Lichfield and Tamworth Housing and Economic Development Needs Assessment

Final Report

Iceni Projects Limited on behalf of

Lichfield District Council and

Tamworth Borough Council

March 2025

Iceni Projects
Birmingham: The Colmore Building, 20 Colmore Circus Queensway, Birmingham B4 6AT
Edinburgh: 7 Alva Street, Edinburgh, EH2 4PH
Glasgow: 201 West George Street, Glasgow, G2 2LW
London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH
Manchester: WeWork, Dalton Place, 29 John Dalton Street, Manchester, M2 6FW

t: 020 3640 8508 **| w:** iceniprojects.com | **e:** mail@iceniprojects.com
linkedin: linkedin.com/company/iceni-projects | **twitter**: @iceniprojects

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1. EXECUTIVE SUMMARY

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1.2 The National Planning Policy Framework (NPPF) requires the preparation and review of local plans to be underpinned by relevant and up-to-date evidence and take into account relevant market signals. It sets out a framework through which development needs should be assessed and this document responds to this framework and the related guidance.

1.3 The overall aim of the study is to provide robust and proportionate evidence to inform the development of Local Plans for each area with regards to housing and employment land needs and requirements, and related policies. The emerging Local Plans for the councils cover the period from 2022 to 2043.

Demographic and Housing Stock

1.4 As of 2023, the population of Lichfield was 108,173 and the population of Tamworth was 80, 263. There are 45,630 households in Lichfield and 32,895 in Tamworth.

1.5 Both Lichfield and Tamworth have a generally older population, particularly when compared to the wider Housing Market Area (HMA).[1]

1.6 Between 2011-12 and 2022-23 Ministry of Housing Communities and Local Government (MHCLG) statistics recorded 5,345 net additional dwellings in Lichfield and 2,396 in Tamworth.

1.7 Lichfield has a higher proportion of detached properties than other comparable areas, while Tamworth has a high proportion of semi-detached properties.

1.8 Homeownership is the dominant tenure in both Lichfield and Tamworth, with a smaller proportion of social rented and private rented dwellings.

[1] Both Lichfield and Tamworth sit within the Greater Birmingham and Black Country Housing Market Area (GBBCHMA)

Housing Market

1.9 The median house price in Lichfield (£299,998) is higher than in Tamworth (£234,473), the West Midlands, and England as a whole. Tamworth has experienced the highest proportional growth in house prices over the past decade (75%), surpassing Lichfield (68%), the West Midlands (63%), and England (57%). Despite this higher percentage growth, the largest absolute growth in house prices occurred in Lichfield.

1.10 Higher median house prices are often a reflection of the type of housing stock available in an area. However, Lichfield sees higher prices across all housing types compared to Tamworth.

1.11 In terms of affordability Lichfield has a higher affordability ratio than Tamworth, indicating that housing is less affordable in Lichfield relative to local incomes.

1.12 Interestingly, there is a difference between workplace-based and residence-based affordability ratios. This difference is particularly pronounced in Lichfield (1.60), suggesting that a significant proportion of the workforce commutes out for higher-paid jobs.

Economic Baseline

1.13 In 2023 there were 54,000 jobs in Lichfield and 30,000 were in Tamworth. This is an increase of around 1,000 jobs across the study area since 2015.

1.14 Lichfield saw an 8% increase in employment (+4,000 jobs) from 2015 to 2023, while Tamworth experienced a 3.2% decline (-1,000 jobs) over the same period.

1.15 The dominant employment sector in both areas is wholesale and retail, followed by manufacturing and health. Lichfield residents have higher weekly earnings compared to Tamworth residents. However, both Lichfield and Tamworth have lower median weekly earnings compared to the West Midlands and England.

1.16 There are notable differences in weekly earnings when comparing workplace-based incomes to resident-based incomes, Suggesting that people are commuting out of Lichfield and Tamworth for higher-paying jobs.

Housing Need

1.17 The new Standard Method for assessing housing need was introduced in December 2024. This approach increased housing numbers across the country to 370,000 dwellings per annum. A key reason for the Government seeking higher housing figures is that worsening affordability is evidence that supply is failing to keep up with demand.

1.18 **The new Standard Method for assessing housing need considers the 'need' in Lichfield to be 745 dwellings per annum, in Tamworth the need is assessed to be 445 dwellings per annum.**

1.19 This level of housing delivery would result in a population growth in Lichfield of around 36,700 people (a 34% increase) and 20,500 (26%) in Tamworth. In moving forward in this report, key analysis has been based on this level of population growth (e.g. such as analysis around housing mix and older person needs as this draws from demographic projections).

1.20 This level of population growth would also support up to 18,400 jobs in Lichfield and 10,300 jobs in Tamworth. This compares to job forecasts of 5,900 jobs in Lichfield and 1,900 in Tamworth. To deliver forecast growth there is a need for up to 439 dwellings per annum in Lichfield and up to 216 dwellings per annum in Tamworth.

1.21 This means that there is no requirement to increase housing need above the standard method to meet economic growth.

Affordable Housing Need

1.22 The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income.

1.23 The evidence indicates that there is an acute need for affordable housing in both local authorities. The majority of need is from households who are unable to buy OR rent and therefore points particularly towards a need for rented affordable housing rather than affordable home ownership.

1.24 Despite the level of need being high (relative to overall housing requirements), it is not considered that this points to any requirement for the Councils to increase the Local Plan housing requirement due to affordable needs. That said, the level of affordable need does suggest the Councils should maximise the delivery of such housing at every opportunity.

1.25 The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). In addition, the private rented sector is providing benefit-supported accommodation for many households.

1.26 The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable, particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit.

1.27 However, it is clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes. Local officers also report that social housing delivery was most required and given the government's agenda this would likely mean more social rent rather than affordable rent.

1.28 The study also considers different types of Affordable Home Ownership (AHO) (notably First Homes and shared ownership) as each may have a role to play. Shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent. There was no evidence of a need for First Homes or discounted market housing more generally.

1.29 Given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as 'genuinely affordable' (particularly for larger (3+-bedroom) homes). This again points to the need for the Councils to prioritise the delivery of rented affordable housing where possible.

1.30 This report does not set a target for affordable housing overall or the mix. In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Councils will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

1.31 **Overall, the analysis identifies a notable need for affordable housing, and it is clear that the provision of new affordable housing is an important and pressing issue in the area. The amount of affordable housing delivered will be limited to the amount that can viably be provided.**

Housing Mix

1.32 Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population.

1.33 The proportion of households with dependent children in Lichfield is below average with around 26% of all households containing dependent children in 2021; in Tamworth, the figure is 30% (compared with around 29% regionally and 28% nationally).

1.34 There are notable differences between different types of households and their tenure, with married couples (with dependent children) seeing a high level of owner-occupation, whereas lone parents are particularly likely to live in social or private rented accommodation.

1.35 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability.

1.36 The analysis linked to future demographic change conclusions take account of both household changes and the ageing of the population as well as seeking to make more efficient use of new stock by not projecting forward the high levels of under-occupancy (which is notable in the market sector).

1.37 In all sectors the analysis points to a need across a range of dwelling sizes, but with a particular focus on 2- and 3-bedroom homes. For general need rented affordable housing, there is a clear need for a range of different sizes of homes, including 60% having at least 3 bedrooms of which 15% should have at least 4 bedrooms (higher needs estimated for Lichfield).

1.38 **Our recommended mix is set out below. Two tables are provided (one for Lichfield and one for Tamworth), although the broad conclusions are similar in both locations:**

Suggested size mix of housing by tenure – Lichfield				
	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	5%	10%	20%	50%
2-bedrooms	30%	45%	25%	50%
3-bedrooms	45%	40%	35%	
4+-bedrooms	20%	5%	20%	

Source: Iceni Analysis

Suggested size mix of housing by tenure – Tamworth				
	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	5%	10%	20%	50%
2-bedrooms	35%	45%	30%	50%
3-bedrooms	45%	40%	35%	
4+-bedrooms	15%	5%	15%	

Source: Iceni Analysis

1.39 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households.

1.40 Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues.

1.41 The conclusions also take into account the current mix of housing by tenure and the size requirements shown on the Housing Register.

1.42 The mix identified above could inform strategic policies although a flexible approach should be adopted when applying to specific planning applications. For example, in some areas, affordable housing registered providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, given current house prices there are potential difficulties in making (particularly larger) AHO genuinely affordable.

1.43 Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Councils should also monitor the mix of housing delivered.

Private Rental Sector

1.44 As of September 2023, median monthly rents were higher in Lichfield (£850) than in Tamworth (£750). Both areas have experienced steady rent increases since September 2011, although Lichfield has seen more pronounced growth in recent years.

1.45 Higher costs in Lichfield, alongside the high number of rental transactions, reflect Lichfield's larger and more active rental market.

1.46 A significant number of PRS tenants in both areas rely on Housing Benefit or Universal Credit to meet rental costs, indicating the PRS's importance in accommodating lower-income households.

1.47 This is despite Local Housing Allowance (LHA) rates not adequately covering prevailing market rents, potentially creating affordability challenges for tenants reliant on housing benefits.

Houses in Multiple Occupancy

1.48 HMOs play a vital role in meeting housing needs, including affordable housing. The latest Local Authority Housing Statistics suggest that there were 20 licensed HMOs in Lichfield in 2022/23 and 66 in Tamworth. Unlicensed HMOs are estimated to be higher at 120 in Lichfield and 129 in Tamworth.

1.49 The increasing costs of room rents, particularly in Tamworth, suggest that there is likely increasing demand for HMOs or even smaller rented properties in the area.

1.50 Given the low number of HMOs in both areas the evidence does not support the implementation of an Article 4 Direction in any part of the study area. However, the Councils should continue to monitor the situation with HMOs and respond accordingly.

Build-to-Rent Developments

1.51 Currently there are no build-to-rent developments In Lichfield or Tamworth. However, there are several single-family schemes in neighbouring authorities. Given this, there may be interest from the development industry in promoting single-family BTR in both areas in time.

1.52 The Councils may wish to consider including a policy on BTR developments in Local Plans to set parameters on how schemes would be considered. The policy should also deal with affordable housing and have regard to the PPG which states at least 20% of BTR units should be let as Affordable Private Rent (20% market rate discount or LHA rate cap subject to viability).

Older and Disabled People

1.53 Lichfield has an older age structure than seen regionally or nationally with Tamworth being broadly in line with other areas. Despite the older population, Lichfield typically sees slightly lower levels of disability compared with the regional and national position, with Tamworth showing levels similar to the region but higher than seen nationally.

1.54 The older person population shows high proportions of owner-occupation, particularly outright owners who may have significant equity in their homes (81% of all older person households are outright owners in Lichfield and 74% in Tamworth).

1.55 The older person population (aged 65+) is projected to increase by 23% in Lichfield and 21% in Tamworth (potentially accounting for 52% of total population growth in Lichfield (97% in Tamworth)).

1.56 An ageing population means that the number of people with disabilities is likely to increase substantially. There is a 47% projected increase in the number of people aged 65+ with dementia in Lichfield (52% increase in Tamworth) and a 37% and 40% increase respectively in those aged 65+ with mobility problems;

1.57 Key findings for the 2022-43 period in Lichfield include:

- a need for 907 additional housing units with support (sheltered/retirement housing) – with the majority (826) in the market sector;

- a need for 661 additional housing units with care (e.g. extra-care) – split between market (462) and affordable (199) housing;
- a need for additional nursing (291) and residential care (391) bedspaces in the longer term although the current need for nursing care bedspaces in Lichfield looks to be broadly in line with existing provision; and
- a need for around 24 dwellings per annum in Lichfield to be for wheelchair users (meeting technical standard M4(3)).

1.58 Key findings for the 2022-43 period in Tamworth include:

- a need for 752 additional housing units with support (sheltered/retirement housing) across the market (414) and affordable (337) sectors;
- a need for 428 additional housing units with care (e.g. extra-care) – split between market (252) and affordable (176) housing;
- a need for additional nursing (400) and residential care (213) bedspaces in the longer term
- a need for around 19 dwellings per annum to be for wheelchair users (meeting technical standard M4(3))

1.59 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair-user dwellings as well as provide a specific provision of older persons housing.

1.60 Given this evidence, the Councils could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair-user dwellings in the market sector (a higher proportion of around 10% in the affordable sector).

1.61 Where the authority has nomination rights the supply of M4(3) dwellings would be wheelchair-accessible dwellings (constructed for immediate occupation) and in the market sector, they should be wheelchair-user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user).

1.62 It should however be noted that there will be cases where the delivery of M4(2) or M4(3) dwellings may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

1.63 In framing policies for the provision of specialist older persons accommodation, the Councils will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).

Other Groups

Student Housing

1.64 There is a limited presence of students across the area, although Staffordshire University does have a satellite campus in Lichfield. The university's focus on part-time and shorter courses primarily attracts local residents, this therefore has limited impact on housing demand.

1.65 South Staffordshire College is seeking to increase the range of higher education courses, and this might have implications on the need for accommodation. The Council should work with the College to monitor and address this need.

Self and Custom-Build Housing

1.66 When demand is assessed cumulatively across all base periods, Lichfield has received 129 registered expressions of interest, averaging 18 plots per base period. Tamworth has recorded 79 entries, averaging 10 plots per base period.

1.67 It is recommended that the Councils plan proactively to enable to delivery of Self and Custom Build housing, through the development of a specific policy aimed at supporting the sector and addressing the identified need.

Rural Area

1.68 The Rural areas of Lichfield see a higher prevalence of detached dwellings and homes with four or more bedrooms. Linked to this the area has significantly higher house prices and greater levels of affordability challenges.

1.69 Rural areas show a higher proportion of under-occupied dwellings in the overall market, suggesting potential for rightsizing to free up larger homes for families.

1.70 The Rest of Lichfield is the only area with a higher proportion of private renting than social renting, potentially indicating limited social housing options in rural areas.

1.71 Our affordable housing need calculations also show the vast majority of affordable housing need in Lichfield is in the rural area (210 per annum). This would suggest a specific policy to deliver affordable housing in the rural areas would be justified.

Service Personnel

1.72 DMS Whittington is the key MOD facility in this area, it sits close to the Lichfield and Tamworth border. Most people based at DMS Whittington are civilian personnel and the small number of regular forces is unlikely to have an impact on the local housing market. As such we do not consider there to be a need for a specific policy to address military personnel needs.

Commercial Market

Office

1.73 Lichfield has a relatively stable office market, with vacancy rates fluctuating between 5% and 10% over the past decade. Most transactions involve smaller office spaces, reflecting the dominance of small and medium-sized businesses in the area.

1.74 Tamworth's office market is smaller and less active than Lichfield's. While vacancy rates have historically been lower than Lichfield's, they have experienced an upward trend in recent years. Transaction volumes are considerably lower, with a significant decline observed over the past 5 years.

Industrial

1.75 The West Midlands region has a particularly strong industrial market, particularly in the logistics sector. The region benefits from low vacancy rates, driven by limited new supply and robust demand. This has led to a steady increase in rental costs since 2014.

1.76 Lichfield's industrial market is characterised by a high concentration of larger industrial units, with transactions in the +3,000 sq. m. band accounting for a significant proportion of activity. Vacancy rates have remained relatively low and stable.

1.77 Tamworth's industrial market exhibits a more balanced distribution of transactions across different size bands. However, recent years have seen a decline in activity, particularly in the smallest and largest size categories. Vacancy rates are higher than in Lichfield but have remained below 10% in the past decade.

Economic Forecasts

Experian Baseline Forecast

1.78 Experian forecasts suggest an overall employment growth of 8.7% over the 2022-2043 plan period, equivalent to 5,900 new jobs in Lichfield. In Tamworth the forecast is more modest, predicting 1,900 new jobs, which also represents a slower growth trajectory compared to Lichfield.

1.79 The most substantial sector growth is anticipated in admin and support services (+1,200 jobs), professional services (+1,200 jobs), land transport (+1,200 jobs) and health (+1,000 jobs) in Lichfield.

1.80 Similar sectors are expected to drive employment growth in Tamworth, including accommodation and food services (+500 jobs), professional services (+500 jobs), retail (+500 jobs), retail (+400 jobs), health (+300 jobs) and Residential Care & Social Work (+300 jobs).

Labour Supply Scenario

1.81 This scenario explores the potential impact of housing and demographic growth on employment levels. It assumes that increased housing provision would lead to a larger workforce and, consequently, greater employment opportunities.

1.82 The labour supply scenario linked to the new standard method indicates a potential growth of up to 18,400 jobs in Lichfield and 10,300 jobs in Tamworth over the 2022-2043 period. Very high when compared to the baseline forecasts in both areas.

Overall Employment Land Need

Lichfield

1.83 The range for office land need in Lichfield ranges from 0.6ha under the net absorption to 4.5 ha in the Gross/Net completions scenario.

1.84 It would be reasonable to consider a range between the Experian (2.1 Ha) and Gross/Net completion scenarios (4.5 Ha), we consider that **a mid-point at 3 ha of office land would be a reasonable level of office land to plan for.**

1.85 Within Industrial land there is again a broad range between the Experian baseline, Labour Supply of 45 ha and the Gross Completions models 126 ha.

1.86 The Gross Completions and Net Completions provide a reasonable range to plan for given market signals and sit on the higher end of the scenarios range. We consider that **it would be appropriate to consider delivering in the region of 125 Ha of Industrial Land.**

1.87 Of this around 65% of the need would be strategic need (81 Ha) based on a pattern of past trends. The ability of Lichfield to continue to supply this scale of strategic development may be subject to the availability of suitable sites in proximity to the strategic road network. This level of need aligns with the findings and recommendations of the WMSESS 2024[2] study.

1.88 For the remaining local need, the district should strive to find land that meets the to support the growth of local business. This may be best placed in sites with access to a labour supply as well as good access to the road network.

1.89 **In total, this would result in a total need for 128 ha of employment land in Lichfield of which 81 Ha would be strategic industrial need.**

Tamworth

1.90 The range of office land need in Tamworth starts at 0 ha in the net completions scenario to 1.4 ha in the Experian baseline. The Labour supply and Net Absorption scenarios also sit towards the upper end of the range at 1.2 ha. Given, market signals **it would be appropriate to consider planning for a point at the upper end of this scale at 1ha**.

1.91 The need for industrial land range is very broad starting at 1.8 ha under the labour supply scenario to 32 ha in the net absorption scenario. The gross and net completions scenarios both sit at around 20ha, with gross completions being higher at 23.9 ha.

1.92 **We considered that it would be reasonable to plan for an industrial need figure that sits toward the upper end of this range at 24 ha**.

1.93 **In total, this would result in a total need for 25 ha of employment land in Tamworth.**

Supply Demand Balance

1.94 The tables below bring together the supply and demand positions for Lichfield and Tamworth. This shows that both areas see a nominal oversupply of office space (but this does not mean actively encouraging further losses) and an undersupply of industrial floorspace.

[2] WMSESS-Final-Report-Phase-3-Aug-2024.pdf

Lichfield

Table 1.1 **Supply and Demand Balance – Lichfield (2022-2043)**

	Office	Industrial
Need (ha)	3.00	125.00
Sites with unimplemented Planning Permission or under construction	5.71	69.03
Unimplemented Allocated Sites	0.00	11.08
Additional Identified Supply (ha)	0.00	0.18
Supply and Demand Balance (ha)	-2.71	44.71

Source: Iceni Projects

Tamworth

Table 1.2 **Supply and Demand Balance – Tamworth (2022-2043)**

	Office	Industrial
Need (ha)	1.00	24.00
Sites with unimplemented Planning Permission or under construction	0.62	2.22
Allocated and Unimplemented (ha)	0.95	10.5
Supply and Demand Balance (ha)	-0.57	11.3

Source: Iceni Projects

1.95 We therefore recommend that Lichfield seeks to identify an additional 45 Ha of employment land for industrial uses, some of which will address sub-regional need if possible. This could be up to 29.25 ha (65%) if based on previous delivery trends of strategic sites.

1.96 However, it should be noted that this may be limited due to the type of sites which are available, as strategic level need can only be met in certain locations, particularly those that are well served by the strategic road network amongst other requirements. Tamworth should seek to identify additional employment land for industrial uses where it is possible to do so.

2. INTRODUCTION

2.1 Iceni Projects and Justin Gardner Consulting (JGC) have been appointed jointly by Lichfield and Tamworth Councils to undertake a Housing and Economic Development Needs Assessment (HEDNA).

2.2 The National Planning Policy Framework (NPPF) requires the preparation and review of local plans to be underpinned by relevant and up-to-date evidence and take into account relevant market signals. It sets out a framework through which development needs should be assessed and this document responds to this framework and the related guidance.

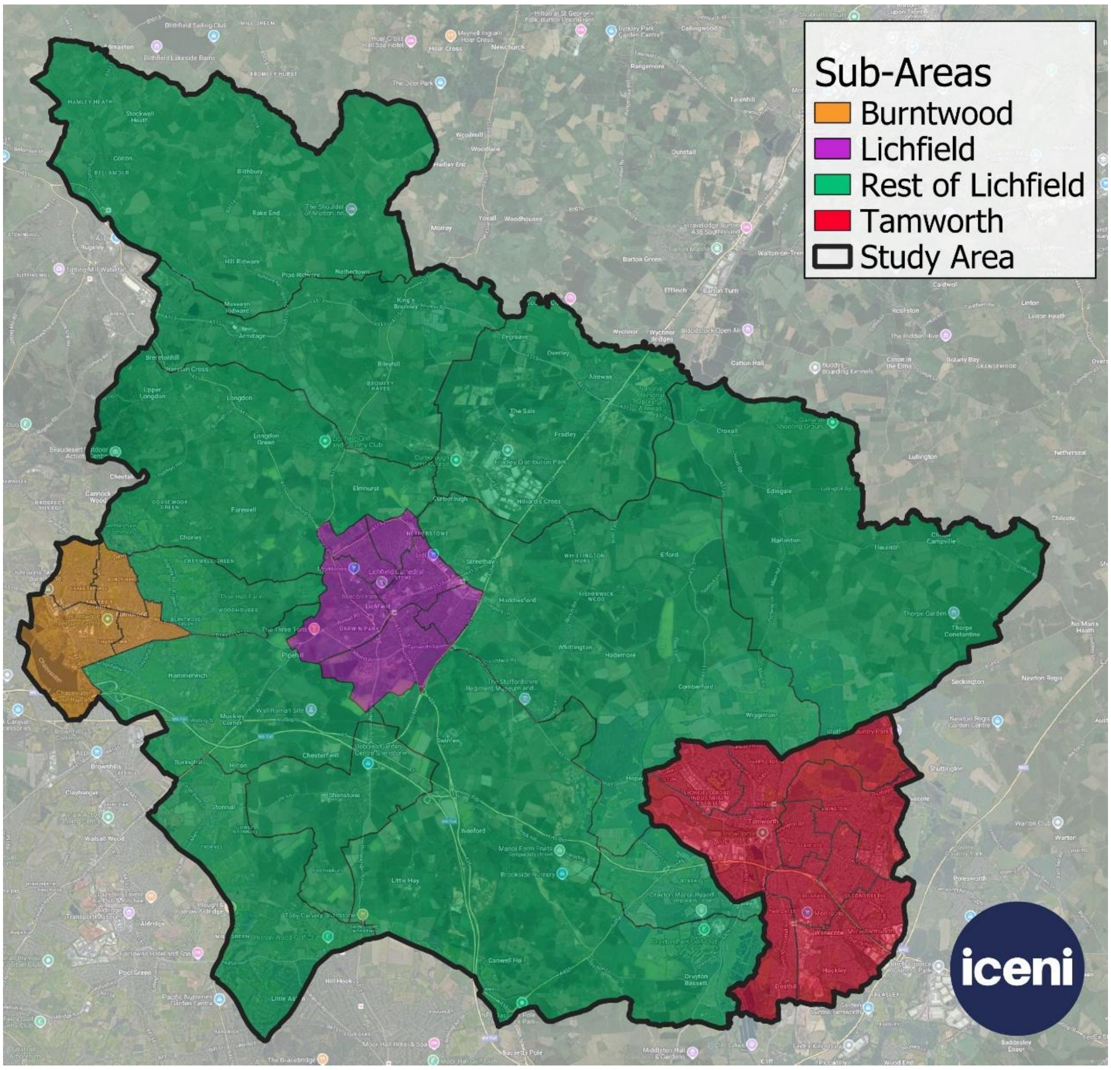
2.3 The overall aim of the study is to provide robust and proportionate evidence to inform the development of the Lichfield and Tamworth Local Plans with regard to housing and employment land needs and requirements, and related policies. The Local Plans cover the period 2022 to 2043.

2.4 The study is based on a sound understanding of the housing and economic markets in Staffordshire and the West Midlands and provides evidence of housing and economic need for the whole of both Lichfield and Tamworth.

Geography

2.5 The work covers the local authority areas of Lichfield and Tamworth and where possible we have also broken-down Lichfield District into three distinct areas, those being Lichfield Town, Burntwood and the rest of the district (see Figure 2.1 overleaf).

Figure 2.1 Map of Study Area



Source: Iceni Projects based on OS data

Update

2.6 Much of this work was completed in Autumn 2024 but has been updated in March 2025 to take account of the revisions to the NPPF in December 2024.

3. POLICY REVIEW

National Planning Policy Framework

3.1 The latest adopted version of the National Planning Policy Framework (NPPF) was published by the Government in December 2024. The NPPF sets out the former Government's planning policies for England and how these are expected to be applied.

3.2 Paragraph 7 in the NPPF states that the purpose of planning is to contribute to the achievement of sustainable development. It sets out that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.

3.3 Paragraph 17 of the NPPF states that development plans must include strategic policies to address each local planning authority's priorities for the development and use of land in its area. Plans should apply a presumption in favour of sustainable development and for plan-making. This means that plans should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change.

3.4 Strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring authorities, where it is sustainable to do so.

3.5 Paragraph 11 reiterates that:

> "strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring area, unless…the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area."

3.6 To support the Government's objective of significantly boosting the supply of homes, Paragraph 61 in the NPPF states it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.

3.7 Paragraph 62 sets out that 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. The 2024 NPPF removed any reference to exceptional circumstances to justify taking an alternative approach to the standard method.

3.8 Paragraph 63 goes on to set out that 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, looked after children, older people, students, people with disabilities, people who rent their homes and people wishing to commission or build their own homes.

3.9 Paragraphs 63-66 address affordable housing provision. They set out that where an affordable housing need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution in lieu can be robustly justified, or the agreed approach contributes to the objectives of creating mixed and balanced communities.

3.10 Paragraph 65 states provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas.

3.11 Paragraph 66 sets out that where major development involving the provision of housing is proposed, planning policies and decisions should expect the mix of affordable housing to meet identified needs across social rented and other affordable rented and homeownership tenures.

3.12 The NPPF's Glossary (Annex 2) provides an updated definition of affordable housing; as well as definitions of Build to Rent development, local housing need, old people; and self-build and custom housebuilding.

3.13 In relation to economic growth Chapter 6 sets out how the framework seeks to achieve building a strong competitive economy. In Paragraph 85 this is explained as "Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt.", also adding that the "approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future."

3.14 Paragraph 86 provides more specific advice stating that "Planning policies should:

a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to the national industrial strategy and any relevant Local Industrial Strategies and other local policies for economic development and regeneration;

b) set criteria, and identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;

c) pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics;

d) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and

e) be flexible enough to accommodate needs not anticipated in the plan and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances."

Levelling Up and Regeneration Act (2023)

3.15 The Levelling-up and Regeneration Bill was introduced to the House of Commons on the 11th of May 2022 and received Royal Assent on the 26th of October 2023 and in doing so became the Levelling Up and Regeneration Act (LURA).

3.16 Although the Act initiated several laws which affect planning, none of these laws directly impact the production of this report in relation to overall need. However, it did impact specific groups including those wishing to self or custom-build their own home.

The Planning Practice Guidance

3.17 The Government's Planning Practice Guidance (PPG) includes several sections relevant to housing and economic need assessments. This sub-section summarises the relevant sectors.

3.18 Guidance on Housing and Economic Needs Assessments[3] explains that housing need is "an unconstrained assessment of the number of homes needed in an area" and should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.

3.19 The guidance also examines affordable housing need (as does the PPG relating to the Housing Needs of Different Groups). The PPG sets out how affordable housing need can be assessed.

3.20 The PPG makes clear that affordable housing need (and the housing needs of individual groups) may well exceed, or be proportionally high in relation to, the overall housing need figure calculated

[3] Housing and economic needs assessment - GOV.UK

using the standard method, as these will often be calculated having consideration to the whole population as opposed to new households.

3.21 The PPG for Housing for Older and Disabled People[4] describes the need to provide housing for older people as critical, as people are living longer, and the older population is increasing. It sets out that the health, lifestyle and housing needs of older people will differ greatly with housing needs ranging from accessible and adaptable general needs housing to specialist housing with high levels of care and support.

3.22 The PPG provides guidance on how the housing needs of older and disabled people can be assessed and sets out that this should inform clear policies within plans which may include specific site allocations to provide greater certainty to developers.

3.23 Separate guidance is provided on optional technical standards[4] including for accessible and adaptable housing, use of national space standards and wheelchair-accessible housing.

3.24 Separate PPGs have also been prepared which address Build to Rent[5] and Self-Build and Custom Housebuilding[6]. The Build-to-Rent Guidance requires authorities to assess need, and where a need is identified to include a planning policy setting out the circumstances and locations where build-to-rent development will be encouraged.

3.25 The Self-Build Guidance sets the requirements of the Self-Build and Custom Housebuilding Act 2015 (as amended), including the requirement for Councils to maintain a Register of those interested in self-build housing and to grant consents to meet the need shown. It also sets out that needs assessments can consider other secondary data sources.

3.26 For economic growth, the PPG states that local authorities are to determine the type of employment land that is needed by preparing

> "a robust evidence base to understand existing business needs, which will need to be kept under review to reflect local circumstances and market conditions. National economic trends may not automatically translate to particular areas with a distinct employment base. Where

[4] Housing for older and disabled people - GOV.UK

[5] https://www.gov.uk/guidance/build-to-rent

[6] https://www.gov.uk/guidance/self-build-and-custom-housebuilding

appropriate, local planning authorities can use their Authority Monitoring Report and the plan review process to ensure that their evidence base remains up to date."

3.27 Policy-making authorities are to prepare and maintain evidence about business needs by gathering evidence to plan for business uses adding that:

"strategic policy making authorities will need to liaise closely with the business community, taking account of the Local Industrial Strategy, to understand their current and potential future requirements. They will need to assess:

- the best fit functional economic market area
- the existing stock of land for employment uses within the area;
- the recent pattern of employment land supply and loss – for example, based on extant planning permissions and planning applications (or losses to permitted development);
- evidence of market demand (including the locational and premises requirements of particular types of business) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;
- wider market signals relating to economic growth, diversification and innovation; and
- any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively."

3.28 In relation to the Market Signals to be used to forecast need the PPG goes on to say that this should be:

"based on a range of data which is current and robust such as:

- "sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand);
- demographically derived assessments of current and future local labour supply (labour supply techniques);
- analysis based on the past take-up of employment land and property and/or future property market requirements; and
- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online

platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

3.29 The PPG goes on to advise that "Authorities will need to take account of longer-term economic cycles in assessing this data and consider and plan for the implications of alternative economic scenarios".

Other Legislation

3.30 Wider legislation affecting housing need includes the 1996 Housing Act (as amended), the Housing and Social Care Act 2012, the 2014 Care Act and the 2017 Homelessness Reduction Act.

3.31 The 2014 Care Act sets out local authorities' duties in relation to assessing people's needs and their eligibility for publicly funded care and support. Under the Act, local authorities must assess anyone who appears to require care and support and focus the assessment on the person's needs, how they impact their well-being, and the outcomes they want to achieve.

3.32 Local authorities must also consider other things besides care services that can contribute to the desired outcomes (e.g., preventive services, community support and specialised housing needs).

3.33 The Homelessness Reduction Act 2017 places legal duties on English Councils so that everyone who is homeless or at risk of homelessness will have access to meaningful help. Local Authorities have a duty to produce homelessness strategies to prevent homelessness in their respective areas.

Lichfield Local Plan

3.34 Lichfield local plan was adopted in 2015 and consists of the Local Plan Strategy, Local Plan Allocations documents and Local Plan Policies map.

3.35 Core Policy 1: The Spatial Strategy states that the Council will deliver a minimum of 10,030 dwellings between 2008 and 2029 within the most sustainable settlements, making best use of and improving existing infrastructure. Throughout the District, growth will be located at the most accessible and sustainable locations.

3.36 Core Policy 6: Housing Delivery details that the District Council will plan, monitor and manage the delivery of at least 10,030 homes and ensure that a sufficient supply of deliverable /developable land is available to deliver around 478 new homes each year. Lichfield District will seek to provide 70% of housing on previously developed land by 2018 and 50% thereafter.

3.37 Policy H1: A Balanced Housing Market reiterates that new residential developments will include an integrated mix of dwelling types, sizes and tenures based on the latest assessment of local housing need.

3.38 It adds that the District Council will actively promote the delivery of smaller properties including two-bed apartments and two and three-bedroom houses to increase local housing choice and contribute to the development of mixed and sustainable communities.

3.39 The District Council will also promote the delivery of supported housing and care homes to reflect the needs of the changing demographic profile of the District's population to 2029, and also dwellings built to lifetime homes standards as set out in a Sustainable Design SPD.

3.40 Where appropriate, higher density provision will be sought, focused around the most sustainable centres to assist in the provision of smaller units to meet a diverse range of housing needs. The provision of units which allow for home-working will also be supported, particularly in the rural communities.

3.41 Policy H2: Provision of Affordable Homes details that the District Council will be seeking a target of up to 40% of new dwellings (including conversions) to be provided as affordable housing. The District Council will normally require at least 65% of the affordable housing on a site to be social rented and managed by a registered provider; the precise proportions will be agreed upon with the District Council having regard to housing needs within the locality of the development and the economic viability of a scheme.

3.42 Policy Lichfield 4: Lichfield Housing - states that approximately 38% of the District's housing growth to 2029 (approximately 3,900 dwellings) will take place in and around Lichfield City, with around 46% of this being located within the urban area (either completed or as windfalls). The remaining 54% will be delivered through Strategic Development Allocations to the south of the city (approx. 1,350 dwellings) and to the east around Streethay (approx. 750 dwellings).

3.43 The Lichfield Local Plan also seeks to deliver 500 dwellings to assist in meeting housing need arising from Tamworth.

3.44 The adopted Local Plan also states that an assessment of the housing market in Lichfield District suggests that the affordable housing requirement in the District is greater than the local housebuilding target proposed.

3.45 The Southern Staffordshire District's Housing Needs Study and SHMA update (2012) identifies an annual need for 377 affordable homes in Lichfield over five years, compared to the overall local annual housing target of 478 dwellings per year. This affordable need figure is based on an analysis of a household survey, CLG projections, the Housing Register and CORE/HSSA data.

3.46 Core Policy 7: Employment and Economic Development states that Employment growth will be supported, creating between 7,310 and 9,000 additional jobs to achieve a job balance ratio of 85% by 2029.

3.47 For this, 79.1 hectares of land will be allocated for employment uses, including approximately 12 hectares within the Cricket Lane SDA, informed by the employment portfolio as shown within the Employment Land Review. Around 10 additional hectares of land will be defined by the Local Plan Allocations document to ensure flexibility of provision.

3.48 Policy Lichfield 3: Lichfield Economy - states that up to 30,000m² gross of office provision will be supported in Lichfield City, focused on the City Centre.

Tamworth Local Plan (2016)

3.49 The Tamworth Local Plan was adopted on 23rd February 2016 and sets out the vision and spatial planning strategy for Tamworth. It also allocates parts of the town for new homes and employment land to meet local community, and business needs up to 2031.

3.50 Policy SS1: The Spatial Strategy for Tamworth details that between 2006 and 2031 a minimum of 4,425 additional dwellings will be built in Tamworth, this sets the annual housing requirement to a minimum of 177 dwellings each year.

3.51 Following strategic planning discussion under the Duty to Co-operate, the Council recognises that Tamworth's objectively assessed housing need cannot be fully met, therefore a minimum of 1,825 new homes will be delivered outside of the Borough within locations which assist the delivery of Tamworth's strategy and those of its neighbours.

3.52 Lichfield District Council has committed to deliver at least 500 dwellings in their Local Plan, and North Warwickshire Borough Council has committed to deliver at least 500 dwellings in their Core Strategy both to meet Tamworth's needs.

3.53 The three local authorities have committed to continue this cooperation on strategic planning issues to deliver the remaining unmet need of 825 dwellings and a minimum of 14 hectares of employment land.

3.54 Policy HG1 housing reiterates that within Tamworth a net increase of at least 4,425 dwellings will be delivered within the plan period at an average of 177 units per annum. At least 2,358 dwellings will be provided through urban extensions, and the remainder will be provided within or adjacent to the existing urban area.

3.55 HG4: Affordable Housing states that the provision of at least 1,000 affordable housing units over the plan period will be sought, approximately 40 per annum.

3.56 Unless demonstrated to be unviable through an independent assessment by a suitably qualified person, the Council will require new residential development involving 10 or more dwellings (gross) to provide 20% affordable dwellings on site although two allocations (Coton Lane and Dunstall Lane) are expected to provide 25%.

3.57 For on-site provision a mix of 25% Intermediate Tenure and 75% Rented which should be split between Social Rented and Affordable Rented will be sought. A range of sizes of residential dwellings are to be provided to meet local requirements and the housing to meet the needs of older persons, persons with disabilities and those with special needs where there is a proven need and demand.

3.58 Following the introduction of First Homes as a tenure type the council published the note "The Introduction of First Homes – Interpreting Policy HG4"[7]. The notes states that:

"In accordance with national policy, a minimum of 25% of all affordable housing units secured through developer contributions should now be First Homes."

3.59 With national planning policy requiring First Homes to take priority over other affordable tenures it is now expected that developments of 10 or more dwellings will provide a mix of:

- 25% First Homes
- Additional affordable home ownership products sufficient to ensure 10% of all dwellings are for affordable home ownership
- Remaining provision should be split between social and rented affordable accommodation

3.60 Policy EC6 Sustainable Economic Growth states that economic growth will be delivered through protecting and enhancing the existing network of strategic employment areas, promoting the role of the town centre and providing at least 18 hectares of new employment land to meet Tamworth's needs up to 2031.

[7] The Introduction of First Homes - Interpreting Policy HG4.pdf

Lichfield Housing, Homelessness and Rough Sleeping Strategy (2019-2024)

3.61 The strategy has three core priorities which are:

- Enable people to live in good quality homes that are suitable for their needs.
- Increase housing choices to meet the needs of current and future residents.
- Prevent or relieve all forms of homelessness including rough sleeping

3.62 In terms of housing several challenges are faced in meeting housing need these include a smaller than average private rental sector with high rental costs, poor quality PRS housing, uncertainty around the number of HMOs in the district, an ageing population and increasing demand for disabled facilities grants.

3.63 This strategy is currently being updated and will draw on the information set out herein.

Tamworth Housing Strategy (2020-2025)

3.64 The strategy has four core priorities which are:

- Enable the provision of sufficient new homes to meet the needs of the existing population and those attracted to the area for work; ensure a range of provision to reflect both need and aspiration;
- Make best use of existing housing and related assets;
- Ensure housing plays a key role in delivering Tamworth's response to climate change; and
- Ensure that everyone who lives or works in Tamworth has access to appropriate housing that promotes their well-being

3.65 The Council have set out some actions on how to ensure these priorities can be addressed. These include ensuring appropriate joint working arrangements to monitor affordable home delivery, working with landlords and homeowners to improve stock, agree changes to Tamworth's Housing Standards and the implementation of a homelessness and rough sleeping strategy.

3.66 This strategy is currently being updated and will draw on the information set out herein.

4. DEMOGRAPHIC AND HOUSING STOCK BASELINE

4.1 The population of Lichfield in 2023 was 110,173 while in Tamworth the population was 80,263. Combined the population of the study area is 190,436 which is 3.1% of the population of the West Midlands region.

4.2 Population growth for each area between 2011 and 2023 can be seen in the table below. The national average growth sits at 8.6% overall. Lichfield has seen a slightly faster growth at 9.2% with Tamworth growing at a much slower rate of 4.4%, while the HMA had a growth rate of 7.8%.

Table 4.1 **Population Growth**

	2011	2023	Change	% Change
Lichfield	100,911	110,173	9,262	9.2%
Tamworth	76,895	80,263	3,368	4.4%
GB&BC HMA	3,196,480	3,445,224	248,744	7.8%
West Midlands	5,608,667	6,085,687	477,020	8.5%
England	53,107,169	57,690,323	4,583,154	8.6%

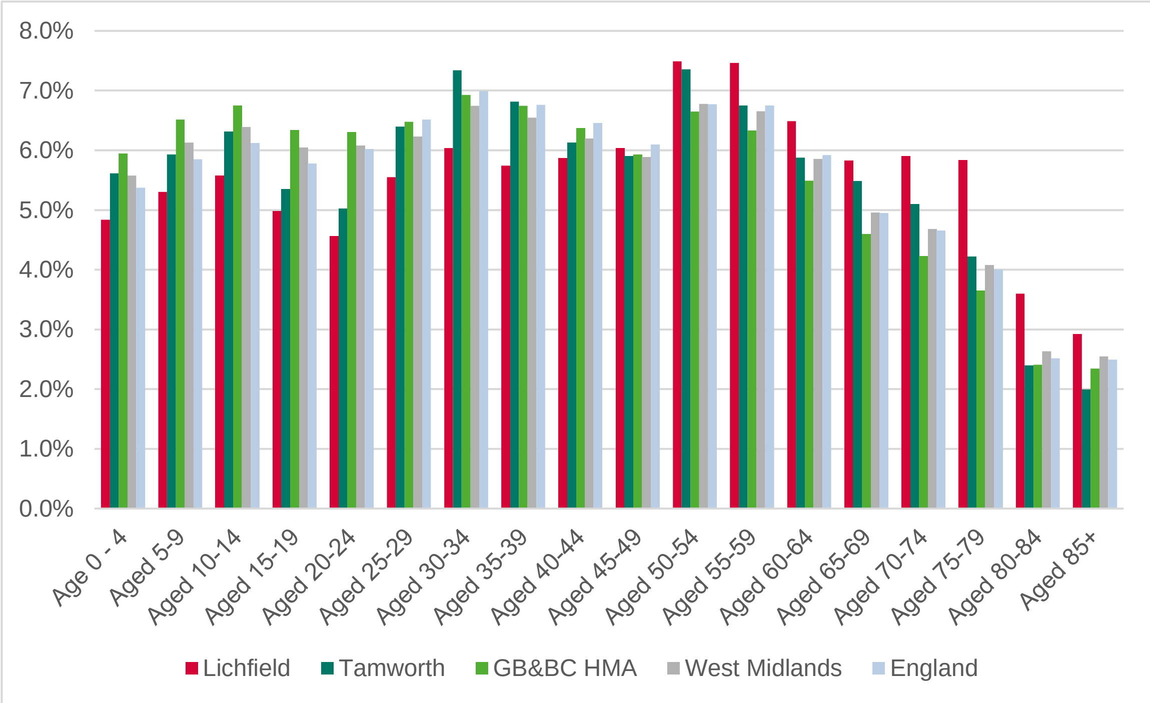
Source: ONS, Mid-Year Population Projections

Age Profile

4.3 Both Lichfield and Tamworth have a generally older population, especially when compared to the wider HMA. The over-50 population within Lichfield is generally higher than the HMA average. Whereas the over-50 population within Tamworth largely matches the wider HMA.

4.4 Both areas see a relatively small proportion of people aged between 15 and 24 and this is linked to there being no major higher education facility in the study area. Lichfield in particular has a low percentage of the population in younger working age groups to 45 and linked to this fewer school-aged children.

Figure 4.1 Age Profile (2023)



Source: ONS, Mid-Year Population

Household Size and Composition

4.5 The table below considers the average size of households in each area. England overall has an average household size of 2.37 people, both the HMA and West Midlands see a higher average size than the country overall. Tamworth sees a slightly higher average household size than the country although at 2.38 the difference is very small. Lichfield is the only area that sees a smaller average household size than England overall at 2.30.

Table 4.2 Average Household Size

	Lichfield	Tamworth	GB&BC HMA	West Midlands	England
Households	45,630	32,895	1,339,983	2,429,493	23,436,085
Residents in Households	105,042	78,317	3,333,418	5,854,512	55,504,302
Average Residents Per Household	2.30	2.38	2.49	2.41	2.37

Source: Census 2021

4.6 There are three broad household composition typologies, one-person, single family and other households. In all locations, single-family households are the most common. However, there is a greater percentage of single-family households in both Lichfield and Tamworth in comparison to the HMA, region and country. Conversely, the area has a lower percentage of other household types which include all student households and other unrelated adults sharing.

Table 4.3 **Household Composition – Broad Typology (2021)**

	Lichfield	Tamworth	GB&BC HMA	West Midlands	England
One-person household	12.1%	11.2%	12.1%	12.4%	12.7%
Single-family household	81.3%	80.8%	75.2%	76.2%	75.5%
Other household types	6.7%	7.9%	12.7%	11.4%	11.8%

Source: Census 2021

4.7 Looking at the more detailed composition, the most common type in Lichfield is the married and civil partnership couples (44.6%) which is much higher than the wider HMA (40.7%). Lichfield also has an above-average percentage of older families and cohabiting couples relative to the other comparable areas.

4.8 Conversely, Lichfield has far fewer lone-parent households and also other households with dependent children than the HMA, the region and England.

Table 4.4 **Detailed Household Composition (2021)**

	Lichfield	Tamworth	GB&BC HMA	West Midlands	England
One-person household (OPH)	12.1%	11.2%	12.1%	12.4%	12.7%
OPH: Aged 66 years and over	6.1%	5.2%	5.1%	5.4%	5.4%
One-person household: Other	5.9%	6.0%	7.0%	7.0%	7.3%
Single-family household (SFH)	81.3%	80.8%	75.2%	76.2%	75.5%
SFH: All aged 66 years and over	12.0%	8.2%	6.8%	7.9%	7.7%
SFH: Married or civil partnership couple	44.6%	41.8%	40.7%	41.1%	41.1%
SFH: Married or civil partnership couple: No children	10.6%	10.0%	7.4%	8.5%	8.8%
SFH: Married or civil partnership couple: Dependent children	24.7%	22.3%	24.8%	24.2%	24.4%
SFH: Married or civil partnership couple: All children non-dependent	9.4%	9.5%	8.5%	8.4%	7.9%
SFH: Cohabiting couple family	14.4%	17.1%	12.7%	13.4%	13.6%
SFH: Cohabiting couple family: No children	5.5%	5.6%	4.2%	4.7%	5.4%
SFH Cohabiting couple family: With dependent children	7.9%	10.3%	7.4%	7.7%	7.2%
SFH: Cohabiting couple family: All children non-dependent	1.1%	1.2%	1.1%	1.1%	1.0%
SFH: Lone parent family	9.8%	13.2%	14.3%	13.1%	12.3%
SFH: Lone parent family: With dependent children	6.3%	9.2%	9.9%	9.0%	8.4%
SFH: Lone parent family: All children non-dependent	3.5%	4.0%	4.4%	4.1%	3.9%
SFH: Other single-family household: Other family composition	0.4%	0.6%	0.8%	0.7%	0.8%
Other household types	6.7%	7.9%	12.7%	11.4%	11.8%
Other household types: With dependent children	3.7%	4.3%	8.0%	6.6%	5.9%
Other household types: Other, including all full-time students and all aged 66 years and over	3.0%	3.7%	4.7%	4.8%	5.9%

Source: Census 2021

4.9 In Tamworth cohabiting couples are much more common (17.1%) than in the Wider HMA (12.7%), region (13.4%) and country (12.3%). Conversely, there are far fewer other household types.

4.10 Both areas have a slightly higher level of single-person households where that person is older than 66 as well as older couples relative to the wider comparators.

4.11 When looking specifically at household types with dependent children it is clear that these are not as common in Lichfield or Tamworth as they are in the HMA. In Lichfield, 42.6% of households had dependent children with 46.1% in Tamworth, both lower than the 50.1% in the HMA. This reflects the older population in the study area.

4.12 Conversely, 14% of households in Lichfield had non-dependent children and 14.7% in Tamworth compared to 13.5% in the West Midlands and 12.8% in England. This again reflects the older age structure and the number of adult children some of whom may be seeking to move out but cannot afford to and become concealed households resulting in reduced household formation rates.

Ethnicity

4.13 The population of both Lichfield and Tamworth is far less diverse than the wider HMA, region and country. The white population accounts for at least 95% of the population in the study area, the majority of which self-identify as White British.

4.14 The proportion of other ethnicities in both Lichfield and Tamworth are exceptionally low when compared to the wider areas. In Tamworth the Gypsy, Traveller, Roma or Other White group is the largest minority population in the town although this is still lower than the regional (4.4%) and national levels (6.6%).

4.15 In Lichfield the largest ethnic minority is the Asian or Asian British group but again this is far smaller (2.3%) than the same group across the HMA (18.8%), the region (13.3%) and England (9.6%).

Table 4.5 **Ethnicity (2021)**

	Lichfield	Tamworth	GB&BC HMA	West Midlands	England
Asian, Asian British or Asian Welsh	2.3%	1.4%	18.8%	13.3%	9.6%
Black, Black British, Black Welsh, Caribbean or African	0.5%	0.6%	6.2%	4.4%	4.2%
Mixed or Multiple ethnic groups	1.8%	1.9%	3.7%	3.0%	2.9%
White	95.0%	95.8%	68.6%	77.2%	81.1%
English, Welsh, Scottish, Northern Irish or British	*92.2%*	*90.8%*	*63.8%*	*72.0%*	*73.6%*
Irish	*0.6%*	*0.6%*	*0.9%*	*0.8%*	*0.9%*
Gypsy or Irish Traveller, Roma or Other White	*2.2%*	*4.3%*	*3.8%*	*4.4%*	*6.6%*
Other ethnic group	0.4%	0.4%	2.8%	2.1%	2.2%

Source: ONS, Census 2021

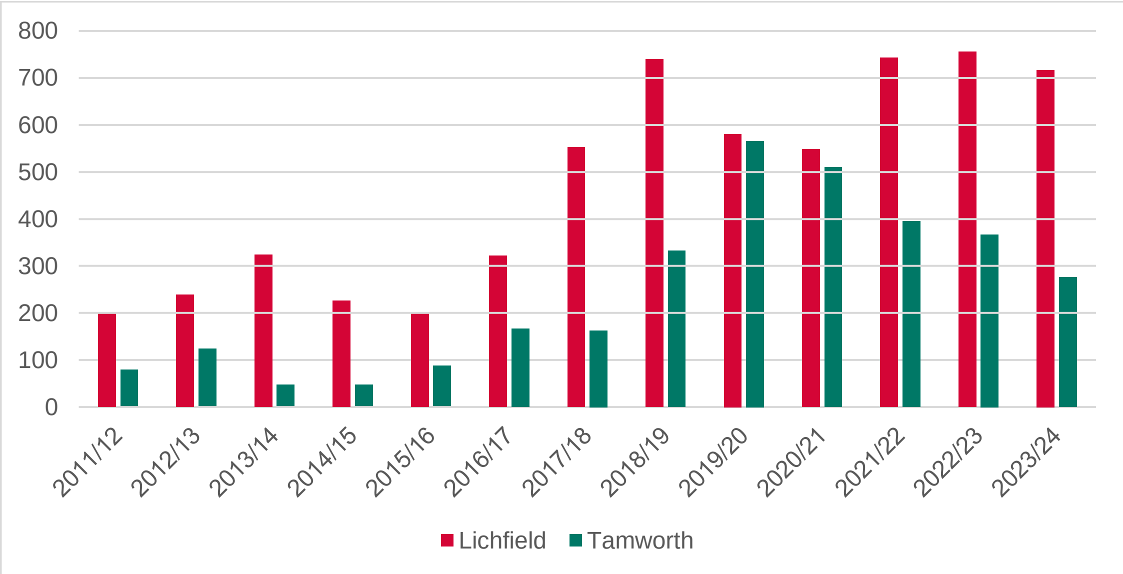
Housing Stock

4.16 In 2021 Lichfield had 47,015 dwellings and 45,632 households and Tamworth had 33,892 dwellings and 32,897 households. In both areas, this leads to an approximate level of vacant dwellings of 2.9%.

4.17 Since 2011/12, Lichfield has seen a higher level of delivery of housing than Tamworth at 5,345 dwellings compared to 2,396 in Tamworth. This will likely have fed into the lower population growth seen in Tamworth over the same period.

4.18 In both areas delivery has increased in the past 5 years with Tamworth seeing an annual average delivery of 422 dwellings and Lichfield seeing 669 dwellings over the same period. These compare to the 10-year average of 291 dpa in Tamworth and 538 dpa in Lichfield.

Figure 4.2 Net completions (2011/12-2023-24) – Lichfield and Tamworth

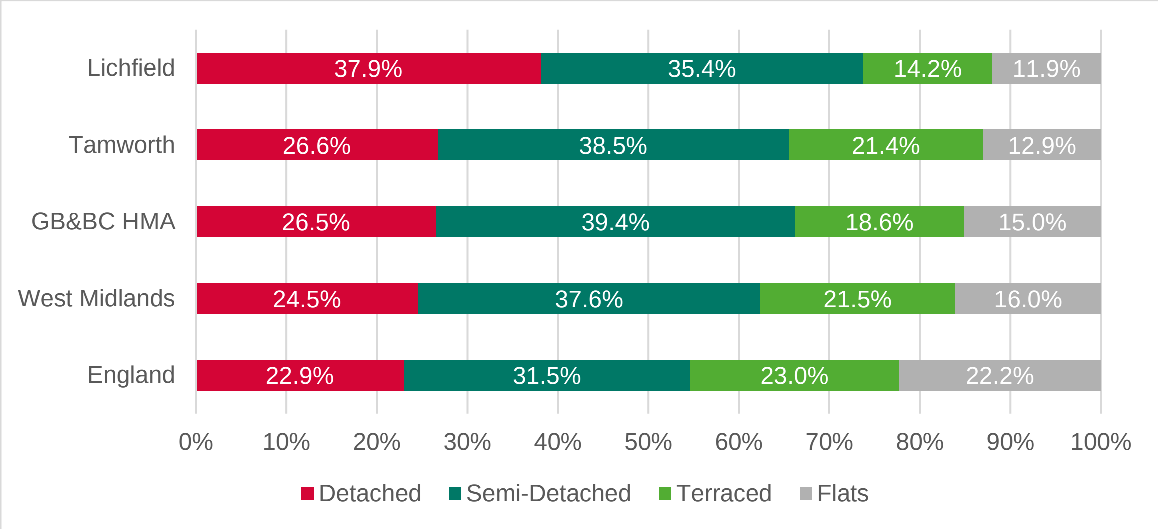


Source: Council Monitoring Data

Dwelling Type and Size

4.19 Lichfield has a higher proportion of detached properties than the other comparable areas, conversely there are far fewer terraced properties. In contrast, Tamworth sees a very high proportion of semi-detached properties and a slightly higher proportion of terraces.

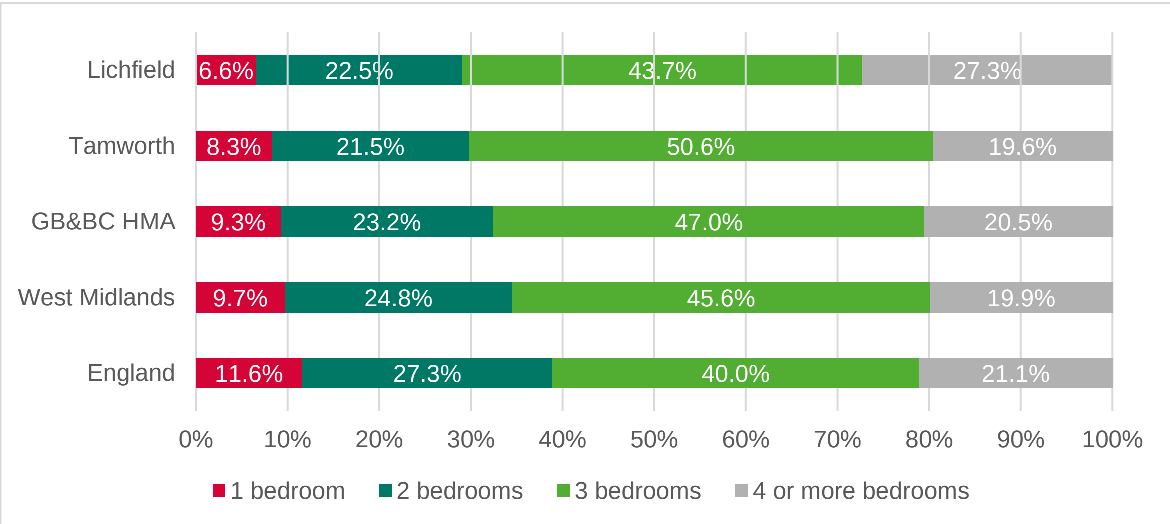
Figure 4.3 Dwelling Type (2021)



Source: Census 2021

4.20 The type of properties in each area will also play a role in the number of bedrooms. Lichfield has a high proportion of detached dwellings and given this it is unsurprising to see that the number of 4-plus-bedroom dwellings is also higher in the town relative to the other areas. Ultimately Lichfield's housing stock is typically larger and less dense than other areas.

Figure 4.4 Dwelling Size (bedrooms)



Source: Census 2021

4.21 Tamworth on the other hand sees a much higher proportion of 3-bed properties than in other areas, given the high proportion of semi-detached dwellings and terraces in the area than in Lichfield this can also be expected.

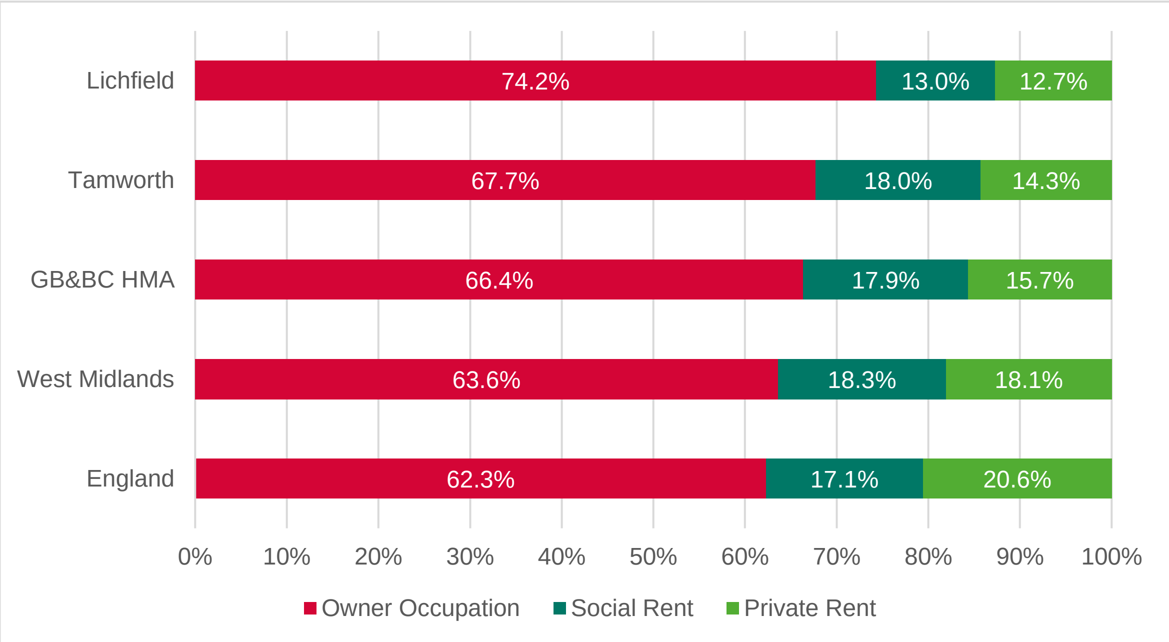
Tenure

4.22 Although Tamworth sees a reasonably high proportion of owner-occupation (67.7%) in comparison to the HMA (66.4%), Region (63.6%) and Country (62.3%), it is still lower than that of Lichfield (74.2%) which sees the highest of all assessed areas.

4.23 Both areas see a higher proportion of households in the social rented sector than the private rented sector. Although the proportion of social rented properties in Lichfield is somewhat smaller than that seen in other areas.

4.24 The Private Rented Sector in both areas are small when compared to the region and England although it does appear to fall in line with the proportion seen in the HMA, albeit it is slightly smaller in Lichfield (12.7%) than in Tamworth (14.3%).

Figure 4.5 Dwellings by Tenure (2021)

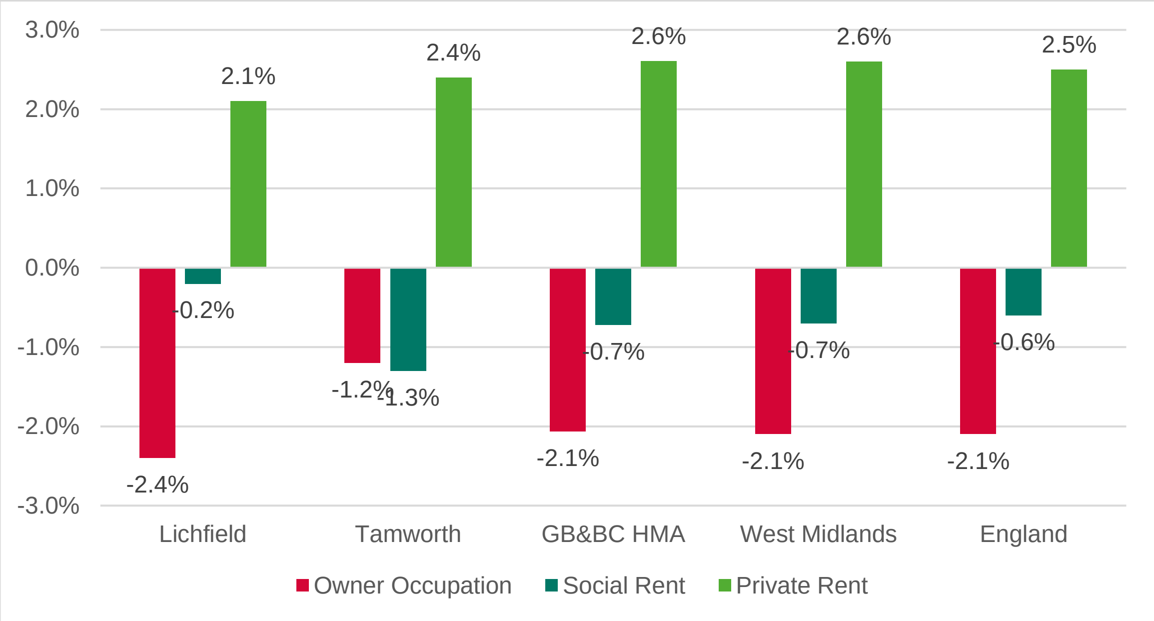


Source: Census 2021

4.25 As the figure below shows, home ownership has declined in all areas between 2011 and 2021. This is a factor of declining levels of affordability across the country which blocks potential first-time buyers from purchasing.

4.26 As a result of declining homeownership and social renting, all areas have seen increases in private renting, this puts significant pressure on the private rental market, as increased demand often leads to increasing costs which overall makes the sector less affordable.

Figure 4.6 Change in Tenure (2011-21)



Source: Census 2021

4.27 Nationally, the Private Rental Sector has increased in response to lower levels of home ownership. However, the degree to which that is the case in Tamworth and particularly Lichfield has been less than the national growth.

Occupancy Rating

4.28 Occupancy rating details the size of a dwelling relative to the size of the household occupying it. We have used the Census bedroom standard which compares the number of bedrooms in a home to the number required by the resident household.

4.29 The rating system can indicate how homes are occupied: a positive score of +1 or more indicates that a dwelling is under-occupied (it has one or more bedrooms more than the household needs), 0 indicates a dwelling that is at capacity or right sized and -1 or less a dwelling that it is over-occupied (it has at least 1 bedroom too few than the household needs).

4.30 The number of bedrooms needed by a household is calculated according to the bedroom standard which requires any of the following groups to have their own bedroom:

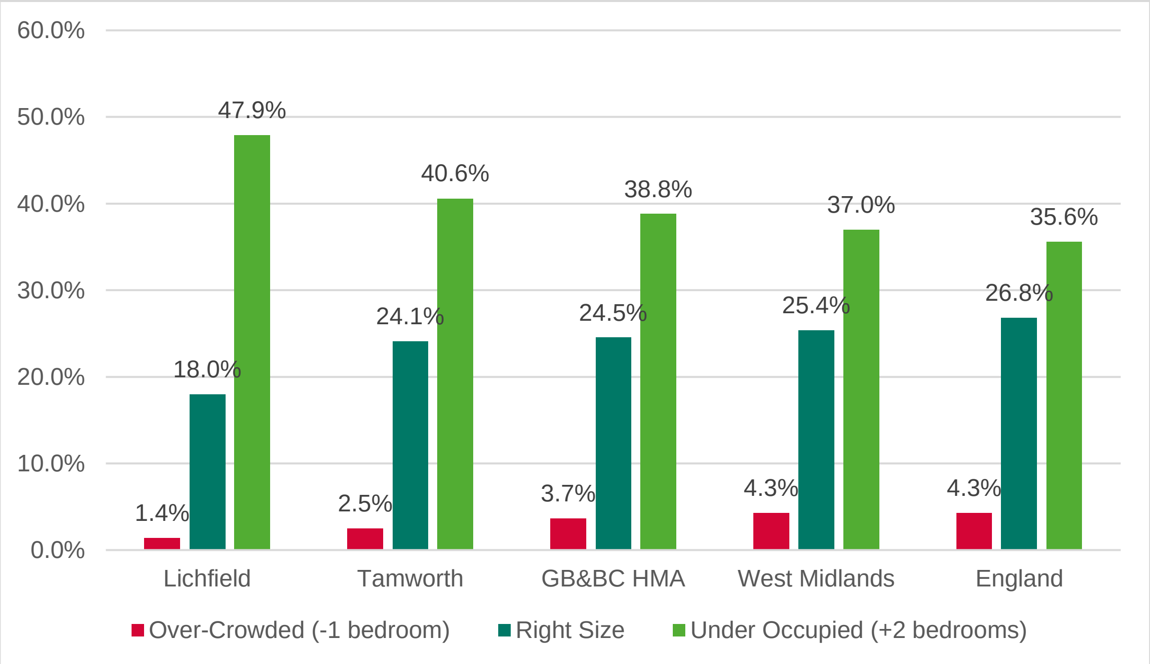
- adult couple
- any remaining adult (aged 21 years or over)
- two males or (aged 10 to 20 years)
- one male (aged 10 to 20 years) and one male (aged 9 years or under), if there is an odd number of males aged 10 to 20 years
- one male aged 10 to 20 years if there are no males aged 0 to 9 years to pair with him

- repeat the above steps for females
- two children (aged 9 years or under) regardless of sex
- any remaining child (aged 9 years or under)

4.31 Lichfield has a higher level of under occupancy than other areas as well as a lower level of overcrowding. This is a component of the size of the stock and the household composition with greater numbers of older people and single-person households.

4.32 This also suggests there is a potential reason to support the downsizing of households that have more space than they need. This could be particularly relevant for older households who may wish to move into smaller accommodation that may be more easily adaptable to suit changing mobility needs. A similar story is true for Tamworth, although under-occupancy is not quite as common in the area perhaps due to the smaller stock.

Figure 4.7 Occupancy Rating (Bedrooms)



Source: Census 2021

4.33 The occupancy rating differs significantly between tenures. Social rented dwellings in all areas are more likely to be overcrowded or at capacity than other tenure types, this is followed by private renting then ownership. This is a factor about access to choice and household finances.

4.34 In owner-occupied dwellings households will often have the financial means to choose to buy a property that suits their needs at the time of purchase. Given that such households seek to stay there for a long time, many will also choose to buy larger than their needs at the time of purchase in order to accommodate future growth in the household. Similarly, young families buy a home to meet their needs but over time their children leave, and their households become under-occupiers. This leads to low levels of at-capacity and overcrowded dwellings in this tenure.

Table 4.6 **Occupancy Rating by Tenure**

Owned	Lichfield	Tamworth	W. Mids
Over-Crowded	0.6%	1.1%	2.4%
At Capacity	8.7%	11.6%	12.7%
Under Occupied	59.3%	53.6%	50.7%
Social Rented	Lichfield	Tamworth	W. Mids
Over-Crowded	5.5%	6.1%	8.6%
At Capacity	59.4%	60.0%	56.0%
Under Occupied	8.8%	11.5%	9.4%
Private Rented	Lichfield	Tamworth	W. Mids
Over-Crowded	2.2%	4.1%	6.5%
At Capacity	30.3%	37.8%	39.0%
Under Occupied	21.6%	15.6%	16.7%

Source: Census 2021

4.35 The private rented tenure sees higher levels of overcrowding and at capacity dwellings than owner occupation as fewer households in PRS dwellings will have some ability to choose to live in a dwelling that suits their future needs and residents are often more restricted financially. A household in PRS for example may be saving to be able to buy a house, they therefore will seek to limit outgoing costs and in doing so look to rent smaller properties which often cost less.

4.36 Choice is limited even further in the social rented sector; social rented tenants will not have the financial means to enter into PRS properties and therefore are restricted to social rented dwellings which are generally in short supply.

4.37 Other policies such as the bedroom tax, which reduces housing-related benefits to working-age tenants of social housing with a spare bedroom, also influence this by encouraging social rented tenants in under-occupied properties to downsize.

Summary

4.38 As of 2023, the population of Lichfield was 108,173, larger than the population of Tamworth at 80,263

4.39 Both Lichfield and Tamworth have a generally older population, particularly when compared to the wider Housing Market Area (HMA).

4.40 There are 45,630 households in Lichfield and 32,895 in Tamworth. MHCLG statistics recorded 5,345 net additional dwellings in Lichfield between 2011-12 and 2022-23 with 2,396 in Tamworth.

4.41 Lichfield has a higher proportion of detached properties than other comparable areas, while Tamworth has a high proportion of semi-detached properties.

4.42 Homeownership is the dominant tenure in both Lichfield and Tamworth, with a smaller proportion of social rented and private rented dwellings.

5. HOUSING MARKET

5.1 This section of the report examines housing market dynamics in the buyers' market. It should be noted that this is a snapshot of the current market which is particularly volatile at present. This volatility includes the continuing impact of the pandemic, interest rate increases and the cost-of-living crisis.

5.2 On a national level, Savills' March 2024 UK Housing Market Update[8] reports that an increase in demand at the beginning of 2024 has seen annual house price growth become positive for the first time since January 2023.

5.3 Market activity has increased as a result of falling mortgage interest rates, with mortgage approvals at their highest point in 15 months in January 2024. This led to an increased number of sales, which were 27% higher in February 2024 compared to February 2023 and 13% above the pre-pandemic 2017-19 average.

5.4 Despite this, economic uncertainty remains in the near term, leading to mortgage lenders showing greater caution. Many have increased their rates following substantial reductions at the beginning of 2024 when they expected base rate cuts to occur earlier in the year. Delays to base rate cuts will maintain higher mortgage rates, constraining growth in demand and house prices although the Bank of England have now cut the rate, and it will be for the banks now to respond.

House Prices

5.5 Median House Prices in Lichfield in the year to March 2023 were £299.998, this is slightly higher than that of England overall at £290,000 but quite some way above Tamworth at £234,473,

Table 5.1 Median House Prices (year to March 2023)

Mar-23	Overall
Lichfield	£299,998
Tamworth	£234,473
West Midlands	£237,500
England	£290,000

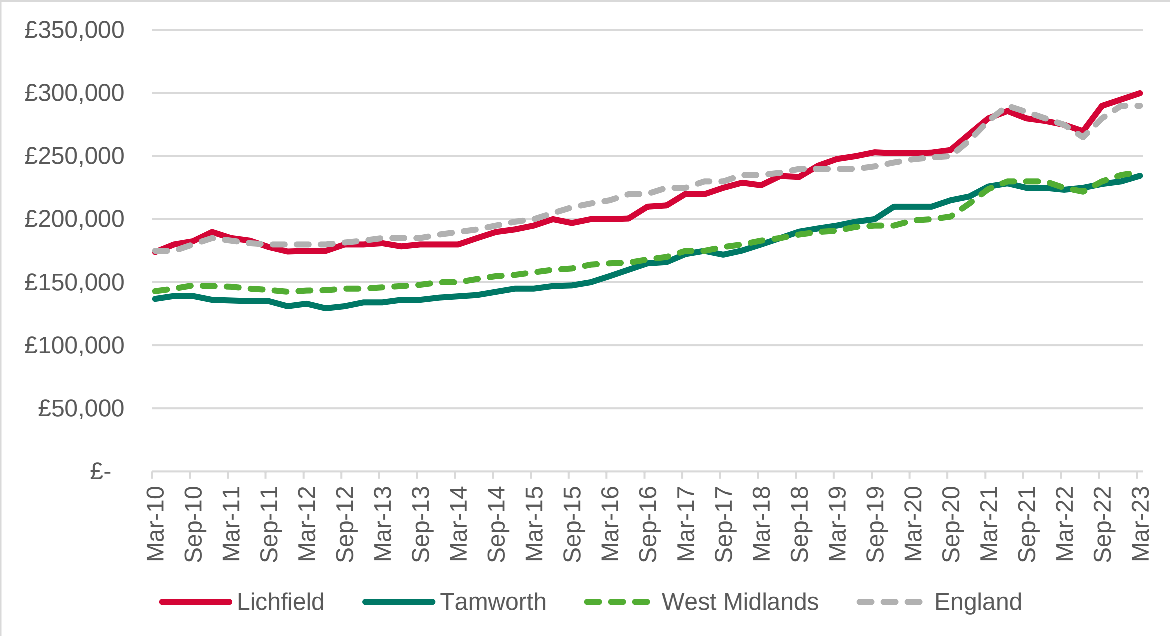
Source: ONS, HPSSA

5.6 The figure below considers the change in median house prices since 2010. As shown, the price of homes in Lichfield and Tamworth broadly track each other albeit Lichfield has been consistently

[8] https://www.savills.co.uk/research_articles/229130/357720-0

higher. The prices in Lichfield also broadly track those in England while those in Tamworth track those in the West Midlands.

Figure 5.1 House Prices (March 2010 to March 2023)



Source: ONS, HPSSA

5.7 In terms of overall change in house prices the table below shows the absolute and proportional increases in median prices over 5 (2018-23) and 10 (2013-23) year periods. Tamworth sees the highest proportional growth over the longer period at 75% exceeding Lichfield (68%) both of which are above the region (63%) and nationally (57%).

5.8 Although Tamworth saw the highest percentage growth the highest absolute growth was in Lichfield over both 5 and 10 years. It would also appear that growth has accelerated in the most recent 5 years with 61.3% of 10-year growth occurring since 2019.

Table 5.2 House Price Change

	5 years (2018-23)		10 years (2013-23)	
	Absolute	%	Absolute	%
Lichfield	£72,998	32.2%	£118,998	65.7%
Tamworth	£54,473	30.3%	£100,473	75.0%
West Midlands	£54,500	29.8%	£91,550	62.7%
England	£55,000	23.4%	£105,000	56.8%

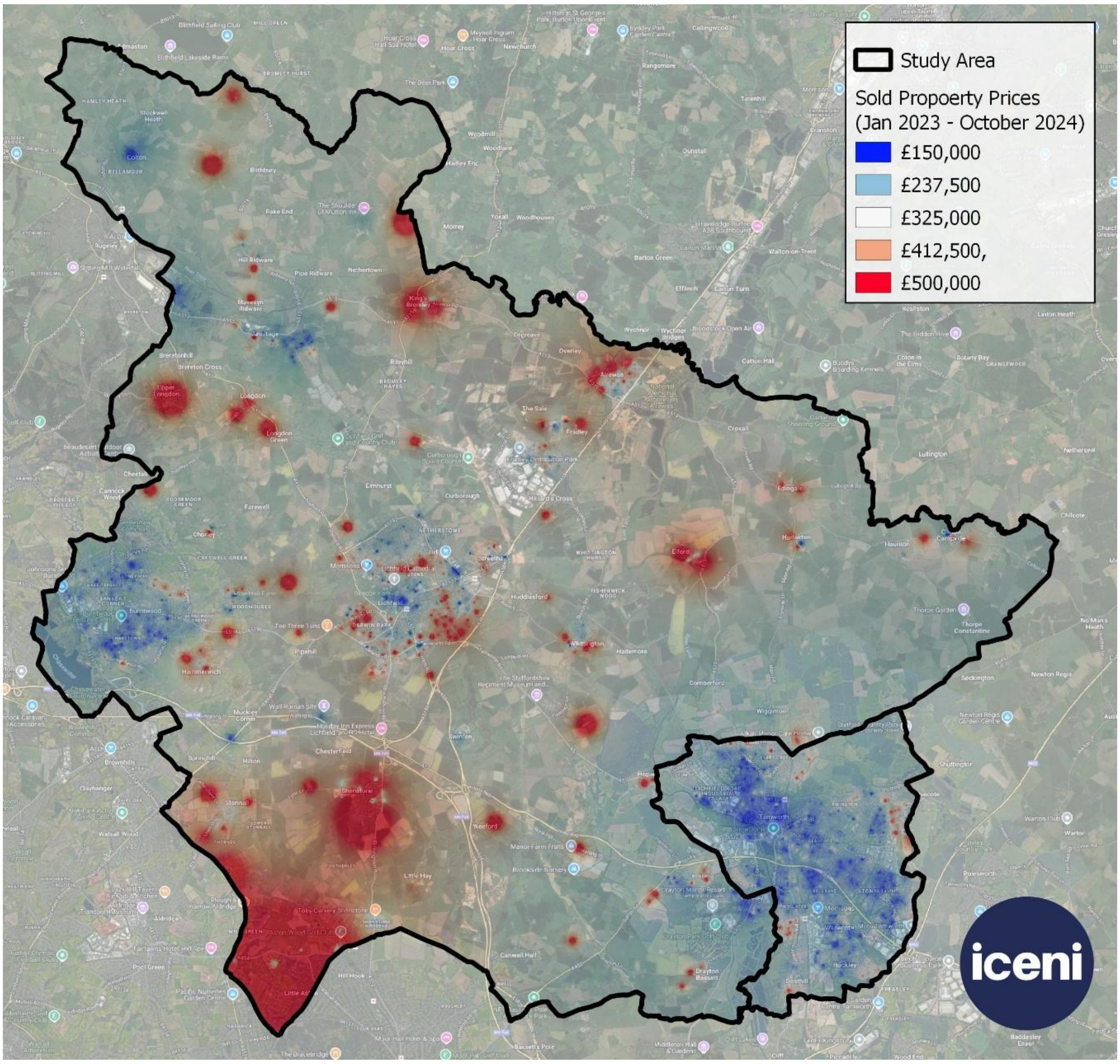
Source: ONS, HPSSA

5.9 Looking at the distribution of prices across the study area the figure below shows the prices paid for properties from January 2023 to October 2024. Lichfield has some very obvious areas of higher value, the south of the district in Little Aston and Shenstone, which are both likely to link very closely to Sutton Coldfield.

5.10 Rural areas of the district also see high prices such as King's Bromley, Elford and Longdon/Upper Longdon. Looking closer at Lichfield City Centre there are some further areas of higher values, the southeast of the City in Boley Park as well as parts of Stowe and Leomansley.

5.11 Conversely, there are a few areas of Lichfield city that have notably lower prices, namely surrounding St John Street which is largely flatted and would naturally have lower prices.

Figure 5.2 House Price Heatmap



Source: Iceni analysis of Land Registry data

5.12 Looking at Tamworth much of the town sees lower prices overall, however, there are some higher-value areas which tend to be new housing developments such as the Barratt Homes development at Dunstall Park in the west of the town and the Tamworth Golf Course to the east. Equally, some areas with a higher proportion of detached dwellings such as that in the north of Trinity ward also have higher values.

5.13 Higher median house prices are often reflective of the type of stock available. However, Lichfield sees higher prices for all types of property than Tamworth. The biggest difference between the two areas is within detached dwellings which cost £104,000 more in Lichfield than in Tamworth.

Table 5.3 **House Price by Type (Year to March 2023)**

Mar-23	Overall	Detached	Semi	Terrace	Flat
Lichfield	£299,998	£450,000	£270,000	£230,000	£155,000
Tamworth	£234,473	£345,500	£230,000	£186,100	£125,000
West Midlands	£237,500	£390,000	£240,000	£193,000	£133,500
England	£290,000	£440,000	£274,000	£240,000	£232,000

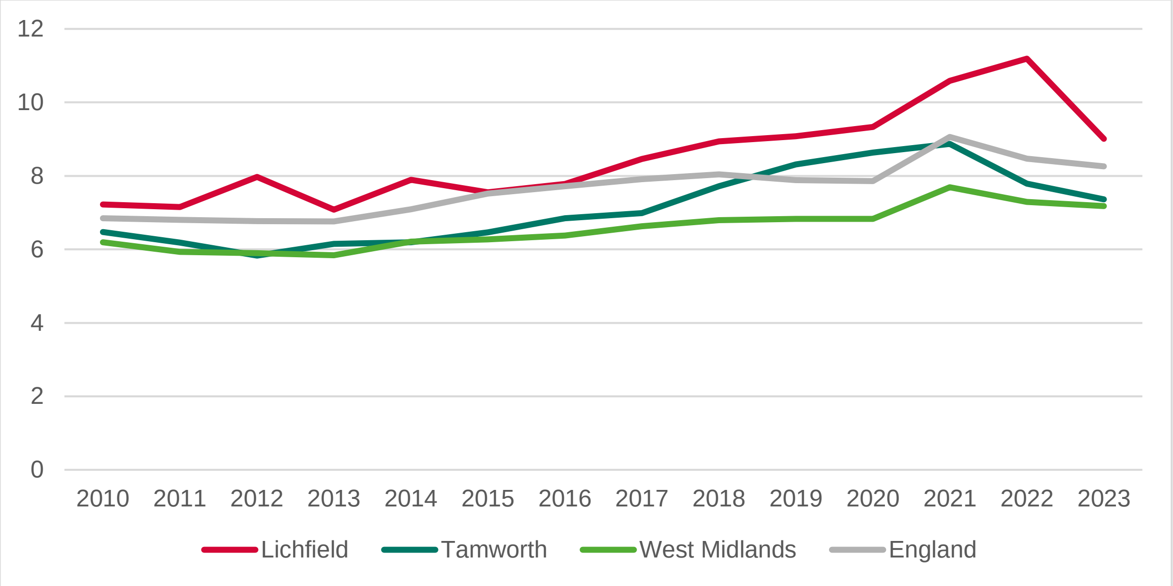
Source: ONS, HPSSA

Affordability

5.14 The figure below shows the change in ONS' workplace-based affordability ratio over time, this considers the median earnings of those working within an area compared to its median house prices. Lichfield's ratio is highest at 9.01 while Tamworth sits lower at 7.36. These compare to the regional figure of 7.18 and 8.26 across England.

5.15 Affordability has worsened over time as the ratio indicates that the growth in median earnings in the areas has not kept up with house price growth. Interestingly Lichfield has seen an improvement in affordability in the shorter term with the ratio decreasing from 11.19 in 2022, Tamworth also saw a decrease although it was not quite as high at 8.87 in 2021. Both of these may be a result of improvements to house prices post pandemic which can be linked to the end of the stamp duty holiday.

Figure 5.3 Affordability Ratio (Workplace Based)



Source: ONS

5.16 When the workplace and residence-based affordability ratios are compared it reveals that the residence-based ratio is more modest in both Lichfield and to a lesser degree in Tamworth. This suggests that many higher-paid residents commute out of the area to work.

Table 5.4 Workplace VS Residence Based Affordability Ratio

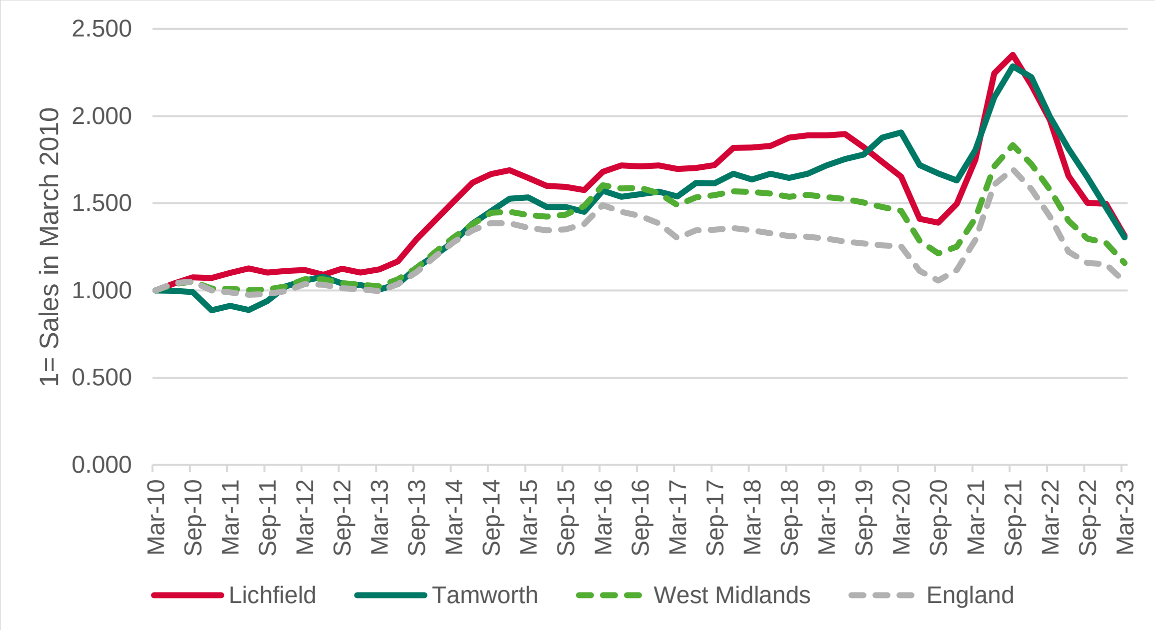
	Workplace Based	Residence Based	Difference (=WB-RB)
Lichfield	9.01	7.41	1.60
Tamworth	7.36	6.88	0.48
West Midlands	7.18	7.16	0.02
England	8.26	8.26	0.00

Source: ONS

Transactions

5.17 Looking then at the number of property sales within each area, this has been indexed in the figure below against the total sales of each area in March 2010. All areas have seen increases overall, although the sales seen in England and the West Midlands are now very close to the levels seen in 2010.

Figure 5.4 Indexed Property Sales



Source: ONS

5.18 In terms of trends, sales increased in all areas from 2013 to 2015 from which point they remained fairly static up until March 2020 when the initial Covid-19 lockdown saw a sharp fall in sales.

5.19 Sales then began to increase as a result of the government's stamp duty holiday and potentially pent-up demand but then saw a sharp fall again when this ended.

5.20 Sales in both Lichfield and Tamworth have continued to fall and at a much higher rate than the region and England although the previous growth locally was larger. This continued fall is almost certainly an impact of the cost of living crisis and increasing mortgage rates.

Estate Agent Engagement

5.21 Iceni Projects has undertaken research speaking to estate agents operating in the study area. The analysis below reflects current market conditions at the time of the assessment in August 2024. It should be noted that this data is provided anecdotally and may therefore reflect the market the agents operate in and may also contradict data set out elsewhere in this section.

Lichfield

5.22 In general, Lichfield's housing market is performing well. Local sales agents indicated steady buyer demand. In August, agents at Lovett and Co. claimed that demand was increasing as interest rates fell. Although somewhat contrary to this the market has slowed slightly due to the summer holidays, but this was an expected drop.

5.23 First-time buyers relocating from surrounding areas compose a significant portion of this demand. The agents also claim that these buyers are attracted to the areas due to the affordability of the housing stock and the good transport links.

5.24 The most in-demand properties are 2-bedroom homes and separately semi-detached houses. Larger properties (4 bedroom plus) are performing less well, potentially due to the buyer profile at the current time.

5.25 Agents at Newton and Co. suggested that house prices have gone down in the past year with many properties being reduced or sold below asking price. Lovett and Co, however, indicated that popular properties like 2-bed semi-attached houses are achieving the asking price or over.

5.26 The typical house price threshold in this area is £250,000 according to Newton and Co. and £300,000 according to Lovett and Co., illustrating a range of affordability across the market.

5.27 No significant gaps in the housing market were immediately identified by agents due to a variable mix of property types and sizes.

Tamworth

5.28 Tamworth sales agents reported a stable buyer demand. The buyer profile is largely composed of couples and families with young children from both the local area and nearby who are looking for more affordable properties or work opportunities.

5.29 Agents at Better Homes indicated that 3–4-bedroom properties are in the highest demand and do not stay on the market for longer than a month or two. However, agents at Next Place, indicated a high demand for 2–3-bedroom homes and semi-detached properties. Although these views are somewhat contradictory they may well reflect the specific market (location/value) these agents operate in.

5.30 Agents at Better Homes suggested that the recent UK elections and interest rates are having a significant impact on house sales. While the market is performing better than in 2023, it is still slower than pre-pandemic levels. Agents at Next Place attribute this slowing to mortgage rates.

5.31 Due to these factors, an agent reported that properties are selling at about £5-10,000 below market price. This differs from agents at Next Place who reported that properties are selling at the asking price.

5.32 The average cost of housing varied across agents from about £150,000 – £280,000.

Housing Market Summary

5.33 The median house price in Lichfield (£299,998) is higher than in Tamworth (£234,473), the West Midlands, and England as a whole. This pattern emerges for all types of homes

5.34 At 75% Tamworth has experienced the highest percentage growth in house prices over the past decade of those areas studied, surpassing Lichfield (68%), the West Midlands (63%), and England (57%). Despite the higher percentage growth, the largest absolute growth in house prices occurred in Lichfield.

5.35 Lichfield has a higher affordability ratio than Tamworth, meaning that housing is relatively less affordable. Interestingly, there is a difference between workplace-based and residence-based affordability ratios. This difference is particularly pronounced in Lichfield (1.60), suggesting that a significant portion of residents commute out to higher-paid jobs.

6. ECONOMIC BASELINE

6.1 This section considers the economic baseline for Lichfield and Tamworth. Looking at employment rates and sectors, earnings among the population as well as qualification and occupation levels.

Macro Economic Outlook and Trends

6.2 Currently the UK is navigating a complex economic environment. Several key factors including the wars in Russia/Ukraine and the Middle East, the lingering impact of Brexit and general political uncertainty, which has now ended but have influenced the landscape, leading to an overall cost of living crisis as a result of inflationary pressures and high interest rates.

6.3 In terms of inflation, rates have been a major concern peaking in 2022 and gradually declining but remaining above the Bank of England's target. Price pressures continue in sectors like food and energy, leading to ongoing cost-of-living challenges. The Bank of England's decision to increase interest rates in response to this has increased borrowing costs for households and businesses although its most recent move in early November was to reduce interest rates.

6.4 Economic growth has been reasonably moderate following a period of stagnation. However, the growth rate remains subdued compared to pre-pandemic levels, influenced by global economic conditions and domestic uncertainties. The labour market has also been impacted by concerns that wage growth is not able to keep pace with inflation.

Employment

6.5 In 2023 there were 84,000 jobs in the study area. Of these, 54,000 were in Lichfield and 30,000 were in Tamworth. This is an increase of around 3,000 jobs across the study area since 2015 although the local authorities have fared differently.

6.6 Lichfield has also seen a growth of 4,000 jobs or 8% between 2015 and 2023 (when the last data is available). Tamworth on the other hand has seen a decline in employment of -1,000 or -3.2%. Both Lichfield and Tamworth have fallen behind the growth seen in other areas, the HMA for example has seen growth of 9.0%.

6.7 This lack of growth could be a result of several elements, potentially location-specific or the changing nature of certain sectors, automation for example that could- reduce the number of employees a business needs to run effectively.

Table 6.1 **Change in Employment**

	2015	2023	2015-23 Change	% Change
Lichfield	50,000	54,000	4,000	8.0%
Tamworth	31,000	30,000	-1,000	-3.2%
GB&BC HMA	1,405,000	1,531,000	126,000	9.0%
West Midlands	3,263,000	3,632,000	369,000	11.3%
England	25,934,000	28,248,000	2,314,000	8.9%

Source: BRES

Employment by Sector

6.8 The table below looks at the sectoral split of jobs in Lichfield, Tamworth and the region. Across both areas, Wholesale and retail see a significant proportion of jobs although the proportion in Tamworth (26.5%) is much higher than in other areas (West Midlands 15.3%). Whilst Lichfield also sees a high proportion in this sector (12.9%), this is matched by transport & storage, admin & support and healthcare.

Table 6.2 **Sector Split (2023)**

	Lichfield		Tamworth		W. Mids	
	Absolute	%	Absolute	%	Absolute	%
Agriculture etc.	1,250	2.3%	10	0.0%	43,000	1.5%
Mining etc.	30	0.1%	0	0.0%	700	0.0%
Manufacturing	4,500	8.3%	4,000	13.3%	275,000	9.9%
Utilities	5	0.0%	0	0.0%	13,000	0.5%
Water and Waste	400	0.7%	150	0.5%	25,000	0.9%
Construction	3,500	6.5%	1,750	5.8%	126,000	4.5%
Wholesale and retail	7,000	12.9%	8,000	26.5%	424,000	15.3%
Transport and storage	5,000	9.2%	2,250	7.5%	166,000	6.0%
Hospitality	3,500	6.5%	1,750	5.8%	206,000	7.4%
Info and comms	1,250	2.3%	1,000	3.3%	82,000	3.0%
Finance	500	0.9%	600	2.0%	58,000	2.1%
Real estate	700	1.3%	300	1.0%	48,000	1.7%
Pro, Sci, Tech	6,000	11.1%	1,750	5.8%	224,000	8.1%
Admin and support	6,000	11.1%	3,000	9.9%	238,000	8.6%
Public admin and defence	2,500	4.6%	600	2.0%	114,000	4.1%
Education	4,000	7.4%	2,000	6.6%	240,000	8.6%
Healthcare	5,000	9.2%	1,750	5.8%	369,000	13.3%
Other	1,750	3.2%	800	2.7%	65,000	2.3%
Total	1,250	2.3%	450	1.5%	58,000	2.1%

Source: BRES 2023

6.9 Healthcare is also a key sector within the region (13.3%), but this is not so much the case within Tamworth (5.8%) and Lichfield (9.2%). This could relate to the younger population in Tamworth specifically but also a lack of a major hospital in both areas.

6.10 Manufacturing jobs are also key; proportionally they are higher in Tamworth (13.9%) than in Lichfield (9.8%), but a higher number overall is seen in Lichfield (5,000 jobs compared to 4,000 jobs). The table below breaks down the type of manufacturing undertaken in each area. It should be noted that the table only covers the key manufacturing types across Lichfield and Tamworth.

6.11 In both areas the manufacturing of plastics products is largest at 10.3% of all manufacturing jobs in Lichfield and almost a quarter in Tamworth. Between the two locations, there are over 1,000 jobs in this field.

6.12 Other key areas of manufacturing include the manufacturing of general-purpose machinery in Lichfield which accounts for 16.2% of jobs. In Tamworth, the manufacturing of car parts and accessories accounts for 10.6% of jobs.

6.13 Other key areas of manufacturing which are shared by the two areas include structural metal products, basic iron and steel and ferro-alloys, products of wood, cork and straw and cutlery, tools and general hardware.

Table 6.3 **Lichfield - Key Manufacturing Sectors (2023)**

	Absolute	%
General purpose machinery (inc. Other)	475	16.2%
Plastics products	300	10.3%
Articles of paper and paperboard	225	7.7%
Structural metal products	200	6.8%
Beverages	200	6.8%
Basic iron and steel and Ferro-alloys	150	5.1%
Products of wood, cork and straw	125	4.3%
Other food products	125	4.3%
Concrete, cement and plaster	125	4.3%
Cleaning Products	100	3.4%
Furniture	100	3.4%
Cutlery, tools and general hardware	75	2.6%

Source: BRES

Table 6.4 **Tamworth - Key Manufacturing Sectors (2023)**

	Absolute	%
Plastics products	800	24.2%
Car parts and accessories	350	10.6%
Other fabricated metal products	300	9.1%
Basic chemicals	200	6.0%
Electronic components	200	6.0%
Glass and glass products	200	6.0%
Products of wood, cork and straw	150	4.5%
Cutlery, tools and general hardware	150	4.5%
Paints, varnishes and coatings	100	3.0%
Car bodies and trailers	100	3.0%
Dairy products	100	3.0%
Structural metal products	75	2.3%
Basic iron and steel and of ferroalloys	75	2.3%
Measuring and navigational instruments	75	2.3%

Source: BRES

6.14 The tables below look at the change in each sector from 2003 to 2023. In Lichfield, transportation & storage sees the highest growth across the 10 and 20-year periods, this is followed by professional services. This is linked to the increased reliance on distribution jobs at places such as Fradley Park.

6.15 Conversely, a decline has been seen in finance & insurance as well as agriculture and manufacturing with almost 2,000 jobs lost in the latter. This could be linked to automation in both of the latter two sectors.

Table 6.5 **Lichfield - Change in Jobs by Sector ('000s)**

	2003	2013	2023	10-year change	20-year change
Accommodation, Food Services & Recreation	4.8	5.4	6.1	13.0%	27.1%
Agriculture, Forestry & Fishing	1.0	1.1	0.7	-36.4%	-30.0%
Construction	3.8	4.2	4.9	16.7%	28.9%
Extraction & Mining	-	-	-	-	-
Finance & Insurance	1.0	0.8	0.6	-25.0%	-40.0%
Information & communication	1.3	1.2	1.2	0.0%	-7.7%
Manufacturing	7.3	4.9	5.4	10.2%	-26.0%
Professional & Other Private Services	7.2	10.8	14.6	35.2%	102.8%
Public Services	9.0	10.4	13.3	27.9%	47.8%
Transport & storage	2.2	2.6	5.0	92.3%	127.3%
Utilities	0.4	0.5	0.6	20.0%	50.0%
Wholesale & Retail	7.0	7.5	7.1	-5.3%	1.4%

Source: Experian Data

6.16 In Tamworth, most sectors have seen a decline over the last 20 years although over the last 10 years, most have seen some degree of recovery. The Information & communication sector has seen the largest percentage growth in both 10 and 20 years, although the most recent 10 years have seen most of that growth. The only other sector of growth over the last 20 years was the wholesale and retail sector albeit this was only a very modest growth. In the last 10 years, the transport & storage sector has also seen a large proportion of growth.

Table 6.6 **Tamworth - Change in Jobs by Sector ('000s)**

	2003	2013	2023	10 yr change	20-year change
Accommodation, Food Services & Recreation	3.0	2.6	2.9	11.5%	-3.3%
Agriculture, Forestry & Fishing	0	0	0	0.0%	0.0%
Construction	3.1	2.5	2.6	4.0%	-16.1%
Extraction & Mining	0	0	0	-	-
Finance & Insurance	0.8	0.9	0.5	-44.4%	-37.5%
Information & communication	1.0	0.9	1.2	33.3%	20.0%
Manufacturing	8.8	4.4	4.8	9.1%	-45.5%
Professional & Other Private Services	7.6	7.1	6.9	-2.8%	-9.2%
Public Services	5.3	5.2	5.1	-1.9%	-3.8%
Transport & storage	2.7	1.9	2.5	31.6%	-7.4%
Utilities	0	0	0	0.0%	0.0%
Wholesale & Retail	7.5	8	7.6	-5.0%	1.3%

Source: Experian Data

Qualifications and Occupation Levels

6.17 The table below shows that Lichfield (45%) has a significantly higher proportion of residents qualified to degree level than Tamworth (26%). Conversely, Tamworth has far more residents (9%) that have poor GCSE scores or no qualification than Lichfield (2%).

Table 6.7 **Qualification Level (2023)**

	Degree Level (RQF4+)	A Level (RQF3 Only)	GCSE Level (A*-C) (RQF2 Only)	GCSE Level (D-G), Other or None
Lichfield	45%	24%	30%	2%
Tamworth	26%	24%	41%	9%
West Midlands	48%	21%	19%	13%
England	53%	20%	17%	10%

Source: ONS, APS

6.18 As the table below shows, both Lichfield and Tamworth have a lower level of residents than the West Midlands and England working in Level 1 employment although Lichfield (7%) has a significantly higher number than Tamworth (2%).

6.19 Similarly, those in level 2 occupations in Lichfield are in the greatest number and the percentage broadly matches that of the region and country. However, there is a lower percentage of Tamworth residents in Level 2 occupations and the largest occupation group in the town is Level 6.

Table 6.8 **Occupation Levels (2023)**

	Lichfield	Tamworth	West Midlands	England
Managers, directors and senior officials (Level 1)	7%	2%	9%	11%
Professional occupations (Level 2)	25%	18%	25%	27%
Associate professional (Level 3)	15%	14%	14%	15%
Admin and secretarial (Level 4)	7%	10%	9%	10%
Skilled trades (Level 5)	11%	11%	9%	9%
Caring, leisure and other services (Level 6)	3%	20%	9%	8%
Sales and customer service (Level 7)	7%	4%	6%	6%
Process, plant and machine operatives (Level 8)	6%	13%	7%	5%
Elementary occupations (Level 9)	20%	10%	11%	9%

Source: ONS, APS

6.20 Lichfield sees a very high proportion of residents (20%) working within elementary occupations (Level 9) than other areas including double the rate of Tamworth (10%). This suggests quite a diverse level of jobs in Lichfield District.

Unemployment

6.21 Lichfield (85.3%) and Tamworth (83.1%) both see a higher proportion of people who are economically active than the region (78.8%) and country (79%). Conversely, economic inactivity and unemployment are low in both areas. In Lichfield, although economic activity is higher than that of Tamworth, so too is unemployment.

Table 6.9 **Unemployment and Economic Activity (2023)**

	Economically Active	Economically Inactive	Unemployed
Lichfield	85.3%	14.7%	3.6%
Tamworth	83.1%	16.9%	3.3%
West Midlands	78.8%	21.2%	4.5%
England	79.0%	21.0%	3.8%

Source: ONS and APS (2023)

Earnings

6.22 Median earnings in Lichfield are higher than in Tamworth for both residents and those working in the area. This will be a reflection of the higher qualified population and the higher rate of employment in occupation levels 1 and 2.

6.23 In both Lichfield and Tamworth workplace-based earnings are less than residence-based, suggesting both areas see a level of out-commuting to higher-paid work.

Table 6.10 **Weekly Earnings - 2023**

	Residents			Workplace		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Lichfield	£567.00	£763.00	£1,025.10	£480.80	£623.60	£821.40
Tamworth	£524.00	£650.10	£815.80	£499.10	£589.10	£798.90
West Midlands	£500.90	£651.60	£881.60	£502.10	£650.70	£880.20
England	£519.50	£683.40	£946.20	£519.60	£683.50	£946.80

Source: ONS and ASHE (2023)

6.24 The difference between upper and lower quartiles can illustrate the level of inequality. Within Lichfield, residents sitting in the upper quartile earn approximately £458 more than those in the lower quartile. This compares to £380 across the West Midland and £295 in Tamworth. This is likely a reflection of the high level of employment in elementary occupations in Lichfield compared to the other areas.

Number of Businesses

6.25 In Lichfield there are 4,820 registered businesses, double that of Tamworth at 2,220. This equates to approx. 3% of all businesses within the West Midlands, 2.2% in Lichfield and 1% in Tamworth. The higher number of businesses in Lichfield can be down partly to its larger overall size as well as its larger population.

Table 6.11 **Business Count (2024)**

	Business Count (2024)
Lichfield	4,820
Tamworth	2,220
West Midlands	216,135
England	2,368,350

Source: ONS Business Count

6.26 The figure below considers the indexed number of businesses over time, where the index is the total number of businesses in each area in 2010. As can be seen, although both Lichfield and Tamworth have seen growth in this period it does fall behind that seen in the region and country.

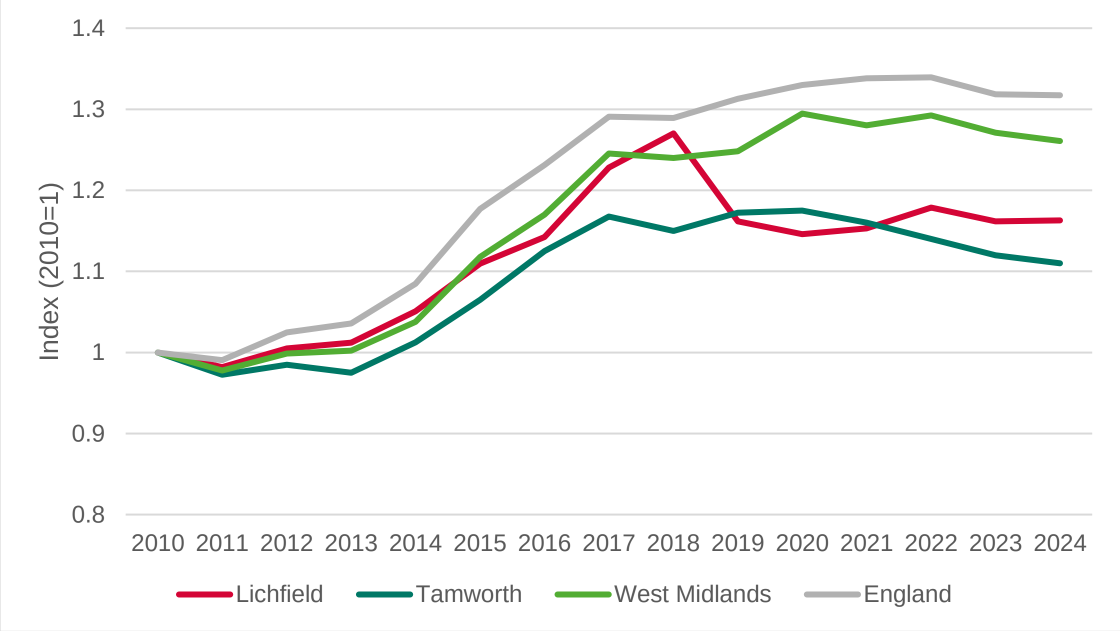
6.27 Although it should be noted that these areas will include urban areas such as Birmingham or London which will naturally see a higher number of businesses based there.

6.28 Lichfield saw growth from 2010 up to 2018, matching that of the West Midlands. However, a sharp decline was seen between 2018 and 2019 of approximately 450 businesses (5,265 declining to 4,815), from which point the trend in the number of businesses has matched that of the region and England and remained static.

6.29 While Tamworth saw an increase in the number of businesses from 2010 to 2017 there has been no significant growth since. In fact, the more recent trend from 2020 onwards is one of slight decline with there being 130 fewer businesses in 2024 compared to 2020.

6.30 The lack of growth in business numbers is not necessarily a cause for concern as it does not necessarily mean that the number of jobs available in an area is not growing.

Figure 6.1 Indexed Business Growth (2010-24)



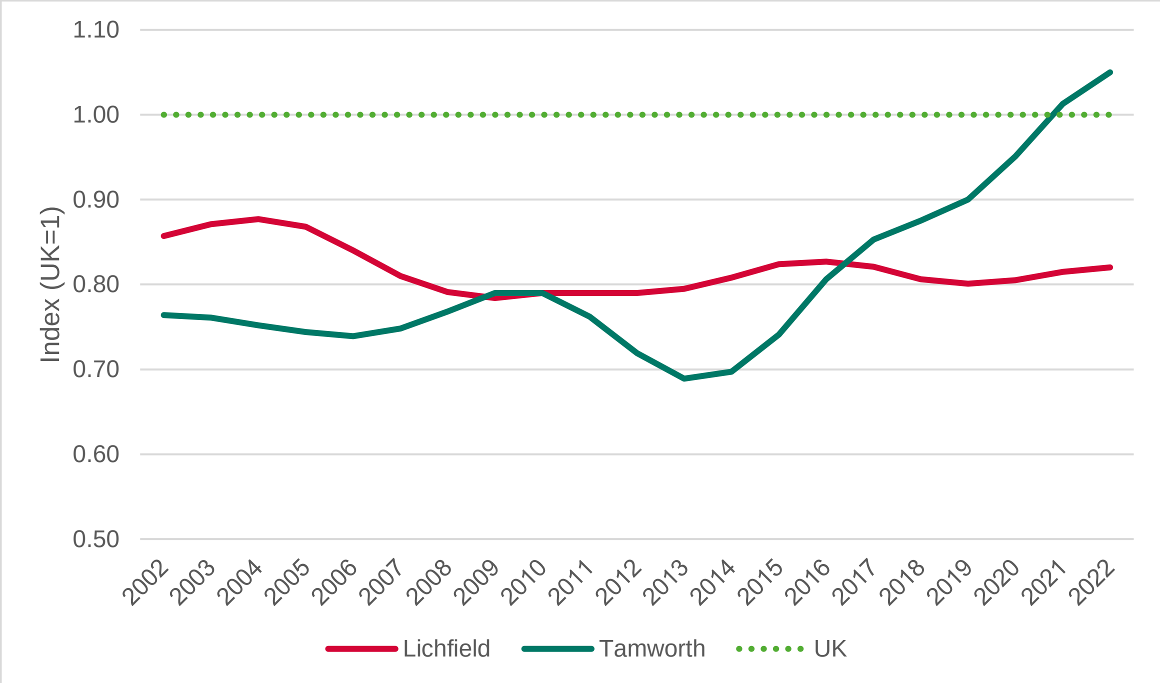
Source: ONS Business Count

Productivity

6.31 Looking then at the productivity of businesses in Lichfield and Tamworth, the figure below shows the indexed Gross Value Added (GVA) per filled job over time (where the index is the overall UK figure for that year).

6.32 Up until 2021 the GVA in both areas were below that of the UK overall, however in Tamworth, it has now exceeded that of the UK. Although Tamworth has a smaller and slightly declining number of businesses, it is more productive per job than both the UK overall and Lichfield. The 2022 GVA for Tamworth was £64,788 per job compared to £50,604 in Lichfield and £61,729 in the UK overall.

Figure 6.2 Indexed GVA per job (2002-2022)



Source: ONS Labour Productivity data

Survival Rates

6.33 The table below shows the proportion of businesses that have survived at least 1 to 5 years. Looking at 1-year survival, Lichfield sees a slightly higher proportion than Tamworth and the other areas, although at 2% the difference is minimal.

6.34 The gap widens at 2 years with Lichfield again seeing the highest survival rate, followed by Tamworth, both exceed the West Midlands and England averages with the West Midlands seeing the lowest rate of survival 13% lower than Lichfield.

6.35 At 3 years, Lichfield again sees the highest survival rate at 64%, followed by Tamworth at 59% with the gap between Lichfield and the West Midlands increasing to 19%. It is at the four-year point, this begins to change with the rate in Lichfield sitting at 51%, only 1% higher than Tamworth at 50% and 9% higher than the region at 42%.

6.36 At 5 years this becomes more apparent with survival in Lichfield falling significantly to 39%, less than Tamworth at 48%. Although, it should be noted that while this drop is significant it does largely match that seen in England overall.

6.37 As a result, it is not necessarily an indicator of an issue in Lichfield in particular that would cause businesses to fail but does indicate that generally there is a need to support businesses at this point.

Conversely, it does indicate that businesses in Tamworth are more likely to survive the 5 years and do well in this regard compared to the region and England.

Table 6.12 Business Survival, 1-5 years

Survived at least…	Lichfield	Tamworth	West Midlands	England
1 year - Born in 2021	95%	93%	93%	94%
2 years – Born in 2020	79%	74%	66%	71%
3 years – Born in 2019	64%	59%	45%	56%
4 years - Born in 2018	51%	50%	42%	47%
5 years - Born in 2017	39%	48%	35%	39%

Source: ONS Business Dynamism Statistics

Size of Businesses

6.38 In all areas most businesses fall into the Micro size category of up to 9 employees, however when compared to England overall the proportion in Tamworth is lower while the proportion in Lichfield is very similar.

6.39 This may be a factor of Tamworth having less of a rural area than Lichfield, the region and the county as businesses in rural locations are often smaller. As a result of the smaller percentage of Micro businesses Tamworth sees higher proportions of Small (10-49 employees) and Medium-sized (50-249) businesses than Lichfield and the wider areas.

Table 6.13 Business Size (2024)

	Lichfield	Tamworth	West Midlands	England
Total	4,820	2,220	216,135	2,368,350
Micro (0 to 9)	89.1%	86.5%	88.9%	89.2%
Small (10 to 49)	8.7%	11.0%	9.0%	8.7%
Medium-sized (50 to 249)	1.7%	2.0%	1.6%	1.6%
Large (250+)	0.5%	0.5%	0.4%	0.4%

Source: ONS Business Count data

Economic Baseline - Summary

6.40 In 2023 there were 54,000 jobs in Lichfield and 30,000 were in Tamworth. This is an increase of around 1,000 jobs across the study area since 2015.

6.41 Lichfield saw an 8% increase in employment (+4000 jobs) from 2015 to 2023, while Tamworth experienced a 3.2% decline (-1,000 jobs) over the same period.

6.42 The dominant employment sector in both areas is wholesale and retail, followed by manufacturing and health. Lichfield residents have higher weekly earnings compared to Tamworth residents.

However, both Lichfield and Tamworth have lower median weekly earnings compared to the West Midlands and England.

6.43 There are notable differences in weekly earnings when comparing workplace-based incomes to resident-based incomes, Suggesting that people are commuting out of Lichfield and Tamworth for higher-paying jobs.

7. HOUSING NEED

Introduction

7.1 This section of the report considers overall housing need set against the December 2025 NPPF and Planning Practice Guidance (PPG) – specifically the Standard Method for assessing housing need.

7.2 The government's policy objectives in terms of housing are clear, including to:

- get Britain building again, to build new homes, create jobs, and deliver new and improved infrastructure;
- take a brownfield first approach and then release low-quality grey belt land, while preserving the Green Belt;
- boost affordable housing, to deliver the biggest increase in social and affordable housebuilding in a generation;
- bring home ownership into reach, especially for young first-time buyers; and
- promote a more strategic approach to planning, by strengthening cross-boundary collaboration, ahead of legislation to introduce mandatory mechanisms for strategic planning;

7.3 Prior to the publication of the new NPPF, a consultation document was published which stated:

> *'We must deliver more affordable, well-designed homes quickly. We are changing national policy to support more affordable housing, including more for Social Rent, and implementing golden rules to ensure development in the Green Belt is in the public interest. Promoting a more diverse tenure mix will support the faster build-out we need'.*

7.4 The revised Standard Method seeks to support the ambition to deliver 1.5 million homes over the next five years (300,000 per annum on average) with the method seeking to provide a *'more balanced distribution of homes across the country, by directing homes to where they are most needed and least affordable, and ensure that all areas contribute to meeting the country's housing needs'*. The new Standard Method actually sums to 371,000 homes per annum nationally (across England).

7.5 It is further suggested that *'High and rapidly increasing house prices indicate an imbalance between the supply of and demand for new homes, making homes less affordable. The worsening affordability of homes is the best evidence that supply is failing to keep up with demand'*.

7.6 Looking beyond overall housing numbers, the new Standard Method seeks to deliver a high proportion of affordable housing, particularly social rented housing. This includes a recommendation on Green Belt land that *'in the case of schemes involving the provision of housing, at least 50% affordable housing, with an appropriate proportion being Social Rent,* ***subject to viability****'* [emphasis added].

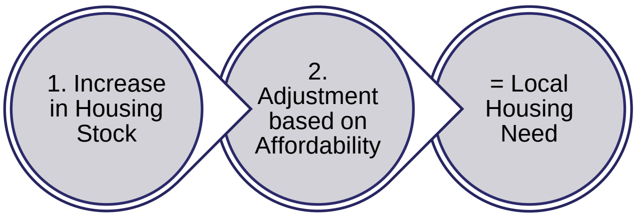
7.7 The Standard Method

7.8 The starting point for assessing housing need is the standard methodology, which is clearly set out by the Government in Planning Practice Guidance. The two-step process is illustrated in the figure below and worked through below for Lichfield and Tamworth.

7.9 The Standard Method figures produce an estimate of 'housing need' and later in this section projections have been developed to consider the population implications of housing delivery in line with this number.

7.10 The Standard Method is a simplified variation of the previous standard method. Step 1 seeks to grow the housing stock in each area by a flat 0.8% growth per annum.

Figure 7.1 Overview of the Standard Method for Calculating Local Housing Need



7.11 Step 2 is an affordability uplift which uses an average of the last five years' affordability ratios and for each 1% the average ratio is above 5 the housing stock baseline is increased by 0.95%, with the calculation being as follows:

$$\boldsymbol{Adjustment\ Factor = \frac{Affordability\ Ratio - 5}{5} x0.95}$$

<u>Step 1: Housing Stock Baseline</u>

7.12 The first step in considering housing need against the standard method is to establish a baseline of housing stock. This is derived from Live Table 125 which is published annually (but also updated regularly).

7.13 The stock baseline is drawn from the MHCLG Live Table 125. The PPG in Para 2a-005 directs that ‘the most recent data published at the time should be used.’ The latest data on the housing stock position is for 2023. The stock baseline is calculated as 0.8% of existing stock.

Step 2: Affordability Adjustment

7.14 The affordability adjustment is then applied to the baseline figure, based on the average median (workplace-based) house price to income ratio over the last 5 years, which at the current time is for 2019-24.

7.15 The average median affordability ratio over the last five years in Lichfield was 9.84 meaning that homes were 9.84 times the average annual earnings of those working in Lichfield. For Tamworth, the figure was lower at 8.19. Putting these figures through the adjustment calculation results in an increase of 192% and 161% respectively.

7.16 These uplifts result in a housing need of 745 dwellings per annum (dpa) for Lichfield and 445 dpa for Tamworth. How these figures have been derived is shown in the Table below.

Table 7.1 **Revised Standard Method Calculation**

	Lichfield	Tamworth
Housing Stock, 2023	48,514	34,655
0.8% Stock Baseline (Step 1)	388	277
Average Median Affordability Ratio, 2019-23	9.84	8.19
Affordability Uplift	192%	161%
Local Housing Need (Step 2)	745	445

Source: Iceni Projects and MHCLG

Locally Specific Analysis

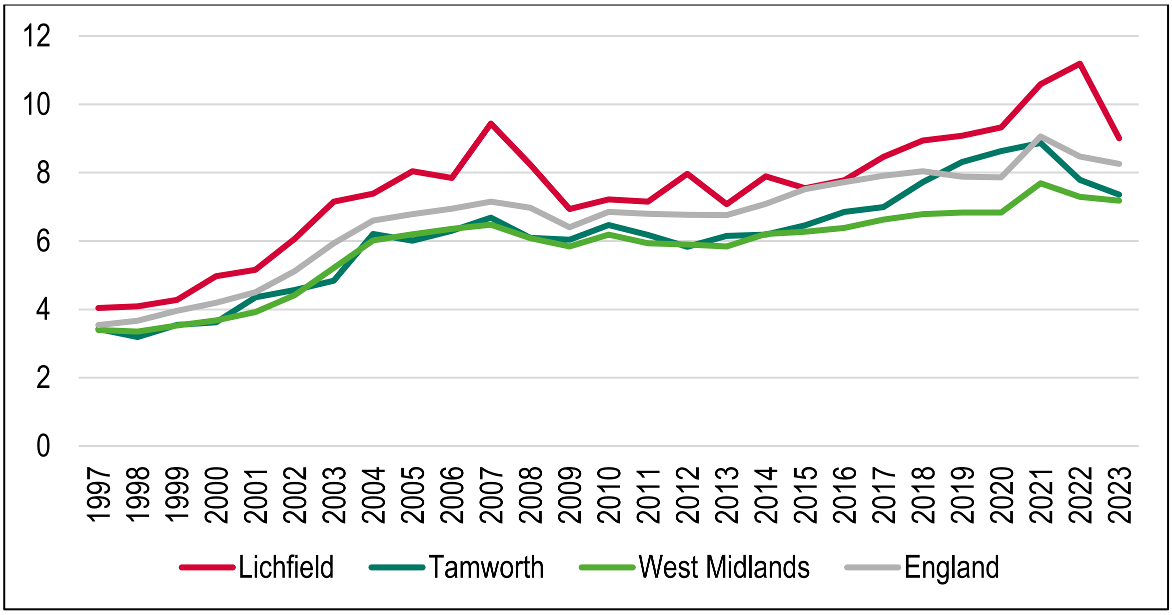
7.17 The section below looks at a range of data relating to Lichfield and Tamworth to look at the implications of high housing need figure being suggested by the new Standard Method. This is then followed by a review of recent demographic trends and the development of projections under different scenarios for growth.

7.18 One key reason why the Government is seeking to deliver more homes is to improve the affordability of housing – this is specifically in relation to market housing to buy. The figure below shows the workplace house price-to-income affordability ratio – which is the main measure of affordability used by the Government.

7.19 This shows across both areas a substantial increase in the ratio up to about 2007, with very little change or a reduction in the 2007-2013 period. Since 2013, there have been modest increases in the ratio.

7.20 For both areas the current affordability ratio is very similar to the level seen in 2007 (over 15 years ago) suggesting (under the Government's view) that housing delivery has been at least sufficient to prevent worsening affordability (in Lichfield the ratio in 2007 was 9.44 and currently stands at 9.01; for Tamworth, the figures are 6.68 and 7.36 respectively).

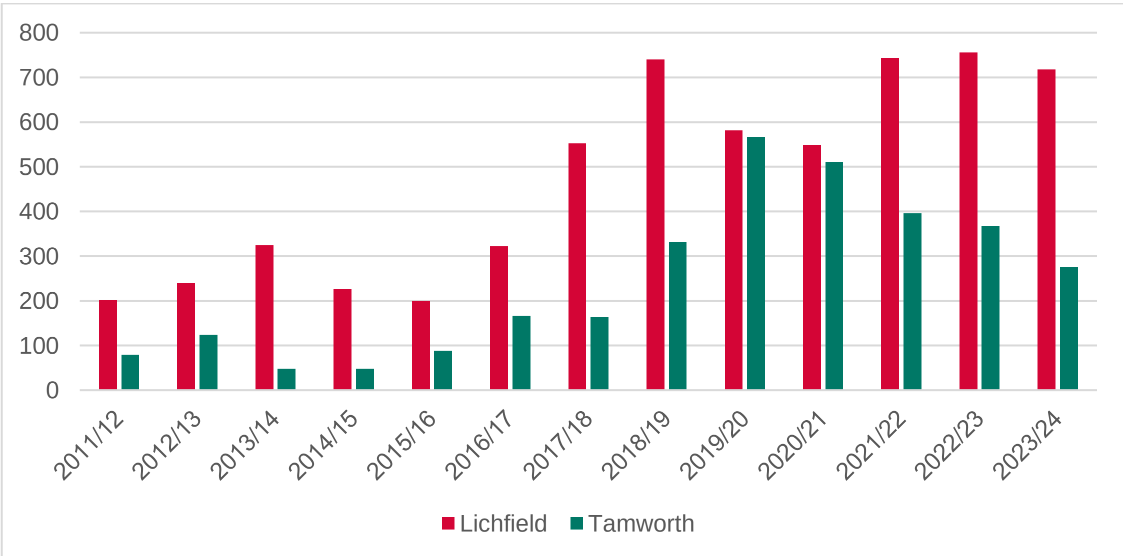
Figure 7.2 Workplace affordability ratio (1997-2023)



Source: ONS

7.21 The figure below shows the number of net additional dwellings in Lichfield and Tamworth; for Lichfield, these have averaged 669 per annum over the past 5-years and 539 over the past decade. In Tamworth, an average of 443 dwellings per annum have been delivered over the past five years, up from an average of 291 for the previous decade.

Figure 7.3 Net completions (2011/12-2023/24) – Lichfield and Tamworth



Source: Council Monitoring Data

7.22 Were the high numbers in the Standard Method to be provided it is likely this would have a notable impact on the demographic profile of the area – this is discussed in more detail later in this section with the narrative below looking at the broad implications of a higher housing number.

7.23 The Planning Practice Guidance (PPG) changed upon the introduction of the new Standard Method and provides some indication of why the Government sees a need to increase housing delivery[9]. Paragraph 006 (Reference ID: 2a-006-20190220) states:

> *‘Why is an affordability adjustment applied?*
>
> *An affordability adjustment is applied as housing stock on its own is insufficient as an indicator of future housing need because:*
>
> - *housing stock represents existing patterns of housing and means that all areas contribute to meeting housing needs. The affordability adjustment directs more homes to where they are most needed*
>
> - *people may want to live in an area in which they do not reside currently, for example, to be near to work, but be unable to find appropriate accommodation that they can afford.*
>
> *The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.’*

7.24 The previous PPG also stated that an affordability uplift is required because *‘household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live’* and it is arguably interesting that this has now been removed.

7.25 Essentially, the Government considers that by providing more homes there is the opportunity for increased migration to an area to fill the homes although the possibility (despite being removed from the PPG) for more households to form could also be a consideration.

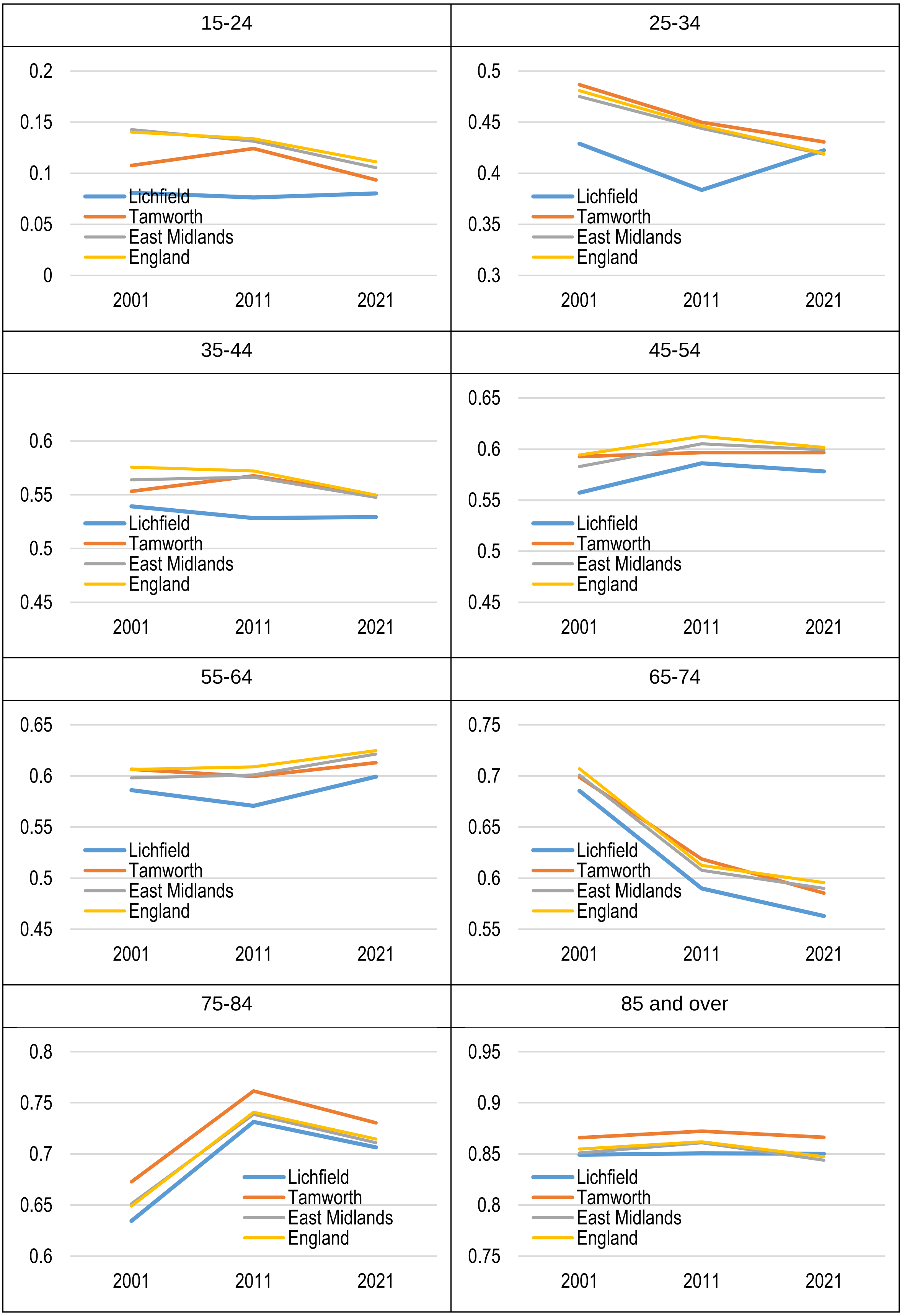
7.26 In reality there is a further possibility – that homes are built but not occupied (or at least the number of additional households in an area does not match the increase in homes). Below we discuss these possibilities.

[9] https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments

Household formation and vacant homes

7.27 It has been long observed through the Census that the proportion of younger people who have their own accommodation has been falling, and it seems from the previous PPG that the Government considers delivery of more homes will allow more households to access the market. The figure below shows the proportion of the population in a range of age groups who are a household reference person (HRP) – essentially the head of household – from each of the last three Census.

Figure 7.4 Change in household representative rates by age 2001-21



Source: ONS

7.28 This does indeed show for younger age groups (particularly those aged 25-34 in Tamworth) that the proportion who are a household has been falling over time – this is a pattern seen in Tamworth, to a much lesser extent in Lichfield as well as across the region and nationally.

7.29 Generally, the reductions seen in Lichfield and Tamworth are slightly less pronounced than seen in other areas – suggesting that the degree to which households are 'suppressed' is not as great in the two areas.

7.30 There is limited evidence that delivery of new homes makes accommodation more affordable and therefore improves household formation within Lichfield and Tamworth.

7.31 In part, this is likely to be due to the types of homes delivered; if for example there was the delivery of a large number of social rented homes then it is quite likely that additional households would be able to form but providing mainly market accommodation is not going to assist those who are unable to afford market housing.

7.32 To some extent the table below demonstrates this by looking at how the number of households in different tenures has changed over the 2001-21 period. Across Tamworth, there has been a notable reduction in the size of the social rented stock (increasing in Lichfield and falling modestly across the region) suggesting that the opportunities for households whose affordability is more marginal to form have been quite limited and again do not really point to the delivery of new market homes as allowing new formation.

7.33 More notable for both areas are the substantial decreases in the number of owners with a mortgage and the rapid increase in the size of the private rented sector, suggesting that rather than household formation being constrained, it has simply shifted from owner-occupation to private renting – again pointing to a need for affordable housing rather than simply more market homes to buy.

Table 7.2 Change in tenure (2001-2021)

Lichfield				
	2001	2011	2021	% change (2001-2021)
Owns outright	12,811	15,948	18,902	47.5%
Owns with mortgage	16,922	15,449	14,973	-11.5%
Social rented	5,059	5,446	5,932	17.3%
Private rented	2,708	4,381	5,825	115.1%
Tamworth				
	2001	2011	2021	% change (2001-2021)
Owns outright	7,098	8,790	10,967	54.5%
Owns with mortgage	14,395	12,943	11,303	-21.5%
Social rented	6,234	6,108	5,926	-4.9%
Private rented	1,653	3,776	4,699	184.3%
West Midlands				
	2001	2011	2021	% change (2001-2021)
Owns outright	651,389	740,899	836,014	28.3%
Owns with mortgage	846,677	763,425	709,279	-16.2%
Social rented	443,644	435,170	443,332	-0.1%
Private rented	211,962	355,415	440,869	108.0%
England				
	2001	2011	2021	% change (2001-2021)
Owns outright	5,969,670	6,745,584	7,624,693	27.7%
Owns with mortgage	8,084,452	7,403,200	6,980,323	-13.7%
Social rented	3,940,728	3,903,550	4,005,663	1.6%
Private rented	2,456,577	4,011,034	4,825,406	96.4%

Source: ONS (Census)

7.34 In terms of the possibility that homes just become vacant, the table below shows some quite notable statistics. Again, drawing on the Census, the analysis looks at the number of dwellings in a range of areas and the proportion that are vacant. In general, the proportion of vacant homes has been rising.

7.35 In Tamworth over the last 20 years, the Census records an increase in dwellings of 4,162 and an increase in vacant homes of 647 – the building of additional homes has not seen an equivalent increase in households forming. In Lichfield, the number of vacant homes has increased, but the vacancy rate remains broadly the same (having increased 2001-2011 and then dropped in the 2011-21 period).

7.36 Arguably the more interesting statistic is at a national level where over the decade to 2021 an additional 1.95 million dwellings are recorded, but only 1.37 million additional households. New homes therefore have an equivalent vacancy rate of 30%.

7.37 It is not necessarily the new homes that are being left vacant, but it is clear that new delivery is actually seeing vacancy increase rather than just allowing more households to form.

Table 7.3 Number of dwellings, households and vacant dwellings (2001, 2011 and 2021)

Lichfield				
	Dwellings	Households	Vacant	% vacant
2001	38,718	37,500	1,218	3.1%
2011	43,168	41,224	1,944	4.5%
2021	47,015	45,632	1,383	2.9%
Tamworth				
	Dwellings	Households	Vacant	% vacant
2001	29,730	29,380	350	1.2%
2011	32,260	31,617	643	2.0%
2021	33,892	32,895	997	2.9%
West Midlands				
	Dwellings	Households	Vacant	% vacant
2001	2,224,651	2,153,672	70,979	3.2%
2011	2,376,728	2,294,909	81,819	3.4%
2021	2,551,096	2,429,494	121,602	4.8%
England				
	Dwellings	Households	Vacant	% vacant
2001	21,206,804	20,451,427	755,377	3.6%
2011	22,976,066	22,063,368	912,698	4.0%
2021	24,927,591	23,436,085	1,491,505	6.0%

Source: ONS (Census)

7.38 From the analysis above, it is suggested that if a higher number of homes is delivered (in Lichfield/ Tamworth or more generally) it has the potential to drive an increase in vacant homes rather than improve household formation.

7.39 The other possibility is that additional dwelling delivery could drive an increase in net in-migration, as people move to the area to fill new homes. The analysis below seeks to look at the implications on population growth and migration of delivery at the Standard Method (as well as a trend-based analysis), where there to be no increase in vacancy rates. The analysis starts with a review of local demographic trends.

Population

7.40 As of mid-2023 (the latest date for which ONS has published mid-year population estimates (MYE)), the population of Lichfield is estimated to be 110,200, with 80,300 people in Tamworth. In Lichfield this is a growth of around 8,400 people over the previous decade, equating to a growth of around 8.2% since 2013 which is a slightly higher rate of growth than that seen across the region (7.2%) and nationally (7.0%). In Tamworth, population growth has been more modest – increasing by 3,000 people (3.8%) in the 2013-23 decade.

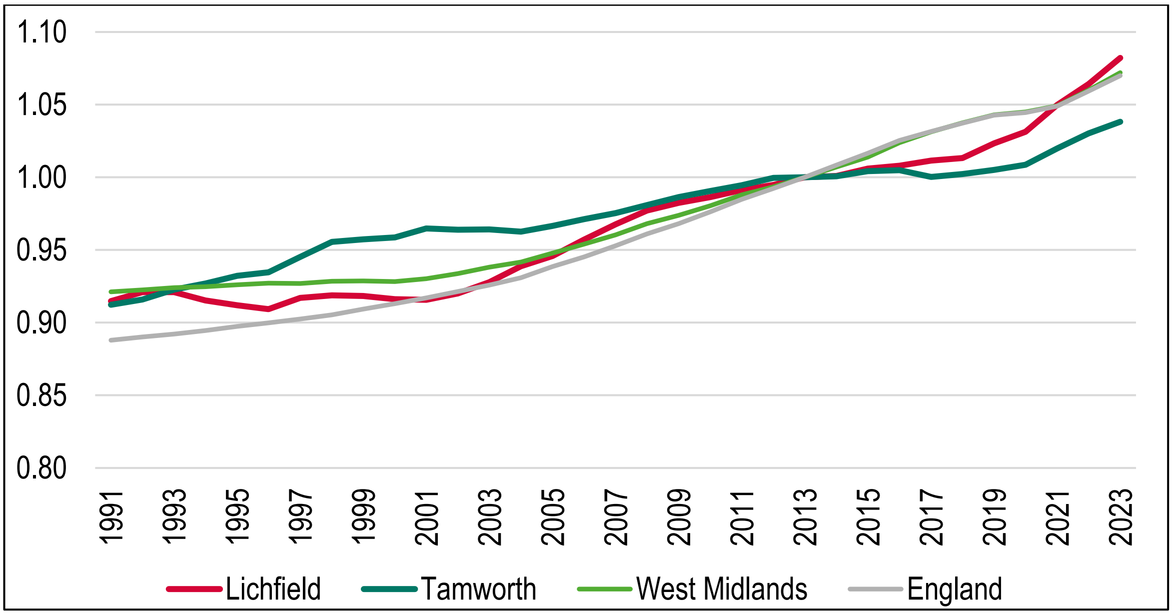
Table 7.4 **Population change (2013-23)**

	2013	2023	Change	% change
Lichfield	101,808	110,173	8,365	8.2%
Tamworth	77,308	80,263	2,955	3.8%
West Midlands	5,676,945	6,085,687	408,742	7.2%
England	53,918,686	57,690,323	3,771,637	7.0%

Source: Mid-year population estimates

7.41 The figure below shows an indexed population change back to 1991 (index to 1 in 2013). This shows variable growth in both areas in the period studied. Over the longer term (back to 1991) population growth in both areas have been lower than seen nationally. The data also shows a notable increase in population since 2021, although this is a feature also seen regionally and nationally.

Figure 7.5 Indexed Population Change – 1991-2023

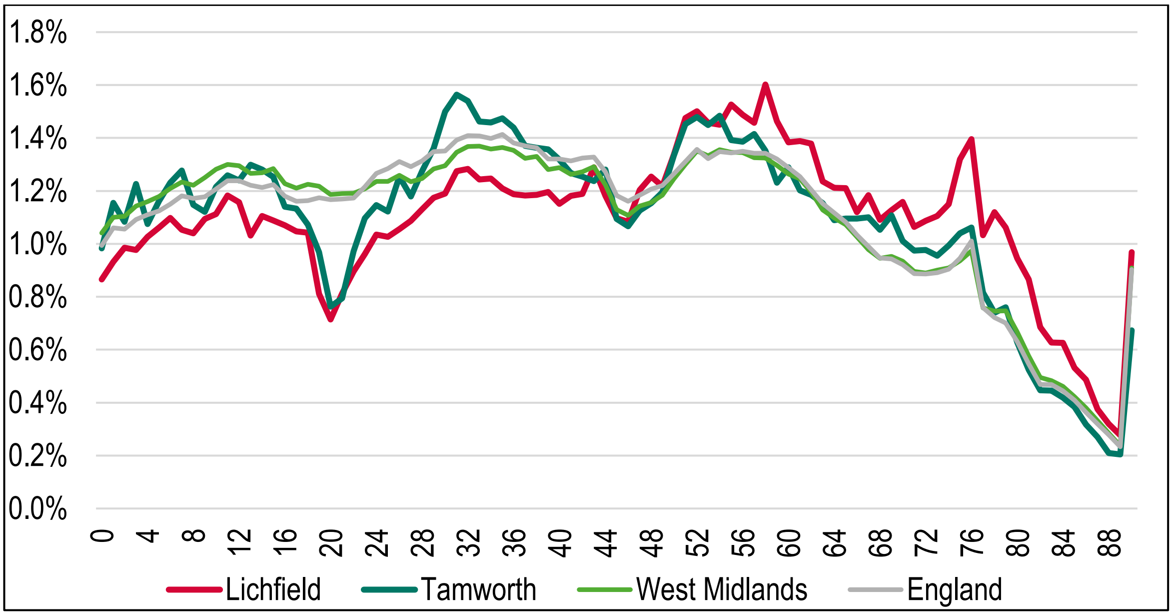


Source: Mid-year population estimates

Age Structure

7.42 The figure below shows the age structure by single year of age (compared with a range of other areas). From this, it is clear that Lichfield and Tamworth have fewer people aged in their late teens and early 20s which will be linked to people moving away for higher education. The data also points to a higher proportion of people aged around 55 and over – particularly in Lichfield.

Figure 7.6 Population profile (2023)



Source: Mid-year population estimates

7.43 The analysis below summarises the above information (including total population numbers for Lichfield and Tamworth) by assigning the population to three broad age groups (which can generally be described as a) children, b) working age and c) pensionable age).

7.44 For Lichfield, this analysis highlights the slightly higher proportion of people aged 65 and over, and a lower proportion of children (aged under 16) when compared with other locations. When looking at Tamworth, the difference between the regional and national positions when looking at these broad age bands is not substantial.

Table 7.5 **Population profile (2023) – summary age bands**

	Lichfield		Tamworth		West Midlands	England
	Population	% of population	Population	% of population	% of population	% of population
Under 16	18,519	16.8%	15,256	19.0%	19.3%	18.5%
16-64	65,289	59.3%	49,514	61.7%	61.7%	62.9%
65+	26,365	23.9%	15,493	19.3%	18.9%	18.7%
All Ages	110,173	100.0%	80,263	100.0%	100.0%	100.0%

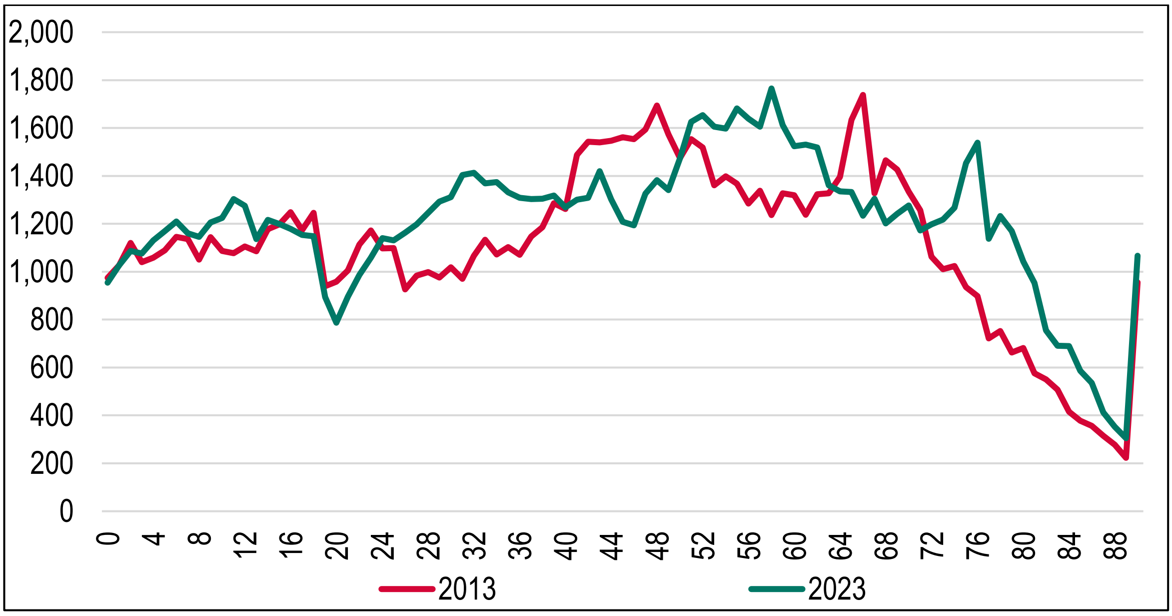
Source: Mid-year population estimates

Age Structure Changes

7.45 The figures below show how the age structure of the population has changed in the 10 years from 2013 to 2023 – the data used is based on population so will also reflect the increases seen in this period.

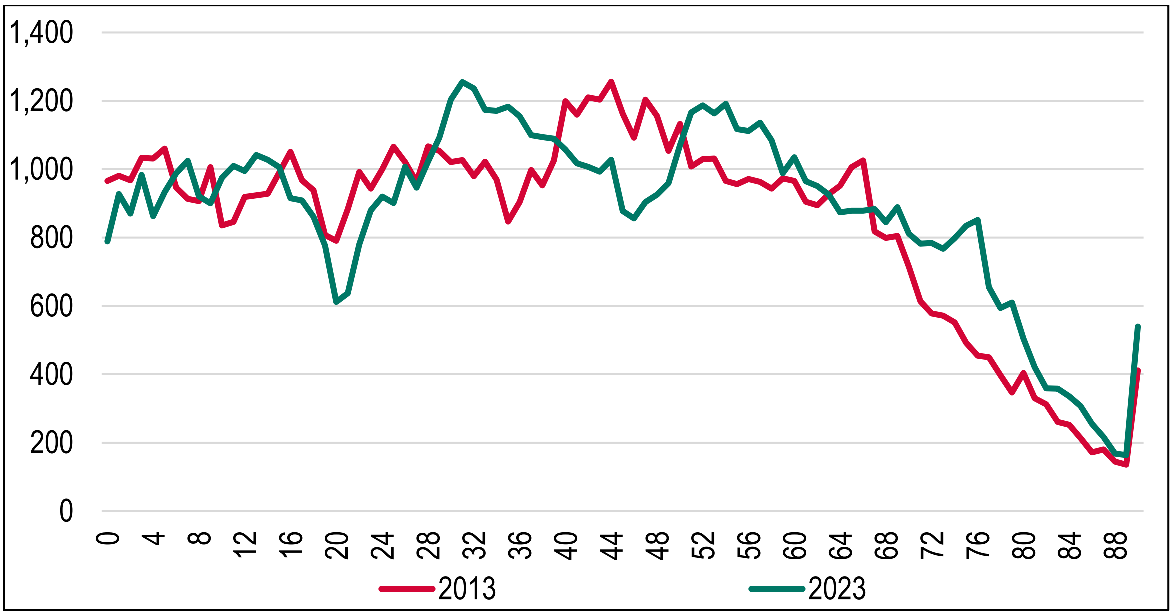
7.46 There have been some changes in the age structure, including increases in the population in their 50s; the number of people aged 65 and over also looks to have increased notably. Where there are differences, it is often due to cohort effects (i.e. smaller or larger cohorts of the population getting older over time). Patterns are broadly similar in both areas.

Figure 7.7 Population age structure (people) (2013 and 2023) – Lichfield



Source: Mid-year population estimates

Figure 7.8 Population age structure (people) (2013 and 2023) – Tamworth



Source: Mid-year population estimates

7.47 Again, the information above is summarised into the three broad age bands to ease comparison. In Lichfield, the table below shows increases in all age groups, including the 16-64 age group increasing by 3,500 people (6%). In Tamworth, both broad age groups up to age 64 have seen little population change. For both locations, there has been a large increase in the 65+ age group (up 17% in Lichfield and 24% in Tamworth). The population aged 65 and over accounts for over 100% of all population change over this period in Tamworth, where there has been no growth in the Under 16's and the working age population (16-64) has declined. Growth in the over 65 population accounts for 46% of total population change in Lichfield.

Table 7.6 Change in population by broad age group (2013-23) – Lichfield

	2013	2023	Change	% change
Under 16	17,512	18,519	1,007	5.8%
16-64	61,811	65,289	3,478	5.6%
65+	22,485	26,365	3,880	17.3%
TOTAL	101,808	110,173	8,365	8.2%

Source: Mid-year population estimates

Table 7.7 Change in population by broad age group (2013-23) – Tamworth

	2013	2023	Change	% change
Under 16	15,254	15,256	2	0.0%
16-64	49,608	49,514	-94	-0.2%
65+	12,446	15,493	3,047	24.5%
TOTAL	77,308	80,263	2,955	3.8%

Source: Mid-year population estimates

Components of Population Change

7.48 The tables below consider the drivers of population change from 2011 to 2023. The main components of change are natural change (births minus deaths) and net migration (internal/domestic and international).

7.49 There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if the population has been under or over-estimated (this is only calculated for the 2011-21 period).

7.50 Finally, there are also ‘other changes’, which for both areas are variable (sometimes positive and sometimes negative) – these changes are often related to armed forces personnel, prisons or boarding school pupils.

7.51 For both areas, the data shows natural change to generally be dropping over time – there are now significantly more deaths than births in Lichfield, with a broad balance being seen in Tamworth. Migration is variable, and generally on an upward trend – migration generally being notably higher to Lichfield than Tamworth. The data is clear that migration, particularly internal (domestic) migration is the main driver of population growth in the area.

7.52 The analysis also shows (for the 2011-21) period a positive level of UPC (totalling around 680 people in Tamworth over the 10-year period), this suggests when the 2021 Census was published ONS had previously under-estimated population change, although a figure of 680 is very modest in comparison with many locations. For Lichfield the UPC for the whole period studied is zero.

7.53 Overall, the data shows a continuing trend of population growth throughout the period studied particularly in Lichfield and over the past two to three years (in both areas).

Table 7.8 Components of population change, mid-2011 to mid-2023 – Lichfield

	Natural change	Net internal migration	Net intern-ational migration	Other changes	Other (unattri-butable)	Total change
2011/12	68	299	6	49	-47	375
2012/13	-53	611	20	-7	-49	522
2013/14	-96	164	51	19	-36	102
2014/15	-104	395	53	184	-8	520
2015/16	-107	92	73	132	4	194
2016/17	-59	147	-14	274	3	351
2017/18	-216	511	-73	-63	29	188
2018/19	-131	1,445	-72	-257	31	1,016
2019/20	-282	986	-89	174	40	829
2020/21	-224	2,131	-60	-5	33	1,875
2021/22	-186	1,498	203	-61	0	1,454
2022/23	-264	1,786	245	69	0	1,836

Source: ONS

Table 7.9 Components of population change, mid-2011 to mid-2023 – Tamworth

	Natural change	Net internal migration	Net intern-ational migration	Other changes	Other (unattri-butable)	Total change
2011/12	439	-221	83	14	73	388
2012/13	380	-507	71	17	64	25
2013/14	306	-495	163	20	69	63
2014/15	280	-414	334	1	60	261
2015/16	320	-703	360	23	56	56
2016/17	266	-887	214	-8	54	-361
2017/18	248	-276	101	13	67	153
2018/19	138	-19	3	21	75	218
2019/20	118	81	20	4	47	270
2020/21	57	651	50	-3	119	874
2021/22	163	688	-55	1	0	797
2022/23	18	483	108	15	0	624

Source: ONS

Developing Trend-Based Projections

7.54 The purpose of this sub-section is to develop trend-based population projections using the latest available demographic information. A key driver of this is due to publication of 2021 Census data which has essentially reset estimates of population (size and age structure) compared with previous mid-year population estimates (MYE) from ONS (ONS has subsequently updated 2021 MYE figures to take account of the Census).

7.55 In addition, a 2023 MYE is now available, and the projections developed look at a 2022-2043 period (to align with emerging plan periods).

7.56 Two projections have been developed for each area looking at estimated migration trends over the past 5- and 10 years. 5 years has been chosen as it is consistent with the time period typically used by ONS when developing subnational population projections; 10 years has been used as it provides a longer and arguably more stable trend period. The two projections can therefore be summarised as:

- 5-year trend using migration estimates in the MYE for the 2018-23 period; and
- 10-year trend using migration estimates in the MYE for the 2013-23 period.

7.57 Below, the general method used for each of the components and the outputs from the trend-based projections are set out. The latest ONS projections are the 2018-based sub-national population projections (SNPP) and whilst these are not directly used in the analysis they are used as a base position from which adjustments for recent trends can be applied and to allow comparisons between the ONS position (which was pre-Census) and projections developed below.

Natural Change

7.58 Natural change is made up of births and deaths and the analysis above has shown a general downward trend over time. To project trends forward, the analysis looks at each of births and deaths separately and compares projected figures in the 2018-SNPP with actual recorded figures in the MYE.

7.59 The analysis also takes account of differences between the estimated population size and structure in 2021 (in the 2018-SNPP) and the ONS MYE (as revised to take account of Census data).

7.60 Overall, it is estimated recent trends in fertility are very slightly higher for both areas and mortality rates are slightly higher (in both areas and particularly in Tamworth) when compared with data in the 2018-SNPP so some modest adjustments have been made.

Migration

7.61 When looking at migration our start point is to consider levels of migration over the past 5- and 10-years (to 2023). Information about migration estimates is shown in the table below with average figures provided for the last 5- and 10 years. In both cases the data points to a level of net in-migration – the 10-year period shows a lower level of net in-migration.

7.62 This is potentially due to the large increase in internal migration (and to a lesser extent international migration) seen in the last three years having less of an impact on a 10-year trend than a 5-year trend.

Table 7.10 **Past trends in net migration – Lichfield and Tamworth**

	Lichfield			Tamworth		
	Internal (domestic)	International	All net migration	Internal (domestic)	International	All net migration
2013/14	164	51	215	-495	163	-332
2014/15	395	53	448	-414	334	-80
2015/16	92	73	165	-703	360	-343
2016/17	147	-14	133	-887	214	-673
2017/18	511	-73	438	-276	101	-175
2018/19	1,445	-72	1,373	-19	3	-16
2019/20	986	-89	897	81	20	101
2020/21	2,131	-60	2,071	651	50	701
2021/22	1,498	203	1,701	688	-55	633
2022/23	1,786	245	2,031	483	108	591
Average (2018-23)	1,569	45	1,615	377	25	402
Average (2013-23)	916	32	947	-89	130	41

Source: ONS

7.63 As with fertility and mortality data, the information above has been used to make adjustments to the 2018-based SNPP to reflect recent trends.

Population Projection Outputs

7.64 The above estimates of fertility, mortality and migration (including changes over time) have been modelled to develop a projection for the period to 2043 (the end of the plan period). The table below shows projected population growth for each of the scenarios.

7.65 In Lichfield, with a 5-year migration trend, there is projected to be a notable increase in population (of 29,100 people over the 2022-43 period) – generated by a high net in-migration. The 10-year trend still shows a high (but more modest) population growth – around 14,100 people over the same 21-year period – this is due to a lower level of net in-migration when compared with the 5-year trend.

7.66 In Tamworth the population growth under both of the scenarios is projected to be notably lower; this reflects lower trend-based levels of net migration and population growth. Again the 10-year trend shows a lower population growth than when looking over the past 5 years.

Table 7.11 Projected population growth under a range of scenarios – Lichfield (2022-43)

	Population 2022	Population 2043	Change	% change
5-year trend	108,352	137,482	29,130	26.9%
10-year trend	108,352	122,407	14,055	13.0%

Source: Demographic projections

Table 7.12 Projected population growth under a range of scenarios – Tamworth (2022-43)

	Population 2022	Population 2043	Change	% change
5-year trend	79,639	89,387	9,748	12.2%
10-year trend	79,639	81,145	1,506	1.9%

Source: Demographic projections

Household Projections

7.67 To understand what this means for housing need the population growth is translated into household growth using household representative rates and data about the communal (institutional) population. These have again been updated using data from the Census with the table below summarising the assumptions used.

7.68 For the communal population, it is assumed actual numbers are held constant up to ages under 75, with the proportion of the population being used for 75+ age groups – this approach is consistent with typical ONS projections.

7.69 For household representative rates (HRRs) the figures are calculated at the time of the Census and have been held constant moving forward. If ONS follow the method used in their most recent projections for future releases then they are likely to build in the trend between the last three Census points (2001, 2011 and 2021). However, the analysis below does not build in any trend; were it to do so it would generally reduce the HRRs over time and the levels of projected household growth would be lower by building in supressed household formation.

7.70 In interpreting the table below (by way of examples) the data for Lichfield shows around 11% of females aged 85-89 live in communal establishments (i.e. are not part of the household population) whilst around 77% of males aged 50-54 are considered to be a 'head of household' (where they are living in a household).

7.71 Generally, the HRRs increase by age, this is due to older people being more likely to live alone, often following the death of a spouse or partner.

Table 7.13 Communal Population and Household Representative Rates from 2021 Census – Lichfield

	Communal population		Household Representative Rates	
	Male	Female	Male	Female
Age 0 to 15	3	4	-	-
Age 16 to 19	129	12	0.007	0.013
Age 20 to 24	389	12	0.128	0.157
Age 25 to 29	70	15	0.441	0.287
Age 30 to 34	12	7	0.620	0.347
Age 35 to 39	9	7	0.700	0.346
Age 40 to 44	4	1	0.740	0.353
Age 45 to 49	8	7	0.759	0.376
Age 50 to 54	14	6	0.766	0.412
Age 55 to 59	8	7	0.784	0.442
Age 60 to 64	18	7	0.744	0.429
Age 65 to 69	11	14	0.711	0.385
Age 70 to 74	21	32	0.746	0.430
Age 75 to 79	0.010	0.022	0.821	0.541
Age 80 to 84	0.018	0.039	0.879	0.664
Age 85 to 89	0.040	0.109	0.891	0.783
Age 90 or over	0.145	0.236	0.927	0.875

Source: Derived from Census 2021 (mainly Tables CT 106 and 107)

Table 7.14 Communal Population and Household Representative Rates from 2021 Census – Tamworth

	Communal population		Household Representative Rates	
	Male	Female	Male	Female
Age 0 to 15	3	1	-	-
Age 16 to 19	2	12	0.011	0.019
Age 20 to 24	10	8	0.131	0.181
Age 25 to 29	2	3	0.427	0.308
Age 30 to 34	4	1	0.627	0.353
Age 35 to 39	1	1	0.697	0.381
Age 40 to 44	0	0	0.716	0.411
Age 45 to 49	4	2	0.735	0.432
Age 50 to 54	5	4	0.780	0.442
Age 55 to 59	7	1	0.785	0.461
Age 60 to 64	5	2	0.774	0.457
Age 65 to 69	3	4	0.678	0.438
Age 70 to 74	9	9	0.750	0.495
Age 75 to 79	0.010	0.011	0.830	0.575
Age 80 to 84	0.015	0.030	0.881	0.711
Age 85 to 89	0.049	0.093	0.904	0.826
Age 90 or over	0.075	0.185	0.875	0.892

Source: Derived from Census 2021 (mainly Tables CT 106 and 107)

7.72 Applying these figures to the population projections for Lichfield resulted in an increase in households of around 590 per annum when looking at 5-year trends and a lower figure (of 323 per annum) with 10-year trends. For Tamworth, the household growth projections are much lower, reflecting the lower population growth projected.

Table 7.15 Projected change in households – range of scenarios – Lichfield (2022-43)

	Households 2022	Households 2043	Change in households	Per annum
5-year trend	46,617	59,006	12,389	590
10-year trend	46,617	53,410	6,793	323

Source: Demographic projections

Table 7.16 Projected change in households – range of scenarios – Tamworth (2022-43)

	Households 2022	Households 2043	Change in households	Per annum
5-year trend	33,413	38,371	4,959	236
10-year trend	33,413	35,212	1,799	86

Source: Demographic projections

Developing Projections linking to the Standard Method

7.73 As well as developing trend-based projections it is possible to consider the implications of housing delivery in line with the Standard Method. The analysis below looks at how the population might change if providing this level of homes occurs. For Lichfield, this is 745 dwellings per annum and for Tamworth 445 dpa.

7.74 Scenarios have been developed that flex migration to and from the two authorities such that there is sufficient population for these levels of additional homes to be filled each year.

7.75 The modelling links to 2018-based population and household projections and also rebases the population and households to the levels shown in the 2021 Census and includes MYE data up to 2023.

7.76 Within the modelling, migration assumptions have been changed so that across each area the increase in households matches the housing need (including a standard 3% vacancy allowance). Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).

7.77 In developing these projections for Lichfield, a population increase of around 36,700 people is shown (a 34% increase) with projected growth of 20,500 (26%) in Tamworth.

Table 7.17 Projected population growth linked to Standard Method (2022-43)

	Population 2022	Population 2043	Change	% change
Lichfield	108,352	145,012	36,660	33.8%
Tamworth	79,639	100,131	20,492	25.7%

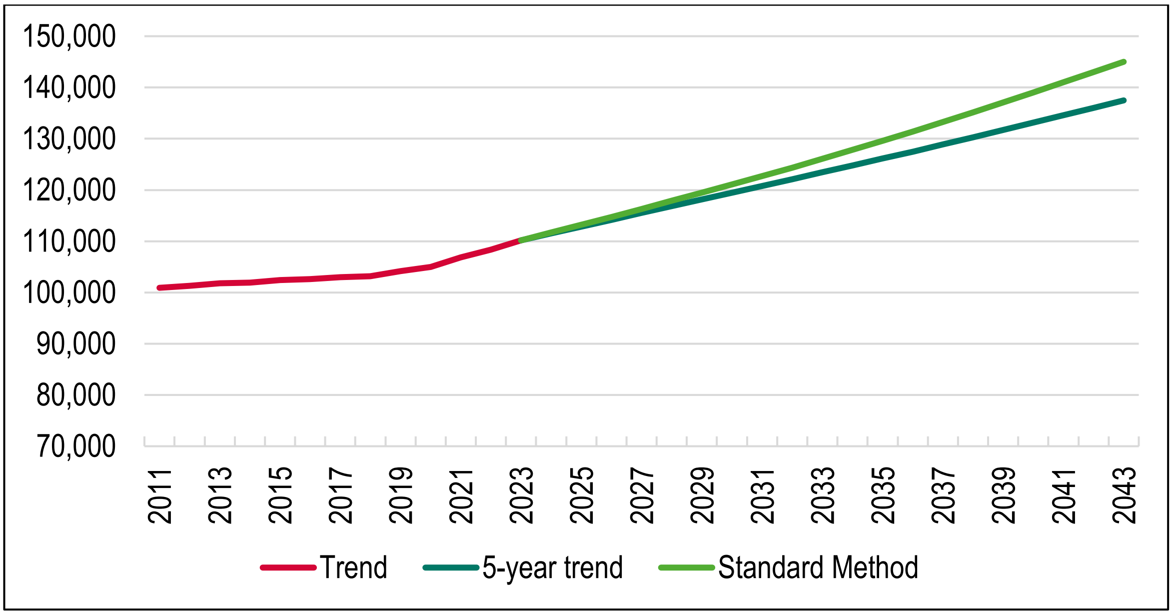
Source: Demographic projections

7.78 Below are a series of charts showing past trends and projected population growth and key components of change for projections developed – for the trend-based variant the projection based on 5-years trends has been used. The first figure looks at overall population growth, before considering natural change and net migration.

7.79 Our analysis suggests the population of Lichfield could rise to 145,000 by 2043 (up from 110,200 in 2023) a 32% increase, or 1.6% per annum. For comparison, between 2011 and 2023 the population grew by an average of around 0.8% per annum (although a higher figure of 1.4% per annum has been observed over the past 5 years).

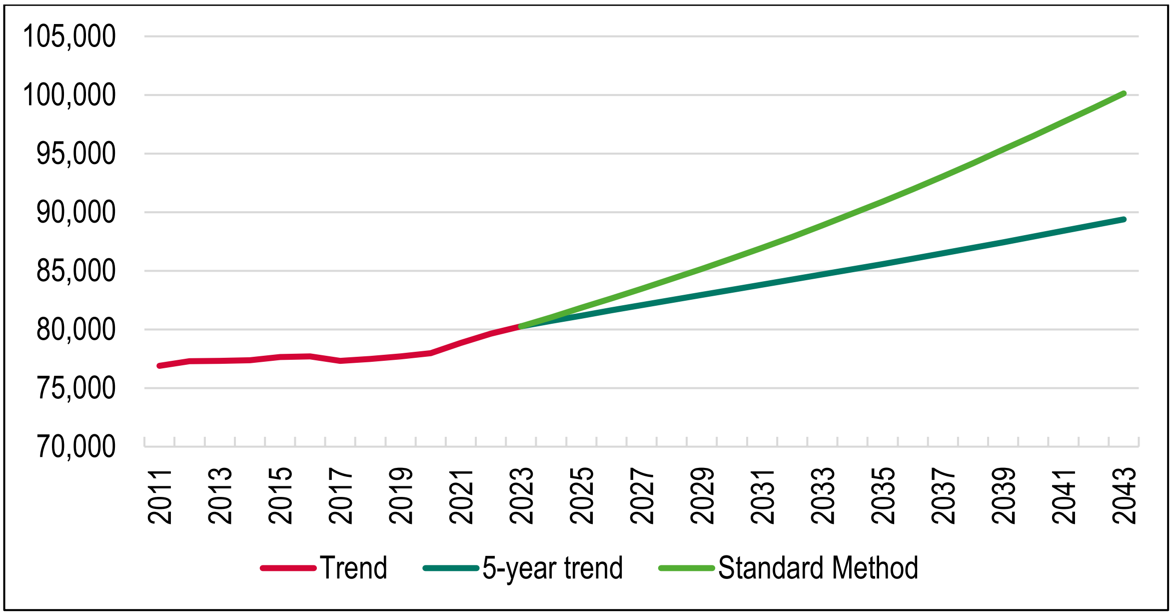
7.80 In Tamworth, the population could rise to 100,100 by 2043 a 26% increase (1.3% per annum) – this is much higher than past trends; 0.4% per annum over the past 12 years and 0.7% over the 5-year (2018-23) period. For Tamworth delivery of housing in line with the Standard Method could see population change around double past trends.

Table 7.18 Past trends and projected population – Lichfield



Source: ONS and demographic projections

Table 7.19 Past trends and projected population – Tamworth

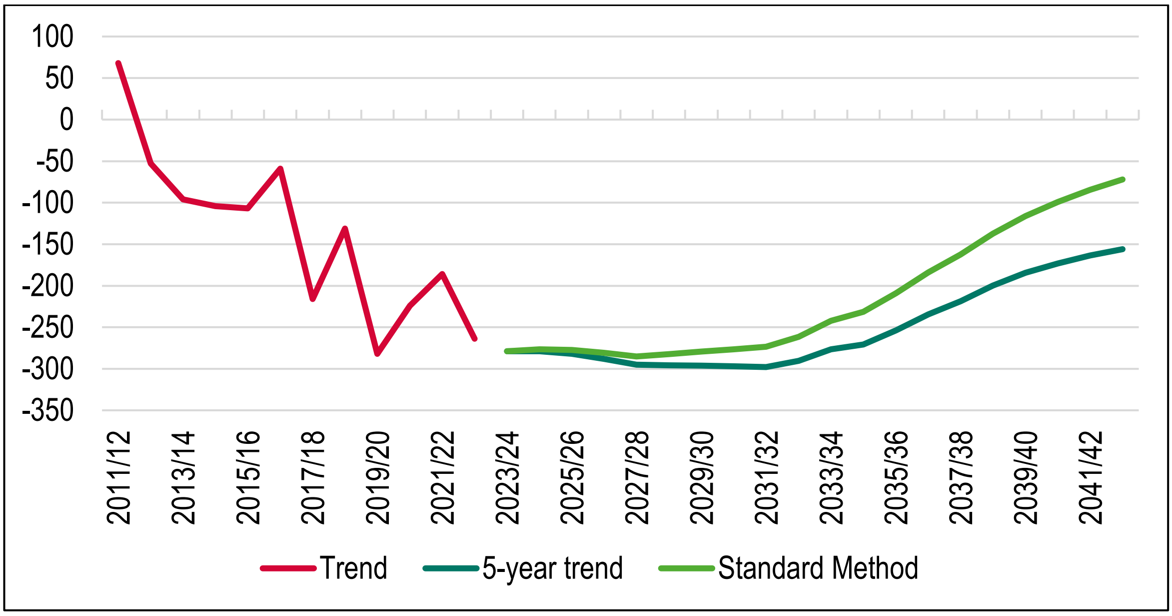


Source: ONS and demographic projections

7.81 The main reason for the higher population growth would be due to increased net in-migration, although the decline in natural change (births minus deaths) would also be flattened off as the population rises (as there will be more females of child-bearing age).

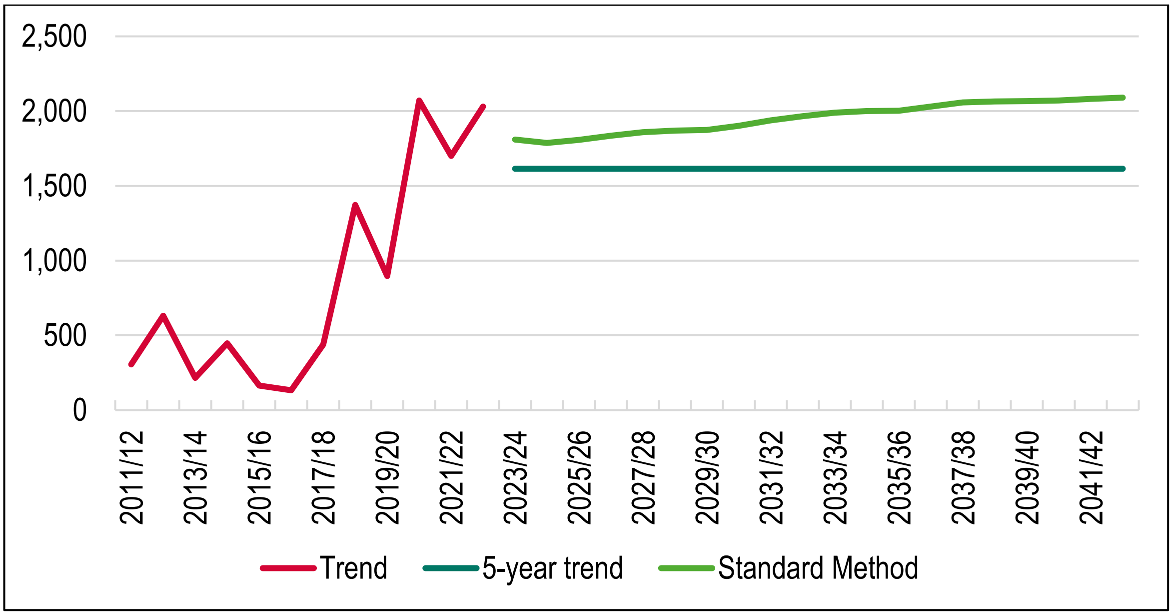
7.82 The figures below show projected natural change and net migration under the scenarios. Focussing on net migration, the analysis suggests that with higher delivery linked to the Standard Method in Tamworth, net migration would be at a level substantially higher than trends and higher than figures seen for any year going back at least 12 years. In Lichfield, the projected migration again looks high in the context of past trends, although migration is projected to be in line with figures seen over the past 3-years.

Figure 7.9 **Past trends and projected natural change – Lichfield**



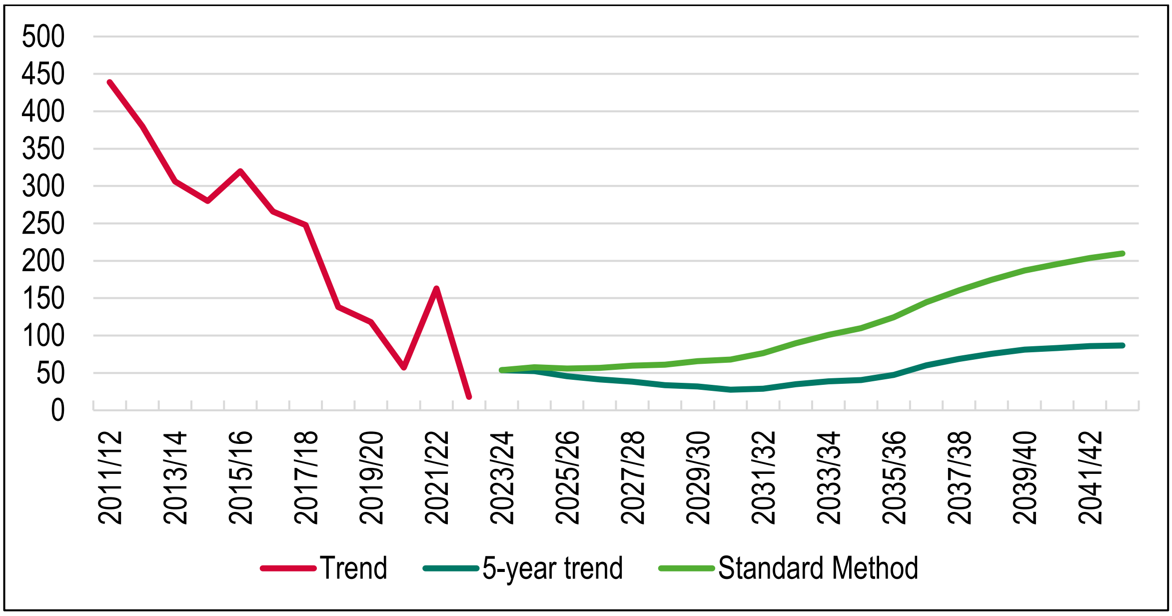
Source: ONS and demographic projections

Figure 7.10 **Past trends and projected net migration – Lichfield**



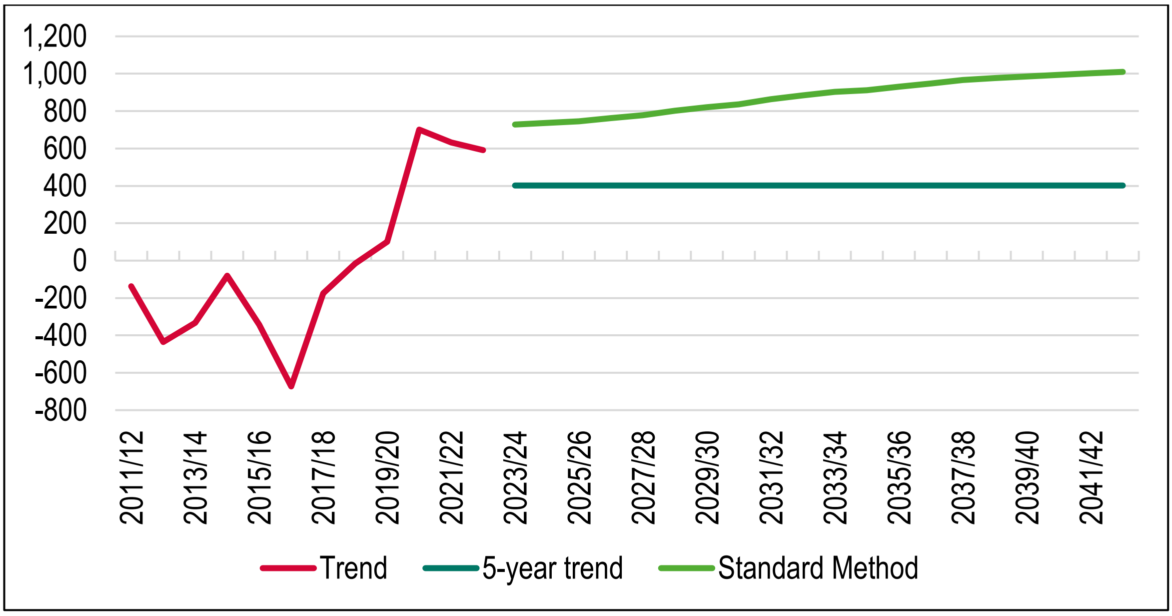
Source: ONS and demographic projections

Figure 7.11 Past trends and projected natural change – Tamworth



Source: ONS and demographic projections

Figure 7.12 Past trends and projected net migration – Tamworth



Source: ONS and demographic projections

7.83 Overall, the demographic implications of the Standard Method look on the high side, particularly for Tamworth in the context of past trends; it is possible that delivery at the higher level would lead to a greater number of vacant homes. Although, in reality, it is unlikely that these homes would ever be delivered if there was no market for them or no one to fill them.

7.84 A final analysis compares age structure changes under each of these projections. In all cases the projections show an ageing of the population and that with higher growth there would be higher increases in the number of children and people of 'working age' (16-64). For the Standard Method, there is projected to be very high growth in this 16-64 age group.

Table 7.20 Projected population change 2022 to 2043 by broad age bands – 5-year trend – Lichfield

	2022	2043	Change in population	% change from 2022
Under 16	17,025	22,654	5,629	33.1%
16-64	65,247	80,529	15,282	23.4%
65 and over	26,080	34,300	8,220	31.5%
Total	108,352	137,482	29,130	26.9%

Source: Demographic Projections

Table 7.21 Projected population change 2022 to 2043 by broad age bands – Standard Method – Lichfield

	2022	2043	Change in population	% change from 2022
Under 16	18,203	25,727	7,524	41.3%
16-64	64,069	84,037	19,968	31.2%
65 and over	26,080	35,248	9,168	35.2%
Total	108,352	145,012	36,660	33.8%

Source: Demographic Projections

Table 7.22 Projected population change 2022 to 2043 by broad age bands – 5-year trend – Tamworth

	2022	2043	Change in population	% change from 2022
Under 16	14,224	15,720	1,496	10.5%
16-64	50,126	54,439	4,313	8.6%
65 and over	15,289	19,228	3,939	25.8%
Total	79,639	89,387	9,748	12.2%

Source: Demographic Projections

Table 7.23 Projected population change 2022 to 2043 by broad age bands – Standard Method – Tamworth

	2022	2043	Change in population	% change from 2022
Under 16	15,134	19,165	4,031	26.6%
16-64	49,216	60,647	11,431	23.2%
65 and over	15,289	20,320	5,031	32.9%
Total	79,639	100,131	20,492	25.7%

Source: Demographic Projections

Relationship Between Housing and Economic Growth

7.85 The analysis to follow considers the relationship between housing and economic growth; seeking to understand what level of jobs might be supported by changes to the local labour supply (which will be influenced by population change). To look at estimates of the job growth to be supported, a series of stages are undertaken. These can be summarised as:

- Estimate changes to the economically active population (this provides an estimate of the change in labour supply);
- Overlay information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment; and
- Bringing together this information will provide an estimate of the potential job growth supported by the population projections.

Growth in Resident Labour Supply

7.86 The approach taken in this report is to derive a series of age and sex-specific economic activity rates (EARs) and use these to estimate how many people in the population will be economically active as projections develop.

7.87 This is a fairly typical approach with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 (Fiscal Sustainability Report) – this data has then been rebased to information in the 2021 Census (on age, sex and economic activity).

7.88 The tables below show the assumptions made for the two areas. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

Table 7.24 **Projected changes to economic activity rates (2022 and 2043) – Lichfield**

	Males			Females		
	2022	2043	Change	2022	2043	Change
16-19	39.4%	39.9%	0.4%	40.6%	40.9%	0.4%
20-24	77.2%	76.9%	-0.2%	80.3%	80.1%	-0.2%
25-29	91.7%	91.7%	0.0%	85.7%	85.7%	0.0%
30-34	92.2%	92.1%	0.0%	84.6%	84.9%	0.3%
35-39	93.3%	92.9%	-0.4%	84.1%	85.7%	1.6%
40-44	92.5%	91.2%	-1.3%	85.1%	87.5%	2.4%
45-49	92.1%	91.4%	-0.7%	84.6%	88.8%	4.1%
50-54	89.6%	88.5%	-1.0%	82.2%	86.4%	4.2%
55-59	82.9%	82.2%	-0.6%	71.2%	73.3%	2.1%
60-64	66.0%	71.3%	5.3%	50.8%	58.5%	7.7%
65-69	31.4%	45.1%	13.7%	20.7%	36.0%	15.3%
70-74	11.0%	14.0%	3.1%	6.4%	13.4%	7.0%
75-89	6.0%	6.5%	0.5%	2.9%	5.8%	2.9%

Source: Based on OBR and Census (2021)

Table 7.25 **Projected changes to economic activity rates (2022 and 2043) – Tamworth**

	Males			Females		
	2022	2043	Change	2022	2043	Change
16-19	45.9%	46.3%	0.4%	47.7%	48.1%	0.4%
20-24	85.3%	85.1%	-0.2%	80.0%	79.8%	-0.2%
25-29	91.8%	91.8%	0.0%	81.9%	81.9%	0.0%
30-34	91.7%	91.7%	0.0%	81.7%	82.0%	0.3%
35-39	92.5%	92.1%	-0.4%	80.8%	82.4%	1.6%
40-44	91.0%	89.7%	-1.3%	82.7%	85.1%	2.4%
45-49	89.0%	88.3%	-0.7%	82.4%	86.5%	4.1%
50-54	88.2%	87.2%	-1.0%	79.1%	83.3%	4.2%
55-59	83.4%	82.8%	-0.6%	71.1%	73.2%	2.1%
60-64	68.1%	73.3%	5.3%	52.0%	59.7%	7.7%
65-69	26.0%	39.7%	13.7%	19.2%	34.5%	15.3%
70-74	8.9%	11.9%	3.1%	5.8%	12.8%	7.0%
75-89	4.4%	5.0%	0.5%	1.7%	4.6%	2.9%

Source: Based on OBR and Census (2021)

7.89 In addition, a sensitivity has been developed where the EARs are held constant at 2021 levels. It is considered the sensitivity is reasonable given data (including from the Census) has shown activity rates to have not grown as they had previously been forecast to do.

7.90 Working through an analysis of age and sex-specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the two areas – this is set out in the tables below (in both cases linking to the Standard Method projection).

7.91 The analysis shows in Lichfield that the projection results in growth in the economically active population of 16,800 people – an 31% increase – when applying an uplift to economic activity rates.

The change in the economically active population fall by 2,500 if rates are held constant at 2021 levels. For Tamworth, the analysis shows a 9,800 increase in the economically active population with an uplift to the rates (a 24% increase) and a 20% increase if the rates are held constant.

Table 7.26 **Estimated change to the economically active population (2022-43) – Lichfield**

	Economically active (2022)	Economically active (2043)	Total change in economically active	% change
OBR EAR	54,684	71,436	16,752	30.6%
EAR no change	54,350	68,604	14,254	26.2%

Source: Derived from demographic projections

Table 7.27 **Estimated change to the economically active population (2022-43) – Tamworth**

	Economically active (2022)	Economically active (2043)	Total change in economically active	% change
OBR EAR	40,922	50,753	9,831	24.0%
EAR no change	40,703	48,978	8,275	20.3%

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

7.92 The analysis above has set out potential scenarios for the change in the number of economically active people. However, it is arguably more useful to convert this information into an estimate of the number of jobs this would support. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);
- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs; and
- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

Commuting Patterns

7.93 The tables below show summary data about commuting to and from Lichfield and Tamworth from the 2011 and 2021 Census. Data from both sources is used as the 2011 data is quite old, but the 2021 data could be influenced by the COVID-19 pandemic.

7.94 For Lichfield, the data shows a degree of net out-commuting for work in 2011, but that by 2021 there was a level of net in-commuting. For Tamworth, both years show a notable level of net out-commuting, although this has reduced by 2021 from 2011 levels. The level of net commuting is shown as the commuting ratio in the final row of the tables and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).

7.95 When comparing the two sources it is worth reflecting on a large increase in the number of home workers (or those of no fixed workplace) in 2021 compared with 2011. In Lichfield in 2011, a total of 10,000 people were recorded as home workers or with no fixed workplace; in 2021 this figure had more than doubled (to 23,000). Tamworth also saw more than a doubling of people in this category (going from 5,400 to 13,400). As the country has moved away from the pandemic, these figures may have started to reduce slightly with possible implications on commuting dynamics.

Table 7.28 Commuting Patterns – Lichfield

	2011	2021
Live and work in Local Authority (LA)	14,663	10,597
Home workers or no fixed workplace	9,984	23,049
In-commute	20,417	18,934
Out-commute	24,692	16,837
Total working in LA	45,064	52,580
Total living in LA (and working)	49,339	50,483
Commuting ratio	1.095	0.960

Source: 2011 Census

Table 7.29 Commuting Patterns – Tamworth

	2011	2021
Live and work in Local Authority (LA)	13,681	9,415
Home workers or no fixed workplace	5,443	13,434
In-commute	11,339	8,777
Out-commute	19,268	15,299
Total working in LA	30,463	31,626
Total living in LA (and working)	38,392	38,148
Commuting ratio	1.260	1.206

Source: 2011 Census

7.96 The analysis below looks at both sets of Census data with a further sensitivity of a balanced (1:1) commuting ratio (i.e. the increase in the number of people working in the area is equal to the number of people living in the area who are working).

Double Jobbing

7.97 The analysis also considers that many people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) for the past 5 years (for which data exists) suggests across Lichfield that typically about 5.0% of workers have a second job with a slightly lower figure (of 4.4%) in Tamworth.

7.98 For the purposes of this assessment, it has therefore been assumed that around 5.0% of people will have more than one job moving forward in Lichfield and 4.4% in Tamworth – this means the number of jobs supported by the workforce will be around 5.0% higher than workforce growth in Lichfield; 4.4% higher in Tamworth. It has been assumed in the analysis that the level of double jobbing will remain constant over time.

Unemployment

7.99 The last analysis when looking at the link between jobs and resident labour supply is a consideration of unemployment. Essentially, this is considering if there is any latent labour force that could move back into employment to take up new jobs. This is particularly important given there are likely to have been notable increases in unemployment due to Covid-19, although it will be difficult to be precise about numbers.

7.100 Given the estimates of economic activity and job growth are taken from mid-2022 it is considered that there is no need to include a further adjustment to take account of the pandemic. Essentially, it is assumed that people who lost employment through the pandemic will now be back in work (if they are seeking work) and so there is no latent labour supply available to fill additional jobs.

Jobs Supported by Growth in the Resident Labour Force

7.101 The tables below show how many additional jobs might be supported by population growth under the different projection scenarios. In Lichfield, it is estimated that under the Standard Method up to 18,400 additional jobs could be supported by the changes to the resident labour supply over the 2022-43 period, with a lower figure of 10,300 in Tamworth.

Table 7.30 **Jobs supported by demographic projections (2022-43) – Lichfield – Standard Method**

		Total change in economically active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
OBR EAR	2021 commuting	16,752	17,634	18,369
	2011 commuting	16,752	17,634	16,104
	1:1 commuting	16,752	17,634	17,634
EAR no change	2021 commuting	14,254	15,004	15,629
	2011 commuting	14,254	15,004	13,702
	1:1 commuting	14,254	15,004	15,004

Source: Iceni analysis

Table 7.31 **Jobs supported by demographic projections (2022-43) – Tamworth – Standard Method**

		Total change in economically active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
OBR EAR	2021 commuting	9,831	10,284	8,527
	2011 commuting	9,831	10,284	8,162
	1:1 commuting	9,831	10,284	10,284
EAR no change	2021 commuting	8,275	8,656	7,177
	2011 commuting	8,275	8,656	6,870
	1:1 commuting	8,275	8,656	8,656

Source: Iceni analysis

Economic Growth and Housing Need – Job Forecasts

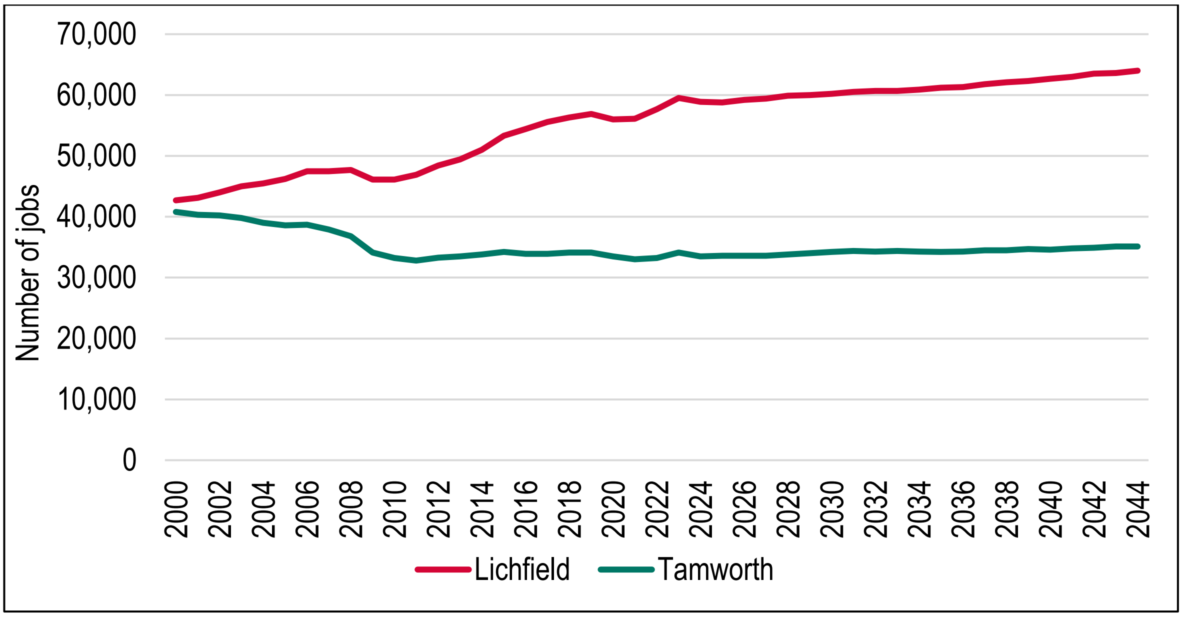
7.102 To look at estimates of the numbers of homes required to support the job growth, the method which is followed is identical to that set out for translating homes into jobs but completed in reverse to get to a population growth.

7.103 This level of population growth is then applied to the household formation rates developed earlier in this report to get to a household growth. A final adjustment to reflect a level of vacancy in the housing stock is applied to the household growth to get to dwelling growth. The stages can be summarised as:

- Start with estimates of job growth;
- Estimate changes required to the economically active population to meet the jobs growth – this takes account of information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment;
- Flex levels of migration within the demographic model so that the change in the economically active population equals the change required to meet the number of jobs (migration can be 'flexed' up or down with stronger economic growth resulting in higher net in-migration as more people are required in the labour-supply); and
- Apply household representative rates to the resulting population projection and apply a vacancy allowance to calculate the number of households and dwellings needed.

7.104 The figure below shows past trends and a future forecast of job growth across the two areas – the data has been provided by Experian. Between 2022 and 2043 the forecast expects to see an increase of around 5,900 jobs in Lichfield and 1,900 in Tamworth. For Lichfield, the forecast is generally lower than job growth seen in past trends, with the opposite being the case in Tamworth.

Figure 7.13 Past trends and forecast the future number of jobs in Lichfield and Tamworth



Source: Experian

Economic Growth and Housing Need

7.105 The demographic model developed to look at housing need has been used to consider the link between jobs and housing. Within the modelling, migration assumptions have been changed so that the increase in the economically active population matches the increase in the resident workforce required. Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%). In summary, the method includes the following assumptions:

- Economic activity rates based on 2021 Census data with future change based on OBR forecasts; plus a sensitivity where the rates are held at 2021 levels;
- Commuting ratios from the 2021 and 2011 Census as well as looking at a 1:1 balance between jobs and workers; and
- An average of 5.0% of workers in Lichfield have more than one job and a slightly lower figure of 4.4% in Tamworth.

7.106 Once the level of economically active population matches the job growth forecast, the population (and its age structure) is modelled against the communal population and Household Representative Rates (HRRs) (again as set out previously). A 3% vacancy allowance is then included in relating household growth to housing need, consistent with the approach earlier in this section.

7.107 The first part of the analysis is to estimate what level of growth in the labour supply would be needed for the job growth forecast to be met. This calculation is shown below and for example, shows that to meet 5,900 jobs in Lichfield there would need to be an increase in the economically active population of 5,605 persons in the authority if a 1 to 1 ratio of residents to new jobs is used.

Table 7.32 Forecast job growth and change in the resident workforce with double jobbing and different commuting patterns (2022-43)

		Number of additional jobs	Allowance for double jobbing	Total change in economically active
Lichfield	2021 commuting	5,900	5,605	5,381
	2011 commuting	5,900	5,605	6,137
	1:1 commuting	5,900	5,605	5,605
Tamworth	2021 commuting	1,900	1,816	1,744
	2011 commuting	1,900	1,816	1,989
	1:1 commuting	1,900	1,816	1,816

Source: Iceni analysis

7.108 Drawing through the modelling assumptions set out upfront, the tables below show estimates of housing need set against the job growth scenario. The analysis shows a need for up to 439 dwellings per annum in Lichfield and up to 216 dwellings per annum in Tamworth. Both these figures therefore sit well below the Standard Method figures.

Table 7.33 Economic-led Housing Need – Lichfield

		House-holds 2022	House-holds 2043	Change in house-holds	Per annum	Dwell-ings (per annum)
OBR EAR	2021 commuting	46,617	53,276	6,659	317	327
	2011 commuting	46,617	53,843	7,226	344	354
	1:1 commuting	46,617	53,443	6,826	325	335
EAR no change	2021 commuting	46,617	54,989	8,372	399	411
	2011 commuting	46,617	55,570	8,953	426	439
	1:1 commuting	46,617	55,160	8,543	407	419

Source: Iceni analysis

Table 7.34 Economic-led Housing Need – Tamworth

		House-holds 2022	House-holds 2043	Change in house-holds	Per annum	Dwell-ings (per annum)
OBR EAR	2011 commuting	33,413	36,658	3,245	155	159
	2021 commuting	33,413	36,732	3,320	158	163
	1:1 commuting	33,413	36,372	2,959	141	145
EAR no change	2011 commuting	33,413	37,748	4,335	206	213
	2021 commuting	33,413	37,824	4,411	210	216
	1:1 commuting	33,413	37,457	4,044	193	198

Source: Iceni analysis

Housing Need - Summary

7.109 The new Standard Method for assessing housing need considers the ‘need’ in Lichfield to be 745 dwellings per annum, in Tamworth the need is assessed to be 445 dwellings per annum.

7.110 This level of housing delivery would result in a population growth in Lichfield of around 36,700 people (a 34% increase) and 20,500 (26%) in Tamworth. In moving forward in this report, key analysis has been based on this level of population growth (e.g. such as analysis around housing mix and older person needs as this draws from demographic projections).

7.111 This level of population growth would also support up to 18,400 jobs in Lichfield and 10,300 jobs in Tamworth. This compares to job forecasts of 5,900 jobs in Lichfield and 1,900 in Tamworth. To deliver forecast growth there is a need for up to 439 dwellings per annum in Lichfield and up to 216 dwellings per annum in Tamworth.

7.112 This means that there is no requirement to increase housing need above the standard method to meet economic growth.

8. AFFORDABLE HOUSING NEED

Introduction

8.1 This section provides an assessment of the need for affordable housing in Lichfield and Tamworth. The analysis follows the methodology set out in the Planning Practice Guidance (Sections 2a-018 to 2a-024).

8.2 The analysis looks at the need from households unable to buy OR rent housing; and also, from households able to rent but not buy who may generate a need for affordable home ownership products.

Affordable Housing Sector Dynamics

8.3 The 2021 Census indicated that 13% of households in Lichfield lived in social or affordable rented homes and 18% of households in Tamworth, with the sector accommodating around 5,900 households in each location.

8.4 Data from the Regulator of Social Housing (RSH) for 2023 indicates that the Councils and Registered Providers (RPs) owned 6,900 properties in Lichfield and 6,500 in Tamworth. The majority of homes are general needs rented housing although Lichfield has a higher proportion of supported housing/housing for older people. There are also many low-cost home ownership properties held by Registered Providers (such as shared ownership) – particularly in Lichfield.

Table 8.1 **Stock Owned or Managed by the Councils and Registered Providers**

	Lichfield	Tamworth
General needs	5,855	5,988
Supported housing/housing for older people	422	260
Low-cost home ownership (LCHO)	672	249
Total	6,949	6,497

Source: RSR Geographical Look-Up Tool 2023

8.5 The majority of general needs homes are rented out at social rents (90% of all general need homes in Lichfield and 88% in Tamworth, the rest at affordable rents.

8.6 As of April 2023, there were 345 households on the Council's Housing Register in Lichfield and 401 in Tamworth. In addition, data for March 2024 shows there were 32 households accommodated in temporary accommodation in Lichfield and 26 in Tamworth – around 70% of these were households with children.

Overview of Method

8.7 In summary, the methodology looks at a series of stages as set out below:

- Current affordable housing need (annualised so as to meet the current need over a period of time);
- Projected newly forming households in need;
- Existing households falling into need; and
- Supply of affordable housing from existing stock.

8.8 The first three bullet points above are added together to identify a gross need, from which the supply is subtracted to identify a net annual need for additional affordable housing. Examples of different affordable housing products are outlined in the box below.

Affordable Housing Definitions

Social Rented Homes – are homes owned by local authorities or private registered providers for which rents are determined by the national rent regime (through which a formula rent is determined by the relative value and size of a property and relative local income levels). They are low cost rented homes.

Affordable Rented Homes – are let by local authorities or private registered providers to households who are eligible for social housing. Affordable rents are set at no more than 80% of the local market rent (including service charges).

Rent-to-Buy – where homes are offered, typically by housing associations, to working households at an intermediate rent which does not exceed 80% of the local market rent (including service charges) for a fixed period after which the household has the change to buy the home.

Shared Ownership – a form of low cost market housing where residents own a share of their home, on which they typically pay a mortgage; with a registered provider owning the remainder, on which they pay a subsidised rent.

Discounted Market Sale – a home which is sold at a discount of at least 20% below local market value to eligible households; with provisions in place to ensure that housing remains at a discount for future households (or the subsidy is recycled).

First Homes – a form of discounted market sale whereby an eligible First-time Buyer can buy a home at a discount of at least 30% of market value. Councils are able to set the discounts and local eligibility criteria out in policies.

Affordability

8.9 An important first part of the affordable needs modelling is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. To establish affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).

8.10 The table below shows estimated current prices to both buy and privately rent a lower quartile home in each of the two areas (excluding new-build sales when looking at house prices). Across all dwelling sizes the analysis points to a lower quartile price of £230,000 in Lichfield and £195,000 in Tamworth. Private rents were estimated to have an overall lower quartile of around £825 per month in Lichfield and £775 per month in Tamworth.

Table 8.2 Estimated lower quartile cost of housing to buy (existing dwellings) and privately rent (by size) – Lichfield

	To buy	Privately rent
1-bedroom	£105,000	£600
2-bedrooms	£185,000	£800
3-bedrooms	£230,000	£1,025
4-bedrooms	£370,000	£1,400
All dwellings	£230,000	£825

Source: Land Registry and Internet Price Search

Table 8.3 Estimated lower quartile cost of housing to buy (existing dwellings) and privately rent (by size) – Tamworth

	To buy	Privately rent
1-bedroom	£100,000	£600
2-bedrooms	£150,000	£750
3-bedrooms	£215,000	£925
4-bedrooms	£315,000	£1,350
All dwellings	£195,000	£775

Source: Land Registry and Internet Price Search

8.11 In Lichfield, the affordable needs analysis has also looked at three sub-areas with the table below showing overall estimated lower quartile prices and rents in each of these. This shows generally lower prices in Burntwood with the Rest of the District (rural areas) seeing higher prices and rents.

Table 8.4 **Estimated lower quartile cost of housing to buy (existing dwellings) and privately rent (by size) – Lichfield sub-area**

	To buy	Privately rent
Lichfield Town	£220,000	£780
Burntwood	£200,000	£775
Rest of District	£275,000	£950
All dwellings	£230,000	£825

Source: Land Registry and Internet Price Search

8.12 Next it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS-modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes. Data has also been drawn from the Annual Survey of Hours and Earnings (ASHE) to consider changes since the ONS data was published.

8.13 Overall, the average (mean) household income across the study area is estimated to be around £52,800, with a median income of £43,600; the lower quartile income of all households is estimated to be £24,400. There is some difference between the two areas with an estimated median household income of £45,000 in Lichfield and £41,500 in Tamworth. The table below shows this data including for sub-areas in Lichfield.

Table 8.5 **Estimated average (median) household income by sub-area**

	Median Income	As a % of the study area average
Lichfield Town	£43,900	101%
Burntwood	£39,800	91%
Rest of District	£48,900	112%
Lichfield District	£45,000	103%
Tamworth	£41,500	95%
Study area	£43,600	-

Source: Iceni analysis

8.14 To assess affordability, two different measures are used; firstly, to consider what income levels are likely to be needed to access private rented housing and secondly to consider what income level is needed to access owner occupation. This analysis therefore brings together the data on household incomes with the estimated incomes required to access private-sector housing. For the purposes of analysis, the following assumptions are used:

- Rental affordability – a household should spend no more than 30% of their income on rent; and

- Mortgage affordability – assume a household has a 10% deposit and can secure a mortgage for four and a half times (4.5×) their income.

8.15 The table below shows the estimated incomes required to both buy and rent privately in each area. This shows in both areas that a higher income is required to buy than to rent, with the 'gap' being greatest in areas where house prices are higher.

Table 8.6 Estimated Household Income Required to Buy and Privately Rent

	To buy	To rent (privately)	Income gap
Lichfield Town	£44,000	£31,200	£12,800
Burntwood	£40,000	£31,000	£9,000
Rest of District	£55,000	£38,000	£17,000
Lichfield District	£46,000	£33,000	£13,000
Tamworth	£39,000	£31,000	£8,000

Source: Based on Housing Market Cost Analysis

Need for Affordable Housing

8.16 The sections below work through the various stages of analysis to estimate the need for affordable housing in the two local authorities. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with the likely delivery of affordable housing.

Current Need

8.17 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems (housing suitability). The table below sets out the categories in the PPG and the sources of data being used to establish numbers.

Table 8.7 **Main Sources for Assessing the Current Need for Affordable Housing**

	Source	Notes
Homeless households (and Those in temporary Accommodation)	MHCLG Statutory Homelessness data	Household in temporary accommodation at the end of the latest quarter.
Households in overcrowded housing[10]	2021 Census table RM099	Analysis undertaken by tenure
Concealed households[11]	2021 Census table RM009	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [2a-020]

8.18 The table below sets out estimates of the number of households within each category. This shows an estimated 2,200 households living in ‘unsuitable housing’ in Lichfield and 2,000 in Tamworth. Around 1,000 of these (across the study area) currently have no accommodation (homeless or concealed households).

Table 8.8 **Estimated number of households living in unsuitable housing (or without housing)**

	Concealed and homeless households	Households in overcrowded housing	Existing affordable housing tenants in need	Households from other tenures in need	Total
Lichfield Town	139	238	57	277	710
Burntwood	118	188	33	210	549
Rest of District	273	236	39	357	905
Lichfield District	530	662	129	844	2,164
Tamworth	425	799	129	623	1,975
Study area	955	1,461	257	1,466	4,140

Source: Iceni Analysis

8.19 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. The affordability in different groups is based on estimates of how incomes are likely to vary, for owner-occupiers there is a further assumption about potential equity levels. For homeless and concealed households, it is assumed incomes will be low and households unlikely to be able to afford market sale or rental housing. The tables below show around three-fifths of those

[10] https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=2199
[11] https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=2109

households identified above are unlikely to be able to afford market housing to buy OR rent and therefore there is a current need from 1,280 households in Lichfield and 1,131 in Tamworth.

Table 8.9 **Estimated housing need and affordability by tenure – Lichfield**

	Number in unsuitable housing	% unable to afford	Current need after affordability
Owner-occupied	599	5.9%	35
Affordable housing	451	83.4%	376
Private rented	585	58.0%	339
No housing (homeless/concealed)	530	100.0%	530
Total	2,164	59.2%	1,280

Source: Iceni Analysis

Table 8.10 **Estimated housing need and affordability by tenure – Tamworth**

	Number in unsuitable housing	% unable to afford	Current need after affordability
Owner-occupied	498	5.2%	26
Affordable housing	493	79.1%	390
Private rented	560	51.8%	290
No housing (homeless/concealed)	425	100.0%	425
Total	1,975	57.2%	1,131

Source: Iceni Analysis

8.20 Finally, from these estimates, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The total current need is therefore estimated to be 904 households in Lichfield (1,280-376) and 741 in Tamworth (1,131-390).

8.21 For the purposes of analysis, it is assumed that the local authorities would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2022 to 2043, the need is annualised by dividing by 21 (to give an annual need for around 43 and 35 dwellings in Lichfield and Tamworth respectively).

8.22 This **does not mean** that some households would be expected to wait 21 years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

8.23 The table below shows this data for two areas – this is split between those unable to Rent OR buy and those able to rent but NOT buy. Given the pricing of housing in the study area this analysis only shows a modest need for those able to rent but not buy and in both cases the number unable to rent OR buy is notably higher.

Table 8.11 **Estimated current affordable housing need by sub-area**

	Number in need (excluding those in AH)	Annualised		
		Total	Unable to rent OR buy	Able to rent but NOT buy
Lichfield Town	264	13	11	2
Burntwood	211	10	9	1
Rest of District	430	20	18	2
Lichfield District	904	43	38	5
Tamworth	741	35	32	3
Study area	1,697	81	70	11

Source: Iceni Analysis

Newly-Forming Households

8.24 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below 5 years previously, to provide an estimate of gross household formation. This approach is consistent with the CLG guidance of 2007[12].

8.25 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates 'plateau'. There may be a small number of household formations beyond age 45 (e.g., due to relationship breakdown) although the number is expected to be fairly small when compared with the formation of younger households.

8.26 In assessing the ability of newly forming households to afford market housing, data has been drawn from analysis of English Housing Survey data at a national level. This establishes that the average income of newly forming households is around 84% of the figure for all households.[13]

8.27 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that the average income level is 84% of the all-household average. In doing this it is possible to calculate the proportion of households unable to afford market housing (whether to buy or rent separately).

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[12] https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance (see pages 19-20 of Annexes)
[13] Raw data from the 2013-14 and 2018-19 EHS has been analysed

8.28 Overall, the assessment suggests that around three-fifths of newly forming households in both areas will be unable to afford market housing, and this equates to a total of 488 newly forming households will have a need per annum on average across Lichfield and 316 in Tamworth – the vast majority are households unable to rent OR buy.

Table 8.12 Estimated Need for Affordable Housing from Newly Forming Households (per annum)

	Number of new households	% unable to afford	Annual newly forming households unable to afford	Unable to rent OR buy (per annum)	Able to rent but NOT buy (per annum)
Lichfield Town	238	57.3%	137	97	39
Burntwood	204	57.5%	117	91	26
Rest of District	365	64.1%	234	160	74
Lichfield District	807	60.5%	488	348	140
Tamworth	588	53.7%	316	253	63
Study area	1,394	57.6%	804	601	203

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

8.29 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/Affordable Rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period.

8.30 From this, newly forming households (e.g., those currently living with family) have been discounted as well as households who have transferred from another social/Affordable Rented property. Data has been drawn from several sources, including Local Authority Housing Statistics (LAHS) and Continuous Recording of Sales and Lettings (CoRe).

8.31 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says:

"Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)".[14]

[14] https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance (see page 46)

8.32 Following the analysis this suggests a need arising from 104 existing households each year across Lichfield and 103 in Tamworth – again, most are households unable to buy OR rent.

Table 8.13 Estimated Need for affordable housing from Existing Households Falling into Need (per annum)

	Total Additional Need	Unable to rent OR buy	Able to rent but NOT buy
Lichfield Town	36	29	7
Burntwood	25	21	3
Rest of District	43	35	8
Lichfield District	104	86	18
Tamworth	103	89	14
Study area	206	175	32

Source: Iceni Analysis

Supply of Affordable Housing Through Relets/Resales

8.33 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focuses on the annual supply of social/affordable rent relets. Information from a range of sources (mainly CoRe and LAHS) has been used to establish past patterns of social housing turnover. Data for three years has been used (2020-21 to 2022-23).

8.34 The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock. Based on past trend data it has been estimated that 233 units of social/affordable rented housing are likely to become available each year moving forward in Lichfield and 224 in Tamworth.

Table 8.14 Analysis of Past Social/Affordable Rented Housing Supply, 2020/21 – 2022/23 (average per annum) – Lichfield

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2020/21	521	86.4%	450	50.7%	228
2021/22	538	76.6%	412	53.7%	221
2022/23	537	69.5%	373	65.2%	243
Average	532	77.4%	412	56.6%	233

Source: CoRe

Table 8.15 Analysis of Past Social/Affordable Rented Housing Supply, 2020/21 – 2022/23 (average per annum) – Tamworth

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2020/21	440	76.8%	338	70.7%	239
2021/22	442	84.4%	373	61.8%	230
2022/23	385	83.9%	323	62.6%	202
Average	422	81.6%	345	65.1%	224

Source: CoRe

8.35 It is also possible to consider if there is any supply of affordable home ownership products from the existing stock of housing. One source is likely to be resales of low-cost home ownership products with data from the Regulator of Social Housing showing a total stock in 2023 of 672 homes in Lichfield and 249 in Tamworth. If these homes were to turnover at a rate of around 5% then they would be expected to generate around 34 and 12 resales each year respectively. These properties would be available for these households and can be included as the potential supply.

8.36 The table below shows the estimated supply of affordable housing from relets/resales in each local authority.

Table 8.16 Table 1.16 Estimated supply of affordable housing from relets/resales of existing stock by local authority (per annum)

	Lichfield	Tamworth
Social/affordable rented	233	224
LCHO	34	12
Total	267	237

Source: CoRe/LAHS, 2021 Census

8.37 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report.

8.38 Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock).

8.39 Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Affordable Housing

8.40 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 368 dwellings per annum across Lichfield and 217 in Tamworth. The net need is calculated as follows:

Net Need = Current Need (allowance for) + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Table 8.17 Estimated Need for Affordable Housing (per annum)

	Lichfield	Tamworth
Current need	43	35
Newly forming households	488	316
Existing households falling into need	104	103
Total Gross Need	634	454
Relet/resale supply	267	237
Net Need	368	217

Source: Iceni Analysis

8.41 This can additionally be split between households unable to afford to BUY or rent and those able to rent but not buy. For this analysis, it is assumed the LCHO supply would be meeting the needs of the latter group, although in reality there will be a crossover between categories. For example, it is likely in some cases that the cost of shared ownership will have an outgoing below that for private renting and could meet some of the need from households unable to buy or rent – the issue of access to deposits would still be a consideration.

8.42 The table below shows in both areas a far greater need from households unable to buy OR rent and for whom a rented affordable product is likely to be most suitable.

Table 8.18 Estimated Need for Affordable Housing (per annum) – split between different affordability groups

	Lichfield	Tamworth
Unable to buy OR rent	238	150
Able to rent but not buy	130	67
Total	368	217
% unable to buy or rent	65%	69%

Source: Iceni Analysis

8.43 The final table below presents this information, including the sub-areas in Lichfield. This potentially points to a lower need in Lichfield Town and a higher proportion of this need potentially being from households able to rent but not buy.

Table 8.19 **Estimated Need for Affordable Housing (per annum) – split between different affordability groups and sub-areas**

	Unable to buy OR rent	Able to rent but not buy	Total	% unable to buy or rent
Lichfield Town	35	36	70	49%
Burntwood	62	26	87	71%
Rest of District	142	68	210	68%
Lichfield District	238	130	368	65%
Tamworth	150	67	217	69%
Study area	388	197	585	66%

Source: Iceni Analysis

Affordable Need and Overall Housing Numbers

8.44 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG (housing and economic needs) Ref ID 2a-024 states:

> *"The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing-led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes"*

8.45 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015[15]. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are a number of reasons why the two cannot be 'arithmetically' linked.

8.46 Firstly, the modelling contains a category in the projection of 'existing households falling into need'; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is, therefore, no net additional need arising The modelling also contains 'newly forming households'; these households are a direct output from demographic modelling and are therefore already included in overall housing need figures (a point also made in the PAS advice note – see paragraph 9.5).

[15] https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf. While the technical note produced by PAS is arguably becoming dated, there is no more up-to-date guidance on this matter from a Government source and the remarks remain valid.

8.47 The analysis estimates an annual need for 388 affordable homes for households unable to buy OR rent housing across the two areas. However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).

8.48 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 140 homes per annum across Lichfield – 59% of the figure when including those with housing. For Tamworth, this analysis shows a need for 49 units per annum – about a third of need generated including households already in accommodation.

8.49 These figures are however theoretical and should not be seen to be minimising the need (which is clearly acute). That said, it does serve to show that there is a substantial difference in the figures when looking at overall housing shortages.

8.50 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstration of a need for this group again should not be seen as additional to overall figures from demographic projections.

Table 8.20 Estimated Need for Affordable Housing (households unable to buy OR rent) excluding households already in accommodation

	Lichfield		Tamworth	
	Including existing house-holds	Excluding existing house-holds	Including existing house-holds	Excluding existing house-holds
Current need	38	25	32	20
Newly forming households	348	348	253	253
Existing households falling into need	86	0	89	0
Total Gross Need	471	373	374	273
Re-let Supply	233	233	224	224
Net Need	238	140	150	49

Source: Iceni Analysis

8.51 Additionally, it should be noted that the need estimate is on a per-annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households who would be expected to have a need in any given year (i.e., needing to spend more than 30% of income on housing).

8.52 In reality, some (possibly many) households would see their circumstances change over time such that they would 'fall out of need' and this is not accounted for in the analysis. One example would be a newly forming household with an income level that means they spend more than 30% of their income on housing. As the household's income rises, they would potentially pass the affordability test and therefore not have an affordable need.

8.53 Additionally, there is the likelihood when looking over the longer term that a newly forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.

8.54 It also needs to be remembered the affordability test used for analysis is based on assuming a household spends no more than 30% of their income on housing (when privately renting). In reality, many households will spend more than this and so would be picked up by modelling as in need but in fact, are paying for a private sector tenancy.

8.55 The English Housing Survey (2022-23) estimates private tenants are paying an average of 32% of income on housing (including benefit support) and this would imply that more than half are spending more than the affordable level assumed in this report.

8.56 A further consideration is that some 197 of the 585 per annum affordable need (across both areas) is a need for affordable home ownership. Technically, these households can afford market housing (to rent) and historically would not have been considered as having a need in assessment such as this – until recently only households unable to buy OR rent would be considered as having a need for affordable housing. For these reasons, these households have not been included in the analysis looking at households with and without accommodation.

8.57 Finally, it should be recognised that the Planning Practice Guidance does not envisage that all needs will be met (whether this is affordable housing or other forms of accommodation such as for older people). Paragraph 67-001 of the housing needs of different groups PPG states:

> *"This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people. This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method".*

The Role of the Private Rented Sector (PRS)

8.58 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall housing provision. However, it is worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In particular, the role played by the Private Rented Sector (PRS) in providing housing for households who require financial support to meet their housing needs should be recognised.

8.59 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main 'full market' PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. The former government recognised this and indeed legislated through the 2011 Localism Act to allow Councils to discharge their "homelessness duty" by providing an offer of a suitable property in the PRS.

8.60 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of May 2024, it is estimated that there were around 1,550 benefit claimants in the Private Rented Sector in Lichfield and 1,770 in Tamworth. From this, it is clear that the PRS contributes to the wider delivery of 'affordable homes' with the support of benefit claims.

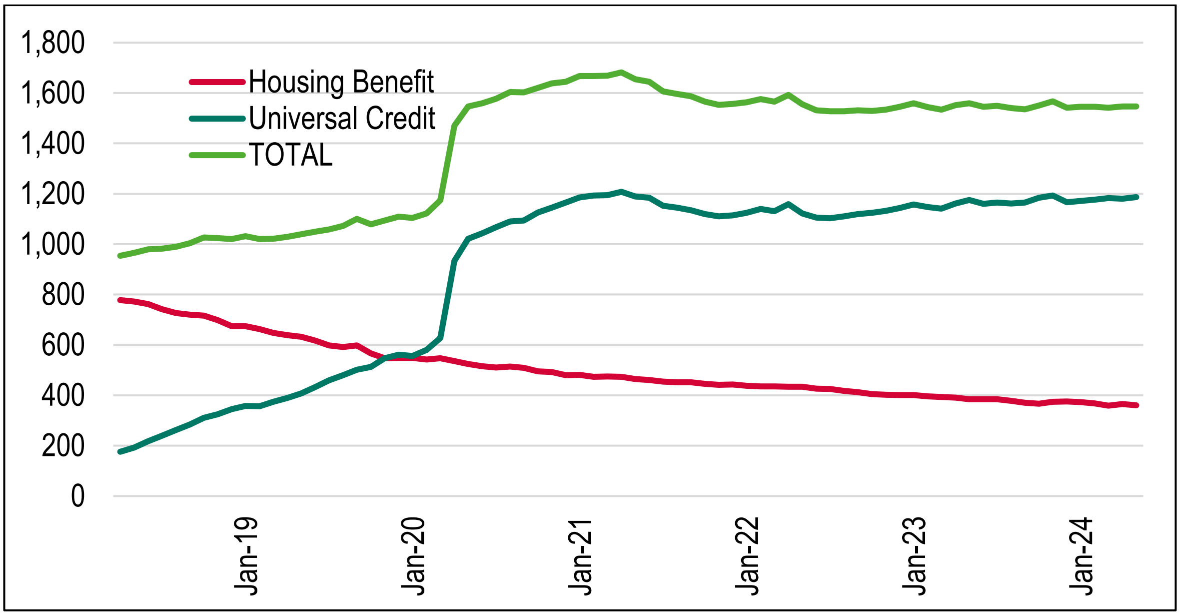
8.61 Whilst the PRS is providing housing for some households, there are however significant risks associated with future reliance on the sector to meet an affordable housing need. The last couple of years have seen rents increase whilst LHA levels have remained static. It is a welcome relief that in the Autumn Statement 2023, the Government increased the LHA rent to the 30th percentile of market rents; and Universal Credit will also rise. However, demand pressure could nonetheless have some impact on restricting the future supply of PRS properties to those in need; emphasising the need to support the delivery of genuinely affordable homes.

8.62 The figures below show the trend in the number of claimants in the two local authorities. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically in excess of 1,000 households in both locations).

8.63 The data about the number of claimants does not indicate how many new lettings are made each year in the PRS. However, data from the English Housing Survey (EHS) over the past three years indicates that nationally around 7% of private sector tenants are new to the sector each year. If this figure is applied to the current number of households claiming HB/UC, then this would imply around 108 new benefit-supported lettings in the sector per annum in Lichfield and 124 in Tamworth.

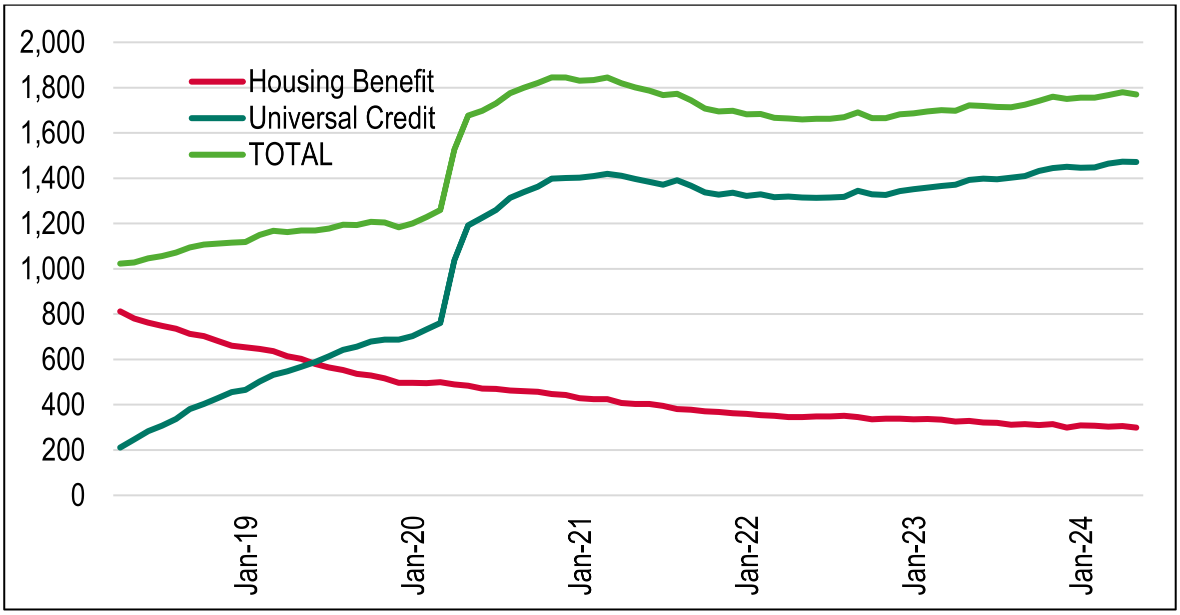
8.64 For Tamworth this figure is quite close to the estimated level of affordable need (from households unable to buy OR rent) and again shows how the housing market reacts to provide housing for those unable to afford the market without subsidy. Whilst we would not recommend including PRS supply as part of the modelling, not least as it is uncertain whether the availability of homes will remain at this level as well as concerns about the security of tenure, it is the case that the sector does provide housing and again the overall analysis does not point to the need to increase overall provision.

Figure 8.1 Number of Housing Benefit claimants in the PRS – Lichfield



Source: Department of Work and Pensions

Figure 8.2 Number of Housing Benefit claimants in the PRS – Tamworth



Source: Department of Work and Pensions

8.65 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivering affordable housing; and the Council should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets.

8.66 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and in interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home.

8.67 Further issues arise as the need for affordable housing is complex and additionally, the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.

8.68 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that the provision of new affordable housing is an important and pressing issue across the Council areas.

8.69 **However, it needs to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.**

Split between Social and Affordable Rented Housing

8.70 The analysis above has clearly pointed to a need for rented forms of affordable housing for households unable to buy OR rent with the analysis below looking at the need for social rented versus affordable rented accommodation.

8.71 The tables below show current rent levels in the two local authorities for a range of products along with relevant local housing allowance (LHA) rates (Lichfield being predominantly in the Mid Staffs Broad Rental Market Area (BRMA) and Tamworth entirely within this area).

8.72 Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile market rents. This analysis shows that social rents are significantly lower than affordable rents; the analysis also shows that affordable rents are below lower quartile market rents.

8.73 The LHA rates for all sizes of homes are below lower quartile market rents for all sizes of accommodation. This does potentially mean that households seeking accommodation in many locations may struggle to secure sufficient benefits to cover their rent.

Table 8.21 **Comparison of rent levels for different products – Lichfield**

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	LHA (Mid Staffs)
1-bedroom	£354	£430	£600	£499
2-bedrooms	£411	£517	£800	£623
3-bedrooms	£458	£574	£1,025	£738
4-bedrooms	£522	£750	£1,400	£992
All	£415	£524	£825	-

Source: RSH, ONS and VOA

Table 8.22 **Comparison of rent levels for different products – Tamworth**

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	LHA (Tamworth)
1-bedroom	£329	£440	£600	£499
2-bedrooms	£378	£544	£750	£623
3-bedrooms	£411	£616	£925	£738
4-bedrooms	£460	£763	£1,350	£992
All	£380	£545	£775	-

Source: RSH, ONS and VOA

8.74 To some extent it is easier to consider the data above in terms of the percentage of one housing cost of another and this is shown in the tables below. Caution should be exercised when looking at the overall averages as these will be influenced by the profile of stock in each category and so the discussion focuses on 2-bedroom homes. This shows that social rents are significantly cheaper than market rents (and indeed affordable rents) and that affordable rents (as currently charged) represent 65% of a current lower quartile rent in Lichfield (73% in Tamworth).

Table 8.23 **Difference between rent levels for different products – Lichfield**

	Social rent as % of affordable rent	Social rent as % of LQ market rent	Affordable rent as % of LQ market rent
1-bedroom	82%	59%	72%
2-bedrooms	80%	51%	65%
3-bedrooms	80%	45%	56%
4-bedrooms	70%	37%	54%
All	79%	50%	64%

Source: RSH, ONS and VOA

Table 8.24 **Difference between rent levels for different products – Tamworth**

	Social rent as % of affordable rent	Social rent as % of LQ market rent	Affordable rent as % of LQ market rent
1-bedroom	75%	55%	73%
2-bedrooms	70%	50%	73%
3-bedrooms	67%	44%	67%
4-bedrooms	60%	34%	57%
All	70%	49%	70%

Source: RSH, ONS and VOA

8.75 The table below suggests that around 17% of households in both areas who cannot afford to rent privately could afford an affordable rent at 80% of market rents, with a further 17% (Lichfield) and 9% (Tamworth) being able to afford current affordable rents.

8.76 There are also an estimated 15% (Lichfield) to 24% (Tamworth) who can afford a social rent (but not an affordable one).

8.77 A total of 50% of households (in both areas) would need some degree of benefit support (or spend more than 30% of income on housing) to be able to afford their housing (regardless of tenure). This analysis points to a clear need for social rented housing.

Table 8.25 **Estimated need for affordable rented housing (% of households able to afford**

	% of households able to afford	
	Lichfield	Tamworth
Afford 80% of market rent	17%	17%
Afford current affordable rent	17%	9%
Afford social rent	15%	24%
Need benefit support	50%	50%
All unable to afford market	100%	100%

Source: Iceni Analysis

8.78 The analysis indicates that the provision of around 65% to 75% of rented affordable housing at social rents could be justified; albeit in setting planning policies, this will need to be considered alongside viability evidence and the Council's priorities. Higher provision at social rents will reduce the support through housing benefits required to ensure households can afford their housing costs.

Different Affordable Home Ownership Products

8.79 Whilst the analysis above did not identify any significant need for affordable home ownership (i.e. housing for those able to rent but not buy) it is the case that some delivery might be expected – for example where viability is an issue or to help diversify stock in some locations. It is also possible that some forms of affordable home ownership could be priced to be affordable for some households unable to buy OR rent. The analysis below therefore looks at some of the main options available under the affordable home ownership banner.

Discounted Market Housing (including First Homes)

8.80 The tables below set out a suggested purchase price for affordable home ownership/First Homes by size. It works through first (on the left-hand side) what households with an affordable home ownership need could afford (based on a 10% deposit and a mortgage at 4.5 times' income).

8.81 The right-hand side of the table then sets out what Open Market Value (OMV) this might support, based on a 30% discount. The lower end of the range is based on households who could afford to rent privately without financial support at LQ rents; with the upper end based on the midpoint between this and the lower quartile house price.

8.82 Focussing on 2-bedroom homes, it is suggested that an affordable price is not more than £150,000 in Tamworth and between £160,000 and £172,500 in Lichfield and therefore the open market value of homes would need to be no more than £214,300 in Tamworth and in the range of £228,600 and £246,400 in Lichfield (if discounted by 30%).

Table 8.26 **Affordable home ownership prices – Lichfield**

	What households with an affordable home ownership need could afford	Open Market Value (OMV) of Home with 30% Discount
1-bedroom	£105,000	£150,000
2-bedrooms	£160,000-£172,500	£228,600-£246,400
3-bedrooms	£205,000-£217,500	£292,900-£310,700
4+-bedrooms	£280,000-£325,000	£400,000-£464,300

Source: Iceni Analysis

Table 8.27 **Affordable home ownership prices – Tamworth**

	What households with an affordable home ownership need could afford	Open Market Value (OMV) of Home with 30% Discount
1-bedroom	£100,000	£142,900
2-bedrooms	£150,000	£214,300
3-bedrooms	£185,000-£200,000	£264,300-£285,700
4+-bedrooms	£270,000-£292,500	£385,700-£417,900

Source: Iceni Analysis

8.83 It is difficult to definitively analyse the cost of newbuild homes as these will vary from site to site and will be dependent on a range of factors such as location, built form and plot size. We have however looked at newbuild schemes currently advertised on Rightmove with the tables below providing a general summary of existing schemes.

8.84 This analysis is interesting as it shows the median newbuild price for all sizes of homes is above the top end of the OMV required to make homes affordable to those in the gap between buying and renting.

8.85 That said, homes at the bottom end of the price range could potentially be discounted by 30% and be considered affordable. The one exception to this is 4-bedroom homes in Lichfield, however, a 30% discount on the estimated median newbuild price would sit above the current price cap for First Homes.

8.86 This analysis shows how important it will be to know the OMV of housing before discount to be able to determine if a product is going to be genuinely affordable in a local context – providing a discount of 30% will not automatically mean it becomes affordable housing. Overall, it is considered the evidence does not support a need for First Homes (or other discounted market products) in a local context.

Table 8.28 **Estimated newbuild housing cost by size – Lichfield**

	No. of homes advertised	Range of prices	Median price	LQ market
1-bedroom	1	£350,000	-	£105,000
2-bedrooms	29	£192,000-£430,000	£275,000	£185,000
3-bedrooms	36	£220,000-£1,200,000	£400,000	£230,000
4-bedrooms	34	£335,000-£1,100,000	£435,000	£370,000

Source: Iceni Analysis

Table 8.29 **Estimated newbuild housing cost by size – Tamworth**

	No. of homes advertised	Range of prices	Median price	LQ market
1-bedroom	0	-	-	£100,000
2-bedrooms	12	£192,000-£280,000	£250,000	£150,000
3-bedrooms	29	£220,000-£395,000	£330,000	£215,000
4-bedrooms	24	£345,000-£600,000	£435,000	£315,000

Source: Iceni Analysis

Shared Ownership

8.87 The analysis below moves on to consider shared ownership, for this analysis an assessment of monthly outgoings has been undertaken with a core assumption being that the outgoings should be the same as for renting privately to make this tenure genuinely affordable.

8.88 The analysis has looked at what the OMV would need to be for shared ownership to be affordable with a 10%, 25% and 50% share. To work out outgoings the mortgage part is based on a 10% deposit (for the equity share) and a repayment mortgage over 25 years at 4% with a rent at 2.75% per annum on unsold equity.

8.89 The findings for this analysis are interesting and do point to the possibility of shared ownership being a more affordable tenure than discounted market housing (including First Homes) – particularly for smaller (1- and 2-bedroom) homes.

8.90 By way of an explanation of the tables (focussing on 2-bedroom homes in Lichfield) – if a 50% equity share scheme came forward then it is estimated the OMV could not be above £227,000 if it is to be genuinely affordable (due to the outgoings being more than the cost of privately renting).

8.91 However, given the subsidised rents, the same level of outgoings could be expected with a 10% equity share but a much higher OMV of £315,000. Although affordability can only be considered on a scheme-by-scheme basis, it is notable that we estimate a median 2-bedroom newbuild to cost around £275,000 in Lichfield – this points to it being difficult to make 50% of schemes genuinely affordable (and 25% in some instances), but a 10% share could be affordable across both areas and all sizes of home.

Table 8.30 **Estimated OMV of Shared Ownership with a 50%, 25% and 10% Equity Share by Size – Lichfield**

	50% share	25% share	10% share
1-bedroom	£170,000	£206,000	£236,000
2-bedroom	£227,000	£275,000	£315,000
3-bedroom	£291,000	£353,000	£404,000
4-bedrooms	£397,000	£482,000	£552,000

Source: Iceni Analysis

Table 8.31 **Estimated OMV of Shared Ownership with a 50%, 25% and 10% Equity Share by Size – Tamworth**

	50% share	25% share	10% share
1-bedroom	£170,000	£206,000	£236,000
2-bedroom	£213,000	£258,000	£295,000
3-bedroom	£263,000	£318,000	£364,000
4-bedrooms	£383,000	£464,000	£532,000

Source: Iceni Analysis

Rent to Buy

8.92 A further affordable option is Rent to Buy; this is a Government scheme designed to ease the transition from renting to buying the same home. Initially (typically for five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate).

8.93 The expectation is that the discount provided in that first five years is saved to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller ‘step’ to be taken onto the home ownership ladder.

8.94 At the end of the five years, depending on the scheme, the property is either sold as a shared ownership product or purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated.

8.95 To access this tenure, it effectively requires the same income threshold for the initial phase as a market rental property although the cost of accommodation will be that of affordable rent. The lower-than-market rent will allow the household to save for a deposit for the eventual shared ownership or market property.

8.96 In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared ownership). It should therefore be treated as part of the affordable home ownership products suggested by the NPPF.

Housing Team Engagement

8.97 Iceni has engaged with the housing teams at Lichfield and Tamworth regarding affordable housing.

Tamworth

8.98 The officers noted that there is a large need for affordable housing in Tamworth. Properties with one bedroom are in the largest need followed then by 2 and 3 beds.

8.99 Officers recognised that while the need for larger 4+ bedroom properties is smaller in comparison, the lack of stock in Tamworth makes waiting times for families in need of this type of housing much longer.

8.100 Generally, officers felt that because Tamworth covers a reasonably small geographic area those on the register did not have a huge preference on where they lived provided it was close to family, their support network or schools for children.

8.101 There has not been a huge amount of developer interest in affordable home ownership options in Tamworth and there has been minimal delivery of shared ownership in particular.

8.102 Officers recognise that the private rented sector supports a lot of people who are in affordable housing need. There were some concerns from officers that the Renters Reform and Renters Rights Legislation could see negative impacts on tenants such as increasing rents.

8.103 Similarly, the ban on section 21 “no-fault” evictions, while welcomed by officers, did raise concerns about other methods landlords may use to evict tenants from properties.

8.104 Officers reported HMOs as a key housing option for those in affordable housing need, mandatory licencing means that the councils only have information on large HMOs that house more than 5 people.

8.105 Officers reported that they are finding it increasingly hard to place people into HMO spaces. This is particularly impacting their ability to tackle homelessness. However, more enquiries are being received from Landlords interested in setting up new HMOs.

8.106 Officers felt that HS2 had had an impact on HMO availability as many construction workers choose to live in HMO spaces and are often able to pay more than local people.

8.107 Overall, affordable social rented housing was seen as the largest need with officers wishing to see a mix of bedroom sizes coming forward reflecting that while the waiting list for smaller properties is bigger than the current supply of larger properties is small.

Lichfield

8.108 The key need for social rented affordable housing in Lichfield is for 1- and 3-bedroom properties, with 1-bed being in highest demand. Despite this, officers also recognised that the provision of larger family homes is a key issue as there are several families on the housing register with a need for at least 4 bedrooms.

8.109 Officers found the development of new larger affordable homes to be a sticking point as developers are much less likely to be able to provide larger homes as part of affordable provision due to perceived viability. In many cases, if larger homes are not intended to be provided as part of the market element of the development, then the developers will not provide them as part of the affordable provision.

8.110 Overall, registered providers are happy to take on larger properties however they must also ensure that they are viable and that the end rent for the customer is still affordable.

8.111 The council also recognise that there is a shortage of bungalows in the District, as well as wheelchair-accessible and ground-floor flats. The Council are close to completing several new bungalows that have been developed at Streethay and are due to be available for let soon.

8.112 The Council has also adopted a new Supplementary Planning Document that considers design and requires all new homes to be “lifetime homes”, it is hoped that going forward this will alleviate some pressure on the need for specialist and adapted housing.

8.113 There has been some interest in the development of First Homes, which the housing team are generally not opposed to as a tenure, however, this interest has only been from a single developer.

8.114 In contrast, Shared Ownership (SO) is better established in Lichfield and is considered to work well; however Registered Providers generally prefer to take on SO properties with minimal service charges. As a result, houses and flats with minimal communal space are preferred and considered to be more affordable.

8.115 The officers would like to see a greater focus on social renting rather than low-cost home ownership but appreciate the viability considerations. They would also like to see a mix similar to the need on the register, as increasing overall supply in line with the identified need will result in the need being addressed.

8.116 Homelessness is also becoming a larger pressure on the Council with increases in the number of people presenting as homeless and in need of Temporary Accommodation (TA). In most cases, people are able to be housed within the district but some have had to be located in other areas. The Council is looking at investment into their own TA stock to help alleviate pressure.

Affordable Housing Need – Summary

8.117 The evidence indicates that there is an acute need for affordable housing in both local authorities. The majority of need is from households who are unable to buy OR rent and therefore points particularly towards a need for rented affordable housing rather than affordable home ownership.

8.118 Despite the level of need being high (relative to overall housing requirements), it is not considered that this points to any requirement for the Councils to increase the Local Plan housing requirement due to affordable needs.

8.119 The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home).

8.120 In addition, the private rented sector is providing benefit-supported accommodation for many households. That said, the level of affordable need does suggest the Councils should maximise the delivery of such housing at every opportunity.

8.121 The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable, particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit.

8.122 However, it is clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes. Local officers also report that social housing delivery was most required.

8.123 The study also considers different types of AHO (notably First Homes and shared ownership) as each may have a role to play. Shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent. There was no evidence of a need for First Homes or discounted market housing more generally.

8.124 Given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as 'genuinely affordable' (particularly for larger (3+-bedroom) homes). This again points to the need for the Councils to prioritise the delivery of rented affordable housing where possible.

8.125 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Councils will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

8.126 **Overall, the analysis identifies a notable need for affordable housing, and it is clear that the provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target.**

8.127 **The amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.**

9. HOUSING MIX

Introduction

9.1 This section considers the appropriate mix of housing across Lichfield and Tamworth, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the number of households in different age groups is projected to change moving forward.

Background Data

9.2 The number of families in Lichfield (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 12,100 as of the 2021 Census, accounting for 26% of households. In Tamworth, some 9,800 households contained dependent children (30% of households). These figures compare with 29% across the West Midlands and 28% nationally. Tamworth sees a relatively high proportion of lone-parent households.

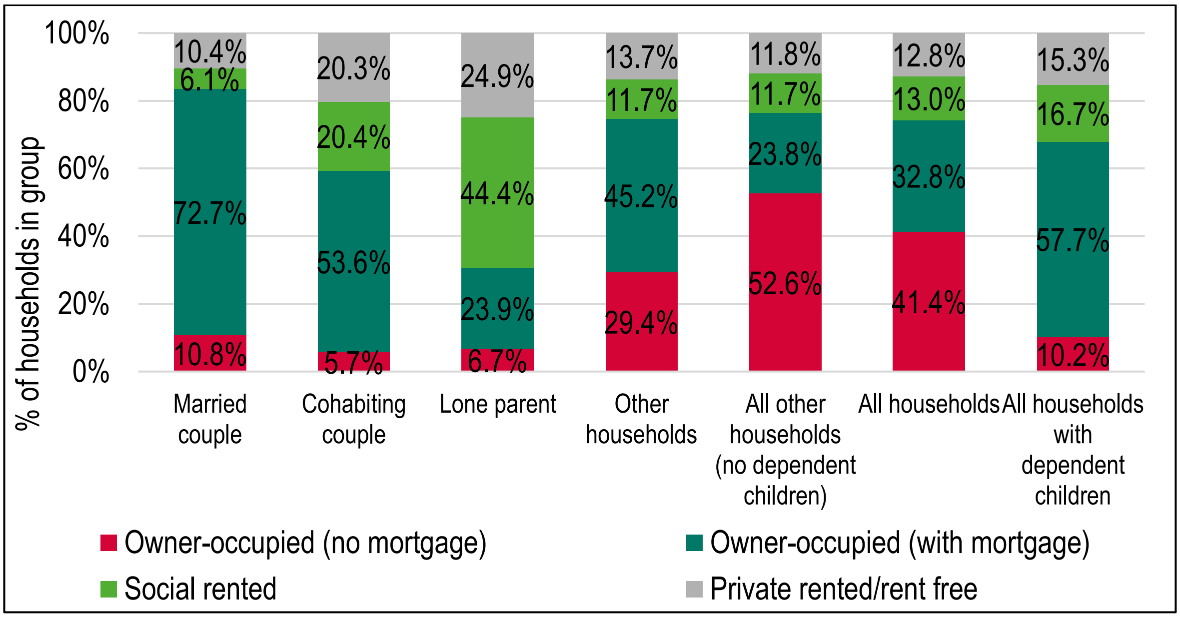
Table 9.1 Households with Dependent Children (2021)

	Lichfield		Tamworth		West Midlands	England
	No.	%	No.	%	%	%
Married couple	6,679	14.6%	4,424	13.5%	14.2%	13.8%
Cohabiting couple	2,211	4.8%	2,111	6.4%	4.8%	5.1%
Lone parent	2,397	5.3%	2,511	7.6%	7.4%	6.5%
Other households	780	1.7%	710	2.2%	3.0%	2.4%
All other HHs	33,563	73.6%	23,136	70.3%	70.6%	72.2%
Total	45,630	100.0%	32,892	100.0%	100.0%	100.0%
Total with dependent children	12,067	26.4%	9,756	29.7%	29.4%	27.8%

Source: Census (2021)

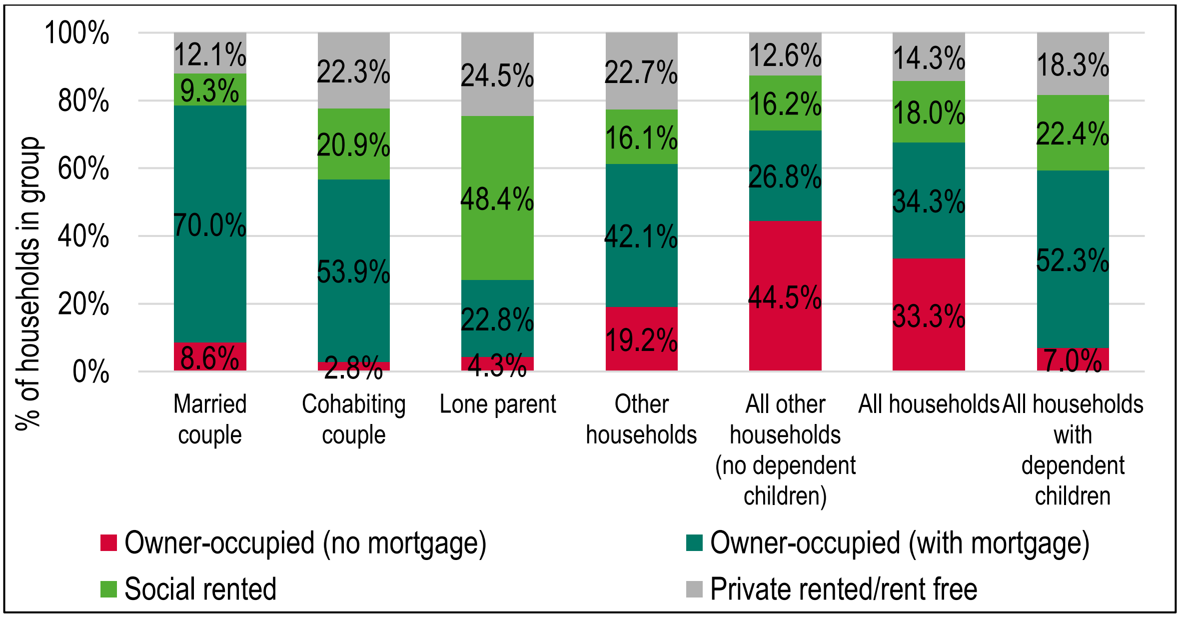
9.3 The figures below show the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. In Lichfield, only 31% of lone-parent households are owner-occupiers compared with 83% of married couples with children; in Tamworth, 27% of lone parents are owners compared with 79% of married couples (with children).

Figure 9.1 Tenure of households with dependent children (2021) – Lichfield



Source: Census (2021)

Figure 9.2 Tenure of households with dependent children (2021) – Tamworth

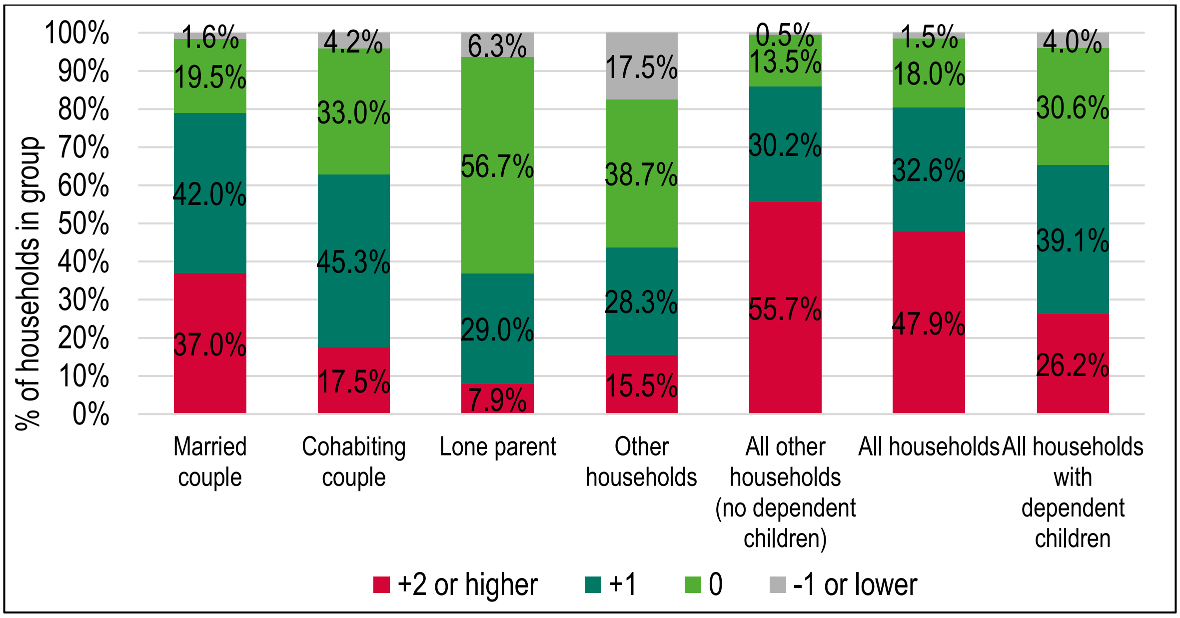


Source: Census (2021)

9.4 The figures below show levels of overcrowding and under-occupancy of households with dependent children. This shows higher levels of overcrowding (minus figure) for all household types with dependent children with 6% of all lone parents (in Lichfield) and 7% in Tamworth being overcrowded. Additionally, some 18% (Lichfield) and 27% (Tamworth) of 'other' households are overcrowded.

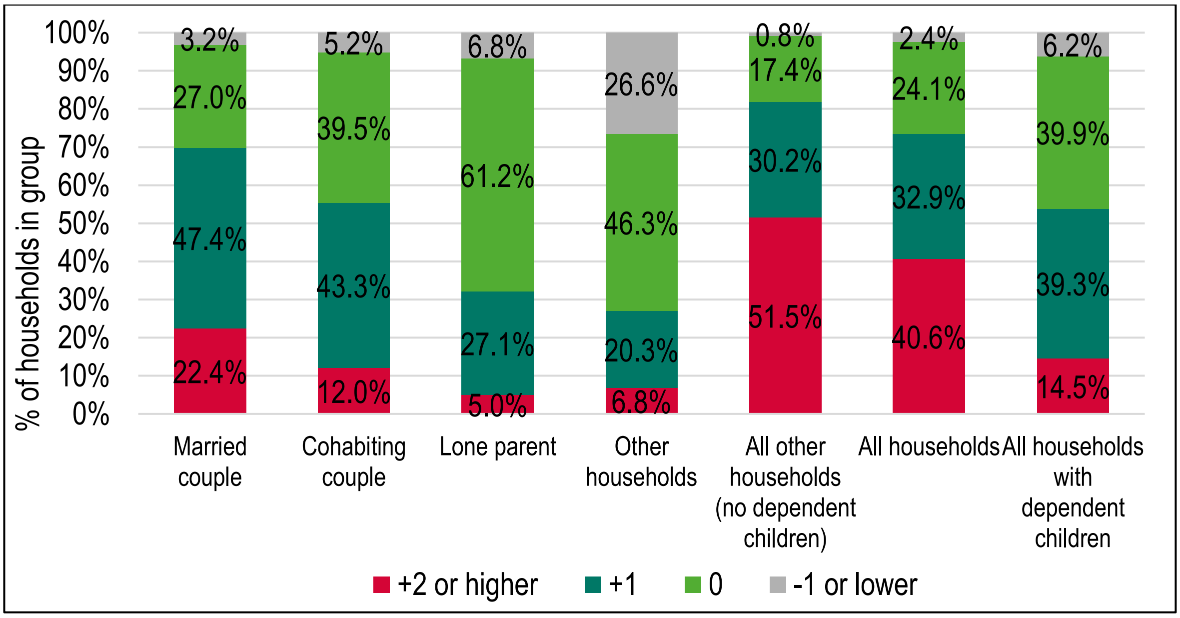
9.5 Overall, some 4% of households with dependent children are overcrowded in Lichfield (6% in Tamworth), compared with less than 1% of other households. Levels of under-occupancy (positive figure) are also notably lower in households with dependent children.

Figure 9.3 Occupancy rating of households with dependent children (2021) – Lichfield



Source: Census (2021)

Figure 9.4 Occupancy rating of households with dependent children (2021) – Tamworth



Source: Census (2021)

The Mix of Housing

9.6 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections it is possible to see which age groups are expected to change in number, and by how much.

9.7 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is, therefore, possible to assess the profile of housing needed over the assessment period (taken to be 2022-43 to be consistent with other analyses in this report).

9.8 An important starting point is to understand the current balance of housing in the area – the table below profiles the sizes of homes in different tenure groups across areas. The data shows a market stock (owner-occupied) that is dominated by 3+-bedroom homes (making up 81% of the total in this tenure group in Lichfield and 83% in Tamworth, a slightly higher proportion than that seen regionally and nationally).

9.9 The profile of the social rented sector is broadly similar across areas, although Lichfield has relatively few 3+-bedroom homes, whilst the private rented sector is also similar to other locations. Observations about the current mix feed into conclusions about future mix later in this section.

Table 9.2 **Number of Bedrooms by Tenure, 2021**

		Lichfield	Tamworth	West Midlands	England
Owner-occupied	1-bedroom	2%	2%	2%	4%
	2-bedrooms	17%	15%	19%	21%
	3-bedrooms	47%	56%	52%	46%
	4+-bedrooms	35%	26%	27%	29%
	Total	100%	100%	100%	100%
	Ave. no. beds	3.14	3.07	3.04	3.01
Social rented	1-bedroom	27%	28%	29%	29%
	2-bedrooms	40%	32%	35%	36%
	3-bedrooms	31%	37%	32%	31%
	4+-bedrooms	2%	4%	4%	4%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.09	2.17	2.12	2.10
Private rented	1-bedroom	13%	14%	17%	21%
	2-bedrooms	39%	37%	37%	39%
	3-bedrooms	38%	41%	37%	29%
	4+-bedrooms	10%	7%	10%	11%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.45	2.42	2.40	2.30

Source: Census (2021)

Overview of Methodology

9.10 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analyses.

Understanding How Households Occupy Homes

9.11 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided.

9.12 The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

9.13 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single-person households does not automatically translate into a need for smaller units.

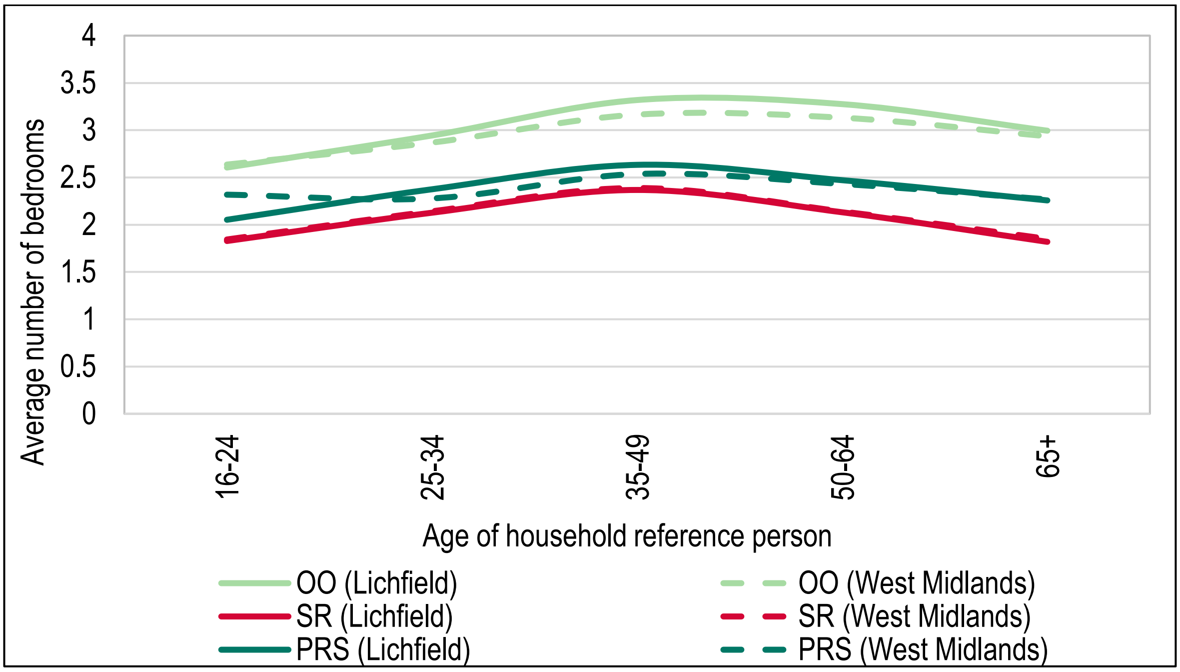
9.14 That said, issues of supply can also impact occupancy patterns, for example, it may be that a supply of additional smaller-level access homes would encourage older people to downsize but in the absence of such accommodation, these households remain living in their larger accommodation.

9.15 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy (‘bedroom tax’)).

9.16 The approach used is to interrogate information derived from the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups (data drawn from the 2021 Census).

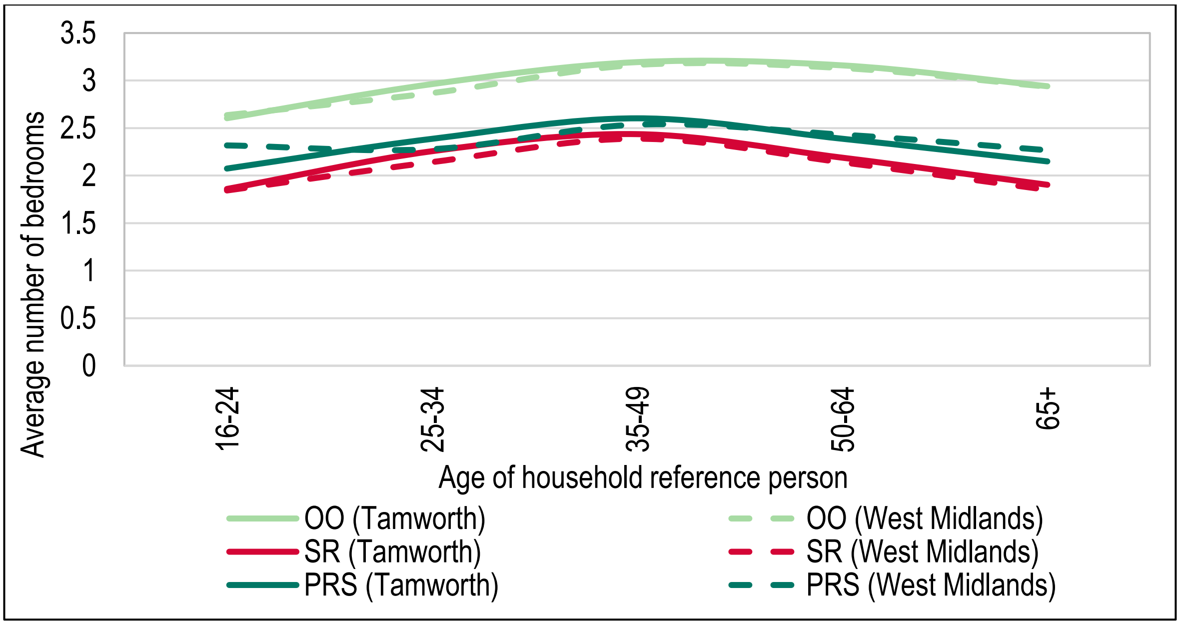
9.17 The figures below show an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Lichfield and Tamworth compared with the West Midlands region. In all sectors, the average size of accommodation rises over time to typically reach a peak around the age of 50. After peaking, the average dwelling size decreases – as typically some households downsize as they get older. The analysis identifies patterns in both Lichfield and Tamworth as broadly following those seen regionally.

Figure 9.5 Average Bedrooms by Age and Tenure in Lichfield and the Region



Source: Census (2021)

Figure 9.6 Average Bedrooms by Age and Tenure in Tamworth and the Region



Source: Census (2021)

9.18 The analysis uses the existing occupancy patterns at a local level as a starting point for analysis and applies these to the projected changes in Household Reference Person by age discussed below. The analysis has been used to derive outputs for three broad categories. These are:

- **Market Housing** – which is taken to follow the occupancy profiles in the market sector (i.e. owner-occupiers and the private rented sector);
- **Affordable Home Ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government's desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- **Rented Affordable Housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing.

Changes to Households by Age

9.19 The tables below present the projected change in households by age of household reference person, this shows growth as being expected in all age groups and in particular both younger and older age groups. The number of households headed by someone aged 50-64 is projected to see more modest rises over the period studied. The patterns are similar in the two local authorities but with slightly higher overall growth projected for Lichfield.

Table 9.3 **Projected Change in Household by Age of HRP in Lichfield**

	2022	2043	Change in Households	% Change
Under 25	683	970	287	42.0%
25-34	5,296	7,711	2,416	45.6%
35-49	10,320	14,955	4,635	44.9%
50-64	13,795	15,353	1,557	11.3%
65-74	7,105	8,585	1,480	20.8%
75-84	7,056	9,444	2,387	33.8%
85+	2,361	4,787	2,427	102.8%
TOTAL	46,617	61,806	15,189	32.6%

Source: Demographic Projections

Table 9.4 **Projected Change in Household by Age of HRP in Tamworth**

	2022	2043	Change in Households	% Change
Under 25	672	837	165	24.5%
25-34	4,717	6,331	1,614	34.2%
35-49	8,355	11,413	3,057	36.6%
50-64	9,744	10,313	569	5.8%
65-74	4,907	5,485	578	11.8%
75-84	3,777	5,493	1,716	45.4%
85+	1,240	2,614	1,374	110.8%
TOTAL	33,413	42,485	9,073	27.2%

Source: Demographic Projections

Modelled Outputs

9.20 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. The analysis is based on considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.

9.21 The analysis for rented affordable housing can also draw on data from the local authorities' Housing Registers with regard to the profile of need. The data shows a pattern of need which is focussed on 1-bedroom homes but with around 43% of households requiring 3+-bedroom accommodation in Lichfield (34% in Tamworth).

Table 9.5 **Size of Social/Affordable Rented Housing Needed – Housing Register Information (March 2023)**

	Lichfield		Tamworth	
	Number of households	% of households	Number of households	% of households
1-bedroom	143	41%	156	39%
2-bedrooms	52	15%	108	27%
3-bedrooms	96	28%	84	21%
4+-bedrooms	54	16%	53	13%
TOTAL	345	100%	401	100%

Source: LAHS

9.22 The tables below show the modelled outputs of need by dwelling size in the three broad tenures. Market housing focuses on 3+-bedroom homes, affordable home ownership on 2- and 3-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

Table 9.6 **Modelled Mix of Housing by Size and Tenure – Lichfield**

	1- bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	22%	48%	25%
Affordable home ownership	14%	38%	38%	9%
Affordable housing (rented)	28%	38%	31%	3%

Source: Housing Market Model

Table 9.7 **Modelled Mix of Housing by Size and Tenure – Tamworth**

	1- bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	22%	52%	21%
Affordable home ownership	15%	37%	40%	8%
Affordable housing (rented)	28%	34%	34%	4%

Source: Housing Market Model

Rightsizing

9.23 The analysis above sets out the potential need for housing if occupancy patterns remain the same as they were in 2021 (with differences from the current stock profile being driven by demographic change). It is however worth also considering that the 2021 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).

9.24 There is a case for new stock to more closely match actual size requirements. Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector) it is the case that in seeking to make the most efficient use of land it would be prudent to look to reduce this over time. Further analysis has been undertaken to take account of overcrowding and under-occupancy (by tenure)

9.25 The tables below show a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers). In both areas, this shows a high number of households with at least 2 spare bedrooms who are living in homes with 3 or more bedrooms. There are also a small number of overcrowded households.

9.26 In Lichfield, in the owner-occupied sector in 2021, there were 30,700 households with some degree of under-occupation and around 210 overcrowded households – some 91% of all owner-occupiers have some degree of under-occupancy. In Tamworth, there were 19,400 households with a degree of under-occupation (87% of owners) and 240 overcrowded households.

Table 9.8 Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – Lichfield

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	10,121	9,961	20,082
+1 spare bedrooms	0	4,785	4,333	1,520	10,638
0 "Right sized"	623	777	1,338	205	2,943
-1 too few bedrooms	25	64	88	34	211
TOTAL	648	5,626	15,880	11,720	33,874

Source: Census (2021)

Table 9.9 **Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – Tamworth**

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	7,301	4,632	11,933
+1 spare bedrooms	0	2,755	3,706	1,044	7,505
0 "Right sized"	423	616	1,384	169	2,592
-1 too few bedrooms	20	67	124	29	240
TOTAL	443	3,438	12,515	5,874	22,270

Source: Census (2021)

9.27 For completeness the tables below show the same information for the social and private rented sectors. In both cases, there are more under-occupied households than overcrowded ones, but differences are less marked than seen for owner-occupied housing.

Table 9.10 **Cross-tabulation of occupancy rating and number of bedrooms (social rented sector) – Lichfield**

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	469	53	522
+1 spare bedrooms	0	1,002	518	41	1,561
0 "Right sized"	1,548	1,208	734	30	3,520
-1 too few bedrooms	44	143	133	3	323
TOTAL	1,592	2,353	1,854	127	5,926

Source: Census (2021)

Table 9.11 Cross-tabulation of occupancy rating and number of bedrooms (social rented sector) – Tamworth

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	596	88	684
+1 spare bedrooms	0	692	578	53	1,323
0 “Right sized”	1,582	1,071	843	60	3,556
-1 too few bedrooms	53	126	163	22	364
TOTAL	1,635	1,889	2,180	223	5,927

Source: Census (2021)

Table 9.12 Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – Lichfield

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	844	416	1,260
+1 spare bedrooms	0	1,630	888	154	2,672
0 “Right sized”	740	581	415	28	1,764
-1 too few bedrooms	23	59	39	8	129
TOTAL	763	2,270	2,186	606	5,825

Source: Census (2021)

Table 9.13 Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – Tamworth

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	552	181	733
+1 spare bedrooms	0	1,056	840	102	1,998
0 “Right sized”	603	625	495	52	1,775
-1 too few bedrooms	47	72	62	12	193
TOTAL	650	1,753	1,949	347	4,699

Source: Census (2021)

9.28 In using this data in the modelling an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns to a '+1' occupancy.

9.29 This does need to be recognised as an assumption but can be seen to be reasonable as they do retain some (considerable) degree of under-occupation (which is likely) but also seek to model a better match between household needs and the size of their home.

9.30 For overcrowded households a move in the other direction is made, in this case, households are moved up as many bedrooms as is needed to resolve the problems (this is applied for all overcrowded households).

9.31 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following tables. It can be seen that this tends to suggest a smaller profile of homes as being needed (compared to the initial modelling) with the biggest change being in the market sector – which was the sector where under-occupation is currently most notable.

Table 9.14 Adjusted Modelled Mix of Housing by Size and Tenure – Lichfield

	1- bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	4%	29%	47%	20%
Affordable home ownership	14%	41%	36%	8%
Affordable housing (rented)	27%	38%	29%	6%

Source: Housing Market Model

Table 9.15 Adjusted Modelled Mix of Housing by Size and Tenure – Tamworth

	1- bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	30%	48%	17%
Affordable home ownership	14%	39%	39%	8%
Affordable housing (rented)	27%	35%	32%	6%

Source: Housing Market Model

9.32 Across both areas, the analysis points to a quarter to a third of the social/affordable housing need being for 1-bedroom homes and it is of interest to see how much of this is due to older person households.

9.33 In the future household sizes are projected to drop whilst the population of older people will increase. Older-person households (as shown earlier) are more likely to occupy smaller dwellings. The impacts of older people have on demand for smaller stock is outlined in the tables below.

9.34 This indeed identifies a larger profile of homes needed for households where the household reference person is aged Under 65, with a concentration of 1-bedroom homes for older people. This information can be used to inform the mix required for General Needs rather than Specialist Housing, although it does need to be noted that not all older people would be expected to live in homes with some form of care or support.

9.35 The 2, 3, and 4+-bedroom categories have been merged for the purposes of older persons as we would not generally expect many (if any) households in this category to need (or indeed be able to be allocated) more than 2-bedrooms in the rented affordable housing sector.

Table 9.16 Adjusted Modelled Mix of Housing by Size and Age – affordable housing (rented) – Lichfield

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	20%	40%	33%	8%
65 and over	44%	56%		
All affordable housing (rented)	27%	38%	29%	6%

Source: Housing Market Model

Table 9.17 Adjusted Modelled Mix of Housing by Size and Age – affordable housing (rented) – Tamworth

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	18%	39%	35%	7%
65 and over	43%	57%		
All affordable housing (rented)	27%	35%	32%	6%

Source: Housing Market Model

9.36 A further analysis of the need for rented affordable housing is to compare the need with the supply (turnover) of different sizes of accommodation. This links back to estimates of need in the previous section (an annual need for 238 dwellings per annum from households unable to buy OR rent in Lichfield and 150 per annum in Tamworth) with additional data from CoRe about the sizes of homes let over the past three years.

9.37 This analysis is quite clear in showing the very low supply of larger homes relative to the need for 4+-bedroom accommodation in Lichfield and larger homes in general in both areas (3+ bedrooms). In Lichfield, it is estimated the supply of 4+-bedroom homes is only around 12% of the need arising each year, whereas for 1-bedroom homes some 57% of the need can be met. In Tamworth, the estimated supply of 1-bedroom homes can meet 72% of the need.

Table 9.18 **Need for rented affordable housing by number of bedrooms – Lichfield**

	Gross Annual Need	Gross Annual Supply	Net Annual Need	As a % of total net annual need	Supply as a % of gross need
1-bedroom	109	62	47	19.7%	56.8%
2-bedrooms	220	124	96	40.2%	56.4%
3-bedrooms	122	45	78	32.6%	36.6%
4+-bedrooms	20	2	18	7.5%	12.2%
Total	471	233	238	100.0%	49.4%

Source: Iceni analysis

Table 9.19 **Need for rented affordable housing by number of bedrooms – Tamworth**

	Gross Annual Need	Gross Annual Supply	Net Annual Need	As a % of total net annual need	Supply as a % of gross need
1-bedroom	100	73	28	18.5%	72.5%
2-bedrooms	161	102	59	39.3%	63.5%
3-bedrooms	96	43	53	35.2%	45.1%
4+-bedrooms	17	6	11	7.1%	37.0%
Total	374	224	150	100.0%	60.0%

Source: Iceni analysis

Indicative Targets for Different Sizes of Property by Tenure

9.38 The analysis below provides some indicative targets for different sizes of home (by tenure). The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile and levels of under-occupancy and overcrowding.

9.39 The analysis (for rented affordable housing) also draws on the Housing Register data as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

Social/Affordable Rented

9.40 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children).

9.41 That said, there is also a possible need for 1-bedroom social housing arising due to homelessness (typically homeless households are more likely to be younger single people). The current mix of housing is also a consideration (including the low proportion of 4-bedroom homes in Lichfield currently) as well as the relative turnover of different sizes of accommodation. It is suggested that the following mix of social/affordable rented housing would be appropriate:

Table 9.20 **Recommended Social/ Affordable Rented Housing Mix**

	Lichfield		Tamworth	
	General Needs Rented	Housing for Older People	General Needs Rented	Housing for Older People
1-bedroom	20%	50%	20%	50%
2-bedrooms	25%	50%	30%	50%
3-bedrooms	35%		35%	
4+ bedrooms	20%		15%	

Source: Iceni Analysis

9.42 Regarding older persons housing, the above recommendations aim to promote the opportunity for older person households to downsize, with a 2-bed offering being more likely to encourage this than 1-bedroom homes.

9.43 Also, whilst technically most older person households will only have a 'need' for a 1-bedroom home, a larger property remains affordable as most older person households are not impacted by the bedroom tax / spare room subsidy. While we have identified a need for 50% of affordable older person homes to be 2+ bedrooms delivery will likely be focused on those with only 2 bedrooms.

9.44 It should be noted that the above recommendations are to a considerable degree based on projecting the need forward to 2043 and will vary over time. It may be at a point in time the case that Housing Register data identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement.

Affordable Home Ownership

9.45 In the affordable home ownership and market sectors a profile of housing that closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households and childless couples. Based on this analysis, it is suggested that the following mix of affordable homes would be appropriate.

Table 9.21 **Recommended Affordable Home Ownership Housing Mix**

	Lichfield	Tamworth
1-bedroom	10%	10%
2-bedrooms	45%	45%
3-bedrooms	40%	40%
4+ bedrooms	5%	5%

Source: Iceni Analysis

Market Housing

9.46 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations and also the potential to slightly reduce levels of under-occupancy).

9.47 We have also had regard to the potential for rightsizing but also recognise that in the market sector, there is limited ability to control what households purchase. This sees a slightly larger recommended profile compared with other tenure groups:

Table 9.22 **Recommended Market Housing Mix**

	Lichfield	Tamworth
1-bed	5%	5%
2-bed	30%	35%
3-bed	45%	45%
4+ bed	20%	15%

Source: Iceni Analysis

9.48 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market (including the stock profile in different tenures as set out earlier in this section), it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the Council area) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.

9.49 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

9.50 The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also relevant considerations as to what the appropriate mix of market housing is on individual development sites.

Smaller-area Housing Mix

9.51 The analysis above has focussed on overall Council area-wide needs with conclusions at the strategic level. It should however be recognised that there will be variations in the need within areas due to the different roles and functions of a location and the specific characteristics of local households (which can also vary over time). This report does not seek to model a smaller-area housing mix although below are some points for consideration when looking at needs in any specific location:

a) Whilst there are differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;
b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, areas traditionally favoured by family households might be expected to provide a greater proportion of larger homes;
c) That said, some of these areas will have very few small/cheaper stocks and so consideration needs to be given to diversifying the stock; and
d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in urban locations may be more suited to flatted development (as well as recognising the point above about role and function) whereas a more suburban/rural site may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level.

9.52 Overall, it is suggested the Councils should broadly seek the same mix of housing in all locations as a starting point in policy; but would be flexible to a different mix where specific local characteristics suggest (such as site characteristics and location). Additionally, in the affordable sector, it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement.

Housing Mix - Summary

9.53 Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population.

9.54 The proportion of households with dependent children in Lichfield is below average with around 26% of all households containing dependent children in 2021; in Tamworth, the figure is 30% (compared with around 29% regionally and 28% nationally).

9.55 There are notable differences between different types of households, with married couples (with dependent children) seeing a high level of owner-occupation, whereas lone parents are particularly likely to live in social or private rented accommodation.

9.56 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households’ ability to save; economic performance and housing affordability.

9.57 The analysis linked to future demographic change conclusions take account of both household changes and the ageing of the population as well as seeking to make more efficient use of new stock by not projecting forward the high levels of under-occupancy (which is notable in the market sector).

9.58 In all sectors the analysis points to a need across a range of dwelling sizes, but with a particular focus on 2- and 3-bedroom homes. For general need rented affordable housing, there is a clear need for a range of different sizes of homes, including 60% having at least 3 bedrooms of which 15% should have at least 4 bedrooms (higher needs estimated for Lichfield). Our recommended mix is set out below. The suggested size mix is shown in the two tables below (one for Lichfield and one for Tamworth), although the broad conclusions are similar in both locations:

Table 9.23 **Suggested size mix of housing by tenure - Lichfield**

	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	5%	10%	20%	50%
2-bedrooms	30%	45%	25%	50%
3-bedrooms	45%	40%	35%	
4+-bedrooms	20%	5%	20%	

Source: Iceni Analysis

Table 9.24 **Suggested size mix of housing by tenure – Tamworth**

	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	5%	10%	20%	50%
2-bedrooms	35%	45%	30%	50%
3-bedrooms	45%	40%	35%	
4+-bedrooms	15%	5%	15%	

Source: Iceni Analysis

9.59 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households.

9.60 Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues.

9.61 The conclusions also take account of the current mix of housing by tenure and the size requirements shown on the Housing Register.

9.62 The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas, affordable housing registered providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation.

9.63 That said, given current house prices there are potential difficulties in making (particularly larger) AHO genuinely affordable.

9.64 Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Councils should also monitor the mix of housing delivered.

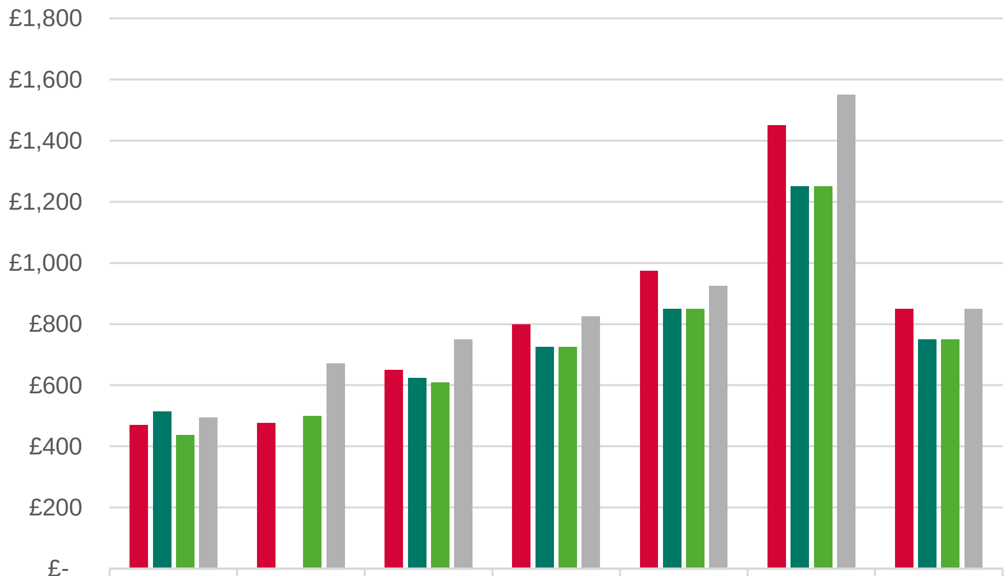
10. PRIVATE RENTAL SECTOR

10.1 The Private Rental Sector (PRS) makes an important contribution to the housing market, particularly for those people who cannot afford to buy including those in affordable housing need. The figure below shows the median rental costs per calendar month in each area for the year to September 2023.

10.2 Median rents in Lichfield at £850 per calendar month (pcm) are around £100 higher than those in Tamworth (£750 pcm). The regional figure is the same as Tamworth while the national figure is the same as Lichfield.

10.3 In Lichfield, median rental for smaller properties (studios and 1 bed) costs are close to that of the West Midlands, although are slightly higher. As property size increases so does the average costs, Lichfield generally sees costs much closer to that of England overall, reflecting the sales market to some extent.

Figure 10.1 Median Rental Costs (pcm)



	Room	Studio	1-bed	2-beds	3-beds	4-beds+	Overall
Lichfield	£470	£477	£650	£800	£975	£1,450	£850
Tamworth	£515	£-	£625	£725	£850	£1,250	£750
West Midlands	£438	£500	£610	£725	£850	£1,250	£750
England	£495	£671	£750	£825	£925	£1,550	£850

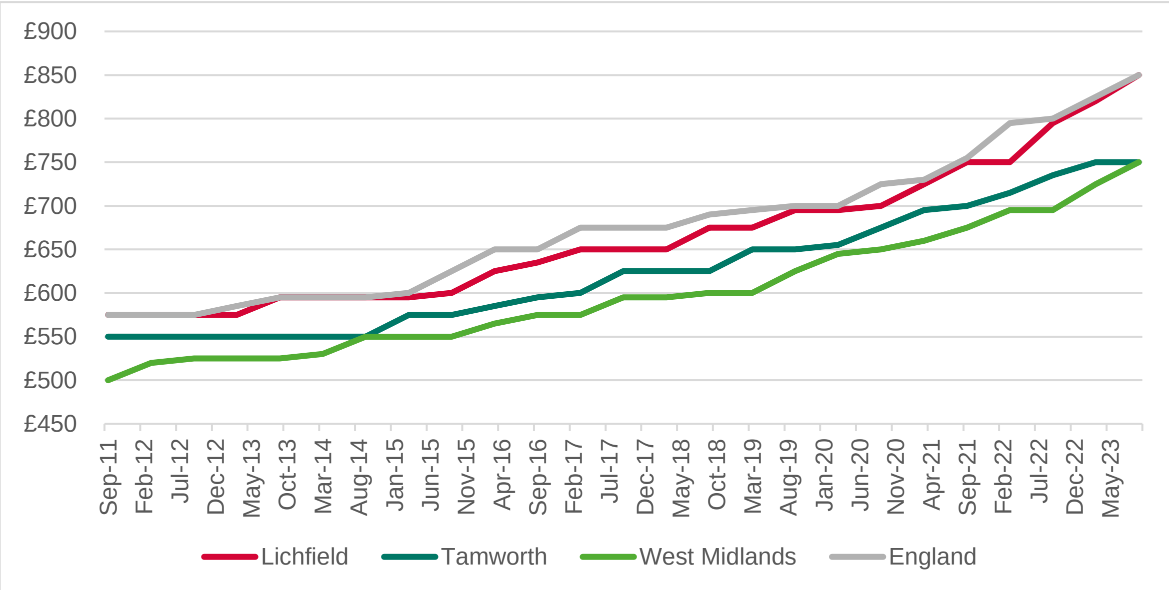
Source: ONS

10.4 Tamworth sees the highest costs for room rentals amongst the areas, but data is not available for studios with no transactions made for them in the assessment period. For most property types the median rental cost in Tamworth matches the West Midlands average and is generally less than Lichfield overall. The higher room rents suggest the need for smaller affordable units is not being met. This is reflected in the housing register but it may also indicate a need for further HMOs or build-to-rent housing.

Rental Change

10.5 The figure below shows how rents have changed over time. As with overall costs now Lichfield and England track each other's prices consistently over time, as do the West Midlands and Tamworth although the regional growth has been slightly higher since 2011.

Figure 10.2 Change in Prices (2011 -23)



Source: ONS

10.6 Looking at how these prices have changed by the size of dwelling, room rents have increased fastest in Tamworth at 51% being the highest total growth of all areas and sizes. With the exception of studios and 4 beds (where the authorities match), Lichfield has seen higher growth across all other sizes of property than Tamworth.

Table 10.1 Change in Price by Size

2014-2023 % Change	Room	Studio	1-bed	2-beds	3-beds	4-beds+	Overall
Lichfield	9%	10%	44%	39%	47%	41%	43%
Tamworth	51%	-	39%	32%	36%	41%	36%
West Midlands	36%	39%	40%	38%	36%	39%	36%
England	43%	36%	44%	42%	37%	41%	43%

Source: ONS

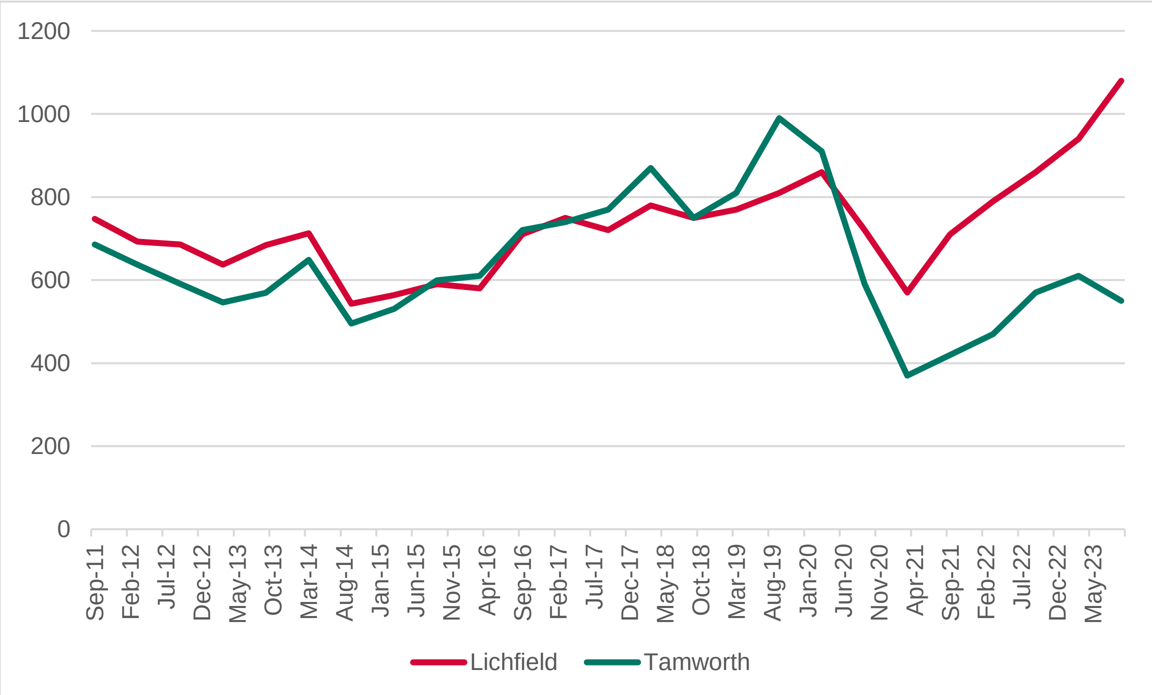
Rental Transactions

10.7 The figure below shows the total number of transactions over time and shows that transactions dropped from March 2020 to March 2021, this will likely be an impact of covid on the market with lockdown being a brake on viewing and movement.

10.8 From March 2021 onwards transactions increased in both areas, 610 units were transacted in Tamworth although this was far below the pre-pandemic level. This was not the case in Lichfield which has so far peaked in its current level of 1,080 transactions.

10.9 Interestingly both areas appeared to track each other in terms of the number of transactions up until March 2020. However, the very sharp decline in transactions in Tamworth in March 2020 indicates that Covid likely impacted the area more than it did Lichfield.

Figure 10.3 Transactions over time (2001 -2023)



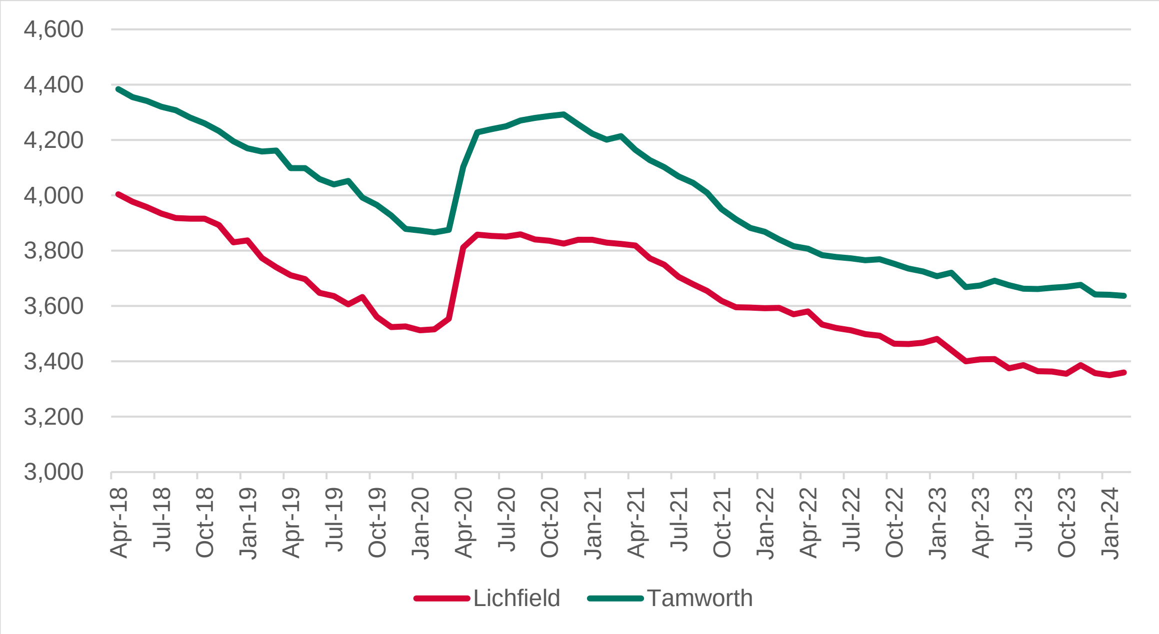
Source: ONS

Benefit Supported Private Sector

10.10 Many properties within PRS will be occupied by tenants who receive a form of housing benefit to support the payment of their rent. This effectively illustrates how PRS meets affordable housing need.

10.11 The figure below shows the change in tenants within PRS who are supported by either Housing Benefit or Universal Credit with a housing element over time. In February 2024 a total of 3,637 households in Tamworth were supported by benefits and 3,360 in Lichfield.

Figure 10.4 Benefit-Supported Private Rented Households



Source: Department of Work and Pensions

10.12 The number of claimants jumped in March 2020 as a result of the Covid-19 lockdown and many workers lost their jobs or saw their income decrease. Fortunately, the number of claimants has decreased in both areas since to below pre-pandemic levels.

10.13 The amount of housing-related benefits a person can claim is determined by Local Housing Allowance rates (LHA) in their Broad Rental Market Area (BRMA), these take into account the average cost of rental housing in the area.

10.14 The Mid Staffordshire rate covers all of Tamworth and most of Lichfield, the parts of Lichfield that border Birmingham are covered by the Birmingham BRMA rate. The table below shows the standard rates for Mid Staffordshire and Birmingham, it should be noted that these can change depending on the claimant's personal circumstances.

Table 10.2 Local Housing Allowance per week (2024/25)

BRMA	Shared Room	1-bed	2-beds	3-beds	4-beds
Mid Staffs	£81.10	£115.07	£143.84	£170.30	£228.99
Birmingham	£78.61	£159.95	£172.60	£189.86	£253.15

Source: Council Websites

10.15 The table below shows the difference between the LHA rates and current median rental costs in each area. As shown, there is a clear disconnect between LHA rates and current median rental costs, in Lichfield particularly households who need 4 or more beds could need to source upwards of £400 per month in order to make up the difference. The gap in LHA rates and median costs between 3 and 4+ bed properties is also stark with the gap doubling in both areas as the property size increases.

Table 10.3 **LHA rates vs median rental costs**

	Shared Room	1-bed	2-beds	3-beds	4-beds
Lichfield vs Mid Staffs	-£105.05	-£132.19	-£152.72	-£208.65	-£419.55
Lichfield vs Birmingham	-£116.26	£69.78	-£23.30	-£120.63	-£310.83
Tamworth vs Mid Staffs	-£150.05	-£107.19	-£77.72	-£83.65	-£219.55

Source: Iceni analysis

Letting Agent Engagement

10.16 Iceni Projects has undertaken research speaking to letting agents operating in the study area. The analysis below reflects current market conditions at the time of the assessment in August 2024. It should be noted that this data is provided anecdotally and may therefore reflect the market the agents operate in and may also contradict data set out elsewhere in this section.

Lichfield

10.17 Letting agents across the area emphasised a high demand for rental properties. All agents expressed that the supply of letting properties is insufficient for the high level of demand.

10.18 Although the profile of renters is varied, agents indicated that demand is generally coming from young couples and families from nearby and abroad for employment purposes.

10.19 Agents from Newton and Co specifically mentioned that there is significant demand from Eastern Europeans who are moving to work for the NHS. As such, the agent demonstrated that there was potentially a demand in the area for key worker rental properties.

10.20 Agents at Newton and Co also reported that they have lost about 15% of managed rental housing stock in the past few months, with around two landlords per week looking to sell their properties. According to these agents, higher mortgage rates are incentivising landlords to sell rental properties as they become less lucrative investments.

10.21 Rental prices are consequently rising, with the most popular properties (3-bed houses) reaching £1,300 – 1,400 per month. The current access threshold in the area is reported to be about £1,200 per month. As the level of rental stock decreases in the area and prices rise, agents identify a clear gap in the market for build-to-rent properties, particularly for families.

10.22 The competitive rental market is having a tangible impact on tenant behaviour. Tenancies are becoming more long-term in the area. Northwoods agents said that tenants are staying for about 3-4 years. Agents at Newton and Co. say that tenancy terms last from about 6-12 months on a rolling contract.

10.23 Tenants are also looking for more house shares due to affordability. This would suggest a need for smaller homes including HMOs and Build to Rent developments.

Tamworth

10.24 Tamworth's rental market was described by agents as very buoyant. Drawn to employment opportunities and lower prices than other areas, Tamworth's rental market is primarily attracting families and young couples from nearby areas like Birmingham.

10.25 Rental properties are in high demand with some properties listed by Taylor Cole Estate Agents receiving 60 applicants. Family properties of about 3-5 beds and 1 bed are in the highest demand. Agents at Belvoir also suggested that 3-bed properties are in short supply. Due to a lack of supply, agents suggested a significant gap in the market for build-to-rent properties to meet demand.

10.26 Although static now, rental prices were reported by an agent at Taylor Cole Estate Agents to have gone up in the past year or so. This is contradictory to a Belvoir agent who reported that prices are continuing to increase.

10.27 The current entry threshold is about £950 pcm. Tenancies reportedly last for about 2-2½ years on average.

Houses in Multiple Occupancy

10.28 This section of the report examines the market for housing in multiple occupation (HMOs) within the study area. A small HMO (use class C4) is a property which is let to between three and six people who form more than one household[16] and share a toilet bathroom or kitchen facilities. Where there are more than six unrelated individuals sharing amenities, this is termed a large HMO (Use Class Sui Generis).

10.29 At present large HMOs require planning permission while small HMOs are a permitted development when they are converted from an existing large home. Where there is evidence to justify it, the

[16] A household consists of either a single person or members of the same family who live together. It includes people who are married or living together and people in same-sex relationships.

Council can introduce an Article 4 Direction (A4D) which will require any change of use to receive planning permission.

10.30 The HMO market is broad and technically includes entry-level housing, student housing and smaller households of friends sharing as well as unrelated adults.

10.31 Data relating to HMOs is incomplete, this stems from not all HMOs requiring a licence, only those occupied by five or more people. There will also be incidences where HMOs of five or more people are not registered, and the extent of this illegal activity is not known.

10.32 We have sought to draw together data from a range of sources as well as consult with local letting agents to get a better understanding of the scale of demand in the study area.

Scale of HMOs

10.33 According to the 2021 Census, in Lichfield, there were 940 and in Tamworth 873 "Other" household types excluding all student households and those with dependent children. This equates to around 2.1% of the households in Tamworth and 2.7% in Lichfield. In Lichfield, the largest numbers of these can be found in the Armitage with Handsacre and Stowe wards, and in Tamworth the Wilnecote, Belgrave and Spital wards.

10.34 Around 3,100 people in Lichfield and 2,900 in Tamworth live in these households as of the 2021 Census. This equates to around 3.3 persons per household in both areas. Such an average size does indicate that many of these multi-person households are not technically HMOs. Again, this would include two friends sharing.

10.35 The latest Local Authority Housing Statistics suggest there were 20 licensed HMOs in Lichfield in 2022/23. This is an increase of around 12 since 2011/12 when there were 8 licenced HMOs. The statistics suggest that Tamworth has 66 licensed HMOs, an increase of 47 in the same period.

10.36 The dataset also provides an estimate of all HMOs in each area, with 120 estimated in Lichfield and 129 in Tamworth. This would suggest that only around 16% of Lichfield and 51% of Tamworth HMOs were licensed although it should be stressed that not all are required to be licensed.

HMO Market

10.37 ONS has published rental statistics on a bi-annual basis since 2014. As shown in the table below, the price of rooms to rent in the Tamworth has increased by 51% in that time which is a faster rate of growth than for any other size of home. This is high when compared to growth in the region at 36% and very high when compared to Lichfield which sits at 9%.

10.38 Given that Lichfield has less licensed HMO stock than Tamworth this indicates that the market for HMOs is not as active in Lichfield as it is in Tamworth. Engagement with agents and housing officers indicates that the HMO market in Tamworth is particularly impacted by demand from HS2 construction workers this could be the reason behind such a dramatic increase in room costs between 2014 and 2023.

Table 10.4 **Rental Prices (pcm)**

	Room	Studio	1-bed	2-beds	3-beds	4-beds+	Overall
Lichfield Sept 2023	£470	£477	£650	£800	£975	£1,450	£850
Lichfield Sept 2014	£433	£433	£450	£575	£663	£1,030	£595
Lichfield Change	£37	£44	£200	£225	£312	£420	£255
Lichfield % Change	9%	10%	44%	39%	47%	41%	43%
Tamworth Sept 2023	£515	-	£625	£725	£850	£1,250	£750
Tamworth Sept 2014	£340	-	£450	£550	£625	£885	£550
Tamworth Change	£175	-	£175	£175	£225	£365	£200
Tamworth % Change	51%	-	39%	32%	36%	41%	36%
West Midlands	36%	39%	40%	38%	36%	39%	36%
England	43%	36%	44%	42%	37%	41%	43%

Source: ONS, 2023

10.39 Room transactions accounted for 3.6% of all rental transactions in Tamworth and 0.9% in Lichfield, although this number is based on a sample which may not pick up all demand in either area. This compares to 3.3% in the region and 4% in the country.

10.40 We can also examine Rightmove for a more up-to-date understanding of the HMO market. Although it is not a comprehensive view of the market (indeed many rooms will be advertised directly by the landlord more informally through newspapers and websites such as Gumtree and Facebook) it is also only a snapshot of the market.

10.41 In total, Rightmove was advertising 4 available rooms to rent in Lichfield and 11 in Tamworth. In Lichfield prices range from £525 to £650 per calendar month with the median around £585 per month. In Tamworth, the range is £515 to £650 pcm with a median of £550 pcm. This is higher than the ONS room rents (£470 pcm Lichfield, £515 pcm Tamworth) but again this does not include all rents it is only a snapshot and will not include those let directly from the landlord which tend to be cheaper.

Policy Response

10.42 HMOs in the area are in demand and are meeting a need from people new to the Lichfield or Tamworth area, working there temporarily and/or on a low income. The provision of HMOs also supports the HS2 construction workforce in the area.

10.43 While this is not the case in either Lichfield or Tamworth high concentrations of HMOs can lead to an erosion of the character of an area and impact community cohesion. It can also lead to environmental and economic impacts, as such planning controls can be introduced to manage their presence in the authorities.

10.44 There is also a wider need within the NPPF to ensure mixed and balanced communities, therefore high concentrations of housing of a particular type, not just HMOs, should be avoided.

10.45 At present, planning controls can limit the delivery and occupation of newly built dwellings as HMOs. However, subject to certain conditions the change of use from a dwelling house to a small HMO is a permitted development meaning it does not require planning permission.

10.46 Councils do have the power, through the use of an Article 4 Directions, to introduce the requirement for planning permission for small HMOs and therefore remove permitted development rights. Note this is not a power to restrict small HMOs but rather to require them to get planning permission. This will allow the Council to manage where new HMOs can be permitted to maintain a balance of housing types across the study area.

10.47 Article 4 Directions cannot be applied across the entirety of each area without justification. In any case, we do not believe that there is any evidence for such a policy to be applied across the study area or any locale within it.

10.48 While Article 4 Directions can better manage the supply of HMOs there is also the possibility that it could displace them to other areas. With this in mind, the spread of HMOs in both Tamworth and Lichfield should be monitored and responded to accordingly.

10.49 Other potential responses are to ensure a greater supply of smaller one-bed and studio flats as this will divert some of the demand. This can be delivered through build-to-rent developments which can also deliver affordable private rent. This ensures a supply of smaller affordable homes in each area as an alternative to HMOs.

Build-to-Rent

10.50 Concerning Build to Rent, the Housing White Paper (February 2017) set out that the then Government wanted to build on earlier initiatives to attract new investment into large-scale scale housing which is purpose-built for market rent (i.e., Build to Rent).

10.51 The then Government set out that this would drive up the overall housing supply, increase choice and standards for people living in privately rented homes and provide more stable rented accommodation for families – particularly as access to ownership has become more challenging.

10.52 The NPPF sets out that the needs of people who rent their homes (as separate from affordable housing) should be assessed and reflected in planning policies (Para 63). The NPPF glossary also includes a definition for Build to Rent development:

> *"Purpose-built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development."*

10.53 It therefore represents development which is constructed with the intention that it will be let rather than sold.

Benefits of Build-to-Rent

10.54 The benefits of Build to Rent are best summarised in the former Government's A Build to Rent Guide for Local Authorities which was published in March 2015. The Guide notes the benefits are wide-ranging but can include:

- Helping local authorities to meet the demand for private rented housing whilst increasing tenants' choice "as generally speaking tenants only have the option to rent from a small-scale landlord."
- Retaining tenants for longer and maximising occupancy levels as Build to Rent investment is an income-focused business model;
- Helping to increase housing supply, particularly on large, multiple-phased sites as it can be built alongside build-for-sale and affordable housing; and
- Utilising good design and high-quality construction methods which are often key components of the Build to Rent model.

10.55 This Build to Rent Guide provides a helpful overview of the role that Build to Rent is intended to play in the housing market, offering opportunities for those who wish to rent privately (i.e. young professionals) and for those on lower incomes who are unable to afford their own home.

10.56 Over recent years there has been rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment. Savills' UK Build-to-Rent Market Update[17] for Q2 2024 states that the BTR market now had 115,000 completed units, 45,400 under construction and 100,700 in the development pipeline, a total of 261,870 units.

[17] https://www.savills.co.uk/research_articles/229130/364472-0

10.57 However, much of this stock is located in the largest cities of London, Manchester, Birmingham and Leeds. It has not yet started to reach smaller towns due to the economy of scale required and the lack of potential tenants for this product.

The Profile of Tenants

10.58 The British Property Federation ("BPF"), London First and UK Apartment Association ("UKAA") published (November 2022) a report[18] profiling those who live in Build to Rent accommodation in England. Whilst this is focused on more urban locations, it helps understand the broad profile of tenants.

10.59 According to their research around 40% of residents were aged between 25 and 34, which is broadly similar to the wider private rented sector.

10.60 The survey-based data identified that incomes are similar to those in private rented sector accommodation with 18% earning between £26,000 and £32,000 per annum, and 23% earning between £32,000 and £44,000 per annum.

10.61 The report also noted that Build to Rent has comparable levels of affordability but is notably more affordable for couples and sharers.

Potential Demand in Lichfield and Tamworth

10.62 Data collected by the HomeViews website[19] on Build-to-Rent development suggests that there are no existing or pipeline BTR schemes in Lichfield or Tamworth. There is however one single-family rental scheme in neighbouring Cannock (Cannock Chase), operated by Lloyds Living[20] as well as one in Burton-upon-Trent (East Staffordshire), operated by Simple Life Homes[21]. There are 2 further single-family BTR developments in Walsall operated by DifRent[22] and Start Living[23].

10.63 Even though there are no BTR schemes in either Lichfield or Tamworth at the moment, there are several schemes built by different developers and managed by different operators in neighbouring

[18] https://bpf.org.uk/our-work/research-and-briefings/who-lives-in-build-to-rent-2022/

[19] Interactive Build to Rent Map - HomeViews Business Hub

[20] The Fallows – Lloyds Living

[21] Dracan Village at Drakelow Park | Rentals | Simple Life Homes

[22] Raleigh Street - DifRent

[23] Millfields - Start Living Residential

locations. Given this, there is likely to be interest from the development industry in promoting BTR development in both areas.

10.64 Single-family BTR would suit both areas as these are typically suburban in style and would suit the built form in locations across both Lichfield and Tamworth.

10.65 There could be a market for 'multi-family' BTR provision in the town centres and particularly Tamworth where the HMO market is stronger, as this tends to be high-density flatted development and therefore focused on more urban locations. However, this is unlikely to be seen at such a scale and density as in cities such as Birmingham or London.

The Recommended Policy Response

10.66 The PPG on Build to Rent recognises that where a need is identified local planning authorities should include a specific plan policy relating to the promotion and accommodation of Build to Rent.

10.67 In recognition of the potential growth of the sector, the Councils may consider including a policy on Build-to-Rent development to set out parameters (such as design, contract lengths, space standards, communal space standards (even if just stipulating wider standards apply) and facilities, outdoor space, bike storage and active transport measures etc.), regarding how schemes would be considered, with the expectation that there is likely to be some activity moving forward – and this policy should also deal with how affordable housing policies would be applied.

10.68 Given that the sector is still evolving, we would recommend that the Councils are not overly prescriptive on the mix of dwelling sizes within new Build to Rent development. The NPPF's definition of Build-to-Rent development sets out that schemes will usually offer tenancy agreements of three or more years and will typically be professionally managed stock in single ownership and management control.

10.69 The Councils will also need to consider affordable housing policies specifically for the Build-to-Rent sector. The viability of Build to Rent development will however differ from that of a typical mixed tenure development in the sense that returns from the Build to Rent development are phased over time whereas for a typical mixed tenure scheme, capital receipts are generated as the units are sold.

10.70 In general terms, it is expected that a proportion of Build to Rent units will be delivered as 'Affordable Private Rent' housing. Planning Practice Guidance[24] states that:

[24] ID: 60-002-20180913

> *"The National Planning Policy Framework states that affordable housing on build-to-rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build-to-rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build-to-rent landlord.*
>
> *20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build-to-rent scheme. If local authorities wish to set a different proportion, they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.*
>
> *National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development"*

10.71 The Councils should have regard to the PPG on Build-to-Rent developments. This states that at least 20% of the units within a Build to Rent development should be let as Affordable Private Rented units at a discount of 20% to local market rents. The Councils might consider whether these should be capped at LHA rates, subject to viability.

Private Rental Sector – Summary

10.72 As of September 2023, median monthly rents were higher in Lichfield (£850) than in Tamworth (£750). Both areas have experienced steady rent increases since September 2011, although Lichfield has seen more pronounced growth in recent years.

10.73 Higher costs in Lichfield, alongside the high number of rental transactions, reflect Lichfield's larger and more active rental market.

10.74 A significant number of PRS tenants in both areas rely on Housing Benefit or Universal Credit to meet rental costs, indicating the PRS's importance in accommodating lower-income households.

10.75 This is despite LHA rates not adequately covering prevailing market rents, potentially creating affordability challenges for tenants reliant on housing benefits.

Houses in Multiple Occupancy

10.76 HMOs play a vital role in meeting housing needs, including for affordable housing. The latest Local Authority Housing Statistics suggest that there were 20 licensed HMOs in Lichfield in 2022/23 and 66 in Tamworth. Unlicensed HMOs are estimated to be higher at 120 in Lichfield and 129 in Tamworth.

10.77 The increasing costs of room rents, particularly in Tamworth, suggest that there is likely increasing demand for HMOs or even smaller rented properties in the area.

10.78 Given the low number of HMOs in both areas the evidence does not support the implementation of an Article 4 Direction in any part of the study area. However, the Councils should continue to monitor the situation with HMOs and respond accordingly.

Build-to-Rent Developments

10.79 Currently there are no build-to-rent developments In Lichfield or Tamworth. However, there are some single-family schemes in neighbouring authorities. Given this, there may be interest from the development industry in promoting single-family BTR in both areas in time.

10.80 The Councils may wish to consider including a policy on BTR developments in Local Plans to set parameters on how schemes would be considered. The policy should also deal with affordable housing and have regard to the PPG which states at least 20% of BTR units should be let as Affordable Private Rent (20% market rate discount or LHA rate cap subject to viability).

11. OLDER AND DISABLED PERSONS

Introduction

11.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability.

11.2 Our approach responds to the Planning Practice Guidance on Housing for Older and Disabled People published by the then Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Older People

11.3 The table below provides baseline population data about older persons in Lichfield and Tamworth and compares this with other areas. The table shows Lichfield has a slightly older age structure than seen regionally or nationally with 24% of the population being aged 65 and over. In Tamworth, some 19% of people are aged 65+, the same proportion as seen regionally and nationally.

Table 11.1 **Older Persons Population, 2023**

	Lichfield	Tamworth	West Midlands	England
Under 65	76.1%	80.7%	81.1%	81.3%
65-74	11.3%	10.4%	9.5%	9.5%
75-84	9.7%	6.9%	6.8%	6.7%
85+	3.0%	2.1%	2.6%	2.5%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	23.9%	19.3%	18.9%	18.7%
Total 75+	12.6%	8.9%	9.4%	9.2%

Source: ONS

Projected Future Change in the Population of Older People

11.4 Population projections can next be used to indicate how the number of older persons might change in the future with the tables below showing that both areas are projected to see a notable increase in the older person population.

11.5 In Lichfield, the analysis shows a projected increase in the population aged 65+ of around 35%, with a figure of 33% in Tamworth. In total population terms, the growth of people aged 65 and over accounts for 25% of the total projected population change in both areas.

Table 11.2 **Projected Change in Population of Older Persons, 2022 to 2043 – Lichfield**

	2022	2043	Change in population	% change
Under 65	82,272	109,764	27,492	33.4%
65-74	12,696	15,287	2,591	20.4%
75-84	10,219	13,557	3,338	32.7%
85+	3,165	6,405	3,240	102.4%
Total	108,352	145,012	36,660	33.8%
Total 65+	26,080	35,248	9,168	35.2%
Total 75+	13,384	19,962	6,578	49.1%

Source: Iceni/JGC – Demographic projections

Table 11.3 **Projected Change in Population of Older Persons, 2022 to 2043 – Tamworth**

	2022	2043	Change in population	% change
Under 65	64,350	79,812	15,462	24.0%
65-74	8,426	9,351	925	11.0%
75-84	5,272	7,614	2,342	44.4%
85+	1,591	3,355	1,764	110.8%
Total	79,639	100,131	20,492	25.7%
Total 65+	15,289	20,320	5,031	32.9%
Total 75+	6,863	10,968	4,105	59.8%

Source: Iceni/JGC – Demographic projections

Characteristics of Older Person Households

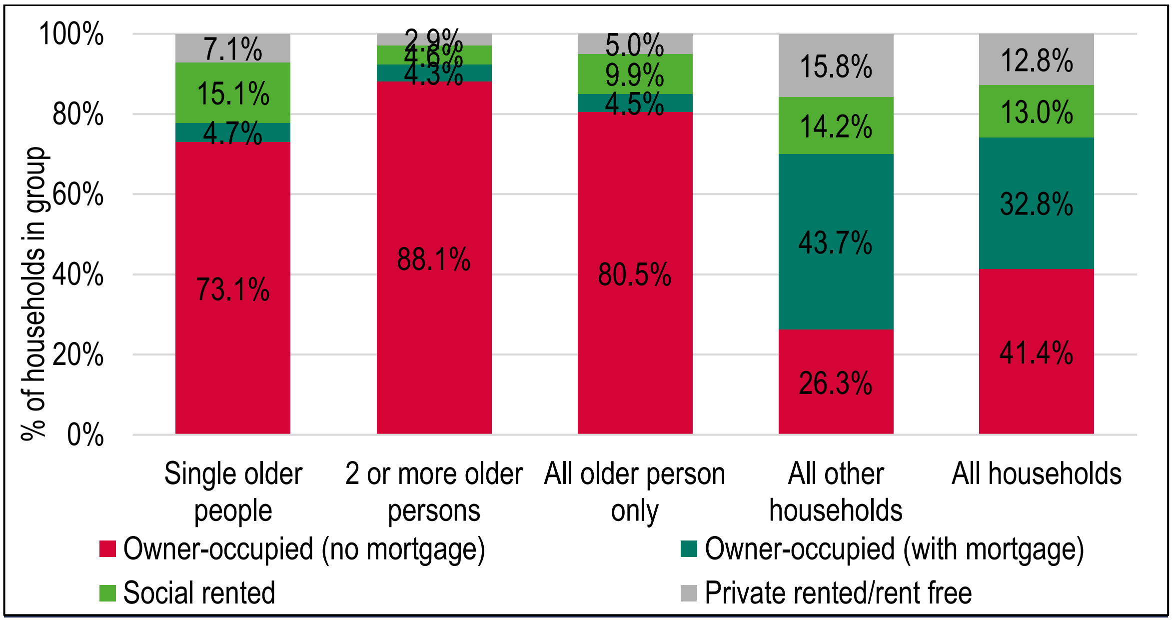
11.6 The figures below show the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples).

11.7 The data shows that the majority of older persons households are owner-occupiers (85% of older person households in Lichfield and 77% in Tamworth), and indeed most are owner-occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home.

11.8 Some 10% of older person households in Lichfield live in the social rented sector (18% in Tamworth) and the proportion of older person households living in the private rented sector is relatively low (about 5%).

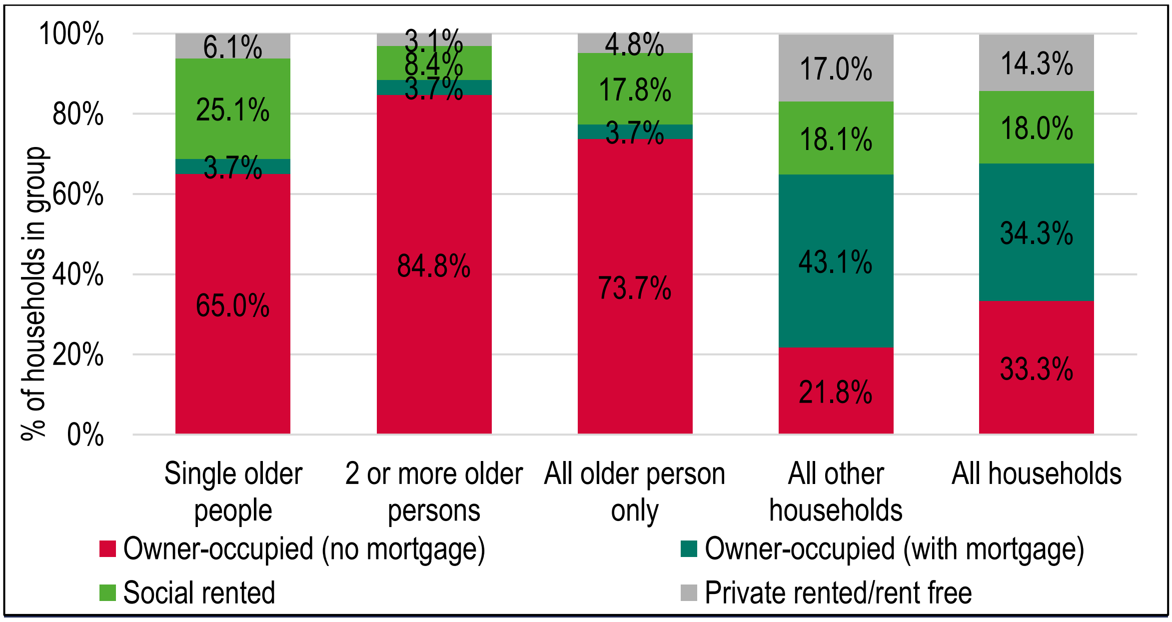
11.9 There are also notable differences for different types of older person households with single older people having a lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.:

Figure 11.1 Tenure of Older Persons Households in Lichfield, 2021



Source: 2021 Census

Figure 11.2 Tenure of Older Persons Households in Tamworth, 2021



Source: 2021 Census

Disabilities

11.10 The table below shows the proportion of people who are considered disabled under the definition within the 2010 Equality Act[25], drawn from 2021 Census data, and the proportion of households where at least one person has a disability.

11.11 The data suggests that some 32% of households in Lichfield contain someone with a disability (34% in Tamworth). These figures are broadly in line with those seen in other areas (34% regionally and 32% nationally). The figures for the population with a disability show similar patterns compared with other areas – some 18% of the population having a disability in both areas.

Table 11.4 **Households and People with a Disability, 2021**

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Lichfield	14,668	32.1%	18,944	17.8%
Tamworth	11,218	34.1%	14,541	18.5%
West Midlands	820,676	33.8%	894,920	18.3%
England	7,507,886	32.0%	9,774,510	17.3%

Source: 2021 Census

11.12 As noted, it is likely that the age profile will impact the number of people with a disability, as older people tend to be more likely to have a disability. The figure below shows the age bands of people with a disability. It is clear from this analysis that those people in the oldest age bands are more likely to have a disability.

11.13 The analysis also shows lower levels of disability in each age band within Lichfield when compared with the regional and national position, with figures for Tamworth generally being in line with the region and higher than seen nationally.

Health-Related Population Projections

11.14 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population. The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information)

[25] The Census uses the same definition of disability as described in the Equality Act. This defines disability as a person with a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities.

websites. Adjustments have been made to take account of the age-specific health/disabilities previously shown.

11.15 Of particular note are the large increases in the number of older people with dementia (increasing by 62% from 2022 to 2043 in Lichfield (66% increase in Tamworth) and mobility problems (up 50%/52% respectively over the same period). Changes for younger age groups are smaller reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population.

11.16 When related back to the total projected change to the population, the increase of people aged 65+ with a mobility problem represents around 6% of total projected population growth in Lichfield and 7% in Tamworth.

Table 11.5 Projected Changes to Population with a Range of Disabilities – Lichfield

Disability	Age Range	2022	2043	Change	% Change
Dementia	65+	1,736	2,803	1,068	61.5%
Mobility problems	65+	4,593	6,894	2,301	50.1%
Autistic Spectrum Disorders	18-64	577	754	177	30.7%
	65+	236	322	85	36.1%
Learning Disabilities	15-64	1,482	1,948	467	31.5%
	65+	522	701	179	34.2%
Impaired mobility	16-64	3,447	4,172	725	21.0%

Source: POPPI/PANSI and Demographic Projections

Table 11.6 Projected Changes to Population with a Range of Disabilities – Tamworth

Disability	Age Range	2022	2043	Change	% Change
Dementia	65+	1,006	1,673	667	66.3%
Mobility problems	65+	2,763	4,211	1,448	52.4%
Autistic Spectrum Disorders	18-64	501	624	123	24.5%
	65+	150	198	48	32.1%
Learning Disabilities	15-64	1,311	1,617	306	23.4%
	65+	334	440	106	31.8%
Impaired mobility	16-64	2,818	3,251	433	15.4%

Source: POPPI/PANSI and Demographic Projections

11.17 Invariably, there will be a combination of those with disabilities and long-term health problems who continue to live at home with family, those who chose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.

11.18 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering ‘accessible and adaptable’ homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability.

Need for Specialist Accommodation for Older People

11.19 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below shows the different types of older persons housing which are considered.

Definitions of Different Types of Older Persons' Accommodation

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 (housing with support): 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 (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 (care bedspaces): 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.

Source: Planning Practice Guidance [63-010]

11.20 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people.

11.21 The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.

11.22 There are a number of ‘models’ for considering older persons’ needs, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which are typically calculated as a proportion of people aged over 75 who could be expected to live in different forms of specialist housing. Whilst the population aged 75 and over is used in the modelling, the estimates of need would include people of all ages.

11.23 Whilst there are no definitive rates, the PPG [63-004] notes that ‘the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from some online tool kits provided by the sector, for example, SHOP@ for Older People Analysis Tool)’.

11.24 The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published the Housing Learning and Information Network (Housing LIN) has removed the Shop@ online toolkit although the base rates used for analysis are known.

11.25 The SHOP@ tool was originally based on data in a 2008 report (More Choice Greater Voice) and in 2011 a further suggested set of rates was published (rates which were repeated in a 2012 publication).

11.26 In 2016, Housing LIN published a review document which noted that the 2008 rates are ‘outdated’ but also noting that the rates from 2011/12 were ‘not substantiated’. The 2016 review document therefore set out a series of proposals for new rates to be taken forward onto the Housing LIN website.

11.27 Whilst the 2016 review rates do not appear to have ever led to an update of the website, it does appear from reviewing work by Housing LIN over the past couple of years as if it is these rates which typically inform their own analysis (subject to evidence-based localised adjustments).

11.28 For clarity, the table below shows the base prevalence rates set out in the various documents described above. For the analysis in this report, the age-restricted and retirement/sheltered have been merged into a single category (housing with support).

Table 11.7 Range of suggested baseline prevalence rates (units per 1,000 people aged over 75) from Different Tools and Publications

Type/Rate	SHOP@ (2008)[26]	Housing in Later Life (2012)[27]	2016 Housing LIN Review[28]
Age-restricted general market housing	-	-	25
Retirement living or sheltered housing (housing with support)	125	180	100
Extra care housing or housing-with-care (housing with care)	45	65	30-40 ('proactive range')
Residential care homes Nursing homes (care bedspaces), including dementia	65 45	(no figure apart from 6 for dementia)	40 45

Source: Housing LIN

11.29 In interpreting the different potential prevalence rates, it is clear that:

- The prevalence rates used should be considered and assessed taking account of an authority's strategy for delivering specialist housing for older people. For example, the council's Adult Social Care Team want to see more extra care and new alternative models (such as care suites) to provide alternatives to the reducing demand for traditional residential care.;
- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking into account how the market is developing, funding availability etc. It is more focused towards publicly commissioned provision. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector, particularly in extra care; and
- The assumptions in these studies look at the situation nationally. At a more local level, the relative health of an area's population is likely to influence the need for specialist housing with better levels of health likely to mean residents are able to stay in their own homes for longer.

11.30 These issues are considered to provide appropriate modelling assumptions for assessing future needs. Nationally, there has been a clear focus on strengthening a community-led approach and

[26] Based on the More Choice Greater Voice publication of 2008 (https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

[27] https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

[28] https://edocs.elmbridge.gov.uk/IAM/IAMCache/3793607/3793607.pdf

reducing reliance on residential and nursing care – in particular focusing where possible on providing households with care in their own home such as through Technology Enabled Care. This could, however, be the provision of care within general needs housing; but also care which is provided in a housing with care development such as in extra care housing.

11.31 We consider that the prevalence rates shown in the 2016 Housing LIN Review is an appropriate starting point; but that the corollary of lower care home provision should be a greater focus on the delivery of housing with care.

11.32 Having regard to market growth in this sector in recent years, and since the above studies were prepared, we consider that the starting point for housing with care should be the higher rate shown in the SHOP@ report (this is the figure that would align with the PPG).

11.33 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about the proportion of the population aged 75 and over who have a long-term health problem or disability (LTHPD) compared with the England average. In Lichfield, the data shows slightly better health in the 75+ population with the opposite being seen for Tamworth and so modest adjustments have been made to the prevalence rates.

11.34 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the 2016 Review which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector.

11.35 Using the 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Lichfield is the 250th and Tamworth the 125th most deprived local authorities in England (out of 317). For Lichfield, this is a relatively low level of deprivation and suggests a slightly higher proportion of market housing than a local authority in the middle of the range (for housing with support and housing with care) – the opposite is the case for Tamworth.

11.36 The following prevalence rates, expressed as a need per 1,000 people aged 75 and over have been used in the analysis:

Table 11.8 **Prevalence rates used in analysis for different types of specialist housing (units per 1,000 people aged over 75)**

Type	Lichfield	Tamworth
Housing with support (market) – units	67	48
Housing with support (affordable) – units	52	85
Housing with care (market) – units	30	25
Housing with care (affordable) – units	13	22
Residential care – bedspaces	38	42
Nursing care – bedspaces	43	48

Source: Iceni analysis

11.37 It is also important to understand the supply of different types of specialist accommodation and a database has been provided by the Elderly Accommodation Counsel (EAC) showing schemes in the different categories across the study area (including data about the number of units/bedspaces).

11.38 Taking the supply forward and using the prevalence rates suggested the tables below show estimated needs for different types of housing linked to the population projections. The analysis is separated into the various types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).

11.39 Overall, the analysis suggests that there will be a need for housing with support (retirement/sheltered housing), particularly in the market sector in Lichfield (a split between market and affordable for Tamworth) and a need for housing with care (e.g. extra-care), potentially with slightly higher proportions in the market sector in both areas.

11.40 The analysis also suggests a need for some additional nursing and residential care bedspaces in the longer term, but that need/demand and supply are currently broadly in balance for nursing care in Lichfield (and to a lesser extent residential care in Tamworth).

Table 11.9 **Specialist Housing Need using adjusted SHOP@Review Assumptions, 2022-43 – Lichfield**

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/ surplus (-ve)	Additional demand to 2043	Shortfall /surplus by 2043
Housing with support	Market	67	519	902	383	443	826
	Affordable	52	964	701	-263	345	82
Total (housing with support)		120	1,483	1,603	120	788	907
Housing with care	Market	30	140	404	264	198	462
	Affordable	13	60	173	113	85	199
Total (housing with care)		43	200	577	377	284	661
Residential care bedspaces		38	374	513	139	252	391
Nursing care bedspaces		43	570	577	7	284	291
Total bedspaces		81	944	1,090	146	536	681

Source: Derived from Demographic Projections and Housing LIN/EAC

Table 11.10 **Specialist Housing Need using adjusted SHOP@Review Assumptions, 2022-43 – Tamworth**

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/ surplus (-ve)	Additional demand to 2043	Shortfall /surplus by 2043
Housing with support	Market	48	109	327	218	196	414
	Affordable	85	590	580	-10	347	337
Total (housing with support)		132	699	908	209	543	752
Housing with care	Market	25	25	173	148	104	252
	Affordable	22	69	153	84	92	176
Total (housing with care)		48	94	327	233	195	428
Residential care bedspaces		42	251	290	39	174	213
Nursing care bedspaces		48	122	327	205	195	400
Total bedspaces		90	373	617	244	369	614

Source: Derived from Demographic Projections and Housing LIN/EAC

11.41 The provision of a choice of attractive housing options to older households is a component of achieving a good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes that no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'downsize' which can help improve their quality of life.

11.42 It should also be noted that within any category of need, there may be a range of products. For example, many recent market extra-care schemes have tended to be focused towards the 'top-end' of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Council to seek a range of products that will be accessible to a wider number of households if needs are to be met.

Wheelchair User Housing

11.43 The analysis below draws on secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future. Estimates of need produced in this report draw on data from the English Housing Survey (EHS) – mainly 2018/19 data. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them 'visitable' for wheelchair users and data about wheelchair users by tenure.

11.44 The table below shows at a national level the proportion of wheelchair-user households by the age of the household reference person. Nationally, around 3.4% of households contain a wheelchair user – with around 1% using a wheelchair indoors. There is a clear correlation between the age of the household reference person and the likelihood of there being a wheelchair user in the household.

Table 11.11 Proportion of wheelchair user households by age of household reference person – England

Age of household reference person	No household members use a wheel-chair	Uses wheel-chair all the time	Uses wheel-chair indoors only	Uses wheel-chair outdoors only	TOTAL
24 and under	99.4%	0.3%	0.0%	0.3%	100.0%
25-34	99.3%	0.3%	0.1%	0.2%	100.0%
35-49	98.2%	0.5%	0.1%	1.2%	100.0%
50-64	96.9%	0.7%	0.4%	2.0%	100.0%
65 and over	93.1%	0.9%	0.4%	5.6%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

11.45 The prevalence rate data can be brought together with information about the household age structure and how this is likely to change moving forward – adjustments have also been made to take account of the relative health (by age) of the population.

11.46 In Lichfield, the data estimates a total of 1,518 wheelchair-user households in 2022, and that this will rise to 2,024 by 2043. In Tamworth there is a current estimate of 1,208 wheelchair-user households, rising to 1,568 by 2043.

Table 11.12 **Estimated number of wheelchair user households (2022-43) – Lichfield**

	Prevalence rate (% of house-holds)	Households 2022	Households 2043	Wheelchair user house-holds (2022)	Wheelchair user house-holds (2043)
24 and under	0.6%	683	970	4	6
25-34	0.6%	5,296	7,711	31	46
35-49	1.4%	10,320	14,955	146	211
50-64	2.3%	13,795	15,353	314	350
65 and over	6.2%	16,522	22,816	1,022	1,411
All households	-	46,617	61,806	1,518	2,024

Source: Derived from a range of sources

Table 11.13 **Estimated number of wheelchair user households (2022-43) – Tamworth**

	Prevalence rate (% of house-holds)	Households 2022	Households 2043	Wheelchair user house-holds (2022)	Wheelchair user house-holds (2043)
24 and under	0.6%	672	837	4	5
25-34	0.6%	4,717	6,331	30	40
35-49	2.0%	8,355	11,413	165	226
50-64	2.8%	9,744	10,313	272	287
65 and over	7.4%	9,924	13,592	737	1,010
All households	-	33,413	42,485	1,208	1,568

Source: Derived from a range of sources

11.47 The finding of an estimated current number of wheelchair-user households does not indicate how many homes might be needed for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation or a move to an alternative home.

11.48 Data from the EHS shows that of the 814,000 wheelchair-user households, some 200,000 live in a home that would either be problematic or not feasible to make fully 'visitable' – this is around 25% of wheelchair-user households.

11.49 Applying this to the current number of wheelchair-user households gives a current need for 379 additional wheelchair-user homes in Lichfield and 302 in Tamworth. If the projected need is also discounted to 25% of the total (on the basis that many additional wheelchair-user households will already be in accommodation) then a further need for 127 homes (Lichfield) and 90 homes (Tamworth) in the 2022-43 period can be identified. Added together this leads to a need estimate of 506 wheelchair user homes in Lichfield and 392 in Tamworth – equating to 24 and 19 dwellings per annum respectively.

Table 11.14 **Estimated need for wheelchair user homes, 2022-43**

	Current need	Projected need (2022-43)	Total current and future need
Lichfield	379	127	506
Tamworth	302	90	392

Source: Derived from a range of sources

11.50 Furthermore, information in the EHS (for 2018/19) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair users (including 2.2% using a wheelchair indoors), compared with 3.1% of owner-occupiers (0.7% indoors). These proportions can be expected to increase with an ageing population but do highlight the likely need for a greater proportion of social (affordable) homes to be for wheelchair users.

Table 11.15 **Proportion of wheelchair user households by tenure of household reference person – England**

Tenure	No household members use a wheel-chair	Uses wheel-chair all the time	Uses wheel-chair indoors only	Uses wheel-chair outdoors only	Total
Owners	96.9%	0.5%	0.2%	2.4%	100.0%
Social sector	92.9%	1.6%	0.6%	4.8%	100.0%
Private renters	98.8%	0.1%	0.1%	0.9%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

11.51 **To meet the identified need, it is recommended that the Councils could seek a proportion (potentially up to 5%) of all new market homes to be M4(3) compliant and potentially a higher figure in the affordable sector (potentially up to 10%).** These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.

11.52 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, the provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build-out costs (see table below).

11.53 It is worth noting that the Government has now reported on a consultation (Raising Accessibility Standards for New Homes[29]) on changes to the way the needs of people with disabilities and

[29] https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes

wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds.

11.54 The key outcome is: ‘Government is committed to raising accessibility standards for new homes. We have listened carefully to the feedback on the options set out in the consultation and the government response sets out our plans to mandate the current M4(2) requirement in Building Regulations as a minimum standard for all new homes’. This change is due to shortly be implemented though a change to building regulations.

11.55 The consultation outcome still requires a need for M4(3) dwellings to be evidenced, stating ‘M4(3) (Category 3: Wheelchair user dwellings) would continue as now where there is a local planning policy in place in which a need has been identified and evidenced. Local authorities will need to continue to tailor the supply of wheelchair user dwellings to local demand’.

11.56 As well as evidence of need, the viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target.

11.57 It should be noted that local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.

11.58 A further option for the Council would be to consider seeking a higher contribution, where it is viable to do so, from those homes to which they have nomination rights. This would address any under-delivery from other schemes (including schemes due to their size e.g. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence of wheelchair use within social rent tenures. This should be considered when setting policy.

Engagement with Adult Social Care

11.59 Iceni have engaged with the Adult Social Care team at Staffordshire County Council to consider needs in the two areas.

11.60 Officers reported that one significant challenge is the availability of suitable housing options in the areas. While many individuals have decent housing, they may not be accessible or easily adaptable leading to issues surrounding care provision.

11.61 The Council undertook a major Extra Care program which began in 2007 to develop sites on their own land. There are 27 council-run extra-care schemes in Staffs with one in Lichfield and one in

Tamworth. Both schemes are reasonably new, of good quality and well located in the areas with the services being offered considered to be appropriate. Despite both authorities having the same number of schemes, the overall need was considered to be greater in Lichfield due to its larger population.

11.62 The County Council’s commissioning strategy aims to support older people who do not require care to live independently for as long as possible. The County Council is keen to encourage development for extra care in particular, as well as make best use of existing capacity. They are exploring ways in which Extra Care Housing can be used preventatively, to reduce escalating needs for higher more intensive levels of support.

11.63 Going forward the County Council is of the view that the level of care provided within extra-care schemes needs to be better directed. Providers would need to agree to provide 24/7 care and for care provision to evolve with the resident as required. Growing levels of complex needs in the older population make this very important.

11.64 Despite seeing the development of extra care as key to ensuring that older people are supported to remain independent for as long as possible, the council are keen to promote a wider range of specialist care provision, dementia care is particularly important in this regard. Again, with a growing level of complex needs, the Council are keen to ensure that the placement of people with care needs is appropriate so that they receive the best and most efficient care possible.

11.65 This is also true for adults under the age of 65, as there is a substantial number residing in supported housing who would be able to enter into market housing but require further support for them to be able to transition.

11.66 There are issues with the quality of some schemes, concern was raised for Tamworth where the existing schemes are ageing. Stock will need to be replaced or extensively refurbished if they are to be compliant with energy performance and building standards. This will be key for a number of age-exclusive and retirement properties.

11.67 Staff shortages are a major issue within the care sector overall, for adults over 65 there is a need for carers with the skills to cater to complex needs, for adults under 65 there is a particular difficulty in finding personal assistants. Overall, there the reliance on agency staff across the care sector has increased, which has led to increased staff costs and ultimately increasing costs of care.

11.68 Additionally, the accessibility of housing, particularly for individuals with disabilities or specific needs, remains a concern. Lichfield, in particular, was flagged by officers as an area that had difficulty in this.

11.69 In future, the County Council would expect that the development of specialist accommodation is focused towards one-person properties but with consideration given to 2-bedroom units due to an ageing population with more couples overall.

Summary – Older and Disabled People

11.70 A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability.

11.71 The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by the Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

11.72 The data shows that Lichfield has an older age structure than seen regionally or nationally with Tamworth being broadly in line with other areas. Despite the older population, Lichfield typically sees slightly lower levels of disability compared with the regional and national position, with Tamworth showing levels similar to the region but higher than seen nationally.

11.73 The older person population shows high proportions of owner-occupation particularly outright owners who may have significant equity in their homes (81% of all older person households are outright owners in Lichfield and 74% in Tamworth).

11.74 The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2022-43 period include:

- a 35% increase in the population aged 65+ in Lichfield and 33% in Tamworth (potentially accounting for a quarter of total population growth in both areas);
- a 62% increase in the number of people aged 65+ with dementia in Lichfield and 66% increase in Tamworth and a 50% and 52% increase respectively in those aged 65+ with mobility problems;
- a need for additional housing units with support (sheltered/retirement housing) – mainly in the market sector in Lichfield;
- a need for additional housing units with care (e.g. extra-care) – split between market and affordable housing;
- a need for additional nursing and residential care bedspaces in the longer term although nursing care bedspaces look to be broadly in line with the need currently in Lichfield; and

- a need for around 24 dwellings per annum in Lichfield to be for wheelchair users (meeting technical standard M4(3)) – a figure of 19 per annum being estimated for Tamworth.

11.75 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair-user dwellings, as well as a need to provide a specific provision of older person housing.

11.76 **Given this evidence, the Councils could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around 10% in the affordable sector).**

11.77 Where the authority has nomination rights the supply of M4(3) dwellings would be wheelchair-accessible dwellings (constructed for immediate occupation) and in the market sector, they should be wheelchair-user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

11.78 In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).

12. OTHER GROUPS

Students

12.1 This section of the report considers the need for student accommodation in Lichfield and Tamworth. South Staffordshire College- (SSC) is the key institution in the area, it has a campus in Lichfield (Lichfield College) and is opening a new campus in Tamworth in 2025.

12.2 South Staffordshire College is a partner institution of the University of Staffordshire (UoS) as well as the University of Wolverhampton (UoW), with Lichfield College being jointly owned by SSC and UoS. As a result, Lichfield College offers several higher education courses in conjunction with UoS, the Full-time courses are detailed below:

- Creative Media Production (Games Development) – Higher National Certificate/ Diploma
- Film and TV Production Technology – Foundation, Top-Up Bachelors
- Art and Design - Foundation

12.3 The College also offers 3 part-time courses in education at both undergraduate and postgraduate levels, as well as Level 4 qualifications in Accountancy. In April 2024 there were 6,100 students at the college, 49% (2,988) of which were on vocational courses designed for young people with 34% on adult learning programmes (2,055).

12.4 The College prides itself in having an industry-led vocational and technical curriculum, it aims to grow the offering of higher-level studies including in the engineering, digital, health, wellbeing, business and creative industries. Both Lichfield and Tamworth Colleges will play a key role in this.

12.5 Currently the courses offered by the university are not focused toward the typical student, many are part-time and most tend to be shorter than the standard 3-year course. It is for this reason that much of the recruitment to these Higher Education courses will be from local people.

12.6 Data from the 2021 Census considers all full-time students living in Lichfield and Tamworth at the time of the census. As can be seen, there are no students in Lichfield or Tamworth living within University student accommodation. Given that no accommodation is provided by UoS or UoW in either area this is unsurprising. Overall student numbers over the age of 18 account for approximately 2% of the population in both Lichfield and Tamworth.

12.7 Across both areas most full-time students aged over 18 live with their parents at 75.4% and 66.1% in Lichfield and Tamworth respectively. This drops in students over the age of 21 to 49.7% in Lichfield and 33.4% in Tamworth.

12.8 Other household types (HMOs) are the second most common type of accommodation for students in the area at 367 in Lichfield (18.4%) and 390 in Tamworth (25.1%), this includes students who live within the wider housing market that are not specifically within all student households.

12.9 Conversely, all student households are very low in both areas with only 64 people in all student households in Lichfield and 91 people in all student households in Tamworth. The low number of all student households and a reasonably high proportion of students in "other" households indicates that the need for specific purpose-built student accommodation (PBSA) within these areas is not high.

Table 12.1 Lichfield – Students by Age and Type of Accommodation

	18 and over Number	18 and over %	21 and over Number	21 and over %
Total	1,998		881	
Living with parents	1,507	75.4%	438	49.7%
Living in a communal establishment	10	0.5%	8	0.9%
Communal - University Halls	*0*	*0.0%*	*0*	*0.0%*
Other Communal	*10*	*0.5%*	*8*	*0.9%*
Living in an all-student household	64	3.2%	64	7.3%
Living alone	50	2.5%	47	5.3%
Living in another household type	367	18.4%	324	36.8%

Source: Census 2021

Table 12.2 Tamworth – Students by Age and Type of Accommodation

	18 and over Number	18 and over %	21 and over Number	21 and over %
Total	1,556		722	
Living with parents	1,029	66.1%	241	33.4%
Living in a communal establishment	4	0.3%	0	0.0%
Communal - University Halls	*0*	*0.0%*	*0*	*0.0%*
Other Communal	*4*	*0.3%*	*0*	*0.0%*
Living in an all-student household	91	5.8%	90	12.5%
Living alone	42	2.7%	39	5.4%
Living in another household type	390	25.1%	352	48.8%

Source: Census 2021

Policy Response

12.10 South Staffordshire College is a key part of the economies of both Lichfield and Tamworth, it provides essential training and development opportunities for both young people and adults and clearly has an ambition to grow the higher education offering in the study area. As a result of this, the Council should support any growth ambitions the College may have.

12.11 There is no Purpose-Built Student Accommodation (PBSA) in either Lichfield or Tamworth and Census data would suggest that most students still live with parents or within a wider non-student market. As such despite the lack of supply the current need for student accommodation is also low.

12.12 Reflecting the desire for SSC to grow their higher education offer it is recommended that the Council work with the college to monitor the number of students in the area and support the development of PBSA if it arises. This is particularly the case if it is affordable, which typically means being delivered by the College/University or in the form of cluster flats rather than studios.

12.13 As well as widening the choice of homes, PBSA will also accommodate students who would otherwise be living in HMOs with the potential to release them for families or other households, particularly those in affordable need.

Custom and Self-build

12.14 As of 1st April 2016, and in line with the 2015 Self-Build and Custom Housebuilding Act (SBCHA) relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area to build their own self-build and custom houses.

12.15 The Lichfield and Tamworth Self-Build and Custom Housebuilding Registers were introduced on the 1st of April 2016 and there have now been nine and a half base periods[30] up to 30th October 2024. Neither register has eligibility criteria for entry to the self and custom build housing register and therefore are only in one part. Lichfield however does charge a registration fee of £100 to cover admin costs as well as an annual subscription of £50. Tamworth has no additional fees or costs.

12.16 The Councils are required to grant sufficient planning permissions to meet the demand identified on the Register as per the 2015 Act (as amended) within 3 years of the end of each base period.

[30] A base period is a period of typically 12 months in which demand for custom and self-build is recorded. The first base period began on the day on which the register (which meets the requirement of the 2015 Act) was established and ended on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

Although there is no reporting mechanism to know if self-build homes have actually been delivered or the people on the register have secured a plot.

12.17 The 2023 Levelling Up and Regeneration Act (LURA) changed how self-build demand and supply is counted. It inserted the following amendments into the 2015 SBCHA:

"(5A) Regulations may make provision specifying descriptions of planning permissions or permissions in principle that are, or are not, to be treated as development permission for the carrying out of self-build and custom housebuilding for the purposes of this section."

12.18 And in section 6

"(a) the demand for self-build and custom housebuilding in an authority's area in respect of a base period is the <u>*aggregate of—*</u>

> *(i) the demand for self-build and custom housebuilding arising in the authority's area in the base period; and*
>
> *(ii) any demand for self-build and custom housebuilding that arose in the authority's area in an earlier base period and in relation to which—*
>
> > *(A) the time allowed for complying with the duty in subsection (2) expired during the base period in question, and*
>
> *(B) the duty in subsection (2) has not been met;*
>
> > > *(aa) the demand for self-build and custom housebuilding arising in an authority's area in a base period is evidenced by the number of entries added during that period to the register under section 1 kept by the authority;"*

12.19 The LURA also removed section 6(c) *"development permission is "suitable" if it is permission in respect of development that could include self-build and custom housebuilding"*

12.20 The changes made in the LURA are a response to the then government's intention to encourage the delivery of self and custom-built housing. The removal of subsection 6(c) which allowed for development that "could" come forward as self and custom build housing, tightens the definitions surrounding what can be considered as self and custom build housing supply.

12.21 Going forward the authorities should be able to demonstrate that all supply permissions are specifically for self and custom build housing. This could be through the wording of the development description, legal agreement or condition attached to planning approval. The LURA makes provision to introduce new regulations that will confirm this.

12.22 The LURA also requires the need to be counted as the demand within the base period as well as any unmet demand in previous base periods.

12.23 The Tables below provide a base period breakdown of those individuals who have expressed demand for serviced plots of land within Lichfield or Tamworth.

Table 12.3 **Lichfield – Self and Custom Build Register**

Base Period	Individuals	Groups	Cumulative Total Entries	Permissions
Base Period 1 (1st April 2016 to 30th October 2016)	0	0		
Base Period 2 (31st October 2016 to 30th October 2017)	33	1	34	29
Base Period 3 (31st October 2017 to 30th October 2018)	34	1	69	22
Base Period 4 (31st October 2018 to 30th October 2019)	39	1	109	30
Base Period 5 (31st October 2019 to 30th October 2020)	4	0	113	14
Base Period 6 (31st October 2020 to 30th October 2021)	4	0	117	22
Base Period 7 (31st October 2021 to 30th October 2022)	5	0	122	18
Base Period 8 (31st October 2022 to 30th October 2023)	5	0	127	23
Base Period 9 (31st October 2023 to 30th October 2024[31])	2	0	129	27
Total	**129**	**3**		**162**
Average	**18**	**0**		**23.1**

Source: MHCLHG Right to Build Register Monitoring, Council Monitoring

12.24 If assessed over the eight-and-a-half base periods that registration information is available for in Lichfield, there has been a total of 129 registered expressions of interest in a serviced plot of land. This is an average of 18 plots per base period.

[31] Figures correct as of July 2024

Table 12.4 **Tamworth – Self and Custom Build Register**

Base Period	Individuals	Groups	Cumulative Total Entries	Permissions
Base Period 1 (1st April 2016 to 30th October 2016)	2	0	2	
Base Period 2 (31st October 2016 to 30th October 2017)	4	0	6	5
Base Period 3 (31st October 2017 to 30th October 2018)	6	0	12	0
Base Period 4 (31st October 2018 to 30th October 2019)	17	0	29	0
Base Period 5 (31st October 2019 to 30th October 2020)	11	0	40	7
Base Period 6 (31st October 2020 to 30th October 2021)	11	0	51	6
Base Period 7 (31st October 2021 to 30th October 2022)	14	0	65	0
Base Period 8 (31st October 2022 to 30th October 2023)	14	0	79	0
Total	**79**	**0**		**18**
Average	**10**	**0**		**2.5**

Source: MHCLHG Right to Build Register Monitoring, Council Monitoring

12.25 If assessed over the seven-and-a-half base periods that registration information is available for in Tamworth, there has been a total of 79 registered expressions of interest in a serviced plot of land. This is an average of 10 plots per base period.

12.26 While this indicates future need the actual need will be determined by the number of entries onto the Councils' registers. The Councils will have three years from the end of each base period to permit enough serviced plots to meet this need.

12.27 To this point Lichfield has met the need in the base periods it is required to meet. However, this is demonstrated by CIL exemptions (part 1) which may not be an appropriate source[32] moving forward given changes brought in by the Levelling Up and Regeneration Act (2023) (LURA).

12.28 Tamworth is not meeting demand to the same degree, and this will form part of the backlog need which also needs to be addressed as per the LURA.

Broader Demand Evidence

12.29 To supplement the data from the Councils' registers, we have looked to secondary sources as recommended by the PPG, which for this report is data from NaCSBA - the National Custom and Self-Build Association.

[32] Although CIL exemption Forms 7 Part 2 may be appropriate.

12.30 First, it is worth highlighting that the October 2020 survey undertaken by YouGov on behalf of NaCSBA found that 1 in 3 people (32%) are interested in building their own home at some point in the future, including 12% who said they were very interested.

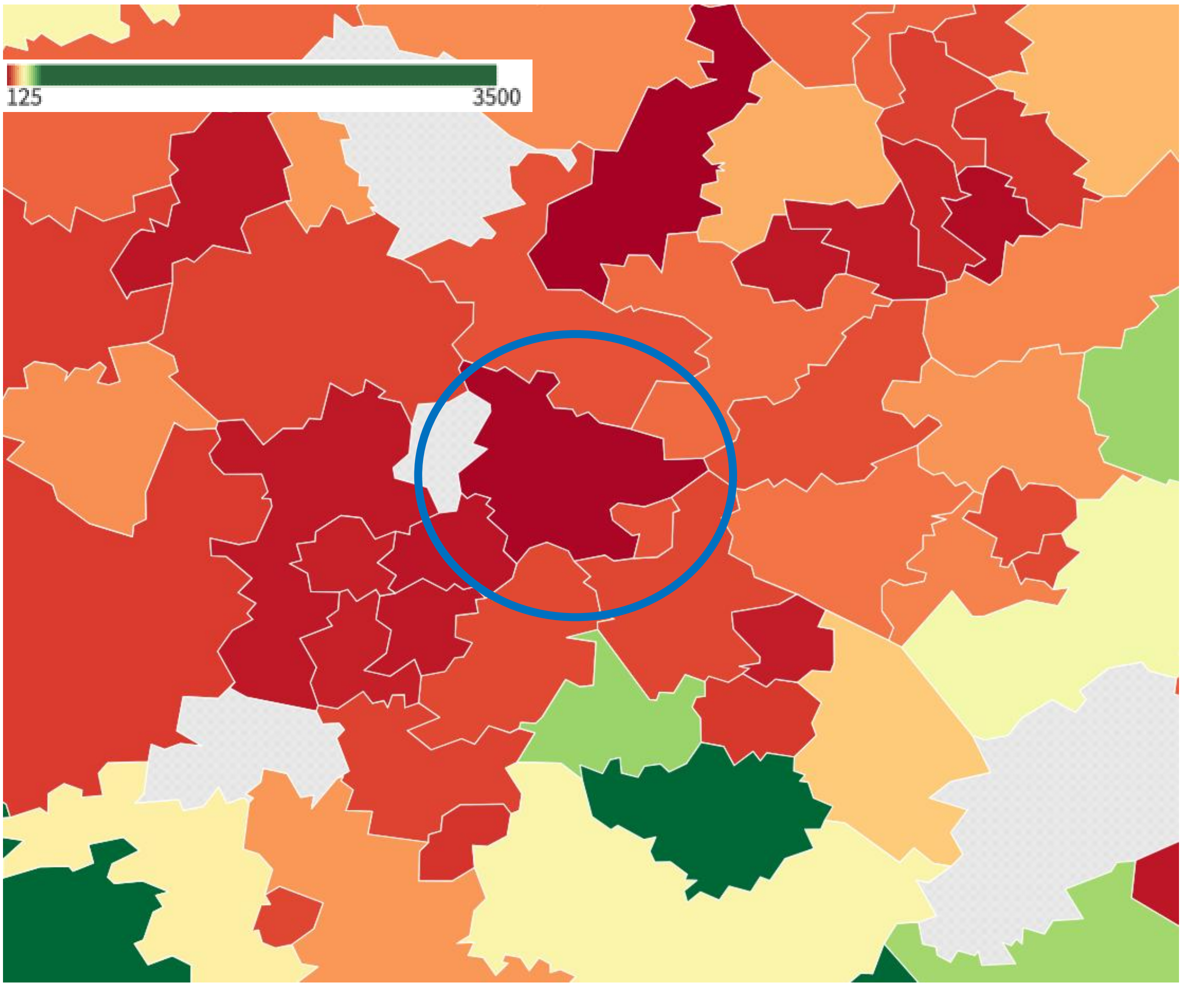
12.31 If compared against the number of households in the authorities this would equate to approximately 14,600 households in Lichfield and 10,500 in Tamworth showing interest and between 5,400 and 3,900 households very interested (respectively).

12.32 Notably, the report found that almost half (48%) of those aged between 18 and 24 were interested in building their own home, compared to just 18% of those aged 55 and over. This is notable as, traditionally, self-build has been seen as the reserve of older members of society aged 55 and over, with equity in their property.

12.33 Second, we can draw on NaCSBA data to better understand the level of demand for serviced plots in Lichfield and Tamworth in relative terms. The association published an analysis with supporting maps and commentary titled “Mapping the Right to Build” in 2020. This includes an output on the demand for serviced plots as a proportion of the total population relative to all other local authorities across England.

12.34 One of the key maps within the report highlights the areas of strongest demand and this is shown in the figure below. This shows that Lichfield sees a current prevalence rate of 3 units per 100,000 heads of population and Tamworth 38 units per 100,000 heads of population. If this prevalence rate is applied to the projected 2043 population it would result in a need for between 3-4 plots in Lichfield and 31-38 plots in Tamworth.

Figure 12.1 Overall Demand for Self-Build Plots per 100,000 Population



Source: NACSBA, 2020

Policy Response

12.35 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector.

12.36 The PPG[33] is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward and can focus on playing a key role in facilitating relationships to bring land forward. There are several measures which can be used to do this, including but not limited to:

[33] Paragraph: 025 Reference ID: 57-025-20210508

- Supporting Neighbourhood Planning groups where they choose to include self-build and custom-build housing policies in their plans;
- Working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom-build housing; and
- When engaging with developers and landowners who own sites that are suitable for housing, 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 other groups in acute housing need.

12.37 As a general principle, the Councils should support the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies.

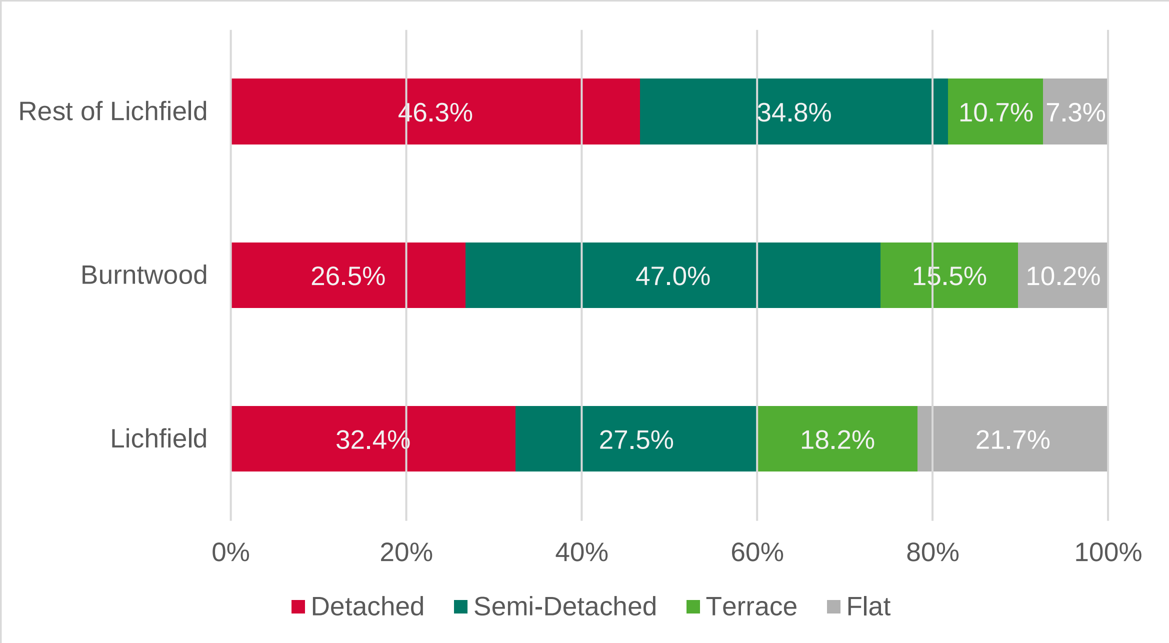
12.38 When seeking to encourage the delivery of self and custom build housing, the Councils may wish to consider seeking self- and custom housing provision on larger sites where this is considered to be appropriate, viable and does not prejudice the delivery of affordable housing (such as requiring a 5% or 10% provision on specific sites of > 100 dwellings).

Rural Area Need

12.39 This section seeks to pull together key data on stock profile, occupancy, cost and affordability across all housing and social rented housing in the rural parts of Lichfield (Rest of Lichfield sub-area) and compares these to the rest of the district.

12.40 There is a very clear difference in the housing stock between the rural and urban areas of Lichfield, where the rural area has a much higher proportion of detached stock than the urban areas of Lichfield.

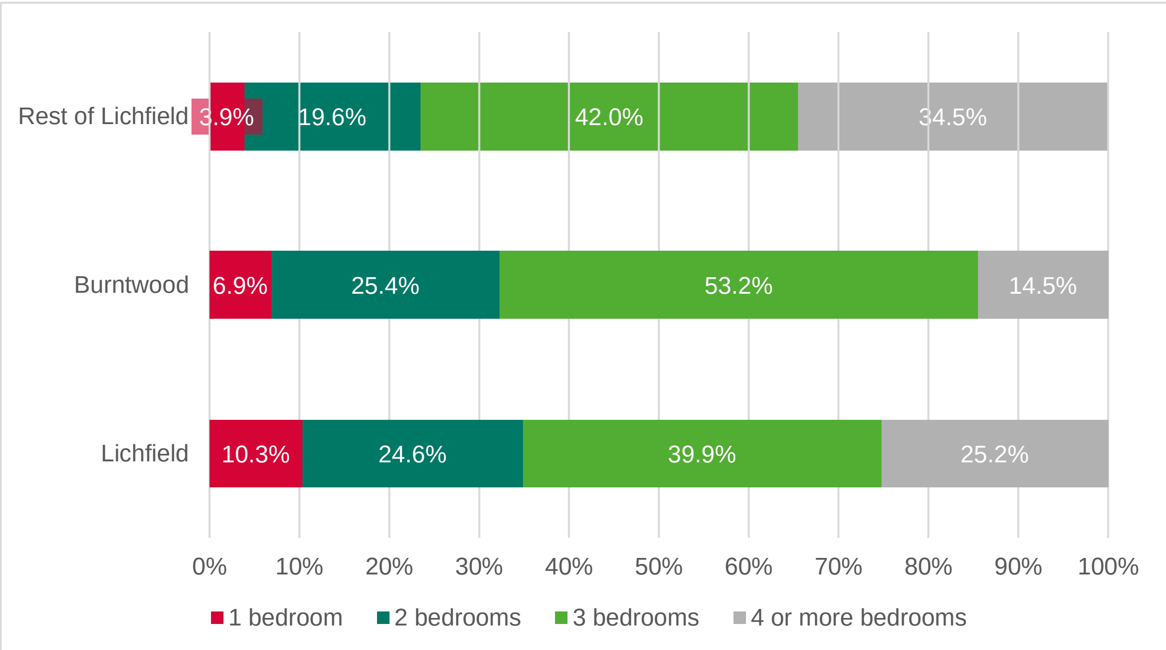
Figure 12.2 Stock Type by Sub-Area



Source: Census 2021

12.41 Turning then to the overall size of housing stock the rural area has a far higher percentage of larger homes (34.3% of 4+ bedrooms) than the urban part of the district (14%- 25%).

Figure 12.3 Stock Size by Sub-Area

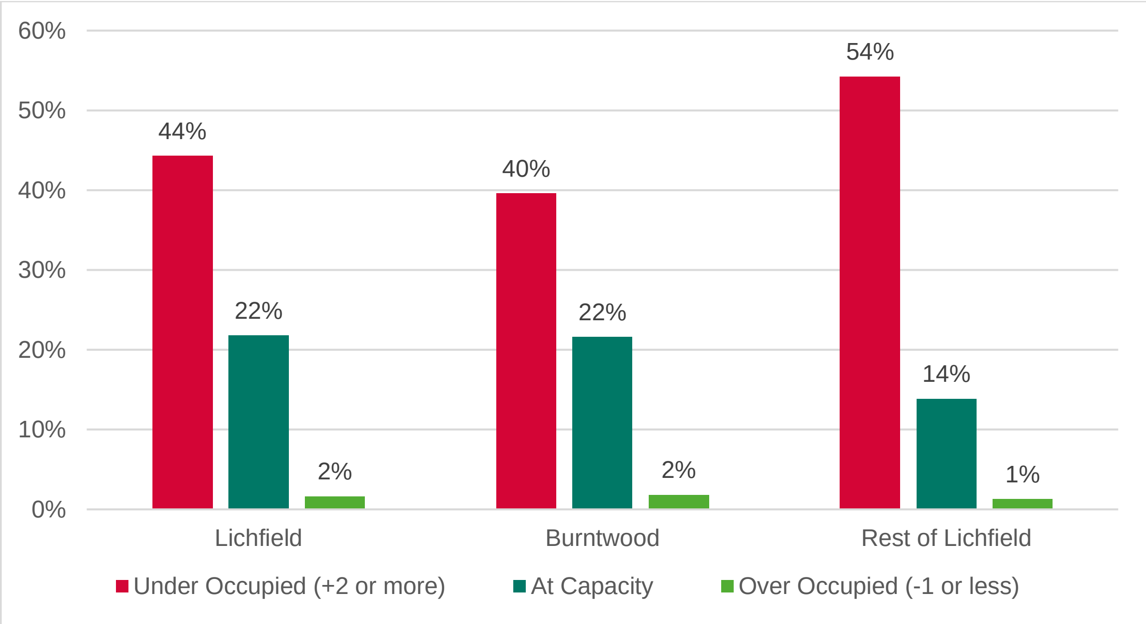


Source: Census 2021

12.42 The figure below shows the level of occupancy across dwellings based on the ONS bedrooms standard. Most dwellings in Lichfield overall are under-occupied by at least 2, meaning there are 2 or more spare bedrooms in the dwelling.

12.43 However, in the Rest of Lichfield underoccupancy is much higher with right-sized and over-occupied dwellings being less common. This indicates that dwellings in the rural area could be better used if the existing households could be supported into more appropriately sized accommodation although this can be difficult in rural areas as specialist housing for older people needs a critical mass.

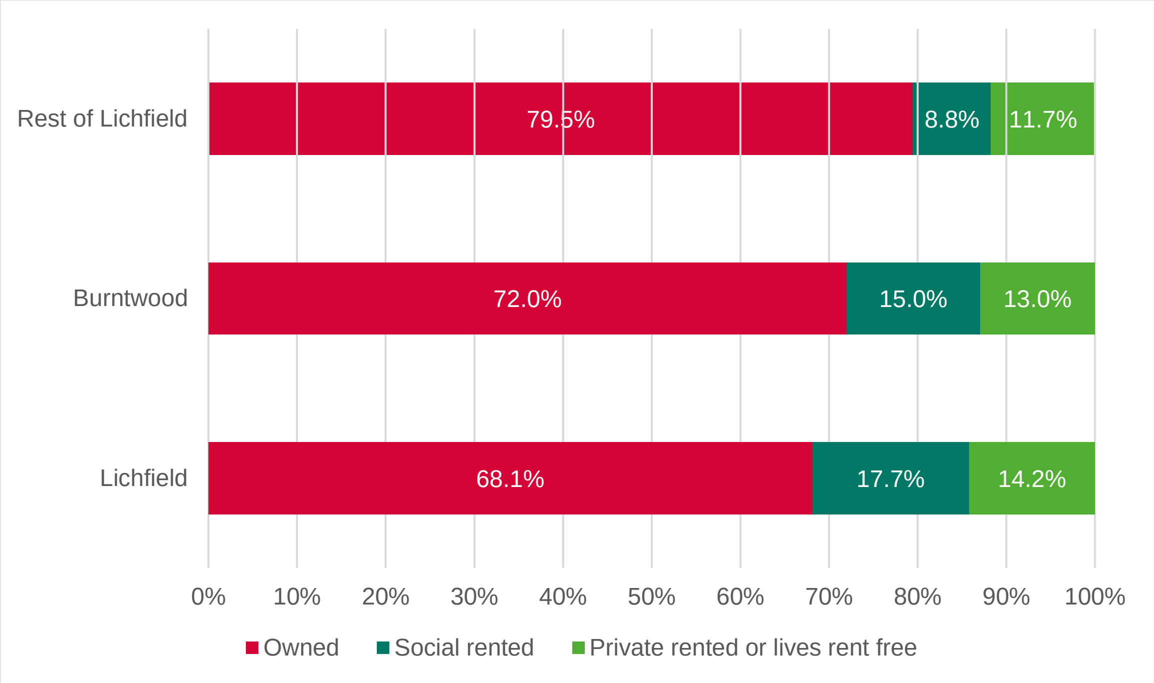
Figure 12.4 Stock Occupancy by Sub Area



Source: Census 2021

12.44 Turning to the differences in tenure, the Rest of Lichfield is the only area that sees a higher proportion of private renting than social renting, this may be a factor of less supply in the rural areas. Conversely, the rural area has an above average level of owner-occupation.

Figure 12.5 Stock Tenure by Sub Area



Source: Census 2021

Social Rented Stock

12.45 This section looks specifically at social rented stock as this will likely be the subject tenure of any rural exception policy the Council may develop. The proportion of social renting in an area will be partly influenced by the amount of social rented stock in this area.

12.46 The table below shows the number of households living within social rented dwellings in each sub-area. This shows that around 32% of social rental dwellings in Lichfield are in rural areas, this compares to around 46% of all dwellings.

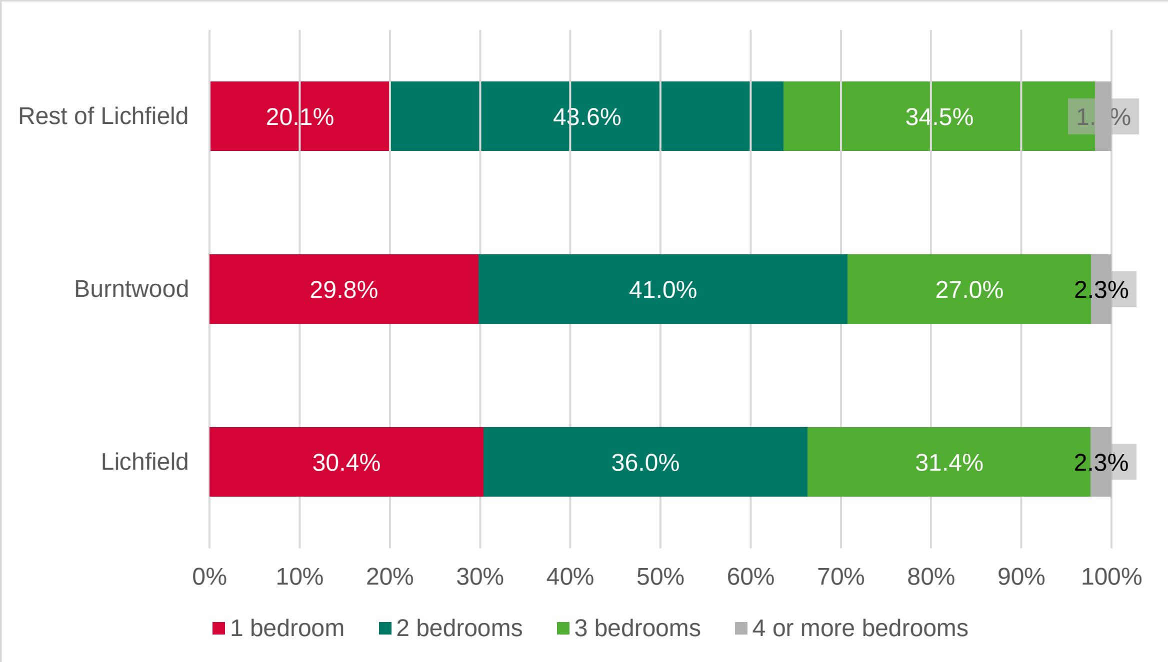
Table 12.5 Social Rented Stock by Sub-Area

	Total Social Rented	%
Lichfield	2,613	44.0%
Burntwood	1,447	24.4%
Rest of Lichfield	1,875	31.6%

Source: Census 2021

12.47 There is a fairly even distribution of sizes within social rented property in each of the sub-areas. The Rest of Lichfield area does see a slightly higher proportion of 2 and 3 beds than the urban areas although the proportion of 1-bedroom and to a lesser degree 4 4-bedroom properties is slightly lower.

Figure 12.6 Social Rented Stock by Size by Sub Area

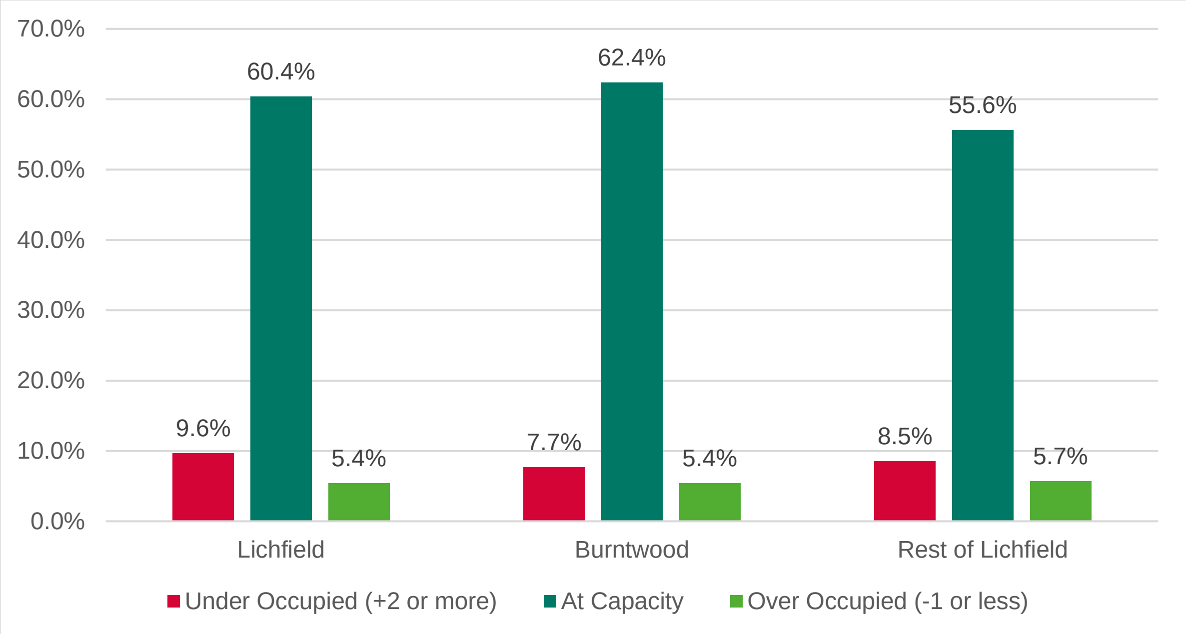


Source: Census 2021

12.48 Ideally, all social rented properties should be at capacity or right-sized, meaning that the households within the sector have a property that suits their needs. However, there is an element of over and under occupation in all areas.

12.49 The Rest of Lichfield has the highest proportion of over-occupied dwellings at 5.7%. As with the wider housing stock. This indicates that there may be a need for smaller dwellings, which would allow those in larger social rented properties to right size and free up those dwellings for larger households.

Figure 12.7 Social Rented Stock by Occupancy by Sub Area



Source: Census 2021

Housing Costs

12.50 The table below considers the median prices paid for properties from January 2023 to October 2024. The rest of Lichfield has the highest median costs at £327,988, which are over £100,000 higher than that of Burntwood with Lichfield town sitting in the middle.

Table 12.6 Median property prices (Jan 2023 – Oct 2024)

	Median House Price
Lichfield	£292,598
Burntwood	£217,000
Rest of Lichfield	£327,988

Source: Iceni analysis of Land Registry data

12.51 The table below considers the affordability ratio based on the above median house prices divided by the median incomes (as in Table 8.5). This shows that the high house prices of properties in the Rest of Lichfield do not translate to a large difference in affordability ratio, as a result of higher median incomes within the rural area.

Table 12.7 Sub-Area Affordability Ratio

	Median Income	Affordability Ratio
Lichfield Town	£43,900	6.67
Burntwood	£39,800	5.45
Rest of Lichfield	£48,900	6.71

Source: Iceni Analysis

12.52 Table 8.6 estimates that the income required to buy or privately rent in the rest of Lichfield sits at £55,000 to buy and £38,000 to rent, this is the largest gap of all the sub-areas of £17,000. Furthermore, table 8.19 of this report indicates that the vast majority of affordable housing need in rural parts of the district (210 per annum). Of this, there is an above average level of need for affordable homes to rent (68%).

12.53 This would suggest a specific policy to deliver affordable housing in the rural areas would be justified. This would reflect a rural exception site policy but also seek separate contributions on rural allocations if viability allows.

12.54 When considering the broad mix of housing in each of these areas, as mentioned in paragraphs 9.51 to 9.52, the Council should seek broadly that same mix of housing in all locations as a starting point. Although there are differences in stock and affordability this should not be seen as indicating particular surpluses or shortfalls of dwelling stock.

12.55 The earlier analysis indicates a higher affordable need in the rural areas in particular which should be reflected in the mix and contribution sought for sites that lie within this area.

Service Personnel

12.56 Lichfield district is home to one key MOD facility at Defence Medical Services (DMS) Whittington, there are 3 divisions currently stationed at Whittington. These include one infantry unit, the Mercian Regiment, as well as two strategic services.

12.57 The Defence Medical Services (DMS) – which is part of Strategic Command and provides healthcare and medical services across the 3 branches of the armed forces, The DMS also includes the Defence Medical Academy which provides specialist military education to service personnel that enables them to handle emergencies that would involve skills often held by civilian paramedics.

12.58 The Defence Infrastructure Organisation (DIO) is also headquartered here, the DIO is part of the Ministry of Defence and is responsible for the management of all MOD estates.

12.59 The most recent MOD statistics suggest that there are 1,600 service personnel stationed in Lichfield district, no statistics are reported for Tamworth, and it is therefore assumed that none are based in the authority.

12.60 In Lichfield district, most personnel are civilians at 1,020 people with the remainder regular forces (580). This is likely a factor of the presence of the DIO head office on site as well as the DMS which see a high number of civilian roles.

12.61 The presence of regular forces in Lichfield is not considered to be significant and is unlikely to have any implications on local affordability.

12.62 It is reasonable to assume that those who are based at the site and seeking housing, could consider both Lichfield and Tamworth as locations to live given its proximity to both. The scale of need would not suggest that there is a need to consider a policy which addresses the specific need of service personnel in both areas.

12.63 That said, Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers. Key Worker accommodation specifically comes under the definition of affordable housing which will be considered in the local plan. Additionally, depending on their incomes this group will already be accounted for within the affordable housing need and will largely not be additional to it.

12.64 The Planning Practice Guidance for First Homes also allows local authorities to set out their own criteria for accessing such housing. One such criterion could be a key worker requirement which would include service personnel.

12.65 The PPG also stipulates that "local connection criteria should be disapplied for all active members of the Armed Forces, divorced/separated spouses or civil partners of current members of the Armed Forces, spouses or civil partners of a deceased member of the armed forces (if their death was wholly or partly caused by their service) and veterans within 5 years of leaving the armed forces".

12.66 The most acute and pressing issue is likely to be finding accommodation for those transitioning out of the forces as well as existing personnel who are seeking to buy in each area. First Homes could play a part in meeting this demand as it would provide a discounted route to home ownership.

12.67 In addition, the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations ensure that service personnel (including bereaved spouses or civil partners) are allowed to establish a 'local connection' with the area in which they are serving or have served.

12.68 This means that ex-service personnel would not suffer disadvantage from any 'residence' criteria chosen by the Local Authorities in their allocations policies. Furthermore, any ex-armed forces personnel with mental health issues who present themselves to the Councils as homeless would be assisted as a vulnerable group and given priority need for housing.

Summary – Other Groups

Student Housing

12.69 There is a limited presence of students across the area, although Staffordshire University does have a satellite campus in Lichfield. The university's focus on part-time and shorter courses primarily attracts local residents, this therefore has limited impact on housing demand.

12.70 South Staffordshire College is seeking to increase the range of higher education courses, and this might have implications on the need for accommodation. The Councils should work with the College to monitor and address this need.

Self and Custom-Build Housing

12.71 When demand is assessed cumulatively across all base periods, Lichfield has received 129 registered expressions of interest, averaging 18 plots per base period. Tamworth has recorded 79 entries, averaging 10 plots per base period.

12.72 It is recommended that the Councils plan proactively to enable to delivery of Self and Custom Build housing, through the development of a specific policy aimed at supporting the sector and addressing the identified need.

Rural Area

12.73 The Rural areas of Lichfield see a higher prevalence of detached dwellings and homes with four or more bedrooms. Linked to this the area has significantly higher house prices and greater levels of affordability challenges.

12.74 Rural areas show a higher proportion of under-occupied dwellings in the overall market, suggesting potential for rightsizing to free up larger homes for families.

12.75 While homeownership dominates tenure types across all sub-areas, variations emerge in rental tenure. The Rest of Lichfield is the only area with a higher proportion of private renting than social renting, potentially indicating limited social housing options in rural areas.

12.76 The type of social rented stock mirrors the overall housing stock patterns, with less dense housing types prevailing in the Rest of Lichfield.

12.77 Table 8.19 of this report indicates that the vast majority of affordable housing need in Lichfield is in the rural part of the district (210 per annum). This would suggest a specific policy to deliver affordable housing in the rural areas would be justified.

Service Personnel

12.78 DMS Whittington is the key MOD facility in this area, it sits close to the Lichfield and Tamworth border. Most people based at DMS Whittington are civilian personnel and the small number of regular forces is unlikely to have an impact on the local housing market. As such we do not consider there to be a need for a specific policy to address military personnel need.

13. COMMERCIAL PROPERTY MARKET

13.1 This section provides a separate assessment of the industrial and office markets in Lichfield and Tamworth. According to CoStar both are sub-markets within the wider Shropshire and Staffordshire markets. This analysis will be used to inform the scale and type of future needs, to be identified later in the report.

13.2 A range of data sources are used including CoStar. CoStar is a national property database that agents feed into. It provides useful overview information for submarkets, but reliability is weaker for small deals that are not typically recorded. The views of local agents have been represented where relevant in the market assessment.

Office

The National Picture

13.3 The UK office market is facing a challenging period, with the national vacancy rate on an upward path and annual net absorption remaining negative. The increase in vacant space is attributed to weak economic conditions, structural changes in the office sector, and a wave of new building completions.

13.4 Despite the overall market challenges, some segments are performing well, driven by factors such as the demand for sustainable space, life science research, and strong regional city centres. Micro location and the quality of office space have become increasingly important in attracting tenants.

13.5 The investment market has been relatively quiet, with lower spending and falling prices. However, some investors are still interested in prime office properties in the best locations, especially those with redevelopment potential. The recent collapse of some big sales in London suggests that some sellers are expecting a near-term rebound in prices.

Staffordshire and Shropshire Market

13.6 Lichfield and Tamworth lie within the Shropshire & Staffordshire office market according to CoStar. CoStar reports that the office market is centred around Stoke-on-Trent and Telford, with significant employment in technology companies and the public sector.

13.7 Before the pandemic, the market experienced declining vacancy rates due to a lack of floorspace completions and positive net absorption. However, the pandemic and hybrid working patterns have slowed leasing activity and led to negative net absorption. The vacancy rate has increased from 2% in 2020 to 5.1% in the second quarter of 2024 but is expected to remain below the long-term average.

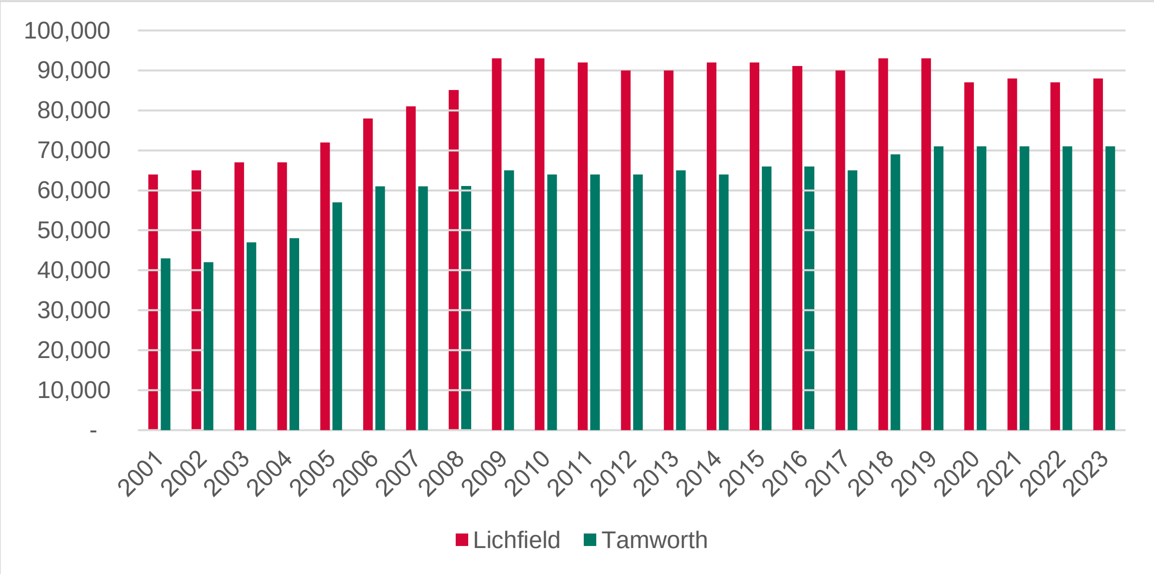
13.8 The health sector has been the most active sector in recent lettings, with Shropshire Community Health NHS Trust and The Commercial Occupational Health Providers Association taking significant space. Smaller lettings have occurred in Lichfield and Tamworth, with Clarion Information Systems and Santova Logistics being notable occupiers.

13.9 Rental growth has remained suppressed, with average rents currently at around £11.70 per square foot. Lichfield and South Staffordshire command the highest rents, while Telford and Stoke have the lowest average rents. Investment has also slowed in recent years, with total volumes amounting to £2.5 million over the past 12 months.

Market Indicators

13.10 Lichfield clearly has a larger amount of office floorspace than Tamworth currently. However, since 2019 floorspace in Lichfield has declined by 5,000 sqm whereas Tamworth has remained stable. This shows that there is stock in Lichfield that has been lost either to conversion or demolition and indicates that this stock was not in demand from occupiers.

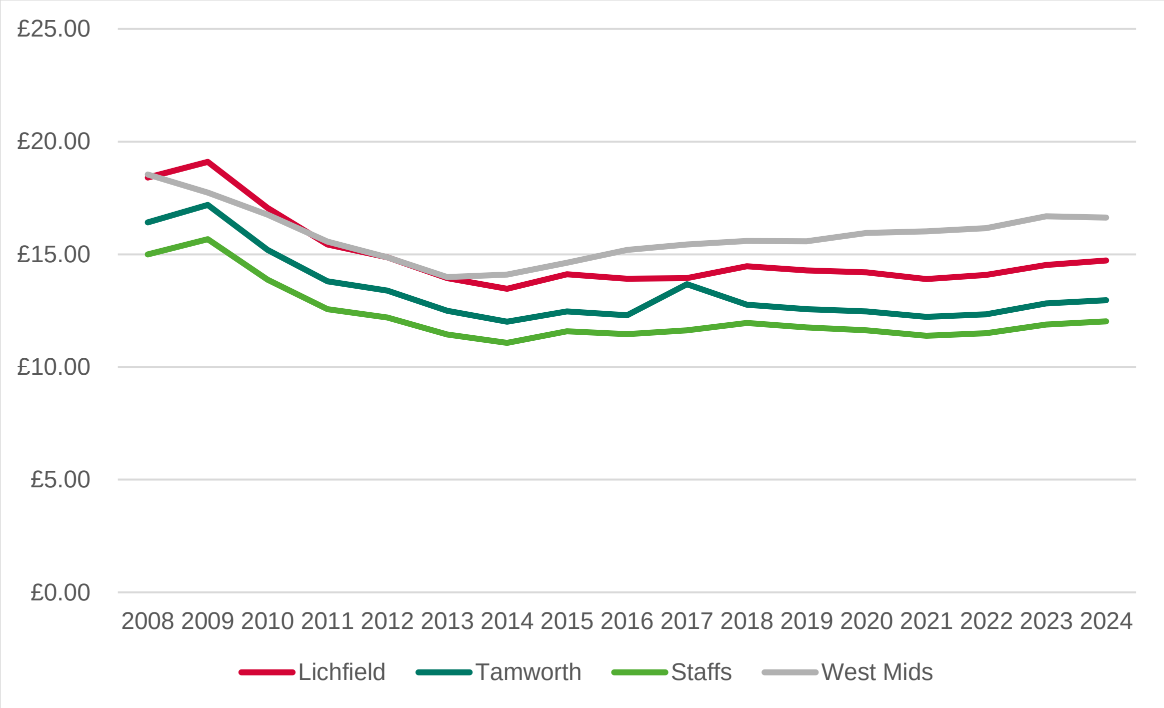
Figure 13.1 Office Floorspace – 2001-2023 (Sqm)



Source: VOA

13.11 Rental costs are also a key indicator of market conditions, rents in all areas have fallen since 2009 but generally have remained consistent from 2011 onwards. The West Midlands sees the highest costs overall at £16.63 per sqft, followed by Lichfield (£14.73), Tamworth (£12.96) and finally Staffordshire (£12.02). High rents could be an indicator of market attractiveness, where demand pushes up costs.

Figure 13.2 - Rents (per sq.ft, Inflation Adjusted) – 2008 - 2024



Source: CoStar

13.12 Looking at the change in rental costs over time, as the table below shows the West Midlands has seen the highest change over both a 10- and 5-year period. Lichfield has also seen a large change in the past 10 years of 9.4% with Tamworth seeing the smallest growth in the 4 areas of 7.9%.

13.13 On closer examination, it would appear that most growth in these areas has occurred in the 1st 5 years of the 10 years (2014-2019) rather than the most recent 5 years. Given what we know about the impact of Covid-19 and the changing nature of the office market, this is unsurprising.

Table 13.1 **Rental Change**

	5 Year 2019 -2024		10 Year 2014 -2024	
	Change	%	Change	%
Lichfield	£0.44	3.1%	£1.26	9.4%
Tamworth	£0.39	3.1%	£0.95	7.9%
Staffordshire	£0.26	2.2%	£0.95	8.6%
West Midlands	£1.05	6.7%	£2.53	17.9%

Source: CoStar

13.14 Agents working in both Lichfield and Tamworth recognised that rental costs in the areas were not increasing significantly and put this down primarily due to Covid reducing the demand for office space overall.

13.15 In Tamworth it was suggested that the overall rental costs for office space in the town made the development of speculatively built office space unlikely as there would likely be issues with viability and uncertainty around the ability to occupy the space overall.

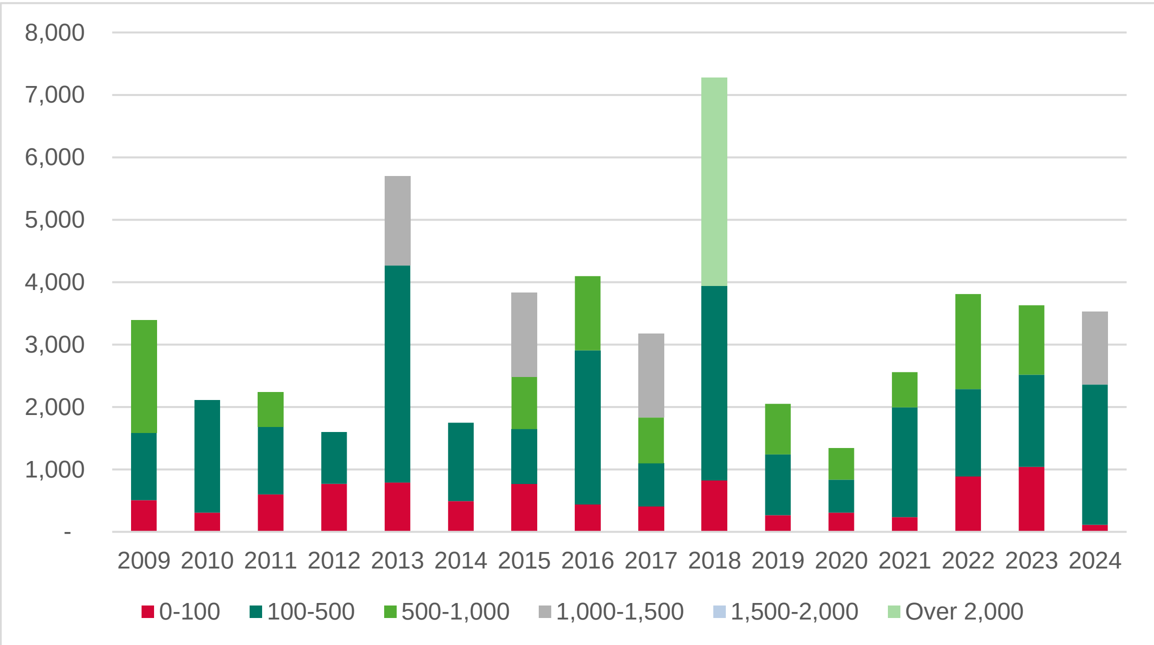
13.16 This concern was not felt within Lichfield which was reported to have a reasonable demand for office space although this had dropped slightly since Covid due to increases in home working.

13.17 Overall rental costs were dependent on the location and quality of offices as could be expected, Lichfield was noted to have good transport connections which made offices close to these more desirable.

13.18 It was noted that there was a lack of very high-quality Grade A space in the two areas, for Lichfield in particular agents felt that delivery of Grade A space could attract some businesses to the town.

13.19 The figures below show the sum of all transactions by the size of property. In Lichfield deals for properties within the 100-500 sqm range make up a large proportion of the activity, over the past 10 years an average of 1,553 sqm of floor space has been let in this size band. The 500-1,000 sqm band also sees a large amount of activity with an average of 727 sqm let in the past 10 years. In larger properties, no activity is seen in the 1,500-2,000 band and only 1 year saw activity in the over 2,000 sqm band.

Figure 13.3 Lichfield – Sum of all Deals by Size – 2009/2024

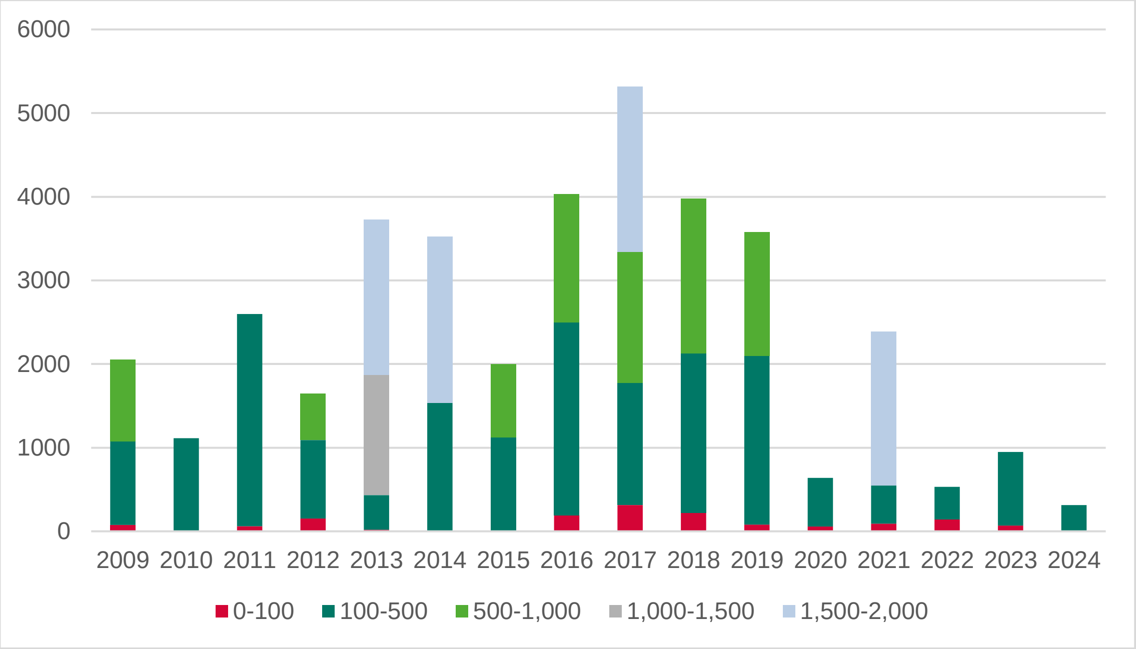


Source: CoStar

13.20 In Tamworth the 100-500 sqm range make up a significant proportion of the activity, over the past 10 years an average of 1,144 sqm of floor space has been let in this size band, it is the only size band that has seen deals every year since 2009. The smallest 0-100 sqm band also sees some activity with an average of 117 sqm let in the last 10 years.

13.21 In the mid-range, the 500-1,000 sqm band has seen an average of 730 sqm let in the past 10 years although this has been pulled down significantly by a lack of activity in this range since 2020. The 1,500-2,000 sqm band sees more activity than Lichfield although there is no activity at all in the over 2,000 sqm band.

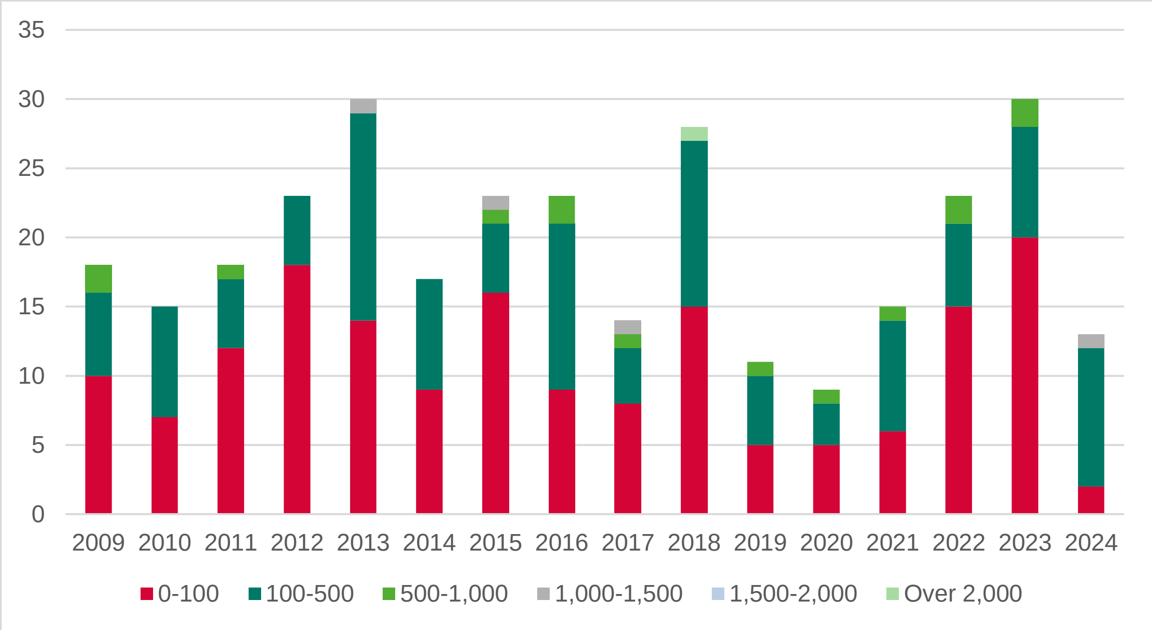
Figure 13.4 Tamworth – Sum of all Deals by Size – 2009/2024



Source: CoStar

13.22 The figures below show the count of all deals made by the size band of property each deal was for. Lichfield has seen an average of 19 deals per year since 2014 with most activity in the smallest 0-100 sqm band, an average of 10 each year, a notable amount is also seen in the 100-500 band at an average of 7 per year.

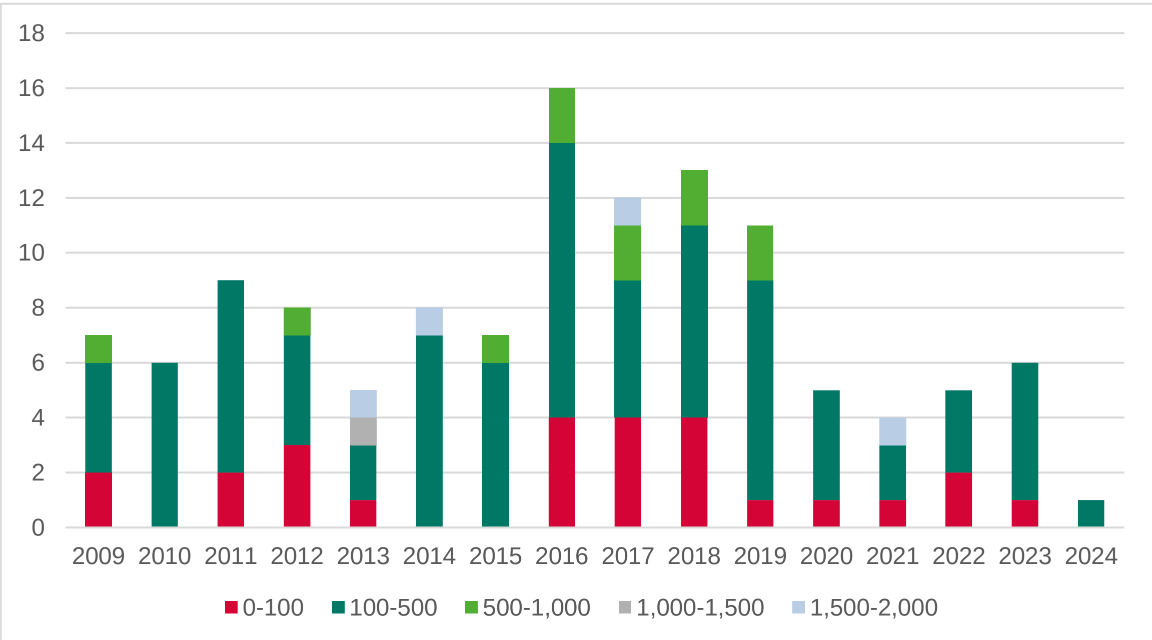
Figure 13.5 Lichfield – Count of all Deals by Size – 2009/2024



Source: CoStar

13.23 The number of deals seen in Tamworth is much lower than in Lichfield at an average of 8 per year since 2014, again most activity is within the 100-500 sqm band which sees an average of 5 deals each year.

Figure 13.6 Tamworth – Count of all Deals by Size – 2009/2024



Source: CoStar

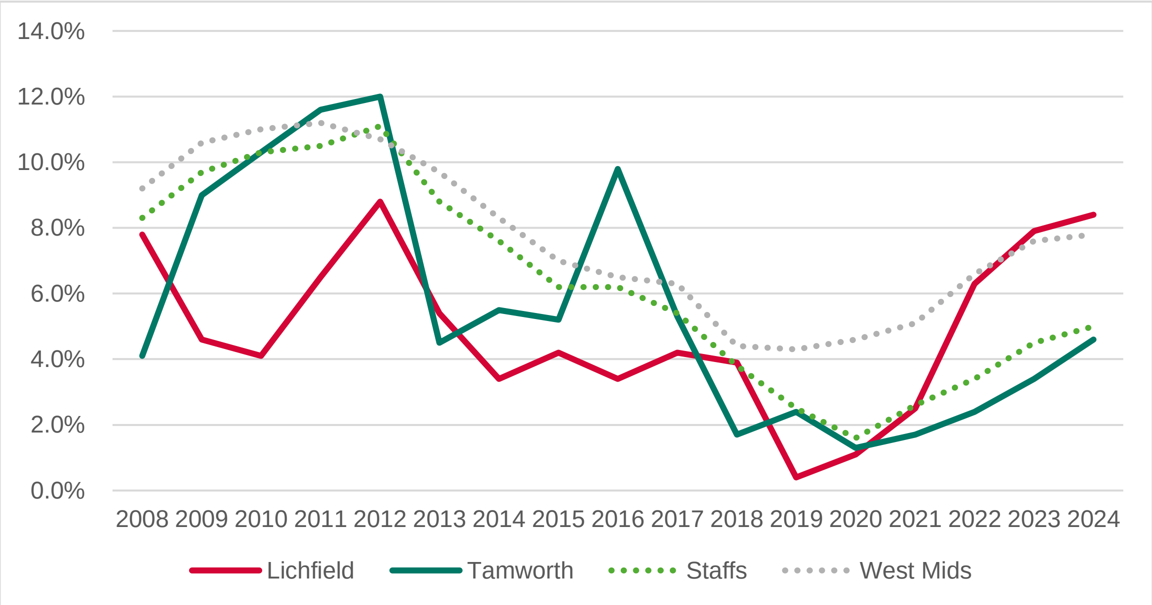
13.24 In terms of the size of offices in demand agents reported key demand in both areas of up to 5,000 sqft (approx. 500 sqm) units that would suit small to mid-sized businesses.

13.25 Overall demand for space was seen to be higher in Lichfield than in Tamworth, this was put down to its strong professional services economy.

Vacancy

13.26 Vacancy in both areas has varied considerably since 2008, currently vacancy sits highest in Lichfield at 8.4% and lowest in Tamworth at 4.6%. Both areas have seen an increase since 2020 but at different rates, Lichfield has seen a much larger increase in vacancy than Tamworth with 7.3% growth since 2020, compared to 3.3% in Tamworth. Given that stock in Lichfield has also been shrinking this increase in vacancy is surprising and indicates a falling demand for office stock in the area.

Figure 13.7 Vacancy Rates – 2008/2024



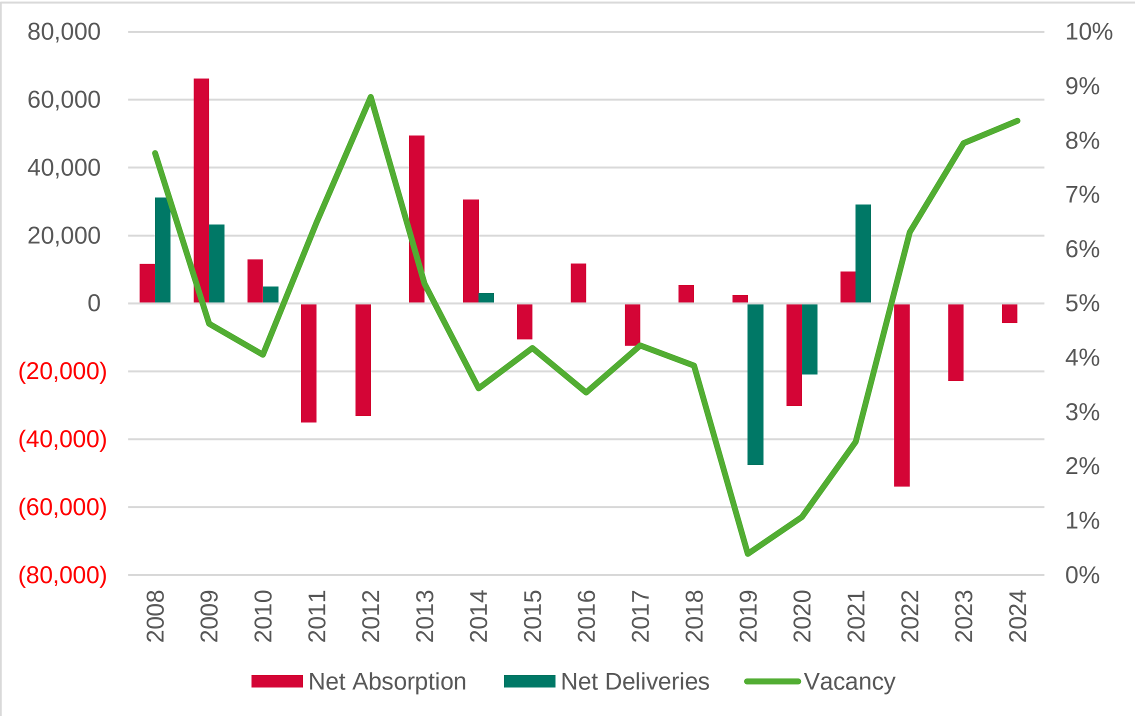
Source: CoStar

13.27 The figures below show the net absorption compared to deliveries and vacancies in each area. Net absorption is the balance between the amount of space moved into and moved out of (i.e. net absorption = move-ins – move-outs). It provides an indicator of the strength of demand. Net deliveries are the difference between floorspace delivered (i.e. constructed and brought onto the market) and demolished (or otherwise taken out of use and removed from the market).

13.28 A positive net absorption figure indicates strong demand and leads to a falling vacancy rate (unless it is outweighed by net deliveries). On the other hand, a negative net absorption figure indicates weaker demand and leads to a rising vacancy rate (unless it is outweighed by negative net deliveries).

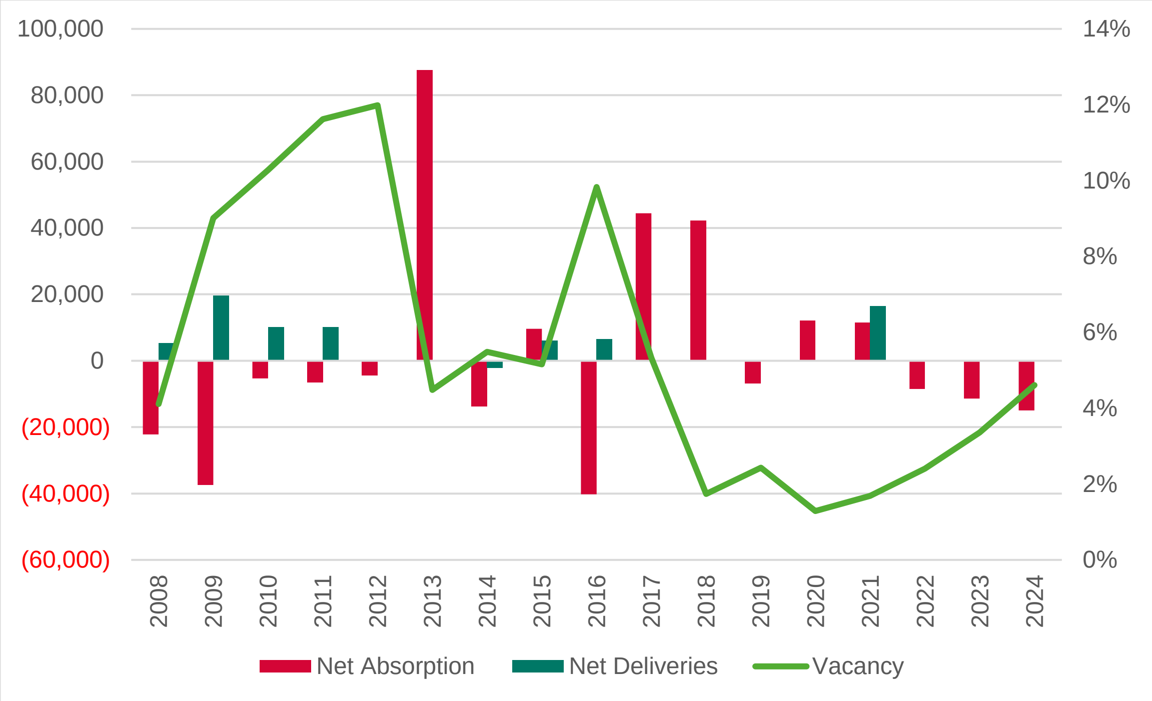
13.29 In Lichfield the past 3 years have seen negative net absorption, i.e. more space has been moved out of than into and is now vacant, this is what has led to the increased vacancy rate seen in 2024. When compared to Tamworth net absorption has generally been more negative with a further 82,656 sqft now vacant compared to 2020 in Lichfield and a further 34,776 sqft of space is vacant in Tamworth.

Figure 13.8 Lichfield – Net Absorption, Deliveries and Vacancy – 2008/2024



Source: CoStar

Figure 13.9 Tamworth – Net Absorption, Deliveries and Vacancy – 2008/2024



Source: CoStar

Industrial

The National Picture

13.30 The UK industrial property market has experienced a slowdown in demand due to high inflation and interest rates, but the sector remains strong due to structural factors such as e-commerce and supply chain reconfiguration.

13.31 Despite rising vacancies, the overall rate remains relatively low. Construction activity has begun to ease, but larger developers are still pressing ahead with significant schemes, driven by their superior purchasing power, large customer bases, and the ability to deliver best-in-class warehouses that satisfy the demands of increasingly ESG-conscious occupiers.

13.32 Tenant appetite for greener buildings is supporting rental growth, although rent gains have decelerated due to rising vacancies and occupiers facing growing cost pressures. Overall, landlords are expected to continue to hold the balance of negotiating power, especially owners of newer and more energy-efficient schemes that are in relatively short supply.

Staffordshire and Shropshire Market

13.33 According to CoStar Lichfield and Tamworth are located within the Staffordshire and Shropshire Industrial Market. This is an important industrial market strategically located across the M6 and M54 motorways between Birmingham and Manchester. It is home to significant distribution and fulfilment centres for major in-store and online retailers.

13.34 The industrial vacancy rate has risen recently but remains relatively low compared to its historical average. Leasing activity has been strong, with the big shed market performing better than other sectors. The largest recent deals have been for logistics companies, with new space being taken up.

13.35 Developers have completed a significant amount of industrial space in recent years, with more mid-box schemes in Shropshire and big-box construction concentrated in Staffordshire. Industrial rents have grown strongly due to robust occupier demand and low vacancies but remain the lowest in the West Midlands region.

13.36 The investment market has fallen in recent quarters, with lower volumes and higher yields. New builds and refurbishments remain attractive to investors, with multi-let industrial estates being sought after.

West Midlands Strategic Sites Study 2023/24 (WMSSS)

13.37 The WMSSS was produced by Iceni and published in 2024, it expects the UK industrial market to benefit from the structural shift towards e-commerce and emerging green industries. Newer, more energy-efficient schemes are in high demand and will see higher rents.

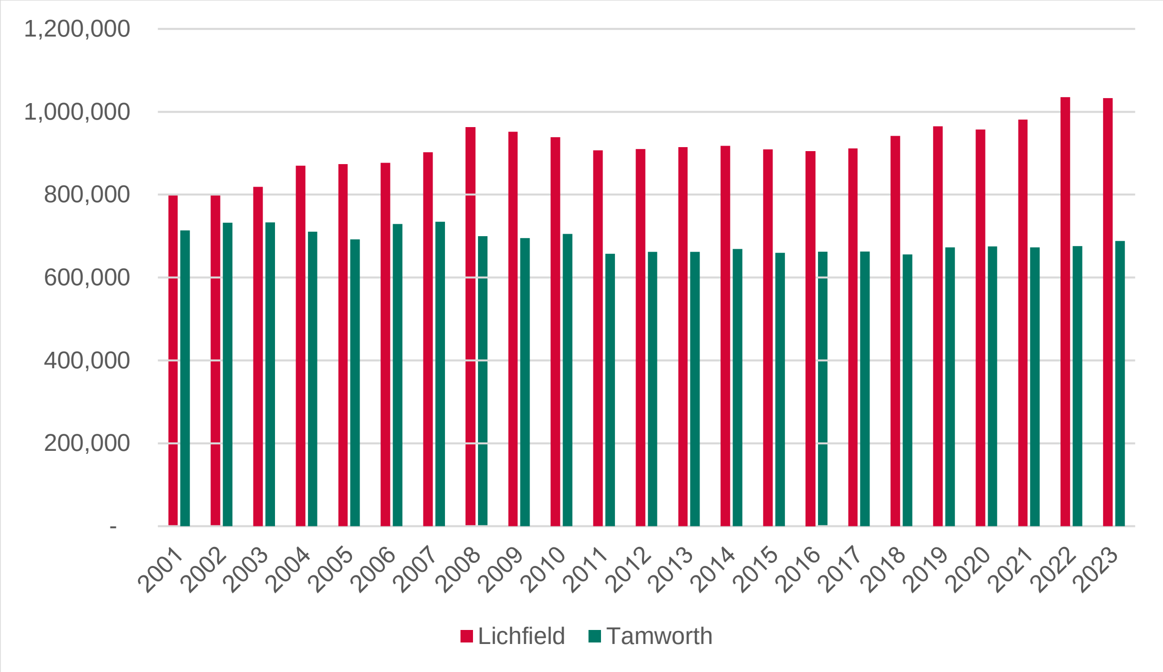
13.38 The West Midlands has a significant amount of strategic industrial floorspace, with 68% of it dedicated to logistics use. This floorspace has grown by 21% over the last 10 years. Vacancy rates are currently at an all-time low due to a lack of deliveries and positive net absorption. Rents have been increasing since 2014. Over the past 5 years, there were 31 lease deals resulting in 59,300 sq.m of strategic manufacturing floorspace take-up, with Solihull seeing the largest amount of take-up in the region.

13.39 Strategic logistics floorspace has been growing year on year since 2013, with vacancy rates hitting a new low in 2021/22. Net delivery of floorspace has been strong, but high net absorption has driven vacancy rates down. Rents have continued to rise to reflect strong demand.

Market Indicators

13.40 Valuation Office Agency data suggests that Lichfield has just over 1 million sqm of industrial floorspace with slightly less in Tamworth at approximately 688,000 sqm. Growth in stock in the two areas has differed with Lichfield seeing 7% growth since 2019 and Tamworth seeing only 2%. The growth in floorspace reflects national trends on the increasing demand for industrial floorspace.

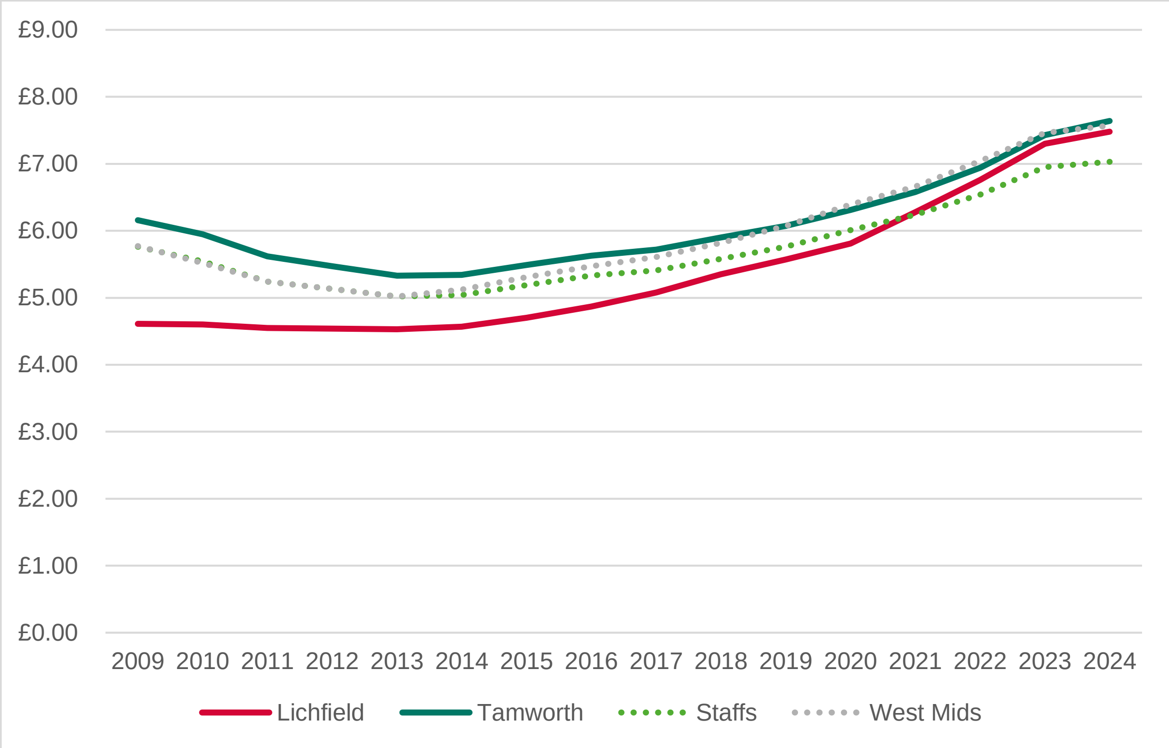
Figure 13.10 Industrial Floorspace (sqm) – 2001-2023



Source: VOA

13.41 Rental prices for industrial floorspace have a narrower range than office rents. Although the difference is not large, rents are highest in Tamworth at £7.64 per sqft and lowest in Staffordshire at £7.03 per sqft. The similarity of Lichfield and Tamworth rents to the West Midlands average indicates that both areas benefit from what makes the West Midlands an attractive area for industrial occupiers.

Figure 13.11 Rents (Inflation Adjusted) – 2001-2023



Source: CoStar

13.42 Looking at rental change over time, the table below shows that Lichfield has seen the largest growth across the 5- and 10-year periods, this may be a factor of a slightly lower starting point or potentially a market that is becoming increasingly in demand.

Table 13.2 Rental Change – 2014 - 2024

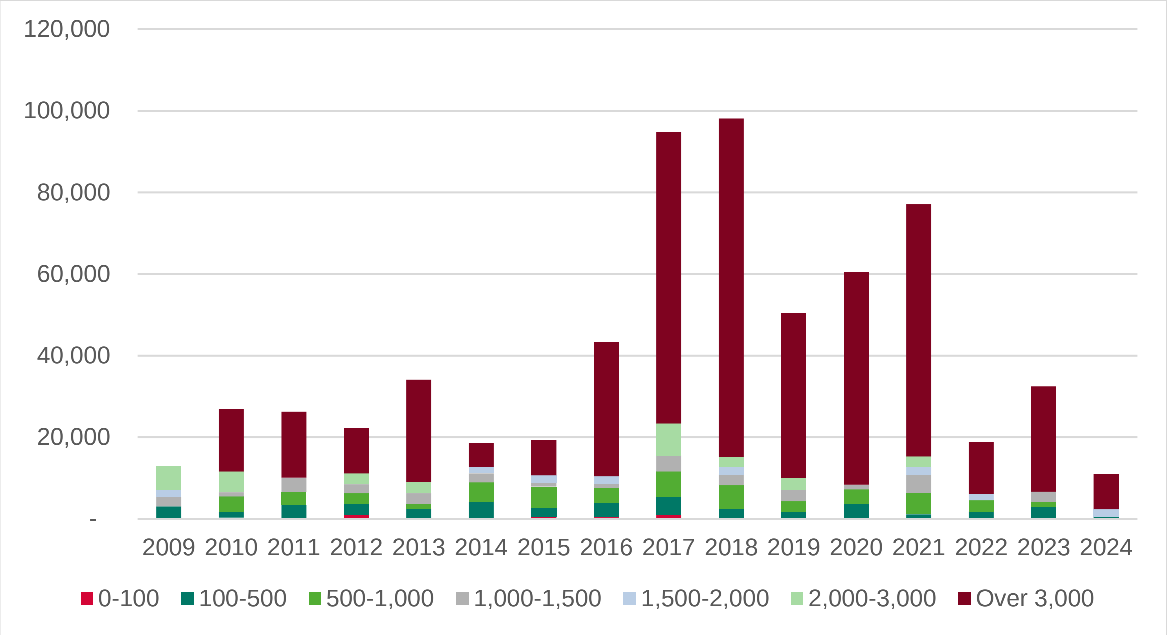
	5 Year 2019 - 2024		10 Year 2014 - 2024	
	Change	%	Change	%
Lichfield	£1.91	34.3%	£2.91	63.7%
Tamworth	£1.57	25.9%	£2.30	43.1%
Staffordshire	£1.27	22.0%	£1.99	39.5%
West Midlands	£1.50	24.7%	£2.45	47.9%

Source: CoStar

13.43 The figures below show the sum of all industrial transactions by the size of property of each deal. In Lichfield properties in the over 3,000 band dominate the floorspace activity, in the past 10 years an average of 38,000 sqm of space has been let in this band annually, however, this has been downwardly impacted by decreased activity from 2022 onwards. Smaller size bands also see activity in Lichfield with the 100-500 band seeing an average of 2,200 sqm of floorspace let in the last 10 years.

13.44 Overall, the key industrial estates in Lichfield and Tamworth were seen to be; Lichfield Road (Tamworth), Fradley and Burntwood (Lichfield). Agents considered these to be of reasonably good quality with demand for all locations. Speculative development was common in Lichfield, although agents thought viability may be a concern for speculative development in Tamworth.

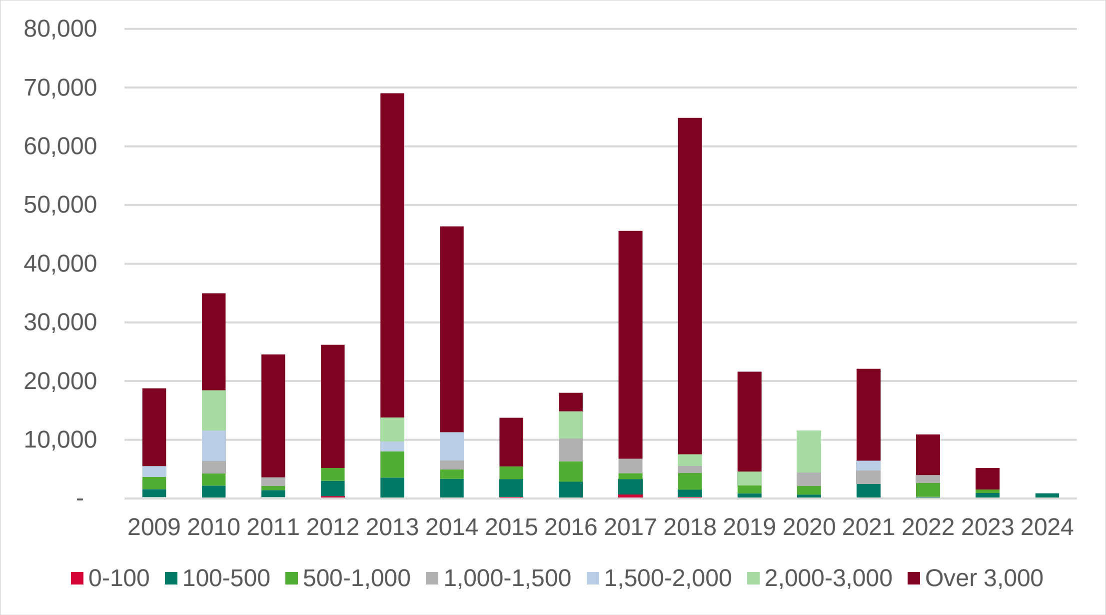
Figure 13.12 Lichfield – Sum of all Deals by Size – 2009-2024



Source: CoStar

13.45 Tamworth also sees a notable amount of activity in the larger bands with an annual average of 18,800 sqm let in the over 3,000 band since 2015. Interestingly this has also seen a decline more recently with the average since 2019 falling to 8,700 sqm. This lack of activity may indicate a lack of available stock of this size in the area that is able to be let.

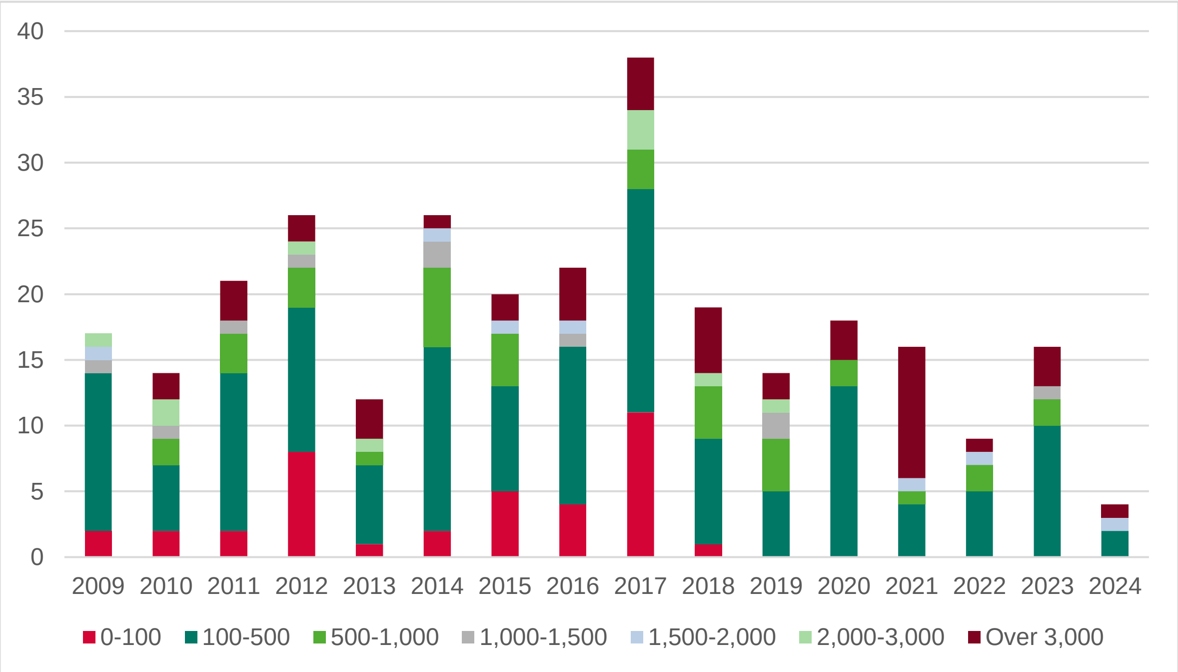
Figure 13.13 Tamworth – Sum of all Deals by Size – 2009-2024



Source: CoStar

13.46 The figures below show the count of all deals by the size band. The distribution of activity appears more evenly split across size bands. The 100-500 sqm band in Lichfield does see the most activity with an average of 10 per year since 2015, this does vary however with 2023 seeing 10 deals and 2022 seeing only 5 deals. Overall, an average of 18 deals have been made each year since 2014 however this appears to have decreased recently with the 5-year average falling to 13 deals.

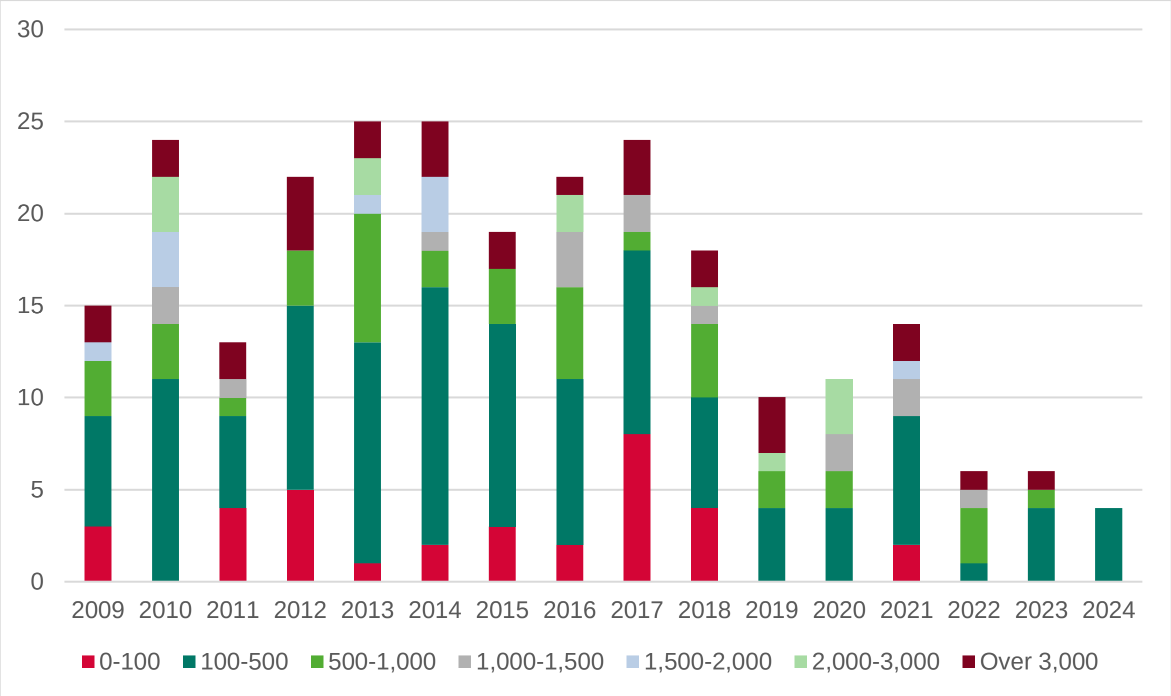
Figure 13.14 Lichfield – Count of all Deals by Size – 2009-2024



Source: CoStar

13.47 Tamworth has also seen a decline in deals with the 5-year average falling to 9 deals per annum from the 10-year average of 16 deals per annum. Historically activity has been seen across all sizes, albeit with a focus in the 100-500 band. More recently though activity in the smallest, 0-100 sqm, and largest, over 1,500 sqm, bands appear to have dropped off completely.

Figure 13.15 Tamworth – Count of all Deals by Size – 2009-2024



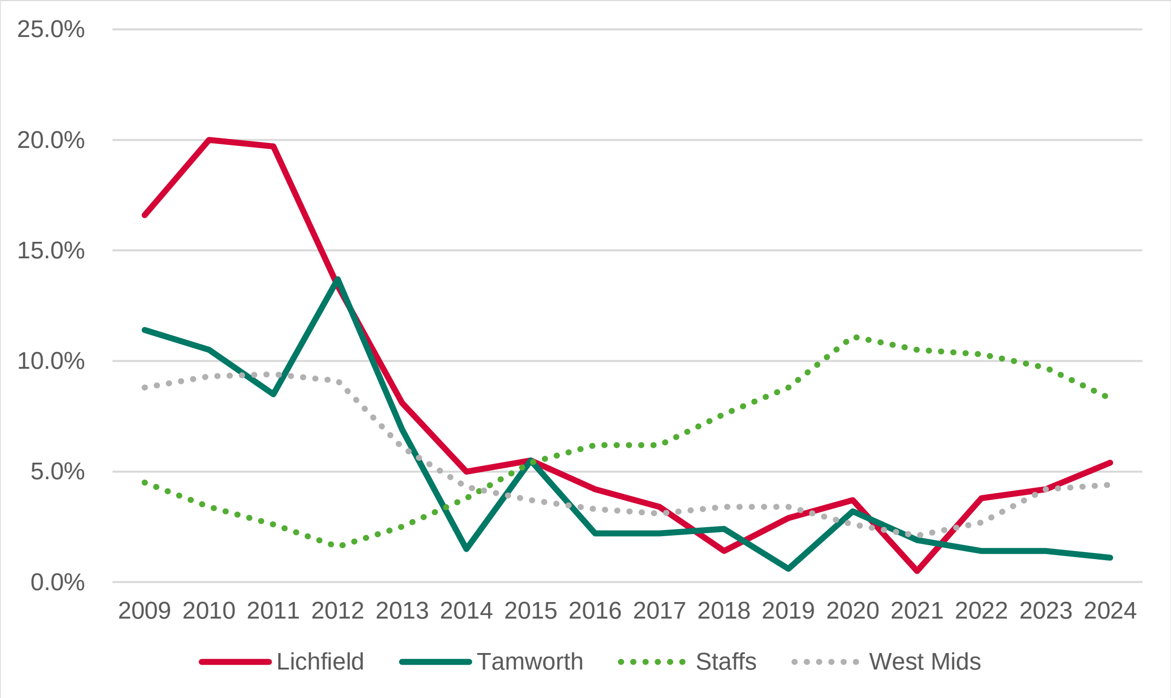
Source: CoStar

13.48 Agents noted that while there was demand for larger industrial units there was not necessarily a lack of this kind of space, although they were clear on the fact that more would be welcomed. A key demand for smaller units of around 2,500 sqft (200-300 sqm) was also shown, with agents reporting that they had a number of potential occupiers looking for grow-on style space but unable to find it easily.

Vacancy

13.49 Both Tamworth and Lichfield's vacancy rate is lower than Staffordshire's, in Lichfield it sits at 5.4% but it is lowest in Tamworth at 1.1%. It should be noted that an extremely low vacancy figure such as this is not a sign of a healthy market. Low vacancy rates mean that businesses that wish to up or downsize or even enter into the market will find it very hard to do so. A figure of approximately 4% is considered sufficient enough to allow for market churn, 13.50 Tamworth has not seen vacancy at this level since 2015 indicating that the market is potentially constrained. Vacancy in Lichfield is higher at 5.4% this has increased from a particular low in 2021 of 0.5%, and the current figure is much healthier than that of Tamworth.

Figure 13.16 Vacancy – 2009-2024

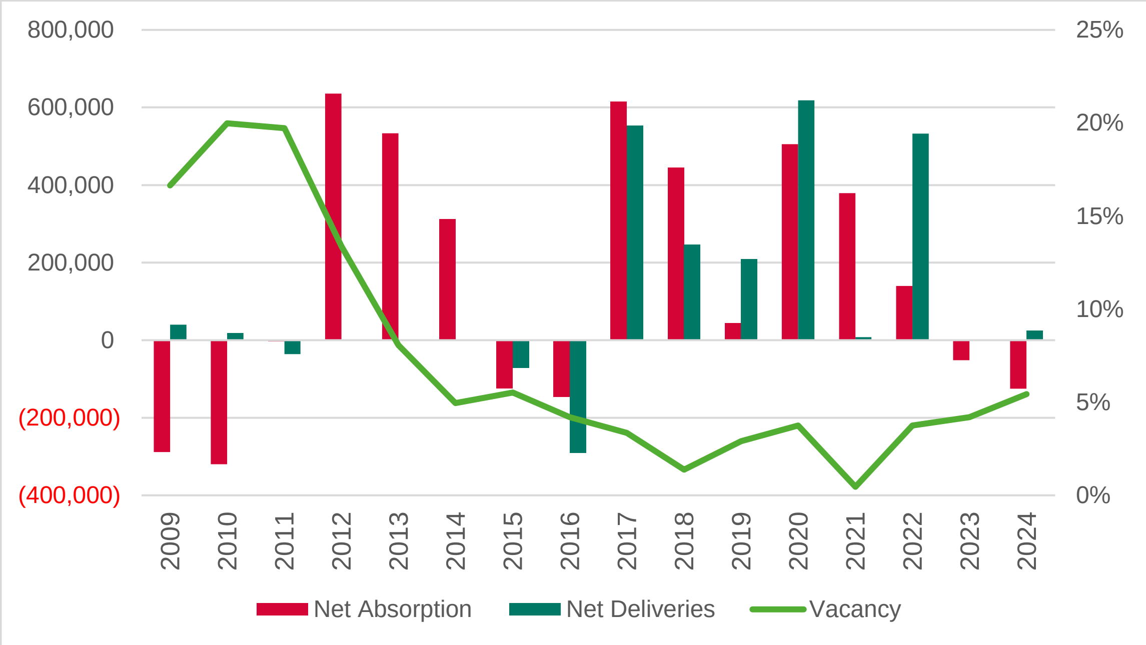


Source: CoStar

Net Absorption

13.51 Finally, looking at net absorption, a high delivery year in Lichfield in 2021 led to the vacancy rate increasing to 3.8%, negative net absorption since has led to that vacancy creeping up further. Given the very low vacancy seen in 2021 this increasing rate is not a huge concern and as mentioned previously should allow for sufficient churn within the market.

Figure 13.17 Lichfield - Net Absorption, Deliveries and Vacancy – 2009-2024

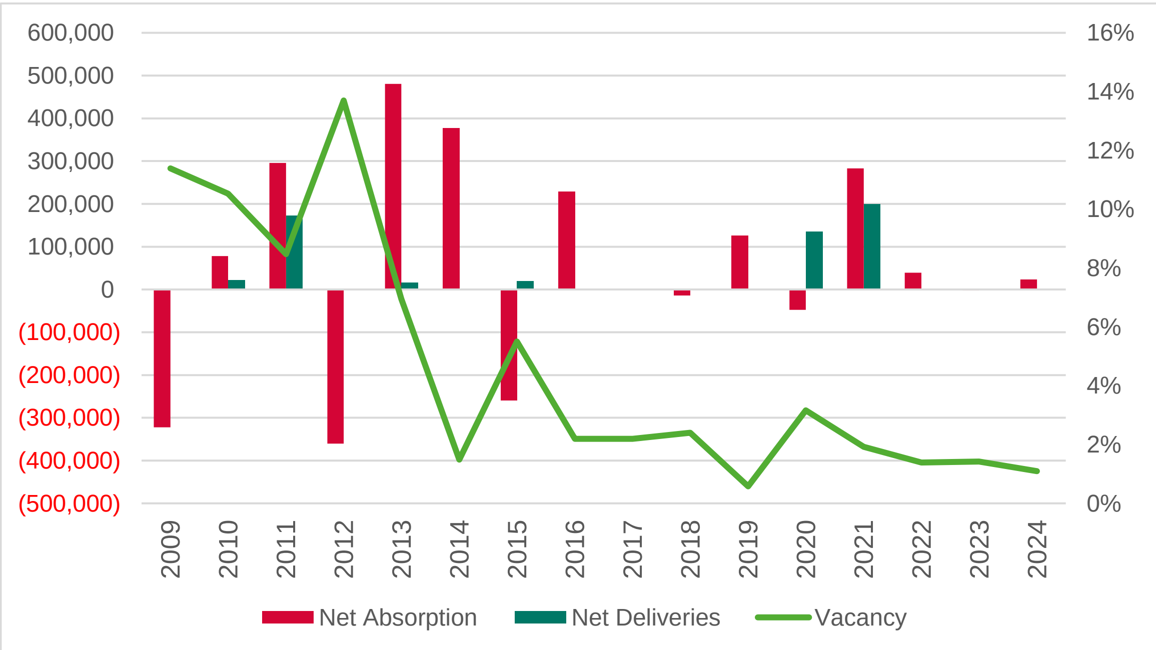


Source: CoStar

13.52 The picture is different in Tamworth, as mentioned vacancy has sat at a very low level since 2015, generally net absorption has remained somewhat neutral since with only deliveries seen in 2020 and 2021 seeing the vacancy rate increase.

13.53 The delivery in these two years amounts to approximately 335,000 sqft of space, it would appear that all of this space and more is now occupied with a net absorption rate of 343,000 sqft from 2021 onwards.

Figure 13.18 Tamworth - Net Absorption, Deliveries and Vacancy – 2009-2024



Source: CoStar

Commercial Market - Summary

Office

13.54 The UK office market is facing challenging conditions, marked by rising vacancy rates and negative net absorption. This is attributed to economic uncertainty, shifts in work patterns, and an increase in new office space. Despite these challenges, specific segments like high-quality, well-located offices, are performing well.

13.55 Lichfield has a relatively stable office market, with vacancy rates fluctuating between 5% and 10% over the past decade. Most transactions involve smaller office spaces, reflecting the dominance of small and medium-sized businesses in the area.

13.56 Tamworth's office market is smaller and less active than Lichfield's. While vacancy rates have historically been lower than Lichfield's, they have experienced an upward trend in recent years. Transaction volumes are considerably lower, with a significant decline observed over the past 5 years.

Industrial

13.57 The West Midlands region is particularly strong in the industrial market, particularly in the logistics sector. The region benefits from low vacancy rates, driven by limited new supply and robust demand. This has led to a steady increase in rental costs since 2014.

13.58 Lichfield's industrial market is characterized by a high concentration of larger industrial units, with transactions in the over 3,000 sq. m. band accounting for a significant proportion of activity. Vacancy rates have remained relatively low and stable.

13.59 Tamworth's industrial market exhibits a more balanced distribution of transactions across different size bands. However, in recent years there has been a decline in activity, particularly in the smallest and largest size categories. Vacancy rates are higher than in Lichfield but have remained below 10% in the past decade.

14. ECONOMIC FORECASTS

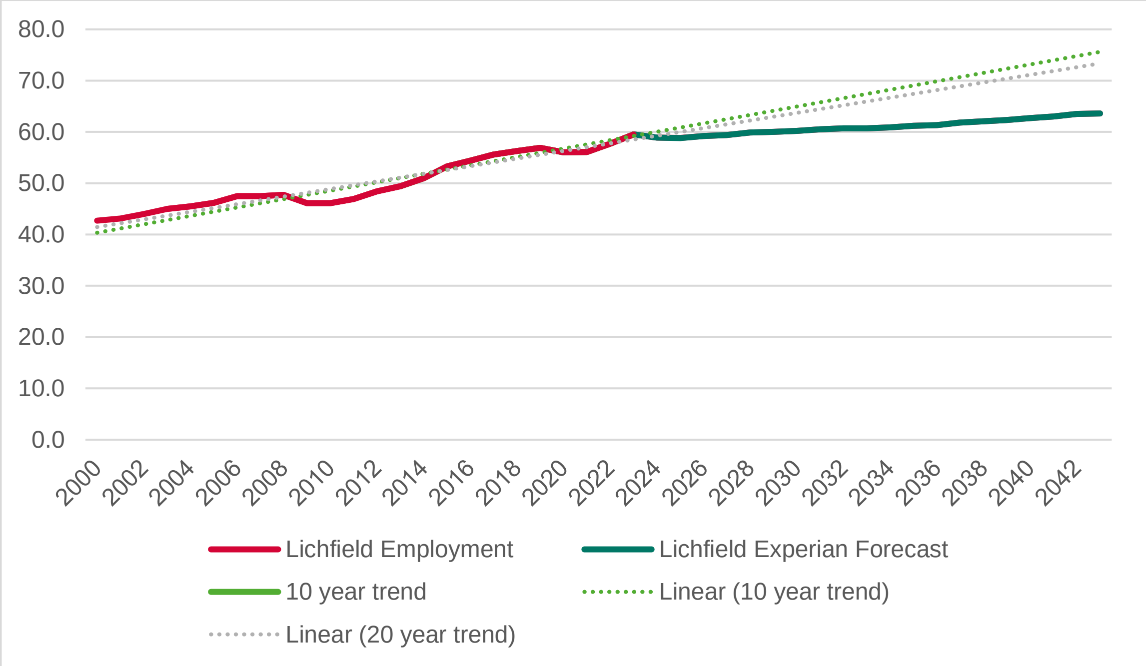
14.1 This section of the report examines the forecast employment growth. To do this we draw on forecasts produced by Experian. We also consider a labour supply-led scenario which models the inter-relationship between potential housing and demographic growth and potential employment that could be supported by this.

Baseline Growth

14.2 As illustrated in the chart below, the Experian baseline forecasts for Lichfield show a growth in employment of 5,900 jobs over the 2022-43 plan period, this equates to 10% and an average of 295 jobs per annum.

14.3 The growth is not uniform as there is a slight decline in employment in the first few years of the plan period and then steady positive growth towards 2043 For comparison, the chart also includes a historical 10-year, and 20-year trend projected up to 2044. These historical growth trends are much higher than the forecasted growth.

Figure 14.1 Lichfield Projected Baseline Growth (2000-2043)



Source: Experian and OE 2024

14.4 The chart below shows the Experian baseline forecasts for Tamworth, these forecast a decline in employment in the first year of the plan period and a flatlining of employment growth until 2028, from thereon there is steady growth to 2043.

14.5 Overall, the Experian baseline scenario suggests an overall growth of 5.7% over the 2022-43 plan period which is a total of 1,900 jobs or an average of 95 jobs per year. The Experian baseline forecasts are above the 10- and 20-year historical growth trends which have seen negative employment growth.

Figure 14.2 Tamworth Projected Baseline Growth (2000-2043)

Source: Experian and OE 2024

Sectoral Analysis

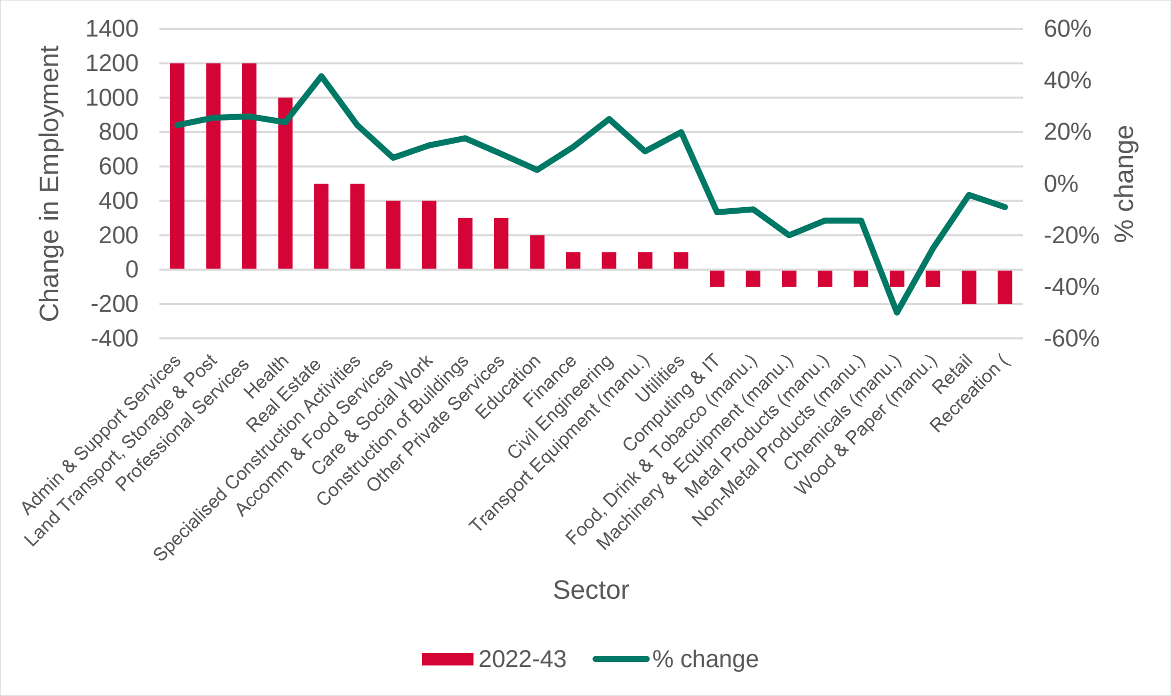
14.6 This section relies on the Experian employment forecasts to examine the change across different employment sectors. In Lichfield, there are several sectors which are expected to see the most significant growth including, in absolute terms, admin and support services (+1,200 jobs), professional services (+1,200 jobs), land transport (+1,200 jobs) and health (+1,000 jobs).

14.7 In percentage terms the largest growth is forecast in real estate (+42%), professional services (+26%), land transport (+25%), civil engineering (+25%) and health (+24%).

14.8 Employment losses are expected in, agriculture, forestry and fishing (-400 jobs), recreation (-200 jobs), retail (-200 jobs)and a loss of -100 jobs in each of the following manufacturing sectors: wood & paper; chemicals; non-metallic products; machinery and equipment; metal products; food, drink and tobacco and transport equipment.

14.9 The figure below shows the sector breakdown of the employment growth for Lichfield forecasted by Experian.

Figure 14.3 Lichfield Projected Baseline Growth by Sector (2022-2043)



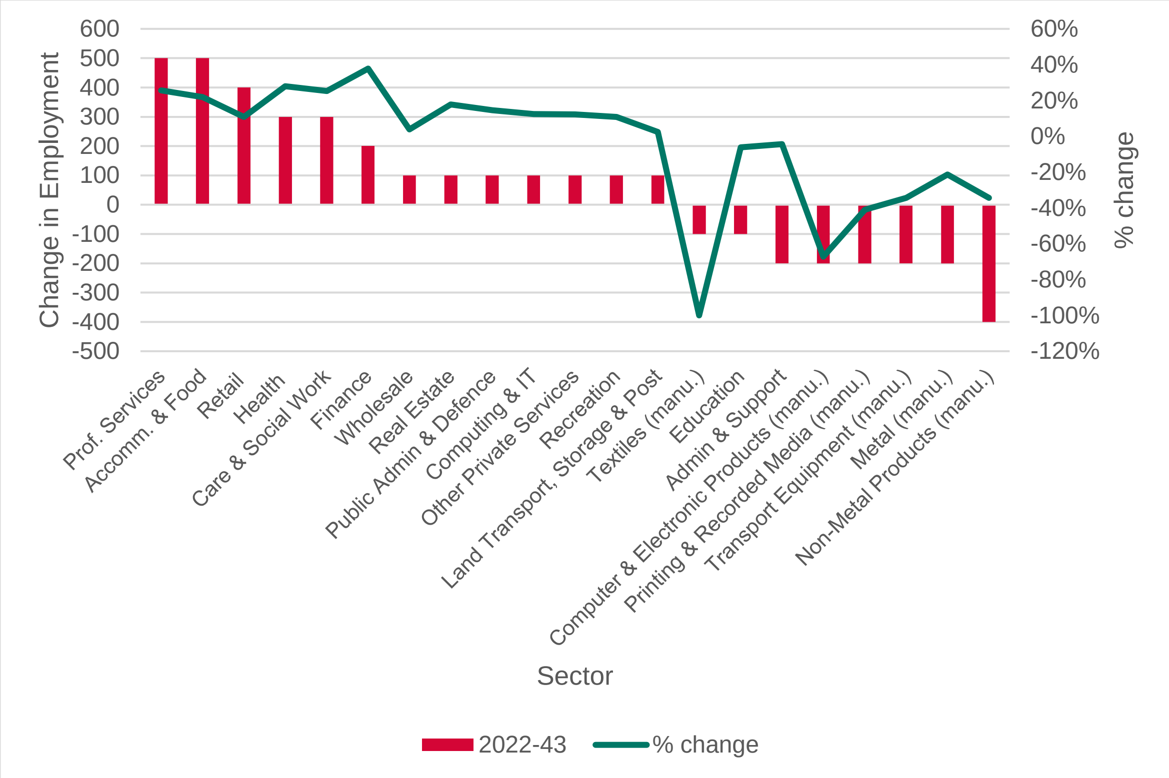
Source: Iceni analysis of Experian 2024 *sectors with no employment have been excluded from the chart.

14.10 In Tamworth, the sectors which are expected to see the most significant growth include, in absolute terms, accommodation and food services (+500 jobs), professional services (+500 jobs), retail (+400 jobs), health (+300 jobs) and Residential Care & Social Work (+300 jobs). In percentage terms the largest growth is expected in finance (+38%) and health (+28%).

14.11 Employment losses are expected in the manufacture of non-metal products (-400 jobs), printing and recorded media (-200 jobs), manufacture of computer and electronic products (-200 jobs), manufacture of transport equipment (-200 jobs) and manufacture of metal products (-200 jobs).

14.12 The figure below shows the sector breakdown of the employment growth for Tamworth forecasted by Experian.

Figure 14.4 Tamworth Projected Baseline Growth by Sector (2022-2043)



Source: Experian 2024

**sectors with no employment have been excluded from the chart*

Labour Supply Scenario

14.13 The labour supply-led scenario seeks to model the inter-relationship between potential housing and demographic growth and the potential employment that could be supported by this. Invariably this will be influenced by decisions on a future housing requirement within the Local Plan. However, it is helpful at this stage to consider how an indicative labour supply scenario relates to other scenarios modelled.

14.14 We have modelled a scenario linked to the new standard method for housing need, based on 2021 commuting patterns. The analysis points to a growth of 18,400 jobs in Lichfield (876 jobs per annum) and 10,300 jobs in Tamworth (490 jobs per annum) over the 2022-43 period. By comparison, the baseline forecasts for Lichfield show a growth of 5,100 jobs and 2,200 in Tamworth.

14.15 Under the labour supply scenario, the employment growth is apportioned to sectors based on the 2022 sector percentage split. i.e. as of 2022, 6% of employment in Tamworth is within the accommodation and food services sector and so a growth of 618 jobs (10,300 x 6%) is assumed.

Economic Forecasts Summary

Experian Baseline Forecast

14.16 Experian forecasts suggest an overall employment growth of 8.7% over the 2022-2043 plan period, equivalent to 5,900 new jobs in Lichfield. In Tamworth the forecast is more modest, predicting 1,900 new jobs, which also represents a slower growth trajectory compared to Lichfield.

14.17 The most substantial sector growth is anticipated in admin and support services (+1,200 jobs), professional services (+1,200 jobs), , land transport (+1,200 jobs) and health (+1,000 jobs)in Lichfield.

14.18 Similar sectors are expected to drive employment growth in Tamworth, including accommodation and food services (+500 jobs), professional services (+500 jobs), retail (+500 jobs), retail (+400 jobs), health (+300 jobs) and Residential Care & Social Work (+300 jobs).

Labour Supply Scenario

14.19 This scenario explores the potential impact of housing and demographic growth on employment levels. It assumes that increased housing provision would lead to a larger workforce and, consequently, greater employment opportunities.

14.20 The labour supply scenario linked to the new standard method indicates a potential growth of 18,400 jobs in Lichfield and 10,300 jobs in Tamworth over the 2022-2043 period. Very high when compared to the baseline forecasts in both areas.

15. EMPLOYMENT LAND REQUIREMENT

15.1 In this section, we consider the requirement for employment land and floorspace over the period from 2022-43. The requirements for employment land are disaggregated for office and Industrial uses. These correlate with Use Class E(g)(i) offices and E(g)(ii) R&D and E(g)(iii) industrial (light), B2 Industrial and B8 Warehousing.

15.2 When considering the scale of future needs the Planning Practice Guidance (PPG, 2019) requires consideration of:

- sectoral and employment forecasts and projections (labour demand);
- demographically derived assessments of future employment needs (labour supply techniques); and
- analysis based on the past take-up of employment land and property and/or future property market requirements.

15.3 There are relative benefits of each approach. Econometric forecasts take account of expected economic growth in each sector relative to the past. A detailed model is required to translate forecasted changes in employment by sector to floorspace use classes and estimate gross floorspace and land requirements. This is explained in detail below.

15.4 In reality there may also be distortions between typical floorspace densities and future needs caused by replacement demand requirements or productivity gains (as explored below). This means that labour demand scenarios, driven by employment forecasts, may be less suitable for some activities – particularly industrial.

15.5 Labour supply scenarios allow for an alignment of jobs and homes, but they do not take into account the economic role of a given area. Increased labour supply does not necessarily correlate to greater commercial demand outside of population-driven sectors (education, health, retail). They assume people move to an area to work there when this is not always the case. It also assumes the level of housing growth will be deliverable.

15.6 Past take-up of land and floorspace is based on the actual delivery of employment development, which is useful; but does not take account of the implications of potential growth in labour supply associated with housing growth nor any potential differences in economic performance relative to the past.

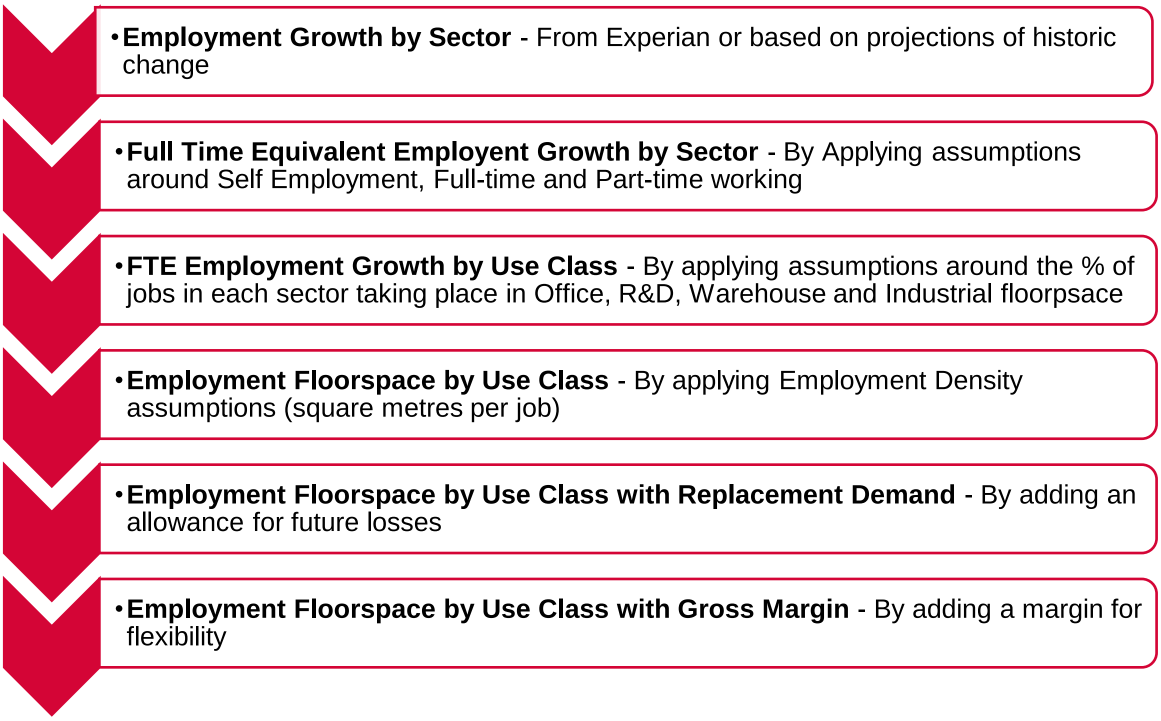
15.7 Monitoring data for employment floorspace trends has been drawn from Council monitoring data (for 2008/09-2023/24 for Lichfield and 2016/17-2023/24 for Tamworth). The Council data is also used to understand replacement demand.

15.8 The quantitative evidence here is supplemented by the wider analysis of the market and economic dynamics set out earlier in this report. We have also included within this section an estimate of demand based on net absorption trends and forecasts.

Labour Demand

15.9 Jobs forecasts are translated to employment floorspace requirements through a series of steps. These are summarised in the figure below:

Figure 15.1 Overview of the Labour Demand Model



15.10 The first step is to translate forecast employment growth into full-time equivalent (FTE) employment growth. This is required as the employment densities used relate to FTE jobs rather than total jobs. Iceni has used the current BRES ratios of part-time and full-time employment to generate the FTE outcomes.

15.11 Table 15.1 shows that forecast FTE jobs growth over the period from 2022 to 2043 is equivalent to 5,103 jobs in Lichfield and 1,890 jobs in Tamworth. FTE jobs are higher than total jobs due to forecasted losses in sectors with higher proportions of part-time workers and vice versa.

Table 15.1 **Total Jobs and FTE Jobs Growth by Model, 2022-2043**

	Model	Total Jobs	FTE Jobs
Lichfield	Experian Forecast	5,100	5,103
	Labour Supply	18,400	15,293
Tamworth	Experian Forecast	1,600	1,890
	Labour Supply	10,300	8,517

Source: Iceni analysis of Experian / BRES data

15.12 The next step translates FTE employment growth by sector into FTE employment growth by use class. For the purposes of this study, we have proportioned the number of FTE jobs in each sector into jobs in Industrial, Warehouse, Office and R&D floorspace and non-employment space. Under all scenarios, the minority of employment growth is expected in jobs in employment premises (E(g)(i-iii), B2 and B8).

15.13 Growth in FTE jobs within E(g)/B2/B8 is significantly lower than overall FTE job growth because employment growth is primarily occurring within sectors that do not require employment land.

Table 15.2 **FTE Jobs Growth by Model and Use Class, 2022-2043**

	Model	FTE Jobs	FTE Jobs in E(G)(i-iii), B2 and B8 Premises
Lichfield	Experian Forecast	5,103	1,631
	Labour Supply	15,293	5,453
Tamworth	Experian Forecast	1,890	177
	Labour Supply	8,517	2,425

Source: Iceni analysis of Experian / BRES data

15.14 To translate FTE employment growth to floorspace we have assumed a set of employment densities[34], which are set out in Table 15.3 below. These are informed by the Homes and Communities Agency Employment Density Guide third edition.[35], but also take into account Iceni Projects' experience and the nature of development in Lichfield and Tamworth.

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34 Employment Densities are the assumed floorspace per FTE e.g. for5offices it is assumed that every FTE will have 14 sqm (GEA) of floorspace

35https://www.kirklees.gov.uk/beta/planning-policy/pdf/examination/national-evidence/NE48_employment_density_guide_3rd_edition.pdf

Table 15.3 **Employment Densities Assumptions - Gross Employment Area per job**

	Office	R&D	Industrial	Warehouse
Employment Density (sqm)	12	50	40	70

Source: HCA Employment Densities Guide: 3rd Edition (Drivers Jonas Deloitte, 2015), adapted by Iceni Projects

15.15 Applying these employment densities to the FTE forecasts results in the employment floorspace requirement set out in Table 15.4. We have also undertaken a sensitivity analysis for office space with greater levels of working from home. This is informed by Iceni Projects review of information published by real estate agency Savills, Remit Consulting and RICS on the occupancy of in-use office floorspace pre- and post-pandemic.

15.16 The pandemic has seen an increase in home working – in particular in office-based sectors – as well as hybrid working, whereby workers spend part of the week in the office and part at home, with the emergence of 3/2 and 2/3 working patterns.

15.17 Office market trends are responding and will potentially reinforce around good quality space designed to facilitate interaction and collaboration between staff; and locations which support social and leisure activities.

15.18 Offices may contain specific spaces for teams/zoom calls and businesses may need to consider floorspace needs on the more popular, mid-week days.

15.19 ONS 2023 data showed that 40% of all UK working adults work from home at some point in the week with 16% solely working from home. Based on this information Iceni Projects has concluded that post-pandemic office occupancy is around 30% of pre-pandemic levels. Therefore, we have reduced levels of employment growth and replacement demand in the ‘Post-Pandemic Working from Home’ scenario by a 30% factor.

15.20 The need calculations also take into account a ‘margin for flexibility.’ This allows for the allocation of sufficient land to cover inaccuracies in forecasting, helps to provide a choice of sites to facilitate competition and allows for delays in any sites coming forward.

15.21 Based on experience and industry standards, we recommend that a ‘margin for flexibility’ equivalent to two years’ worth of gross completions for offices and five years for industrial and warehousing should be used. A breakdown of completion data for each district is provided in the completions trend section below.

15.22 The modelled forecasts are net changes and do not take account of replacement demand, such as from existing companies requiring upgraded floorspace or for existing or allocated sites for employment lost to other uses such as residential. In considering how much employment land to allocate, it is therefore appropriate to consider this as an additional influence.

15.23 However, we do not recommend that replacement demand should be assumed to be at the full rate of historic losses as some losses will be due to structural changes in the economy, which means that less floorspace is required to accommodate the same number of jobs and/or economic activity.

15.24 The calculations, therefore, assume that replacement demand will be the equivalent of half the rate of historical losses for industrial / warehouse and at 20% of historical losses for offices and R&D. The replacement rate for offices is lower because whilst vacancy is low, rents are stagnating and market and agent feedback is that future needs are weaker, whereas industrial rents are climbing suggesting continued demand.

15.25 A detailed analysis of industrial (including warehousing) losses is provided in the completions trend section below no office loss data is available. These are used to inform the margin and replacement demand components.

Table 15.4 Employment Floorspace Requirement by Labour Demand Model Baseline and Labour Supply Scenario, 2022-2043 (sqm)

	Lichfield		Tamworth	
	Labour Demand	**Labour Supply**	**Labour Demand**	**Labour Supply**
Office	13,890	35,488	10,766	23,684
Office Post Pandemic WFH 30%	9,723	24,841	7,536	16,579
R&D	3,408	9,422	2,018	4,982
Industrial	-18,730	7,003	-34,091	-16,648
Warehouse	78,851	192,543	15,063	77,737
Including margin for flexibility (equal to 2 years' worth of gross deliveries for office and 5 years for industrial/warehouse)				
Office	15,933	37,532	10,896	23,814
Office Post Pandemic WFH 30%	11,766	26,884	7,666	16,709
R&D	3,408	9,422	2,018	4,982
Industrial and Warehouse	161,247	300,671	121	80,238
Including replacement demand @50% of rate of historical losses for industrial / warehouse and @20% of rate for offices				
Office	15,933	37,531	10,986	23,904
Office Post Pandemic WFH 30%	11,766	26,884	7,756	16,799
R&D	3,408	9,422	2,018	4,982
Industrial and Warehouse	190,721	330,146	14,208	94,326

Source: Iceni analysis of Experian data

Completions Trend Model

15.26 Historic completions, based on Council monitoring data, have been considered and projected forward to indicate future floorspace needs.

15.27 Lichfield's employment monitoring data provides completions data for the 2008/09-2023/24 monitoring period. Data for office completions is a mix of both gross and net completions. Industrial monitoring data is available for net and gross completions.

15.28 Subtracting the net completions position from gross completions provides an estimate for employment floorspace losses. For the purpose of forecasting, the same office completions figure is used in both net and gross completion trends.

Table 15.5 Lichfield Completions 2008/09-2023/24

	Office - B1a / E(g)	Mixed Industrial – E(g)/B1/B2/B8	
	Net and Gross	Net	Gross
Total 2008/09 - 2023/24	16,344	276,443	323,602
Average per annum	1,022	17,278	20,225

Source: Employment Land Availability Assessment 2024

15.29 However, much of this delivery has been at Fradley Park which is a strategic site (greater than 9,300 sqm/100,000 sqft) which is meeting a wider sub-regional need. To examine more closely the supply relating to more local needs we have separated any industrial site greater than 9,300 sqm (100,000 sqft). The table below draws out these completions in more detail.

Table 15.6 Lichfield Industrial Completions by Type - 2008/09-2023/24

	Strategic (9,300+ sqm)	Local	Total
Total Completions	208,950	114,652	323,602
Average Annual	13,930	6,295	20,225

Source: Employment Land Availability Assessment 2024

15.30 As shown, approximately 65% of gross industrial completions in Lichfield since 2008/09 have been on strategic scale sites. The ability of Lichfield to continue to supply this scale of development may be subject to suitable sites in proximity to the strategic road network.

15.31 Tamworth monitoring data is available for the 2016/17 to 2023/24 period. Losses data has been netted off from the gross completions position to produce a net completions position for each use class.

15.32 The average completion per annum by use class is presented in the table below. For the purpose of employment needs modelling, all industrial categories have been combined to produce a mixed industrial forecast.

Table 15.7 **Tamworth - Average Completions per annum (2016/17-2023/24) (sq.m)**

	Office (B1a)	Industrial (B1c & B2)	Warehousing (B8)	Mixed industrial
Avg. Gross Completions	65	47	1,576	2,207
Avg. Losses	90	1,156	253	0
Avg. Net Completions	-25	-1,109	1,323	2,207

Source: Local Authority monitoring 2023/24

15.33 Site-based monitoring data is not available in Tamworth; however a review of CoStar data suggests that Tamworth has delivered two large units of around 13,000 sqm each during the monitoring period. It is not clear the degree to which these have been captured in the monitoring data above. For the purposes of this exercise given limited data for Tamworth, it is considered reasonable to include all completions under a general industrial requirement rather than separate local and strategic need

15.34 The historic average completion rate for both gross and net completion has been projected forward over the 2024-43 period to estimate employment floorspace requirements. The results of the historic completions-based projections are presented in the table below. These include a consideration of replacement demand (for net completions only) and a margin for flexibility. These adjustments reflect that the market has been suppressed by a lack of supply in both the office and industrial market and provide future flexibility in the market.

15.35 To reiterate, for gross completions, an allowance for replacement demand has not been added as gross completions inherently take replacement demand into account.

Table 15.8 **Employment Floorspace Requirement by Completions Projection, 2022-2043 (sqm)**

	Lichfield		Tamworth	
	Gross Completions	Net completions	Gross Completions	Net completions
Office	21,452	21,452	1,365	-520
Industrial and Warehousing	424,728	362,831	79,378	50,844
Margin for Flexibility (equal to 2 years' worth of gross deliveries for office and 5 years for industrial/warehouse)				
Office	23,495	23,495	1,495	-569
Industrial and Warehousing	525,853	463,957	98,277	62,950
Replacement Demand @50% of rate of historical losses for industrial / warehouse and @20% of rate for offices				
Office	23,495	23,495	1,495	-209
Industrial and Warehousing	525,853	493,431	98,277	77,040

Source: Iceni analysis of Local Authority data

Net Absorption Trend Model

15.36 A third supply-based calculation looks at past take-up of space occupied (rather than land delivered) measured by net absorption using CoStar data. As explained in Chapter 13, this is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move-ins – Move outs) equating to the change in occupied space.

15.37 This differs from the net completions-based projections in that it predicts future floorspace requirements directly based on demand for floorspace rather than past completions of floorspace (which is a proxy for floorspace demand).

15.38 CoStar has data on net absorption on Lichfield and Tamworth's office and industrial markets. Table 15.8 shows the average rate of take-up since 2008. We have grouped industrial and warehousing as CoStar does not differentiate well between the two types of floorspace and a combined forecast is likely to be more reliable.

Table 15.9 Average Net Absorption 2008-23 (sqm)

Types	Lichfield	Tamworth
Office	60	296
Industrial and Warehousing	12,915	5,435

Source: Iceni analysis of CoStar data

15.39 The historic net absorption rates for the 2012-2023 period presented in the table above have then been projected forward to estimate employment floorspace requirements for 2022-43.

15.40 The estimated floorspace requirements below also show the employment floorspace requirements after considering a margin for flexibility. It should be noted that an allowance for replacement demand has not been added as the net absorption-based projection would already include such deals.

Table 15.10 Employment Floorspace Requirement by Net Absorption Projection, 2022-43

Types	Lichfield	Tamworth
Office + R&D	1,251	6,214
Industrial/Warehousing	271,219	119,561
Margin for Flexibility (equal to 2 years' worth of gross deliveries for office and 5 years for industrial/warehouse)		
Office	3,294	6,344
Industrial/Warehousing	372,345	138,709

Source: Iceni Projects based on CoStar Data

Drawing the Evidence Together

15.41 We have undertaken a range of detailed modelling scenarios to consider the future employment land needs for the two local authorities. The tables below summarise the total employment land need 2022-43 for each broad-use class across the various models discussed above.

Table 15.11 **Lichfield Employment Floorspace and Land Requirement Summary, 2022-43 (including margin and replacement demand) (sqm)**

Floorspace (Sq.m)	Experian Baseline	Labour Supply	Gross Completions	Net Completions	Net Absorption
Office	15,933	37,531	23,495	23,495	3,294
Office WFH	11,766	26,884			
R&D	3,408	9,422			
Office and R&D Subtotal*	31,107	73,837			
Industrial and Warehousing (Local)	190,721	332,413	184,049	493,431	372,345
Industrial and Warehousing (Strategic)			341,804		
Total*	221,828	406,250	549,348	516,926	375,639

Table 15.12 **Lichfield Employment Floorspace and Land Requirement Summary, 2022-43 (including margin and replacement demand) (Ha)**

Land (Ha)	Experian Baseline	Labour Supply	Gross Completions	Net Completions	Net Absorption
Office	3.2	7.6	4.7	4.7	0.7
Office WFH	2.4	5.4			
R&D	0.7	1.9			
Office and R&D Subtotal*	6.2	14.9			
Industrial and Warehousing (Local)	47.7	83.1	46.0	123.4	93.1
Industrial and Warehousing (Strategic)			85.5		
Total*	53.9	97.9	131.5	123.4	93.1

**WFH for labour demand model*

Figures include margin and replacement demand where appropriate

Converted using a 0.5 plot ratio for office, 0.5 for R&D and 0.4 for factory and warehousing

Table 15.13 **Tamworth Employment Floorspace and Land Requirement Summary, 2024-44 (including margin and replacement demand) (sqm)**

Floorspace (Sq.m)	Experian Baseline	Labour Supply	Gross Completions	Net Completions	Net Absorption
Office	10,986	23,904	1,495	-209	6,344
Office WFH	7,756	16,799			
R&D	2,018	4,982			
Office and R&D Subtotal*	20,760	45,685			
Industrial and Warehousing Subtotal	14,208	94,326	98,277	77,040	138,709
Total*	34,968	140,011	99,772	76,831	145,053

Table 15.14 **Tamworth Employment Floorspace and Land Requirement Summary, 2024-44 (including margin and replacement demand) (Ha)**

Floorspace (Sq.m)	Experian Baseline	Labour Supply	Gross Completions	Net Completions	Net Absorption
Office	2.2	4.8	0.3	0.0	1.3
Office WFH	1.6	3.4			
R&D	0.4	1.0			
Office and R&D Subtotal*	4.2	9.1			
Industrial and Warehousing Subtotal	3.6	23.6	24.6	19.3	34.7
Total*	7.8	32.7	24.6	19.3	34.7

**WFH for labour demand model*

Figures include margin and replacement demand where appropriate

Converted using a 0.5 plot ratio for office, 0.5 for R&D and 0.4 for factory and warehouse

Conclusions on Overall Employment Land Need

15.42 As can be seen throughout this analysis the Labour Supply scenario based on the new standar method results in significantly higher land requirements than all other scenarios. Labour supply scenarios allow for an alignment of jobs and homes, but they do not take into account the economic role of a given area. Increased labour supply does not necessarily correlate to greater commercial demand outside of population drive sectors (education, health, retail). They assume people move to an area to work there when this is not always the case. It also assumes the level of housing growth will be deliverable. It is for these reasons that the Labour Supply figures are not considered realistic in terms of employment land need and therefore are not taken forward in recommending an overall land need in either Lichfield or Tamworth.

Lichfield

15.43 The range for office land need in Lichfield ranges from 0.7ha under the net absorption to 6.2 ha in the Experian scenario.

15.44 It would be reasonable to consider a range between the Experian (6,2 Ha) and Gross/Net completion scenarios (4.7 Ha), we consider that **a mid-point at 5 ha of office land would be a reasonable level of office land to plan for.**

15.45 Within Industrial land there is again a broad range between the Experian baseline (60 ha)and the Gross Completions models 136 ha.

15.46 The Gross Completions and Net Completions provide a reasonable range to plan for given market signals and sit on the higher end of the scenarios range. We consider that **it would be appropriate to consider delivering in the region of 128 Ha of Industrial Land.**

15.47 Of this around 65% of the need would be strategic need (83 Ha) based on a pattern of past trends. The ability of Lichfield to continue to supply this scale of strategic development may be subject to the availability of suitable sites in proximity to the strategic road network. This level of need aligns with the findings and recommendations of the WMSESS 2024 study.

15.48 For the remaining local need, the district should strive to find land that meets the requirements to support the growth of local business. This may be best placed in sites with access to a labour supply as well as good access to the road network.

15.49 **In total, this would result in a total need for 132 ha of employment land in Lichfield.**

Tamworth

15.50 The range of office land need in Tamworth starts at 0 ha in the net completions scenario to 4.2 ha in the Experian baseline. The Net Absorption scenario sits in the centre of this range at 1.3 ha.

Given, market signals **it would be appropriate to consider planning for a point at the upper end of this scale at 1ha**.

15.51 The need for industrial land ranges is very broad starting at 3.6 ha under the Experian scenario to 34 ha in the net absorption scenario. The gross and net completions scenarios both sit at around 20ha, with gross completions being higher at 24.6 ha.

15.52 **We considered that it would be reasonable to plan for an industrial need figure that sits toward the upper end of this range at 24 ha**.

15.53 **In total, this would result in a total need for 25 ha of employment land in Tamworth.**

16. SUPPLY AND DEMAND BALANCE

Supply

16.1 The tables below detail the current land supply position in Lichfield and Tamworth. There are three strands of supply, sites with unimplemented planning permission (or are under construction), extant sites allocated for new employment (or a mix of uses including employment) and sites identified as suitable for employment uses (within existing employment allocations) as identified from our site visits. This final strand only applies to Lichfield as we did not carry out any site visits in Tamworth.

Lichfield

16.2 The table below considers the supply from sites that are under construction or have unimplemented planning permission in Lichfield by the expected use class for development on site. This is taken from the Council's Employment Land Availability Assessment (ELAA).

Table 16.1 **Sites with Unimplemented Planning Permission or are under construction - Lichfield**

Use Class	Broad Type	Available Land (ha)
B1/Eg	Office	5.71
B2/B8	Industrial	23.16
EG/B2/B8	Mixed	45.87
Total		**74.74**

Source: Council Monitoring, Iceni Site Assessments

16.3 The table below considers extant employment allocations which do not yet have planning permission. The table details the available land and the expected use class for each allocation. This is again taken from the Council's ELAA and the broad employment type this falls within

Table 16.2 **Extant Employment Allocations - Lichfield**

Site Name	Available Land (ha)	Use Class	Broad Type
Land N of Plant Lane	1.65	EG/B2/B8	Mixed
Land South of Auction Centre	8.03[36]	EG/B2/B8	Mixed
Units 10 and 11	1.40	EG/B2/B8	Mixed
Total	**11.08**		

Source: Council Monitoring, Iceni Site Assessments

[36] Residual of the site left available for development from a total of 12.5ha

16.4 The table below considers the final strand of supply which are sites suitable for intensification, redevelopment or vacant parcels of land within the employment allocations in Lichfield. These sites have been identified through our site visits. Further analysis of the sites is shown in the Site Visit Appendix 2.

Table 16.3 **Identified suitable Sites within Employment Allocations - Lichfield**

Site Location	Site Size (ha)	Potential Use
Fazeley Vacant Site	0.18	Industrial
Total	**0.18**	

Source: Iceni Projects

16.5 Taking into account the above tables the permitted and identified supply is detailed below. As shown this illustrates a total supply of 86 Ha of employment land.

Table 16.4 **Lichfield – Identified Supply**

	Office	Industrial	Mixed	Total
Permitted Sites or Under Construction (ha)	5.71	23.16	45.87	74.74
Extant Allocations	0.00	0.00	11.08	11.08
Other Identified Supply (ha)	0.00	0.18	0.00	0.18
Total Supply	5.71	23.34	56.95	86.00

Source: Iceni

Tamworth

16.6 The table below considers unimplemented employment permissions in Tamworth, the approximate size of the site and the broad industrial type. This information is taken from Council monitoring data provided to Iceni.

Table 16.5 **Sites with Unimplemented Planning Permission or are under construction - Tamworth**

Use Class	Broad Type	Available Land (ha)
B1/Eg	Office	0.62
B2/B8	Industrial	1.19
EG/B2/B8	Mixed	1.03
Total		**2.84**

Source: Iceni analysis of Council Data

16.7 The table below considers available allocated sites in Tamworth as detailed in the Council's last Monitoring report. The broad type is estimated by Iceni based on the overall location of the site and what could reasonably be considered acceptable for development.

Table 16.6 **Extant Employment Allocations - Tamworth**

Site Name	Available Land	Broad Type
Land south of the A5, Bitterscote south (EMP 1)	9.8	Mixed
Land north of Bonehill Road, part of Bonehill Road employment area (EMP7)	0.7	Mixed
Land adjacent to Sandy Hill Business Park (EMP26)	0.95	Office
Total	**11.45**	

Source: Council Monitoring

16.8 Taking into account the above tables the permitted and identified supply is detailed below. As shown, there is a total supply of 14.29 Ha of employment land in Tamworth.

Table 16.7 **Tamworth – Identified Supply**

	Office	Industrial	Mixed	Total
Permitted Sites or Under Construction (ha)	0.62	1.19	1.03	2.84
Extant Allocations	0.95	0.7	9.8	11.45
Total Supply	**1.57**	**1.89**	**10.83**	**14.29**

Source: Iceni

Supply and Demand Balance

16.9 The tables below draw together the findings of the preceding chapters to identify a supply and demand balance for employment uses in Lichfield and Tamworth. As shown, both areas see a nominal oversupply of office space (but this does not mean actively encouraging further losses) and an undersupply of industrial floorspace but this has several caveats.

16.10 Firstly, the calculations assume all the identified industrial supply and mixed employment supply will come forward for industrial uses when in all likelihood some of it will be brought forward as a mix of uses and some of it will lapse (however we have already included within our need calculation a flexible margin for this to happen).

16.11 Furthermore, office floorspace could also be delivered through integrated office space within factories and warehouses which would also address some of the office need.

Table 16.8 **Supply and Demand Balance - Lichfield**

	Office	Industrial
Need (ha)	3.00	125.00
Sites with unimplemented Planning Permission or under construction	5.71	69.03
Unimplemented Allocated Sites	0.00	11.08
Additional Identified Supply (ha)	0.00	0.18
Supply and Demand Balance (ha)	-2.71	44.71

Source: Iceni Projects

Table 16.9 **Supply and Demand Balance - Tamworth**

	Office	Industrial
Need (ha)	1.00	24.00
Sites with unimplemented Planning Permission or under construction	0.62	2.22
Allocated and Unimplemented (ha)	0.95	10.5
Supply and Demand Balance (ha)	-0.57	11.3

Source: Iceni Projects

16.12 It should be noted that land which is deemed to be suitable for both office and industrial has been allocated to industrial uses as this is where the greater requirement lies once the known supply (from sites suitable for a single use) is subtracted. Therefore, the residual land requirement by use class group is only indicative.

16.13 We therefore recommend that Lichfield seeks to identify an additional 45 Ha of employment land for industrial uses some of which will address sub-regional need if possible. Likewise, Tamworth should seek to identify additional employment land for industrial uses where it is possible to do so.

A1. SITE SUPPLY

Lichfield

Table A1.1 Sites with Unimplemented Planning Permission or are under construction - Lichfield

Location	Application Ref	Site Size	Broad Type
Wellington Crescent (2), Wellington Crescent, Fradley	22/00532/OUTM	4.13	Mixed
Liberty Park, Burton Old Road, Boley Park	18/00648/FULM, 11/00928/OUTM & 14/00799/REMM & 14/00964/FULM	13.68	Mixed
Land North of Britannia Park, Britannia Way, Lichfield	19/01765/COU	0.70	Mixed
Fradley Park, Halifax Close, Fradley (2)	10/01403/REMM & 19/01279/FULM	1.80	Industrial
Former Lucas Site, Wood End Lane, Fradley	23/00684/FULM	3.30	Mixed
Land at Lichfield South (Business Park), Birmingham Road	23/01040/OUTFLM	4.79	Industrial
Cricket Lane Strategic Development Allocation (SDA)	18/01217/OUTFLM	13.20	Mixed
Land rear of Wellington Crescent, Fradley Park	22/00531/FULM	12.50	Industrial
Land off Cannel Road, BBP Z3 (Burntwood Business Park Zone 3, Cannel Road, Burntwood)	16/00821/FULM 22/01225/FULM	1.20	Industrial
Bromley Hayes Garden Centre Shaw Lane Rileyhill Lichfield Staffordshire	19/00848/COUM & 18/00815/COU & 20/01836/COUM	5.80	Mixed
Land to rear of Unit 20, Burntwood Business Park, Burntwood	19/00536/FULM	0.44	Industrial
Joint Medical Command Defence, Whittington Heath, Lichfield, WS14 9PY	19/00033/FULM	0.50	Office
Former J Clarke Transport Ltd Burton Road Elford Tamworth Staffordshire B79 9DJ	19/01764/COU	0.17	Office
Former Clarkes Transport Depot Burton Road Elford Tamworth	20/01705/FULM	0.27	Mixed
Land East Off Ryknild Street Lichfield	20/01420/COUM	4.40	Industrial
The Cottage Homestead Farm Croxall Road Alrewas	21/00989/COU	0.10	Office

Wrekin Products Limited, Britannia Business Park, Europa Way, Lichfield, Staffordshire	21/01498/FUL	0.93	Office
Nettex Pharma, Trent Valley Industrial Estate, Eastern Avenue, Lichfield, Staffordshire	21/00514/FULM	1.03	Office
Heavy Plant Services Limited Colton Road Colton Rugeley Staffordshire WS15 3HA	21/00817/FUL	0.41	Industrial
Charter Automotive Unit 9 Burntwood Business Park Zone 1	21/01992/FULM	1.01	Industrial
17 Church Street Lichfield	22/00990/COU	0.00	Office
Cleat Hill Farm Stafford Road Longdon Rugeley	22/01474/COU	0.40	Office
Unit 6, Energy House, Burntwood Buisness Park Zone 1, Burntwood	22/00112/FUL	0.20	Office
Springhill Methodist Church Walsall Road Muckley Corner Lichfield	23/00438/COU	0.01	Office
26A Tamworth Street, Lichfield, WS13 6JJ	23/00630/COU	0.03	Office
Unit 1 Elford Lowe Farm Elford Road Elford Tamworth	23/00689/FUL	0.20	Office
Rykneld Street, JT Leavesley Ltd	23/00071/FUL	2.20	Office
Lichfield Road, Yew Tree Farm	23/00268/PNC	0.20	Office
Plant Lane Business Park Phase 1, Unit 1, Plant Lane, Burntwood, Staffs	23/00427/FUL	0.17	Office
Lichfield Street, Bonehill Mill & 116-122	22/01526/COUM	0.60	Office
Land adjacent Unit 14 Atwood road	23/01158/OUTM	0.37	Industrial
Total	**74.74**		

Source: Council Monitoring

Tamworth

Table A1.2 Sites with Unimplemented Planning Permission or are under construction - Tamworth

Location	Application Ref	Site Size	Broad Type
104A Mariner Lichfield Road Industrial Estate	0025/2024	0.22	Industrial
Former Railway Inn Watling Street	0334/2022	0.13	Office
Land to the south of Apollo	0451/2022	0.77	Mixed
Unit F Apollo Park	0369/2023	0.27	Industrial
21c Lichfield Street	0354/2023	0.01	Mixed
12-13 Market Street	0273/2023	0.04	Mixed
Former Electricity Substation Watling Street	0168/2023	0.04	Office
13 Felspar Road Amington Industrial Estate	0123/2023	0.22	Industrial
Unit 1 Felspar Road	0138/2023	0.20	Industrial
Brabazon Court Borman	0099/2023	0.07	Industrial
Unit 2 Swan Park	0030/2023	0.01	Industrial
Unit 2 Beauchamp Industrial Park Watling Street	0463/2022	0.01	Industrial
17,18,18a & 19 Market Street, 1-9 & 12-20 Middle Entry, 20,20a & 21 George Street	0414/2022	0.21	Mixed
Sandy Hill Business Park Sandy Way	0337/2020	0.13	Office
Unit 1 And 2 Sandy Way	0280/2022	0.03	Industrial
Rear of 6 Ladybank Holloway	0225/2021	0.07	Office
Unit 18 Two Gates Trading Estate	0486/2021	0.16	Industrial
8 & 9 Colehill	0015/2023	0.25	Office
Total		**2.84**	

Source: Council Monitoring

A2. SITE ASSESSMENTS

A2.1 See separate document