forming Households Unable to Afford Upper Threshold
Lower Quartile Rent	£575	£26,538	43%
Affordable Rent	£492	£22,686	35%
Social Rent	£391	£18,025	24%

Note: Income needed calculated assuming that 26% of a household's income is spent on housing. Source: Edge Analytics, CAMEO Income, RSH, EHS.

17.8.3   Of the 43% of households that cannot afford lower quartile rents, around a fifth can afford affordable rents (i.e. households earning between £22,686 and £26,538), with the remaining households only able to afford social rents (i.e. households earning less than £22,686). This suggests a 20%/80% split between affordable and social rents respectively, although in reality it is likely that some households that cannot afford rents could do so with benefits. This assessment is therefore intended to be illustrative rather than providing a definitive policy recommendation.

17.9   Affordable Need: Home Ownership

17.9.1   The analysis above has considered the need for social and affordable rented housing in Redditch. There are, however, no clear guidelines on the steps that should be taken to estimate the need for affordable home ownership in PPG. This approach therefore follows a similar approach to the calculation of the need for social/affordable rent, producing an estimate of current need, potential future need, and taking into account the supply of affordable housing through re-sales.

17.9.2   In Redditch, a household income of just over £40,000 is required to purchase entry-level (lower quartile) properties (assuming a property price of £165,000, a 15% deposit and a loan to income ratio of 3.5). Based on CAMEO income data, it is estimated that 32% of all households within the district can afford this, and only 18% of all private renters. It is households that fall into the 'gap' between being able to afford lower quartile market rents and open market property prices are the ones targeted for affordable home ownership products (such as First Homes, Help to Buy Equity Loans, Help to Buy Shared Ownership, and Rent to Buy).[28] Using the CAMEO Income data, it is estimated that around 25% of all households in Redditch sit in this 'gap', and 30% of private renter households.

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[28] See Appendix E**Error! Reference source not found.** for a summary of the costs associated with these affordable home ownership products.

Current & Future Need

17.9.3   To determine the current (backlog) need for affordable home ownership, the current number of households in the private rental sector has been estimated at 4,800, using ONS housing stock data and a 2018 household estimate. Assuming 30% of these households fall into the 'gap' between being able to afford lower market rents and lower quartile property prices, an estimated 1,423 households have a potential need for affordable home ownership.

17.9.4   However, some of these households will remain in the private rented sector, either through choice or due to affordability issues (e.g. due to a lack of savings). The English Housing Survey (2019-20)[29] reports that around three fifths of private renters expect to buy a property at some point in the future, with around 27% of these expecting to buy in the next 2 years. Combining these proportions results in an assumption that 16% of private renters that fall into the 'gap' between being able to afford lower market rents and lower quartile property prices will be looking to buy affordable housing, equivalent to 12 households per year to 2040.

17.9.5   The future need for affordable home ownership is calculated by estimating the likely number of newly-forming households that will fall into this same 'gap' between being able to afford lower quartile rents and lower quartile property prices. With the CAMEO Income data adjusted to account for the income differences of newly-forming households, an estimated 26% of newly forming households each year will have a potential need for affordable home ownership. Applying the same EHS ownership aspiration assumptions as outlined above, this produces future need of 31 per year to 2040.

17.9.6   Combined, this suggests a gross affordable home ownership need figure of 43 per year.

Affordable Home Ownership Supply

17.9.7   Affordable home re-sales data has been used to estimate the flow of stock that could be offset against the identified level of need. Affordable home ownership sales data from MHCLG suggests that, on average, five shared ownership properties per year have been re-sold in Redditch between 2016 and 2019.[30] As with the calculation of affordable need (rent), no element of committed supply is included in the affordable home ownership calculation, as new affordable housing is a 'one-off' element of supply, rather than part of the flow of properties through re-sales. It is important to note, however, that any new affordable dwellings should be netted off during monitoring.

17.9.8   Combining the identified level of need (43 per year) with the re-sales data (5 per year) results in a net annual need for 39 affordable homes (for ownership) per year to 2040 (Table 72).

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[29] English Housing Survey 2019-20 Headline Report (December 2020)
[30] MHCLG CORE

Table 72: Need for Affordable Home Ownership

Step 1: Current Need		
1.1	Current households in private rent	4,800
1.2	No. private rent households in 'gap' between open market rent and purchase (1.1 x 30%)	1,423
1.3	No. seeking to become a homeowner (EHS) (1.2 x 16%)	228
1.4	Annual quota of current need (1.3 / 19)	12
Step 2: Future Need		
2.1	New household formation (gross p.a.)	751
2.2	No. newly-forming households in 'gap' open market rent and purchase (2.1 x 26%)	196
2.3	Newly-forming households seeking to become a homeowner (EHS) (2.2 x 16%)	31
Step 3: Affordable Housing Supply		
3.1	Shared ownership resales per annum	5
3.2	Affordable Home Ownership committed supply	0
3.3	Total supply (3.1 + 3.2)	5
Step 4: Estimate of Annual Housing Need		
4.1	Gross need for Affordable Home Ownership (1.4 + 2.3)	43
4.2	Total annual supply (3.3)	5
	NET Annual Affordable Housing Need (to purchase)	39

17.10 Implications of First Homes on Affordable Housing

17.10.1 With the introduction of the First Homes scheme in June 2021, there is now a requirement for 25% of all affordable housing units delivered by developers through planning obligations to be First Homes[31]. For the remaining 75% of affordable housing, social rent should be delivered 'in the same percentage as set out in the local plan', with the remainder of affordable housing tenures delivered in line with the proportion set out in local plan policy.

17.10.2 The implications of this of the identified affordable need are summarised below in Table 73, based on the proportional split between social rent, affordable rent, and affordable home ownership as identified in the analysis above.

17.10.3 With First Homes accounting for 25% of the total, and social rent accounting for 46%, the remaining 29% is split between affordable rent (6%) and shared ownership (23%).

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[31] PPG First Homes

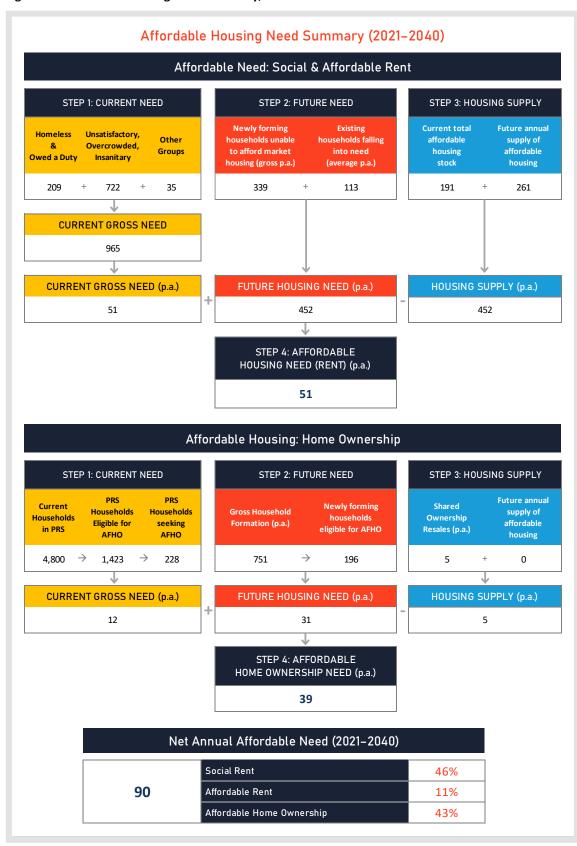**Table 73: Implication of First Homes requirement on affordable needs**

Step	Calculation	%
a	First Homes proportion (as per PPG)	25%
b	Social Rent proportion (identified in affordable needs analysis)	46%
c	Remaining proportion (100% - a - b)	29%
d	Original Affordable Rent proportion	11%
e	Original Affordable Home Ownership proportion	43%
f	Affordable Rent & Affordable Home Ownership combined proportion (d + e)	54%
g	Affordable Rent proportion with First Homes (c*(d/f))	6%
h	Affordable Home Ownership proportion with First Homes (c*(e/f))	23%

17.11   Affordable Needs Summary

17.11.1   The analysis presented in this section has identified a net need for **90 affordable homes** per year to 2040:

- **51 rental** properties (57%), with an approximate split of 80%/20% between social and affordable rent, based on local affordability.

- **39 affordable home ownership** properties (43%).

17.11.2   The Council should identify the affordable housing needs in Redditch within a strategic policy and prepare policy which is supportive of the development of wholly affordable housing schemes. A summary of the affordable needs calculations is presented in Figure 41.

17.11.3   To achieve the delivery of 90 affordable homes per year, it will be necessary for major residential schemes to contribute to this target, by ensuring a proportion of new residential development is for affordable housing. The Council should identify in policy the affordable housing requirements for major residential proposals. To achieve the 90 affordable dwellings per year, as set out in figure 41, approximately 57% of new residential development should be affordable housing. This 57% requirement should be considered alongside other policy and infrastructure requirements. If evidence demonstrates that development cannot viably meet all proposed obligations and infrastructure costs, the Council will need to consider it's approach to affordable housing delivery and set an appropriate affordable housing requirement based on this evidence. The Council may also wish to consider allocating sites for 100% affordable housing and preparing policy which supports the delivery of 100% affordable housing proposals in areas where market housing would not typically be supported. The effect of such allocations and policies would be to increase the provision of affordable housing in the event that viability testing of the plan demonstrates that a 57% requirement of affordable housing is not viable.

17.11.4   The Council will also need to identify in policy the split in tenure requirements, this will need to take into account the national policy requirement of First Homes and any aforementioned viability issues.

Figure 41: Affordable Housing Need Summary, 2021-40

Affordable Housing Need Summary (2021–2040)

Affordable Need: Social & Affordable Rent

STEP 1: CURRENT NEED			STEP 2: FUTURE NEED		STEP 3: HOUSING SUPPLY	
Homeless & Owed a Duty	Unsatisfactory, Overcrowded, Insanitary	Other Groups	Newly forming households unable to afford market housing (gross p.a.)	Existing households falling into need (average p.a.)	Current total affordable housing stock	Future annual supply of affordable housing
209 +	722 +	35	339 +	113	191 +	261

CURRENT GROSS NEED
965

CURRENT GROSS NEED (p.a.)		FUTURE HOUSING NEED (p.a.)		HOUSING SUPPLY (p.a.)
51	+	452	–	452

STEP 4: AFFORDABLE HOUSING NEED (RENT) (p.a.)
51

Affordable Housing: Home Ownership

STEP 1: CURRENT NEED			STEP 2: FUTURE NEED		STEP 3: HOUSING SUPPLY	
Current Households in PRS	PRS Households Eligible for AFHO	PRS Households seeking AFHO	Gross Household Formation (p.a.)	Newly forming households eligible for AFHO	Shared Ownership Resales (p.a.)	Future annual supply of affordable housing
4,800 →	1,423 →	228	751 →	196	5 +	0

CURRENT GROSS NEED (p.a.)		FUTURE HOUSING NEED (p.a.)		HOUSING SUPPLY (p.a.)
12	+	31	–	5

STEP 4: AFFORDABLE HOME OWNERSHIP NEED (p.a.)
39

Net Annual Affordable Need (2021–2040)

90	Social Rent	46%
	Affordable Rent	11%
	Affordable Home Ownership	43%

18.0 HOUSING MIX

18.1.1   In this section, the overall mix of housing required is examined, in terms of size, type, and tenure, based on the projected level of household growth to 2040.

18.1.2   The methodology firstly utilises data on the future size and structure of Redditch's population and associated household characteristics from the PG-Long-Term growth scenario[32], in combination with Census data on household composition, bedrooms and property type, and Council Tax data on accommodation type by number of bedrooms. This produces a profile of growth for each dwelling size, type and tenure (owned, private rent, social rent), by age of the household representative person (HRP).

18.1.3   These outcomes are then combined with data from the Council's housing register to produce a suggested mix profile across market and affordable housing (split between social/affordable rent, and affordable home ownership).

18.2 Projected Household Growth

18.2.1   The number of households in Redditch is projected to increase by 2,949 over the 2021–2040 plan period[33]. This growth is concentrated in the older 75+ age groups, emphasising the importance of population ageing upon Redditch's future housing needs (Figure 42). There is a decline in the younger 25–34 age groups, a reflection of the decline in the household formation rates in this age group (as illustrated in Figure 38).

Figure 42: Household growth by age of HRP and type (PG-Long-Term scenario)

Source: Edge Analytics POPGROUP modelling

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[32] The PG-Long-Term scenario is used to underpin this analysis as it produces an overall population and dwelling growth outcome that is comparable to that implied by the LHN figure, but produces a more appropriate profile of migration based on demographic trends when compared to the Dwelling-led LHN scenario – see paragraph 16.5.5.

[33] Household growth outcomes have been derived using the unadjusted Household Representative Rates (HRR) from the MHCLG's 2014-based household projection model, drawn from the PG-Long-Term scenario.

18.2.2   When viewed by household type, the level of growth is greatest in the 'other' multi-person group, which includes couples without children and couples with other adults. There is projected to be an increase in households with 1 or 2 children, but a decrease in households with 3 or more children. The growth in one person households will largely be linked to the increase in the size of the older age groups, again reflecting the continued ageing of Redditch's population.

18.3   Household Growth by Age, Dwelling Size & Type

18.3.1   Data from the 2011 Census[34] and Council Tax data on accommodation type by number of bedrooms has been used to model the potential impact of the projected household growth by age of the HRP on the future profile of housing by type and size in Redditch (Figure 43).

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[34] 2011 Census Table CT0345 - Tenure by number of bedrooms and accommodation type by age & sex of Household Reference Person (HRP)

Figure 43: Household Growth by Age of HRP and Dwelling Type and Size

Source: Edge Analytics POPGROUP modelling; 2011 Census, Council Tax (VOA)

18.3.2   Across all tenures, the projected level of household change suggests highest growth in 3-bedroom houses (61%), underpinned by the growth in the older ages (Figure 43). It is important to note that this assessment does not take into account future policy changes, nor socio-economic changes that might influence how households occupy housing over time, rather it assesses what the housing mix profile would look like with the current patterns of occupation.

18.3.3   When viewed by tenure (owner occupied, private rent and social rent), the Census-led analysis suggests that most growth (71%) is within the owner-occupied sector, with the remaining growth split 5%/24% between private and social rent respectively. For the owner occupied and private rent sectors, the greatest level of growth is in 3-bedroom properties (Figure 44). In the social rented sector, a third of the growth is in flats, with a higher level of growth in smaller 1- and 2-bedroom properties compared to other tenures.

Figure 44: Household growth by tenure, size and type

Source: Edge Analytics POPGROUP modelling; 2011 Census, Council Tax (VOA)
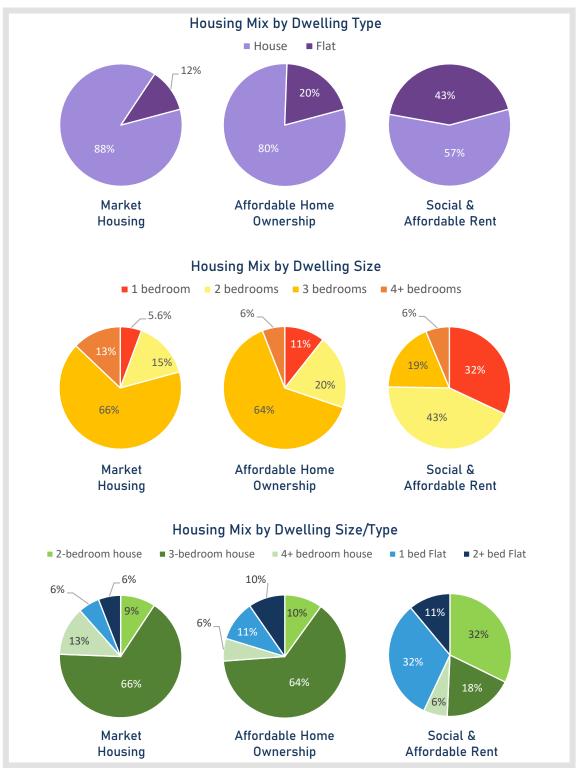
18.4   Housing Mix

18.4.1   To illustrate what an appropriate housing mix might be across market, social/affordable rent, and affordable home ownership, the Census-led analysis has been combined with data from the Council's housing needs register.

18.4.2   For market housing, the mix across property size and type has been derived from the Census-led analysis on occupancy characteristics in the owner occupied and private rented sector. For affordable home ownership, the profile of occupancy in the private rented sector has been applied, as these are the households targeted for affordable home ownership. For social/affordable rent, the bedroom requirements from the Council's Housing Register have been used to adjust the Census-based profile of occupancy, reflecting the higher need for smaller, 1- and 2-bedroom properties. Figure 45 and Table 74 summarise the derived dwelling type/size mix. Across the tenures, the greatest need for flats is seen in the

social/affordable rent sector, with a higher need for smaller properties. For market housing and affordable home ownership, a higher proportion of larger 3- and 4-bedroom properties are needed.

Figure 45: Housing mix by tenure, type and size

Source: Edge Analytics; 2011 Census; RBC Housing Register

Table 74: Dwelling mix requirements by tenure, type and size

	Market Housing	Affordable Home Ownership	Social/Affordable Rent
Dwelling Size/Type			
2-bedroom house	9%	10%	32%
3-bedroom house	66%	64%	18%
4+ bedroom house	13%	6%	6%
1 bed Flat	6%	11%	32%
2+ bed Flat	6%	10%	11%
Total	100%	100%	100%
Bedrooms			
1 bedroom	6%	11%	32%
2 bedrooms	15%	20%	43%
3 bedrooms	66%	64%	18%
4+ bedrooms	13%	6%	6%
Total	100%	100%	100%
Dwelling Type			
House	88%	80%	57%
Flat	12%	20%	43%
Total	100%	100%	100%

Source: Edge Analytics; 2011 Census; RBC Housing Register, MHCLG CORE, MHCLG Homelessness Tables

18.4.3   The Census analysis has illustrated how the housing mix might develop as the population grows and ages, using current occupancy patterns. In reality it is likely that this profile will change over time, with the future profile of occupancy influenced by a number of factors.

18.4.4   People in their mid-30s to mid-40s are three times more likely to rent than 20 years ago[35]. Within this age group, a third of people currently rent from a private landlord, compared with fewer than 1 in 10 in 1997. If this trend continues as people age, a greater proportion of older people will be more likely to be living in rented accommodation than today.

18.4.5   For older people, the lack of maintenance responsibility that comes with renting privately can be a benefit; decreasing incomes and health deterioration can result in a reduced ability to maintain a property as people age. However, private rent is one of the most unaffordable tenures. Research from ONS suggests that someone who owns a property outright could maintain their standard of living on a pension pot of £260,000, whereas someone who rents privately would need almost double this, at £445,000. With the above in mind, it is likely that the future need for private rental accommodation will be more skewed towards smaller sized units in the older age groups.

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[35] Living longer: changes in housing tenure over time, ONS (February 2020)

18.4.6   The provision of alternative accommodation for the older age-groups (1–2 bedroom homes, bungalows, apartments) could both meet the needs for continued owner-occupation and/or rental post-retirement, whilst also freeing up larger properties for younger age cohorts over the plan period.

18.5   Summary

18.5.1   This section has provided an estimate of the estimated mix of future housing which will likely be required in Redditch, based on known demographic and occupancy trends. The analysis in this section are based on the aggregation of data a Borough-wide level and the outputs of this section should be treated as such. It will not, for example, be appropriate for every development to provide a mix of housing in line with that set out above. Nonetheless it is recommended that at larger development sites the Council seek to achieve a mix of housing sizes and types which are broadly in line with the findings set out above.

19.0 OLDER PEOPLE

19.1.1 Planning for the changing requirements of the older-age population is a key component of a housing needs assessment. The NPPF defines older people as, *"People over or approaching retirement age, including the active, newly-retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs"*.[36]

19.2 Older Age Population

19.2.1 The large birth cohorts of the 1950s and 1960s are now reaching retirement age, with substantial population ageing a common feature of all local authority areas. As of mid-year 2020, 31% of Redditch's population was estimated to be aged 55+, equivalent to approximately 26,500 people, and an increase from the 2001 proportion of 22%. Compared to Worcestershire, the West Midlands and England as a whole, Redditch has a slightly smaller proportion of its population in the oldest 75+ age group (Figure 46).

Figure 46: Redditch - Older Age Population
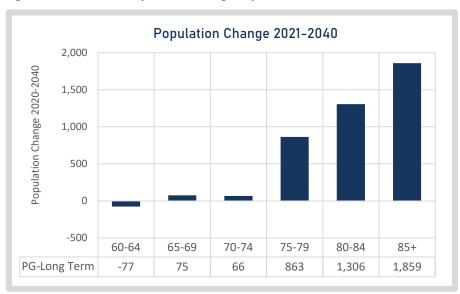

Source: ONS MYE

19.2.2 Population ageing is characterised by an increasing median age, driven by relatively low fertility rates and continued improvements in life expectancy. The population projections presented in Section 4 are all characterised by substantial growth in the older 75+ age groups; this is illustrated for the PG-Long-Term scenario in Figure 47 (using the 2014-based household headship rate assumptions (i.e. HH-14)). In the

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[36] NPPF Annex 2: Glossary

following sections, a profile of the current older people accommodation stock is presented, followed by modelling of likely future need, based on this PG-Long-Term growth projection.[37]

Figure 47: Redditch - Projected Older Age Population Growth

Source: ONS, POPGROUP

19.3   Accommodation for Older People

19.3.1   The accommodation needs of older people fall within two broad categories:

  i.   bed spaces within care homes, both with and without nursing provision;

  ii.   more independent living within housing units, where some degree of adaptation to meet specific needs may be required, or where a degree of care is provided (e.g. sheltered housing or extra care).

19.3.2   In developing an assessment of the housing need for Redditch's older age population, the analysis considers Redditch's current and future provision within the Elderly Accommodation Council's (EAC)[38] five key categories of accommodation (see Appendix G):

  •   Age-exclusive Housing

  •   Retirement/sheltered Housing

  •   Enhanced Sheltered Housing

  •   Extra Care Housing

  •   Care Beds (i.e. in care homes).

19.3.3   To assess the future needs for older age accommodation in Redditch, the analysis presented here draws upon the statistical modelling undertaken by the Centre for Regional Economic and Social Research at

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[37] The PG-Long-Term scenario is used to underpin this analysis as it produces an overall population and dwelling growth outcome that is comparable to that implied by the LHN figure, but produces a more appropriate profile of migration based on demographic trends when compared to the Dwelling-led LHN scenario – see paragraph 16.5.5.

[38] Housingcare.org

Sheffield Hallam University, Housing for Older People Supply Recommendations (HOPSR).[39] The HOPSR approach incorporates evidence from those local authorities where existing levels of older age provision are already high relative to the size of the 75+ population. A recommended benchmark mix of housing for each local authority is derived, based upon the balance of demand and supply for its current older age demographics.

19.4   Current Profile

19.4.1   The EAC data repository[40] provides a profile of Redditch's current (2021) stock of older age accommodation and care home bedspaces, which are benchmarked against the HOPSR recommended figures in Figure 48. In total, there are 329 care home bedspaces, 40% with nursing support[41], 490 specialist units (retirement/sheltered housing, enhanced and extra care), and 140 age exclusive housing units.
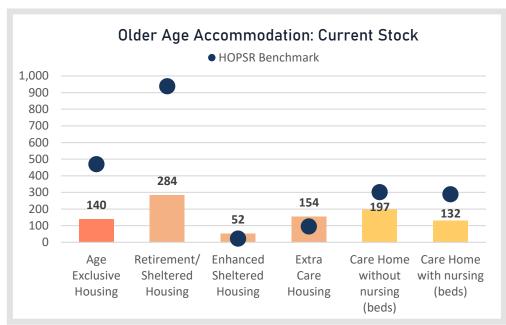
Figure 48: Redditch - Older Age Accommodation Profile

Source: EAC

19.4.2   The HOPSR benchmarks are recommendations only, but they suggest that Redditch has a relatively low provision of Age Exclusive accommodation (although the EAC indicates that statistics on this relatively 'ill-defined' category of housing are likely to be less comprehensive), plus an under-supply of Retirement/Sheltered Housing. Enhanced Sheltered Housing and Extra Care Housing provision are more consistent with the HOPSR recommendations, and Care Homes with/without nursing are slightly lower than the HOPSR benchmark.

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[39] Housing for Older People Supply Recommendations (HOPSR)
[40] Housingcare.org
[41] At the 2011 Census there were an estimated 274 people aged 65+ living in care homes; approximately 49% were in care homes with nursing (2011 Census Table DC4210EWLA)

19.5 Future Need

19.5.1 Using estimates of projected growth in Redditch's older age population from the PG-Long-Term scenario, in combination with the latest EAC housing mix statistics for the district (as presented in Figure 48), the HOPSR approach can be used to quantify the effects of demographic change upon the potential additional need for older age housing and care home bed spaces to 2040 (Figure 49). This outcome does not seek to address the current shortfalls in relation to the HOPSR baseline benchmarks (see Figure 48) but indicates a recommended mix of additional housing and care home bed spaces in line with growth in the older age population from the base year.
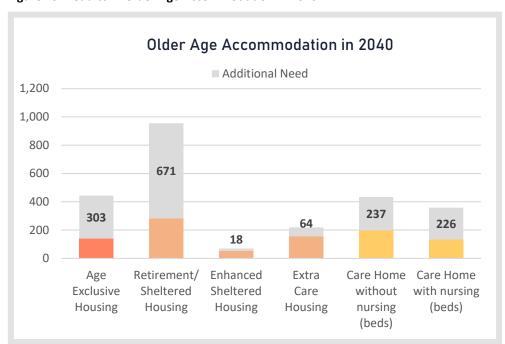
Figure 49: Redditch - Older Age Accommodation in 2040

Source: EAC, HOPSR, Edge Analytics

19.5.2 Under the PG-Long-Term scenario, the older age population of Redditch will be subject to considerable growth to 2040. This growth will require a mix of new accommodation, for independent living with adaptation, for specialist retirement accommodation, including Extra Care options, and for bed spaces within care homes, both with and without nursing support.

19.5.3 It is estimated that by 2040, the Age Exclusive housing stock will need to increase by 303 units, this element older persons need should be considered as part of the Local Housing Need for Redditch. For Specialist Units, an additional 753 units are needed. 463 additional care home bedspaces are needed, with a recommended 49% with nursing, these elements of need are in addition to the Local Housing Need.

19.6 Age Exclusive & Specialist Housing Tenure

19.6.1 In terms of a required tenure mix for the Age Exclusive and Specialist stock, the HOPSR benchmarks suggest that Redditch may wish to consider the provision of a higher number of rental properties for retirement

and sheltered housing. In the case of Age Exclusive and Extra Care housing the rental share is more consistent with the HOPSR recommendation (Figure 50).

19.6.2   There are 232 households on the Redditch Homes housing register that are seeking older persons housing: 31 of these require extra care housing. The majority of need amongst these households is for 1-bedroom accommodation. The EAC data repository[42] for Redditch (see Figure 48) identifies 27 older people facilities in Redditch, 14 of which have their tenure listed as 'Rent (Social Landlord)'. Most of these facilities are retirement housing and age-exclusive housing, and there are three Extra Care facilities. The number of units at each facility varies, but it is estimated that there are around 420 social rent bedspaces for older people in Redditch.
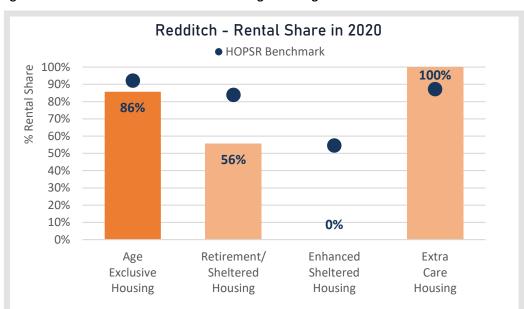
Figure 50: Redditch - Rental Shares for Older Age Housing

Source: EAC, HOPSR

19.7   Summary

19.7.1   Growth in Redditch's older-age population is inevitable, with the scale of growth to 2040 determined by the realisation of continued improvements in male and female life expectancies. Providing an appropriate mix of housing for older people in Redditch is therefore critical, with considerable growth in the population aged 75+ projected over the plan period.

19.7.2   By 2040, it is estimated that the Age Exclusive housing stock will need to increase by 303 units (Table 75) this element older persons need should be considered as part of the Local Housing Need for Redditch. For Specialist Units, an additional 753 are required. 463 additional care home bedspaces are needed to 2040,

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[42] Housingcare.org

49% with nursing support. Targets for Age Exclusive and Specialist stock would be higher if a reconciliation to HOPSR baseline benchmarks is also to be achieved.

19.7.3 The HOPSR benchmarks suggest more rental properties are needed, particularly for Retirement/ Sheltered/Enhanced Sheltered Housing. With growth in the older age population in Redditch expected, it is recommended that better alignment with the HOPSR rental share benchmarks is achieved, and that a proportion of these properties are provided at social/affordable rent levels.

Table 75: Redditch - Older People Housing Need and Tenure Summary (2021–2040)

Housing Type	Additional Need 2021–2040	% Available for rent
Age Exclusive Housing	303	86%
Specialist (units)	753	62%
Retirement/Sheltered Housing	671	56%
Enhanced Sheltered Housing	18	0%
Extra Care Housing	64	100%
Care Homes (beds)	463	-
Care Home without nursing (beds)	237	-
Care Home with nursing (beds)	226	-

20.0 PEOPLE WITH DISABILITIES

20.1 Introduction

20.1.1 The NPPF definition states that, *"People have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs".*[43]

20.1.2 The changing housing needs of people with disabilities are closely connected to those of the growing older age population. Disability prevalence in Redditch's household population, and the limitations on daily activities associated with it, is heavily skewed towards the older age groups (Figure 51).
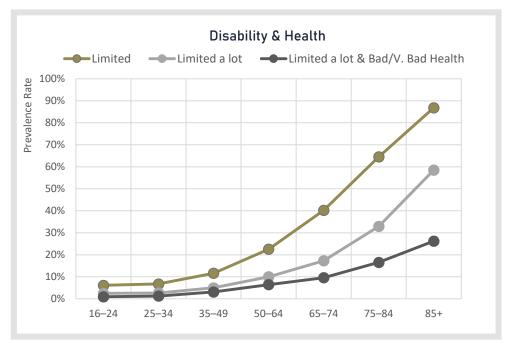
Figure 51: Redditch - Disability & Health Profile

Source: 2011 Census Table DC3302EW

20.1.3 At the 2011 Census, approximately 17% of Redditch's household population was identified with a long-term health or disability issue[44]. An estimated 8% had a long-term condition, plus had day-to-day activities that were 'limited a lot' by their condition. A smaller number (4%) were identified with the additional issue of 'bad or very bad health'. In terms of a comparison with other geographies, Redditch's profile is similar to the West Midlands regional average, but higher than the Worcestershire average and the national profile.

20.1.4 A disproportionate share of the population with long-term health and disability issues are resident in social housing, compared to other tenures. A prevalence rate of 15.3% was recorded for the 'limited a lot'

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[43] NPPF 2021, Annex 2: Glossary
[44] Note, a further 382 people with a limiting long-term illness or disability were resident in Redditch communal establishments at the time of the 2011 Census.

population living in social housing, compared to 6.0% in owner occupied properties and 5.2% in private rented.

20.2 Disability Growth

20.2.1 Population projections indicate growth in the 'at-risk' population (aged 16-85+) over the next 20 years. Combining the growth outcomes of the PG-Long-Term scenario with prevalence data from the 2011 Census, and uptake rates for DWP benefits, provides an indication of how the substantial growth in the older-age population might impact the number of people in Redditch with health and disability issues, and their entitlement to disability benefits (Figure 52).

Figure 52: Redditch - Disability Growth Indicators

Source: ONS, 2011 Census, DWP, Edge Analytics
Note: Population growth based on the PG-Long-Term projection to 2040.

Table 76: Redditch - Disability Growth Indicators

	2021 est.	2040 est.	Growth	Growth pa	Growth %
Long term health problem or disability					
Activities Limited a Lot	6,287	6,716	429	23	7%
Activities Limited a Lot & Bad or Very Bad Health	3,484	3,722	238	13	7%
DWP Benefits					
Disability Living Allowance	3,356	3,597	240	13	7%
Personal Independence Payment Entitlement	3,717	3,983	266	14	7%
Attendance Allowance Entitlement	1,872	2,350	478	25	26%

Source: 2011 Census, DWP, Edge Analytics. Note: Population growth based on the PG-Long-Term projection to 2040.

20.2.2   Disability Living Allowance (DLA) has been replaced by a combination of Personal Independence Payments (PIP) and Attendance Allowance (AA). However, based upon its 2013 prevalence rates, there would be an additional +240 population entitled to this benefit by 2040. PIP entitlement, targeted at pre-retirement cohorts, is estimated with a growth of +266, whilst AA, claimed by those over pension age with a disability and a requirement for help with personal care, is estimated to increase by +478 by 2040.

20.2.3   Extrapolation of the Census prevalence rates for long-term health and disability issues for household residents estimates a total population of 6,716 with activities 'limited a lot' by their condition in 2040, a +429 increase from 2021. The population estimated to also suffer from 'bad or very bad health', is estimated at 3,722 in 2040, a rise of +238 over the 19-year horizon. Each of these estimates is based on population growth from the PG-Long-Term growth projection[45] and takes account of an increasing number of the oldest age-groups being accommodated within non- household, communal establishments.

20.3   Building Adaptations

20.3.1   A key principle of Health and Adult Social Care policy is a requirement to sustain people in their homes for as long as is possible. Meeting the disability needs of Redditch's ageing population will require both adaptations to existing housing stock, and the delivery of appropriately designed new dwellings.

20.3.2   In the adaptation, design and development of homes, Building Regulations include three key standards for the access and use of buildings and their facilities:[46]

- M4(1) Category 1: Visitable dwellings
- M4(2) Category 2: Accessible and adaptable dwellings

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[45] The PG-Long-Term scenario is used to underpin this analysis as it produces an overall population and dwelling growth outcome that is comparable to that implied by the LHN figure, but produces a more appropriate profile of migration based on demographic trends when compared to the Dwelling-led LHN scenario – see paragraph 16.5.5.

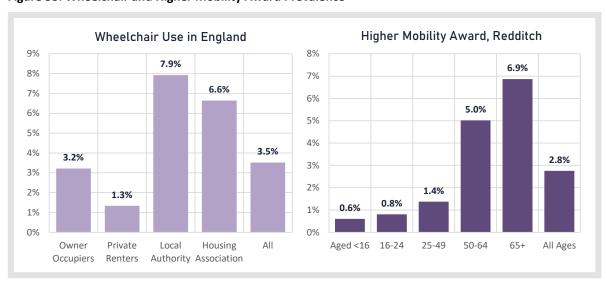[46] Access to and Use of Buildings: Approved Document M MHCLG, 2015

- M4(3) Category 3: Wheelchair user dwellings

20.3.3 In terms of new developments, only M4(1) is mandatory on all properties. The scale of M4(2) and M4(3) requirements are driven by the future need for housing for the older/disabled population.

20.3.4 Redditch's household change to 2040 will be driven by the growth in the older-age 75+ population. The English Housing Survey 2019/20 estimates that approximately 17% of households aged 65+ have one or more people with a long-term limiting disability that require adaptations to their home. Across all tenures and ages, around 8% of households require adaptation. This can include a need for grab rails, bath and shower seats and aids, external ramps, stairlifts, and specialist or adapted furniture.

20.3.5 Using these assumptions, it is estimated that by 2040, a further 502 households (across all tenures and ages,) will require some form of adaptation in Redditch, to predominantly meet individual needs resulting from the growth in the older age population.[47]

20.4 Wheelchair Users

20.4.1 The latest EHS indicates that 3.5% of households in England have a wheelchair user, with a higher prevalence in Local Authority and Housing Association properties (Figure 53)[48]. Of these wheelchair users, 74% only require their wheelchair outside the home, 9% require it for indoor use only, and 17% use a wheelchair at all times.

20.4.2 For Redditch, the DLA's 'Higher Mobility Award' provides an indicator of wheelchair use, suggesting that 2.8% of Redditch's population are wheelchair users. Prevalence rates are highest in the older age-groups (Figure 53).[49]

Figure 53: Wheelchair and Higher Mobility Award Prevalence

Source: EHS, DWP

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[47] Household growth projections are based on the PG-Long-Term population projection, applying 2014-based household representative rates.
[48] English Housing Survey 2018-19, Accessibility of English Homes
[49] Disability Living Allowance, DWP

20.4.3   On the basis of these assumptions, it is estimated that the current number of wheelchair users in Redditch ranges between 2,500 (DLA) and 3,200 (EHS). With Redditch's projected population and household change driven by growth in the older 75+ age groups, it is estimated that total wheelchair use could increase by 286–364 by 2040 across all age groups. Whilst the projected growth in wheelchair use is a key consideration in M4(3) requirements, it is important to recognise that most additional wheelchair users will be within the older age-groups, and therefore a proportion of this growth will therefore be in the care home (i.e. non-household) population.

20.4.4   To provide an estimate of the growth in the number of households with a wheelchair user, the EHS assumptions are applied to Redditch's household growth profile. This suggests 1,277 households in 2021 had a wheelchair user, increasing to 1,381 (+104) by 2040. On the basis that much of the wheelchair user growth will be in the older age groups, it is considered appropriate to ensure a proportion of specialist older person homes is wheelchair accessible.

20.5   Summary

20.5.1   Disability prevalence in Redditch's household population, and the limitations on daily activities associated with it, is heavily skewed towards the older age groups. A disproportionate share of the population with long-term health and disability issues are resident in social housing. The population projections indicate substantial growth in the at-risk population over the next 20 years. Therefore, meeting the disability needs of Redditch's ageing population will require both adaptations to existing housing stock, and the delivery of appropriately designed new dwellings.

20.5.2   By 2040, it is estimated there will be 6,716 people in Redditch whose activities are 'limited a lot' by their condition (+429 from 2021). For those also suffering from 'bad or very bad health', a total of 3,722 people is estimated for 2040 (+238 from 2021).

20.5.3   Overall, there is a need for an additional 502 homes (across all ages in tenures) with some form of adaptation in Redditch over the plan period, mostly linked to the growth in the size of the elderly population. Total wheelchair use could increase by 280–360 by 2040, with an additional 104 households having a wheelchair user.

21.0   HOUSING NEEDS OF DIFFERENT GROUPS

21.1.1   This section provides an assessment of the specialist housing needs for different groups within Redditch.

21.2   Family Housing

21.2.1   As shown in Figure 54 below, Redditch has a slightly higher than average proportion of households with dependent children – 31% of households in the Borough have dependent children compared to a Worcestershire average of 28%, and regional and national averages of 29%.
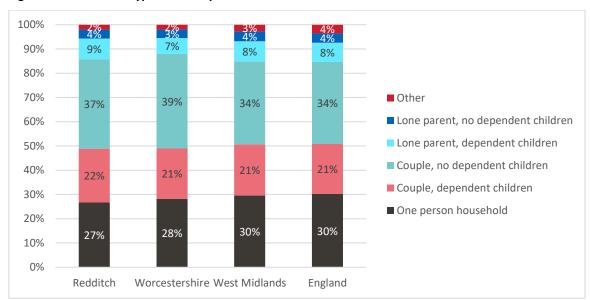
Figure 54: Household Types With Dependent Children

Source: Census 2011

21.2.2   Table 77 shows the persons per bedroom profile of households with dependent children in Redditch compared to wider geographical areas. This shows that Redditch has a very similar profile to that of the West Midlands and National average albeit with a slightly higher representation of 0.5-1 person per bedroom households. However, it is notable that the Worcestershire average has a considerably lower rate of 1.5+ persons per bedroom households.

Table 77: Households with Dependent Children: Persons per Bedroom

	Up to 0.5 persons per bedroom	Over 0.5 and up to 1.0 persons per bedroom	Over 1.0 and up to 1.5 persons per bedroom	Over 1.5 persons per bedroom
Redditch	0.8%	46%	34%	20%
Worcestershire	1.2%	51%	34%	14%
West Midlands	0.8%	44%	35%	21%
England	1.0%	45%	35%	20%

Source: Census 2011

21.2.3 Figure 55 below shows the tenure split of households with dependent children in Redditch compared against wider geographies. The data shows the Redditch profile as generally according with the West Midlands profile but with a lower proportion of households in Redditch occupying the in the private rented sector which for Redditch was more in line with the Worcestershire rate.

Figure 55: Household with Dependent Children by Tenure

Source: Census 2011

21.2.4 In terms of the future requirement for family homes in Redditch, the Borough's household profile has been accounted for in the modelling. The demographic projections which inform the main demographic modelling within this report include the population profile by age cohort and the household profile by age cohort of the household reference person. The household headship rates applied in the POPGROUP modelling (drawn from the official 2014-based subnational household projections) are defined by age and household type. The application of the headship rates to the population projection results in a breakdown by age and household type for each year of the forecast.

21.2.5 The results of this process are set out in Tables 78 and 79 below which show the projected level of household growth under the PG-Long-Term scenario[50]. Table 78 shows the household growth broken down by each household type, and Table 79 summarises the results for households with children. This indicates a growth of 629 small family households but a decline in the number of larger family households (3+ children) by 2040.

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[50] The PG-Long-Term scenario is used to underpin this analysis as it produces an overall population and dwelling growth outcome that is comparable to that implied by the LHN figure, but produces a more appropriate profile of migration based on demographic trends when compared to the Dwelling-led LHN scenario – see paragraph 16.5.5.

Table 78: Households By Type, PG-Long-Term Scenario

Type	2021	2040	Change	%
One person male	5,043	6,028	985	19.5%
One person female	4,782	4,712	-71	-1.5%
Couple no child	10,000	10,581	581	5.8%
Couple + adults no child	2,966	3,337	371	12.5%
One child	5,681	6,477	797	14.0%
Two children	4,001	3,833	-168	-4.2%
Three+ children	1,668	1,485	-183	-11.0%
Other households	2,241	2,878	637	28.4%
Total	**36,382**	**39,331**	**2,949**	**8.1%**

Table 79: Households With Children, PG-Long-Term Scenario

Type	2021	2040	Change	%
One person	9,826	10,740	914	9.3%
Household with 1-2 children	9,681	10,311	629	6.5%
Household with 3+ children	1,668	1,485	-183	-11.0%
Other	15,206	16,795	1,589	10.4%

21.3   Private Rented Sector

21.3.1   The private rented sector is an increasing important sector in meeting housing needs across the country. Table 80 below sets out the tenure profile of households in Redditch compared to wider geographical areas. This shows that 13% of households in Redditch were living in the private rented sector or living rent free (although only 1.7% were living rent free). While this proportion will likely have increased since the previous Census, it does provide useful comparison with other areas. Redditch has the lowest proportion of households within the private rented sector (13%) lower than Worcestershire (14%) and West Midlands (15%) averages, all of which were well below the England average of 18%.

Table 80: Households by Tenure, 2011

	Redditch	Worcester-shire	West Midlands	England
Owned	66%	71%	65%	63%
Shared Ownership	0.4%	0.7%	0.7%	0.8%
Social Rented	21%	15%	19%	18%
Private rented or living rent free	13%	14%	15%	18%

Source: 2011 Census

21.3.2   It is useful to also consider the long-term growth in the private rented sector which as shown in Table 81 is the tenure which has seen the strongest growth over a consistent period. Redditch has seen a growth in

Private Rented Sector of 6.3 percentage points in the intercensal period up from 6% in 2001. In other words, the sector doubled in size during this period. This matched the scale of growth seen in the sector nationally but outpaced the rate of growth seen in Worcestershire and the West Midlands over this period.

Table 81: Households by Tenure, Change Between 2001-2011

	Redditch	Worcester-shire	West Midlands	England
Owned	-5.2%	-5.2%	-4.7%	-5.4%
Shared Ownership	+0.4%	+0.7%	+0.7%	+0.8%
Social Rented	-1.5%	-0.4%	-1.6%	-1.6%
Private rented or living rent free	+6.3%	+5.0%	+5.6%	+6.2%

Source: 2001 and 2011 Censuses

21.3.3   More recent rental market data provides an indication of the current demand for the sector in Redditch, compared to other areas. Table 82 below provides the latest median private rental market values for different sizes of dwelling. This shows rental values in Redditch are broadly commensurate with the regional average for the majority of property sizes and overall: The median values for studios and four bed properties is below the regional average but for two beds its above. However, the values in Redditch are consistently lower than the England averages overall and for all size of dwellings.

Table 82: Median Private Rental Values by Size, October 2020 to September 2021

	Room	Studio	One Bed	Two Bed	Three Bed	Four+ Bed	All
Redditch	£400	£405	£550	£695	£775	£995	£695
West Mids	£400	£475	£550	£650	£770	£1,100	£675
England	£420	£595	£675	£750	£850	£1,400	£755

Source: ONS December 2021

21.3.4   Figure 56 shows the time series trend of median rental values since October 2018 (when ONS started recording this data). This shows rental values in Redditch have been increasing more slowly over recent years than seen across the West Midlands or England. In Redditch the median rental price has increased from £675 pcm for the period October 2018 to September 2019 to £695 pcm for the period October 2020 to September 2021. This represents a growth of 3.0%. However, over this period the West Midlands and England have seen growth in their median rental values of 8.0% and 7.9% respectively.
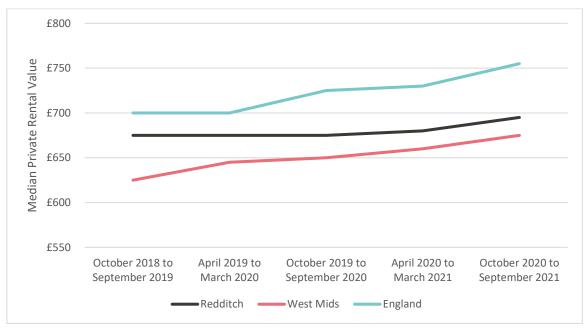
Figure 56: Median Private Rental Values Time Series

Source: ONS December 2021

21.3.5   Overall, the data on the private rental sector for Redditch indicates that while there is clear demand for the sector within the Borough, this is broadly indicative of the demand picture seen regionally and is less acute than seen nationally. The result is that while there has been continued recent growth in rental values in Redditch, this has not been as acute as seen in other areas regionally or nationally.

21.3.6   The future demand for the private rented sector has been considered in alignment with the main demographic analysis. The Housing Mix model takes the household profile from the main demographic projection, i.e. the household profile derived from the PG-Long-Term scenario broken down by age cohort. It then applies assumptions on dwelling size/type and tenure drawn from the 2011 Census and Council Tax data to identify an appropriate estimate of the future quantum of growth in the private rented sector and the types and sizes of dwellings these households will likely require. This is set out in Table 83 below.

Table 83: Private Rented Sector Household Growth by Size and Type

Size	Type	Count	(%)
2 Bed	House	15	10%
3 Bed	House	99	64%
4 Bed	House	9	6%
1 Bed	Flat	16	11%
2 Bed	Flat	15	10%
Total		**154**	**100%**

21.4 BME Population

21.4.1 Table 84 shows Redditch's population profile by ethnic group and compares this to wider geographical areas. This show Redditch has a larger White population than the West Midlands or England averages and conversely a lower representation of non-white ethnic populations. In Redditch 4.8% of the population identify as Asian/Asian British; 1.0% identify as Black/African/Caribbean/Black British; 2.0% identify as mixed or multiple ethnic groups; and 0.2% identify as other ethnic groups. Redditch has a lower representation for each of these ethnic groups than either the West Midlands or England. Conversely, Worcestershire has lower representation for each of these groups than Redditch.

Table 84: Population by Ethnic Group

	Redditch	Worcester-shire	West Midlands	England
White British/Irish/Other White	92.0%	95.7%	82.7%	85.4%
Mixed/multiple ethnic groups	2.0%	1.2%	2.4%	2.3%
Asian/Asian British	4.8%	2.4%	10.8%	7.8%
Black/African/Caribbean/Black British	1.0%	0.4%	3.3%	3.5%
Other ethnic group	0.2%	0.2%	0.9%	1.0%

Source: Census 2011

21.4.2 Table 85 below shows similar data as Table 84 above but instead of population it records the ethnic profile of the household reference person. This means the data records the number of households as there is one household reference person per household, irrespective of the number of occupants living within the household.

21.4.3 The comparison between the two tables shows that for Asian/Asian British and Mixed/multiple ethnics the households constitute a notably smaller percentage than the equivalent population figure. For example, in Redditch Asian/Asian British account for 4.8% of the population but only 2.9% of household reference persons; and Mixed/multiple ethnicities account for 2.0% of the population but only 1.0% of the household reference persons. This suggests that these ethnic groups are, on average, forming larger households than other groups.

Table 85: Household Reference Person by Ethnic Group

	Redditch	Worcester-shire	West Midlands	England
White British/Irish/Other White	94.7%	97.3%	87.4%	89.0%
Mixed/multiple ethnic group	1.0%	0.6%	1.3%	1.3%
Asian/Asian British	2.9%	1.5%	7.2%	5.5%
Black/African/Caribbean/Black British	1.1%	0.4%	3.4%	3.3%
Other ethnic group	0.2%	0.1%	0.7%	0.9%

Source: Census 2011

21.4.4 This analysis suggests that there are different structures in the household formation among different ethnic groups. However, it also confirms that these differences are implicitly accounted for within ONS's household reference person modelling approach. This feeds through into the household projections through the locally specific household projections for Redditch which have been used within the demographic analysis within this report and feed into the main demographic scenario (the PT-Long-Term Scenario).

21.5   Student Housing

21.5.1 With regards to student housing PPG sets out:

> "Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus. Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Strategic policy-making authorities are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside university-provided accommodation. Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area."

21.5.2 There are no higher education establishment or university halls of residents within Redditch Borough.

21.5.3 The data shows that there are very low numbers of students and student households residing within the borough. Data from the 2011 Census showed that there were 271 households in Redditch where the household reference person was a student (either full-time or part-time). This represents 0.8% of all 34,722 households in Redditch recorded in the Census. However, these households might also include non-student residents.

21.5.4 The latest Council tax data[51] shows that out of a total of 37,549 dwellings on the valuation list in Redditch there are:

- 55 dwellings occupied only by students, the foreign spouses of students, or school and college leavers. Equal to 0.1% of dwellings in the Borough.
- Zero residential properties registered as a hall of residence provided predominantly for the accommodation of students within the Borough.

21.5.5 This suggests that there is currently no specialist requirement for student accommodation within Redditch. There are no known plans which are likely to change this looking forward over the Plan period.

21.6   Housing for Service Families

21.6.1 The latest data from the Ministry of Defence (MOD) shows that there is a total of 20 MOD personnel located within Redditch as of April 2021, comprising 10 military personnel and 10 civilian personnel.

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[51] Dated 4 October 2021

21.6.2   This indicates that there is no specialist housing needs for military personnel within Redditch and such low numbers means that no specific provision for service families is required.

21.7   Custom Build

21.7.1   The Self-build and Custom Housebuilding Act 2015 requires all Local Authorities in England to keep a register of people and groups of people who are seeking to purchase serviced plots of land in the Authority's area and to have regard to that register when carrying out their functions. Registers were required from 1st April 2016.

21.7.2   The Housing and Planning Act 2016 requires all Local Authorities in England to grant sufficient permissions to meet the demand for Custom and Self Build housing in their area, as established by their register. In accordance with the requirements, the starting point for understanding demand for self- and custom-build plots in Redditch is the register maintained by the Council. This is summarised in the table below. The register includes a local connection test with registrants who pass recorded in Part 1 of the register and those who do not recorded in Part 2.

Table 86: Number of Entrants on Redditch Self and Custom Build Register

Period	Date of Period	Part 1	Part 2
Base period 1	17th May 2016 – 30th Oct 2016	5	1
Base period 2	31st Oct 2016 – 30th Oct 2017	7	3
Base period 3	31st Oct 2017 – 30th Oct 2018	1	2
Base period 4	31st Oct 2018 – 30th Oct 2019	1	2
Base period 5	31st Oct 2019 – 30th Oct 2020	3	0
Base period 6	31st Oct 2020 – 30th Oct 2021	3	0
TOTAL		**20**	**8**

Source: RBC

21.7.3   The Council must count entries on Part 1 of the register towards the number of suitable serviced plots that they must grant development permission for. Entries on Part 2 do not count towards demand for the purpose of the 2015 Act (as amended) but relevant authorities must have regard to the entries on Part 2 when carrying out their planning, housing, land disposal and regeneration functions. This means, for Plan-making the starting point for establishing overall demand for self-build and custom housebuilding would be the number of registrants on Part 1 AND Part 2 of the register.

21.7.4   The register is not an exact measure of demand for this type of dwelling in an area. Registrants are free to sign up to registers in multiple areas so registers could include some level of double counting. Conversely, research undertaken by the National Custom and Self-Build Association (NaCSBA) has found that only one in eight people interested in self-build were aware of the introduction of Right to Build Registers in England in 2016. As a result, the NaCSBA conclude that the number of individuals on a local authority's self-build register may underestimate demand. However, awareness of the register might be expected to have increased since it was first introduced.

21.7.5 These issues notwithstanding, the register provides an indication of the scale of future need for self and custom build plots. For Redditch, it identifies a relatively low level of demand for self- and custom-build plots, compared to the level of demand indicated by registers in other authorities across the country.

21.7.6 The Council should include appropriate policies to encourage provision of self and custom build plots to address the identified level of need. The Council should ensure that there are sufficient permissions equivalent to the number of entrants on the register in a given year, granted within the following 3-year period. This should be identified on a rolling basis.

21.7.7 This could be through a general policy of encouragement. However, some local authorities have included within their Local Plans stricter policies including a required threshold of provision on strategic sites. The exact level of provision should be proportionate to the identified need, supply of plots, and strategic site pipeline.

21.7.8 More widely, relevant authorities can play a key role in brokering and facilitating relationships to help bring suitable land forward. This can include:

- Supporting Neighbourhood Planning groups where they choose to include self-build and custom build housing policies in their plans;
- Effective joint working across service delivery areas and with local delivery partners including Housing Associations, Arms Length Management Organisations and housing developers;
- Using their own land (if available and suitable) for self-build and custom housebuilding and marketing it to those on the register;
- Working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom build housing;
- When engaging with developers and landowners who own sites that are suitable for housing, and encouraging them to consider self-build and custom housebuilding, and facilitating access to those on the register where the landowner is interested;
- Working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for veterans and other groups in acute housing need.

21.8 Gypsy and Traveller

21.8.1 Paragraph 62 of the NPPF, sets out the need to assess housing needs for different groups, within this list the need for travellers is included. Footnote 27, sets out that Planning Policy for Traveller Sites should be used to assess these needs, for those covered in Annex 1 of that document.

21.8.2 Annex 1, paragraph 1 of Planning Policy for Travellers Sites defines the meaning of gypsies and travellers for the purposes of planning policy as:

Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family's or dependants' educational or health needs or old age have ceased to travel

temporarily, but excluding members of an organised group of travelling showpeople or circus people travelling together as such.

21.8.3   Planning Policy for Travellers sets out the Government's planning policy for traveller sites. Paragraph 4 sets out that LPAs should make their own assessment of need for the purposes of planning.

21.8.4   Policy A and Policy B of PPT identifies ways in which LPAs should prepare the evidence base necessary to support their planning approach.

21.8.5   The two most recent Gypsy and Traveller Accommodation Assessment prepared covering Redditch are the 2008 Gypsy and Traveller Accommodation Assessment for the South Housing Market Area of the West Midlands region, which was then superseded by the 2014 Worcestershire Gypsy and Traveller Accommodation Assessment.

21.8.6   The 2014 GTAA for Worcestershire identified that for Redditch at the time of the assessment there was not an immediate shortfall in the supply of permanent pitches and that there was no requirement for any additional pitches between 2019/20 and 2033/34. The overall need therefore was zero. In addition to permanent pitches, it was identified that 3 temporary pitches, based on single caravan occupancy, would be needed between 2014/15 and 2018/19.

Baseline position

21.8.7   Through a search of Council planning records, there have been no temporary pitches delivered in Redditch between 2014/15 and now. Therefore, the previous need of 3 temporary pitches was not met.

21.8.8   The 2011 Census identified a total of 8 Gypsy or Irish Travelling households living in Redditch, this was split between 3 houses or bungalows, 4 flats and 1 caravan, or other temporary structure. Only one of these households would fall under the definition in Annex 1 of PPTS.

21.8.9   The most recent DCLG Caravan survey is from July 2021, and recorded that there were no authorised or unauthorised caravans in Redditch in July 2021. However, it should be noted that in January 2020, 22 Private Caravans, with Permanent Planning Permission were recorded. However, there are no records of permissions of this land use held by the Council.

21.8.10 As stated above, planning records at Redditch borough identify that no applications were received for such a proposal in this time period, going further back, records show that there are no extant permissions for gypsy traveller sites, or caravans in Redditch. Therefore it should not be relied up.

21.8.11 Since 2014, there have been a number of encampments in Redditch. Through engaging with officers in the council and with Worcestershire County Council, the following 11 encampments were recorded on land owned by the County Council. This record does not include any that may have occurred on private land.

21.8.12 In each year since 2014, apart from 2015 there have been encampments on County owned land, this averages out just over 1 each year. The length of the encampment ranges from 1 day up to several months, it should be noted that two of longest durations were in 2021 when Covid-19 restrictions were in place, which may have impacted on movement.

Table 87: Encampments Recorded in Redditch

Date of Encampment	Location of Encampment	Duration of Encampment
28.7.2014	Coventry Highway Traffic Island	5 days
04.09.2014	Oakenshaw Traffic Island	5 days
20.10.2016	Highway Verge Town Centre	7 days
27.11.2016	Oakenshaw Traffic Island	1 day
20.07.2017	Warwick Highway Verge	42 days
17.10.2017	Green area/footpath Off Churchill Way	18 days
08.03.2019	Alders Drive Verge woodland area	34 days
26.07.2019	Road on Padgets Lane Industrial Estate	12 days
23.06.2020	Terry's Field Easemore	2 days
08.02.2021	Broad Ground Industrial Estate	62 days
26.04.2021	Verge Padgets Lane Industrial Estate	96 days

21.8.13   Whilst there have been recorded encampments, these appear to have been tolerated as there are no enforcement records from the Council detailing action taken.

21.8.14   Given the very small population (1 household from Census records and 0 in the Caravan Count) of the Gypsy and Traveller community which fall within the definition of the PPTS, it was considered exceptionally small and undertaking stakeholder engagement would not be proportionate.

Recommendations

21.8.15   Given the very small population in Redditch and that no applications for development have come forward since the last study, it is recommended that there is a requirement for zero permanent pitches over the assessment period.

21.8.16   There are still temporary encampments in Redditch, for varying lengths of time and on average just under 2 each year. The previous study recommended that 3 temporary pitches were identified in the plan. Given the evidence available now, it would suggest there is still a need for temporary pitches, however space for only 1-2 temporary pitches is recommended. The Council will need to consider if a temporary site of this size would be feasible to operate.

21.8.17   Whilst there is no identified need for permanent sites in Redditch, it is recommended that the Local Plan contains policy which supports the development of gypsy traveller pitches. This should be prepared in accordance with the PPTS.

22.0 CONCLUSIONS

22.1 Employment Land Requirements

Quantitative Conclusions

22.1.1   The assessment of the future employment growth in Redditch Borough considers three workforce jobs growth forecasts produced by the following forecasting companies:

- Cambridge Econometrics (dated March 2021)
- Oxford Economics (dated July 2021)
- Experian (dated June 2021)

22.1.2   Overall, the assessment suggests that for the purposes of assessing future growth in Redditch the Experian forecast provides the most reasonable looking outlook of the three forecasts. The Experian forecast best reflects the recent patterns of demand as shown in the commercial market signals and other indicators for Redditch. The Experian forecast also shows the strongest growth in the LEP growth sectors and aligns more closely with the LEP aspirations than the other forecasts.

22.1.3   A LEP Growth Scenario has also been developed which is aligned with the growth sectors identified in the GBSLEP Local Industrial Strategy. This was based upon the Experian baseline forecast.

22.1.4   The labour supply implications of the labour demand forecasts were considered, which estimates the level of future population growth, and the rate of in-migration, which would be required to support the economic growth in each scenario. Overall, the Experian forecast provides a level of jobs growth which support a population growth very similar to that shown in the preferred demographic projection. Conversely, the CE and LEP forecasts would require a significant increase in the level of in-migration required to support the level of jobs growth shown in these forecasts – double the rate indicated in the demographic analysis. This adds significant risk to the delivery of these forecasts.

22.1.5   For the CE forecast, the higher labour supply requirement is likely driven by the very high projected growth in the Accommodation and food services sector which, as noted in Section 7, looks unrealistically high.

22.1.6   For the LEP Growth Scenario, growth exceeds both the baseline labour demand and baseline labour supply projections. Given the current economic uncertainty and risks related to Brexit and Covid related to this scenario (see Section 11) this scenario is considered to represent an aspirational scenario at this point in time.

22.1.7   Overall, the analysis suggests that the Experian forecast provides the most reasonable scenario for estimating future employment land requirements in Redditch. In accordance with PPG, the labour demand scenarios have been assessed against the labour supply approach (as set out in Section 10), the completions trend forecast (as set out in Section 6), as well as wider economic and commercial market factors (Section 5), economic baseline (Section 4) and analysis of the risks due to Brexit and Covid (Section 11). Taken together, these various analyses inform the overall conclusions on employment land needs for Redditch.

22.1.8   As set out in Section 7, the economic forecasts take into account a range of future economic drivers – most notably at this point in time are the impacts of Covid and Brexit, with Brexit anticipated to have the largest long-term impact on future economic growth. The labour demand scenarios take these factors into account, whereas the completions trend projection does not.

22.1.9   Taking Brexit and Covid into account, the economic forecasts all project lower levels of economic growth over the period to 2040 than has been seen over the past ten years. It therefore makes sense that this is reflected in lower employment land requirement figures in the labour demand scenarios than in the completions trend scenario which assumes a continuation of past performance.

22.1.10 Brexit and Covid sectoral risk assessments were undertaken for Redditch which indicates that the Borough's existing economic profile has a reasonably low level of risk overall. However, this shows that the profile of sectoral growth shown in the economic forecast is within sectors which are at a much higher level of risk. However, the analysis suggests that the Experian forecast provides lower overall risk.

22.1.11 Considering the labour demand, labour supply, and completions trend scenarios against the wider economic indicators in this report suggest that that the Experian Baseline Forecast provides the most reasonable assessment of future employment land needs for Redditch to 2040. This is for the following reasons:

- The Experian baseline forecast which is considered to provide the most reasonable and robust forecast for assessing future jobs growth in Redditch for this period.
- The Experian baseline forecast aligns reasonably well with LEP growth ambitions and includes considerable growth in the LEPs growth sectors.
- It aligns with the growth in labour demand shown in the demographic scenarios and doesn't rely on further assumptions regarding future workforce growth.
- It takes account of the economic impacts of Brexit and Covid and how these are expected to impact on future jobs growth and deviate from past performance. It shows a lower proportion of growth in high-risk sectors.
- It takes account of changes to working from home patterns for office-based sectors, which have accelerated during the Covid-19 pandemic.
- The scenario therefore takes account of structural changes to the economy and working patterns which will impact on the requirement for new employment land going forward, which a simple extrapolation of past trends could not achieve.
- They incorporate significant flexibility to account for the uncertainty within the current economic climate.

22.1.12 For these reasons the Experian forecast provide the most reasonable assessment of future employment land needs for Redditch to 2040. This provides an overall employment land requirement of 35.5ha.

Qualitative Conclusions

22.1.13 The industrial market very much remains the strongest employment sector within the borough, with manufacturing and distribution companies of various sizes continually seeking benefit from the strategic connectivity that Redditch offers.

22.1.14 Industrial demand is predominantly concentrated towards the north of the borough where land is more built-up and served by strategic transport routes to the M42, M40 and M5 motorways via the A441, A4023, A4189 and A435, all of which are dualled.

22.1.15 There is a particular demand for smaller units of floorspace of 1,000sqm or less, and units of this size have seen the highest rates of activity. However recently larger developments have established a clear appetite of national and multinational occupiers for hybrid warehouse/office products which have become increasingly popular during the pandemic. The Council should identify a range of sites of different sizes to ensure this full range of demand is accommodated.

22.1.16 Regarding office space, the proximity and quality of connections to Birmingham make Redditch a more viable and affordable option, however there is little supply of Grade A office stock in Redditch meaning that Redditch has been less able to meet demand than other neighbouring centres, for example Bromsgrove. The Covid Pandemic saw a growing occupier demand for smaller 'satellite' office locations as workers seek to retain local working patterns established during the lockdowns. Redditch is primed to benefit from this emerging trend.

22.1.17 However, there is an identified lack of office space within the Town Centre which is failing to meet both current and future demand, and much of the existing Town Centre office stock is dated. The Council will need to ensure high quality stock is not further eroded and that sufficient new provision is provided, as this will help to diversify and strengthen the Town Centre's economy and increase its resilience and competitiveness in post-pandemic climate.

22.2 Housing Requirements

Overall Housing Needs

22.2.1 This study has been prepared in line with the NPPF and PPG, using the 'Standard Method' as the starting point for determining the overall minimum Local Housing Need (LHN) figure for Redditch. The Standard Method, as set out in the PPG, is based on official household projections, an adjustment to account for affordability, a 'cap' to ensure deliverability, and, where applicable, a cities and urban centres uplift. This identifies a LHN figure for Redditch of 165 dpa.

22.2.2 To inform the assessment of whether there are 'exceptional circumstances' that might warrant an alternative approach to that outlined in the Standard Method, key demographic and market signal statistics and evidence are also presented. Using POPGROUP technology, a range of demographic scenarios have been developed for Redditch for comparison with the LHN Standard Method figure (see Table 66 for full scenario details):

- These scenarios are benchmarked against the official population projections from ONS, including the 2014-based projections (which underpin the Standard Method calculation), and the full suite of variants that make up the 2018-based ONS projections. These scenarios have 2014 and 2018 base years respectively.

- Two alternative trend-based scenarios have been developed, using alternative migration histories from which to calibrate future growth assumptions.

- Three employment-led scenarios have been configured, underpinned by employment forecasts formulated by Cambridge Econometrics (CE) and Experian (Exp), together with modelled growth aligning with the Greater Birmingham and Solihull Local Enterprise Partnership (LEP).

- A final 'dwelling-led' scenario uses the headship rate (HH-14) and dwelling vacancy rate assumptions to illustrate the population growth impact of the standard method LHN figure of 165 per year, for comparison with the demographic trend-based scenarios, and official population projections. This dwelling-led scenario effectively 'works backwards' from the LHN housing figure to derive an associated level of population growth.

22.2.3 Population growth ranges from -1.8% under the **SNPP-2018-LOW** scenario to 5.8% growth under the **Employment-led_LEP** scenario. This range of population growth equates to an estimated dwelling growth requirement between 26 dpa and 189 dpa, with the LHN figure of 165 dpa sitting towards the higher end of this range.

22.2.4 In Redditch, the historical profile of population growth is varied, with fluctuations in the estimated levels of international and internal migration since 2001. These variations result in a range of population growth outcomes in the trend scenarios, each configured with varying migration (and fertility and mortality) assumptions.

22.2.5 With a population undercount identified between the 2001 and 2011 Censuses, and a continuation of this possible between 2011 and 2021, the **PG-Long-Term** scenario is considered to be an appropriate trend-based scenario for Redditch. In this scenario, future migration assumptions are drawn from the full historical time-period (2001–2020), therefore taking into account the higher rates of growth resulting from the UPC adjustment between 2001 and 2011.

22.2.6 Using the 2014-based household growth assumptions (HH-14), the **PG-Long-Term** scenario results in a comparable dwelling growth outcome to the **LHN** figure (+158 dpa compared to +165 dpa), confirming that **the LHN figure is appropriate based on the latest demographic trends.**

22.2.7 The level of population growth projected under the **PG-Long-Term** and Dwelling-led LHN scenarios also support a level of employment growth comparable to that seen under the **Employment-led_Exp** baseline forecast, using the defined economic activity, unemployment and commuting ratio assumptions for Redditch.

22.2.8   The LHN figure of 165 per year is therefore an appropriate housing need figure for Redditch, based on the latest demographic trends and employment forecast evidence.[52]

Affordable Housing Needs

22.2.9   The need for affordable housing in Redditch has been assessed. Affordable housing is housing that is available for sale or rent to people whose needs are not met by the market. In line with the NPPF, this includes social and affordable rent, and affordable home ownership products. Also presented is an assessment of the overall housing mix, and the housing needs of older people and people with disabilities.

22.2.10 The assessment identified a net need for **90 affordable homes** per year to 2040:

- **51 rental** properties (57%), with an approximate split of 80%/20% between social and affordable rent, based on local affordability.
- **39 affordable home ownership** properties (43%).

22.2.11 The Council should identify the affordable housing needs in Redditch within a strategic policy and prepare policy which is supportive of the development of wholly affordable housing schemes. A summary of the affordable needs calculations is presented in Figure 41.

22.2.12 To achieve the delivery of 90 affordable homes per year, it will be necessary for major residential schemes to contribute to this target, by ensuring a proportion of new residential development is for affordable housing. The Council should identify in policy the affordable housing requirements for major residential proposals. To achieve the 90 affordable dwellings per year, as set out in figure 41, approximately 57% of new residential development should be affordable housing. This 57% requirement should be considered alongside other policy and infrastructure requirements. If evidence demonstrates that development cannot viably meet all proposed obligations and infrastructure costs, the Council will need to consider it's approach to affordable housing delivery and set an appropriate affordable housing requirement based on this evidence.

22.2.13 The Council will also need to identify in policy the split in tenure requirements, this will need to take into account the national policy requirement of First Homes and any aforementioned viability issues.

Housing Mix and the Needs of Specific Groups

22.2.14 This report also provides an assessment of the future type, tenure, and specialist housing requirements for Redditch to 2040 aligned to the projected growth in population and households shown in the preferred demographic projection (PG-Long-Term Scenario). This provides a range of future housing needs outputs, listed below, aligned with this projection and level of housing need:

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[52] Whilst the LHN figure of 165 dpa is the recommended level of need, the growth profile from the PG-Long-Term scenario has been used to underpin the needs analysis presented in this report. This trend-based scenario produces overall population and dwelling growth outcomes comparable to those implied by the LHN figure, but results in a more appropriate profile of migration based on demographic trends when compared to the Dwelling-led LHN scenario.

- An analysis of what an appropriate housing type and tenure mix might be, based on the preferred demographic scenario and affordable needs analysis. The findings of which are set out in Section 18.
- An assessment of the housing needs of Older People and People with Disabilities is set out in Section 19 and Section 20 provide respectively.
- An assessment of other specialist housing needs for different groups of the population is set out in Section 21.

Appendix A – Standard Method Calculation

The steps taken to calculate the LHN figure, as set out in the PPG[53], are as follows:

22.3   Step 1: Set the baseline

22.3.1   The baseline level of growth is calculated from the 2014-based sub-national household projections[54], with the average level of household growth calculated over a 10-year period (from the current year). The 2014-based projections are used to align with the government's housing growth ambitions and to *"to provide stability for planning authorities and communities [and] ensure that historic under-delivery and declining affordability are reflected"* (PPG paragraph 005 Reference ID: 2a-005-20190220).

22.3.2   For Redditch, this results in a baseline of **132** households per year (calculated over a 10-year period from the current year, 2021).

22.4   Step 2: Apply affordability adjustment

22.4.1   The baseline figure is adjusted to account for affordability, utilising the latest available median house price to workplace-based earnings ratios[55]. No adjustment is applied where the affordability ratio is 4 or below. For each 1% the ratio is above 4, the average household growth baseline is increased by a quarter of a percent:

$$Adjustment\ factor = \left(\frac{Local\ affordability\ ratio - 4}{4}\right) x\ 0.25 + 1$$

22.4.2   For Redditch, with a median house price of £216,000 and gross annual workplace-based earnings at £26,734, the local affordability ratio is 8.08. Using the equation above, this results in an adjustment factor of 1.255. This increases the figure above the baseline to **165** dwellings per year.

22.5   Step 3: Cap the level of increase

22.5.1   A cap is then applied to limit the level of increase, depending upon the stage that the local authority is at with regards to its strategic policies for housing. Where the policies have been adopted within the last 5 years, the LHN figure is capped at 40% above the average annual housing requirement figure as set out in the existing policies. Where the relevant policies were adopted more than 5 years ago, the LHN is capped at 40% above whichever is higher of:

- the average annual projected household growth identified in Step 1; or
- the average annual housing requirement figure as set out in the most recently adopted strategic policies.

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[53] Paragraph 006 Reference ID: 2a-006-20190220
[54] 2014-based household projections in England, 2014 to 2039, MHCLG, Live Table 406
[55] House price to earnings ratios, ONS 2020

22.5.2 In the case of Redditch, the Local Plan was adopted in 2017[56], setting out an annual housing target of 337 dwellings per year (+6,400 net homes over the 2011–2030 plan period), higher than the identified figure of 165 at Step 2. The LHN figure of 165 therefore applies.

22.6 Step 4: Apply cities and urban centres uplift

22.6.1 For the top 20 urban local authorities with the greatest population (according to the ONS list of major towns and cities[57], ranked by population size using the latest mid-year population estimate), a 35% uplift is applied. This final stage is not applicable to Redditch.

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[56] Borough of Redditch Local Plan No. 4
[57] ONS Major Towns and Cities, December 2015

Appendix B – POPGROUP Forecasting Methodology & Assumptions

22.7   Population

22.7.1   In each scenario, historical population statistics are provided by ONS mid-year population estimates (MYEs), with all data disaggregated by single year of age and sex. MYEs are used up to the respective base years of each scenario. From the base year onwards, future population counts are estimated by single year of age and sex to ensure consistency with the official projections. The **SNPP** scenarios use MYE populations up until their respective 2014 and 2018 base years. The PG, **Dwelling-led** and **Employment-led** scenarios use an ONS 2020 MYE as their base year.

Births & Fertility

22.7.2   In each scenario, historical mid-year to mid-year counts of births and sex have been sourced from the ONS MYEs. Under the **SNPP** scenarios, historical births counts have been used until each scenario's base year.

22.7.3   For the PG, **Dwelling-led** and **Employment-led** scenarios, birth counts are used from 2001/02 to 2019/20. From 2020/21, an area-specific and age-specific fertility rate (ASFR) schedule is derived from the 2018-based National Population Projections (NPP). In combination with the 'population at risk' (i.e., all women between the age of 15–49), these ASFR assumptions provide the basis for the calculation of births in each year of the forecast period.

22.7.4   In each of the **SNPP** scenarios, the future counts of births are reproduced from the base year onwards to ensure consistency with the respective population growth outcomes.

Deaths & Mortality

22.7.5   In each scenario, historical mid-year to mid-year counts of deaths by sex and 5-year age-group have been sourced from the ONS MYEs. Under the **SNPP** scenarios, historical deaths counts have been used until each scenario's base year.

22.7.6   For the PG, **Dwelling-led** and **Employment-led** scenarios, death totals are used from 2001/02 to 2019/20. From 2020/21, an area-specific and age-specific mortality rate (ASMR) schedule is derived from the latest 2018-based NPP.

22.7.7   In each of the **SNPP** scenarios, the future counts of deaths are specified from their base year onwards to ensure consistency with the respective population growth outcomes.

Internal Migration

22.7.8   In each scenario, historical mid-year to mid-year estimates of internal in- and out-migration by five-year age-group and sex have been sourced from the 'components of change' files that underpin the ONS statistics.

22.7.9   In the **SNPP** scenarios, these historical estimates are used up to each respective base year, with future counts of migrants specified to remain consistent with the corresponding projection.

22.7.10 Under the **PG** scenarios, an area and age-specific migration rate (ASMigR) schedule is derived from a number of years of historical internal migration data, which then determines the future number of internal

in- and out-migrants for the remainder of the plan period. For the **PG-Short-Term** scenario, this is derived from five years of historical data (2015/16–2019/20) and for the **PG-Long-Term** scenario, this is derived from the full nineteen years of historical data (2001/02–2019/20).

22.7.11   Under the **Dwelling-led** and **Employment-led** scenarios, future internal migration assumptions have been derived from the full nineteen-year historical period (**PG-Long-Term**), with migration altered to meet annual dwelling and employment growth requirements.

International Migration

22.7.12   Historical mid-year to mid-year counts of immigration and emigration by five-year age-groups and sex have been sourced from the 'components of population change' files that underpin the ONS MYEs.

22.7.13   In the **SNPP** scenarios, these counts are used up to each scenario's respective base years, with future counts of migrants specified directly from the projection statistics.

22.7.14   In the **PG-Short-Term** and **PG-Long-Term** scenarios, historical counts of immigration are used from 2001/02 to 2019/20. From 2019/20 onwards, an ASMigR schedule of rates is derived from a five-year and nineteen-year international migration history respectively and used to distribute future counts by single year of age and sex.

22.7.15   For the **Dwelling-led** and **Employment-led** scenarios, future international assumptions are derived from the full nineteen-year historical period (**PG-Long-Term**).

22.8   Households & Dwellings

22.8.1   The 2011 Census defines a household as, "one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area". In POPGROUP, a dwelling is defined as a unit of accommodation which can either by occupied by one household or vacant.

22.8.2   The household and dwelling implication of each population growth trajectory have been estimated though the application of household representative rates, communal population statistics and a dwelling vacancy rate. These assumptions have been sourced from the 2011 Census and the 2014-based and 2018-based household projection models. In the **Dwelling-led** scenario, these assumptions are used to derive the level of population growth required to meet the defined dwelling-growth target.

Household Representative Rates

22.8.3   A household representative rate is defined as the *"probability of anyone in a particular demographic group being classified as being a household representative"*[58]

22.8.4   The household representative rates used in the POPGROUP modelling have been taken from the MHCLG 2014-based household projection model, which is underpinned by the ONS 2014-based SNPP. The household projections are derived through the application of projected headship rates to a projection of

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[58] 2014-based Household Projections, MHCLG

the private household population. The methodology used by MHCLG in its household projection model consists of two distinct stages:
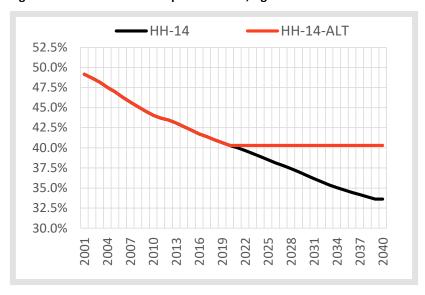
- Stage One produces the national and local authority projections for the total number of households by sex, age-group and relationship-status group.
- Stage Two provides the detailed 'household-type' projection by age-group, controlled to the previous Stage One totals.

22.8.5   Under each scenario, Stage Two headship rates have been applied by age-group, sex and 'household type' (Table 88).

Table 88: MHCLG 2014-based Stage Two household type classification

MHCLG Category	Description
One person male	One person households: Male
One person female	One person: Female
Couple no child	One family and no others: Couple households: No dependent children
Couple & adults no child	A couple and one or more other adults: No dependent children
One child	Households with one dependent child
Two children	Households with two dependent children
Three+ children	Households with three or more dependent children
Other households	Other households with two or more adults

22.8.6   Each scenario has also been run with a variation on the 2014-based headship rates, with the rates fixed from 2020 onwards in the younger adult age-group (25–34), to prevent further decline in the rates of household formation. All other age-groups remain unadjusted.

Figure 57: Redditch - Headship Rate Profile, Age 25–34

Source: MHCLG, POPGROUP

Communal Population Statistics

22.8.7   Household projections in POPGROUP exclude the population 'not-in-households' (i.e., the communal/institutional population). These data are drawn from the ONS 2018-based household projections, which use statistics from the 2011 Census. Examples of communal establishments include prisons, residential care homes, student hall of residence, and certain armed forces accommodation.

22.8.8   For ages 0–74, the number of people in each age-group 'not-in-households' is fixed throughout the forecast period. For ages 75–85+, the population 'not-in-households' varies across the forecast period depending on the size of the population.

Vacancy Rate

22.8.9   The relationship between household and dwellings us modelled using a 'vacancy rate', derived from the 2011 Census using statistics on households (occupied household spaces) and dwellings (shared and unshared) for Redditch. A vacancy rate of 1.8% has been applied and fixed throughout the forecast period. Using the vacancy rate, the 'dwelling requirement' of each household growth trajectory has been estimated.

22.9   Labour Force & Jobs

22.9.1   The **Employment-led** scenarios use key assumptions on economic activity rates, unemployment and commuting to consider the relationship between future employment growth and demographic change.

Economic Activity Rates

22.9.2   Economic activity rates are the proportion of the population that are actively involved in the labour force, either employed or unemployed looking for work.

22.9.3   Economic activity rates by five-year age group (16–89) and sex have been derived from Census statistics, with adjustments made in line with the Office for Budget Responsibility's (OBR) analysis of labour market trends in its 2018 Fiscal Sustainability Report[59] (Figure 58).

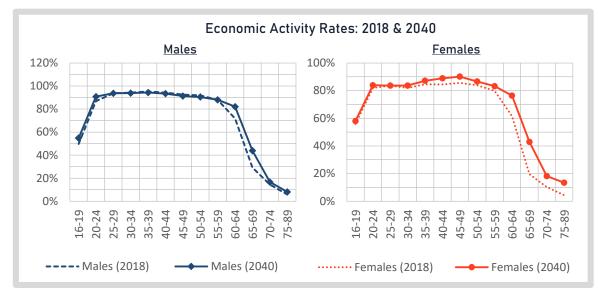[59] OBR Fiscal Sustainability Report, July 2018

Figure 58: Redditch - Economic Activity Rates, 2018 & 2040

Economic Activity Rates: 2018 & 2040

Males / Females chart with legend: Males (2018), Males (2040), Females (2018), Females (2040)

Commuting Ratio

22.9.4   The commuting ratio measures the balance between the level of employment and the number of resident workers in the local authority. A commuting ratio greater than 1.00 indicates that the size of the resident workforce exceeds the level of employment available in the area, resulting in a net out-commute. A commuting ratio less than 1.00 indicates that employment in the area exceeds the size of the labour force, resulting in a net in-commute.

22.9.5   The 2011 Census recorded 43,095 resident workers and a total of 39,219 people engaged in (workplace-based) employment in Redditch. This results in a commuting ratio of 1.10, a net out-commute, which is applied in all scenarios and fixed throughout the forecast period.

Unemployment

22.9.6   The unemployment rate is the proportions of unemployed people within the total economically active population. Historical unemployment rates are sourced from ONS model-based estimates. For Redditch, the 2020 rate of 4.8% has been applied in each scenario and fixed throughout the forecast period.
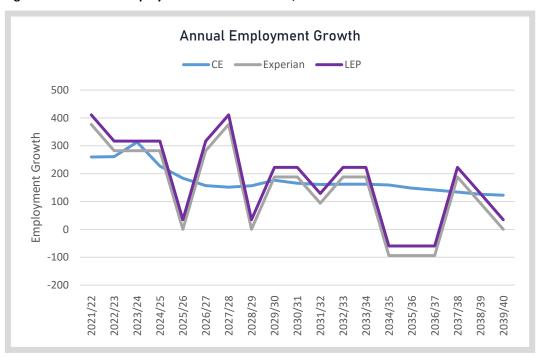
Employment Forecasts

22.9.7   The **Employment-led_CE** and **Employment-led_Exp** scenarios model the demographic impact of a projected level of annual employment growth, drawn from the Cambridge Econometrics and Experian employment growth projection for Redditch. The **Employment-led_LEP** scenario models the demographic impact of a projected level of annual employment growth within the Greater Birmingham and Solihull LEP.

22.9.8   In an employment-led scenario, the key assumptions relating to economic activity, commuting and unemployment detailed above are used to determine the level of population growth needed to support the defined level of jobs growth. Note that in the employment-led scenarios, the annual employment growth figures apply from 2021 onwards.

22.9.9   Each forecast produces a similar profile of employment growth between 2021 and 2040, with the exception of the CE forecast, which shows a greater degree of consistency in the total employment figures (Figure 59).

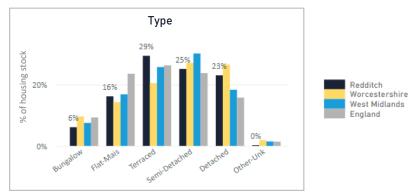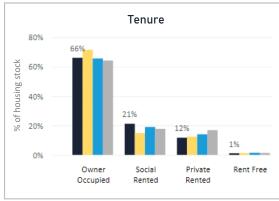**Figure 59: Redditch - Employment Growth Forecasts, 2021–2040**
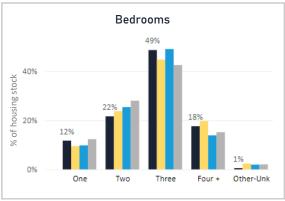
Appendix C – Housing Stock Profile

22.10 Housing Stock

22.10.1 The latest Council Taxbase statistics record a total of 37,304 dwellings on its valuation list for Redditch, with 1.5% classified as vacant (compared to 1.9% nationally).[60]

22.10.2 Redditch has a relatively high proportion of terraced properties when benchmarked against its county, region and England in total, around 29% of total stock (Figure 60).[61] Bungalows make up a smaller proportion of the district's stock profile relative to the county, regional and national figures. Nearly half of properties have 3 bedrooms (49%), similar to the national and regional profile, but Redditch has a relatively higher proportion of one-bed properties (12% of stock).

22.10.3 In terms of tenure, the 2011 Census[62] indicates that Redditch has a relatively high proportion of socially rented properties, and a lower proportion of private rented properties, when compared to the county, regional and national figures. Current (2019) ONS estimates suggest that the tenure proportions recorded at the Census in Redditch have been maintained, with a slight increase in the proportion of properties that are rented privately (estimated at 14%, compared to 12% at the Census).[63]

Figure 60: Redditch - Housing Stock Profile

Source: Council Tax and 2011 Census

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[60] MHCLG Council Taxbase 2020
[61] VOA Council Tax Stock of Properties Table CTSOP3.0_2020
[62] 2011 Census, Table KS402EW - Tenure
[63] ONS subnational dwelling stock by tenure estimates

22.11 Dwelling Occupancy

22.11.1 Using 2011 Census data, in combination with current dwelling[64] and 2019 household population estimates[65], an average dwelling occupancy rate has been derived for Redditch. On average, there are 2.32 people per dwelling across the district, with variations across tenures (Table 89). Occupancy is highest in owner-occupied properties, and lowest in private rental properties, a reflection of the varying household composition across these tenures.

Table 89: Dwelling occupancy rates – Redditch

Average Dwelling Occupancy			
All Tenures	Owned	Private Rent	Social Rent
2.32	2.46	2.04	2.08

Source: 2011 Census, MHCLG, ONS. Occupancy rates are calculated as household population / occupied dwellings

22.12 Overcrowding & Concealment

22.12.1 Recorded household overcrowding in Redditch was 4.2% at the 2011 Census across all tenure types. Highest in social rented (9.3%), lower in private rented (6.9%) and lowest in owner occupied (2.1%)[66]. These averages were all below regional and national benchmarks with the exception of social rented accommodation, for which Redditch's overcrowding rate was the highest. Since 2011, the national trend has been for a fall in overcrowding in owner occupied properties but a rise in social and private rentals, highest in the former[67].

22.12.2 When compared to surrounding districts, overcrowding is most acute in Redditch, with a lower proportion of households overcrowded in Bromsgrove (1.7%), Stratford-on-Avon (1.6%), and Wychavon (2.2%) (Table 90).

22.12.3 The prevalence of concealed families (households where there is an additional family living with a primary family, such as a young couple living with a parent or parents of one member of the couple) has been relatively low in Redditch compared to higher geographies. The Census recorded a 1.6% prevalence rate in Redditch, compared to 2.2% across the West Midlands region and 1.9% nationally[68].

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[64] MHCLG Live Table 100 (2019), in combination with ONS Subnational dwelling stock estimates by tenure
[65] ONS household projections, POPGROUP
[66] Census Table DC4105EWIa – Tenure by occupancy rating (bedrooms) by household composition
[67] English Housing Survey 2019 to 2020: headline report
[68] Census Table DC1110EWIa – Concealed family by family type

Table 90: 2011 Census overcrowding
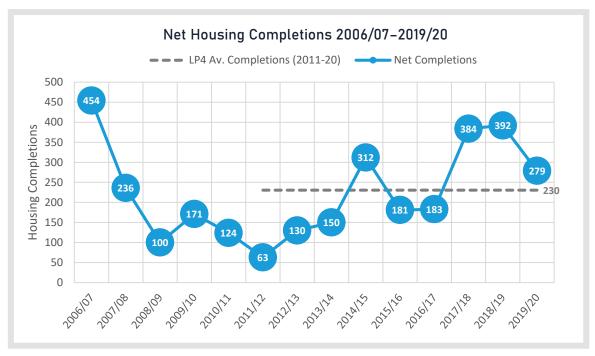
Area	Households Under-occupying	Sufficient Number of Bedrooms	Households Overcrowded (over-occupying)
Redditch	69.3%	26.5%	4.2%
Bromsgrove	80.6%	17.7%	1.7%
Wychavon	78.3%	19.5%	2.2%
Stratford-on-Avon	80.7%	17.7%	1.6%
West Midlands	70.5%	25.1%	4.5%
England	68.7%	26.7%	4.6%

Source: 2011 Census Table DC4105EWLA - Tenure by occupancy rating (bedrooms) by household composition

22.13 Housing Completions

22.13.1 Data from RBC shows that since the start of the LP4 plan period, net completions have averaged 230 dwellings per year (Figure 61). Housing completions peaked in 2006/07, and more recently in 2017/18 and 2019/20. Policy 4 of the Redditch LP4 states that around 3,000 dwellings can be accommodated in Redditch, with the remaining 3,400 accommodated in Bromsgrove as part of the cross-boundary agreement[69]. The average net completions have therefore exceeded the Redditch target of 158 dwellings per year.

Figure 61: Redditch - Net Completions

Source: RBC

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[69] Redditch cross-boundary agreement documents
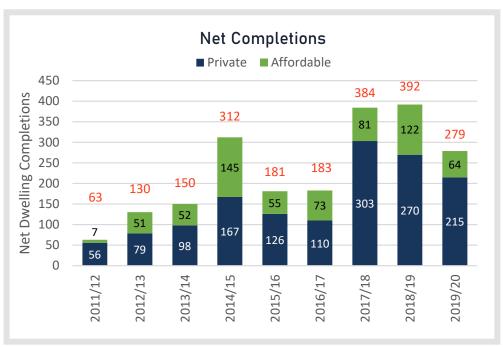
22.13.2 As a proportion of net housing delivery, affordable housing has averaged 31%, peaking in 2014/15 at 46% of net completions. Of all the affordable housing delivered since 2011/12, the majority has been social rented (300 homes), followed by intermediate housing (217 homes), with 133 affordable rented properties (Table 91, Figure 62).

Table 91: Redditch - Affordable Housing Completions

Year	Affordable Rent	Intermediate Housing*	Social Rented	Total Affordable		Total Private		Total
2011/12-2017/18	109	128	227	464	33%	939	67%	1,403
2018/19	10	52	60	122	31%	270	69%	392
2019/20	14	37	13	64	23%	215	77%	279
Total	**133**	**217**	**300**	**650**	**31%**	**1,424**	**69%**	**2,074**

Includes Shared Ownership. Source: RBC

Figure 62: Redditch - Affordable Housing Completions

Source: RBC

Appendix D – Housing Market Profile

22.14   Housing Transactions

22.14.1   The number of property transactions for existing properties increased from 2011 to a 2014 high point, and remained relatively stable until 2020, where transaction rates declined sharply as a result of the ongoing COVID-19 pandemic (Figure 63). New Build transactions peaked in 2019 in Redditch, increasing from a low point in 2017.

Figure 63: Land Registry Transactions: Existing Properties and New Builds

Source: Land Registry

22.15   House Prices
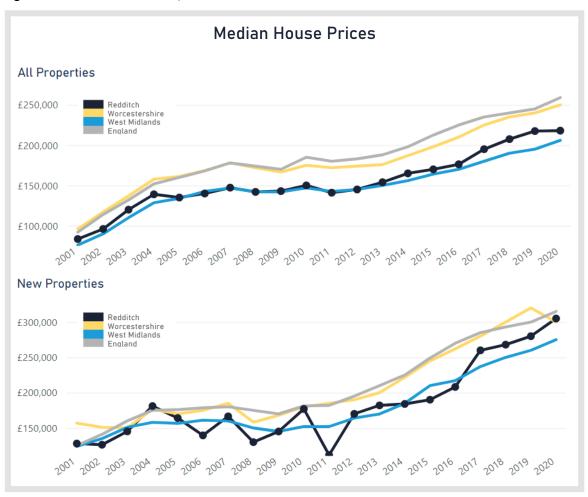
22.15.1   The median house price in Redditch as of December 2020 was £218,000, with properties more expensive than across the West Midlands, but cheaper than the Worcestershire average (£250,000), and England average (£259,000). Lower quartile (entry-level) properties cost £165,000, again more expensive than the West Midlands, but cheaper than the regional and national averages (Figure 64).

22.15.2   The median property price in Redditch has increased 161% since 2001, with lower quartile property prices increasing 173% (Figure 65). New build properties are relatively more expensive in Redditch than across the West Midlands, with median new build property prices £305,000 as of December 2020, similar to the Worcestershire average of £300,000.

Figure 64: Median and Lower Quartile House Prices, year ending December 2020

Source: ONS HPSSA dataset 9 and 15

Figure 65: Median House Prices, 2001–2020

Source: ONS HPSSA datasets 9 and 10

22.15.3   When viewed by property type (Figure 66), properties in Redditch are cheaper than across Worcestershire as a whole, but generally more expensive than across the wider West Midlands region, with the exception

of detached houses and flats/maisonettes. Lower quartile house prices show a similar pattern, although these entry-level properties are comparatively more expensive in Redditch than across the West Midlands across all property types.

Figure 66: Lower Quartile and Median House Prices, December 2020

Median House Prices by Property Type

Legend: Redditch | Worcestershire | West Midlands | England

Property Type	Redditch	Worcestershire	West Midlands	England
All house types	£218,000	£250,000	£206,000	£259,000
Detached	£320,000	£358,997	£326,500	£368,000
Semi-detached	£215,000	£226,500	£197,000	£230,000
Terraced	£166,000	£185,000	£161,000	£201,000
Flats/maisonettes	£118,000	£130,000	£125,000	£220,887

Lower Quartile House Prices by Property Type

Legend: Redditch | Worcestershire | West Midlands | England

Property Type	Redditch	Worcestershire	West Midlands	England
All house types	£165,000	£185,000	£150,000	£169,950
Detached	£279,000	£295,000	£260,000	£270,000
Semi-detached	£190,000	£192,500	£159,950	£165,000
Terraced	£150,000	£157,000	£129,950	£132,000
Flats/maisonettes	£97,000	£102,000	£93,500	£138,000

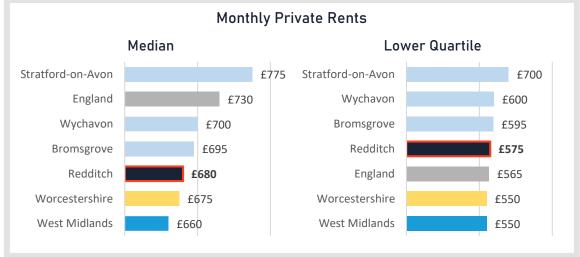*Source: ONS HPSSA datasets 9 and 15*

22.16 Rents

Private Rented Sector

22.16.1 ONS data on private market rental costs records a median rental cost of £680 per month in Redditch, which is more expensive than the Worcestershire and the West Midlands averages, but cheaper than the England figure of £730 per month (Figure 67). Private rents are cheaper in Redditch than in the surrounding districts of Bromsgrove, Stratford-on-Avon, and Wychavon.

22.16.2 Lower Quartile rents in Redditch are recorded at £575 per month, making entry-level rental properties relatively more expensive than the county, regional and national averages (but still cheaper when compared to its immediate neighbouring authorities).

Figure 67: Monthly private rental cost comparison

Source: ONS Private rental market summary statistics, April 2020 to March 2021.[70]

Social Rented Sector / Affordable Rent

22.16.3 Data from MHCLG and the Regulator of Social Housing (RSH) indicates that affordable rents in Redditch average around £492 per month, 72% of the median rental cost of £680. Social rents average around £391 per month, 57% of the median rental cost (Table 92). This is broadly in line with the requirement for social and affordable rents to be 60% and 80% of open markets rent respectively.

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[70] ONS Private rental market summary statistics, April 2020 to March 2021

Table 92: Redditch monthly rental cost comparison

Description	Monthly Rent
Median private rent (ONS Private rental statistics)	£680
Lower quartile rent (ONS Private rental statistics)	£575
Affordable rent (80% of median rent)	*£544*
Affordable rent, including charges (CoRe)	£457
Affordable rent, PRPs (RSH 2019-20)	£510
Affordable rent, RPs (RSH 2019-20)	£507
Average recorded affordable rent	*£492*
Social rent (60% of median rent)	*£408*
Social rent, including charges (CoRe)	£439
Social rent, PRPs (RSH 2019-20)	£387
Social rent, RPs (RSH 2019-20)	£345
Average recorded social rent	*£391*

Source: CoRe[71], RSH[72], SDR[73]

22.17 Affordable Home Ownership

22.17.1 There are a variety of affordable home ownership products available to those households that are unable to afford open market property prices, including:

- First Homes[74]: a new scheme, introduced in June 2021, to provide discounted homes to first-time buyers and key workers in England, with a minimum 30% discount on the market price. Properties under the scheme will be subject to a £250,000 price cap (after the discount) outside of London. First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

- Help to Buy: Equity Loan[75]. First-time buyers can borrow between 5% and 20% (40% in London) of the full purchase price of a new-build home. In South East England, the cap price for this scheme is £437,600. For the first 5 years, the equity loan is interest free.

- Help to Buy: Shared Ownership[76]. A share of the home is bought (between 25% and 75%, using either a mortgage or savings), with rent paid on the remaining share. This scheme is available to first-time buyers or households earning less than £80,000 a year (£90,000 in London). There are also shared ownership schemes for older people and people with disabilities.

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[71] Social Housing Lettings in England 2019-20, MHCLG
[72] Registered Provider Social Housing Stock & Rents 2019-20 ,Regulator of Social Housing
[73] Statistical Data Return, Regulator of Social Housing 2018-19
[74] First Homes
[75] Help to Buy Equity Loans
[76] Help to Buy Shared Ownership

- Rent to Buy: a scheme that allows the householder to rent a home at 80% of the open market rental cost, aimed at easing the transition from renting to buying by providing subsidised rent for up to five years, with the balance (20%) being set aside for a deposit.

Appendix E – Income and Affordability Profile

22.18 Household Income

22.18.1 Local income levels are a key determinator of affordability. Household incomes have been drawn from CAMEO Income data, which classifies each postcode into one of 8 income groups. Using Royal Mail's Postcode Address Finder (PAF), the household count for each listed postcode in Redditch has been used to calculate the proportion of households that fall within each income bracket (Table 93). The CAMEO Income data suggests that the median household income in Redditch is £30,000.

Table 93: CAMEO income bands: Redditch

Income Band	CAMEO Income Group Description	% Redditch Households	% UK Households
1	Many households with an income of over £100K +	0.4%	0.7%
2	Many households with an income of between £75 - £100K	1.6%	2.4%
3	Many households with an income of between £50 - £75K	8.5%	10.1%
4	Many households with an income of between £40 - £50K	12.4%	13.3%
5	Many households with an income of between £30 - £40K	25.1%	19.5%
6	Many households with an income of between £20 - £30K	30.0%	23.2%
7	Many households with an income of between £10 - £20K	19.5%	26.5%
8	Many households with an income of less than £10K	2.4%	4.1%

Source: CAMEO Income, TransUnion; Royal Mail PAF 2020

Income Variations by Age & Tenure

22.18.2 Data from the English Housing Survey (EHS) on average weekly household incomes suggests that newly-forming households (ages 16–44) have an income that is approximately 96% that of the 'all households' average.[77] Table 94 presents the EHS household income data by tenure for the West Midlands, indicating that social renters earn 63% of the 'all households' average, whilst private renters earn 85% of this.

Table 94: English Housing Survey: weekly household income by tenure

Tenure	England		West Midlands	
	Mean Weekly Income	% of all Households Average	Mean Weekly Income	% of all Households Average
Owners	£945	114%	£784	114%
Social renters	£472	57%	£431	63%
Private renters	£749	91%	£584	85%

Source: EHS 2018-19

22.18.3 The CAMEO Income data has been used in combination with the EHS tenure and age data described above to generate a range of income distributions for Redditch (Figure 68). For newly-forming households, the

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[77] English Housing Survey Housing 2018-19 Housing Costs and Affordability

CAMEO Income brackets have been reduced to 96% of the 'all household' figures. For private renters, the CAMEO Income brackets have been reduced to 85%. These income distributions are used to calculate the proportion of households who earn less than the threshold amounts needed to afford open market housing in Redditch (to rent or buy), and to access affordable home ownership products. These estimates are important inputs to the affordable needs calculations and are summarised in the next section.
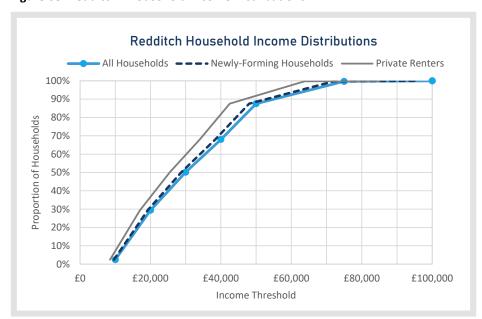
Figure 68: Redditch - Household Income Distributions

Source: CAMEO Income, EHS, Edge Analytics

22.19 Affordability

22.19.1 In this section, a range of evidence is presented on affordability in Redditch. The first section presents the latest house price to earnings ratios, a key input to the government's 'Standard Method' calculation and an important illustration of the changing profile of affordability since 2001.

22.19.2 Following this, the incomes required to afford various housing options are considered, using house price and rental cost data combined with assumptions relating to the proportions of household income that are spent on housing. Using the CAMEO Income profiles outlined above, it is possible to then estimate the proportion of households in Redditch that are able/unable to afford social and affordable rent, housing on the open market, and affordable home ownership products. These estimates are a key input to the affordable needs calculations.

Affordability Ratios

22.19.3   The affordability ratio applied in the LHN Standard Method calculation is calculated by dividing house prices by gross workplace-based annual earnings.[78] The ratio generated provides an indicator of relatively affordability; the higher the ratio, the worse affordability is in an area.

22.19.4   The affordability ratios for Redditch are presented in Figure 69, for both median and lower quartile (entry-level) house prices. Based on median house prices, the affordability ratio in Redditch followed a similar pattern to the regional and national profiles up to the recession, dropping substantially in 2009. In recent years, affordability in Redditch has worsened, at a faster rate than that seen across the county, region, and country. The current affordability ratio is 8.08, compared to 8.87 for Worcestershire, 6.78 for the West Midlands, and 7.84 for England.

22.19.5   When using the lower quartile house prices, the current affordability ratio is 7.80, suggesting that entry-level housing in Redditch is less affordable than the England and West Midlands averages, but more affordable than across Worcestershire. As with median house prices, affordability has worsened since 2002, with a similar pattern of affordability deterioration seen across Redditch, Worcestershire, the West Midlands and England.

Figure 69: Ratio of house price to median gross annual earnings

Source: ONS 2020

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[78] ONS House price to workplace-based earnings ratios, year ending September 2020

Housing Costs & Affordability

22.19.6   Calculating the household income required to afford open market property prices involves making an assumption about the size of the deposit, and an estimate of the income relative to the size of the loan (mortgage). For the purposes of the calculations set out here, a deposit of 15% is assumed, with a loan to income multiple of 3.54.[79]

22.19.7   With a median property price of £218,000, a household income of approximately £52,900 is required in Redditch. For lower quartile properties, it is assumed that a household must earn at least £40,100. Using the CAMEO Income profiles for Redditch, it is estimated that approximately 89% of all households in Redditch are unable to afford median property prices, and 68% are unable to afford the entry-level, lower quartile cost. For the younger 'newly-forming' households, and for private renters, with relatively lower household incomes, a higher proportion are unable to afford open market property prices.

Table 95: House prices and affordability

Open Market House Prices: Costs & Affordability	Lower Quartile	Median
Open market property price	£165,000	£218,000
Income needed (15% deposit and 3.54 loan to income multiplier)	£40,100	£52,900
Proportion of all households unable to afford	68%	89%
Proportion of newly-forming households unable to afford	71%	90%
Proportion of private renter households unable to afford	82%	94%

Note: It is assumed that private renters have household incomes that are 83% of the 'all households' figure. For newly-forming households, the equivalent figure is 98% (Sources: Edge Analytics, CAMEO Income, EHS, UK Finance).

Rental Costs & Affordability

22.19.8   The lower quartile rent in Redditch is £575 per month (see Table 92). In terms of the income needed to afford an annual rental cost of £6,900, the 2007 CLG SHMA guidance states: *"A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their gross household income".* This would equate to an annual household income requirement of £27,600.

22.19.9   When viewed by tenure, however, the proportion of household income spent on housing costs varies. The latest data from the English Housing (2019-20)[80] survey suggests that for private renters, around 32% of household income (including housing benefits) is spent on housing costs, compared to 27% for social renters, and 18% for owner occupiers. Across all tenures, the EHS data suggests around 26% of a household's income is spent on housing.

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[79] Loan to Income multiple for First-Time Buyers is 3.54 ([UK Finance Mortgage Trends 2019)](#)
[80] EHS 2019-20

22.19.10 Using CAMEO Income data, including adjustments to the income distributions to account for differences in household incomes across ages and different tenures, the incomes required to afford various rental products are summarised below, with an estimate of the proportion of households unable to afford these (Table 96).

Table 96: Rental costs and affordability

Lower Quartile Open Market Rent	
Lower Quartile rent (pcm)	**£575**
Lower Quartile rent (annual)	£6,900
Income required	**£26,538**
Proportion of all households unable to afford	*43%*
Proportion of newly-forming households unable to afford	*45%*
Proportion of private renter households unable to afford	*52%*
Affordable Rent	
Affordable rent (pcm)	**£492**
Affordable rent (annual)	£5,898
Income required	**£22,686**
Proportion of all households unable to afford	*35%*
Proportion of newly-forming households unable to afford	*37%*
Proportion of private renter households unable to afford	*43%*
Social Rent	
Social rent (pcm)	**£391**
Social rent (annual)	£4,687
Income required	**£18,025**
Proportion of all households unable to afford	*24%*
Proportion of newly-forming households unable to afford	*26%*
Proportion of private renter households unable to afford	*32%*

Note: It is assumed that private renters have household incomes that are 83% of the 'all households' figure. For newly-forming households, the equivalent figure is 98% (Source: Regulator of Social Housing, MHCLG, Edge Analytics, CAMEO Income, EHS).

Affordable Home Ownership Costs & Affordability

22.19.11 The incomes needed to afford Shared Ownership, Help to Buy, Rent to Buy, and First Homes are summarised in Table 97.

Table 97: Affordable Home Ownership costs and affordability

Shared Ownership: Costs & Affordability	25%	50%
Full Market Value (median house price)	£218,000	£218,000
Share price	£54,500	£109,000
Deposit % on equity share	5%	10%
Deposit needed	£2,725	£10,900
Mortgage	£51,775	£98,100
Income needed	**£34,887**	**£41,696**
Proportion of households unable to afford	59%	71%
Help to Buy: Costs & Affordability		
Full Market Value	£218,000	
Share price	£174,400	
Equity loan (20%)	£43,600	
Homebuyers deposit needed (%)	5%	
Homebuyers deposit needed	£10,900	
Mortgage needed	£163,500	
Income needed (15% deposit and 3.5 loan to income multiplier)	**£46,186**	
Proportion of households unable to afford	80%	
Rent to Buy: Costs & Affordability		
Full Market Rental Cost pcm (median)	£680	
80% market rent pcm	£544	
Income needed	**£25,108**	
Proportion of households unable to afford	40%	
First Homes: Costs & Affordability		
Full Market Value	£218,000	
Value with 30% reduction	£152,600	
Income needed (15% deposit and 3.5 loan to income multiplier)	**£36,641**	
Proportion of households unable to afford	62%	

Appendix F – Redditch Housing Register

Table 98: Households on the Housing Needs Register (September 2021)

Priority Band	Description	Households
1	**High priority** Has a local connection (unless homeless), and one or more of the following applies: homeless (with a duty to rehouse), moved out of supported accommodation, in high medical/welfare need, or has exceptional circumstances.	59
2	**High housing need** Has a local connection and one or more of the following applies: homeless or threatened with homelessness (no duty applies), occupying hazardous property (category 1), serious overcrowding (2+ bedrooms needed), under-occupying, in housing with adaptations that are not needed.	187
3	**Medium housing need** Has a local connection and is experiencing overcrowding (1+ bedrooms needed) or occupying hazardous property (category 2).	238
4	**Reduced banding** Would be in band 1, 2 or 3 but fails to meet criteria for one or more of the following: intentionally homeless, owes housing-related debt to RBC, breached tenancy agreement for anti-social/abusive behaviour, deliberately worsened circumstances, failed to bid on suitable properties, owner-occupied or financial resources above defined limits, reasonable preference but no local connection, homeless duty ended due to failing to co-operate).	27
5	**Low housing need** Has a local connection and one or more of the following applies: occupying a social home and seeking a transfer, low medical/welfare need, experiencing financial hardship, in private rented accommodation, sharing facilities with non-related household, in an institution or supported housing, insecure tenancy, lives with family, needs older person accommodation, applying for shared ownership.	514
6	**Reduced preference** Would be in band 5, but one or more of the following applies: owes housing-related debt to RBC, breached tenancy agreement for anti-social/abusive behaviour, refused suitable property, owner-occupied or financial resources above defined limits, applying for older people's accommodation but no local connection.	34
No band		983
Total no. households on the Register		**2,042**

Source: RBC. Note that the households with 'no band' are a result recent changes to the RBC housing register system, and insufficient evidence available to allocate a priority band at this time.

Appendix G – Older Age Housing

22.19.12 The older age housing definitions, provided by the EAC[81] and drawn directly from the HOPSR[82] model, have provided the basis for the estimation of older age housing need in this housing needs assessment.

- Age-exclusive Housing
- Retirement/sheltered Housing
- Enhanced Sheltered Housing
- Extra Care Housing
- Care Beds

22.19.13 These definitions are consistent with those summarised in Planning Practice Guidance:

- **Age-restricted general market housing**: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

- **Retirement living or sheltered housing**: This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

- **Extra care housing or housing-with-care**: This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

- **Residential care homes and nursing homes**: These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

PPG Paragraph: 010 Reference ID: 63-010-20190626

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[81] Housingcare.org
[82] Housing for Older People Supply Recommendations (HOPSR)

Appendix H – Abbreviations

Abbrev.	Meaning
AA	Attendance Allowance
ABI	Annual Business Inquiry
AFHO	Affordable home ownership
AMR	Annual Monitoring Report
BICS	Business Impact of Coronavirus
BRES	Business Register and Employment Survey
CE	Cambridge Econometrics
CoRe	Continuous Recording of Lettings and Sales (in social housing)
CQC	Care Quality Commission
DLA	Disability Living Allowance
dpa	Dwellings per annum
DWP	Department for Works and Pensions
EAC	Elderly Accommodation Counsel
EHS	English Housing Survey
FE	Further Education
FEMA	Functional Economic Market Area
FRS	Family Resources Survey
FTE	Full Time Equivalent
GEA	Gross External Area
GIA	Gross Internal Area
GVA	Gross Value Added
HCA	Homes and Communities Agency
HELM	Higher Education Leavers Methodology
HOPSR	Housing for Older People Supply Recommendations
HPSSA	House Price Statistics for Small Areas
HRP	Household Representative Person
HRR	Household Representative Rate
IPHRP	Index of Private Housing Rental Prices
LAHS	Local Authority Housing Data
LEP	Local Enterprise Partnership
LHN	Local Housing Need
LIS	Local Industrial Strategy
LPA	Local Planning Authority
LQ	Lower Quartile
LSOA	Lower Super Output Area
MHCLG	Ministry for Housing Communities and Local Government
MOD	Ministry of Defence
MYE	Mid-Year Estimate
NIA	Net Internal Area
NINo	National Insurance Number
NPPF	National Planning Policy Framework

OE	Oxford Economics
ONS	Office for National Statistics
PIP	Personal Independence Payment
PPG	Planning Practice Guidance
PRP	Private Registered Provider
RBC	Redditch Borough Council
SDR	Statistical Data Return
SEP	Strategic Economic Plan
SHMA	Strategic Housing Market Assessment
SIC	Standard Industrial Classification
SME	Small and Medium Enterprises
SNPP	Subnational Population Projection
TIP	Town Investment Plan
TTWA	Travel to Work Area
VOA	Valuation Office Agency
WFH	Working From Home