

# Housing and Demographic Change - Potential Impacts on the Workforce and Raising Productivity in Stoke-on-Trent and Staffordshire

Insight, Planning & Performance Team

Great Place to Live

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#### Document Details

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Description	This report looks to improve understanding of how housing affects the demographics of the population in Stoke-on-Trent and Staffordshire, such as having the right housing mix to be able to attract and retain skilled workers in the LEP area. The report also considers key demographic factors which influence the current workforce in the LEP area, such as migration flows, and how this may impact on future economic growth and productivity.
Produced by	Darren Farmer, Research Co-ordinator Tel: 01785 27 6672 Email: <a href="mailto:darren.farmer@staffordshire.gov.uk">darren.farmer@staffordshire.gov.uk</a> , Insight, Planning and Performance Staffordshire County Council
Contributors	
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#### Executive Summary

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Having the right housing in the right locations is a vital part of making an area an attractive place to live and work. In recent years Stoke-on-Trent and Staffordshire has experienced significant levels of economic growth, whilst continued growth and prosperity for local residents is a priority for all partners within the area. The area's position at the strategic heart of the transport network provides unparalleled levels of accessibility, which will be improved with planned nationally significant infrastructure projects such as HS2. The area therefore has substantial opportunity for continued and accelerated growth in the future, although this will need to be supported with appropriate infrastructure and housing.

The Stoke-on-Trent and Staffordshire Local Enterprise Partnership's (SLEP) Housing Investment Strategy outlines future investment priorities related to the delivery of over 70,000 houses that are currently planned for throughout the area. However, in reality the substantial growth opportunities within Stoke-on-Trent and Staffordshire and the wider sub-region, and the state of current local plans, means that housing delivery is likely to be accelerated beyond the current required level of circa 3,370 homes per year, whilst issues such as the consideration of Birmingham's unmet housing need are still being progressed. It will be imperative that the greatest possible benefits are achieved from the delivery of this housing, and a better understanding of the current local housing market and the effect that this has on demographics and the economy can help to inform the policies of local partners as housing delivery enablers.

In the year prior to the census, more people moved out of the LEP area to other parts of the UK than moved in. At the time job creation within the area was relatively weak following the economic downturn and this may have had an impact on migration. Since 2011, job creation in Stoke-on-Trent and Staffordshire has been very strong and it would therefore be hoped that this will have a positive impact on migration to the LEP area as people look favourably on Stoke-on-Trent and Staffordshire as a great place to live and work. However, this is clearly dependent on having appropriate housing available within the area.

In this regard, there are a number of issues with the balance of the housing market in Stoke-on-Trent and Staffordshire at present. In particular there is a distinct lack of aspirational homes within the larger urban areas, especially true within Stoke-on-Trent, whilst there is also a need for smaller more affordable housing in rural areas to help to retain and attract a younger population, whilst also allowing older residents the opportunity to downsize and free up family housing. The current lack of such houses in more rural parts of the county has led to significant issues with affordability, particularly within Lichfield and South Staffordshire. Delve deeper than this and there are further, more nuanced issues to consider including substantial increases in the number of people renting, with a private sector renter on an average lower quartile wage in Tamworth having to spend nearly half of their pay to cover the rent.

The delivery of the right mix of housing will require addressing a number of issues that currently exist and are highlighted within the Housing Investment Strategy, including funding (public and private), delivery of necessary infrastructure and enabling land remediation where appropriate. Many of the sites where

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houses are currently planned to be delivered have issues, not least brownfield sites within the urban centres and particularly in Stoke-on-Trent. The delivery of starter homes, smaller housing sites and opening up opportunities for self and custom built homes could also ensure the right mix of housing delivery.

Having the right mix and quantity of housing will be vital in ensuring that an appropriately skilled workforce is available to the area's current and future businesses, whilst reversing the trend of losing people through domestic migration. The fact that in the year prior to the census net domestic migration led to a loss of economically active young adults to other parts of the UK, whilst at the same time the area gained a number of people from older generations has to be a concern in the context of an already ageing population.

Somewhat of an unknown is the impact of international migration and emigration. We know that the area gained a significant number of economically active young people from abroad in the year prior to the census, but unfortunately information is not available on how many people left the area through international emigration. At a national level, emigration is around half of immigration, and therefore if a similar pattern was also true in Stoke-on-Trent and Staffordshire then international migration does make a positive net contribution to the population of the area. Although this issue is clearly influenced by national and international policy and it is therefore difficult to predict how this may change in the future.

What is clear is that despite having a significant influx of students into Stoke-on-Trent and Staffordshire due to the presence of our two universities, the area still experiences a net loss of students to other parts of the UK as our young people choose to study outside of the county. There will of course always be people that choose to study away from home, but this does raise a couple of interesting issues that may require further consideration. Firstly, could higher education provision within the county be developed so that a greater number of our residents and people from other areas choose to study in Stoke-on-Trent and Staffordshire? Alongside a range of other activities to develop the local economy, this may have the benefit of encouraging a greater number of graduates to remain in the area, providing a larger pool of people with higher level skills. Secondly, how do we enable graduates to remain in the area through the provision of appropriate jobs and housing, whilst also making the area an attractive proposition for our young people who do study outside the county so that they are encouraged to return?

## Key Findings

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### Housing Policy

The UK is currently in the midst of a housing crisis, with the rate of housebuilding not keeping pace with the need and demand for housing from the growing population. The building of new homes is now seen by Government as a key priority to support growth and stronger communities, with local authorities having a central role in working with partners to enable the delivery of housing in their communities.

In Stoke-on-Trent and Staffordshire the Local Enterprise Partnership (LEP) is currently delivering a long-term Strategic Economic Plan (SEP) which aims to achieve economic growth and increased productivity helping create greater prosperity for local communities. To support the delivery of the SEP it is recognised that there needs to be the right quantity and quality of housing to meet the needs of the current and future workforce.

It is recognised that there are a number of economic and demographic issues in Stoke-on-Trent and Staffordshire which need to be addressed in order to deliver the right housing to support future economic growth and increase productivity and prosperity in the LEP area.

### Population Growth and Proposed Housing in Stoke-on-Trent and Staffordshire

Population drivers, including births, deaths and migration patterns, have seen the population of the LEP area increase by over 50,000 in the last decade with a further increase of more than 82,000 predicted by 2039. These demographic changes will impact on the demand for, location and type of new housing, with local authorities in the LEP area planning for the delivery of circa 70,000 homes through current local plans.

### The Productivity Challenge in Stoke-on-Trent and Staffordshire

The LEP area has seen a number of recent economic successes with increases in both businesses and jobs with resultant declines in unemployment and worklessness. However, despite overall growth in the local economy a productivity gap still exists, with GVA per head and per job filled remaining relatively low when compared with similar areas and regional and national averages.

Addressing our productivity challenge will involve tackling a number of issues, not least creating more high-value jobs, improving the skills of our residents and attracting and retaining skilled workers. To support these aims there needs to be the right quantity and mix of housing to support both existing workers and those attracted to the area through job creation in the LEP area.

### Housing Supply and Demand Issues in Stoke-on-Trent and Staffordshire

- **Current Housing Stock / House building** - the LEP area has seen slowed house building since the recession, with delivery in 2014-15 34% lower than the peak in 2005-06. This has led to a shortfall of new homes in some areas while other parts suffer from low quality, older homes.
- **House prices** - there has been a rise in average house prices across all district/unitary areas of the LEP, however there is considerable variation in the average at the local authority level with house prices ranging from £192,000 in Lichfield to £95,000 in Stoke-on-Trent.

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- **Housing affordability** - compared to other parts of the country, the relative affordability of the LEP area makes it an attractive place to live for many. However, for some declining rates of house building, particularly affordable homes, and house price rises mean that employment is no guarantee of being able to pay for housing costs. This is particularly true for certain parts of the LEP area, with the ratio of lower quartile house prices to lower quartile earnings in South Staffordshire, Lichfield, Tamworth and Stafford all higher than the average for England.
- **Housing mix** - as well as the need to increase the supply of new homes and improve affordability in some parts of the LEP area, there is also the need to ensure that there is the right mix of housing for all residents and workers living in the area. This means not only increasing the supply of affordable housing but also aspirational housing which will be needed to support growth in higher paid and better skilled.
- **House sales and home ownership** - rising house prices and a lack of the right type of housing are likely to have contributed to a decline in house sales, with purchases in 2014 34% lower than the pre-recession peak in 2002. Declining home ownership has coincided with an increase in the number of people living in the private rented sector. This rise of the private sector is seen as a significant national phenomena which needs to be managed effectively.
- **Private sector renting** - there is substantial variation in the private rental market across the LEP area, with average monthly rents in Stoke-on-Trent standing at £437 per month in 2013/14 compared to Lichfield where rents are nearly 50% higher at £642 per month. The cost of renting is often a large proportion of a person's income with a private sector renter on an average lower quartile wage in Tamworth having to spend 43% of their pay to cover the average monthly rent.

#### Migration Patterns in Stoke-on-Trent and Staffordshire

- **Internal migration** - the majority (58%) of house moves originating in the LEP area in the year prior to the census were internal moves to another part of the LEP, with Stoke-on-Trent and Cannock Chase having the highest levels of internal migration while Lichfield and South Staffordshire had the lowest.
- **Net UK migration and immigration** - the LEP area as a whole lost more people than it gained, with the area's net migration in the year prior to the Census showing a deficit of around 1,700 people, while the area saw just over 5,500 international migrants move into the area.
- **Origin and destinations of house moves** - the largest flows are to and from Birmingham, but there are also housing market linkages with the Black Country, Cheshire East, Derbyshire and Shropshire. However, the areas that provided the highest net gains to the LEP area were Walsall, Birmingham, Wolverhampton, and Dudley, while Manchester and Shropshire were the areas with which the LEP area saw the highest net losses.
- **In-mover and out-mover profiles** - the LEP area saw the loss of economically active young adults to other parts of the UK, in particular those in higher skilled professional occupations, while at the

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same time the area was seen to be gaining older people through net migration which will have support and service demands which will need to be met.

- Given that the population of the LEP area is ageing while the working age population has been in decline, it is increasingly important that the area attracts and retains the workforce and skills needed to support economic growth in high value industries.
- As part of this there will need to be the right housing in place to both retain existing skilled workers and attract higher skilled workers to the area, particularly graduates where affordable housing will be paramount.

#### **How Future Housing Can Help Enhance Productivity and Prosperity in Stoke-on-Trent and Staffordshire**

Please refer to page 37 for an overview of the potential benefits from having the right housing stock and the future housing supply in Stoke-on-Trent and Staffordshire.

## Introduction - Housing Policy Context

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### National Housing Policy

It is well documented that in the years leading up to the recession, housebuilding in the UK failed to deliver the homes needed for the growing population of the country. The impact of the recession and the ensuing economic downturn saw housebuilding contract further. In response to this the Government has made the building of new homes a priority and it is recognised that local authorities have a central role in ensuring that there is an increase in housebuilding to support growth and prosperity for the communities they serve.

Local authorities now have new roles and opportunities to boost housebuilding, with extensive reforms to the planning system, infrastructure guarantees and financial support for housebuilding, and the Localism Act 2011 seeking to devolve power, choice and responsibility to local authorities in creating strong and sustainable communities.

Local authorities are now expected to make the change from being statutory providers to being 'Housing Delivery Enablers'<sup>1</sup> by working closely with partners, such as housing associations, and local communities to create a clear vision for the development of their areas and being active in creating housing opportunities. In order to achieve this change and given the current economic climate, local authorities will need to be innovative in unlocking finance to support housing delivery, including attracting private sector investment.

### Local Context

Currently Stoke-on-Trent and Staffordshire LEP is delivering a long-term Strategic Economic Plan (SEP) which looks to diversify its economy, increase productivity, and create greater prosperity for local residents.

To achieve this there is a need to ensure that there is the local workforce capable of attracting inward investment and supporting economic growth in high value added industries. This means ensuring that there is a well-skilled, healthy and engaged workforce and the right mix of housing with good connectivity to key strategic employment sites.

The Housing Investment Strategy 2015 - 2020 for the Stoke-on-Trent and Staffordshire LEP, outlines a number of barriers to housing delivery in the area including issues in areas such as investment and funding; viability; land condition; infrastructure; and environmental concerns.

There are also a number of demographic issues which impact upon housing ambitions in the local area but particularly pertinent to the productivity challenge is the struggle to retain young people, linked to housing affordability, job prospects and competition from other areas.

This report will look to consider the economic and demographic housing issues in Stoke-on-Trent and Staffordshire which if not addressed effectively could hinder future economic development in the area and limit potential increases in local productivity and prosperity.

<sup>1</sup> The Elphicke-House report: from statutory provider to housing delivery enabler: review into the local authority role in housing supply, January 2015. Department for Communities and Local Government

## Population Growth and Proposed Housing in Stoke-on-Trent and Staffordshire

Staffordshire is a diverse county situated at the crossroads of England, and has the greatest population of all of the shire counties in the West Midlands Region, with a population of around 860,200. Sitting within the county of Staffordshire is the City of Stoke-on-Trent, with a population of 251,000. This gives the area a total population of over 1.1 million, which makes it a very powerful economic entity.

Population drivers and changes to the demographic profile of the LEP area, including births, deaths and migration patterns, will impact on the demand for and location and type of new housing developments. It will also impact on the size and profile of the workforce in the area.

The existing resident population has changed considerably over recent years, with an increase of over 50,000 in the last decade and the population is seen to be ageing while the working age population continues to decrease. These trends are expected to continue with the latest ONS population projections showing that the LEP area population will increase by 82,300 people (7.4%) to 1,193,500 people in 2039.

In order to support this population growth all local authorities within Stoke-on-Trent and Staffordshire have outlined the housing need in their areas through Local Plans and supporting Strategic Housing Market Assessments. Figure 1 shows the current levels of planned housing delivery across the LEP area and the period<sup>2</sup> of time this housing is expected to be delivered.

**Figure 1: Local Authority Planned Delivery of Housing**

District	Local Plan Period	Proposed number of houses	Proposed annual rate	Local Plan based on
Cannock Chase	2006-2028	5,300	241	Southern Staffordshire Districts Housing Needs Study and SHMA update May 2012
East Staffordshire	2012-2031	11,648	613	Strategic Housing Market Assessment
Lichfield	2008-2028	8,700	435	Southern Staffordshire Districts Housing Needs Study and SHMA update May 2012
Newcastle-under-Lyme	2006-2026	5,700	285	RSS West Midlands and Strategic Housing Market Assessment
Stoke-on-Trent	2006-2026	13,500	570	West Midlands Regional Spatial Strategy and SHMA and SHLAA
South Staffordshire	2006-2028	3,850	175	West Midlands Regional Spatial Strategy
Stafford	2011-2031	10,000	500	National Household projections and 2011 Strategic Housing Land Availability Assessment
Staffordshire Moorlands	2006-2026	6,000	300	Strategic Housing Market Assessment/National Household Projections
Tamworth	2006-2028	5,500	250	Southern Staffordshire Districts Housing Needs Study and SHMA update May 2012
Total	-	70,198	3369	

Source: Housing Investment Strategy 2015-2020, May 2015<sup>3</sup>

The LEP's Strategic Economic Plan (SEP) highlights how together the current Local Plans outline proposals for the building of just over 70,000 homes at a rate of 3,370 homes per year (2014-2030). Figure 2 and Figure 3 present the major employment and housing sites across the LEP area, showing that key housing

<sup>2</sup> Local plan periods are not consistent and therefore planned housing delivery will exceed the total figure in the longer-term.

<sup>3</sup> Newcastle-Under-Lyme and Stoke-on-Trent have recently completed a new SHMA which provides a range of housing need. This will inform planned housing delivery in their new joint Local Plan, expected to be adopted in 2018.

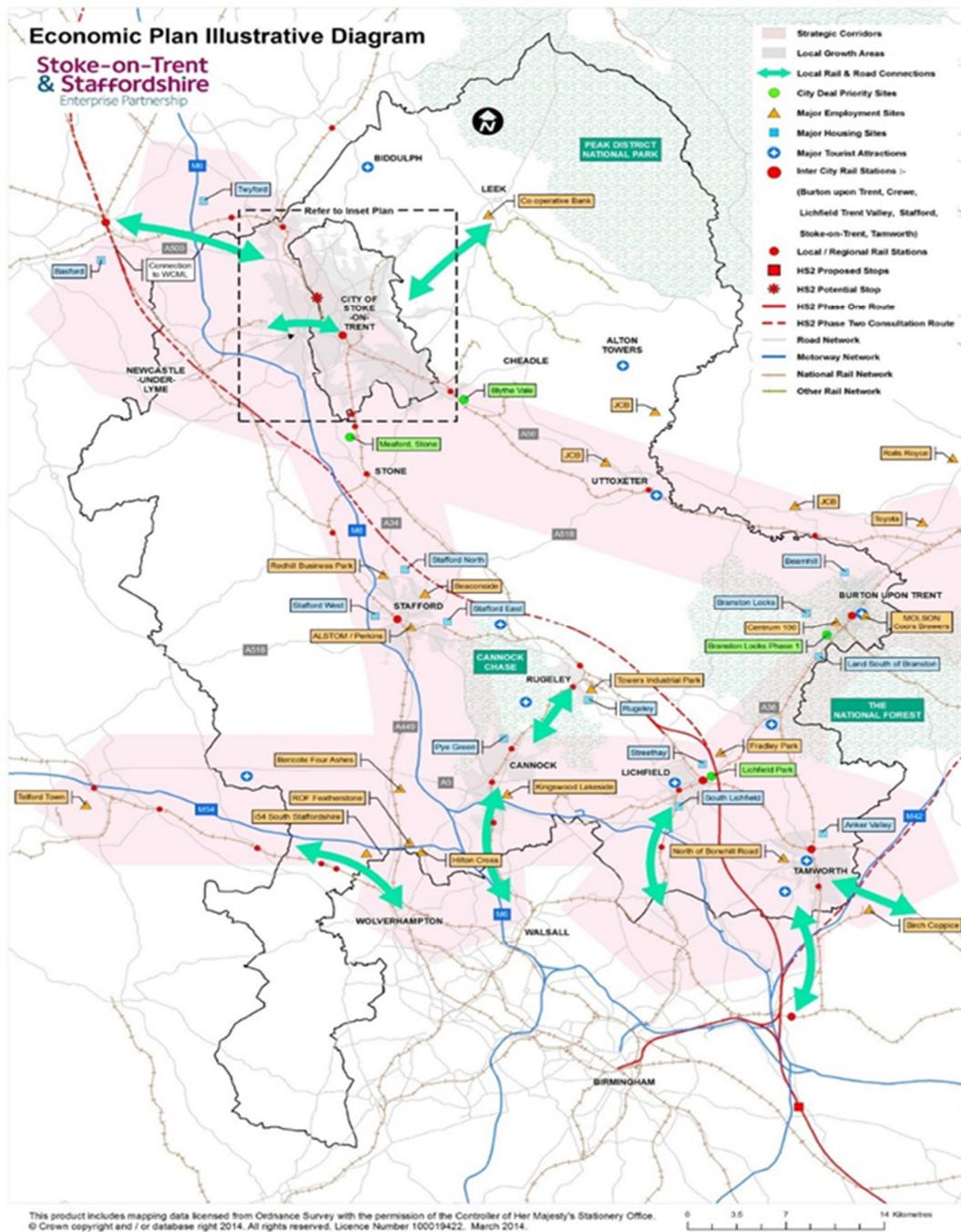
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sites exist across all of the local authorities and these are broadly situated near to key employment sites and key transport connections. The map also shows the importance of transport linkages across the LEP area and how almost all future developments are planned within the strategic corridors that cross Staffordshire and Stoke-on-Trent (broadly presented as a triangle of corridors which connect urban centres and employment sites by transport linkages). The maps also present some of the constraints on development across Stoke-on-Trent and Staffordshire by outlining the landscape designations such as the National Forest, Peak District National Park, Cannock Chase Area of Outstanding Natural Beauty (AONB) and urban areas which are comparatively isolated from the strategic corridors (Biddulph, Leek and smaller settlements in Southern and West Staffordshire).

Figure 2: Major housing and employment sites across the LEP



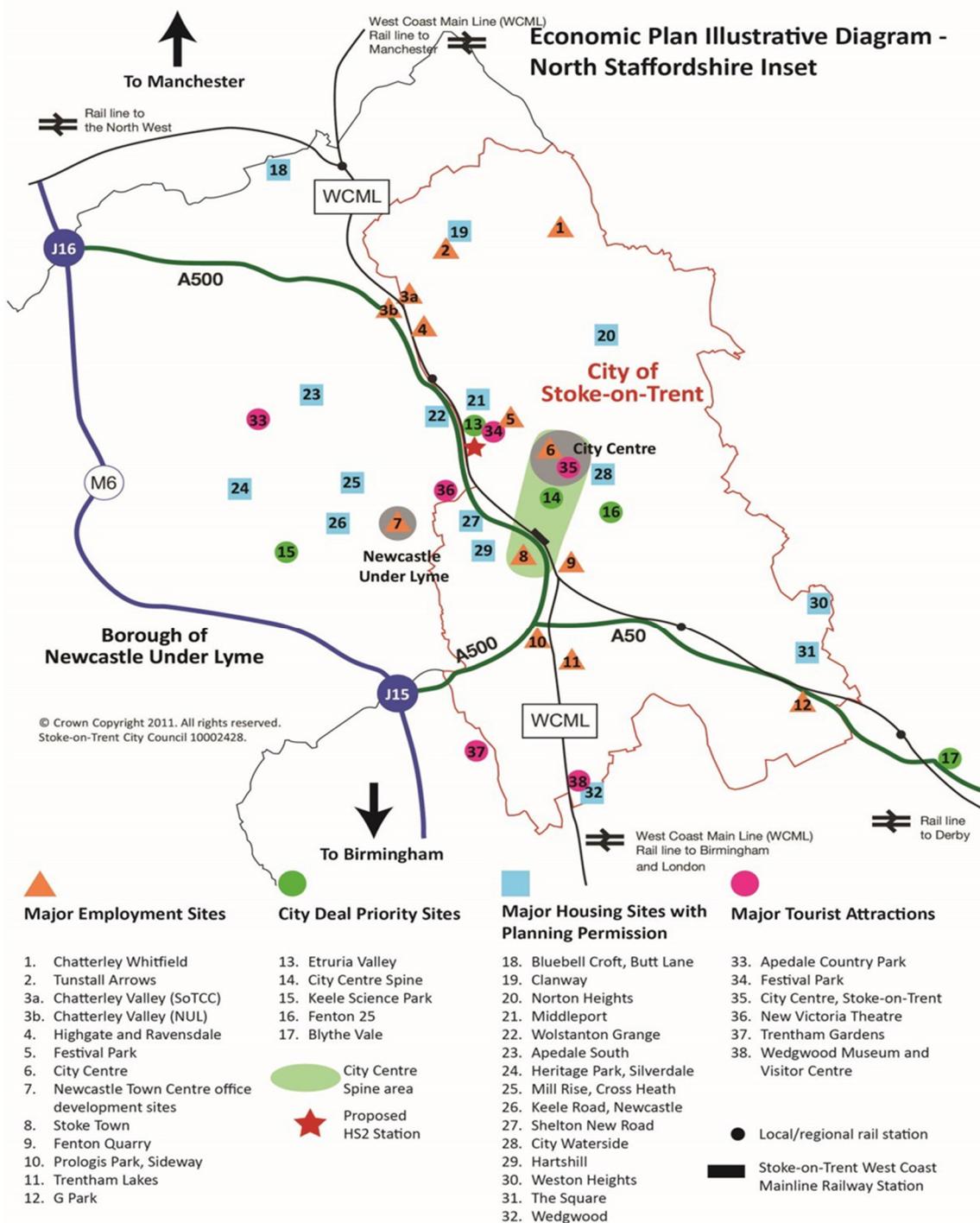
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Figure 3 shows Stoke-on-Trent and Newcastle-under-Lyme in more detail. This diagram shows that there are around 14 large housing sites at various stages of development in north Staffordshire. These sites are in close proximity to the West Coast Main Line, the M6, other key transport corridors (A50 & A500) and key employment sites demonstrating the key linkages between housing, connectivity and the economy in the north of the LEP area.

**Figure 3: Major housing and employment sites in North Staffordshire**



## The Productivity Challenge in Stoke-on-Trent and Staffordshire

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### Recent Economic Successes

The success of the economy in Stoke-on-Trent and Staffordshire in recent years is evident with 36,600 businesses now based in the area (showing an increase of over 3,200 since 2010) and almost 30,000 net new jobs being created since 2000, including over 20,000 since 2009 alone. This has resulted in higher numbers of people in employment and a far lower number of residents claiming Jobseeker's Allowance (JSA). At the height of the recession in 2009, 4.3% or around 30,000 residents in Stoke-on-Trent and Staffordshire were claiming JSA, compared to just 1% or 6,900 currently (with an additional 1,200 residents moving from claiming JSA to out of work Universal Credit as part of on-going welfare reforms).

There is the ambition to continue to build upon this success by not just continuing to create jobs, but better jobs, supported by appropriate housing developments and ensuring our residents have the skills that employers require. It is recognised how vital this will be to the future prosperity of the area, as despite the significant reduction in the number of people claiming JSA, there are still around 60,000 people claiming an out-of-work benefit<sup>4</sup>.

### Increasing Value of the Local Economy

The value of the local economy as measured by total absolute Gross Value Added (GVA) stood at £20.2 billion in 2014, with growth of a third in the last 10 years and around 20% since 2009 alone. A key driver behind the recent growth in output has been the manufacturing renaissance with the sector growing by more than 50% since 2009.

### The Productivity Gap

Despite overall growth in the local economy through significant restructuring, including declines in employment in low-value manufacturing industries and increases in higher value advanced manufacturing, levels of productivity in Stoke-on-Trent and Staffordshire remain low in comparison to many similar areas and regional and national averages.

Figure 4 shows that the gap between Staffordshire and the national GVA per head average has widened in recent years. In contrast, Stoke-on-Trent has seen a narrowing of the gap since the peak of the recession in 2009.

In 2014, Staffordshire had the fourth lowest level of GVA per head of all the strategic authorities in the West Midlands at £17,787 per annum (71% of the UK GVA per head), while in Stoke-on-Trent GVA per head stood at £19,509 (78% of the UK average).

This will be in part due to job increases in low value sectors such as business support activities. The ageing population may have also played a part with an increase in residents not directly contributing to GVA given that a larger proportion of the local population is now of pensionable age. In Staffordshire there was one person of pensionable age to every three of working age in 2014, this is projected to increase to nearly one to every two in 2039.

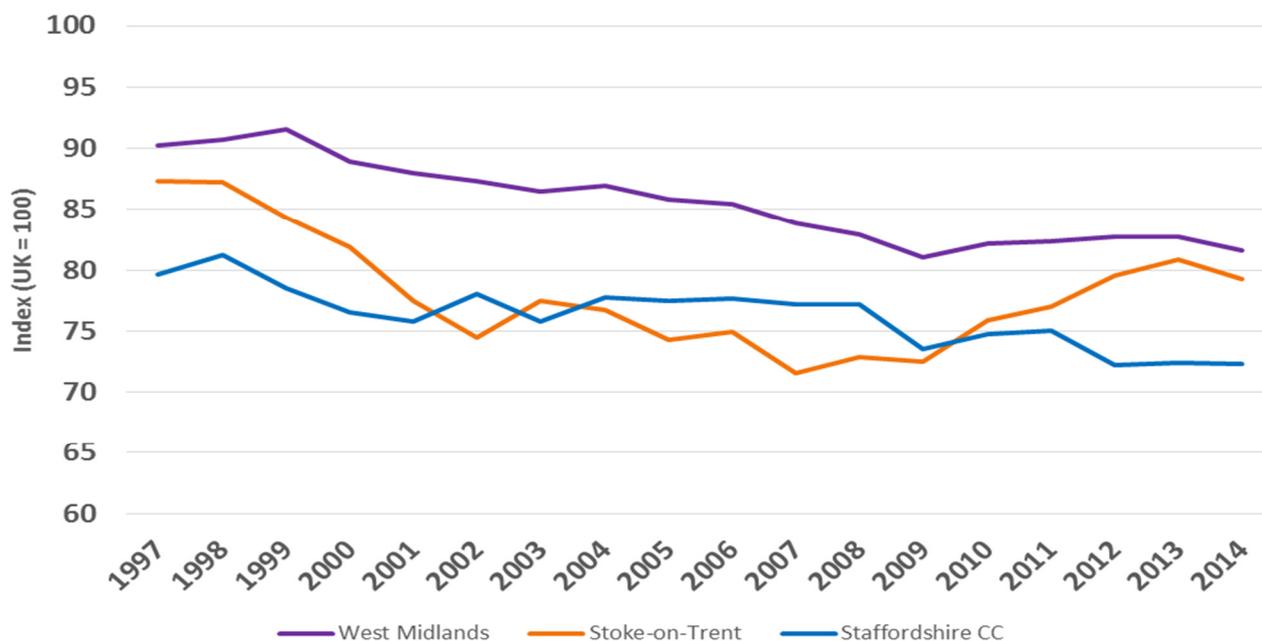
<sup>4</sup> Source: NOMIS. Out-of-work benefits include Jobseeker's Allowance, Employment Support Allowance / Incapacity Benefits, lone parents and other income related benefits.

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Figure 4: GVA per head relative to UK average (UK = 100)



Source: Regional GVA, ONS

However, considering GVA per job filled both Staffordshire and Stoke-on-Trent have seen a fall in productivity relative to the rest of the UK. In 2012, Staffordshire was 16% less productive than the national average, while Stoke-on-Trent was 17% below the UK average. These below average productivity levels reflect the dominance of lower value activities in the area and comparatively poor adult skills levels in many parts of the area.

**Addressing our productivity challenge will involve tackling a number of issues, not least creating more high-value jobs, improving the skills of our residents and attracting and retaining skilled workers.** As part of this the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (LEP) has identified the opportunity to develop strengths in high value growth industries such as applied materials, advanced manufacturing and energy, driving higher levels of gross value added and productivity.

In order to support this economic growth, **the right quantity and mix of housing needs to be in place to meet the requirements of both existing workers, those attracted to the area through job creation and our young people who are coming through our education system.**

## Housing Supply and Demand Issues in Stoke-on-Trent and Staffordshire

### Housing Market Issues

There are prevailing impacts of the recession and economic downturn upon the housing market, with difficulty for some developers in accessing finance, shortage of small and medium sized builders (and subsequent reliance on larger builders), increases in homelessness and changes to the housing market dynamics (e.g. increased demand for rented accommodation which needs to be managed).

More generally, due to economic change in the past there is an over-provision of certain types of housing (e.g. terraced housing in Stoke-on-Trent) which impacts upon housing delivery ambitions because of the challenges associated with this existing stock.

### Current Housing Stock

The development of the right housing stock will support greater investment in the area, help to retain and grow a skilled workforce and improve the quality of life of Staffordshire residents.

The housing picture nationally has seen a recent shift in subsidies from council and social housing towards home purchase, such as 'Right to Buy', and private rent. In Stoke-on-Trent and Staffordshire there were a total of 485,050 dwellings in 2014. Of these more than 4 in 5 (84%) were private sector stock while the remaining dwellings were split between private registered providers (previously known as Housing Associations or Registered Social Landlords) with 10% and local authority owned properties making up 6% of the total stock.

Figure 5 shows the breakdown by local authority area. As would be expected, Stoke-on-Trent has the largest share of the total housing stock with 112,920 dwellings or 23% of all housing in the LEP area. Stoke-on-Trent is also the local authority area with the highest proportion (17%) of local authority owned properties, while Newcastle-under-Lyme has the largest proportion (18%) of private registered provider owned dwellings. The housing market in Staffordshire Moorlands is predominately private sector with 92% of housing of this tenure, the highest proportion of all local authorities in the LEP area.

**Figure 5: Dwellings by tenure and local authority, 2014**

Lower and Single Tier Authority Data	Local Authority (incl. owned by other LAs)	Private Registered Provider	Private sector	Total Dwellings	Average Persons per Dwelling
Stoke-on-Trent	17%	7%	77%	112,920	2.2
Stafford	0%	13%	87%	58,470	2.3
Newcastle-under-Lyme	0%	18%	82%	55,100	2.3
East Staffordshire	0%	13%	87%	49,860	2.3
South Staffordshire	0%	14%	86%	46,160	2.4
Lichfield	0%	13%	87%	43,930	2.3
Staffordshire Moorlands	0%	8%	92%	43,830	2.2
Cannock Chase	13%	4%	83%	42,280	2.3
Tamworth	14%	5%	81%	32,500	2.4
<b>Staffordshire</b>	3%	12%	86%	<b>372,130</b>	2.3
<b>LEP</b>	6%	10%	84%	<b>485,050</b>	2.3
<b>England</b>	7%	10%	82%	<b>23,372,000</b>	2.3

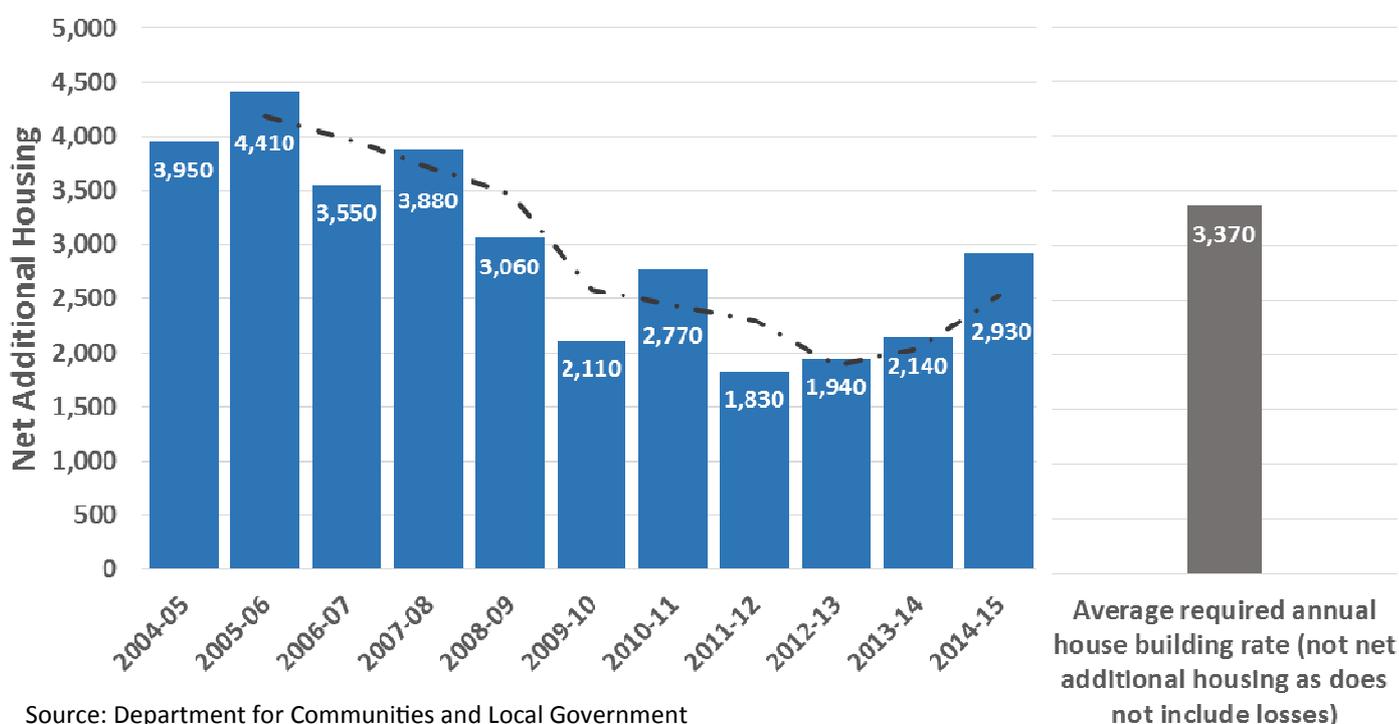
Source: Local Authority Housing Statistics Return, 2014

#### Rate of House Building

The increase in the number of dwellings in the LEP area amounted to 2,930 in 2014-15, a 37% increase in net additional dwellings from 2013-14. The 2,930 net additions figure for 2014-15 comprised 2,830 new build homes, 50 additional homes resulting from conversions, 190 additional homes resulting from change of use, and a loss of 190 homes through demolitions.

Figure 6 shows the trend in net housing delivery in the LEP area between 2004-05 and 2014-15. As with the national picture the effect of the recession and economic downturn is clearly evident with a gradual fall in net housing delivery. However, there does appear to be an upturn in net housing delivery since 2011-12, although delivery in 2014-15 was still 34% below the 2005-06 peak. Given the planned housing numbers in the current local plans (70,000+) it is expected that there is likely to be continued growth in the annual rate of housing delivery in the LEP area over coming years. An average of around 3,370 homes are planned to be delivered over the plan periods (although this doesn't take into account losses). The successful delivery of these homes will be dependent on how barriers to housing delivery in the area can be effectively overcome, such as issues in areas such as investment and funding; viability; land condition; infrastructure; and environmental concerns.

**Figure 6: Trends in net additional dwellings in the LEP area 2004-05 to 2014-15<sup>5</sup> with the average annual house building rate required to deliver local plans**



Overcoming barriers to local house building is becoming an increasingly important issue, not least due to surrounding areas and particularly Birmingham being unable to meet its own housing need, while nationally significant infrastructure projects such as HS2 will undoubtedly lead to higher levels of growth.

<sup>5</sup>The 2011/12, 2012/13, 2013/14 and 2014/15 figures are provisional and subject to scheduled revisions pending the release of future census dwelling stock data.

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An example of how this is being considered is the Northern Gateway Development Zone, which has the ambition of delivering 120,000 jobs and 100,000 houses across Cheshire East, Newcastle-under-Lyme, Stoke-on-Trent, Staffordshire Moorlands and Stafford by 2040. Building upon local partners will further consider the opportunities presented by HS2, including wider connections into the four hub stations that surround us and taking full advantage of 'classic-compatible' services.

Clearly any future housing will have to meet the needs of existing local residents and new residents, particularly the requirements of the workforce that the LEP area will need in order to maintain, strengthen and grow the economy.

### House Prices

During a period of slowed house building in the LEP area, there has been a rise in average house prices across the area. The median sale price for houses in the Stoke-on-Trent and Staffordshire LEP area in 2014 was £134,000 (£145,000 in Staffordshire and £95,000 in Stoke-on-Trent) compared to the England equivalent of £191,000.

The LEP median house price masks considerable variation at a local authority level, with Stoke-on-Trent consistently having the lowest average sale price and Lichfield having the highest prices. Figure 7 shows that in 2014 Lichfield's median house price (£192,000) was just over twice the level seen in Stoke-on-Trent (£95,000). The median house prices for all local authorities in the LEP area have increased from the previous year. Figure 8 shows median sale prices by Middle Super Output Area (MSOA) in Stoke-on-Trent and Staffordshire for 2014, with one MSOA in Lichfield having an average price of £385,500 more than seven times the average price for an MSOA in Stoke-on-Trent (£55,000).

**Figure 7: Median house sale prices, 1995 - 2014**

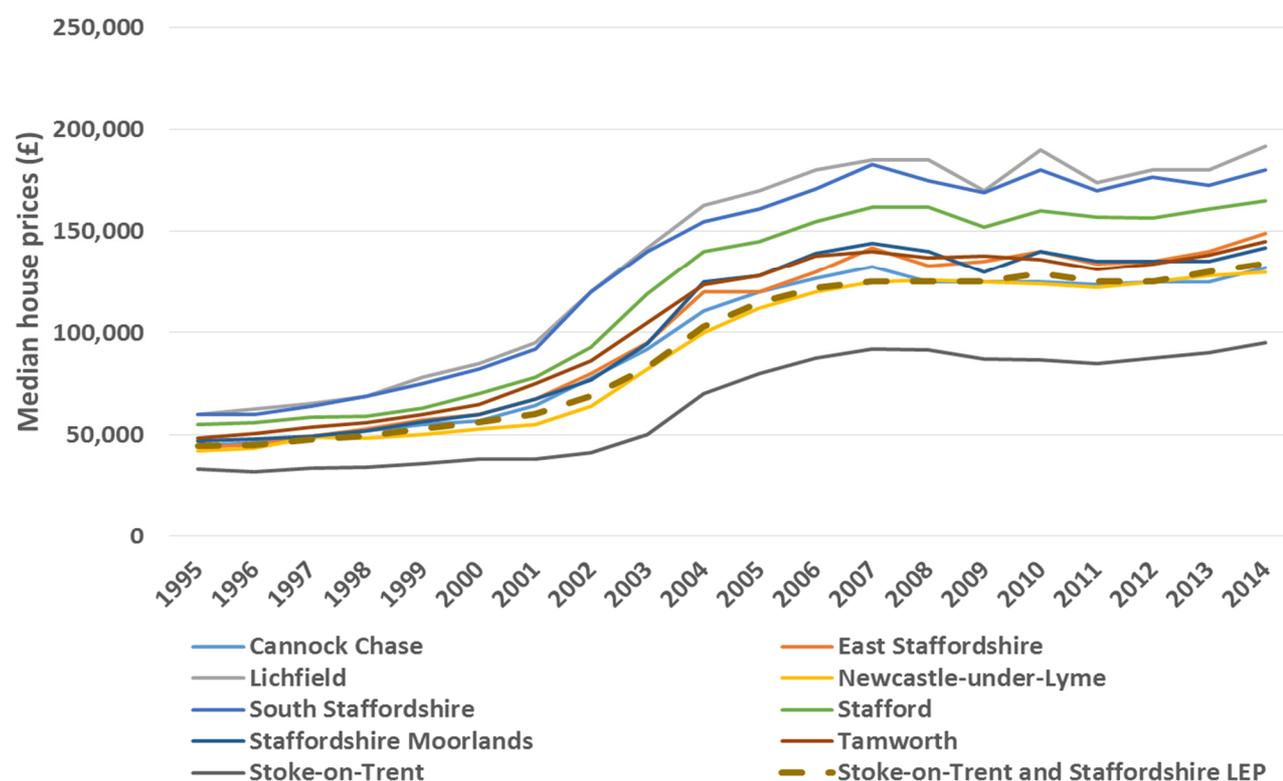
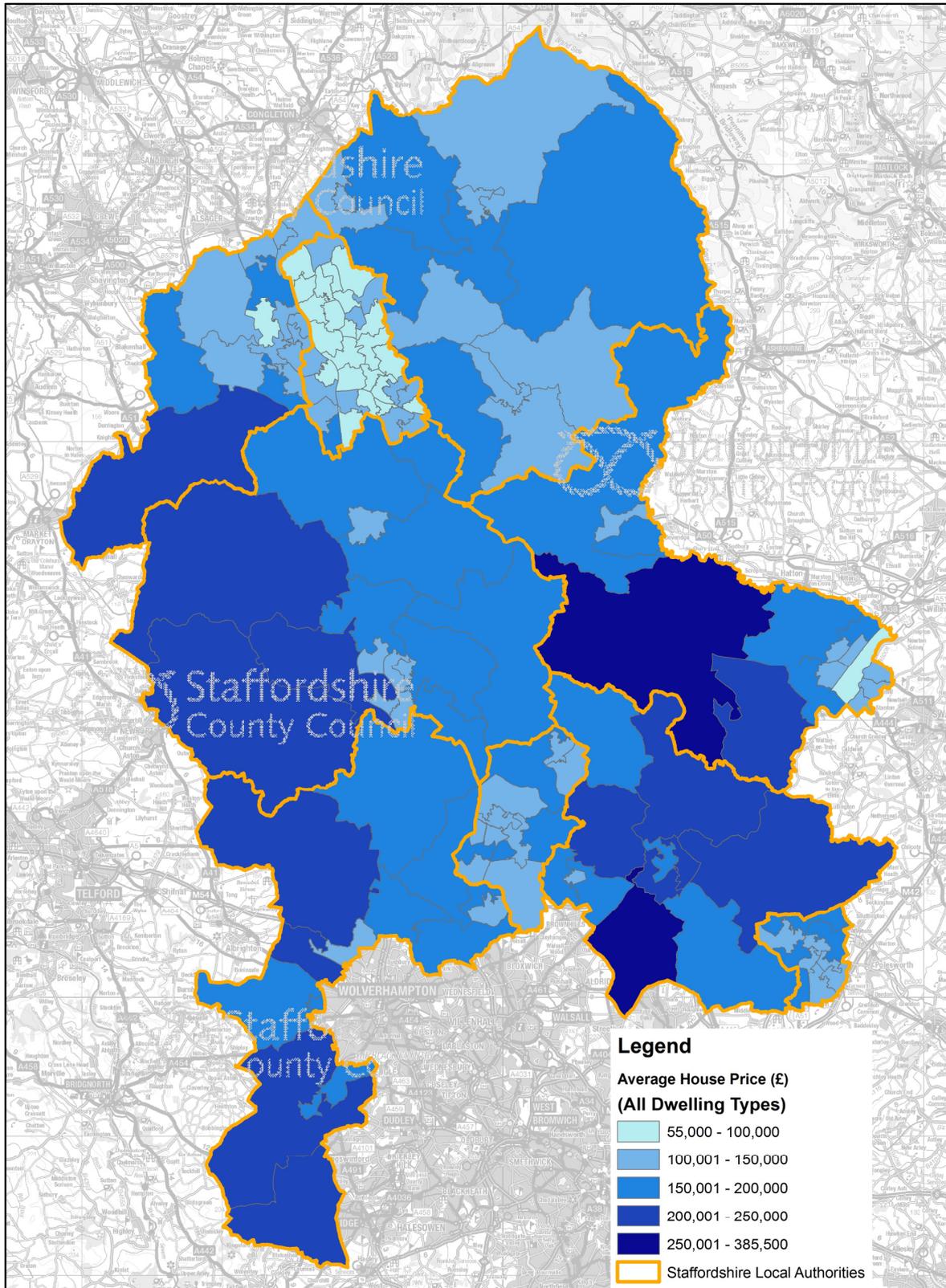


Figure 8: Average House Sale Price by MSOA in Stoke-on-Trent and Staffordshire, 2014



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# Great Place to Live

## Housing & Demographic Change

### Potential Impacts on the Workforce and Raising Productivity in Stoke-on-Trent and Staffordshire

Considering the ratio of average house prices to average earnings in the LEP area, figure 9 shows that the average price for properties in Staffordshire was 5.7 times the average wage in 2013, while in Stoke-on-Trent the average was 3.8. Both areas have lower ratios than the England average of 6.7, meaning housing is relatively more affordable across the LEP area as a whole. However, it is important to recognise that the national average will be distorted somewhat by London's housing market.

**Figure 9: Average House Prices compared with Average Earnings, 2013**

Area	Average House Prices <sup>1</sup>	Average Earnings <sup>2</sup>	Ratio of Average House Prices to Average Earnings
Lichfield	180,000	25,431	7.08
<b>South Staffordshire</b>	<b>172,750</b>	<b>25,060</b>	<b>6.89</b>
<b>ENGLAND</b>	184,500	27,372	6.74
<b>Tamworth</b>	<b>138,500</b>	<b>22,096</b>	<b>6.27</b>
Stafford	161,000	27,255	5.91
<b>Staffordshire</b>	<b>143,000</b>	<b>25,252</b>	<b>5.66</b>
Newcastle-under-Lyme	128,000	23,261	5.50
<b>Staffordshire Moorlands</b>	<b>135,000</b>	<b>25,772</b>	<b>5.24</b>
East Staffordshire	140,000	26,975	5.19
<b>Cannock Chase</b>	<b>125,000</b>	<b>24,643</b>	<b>5.07</b>
<b>Stoke-on-Trent</b>	<b>90,000</b>	<b>23,692</b>	<b>3.80</b>

Source: <sup>1</sup>House Price Statistics for Small Areas, <sup>2</sup>Office for National Statistics / ASHE

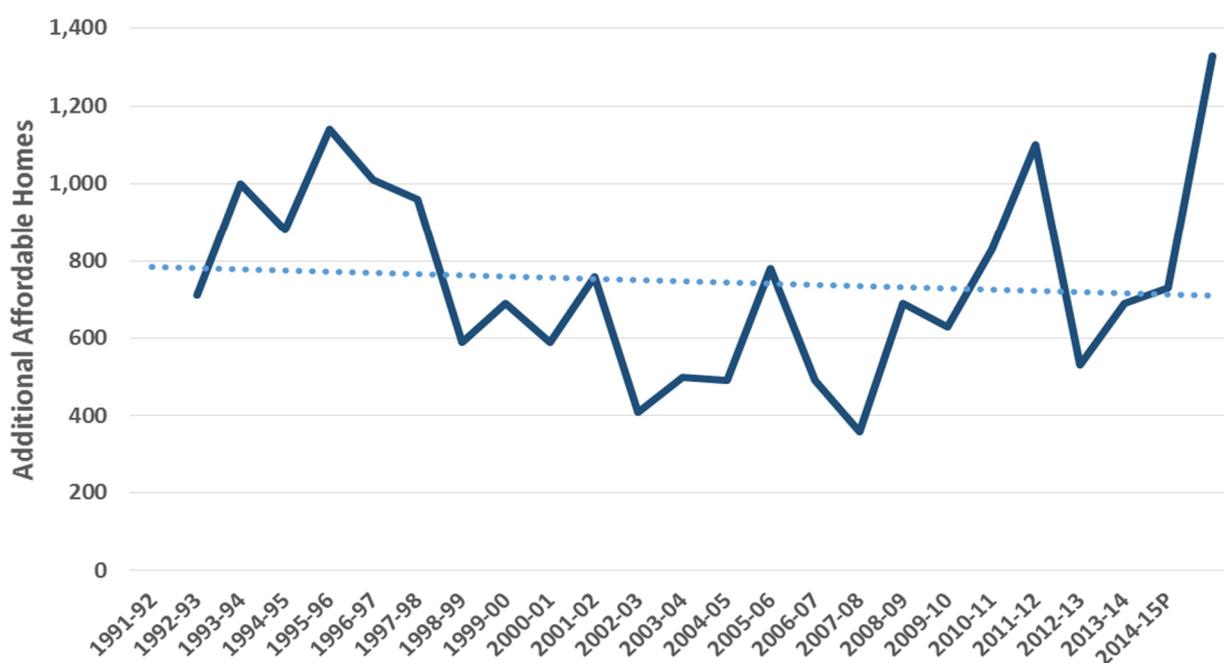
The ratios in both Staffordshire and Stoke-on-Trent have fallen between 2012 and 2013 indicating that house prices have become relatively more affordable over recent years. Between 2005 and 2007, during the housing boom the Staffordshire ratio was over six and half times the average wage and four and half in Stoke-on-Trent, as house price growth outstripped growth in earnings so this recent fall should be seen in context with ratios still higher than those seen prior to the housing boom (Staffordshire less than three and a half times the average wage in the late 90s and Stoke-on-Trent less than two and a half).

There is considerable variation at a district level with Lichfield having a ratio of 7.1 in 2013 compared to Cannock Chase which had a ratio of 5.1. For Lichfield, this means a person earning the average wage would need the equivalent of over seven years' worth of earnings to afford an average priced property, a higher ratio than both the county and national average. Both Lichfield and South Staffordshire are the two local authority areas in the LEP which have higher than the national average ratios.

#### Affordable Housing

The situation is even more stark for those workers on lower wages living in the LEP area, where the restricted supply of new affordable homes and higher house prices alongside tighter lending has made getting onto the property ladder increasingly difficult. Figure 10 shows that between 1991-92 and 2014-15 there has been a long-term downward trend in the provision of additional affordable homes. However, the latest provisional figures for 2014-15 show that there were 1,330 new affordable homes provided in the LEP area nearly double the average of 720 seen between 1991-92 and 2013-2014.

**Figure 10: Additional Affordable Homes provided in the LEP area, 1991-2015**



Source: DCLG Live Tables on Affordable Housing Supply

The housing affordability ratio determines whether people with the lowest incomes can afford to buy the lowest priced housing available in the area where they work. Figure 11 shows that in 2013, the lower quartile price for properties in Staffordshire was, on average, 6.2 times the lowest quartile annual wage for a full time employee working in the county, while in Stoke-on-Trent the ratio was 3.6. Both areas have lower ratios than the England average of 6.5, meaning housing is relatively more affordable for lower paid workers across the LEP area. Although again London somewhat distorts the national picture.

**Figure 11: Housing Affordability - Lower Quartile House Prices compared with Lower Quartile Earnings, 2013**

Area	Lower Quartile House Prices <sup>1</sup>	Lower Quartile Earnings <sup>2</sup>	Ratio of Lower Quartile House Prices to Lower Quartile Earnings
South Staffordshire	130,000	18,168	7.16
<b>Lichfield</b>	<b>130,000</b>	<b>18,351</b>	<b>7.08</b>
Tamworth	109,250	16,145	6.77
<b>Stafford</b>	<b>125,000</b>	<b>18,662</b>	<b>6.70</b>
<b>ENGLAND</b>	125,000	19,323	6.47
<b>Staffordshire</b>	<b>113,125</b>	<b>18,214</b>	<b>6.21</b>
Staffordshire Moorlands	100,000	17,278	5.79
<b>East Staffordshire</b>	<b>110,000</b>	<b>19,186</b>	<b>5.73</b>
Newcastle-under-Lyme	95,000	16,799	5.66
<b>Cannock Chase</b>	<b>102,500</b>	<b>18,391</b>	<b>5.57</b>
<b>Stoke-on-Trent</b>	<b>63,000</b>	<b>17,549</b>	<b>3.59</b>

Source: <sup>1</sup>DCLG / <sup>2</sup>ASHE

The ratios in Staffordshire and Stoke-on-Trent have fallen over recent years indicating that house prices have become relatively more affordable, however ratios in both areas are still considerably higher than those seen prior to the latest housing boom. Generally it is less affordable to live in the southern parts of Staffordshire, with Lichfield, Tamworth, Stafford and South Staffordshire all having higher affordability ratios than the national average.

# Great Place to Live

## Housing & Demographic Change

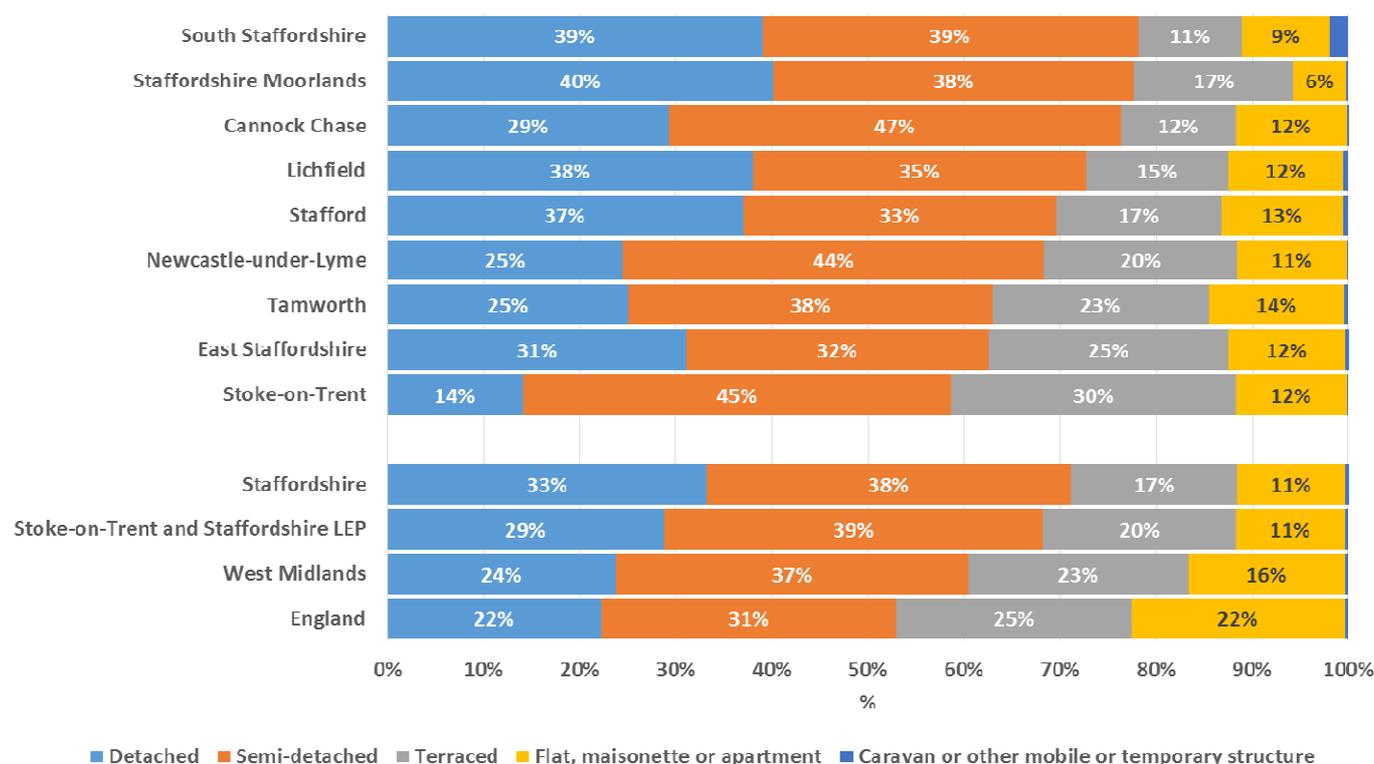
### Potential Impacts on the Workforce and Raising Productivity in Stoke-on-Trent and Staffordshire

#### Housing Mix

As well as the need to increase the supply of new homes and improve affordability in some parts of the LEP area, there is also the need to ensure that there is the right mix of housing for all current and potential future residents. It will be important to target the right type of housing in the right places by, for example, seeking to deliver more aspirational homes in the larger urban areas such as Stoke-on-Trent, and smaller more affordable housing in rural areas to retain and attract a younger population and allow our older residents the opportunity to downsize and free up family housing. As we are successful in generating more high value, high skilled jobs, this will also be vital in providing an appropriately skilled workforce and retaining and attracting a greater number of graduates in the area.

Figure 12 shows the dwellings mix for each local authority in the LEP area and how this compared to the regional and national picture at the time of the last census in 2011. It is shown that overall over two thirds (68%) of properties in the LEP area are detached or semi-detached which is substantially higher than the 53% of dwellings which are of these types seen nationally.

**Figure 12: Dwelling type by local authority, 2011**



Source: Census 2011

There is considerable variation at the local authority level with the traditional industrial areas of Stoke-on-Trent and East Staffordshire having higher proportions of terraced housing and more rural areas of South Staffordshire and Staffordshire Moorlands having higher proportions of detached houses.

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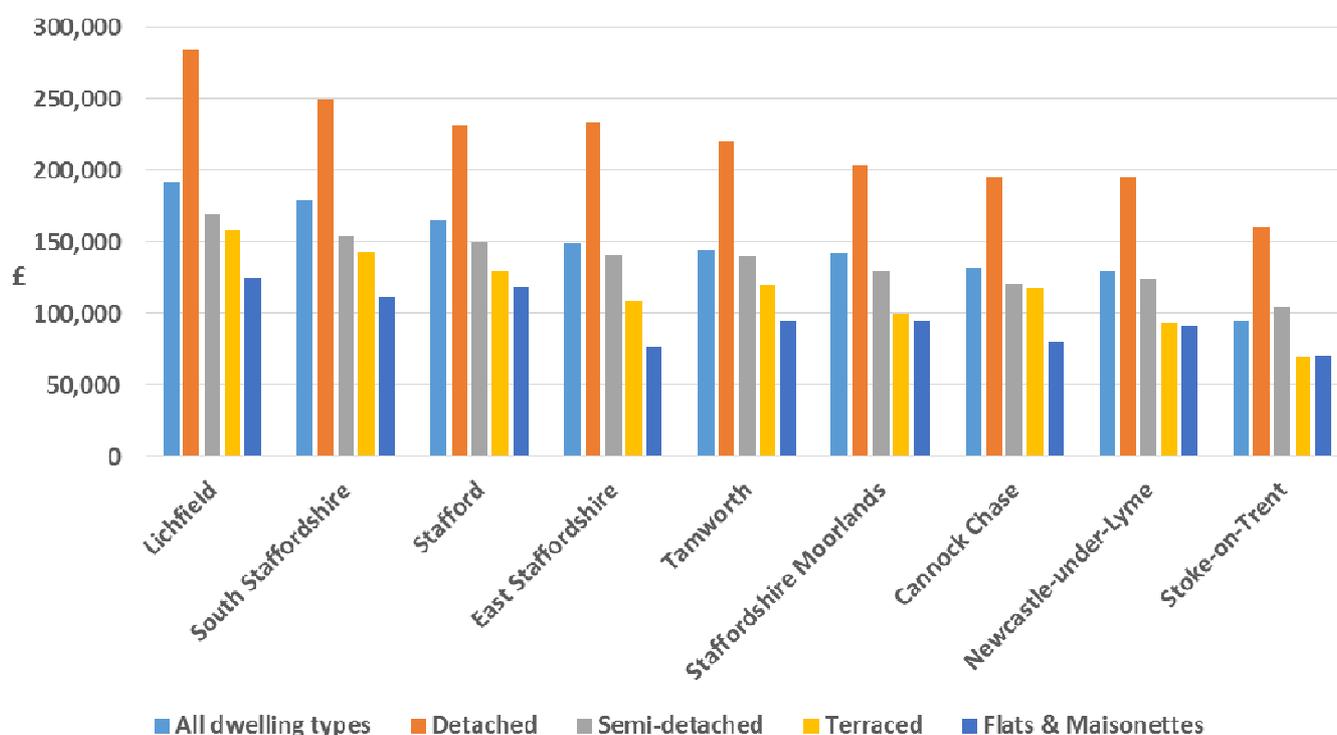
## Housing & Demographic Change

### Potential Impacts on the Workforce and Raising Productivity in Stoke-on-Trent and Staffordshire

Increasing the supply of larger, aspirational housing in an area where there may have been under-supply could, alongside the provision of high quality services and jobs, attract higher skilled workers and higher income families to that area. This would both improve the skills base of the local workforce to support business growth and boost the local economy through these families spending more locally. It also increases housing choice for those already resident within the area meaning that as they become more affluent and look to move up the property ladder, they have greater options to remain in the area and continue to support the local economy.

The type and mix of housing can heavily influence the affordability of housing in an area, figure 13 shows the wide variation in average house prices by dwelling type and local authority in the LEP area in 2014.

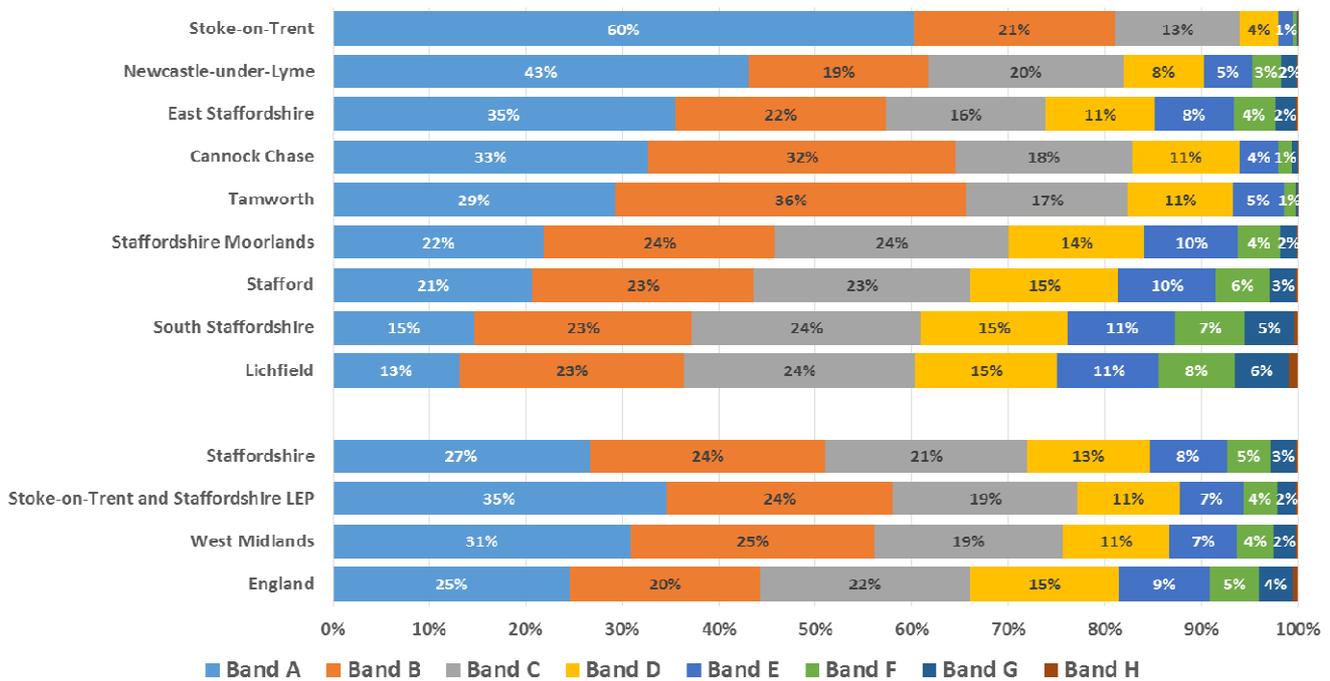
**Figure 13: Median house prices by dwelling type and local authority, 2014**



Source: House Price Statistics for Small Areas, Office for National Statistics

Council tax bandings also give an indication of the mix, quality and value of housing in an area. There are eight council tax bands ranging from Band A for dwellings valued at less than £40,000 on 1 April 1991 to Band H for dwellings valued at more than £320,00 on that date. Figure 14 shows how housing by council tax band varies across the LEP area. Stoke-on-Trent and Newcastle-under-Lyme have the largest proportion of Band A properties (60% and 43% respectively) with relatively small numbers in Band D and above (6% and 18% respectively). While Lichfield and South Staffordshire have the broadest range of properties and the highest proportions in Band D and above (40% and 39% respectively).

**Figure 14: Housing by Council Tax Bandings, 2015**

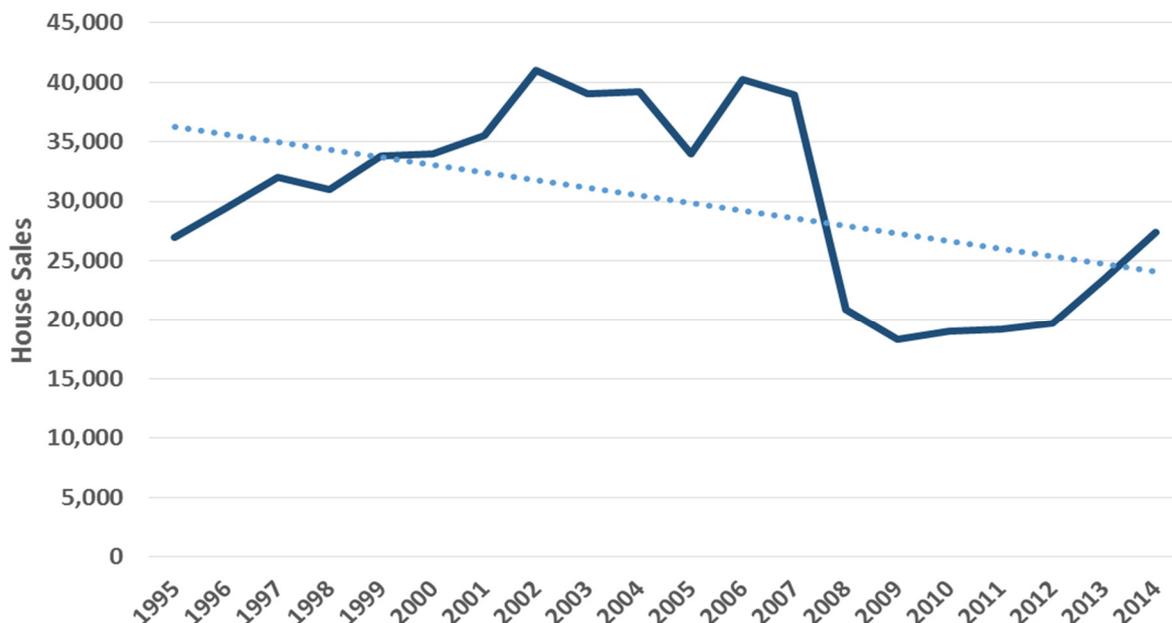


Source: DCLG Council Taxbase, 2015

## House Sales and Shifting Home Ownership Patterns

The combination of stalled house building, increasing house prices, reduced mortgage lending and potentially the lack of the right type of housing in some areas of the LEP is likely to have contributed to reduced house sales in recent years. Increasingly more and more people find it difficult to save the necessary deposit or being able to take out a mortgage due to tighter lending criteria for potential homeowners. Figure 15 shows that there was a substantial drop in house sales leading up to the peak of

**Figure 15: House sales in the LEP area, 1995 - 2014**



Source: House sale counts by dwelling type and local authority, Office for National Statistics

# Great Place to Live

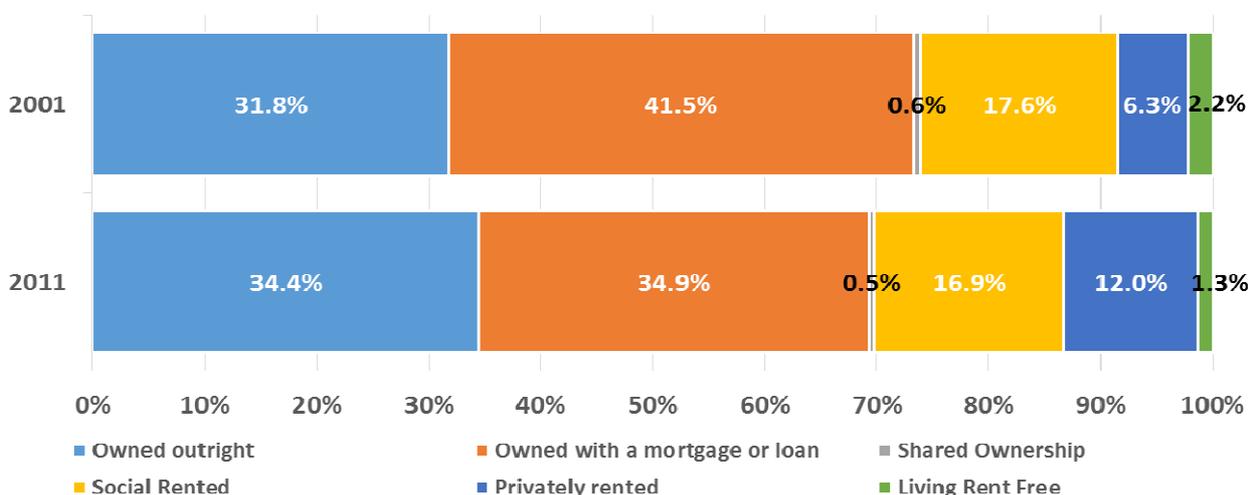
## Housing & Demographic Change

### Potential Impacts on the Workforce and Raising Productivity in Stoke-on-Trent and Staffordshire

the recession and during the resultant economic downturn. In 2006 there were more than 23,700 house sales in the LEP area compared to 10,100 in 2009, a 57% decline in sales. There are signs that the market is picking-up with a 44% growth between 2012 and 2014, equivalent to nearly 5,000 more house sales in 2014 than seen in 2012. However, sales still lag behind the levels seen prior to the recession.

As seen nationally, during a period of higher house prices, tighter lending requirements and declining wage growth there has also been a noticeable shift in the pattern of home ownership across the LEP area. Figure 16 shows that between the 2001 and 2011 censuses there are proportionally less homes owned with a mortgage or loan and the privately rented sector proportion of housing nearly doubled over the decade between the two censuses.

**Figure 16: Housing Tenure in the LEP area, 2001-2011**



Source: Census 2001-2011

All local authorities in the LEP experienced declines in mortgaged homes, with Staffordshire Moorlands seeing the largest rate of decrease with a 13.1 percentage point decline. This will largely be due to a rise in the number of homes owned outright in Staffordshire Moorlands where an ageing population has seen mortgage terms coming to a natural end and low interest rates encouraging an early mortgage pay off for other residents.

All areas also saw an increase in private sector renting with both Cannock Chase and East Staffordshire seeing the highest rate of increase with a 7 percentage point rise over the period.

The implications of higher levels of private sector renting include issues relating to rent levels, security of tenure and housing quality. It is recognised that residents renting in the private sector, and to a lesser extent social housing renters, spend large proportions of their income on housing costs. Figure 17 shows there is wide variation in the private sector rental market across the LEP, with average monthly rents in Stoke-on-Trent standing at £437 per month, while rents in Lichfield are nearly 50% higher at £642 per month. However, private sector renters on average lower quartile monthly earnings in Tamworth would be expected to spend the largest proportion (43%) of their pay to cover the average monthly rent. For some residents and families higher housing costs can lead to homelessness and resulting detrimental effects on their quality of life.

Figure 17: Proportion of average lower quartile monthly pay to the cost of average monthly rents

Area	Average (mean) monthly private sector rents in 2013/14 <sup>1</sup>	Average lower quartile annual earnings (gross) in 2015 (Lichfield figure refers to 2014) <sup>2</sup>	Average lower quartile monthly pay (gross) in 2015 (Lichfield figure refers to 2014)	Proportion of lower quartile monthly pay to cost of rents
Tamworth	£579	£17,177	£1,431	43%
<b>Cannock Chase</b>	<b>£511</b>	<b>£19,026</b>	<b>£1,586</b>	<b>40%</b>
Newcastle-under-Lyme	£487	£18,065	£1,505	36%
<b>Lichfield</b>	<b>£642</b>	<b>£19,791</b>	<b>£1,649</b>	<b>35%</b>
East Staffordshire	£519	£17,549	£1,462	35%
<b>Stafford</b>	<b>£549</b>	<b>£18,387</b>	<b>£1,532</b>	<b>32%</b>
Staffordshire Moorlands	£494	£18,229	£1,519	32%
<b>South Staffordshire</b>	<b>£615</b>	<b>£19,656</b>	<b>£1,638</b>	<b>32%</b>
Stoke-on-Trent	£437	£17,343	£1,445	30%
<b>Staffordshire</b>	<b>£542</b>	<b>£18,665</b>	<b>£1,555</b>	<b>35%</b>
West Midlands	£567	£18,495	£1,541	37%
<b>England</b>	<b>£720</b>	<b>£19,719</b>	<b>£1,643</b>	<b>44%</b>

Source: <sup>1</sup>VOA Private sector rents 2013/14; <sup>2</sup>ASHE resident earnings

The rise in numbers renting, coupled with below average salaries, has contributed to a rise in the number of working people in Stoke-on-Trent and Staffordshire claiming housing benefit. This is at a time when the number of housing benefit claimants has decreased in Stoke-on-Trent and Staffordshire as a whole.

## Migration Patterns in Stoke-on-Trent and Staffordshire

As well as the influence of economic factors, housing need drivers also include demographic trends such as migration flows and population age structures. This section considers how migration flows can provide an understanding of the self containment of housing markets in Staffordshire and Stoke-on-Trent and housing market linkages with surrounding areas. This can in turn help to understand potential housing needs in the existing population and for those moving to the area.

### Internal Migration (self-containment)

Analysis of Census 2011 data shows that of all the house moves originating in the Staffordshire and Stoke-on-Trent LEP area in the 12 months period prior to the Census day (27 March 2011) less than two thirds (58%) were internal migration moves to another part of the LEP. Figure 18 shows that at a district level, Stoke-on-Trent and Cannock Chase have the highest levels of internal migration while Lichfield and South Staffordshire have the lowest.

### Net UK Migration (flows into and out of LEP area excluding international migration)

When we look at population flows into and out of the LEP area from other parts of the UK it is found that the LEP area as a whole lost more people than it gained, with the areas net migration in the year prior to the Census showing a deficit of around 1,700 people. This follows a similar trend for many parts of the north and midlands. At district level, the majority of areas have contributed to this overall loss of people with the exception of Newcastle-under-Lyme which gained just over 700 new residents (this is likely to be in part due to students moving to and leaving Keele University) and to a lesser extent Stafford being the only other district area to see a net gain in migration to and from other areas of the UK.

Figure 18: Migration flows, 2011 (table ordered by internal migration)

Area	All usual residents	Households		People			
		All house moves originating in area (excluding moves abroad)	Internal Migration (based on total house moves originating in the area excluding moves abroad)	In-movers (UK only)	Out-movers (UK only)	Net Migration (UK only)	International Migration (In-movers) <sup>6</sup>
Cannock Chase	97,462	8,352	61%	3,049	3,298	-249	263
<b>East Staffordshire</b>	<b>113,583</b>	<b>11,910</b>	<b>60%</b>	<b>4,278</b>	<b>4,731</b>	<b>-453</b>	<b>849</b>
Tamworth	76,813	6,989	59%	2,328	2,852	-524	215
<b>Stafford</b>	<b>130,869</b>	<b>13,400</b>	<b>58%</b>	<b>5,691</b>	<b>5,639</b>	<b>52</b>	<b>910</b>
Newcastle-under-Lyme	123,871	12,579	55%	6,315	5,611	704	964
<b>Staffordshire Moorlands</b>	<b>97,106</b>	<b>7,012</b>	<b>55%</b>	<b>3,154</b>	<b>3,161</b>	<b>-7</b>	<b>261</b>
Lichfield	100,654	8,477	47%	4,249	4,505	-256	363
<b>South Staffordshire</b>	<b>108,131</b>	<b>8,180</b>	<b>38%</b>	<b>4,943</b>	<b>5,102</b>	<b>-159</b>	<b>233</b>
Staffordshire	848,489	76,899	55%	34,007	34,899	-892	4,058
<b>Stoke-on-Trent</b>	<b>249,008</b>	<b>26,590</b>	<b>67%</b>	<b>7,907</b>	<b>8,701</b>	<b>-794</b>	<b>1,463</b>
Stoke-on-Trent and Staffordshire	1,097,497	103,489	58%	41,914	43,600	-1,686	5,521
<b>West Midlands</b>	<b>5,601,847</b>	<b>565,765</b>	<b>83%</b>	<b>90,259</b>	<b>97,513</b>	<b>-7,254</b>	<b>45,167</b>
England	53,012,456	5,909,345	98%	94,064	96,753	-2,689	595,670

Source: Census 2011

<sup>6</sup> International migration out-movers (emigration) numbers are not available from the Census 2011

#### International Migration (Immigration)

With regards to international migration, Census data is only available for in-movers in the year period preceding the Census. The LEP area saw just over 5,500 international migrants move into the area, equivalent to 13% of the moves into the area from other parts of the UK. At a local level the areas of Stoke-on-Trent, Newcastle-under-Lyme, Stafford and East Staffordshire saw the highest levels of immigration.

#### Origins and Destinations of House Moves

The places people move to and from can provide insight into the housing market linkages of an area and may indicate the level of competition from surrounding areas and comparative attractiveness of that area as a place to live and work. The majority of house move origins and destinations are within the areas which make up the LEP area, with just over 58% of all moves of this type in the year prior to the Census, while moves out made up 22% and moves in 20%. Figure 19 shows the origin and destinations of moves within the LEP area.

**Figure 19: Origins and destinations of people who moved within the LEP in 2010-2011**

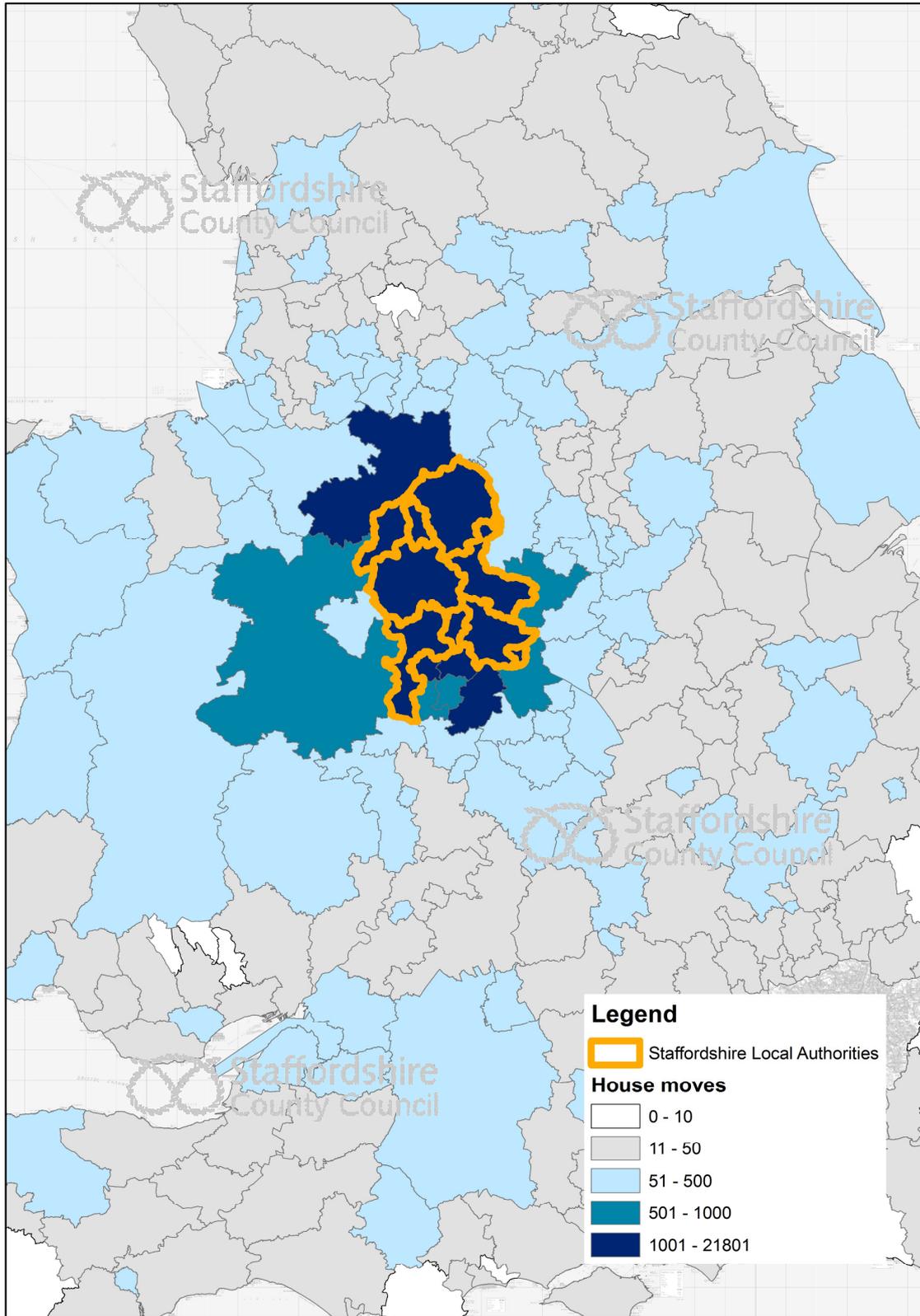
	Address one year ago								
	Cannock Chase	East Staffordshire	Lichfield	Newcastle-under-Lyme	South Staffordshire	Stafford	Staffordshire Moorlands	Stoke-on-Trent	Tamworth
Usual residence	4,954	117	543	14	557	224	22	31	38
Cannock Chase	<b>105</b>	<b>7,059</b>	<b>328</b>	<b>47</b>	<b>38</b>	<b>140</b>	<b>135</b>	<b>135</b>	<b>91</b>
East Staffordshire	504	206	3,922	14	70	95	10	31	477
Lichfield	<b>25</b>	<b>50</b>	<b>20</b>	<b>6,902</b>	<b>39</b>	<b>269</b>	<b>227</b>	<b>2,268</b>	<b>11</b>
Newcastle-under-Lyme	583	31	97	16	3,037	181	23	64	29
South Staffordshire	<b>240</b>	<b>138</b>	<b>101</b>	<b>274</b>	<b>292</b>	<b>7,665</b>	<b>158</b>	<b>632</b>	<b>34</b>
Stafford	30	154	3	218	7	183	3,805	1,061	17
Staffordshire Moorlands	<b>54</b>	<b>122</b>	<b>32</b>	<b>2,068</b>	<b>52</b>	<b>598</b>	<b>813</b>	<b>17,568</b>	<b>27</b>
Stoke-on-Trent	44	41	375	5	18	35	13	11	4,075
Tamworth									

Source: Census 2011

Figures 20 and 21 shows that the main housing market linkages of the LEP area are with areas in the West Midlands, East Midlands and North West (see appendix for main individual LEP local authority flows). Figure 22 shows the top ten UK origins and destinations of people who moved into and out of the LEP area between March 2010 and March 2011 (i.e. people who had a different address one year before the Census). As would be expected the largest flows are to and from Birmingham but there are also housing market linkages with the Black Country, Cheshire East, Derbyshire and Shropshire.

In terms of net migration, the areas which provided the highest gains to the LEP area were Walsall (582 more house moves in than moves out of the LEP area), Birmingham (366), Wolverhampton (302), and Dudley (223), all to the south of LEP area. As for the highest net losses, Manchester and Shropshire both saw 401 more house moves out than into the LEP area during the year prior to the Census. There were also net losses to Cheshire East (222), South Derbyshire (206) and Derby (107).

Figure 20: UK Origins of people moving to a home in the LEP area year prior to the Census (internal & movers-in)

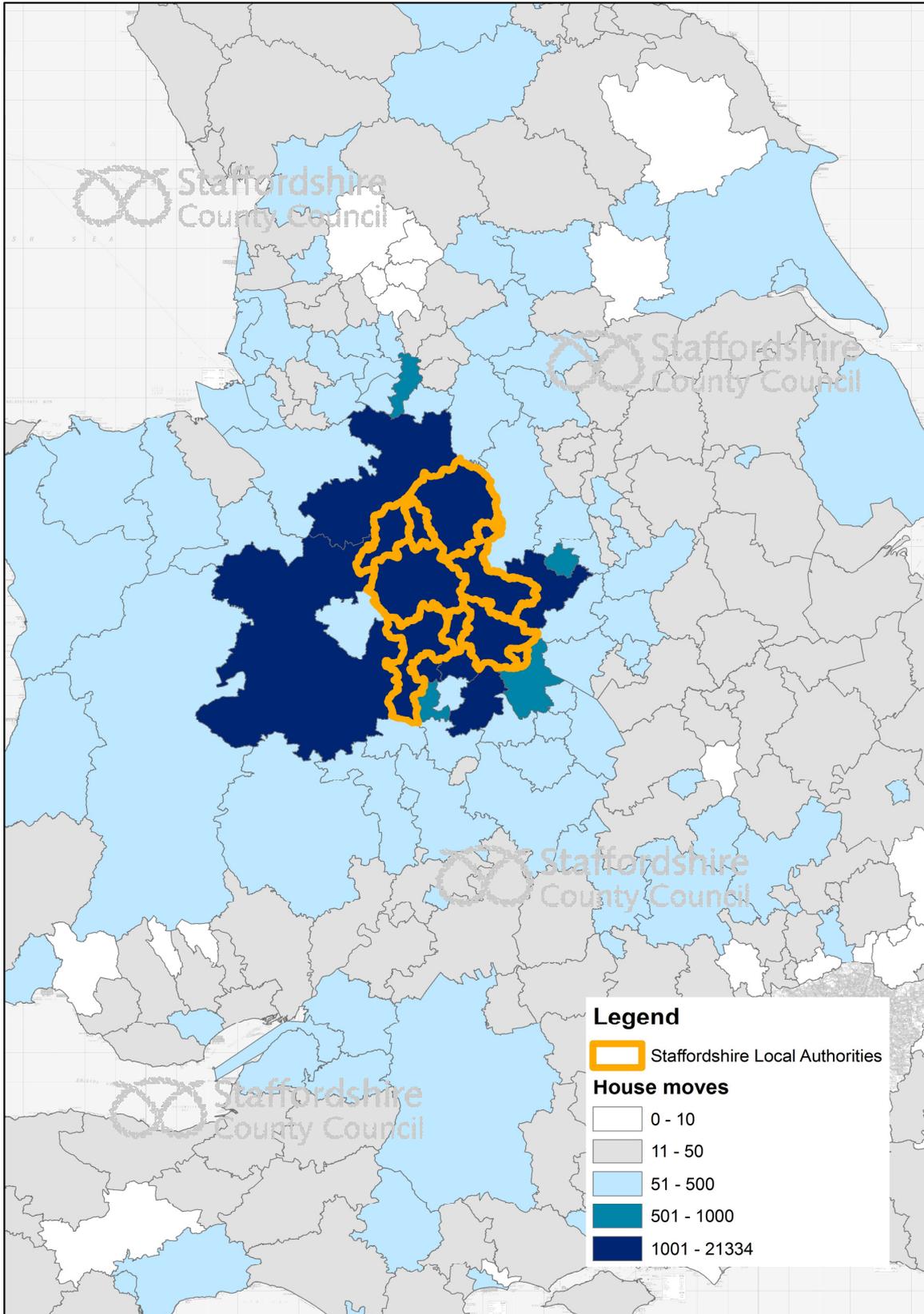


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Source: Census 2011



Figure 21: UK Destinations of LEP residents moving house in the year prior to the Census

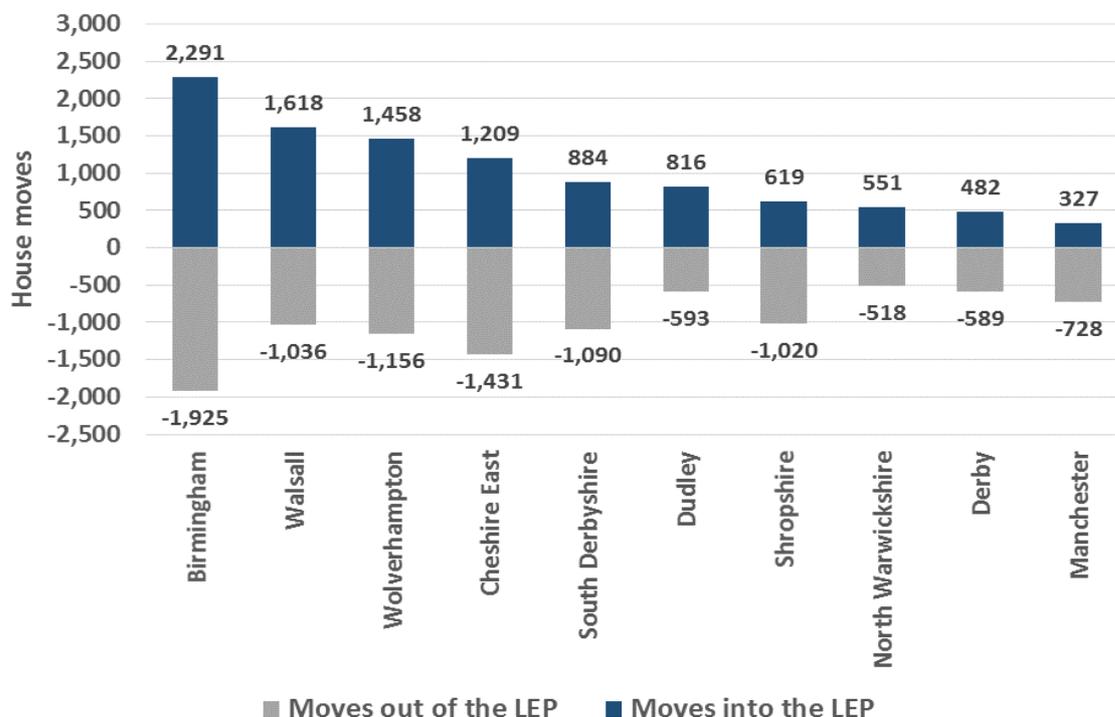


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Figure 22: Top 10 UK origins and destinations of people who moved to and from the LEP in 2010-2011



Source: Census 2011

With regards to international migration, the LEP area saw the largest numbers of immigrants from countries including Spain (389 immigrants), Poland (378), Germany (339), India (338), Australia (283) and China (274).

### In-mover and Out-mover Profiles

Migration flows are an important component of population change in an area, changing both the size and the composition of the population. Understanding who is moving in and out of the LEP area may give some indication of where there may be issues with the current housing supply (both the volume and mix of housing) and also provide an indication of the changing demand and need for various services. The latter will particularly be influenced by the demographic profile of 'in-movers'.

As well as potential current issues with housing supply in the LEP area, parts of the area will in the future be affected by Birmingham's inability to meet its housing need. This likely increased house building should result in greater quantities of 'in-movers' to the area and therefore profiling recent 'in-movers' can help to provide an understanding of who may be most likely to move into these new houses in the future.

The following sections looks at patterns of migration in relation to characteristics including age; economic activity; and occupation. There is consideration of the propensity to move for different groups, how the profile of in-movers compares with the existing population, net migration for UK in-movers and out-movers, and the impact that immigration may have on the LEP areas population.

# Great Place to Live

## Housing & Demographic Change

### Potential Impacts on the Workforce and Raising Productivity in Stoke-on-Trent and Staffordshire

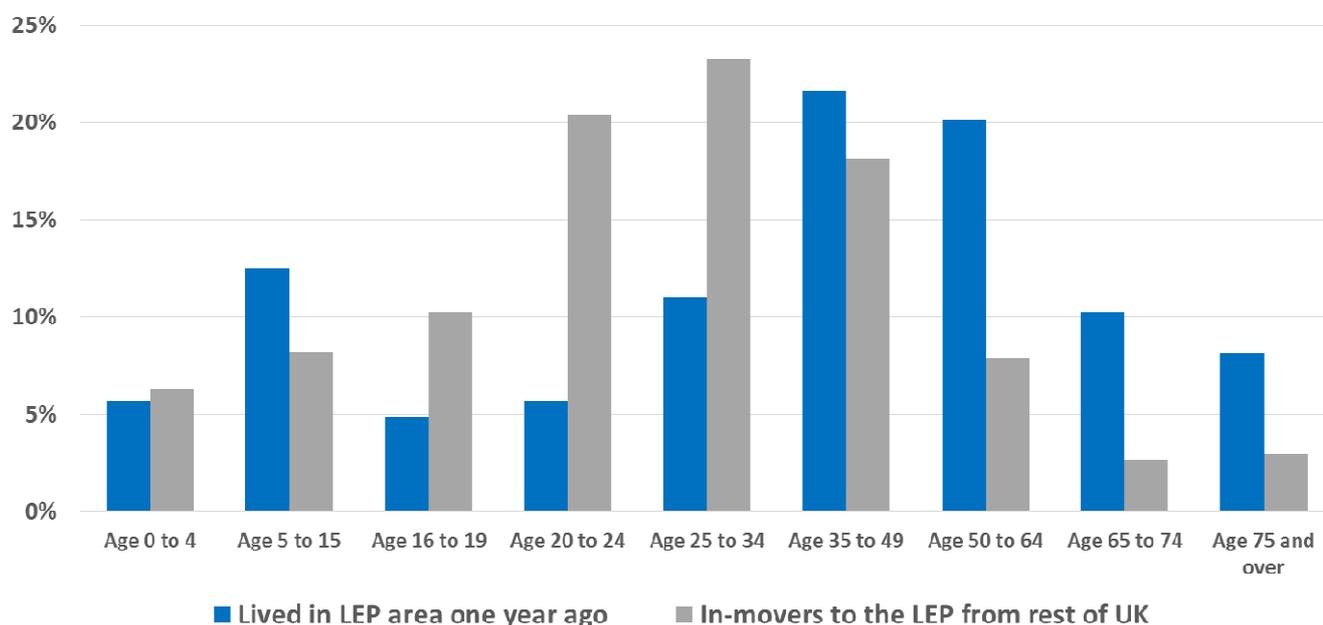
#### Age

As expected there is an higher propensity for people aged 16 to 34 to move area, with 17% people in this age having moved to or from the LEP in the year prior to the census. This compares to only 6% of those aged 0 to 15 and an even lower proportion of those aged 50 and over, with just 3% moving to or from the LEP area in the year prior to the census.

Looking more specifically at how the age profile of in-movers compares with the existing population can provide an indication of implications for the workforce composition of the area as well as the demand for key services, particularly those that tend to be age-related such as care services and education.

Figure 23 shows that the age profile of in-movers was substantially younger when compared with the existing LEP population in the 12 months prior to the census, this would suggest that migration into the LEP from other parts of the UK may help to limit projected increases in age dependency given that a higher proportion of in-movers are of working age. Also while the initial impact on the school age population will be relatively limited, this may change in later years if new younger residents choose to start families.

**Figure 23: LEP age profile of in-movers compared with existing population, 2011**



Source: Census 2011

Although the fact that young, working age people are being attracted to the area from other parts of the UK is likely to be positive for the productivity of the LEP area, there are a couple of important additional factors that need to be considered to provide a fuller picture of population change.

Firstly, it is important to consider the actual net migration for UK in-movers against out-movers. Figure 24 shows that the LEP area experienced a loss of over 600 residents aged 16 to 19 to other parts of the UK in the year prior to the census, a large proportion of which are likely to have been students moving to universities outside of the area. The LEP area also experienced the loss of more than 700 residents aged

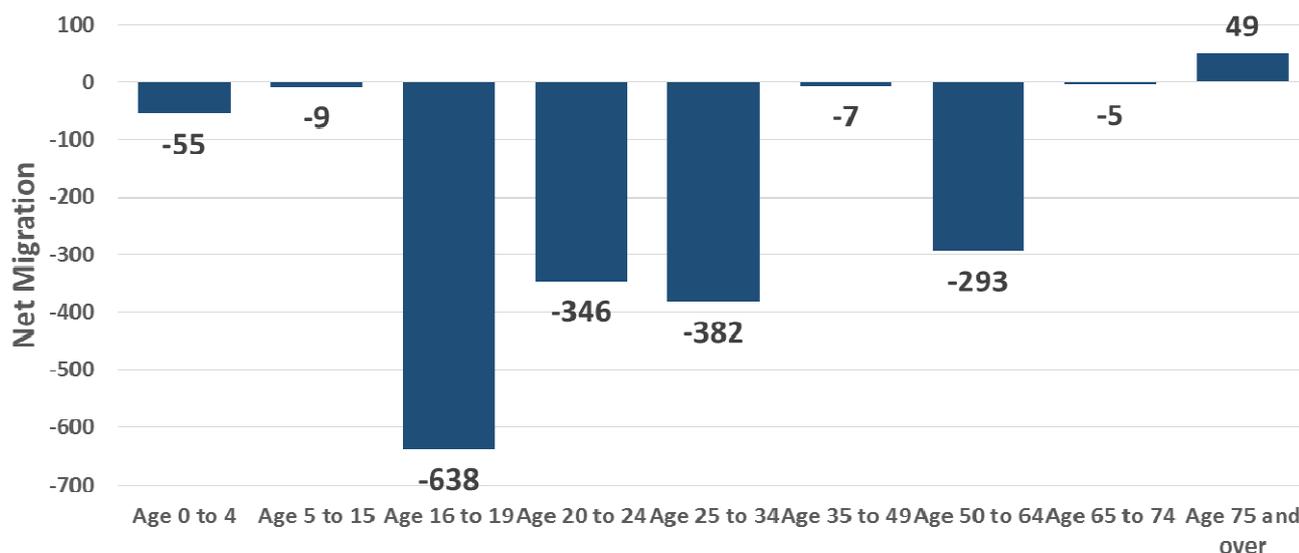
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## Housing & Demographic Change

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20 to 34 and a further 300 loss of those aged 50 to 64. This shows that the LEP is losing working age people to other areas of the UK and possibly indicates that for people in this age group there may be issues such as the availability of the right jobs and type of housing. The only age group to see a net gain during the year was the 75 and over age group.

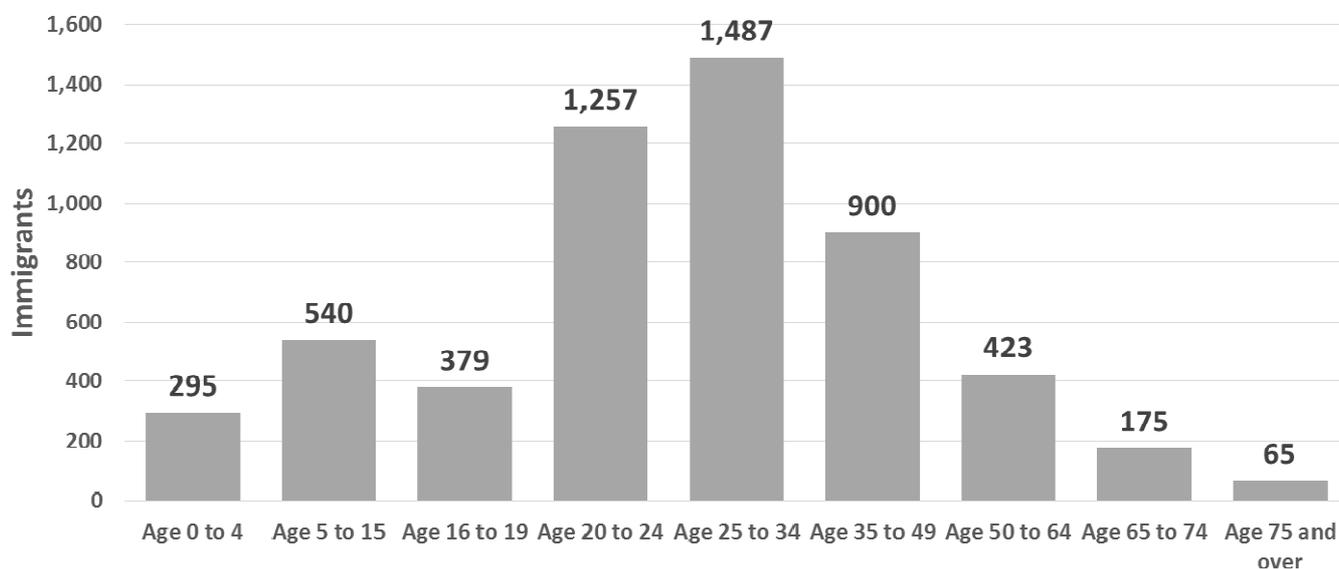
**Figure 24: LEP Net Migration for UK in-movers and out-movers by age group, 2011**



Source: Census 2011

Secondly, international migration to and from the LEP area could play an important part in changes to the size and composition of the local population. However as previously mentioned, census data is only available for in-movers to the LEP in the year preceding the census. Figure 25 shows that of the 5,521 immigrants to move to the LEP area during this period two thirds were aged 20 to 49.

**Figure 25: Immigration to the LEP area by age group, 2011**



Source: Census 2011

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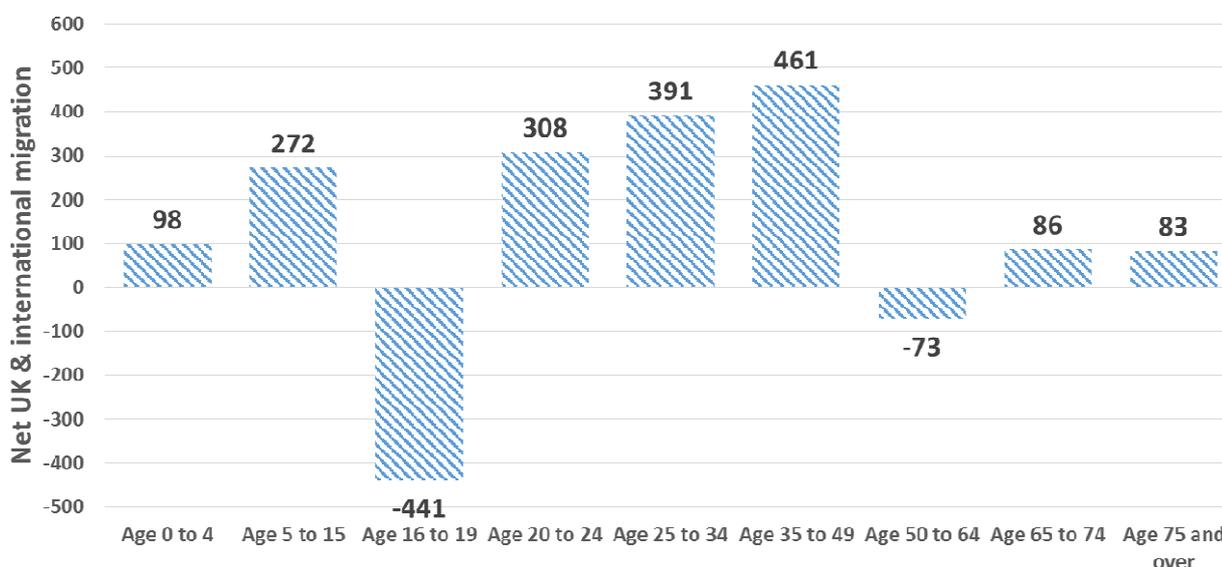
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Although it is not possible to compare immigration to the LEP against emigration out of the area, looking at the national picture there has been a recent rise in net international migration to the UK with the number of immigrants more than double the number of emigrants. This would suggest that for the LEP area it is more than likely that immigration numbers will outweigh any losses through emigration.

Figure 26 attempts to provide some indication of overall net migration to and from the LEP, including both moves within the UK and between other countries. For example, this shows that for migrants aged 16 to 19 there were likely to be more leaving the LEP to live elsewhere in the UK or abroad compared to those choosing to move to the LEP from other parts of the UK or abroad<sup>8</sup>. There were also potential overall gains in people of working age, as well as those of retirement age. Although there may be large differences in levels of international migration and emigration in different parts of the country, such as areas that are more rural or urban in nature.

**Figure 26: Potential LEP net UK & international migration by age group (modelled data for guide only)**



Source: Census 2011

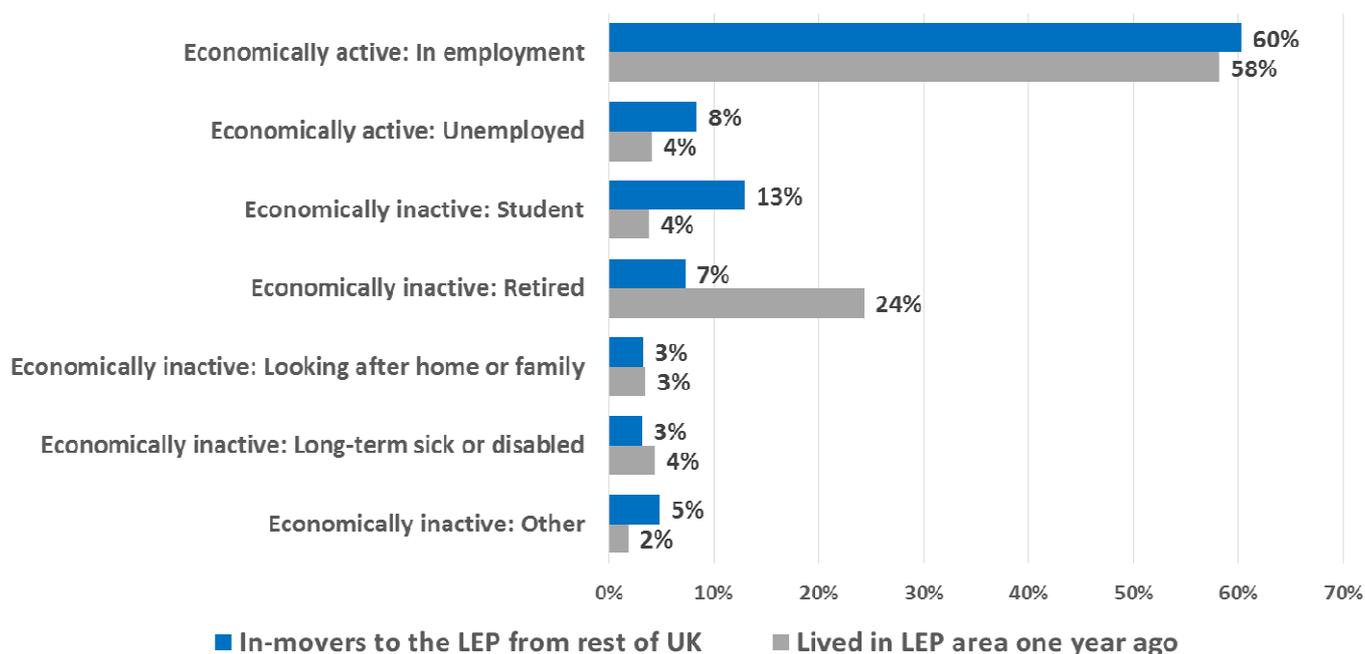
### Economic Activity of People Aged 16 to 74

By far the socio-economic group with the greatest propensity to move at the time of the census was students. Of the economically inactive students (both part-time and full-time students aged 16 to 74), 23% moved to or from the LEP area in the year prior to the census. The socio-economic group next most likely to have moved was the unemployed and those seeking work, where 15% had moved to or from the area. The least migratory were the retired, of whom only 2% had moved in the year prior to the census.

Figure 27 shows that when the economic activity of in-movers is compared with the existing population in the LEP, in-movers were twice as likely to be unemployed and more than three times more likely to be students. They were far less likely to be retired and no longer economically active, with just 7% of in-movers being retired compared to nearly a quarter (24%) of the existing population. This would suggest that in-movers are more likely to be economically active when compared to the existing population, whether that be choosing to study or become part of the labour force in the area.

<sup>8</sup> LEP emigration numbers are based on UK international migration figures which show that total emigration accounted for 48% of total immigration, therefore LEP immigration numbers have been multiplied by 0.48 to provide an indication of potential emigration from the LEP. 31

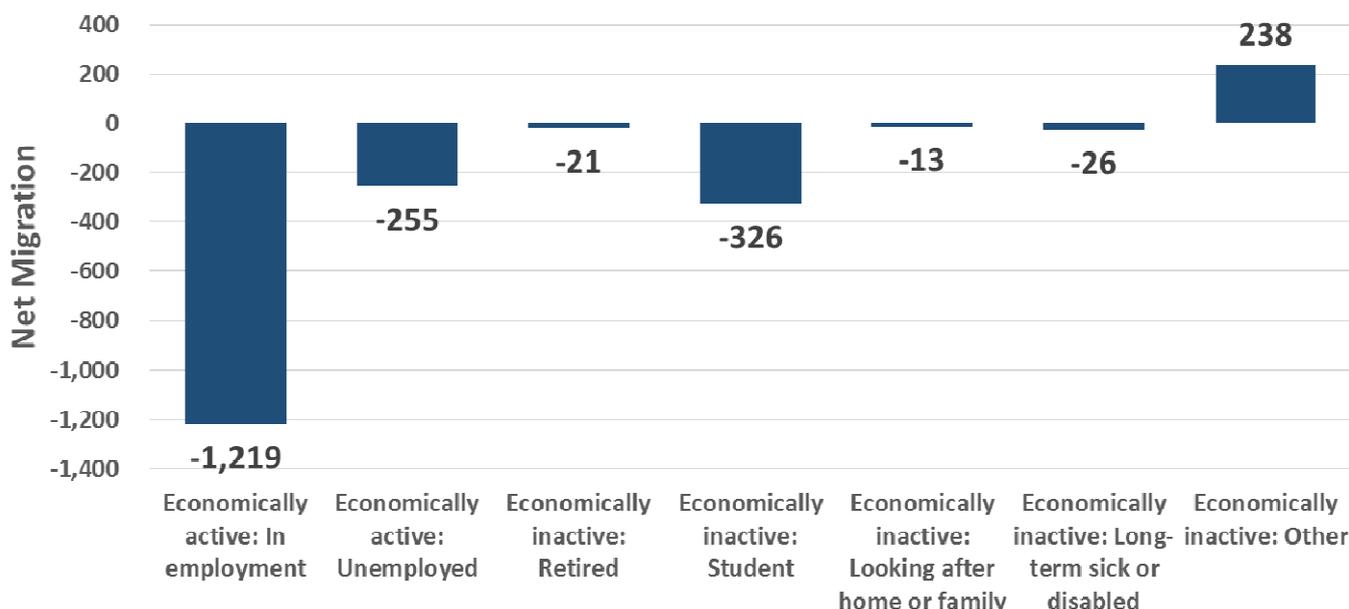
Figure 27: LEP economic Activity profile of in-movers compared with existing population, 2011



Source: Census 2011

However, when we consider net migration by comparing UK in-movers against out-movers, figure 28 shows that in the year prior to the census the LEP area experienced the net loss of over 1,200 economically active residents in employment. This would suggest that many residents chose to leave the area to take up work elsewhere and may indicate that there are issues around the retention of our existing workforce. There were also smaller net declines in the unemployed and students.

Figure 28: LEP Net Migration for UK in-movers and out-movers by economic group, 2011



Source: Census 2011

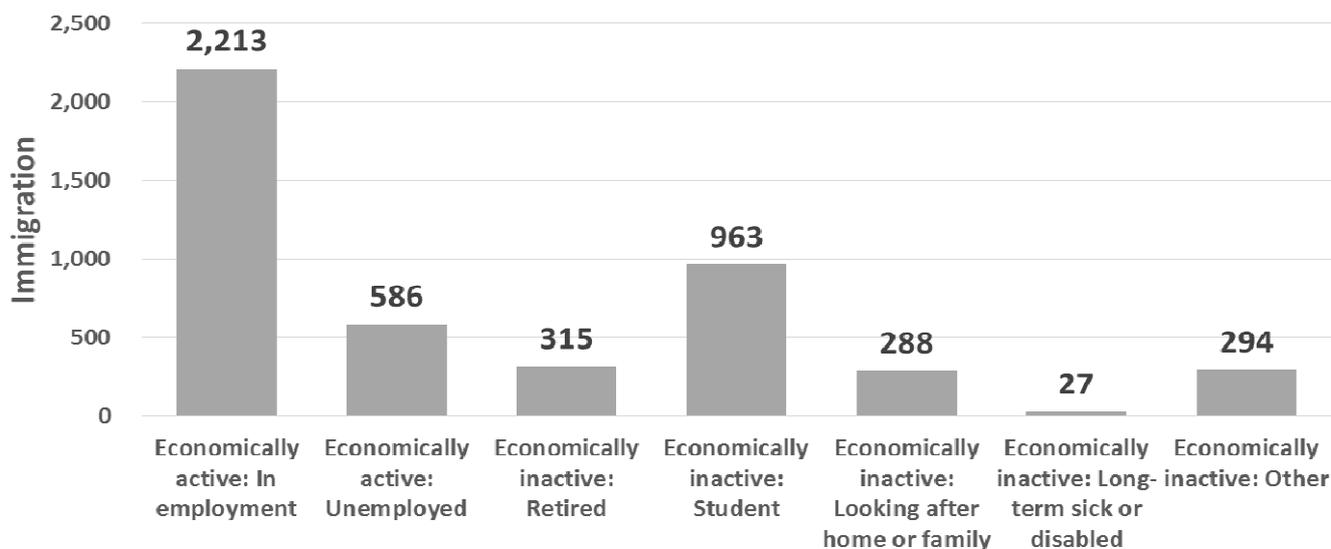
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International migration flows into the LEP, shown in figure 29, show that of the 4,686 immigrants aged 16 to 74 who moved to the LEP area during the year prior to the census nearly half (47%) were economically active and in employment, while 13% were unemployed. Just over a fifth (21%) were economically inactive students, while only a small proportion (7%) were retired.

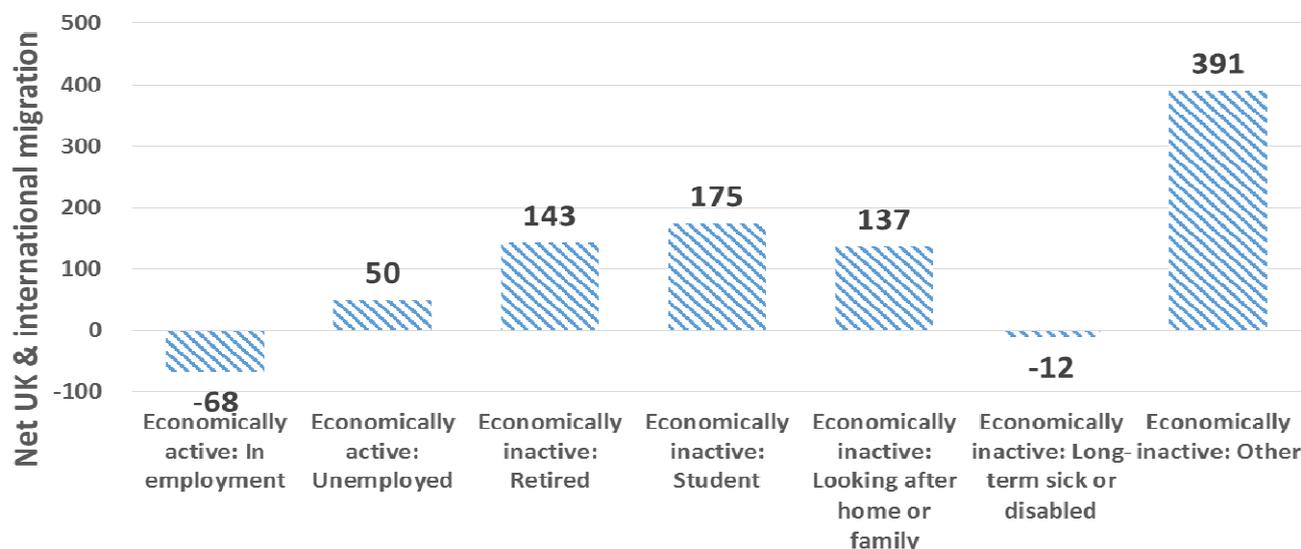
**Figure 29: Immigration to the LEP area by economic group, 2011**



Source: Census 2011

As with age we have attempted to provide an overview of overall net migration<sup>9</sup> by economic group. Figure 30 shows that there were potentially more people who were economically inactive (including those retired, students and looking after the home) moving in to the LEP area than the economically active. It is also possible that the large loss of people in employment through migration to other parts of the UK will in the main have been counteracted by an influx of people in employment from abroad.

**Figure 30: Potential LEP net UK & international migration by economic group (modelled data for guide only)**



Source: Census 2011

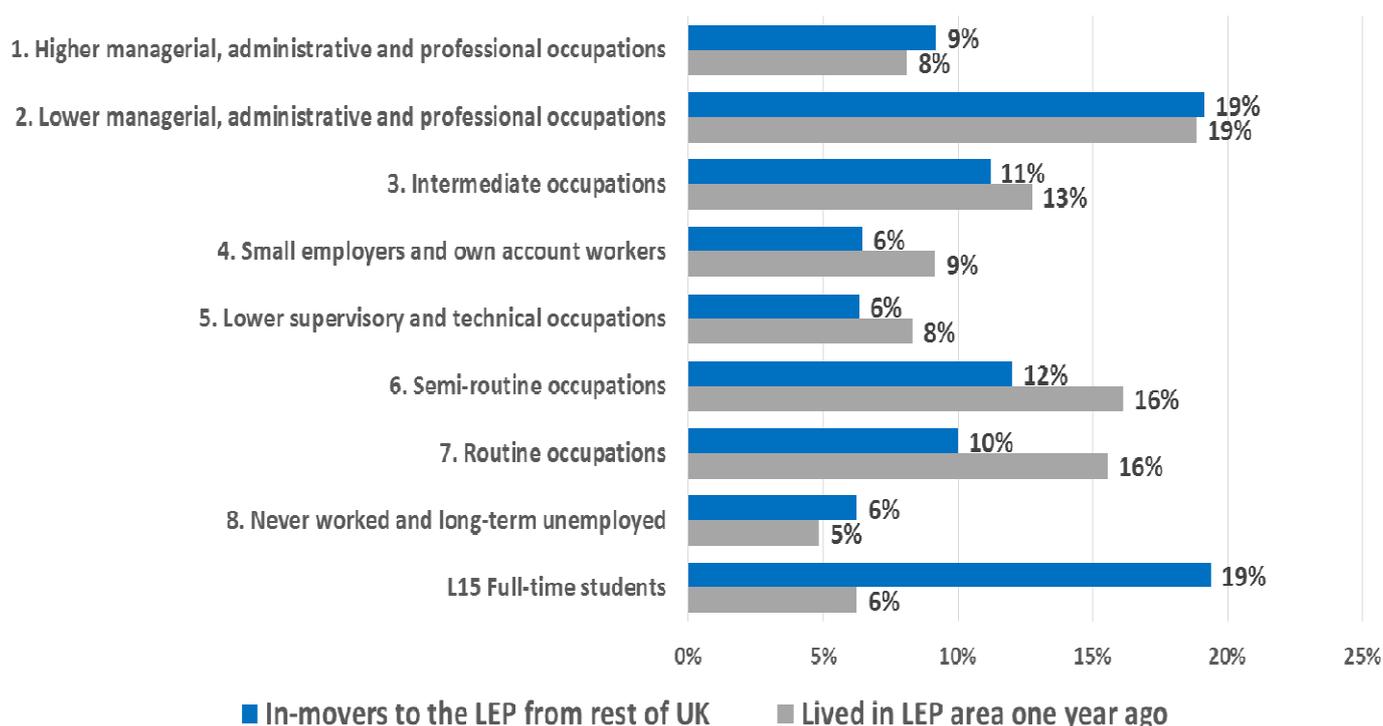
<sup>9</sup> LEP emigration numbers are based on UK international migration figures which show that total emigration accounted for 48% of total immigration, therefore LEP immigration numbers have been multiplied by 0.48 to provide an indication of potential 33 emigration from the LEP.

#### Occupation

The occupation group with the highest mobility at the time of the census was full-time students with 22% having moved to or from the LEP area a year prior to the census. The next occupation group most likely to have moved was those who had ‘never worked and were long-term unemployed’, with one in ten having moved, possibly indicating transitions between social housing and rented accommodation. Those in higher skilled and professional occupations (9%) were nearly twice as likely to have moved to and from the LEP area than those in routine, low skilled roles (5%).

Figure 31 shows the occupation of in-movers compared with the existing population in the LEP area. Compared with the existing population, in-movers had a slightly higher likelihood of being in higher professional occupation and a lower chance of being in routine or semi-routine occupations. As expected this suggests that people with lower skills and earnings are less likely to be in a position to move house compared to those in higher skilled occupations.

**Figure 31: LEP occupation group profile of in-movers compared with existing population, 2011**



Source: Census 2011

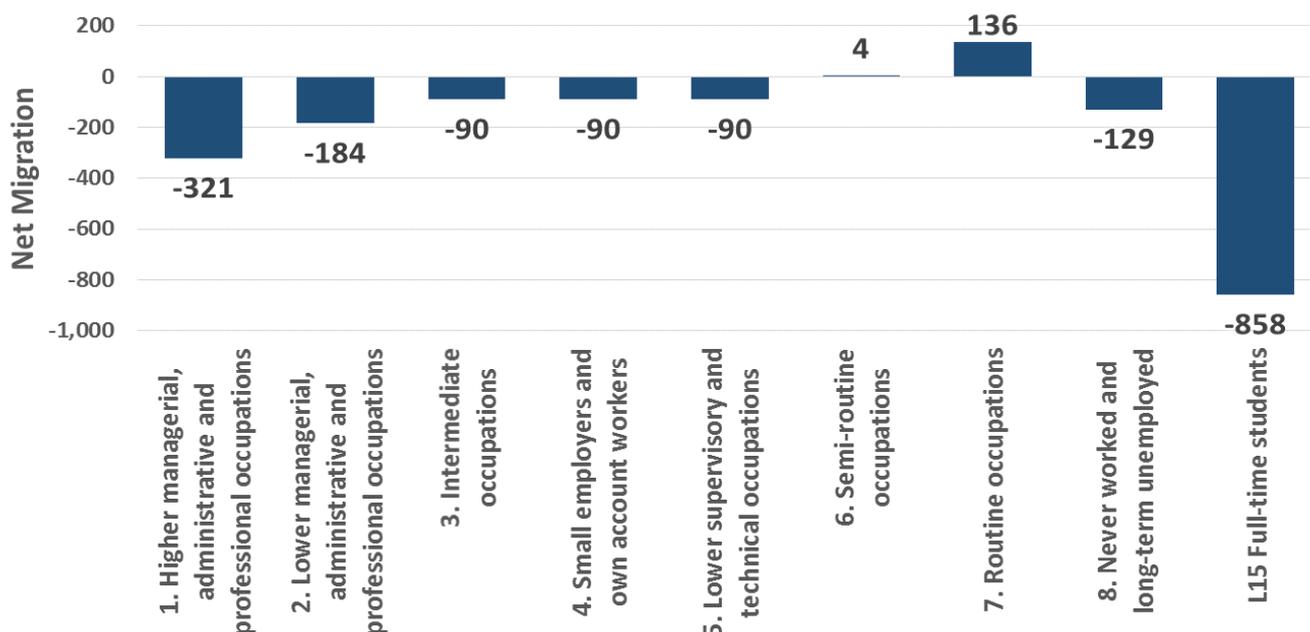
The attraction and retention of more skilled workers is seen as vital to economic growth and increased productivity in the LEP area. In considering net migration, figure 32 shows that for higher skills and professional occupations the number of UK out-movers from the LEP were higher than those choosing to move into the LEP, while the opposite was true for routine occupations. This possibly indicates that the LEP may have further work to do in order to increase the attractiveness of the area as a place to live and work compared to other parts of the UK in order to both retain and attract higher skilled workers to support growth and productivity.

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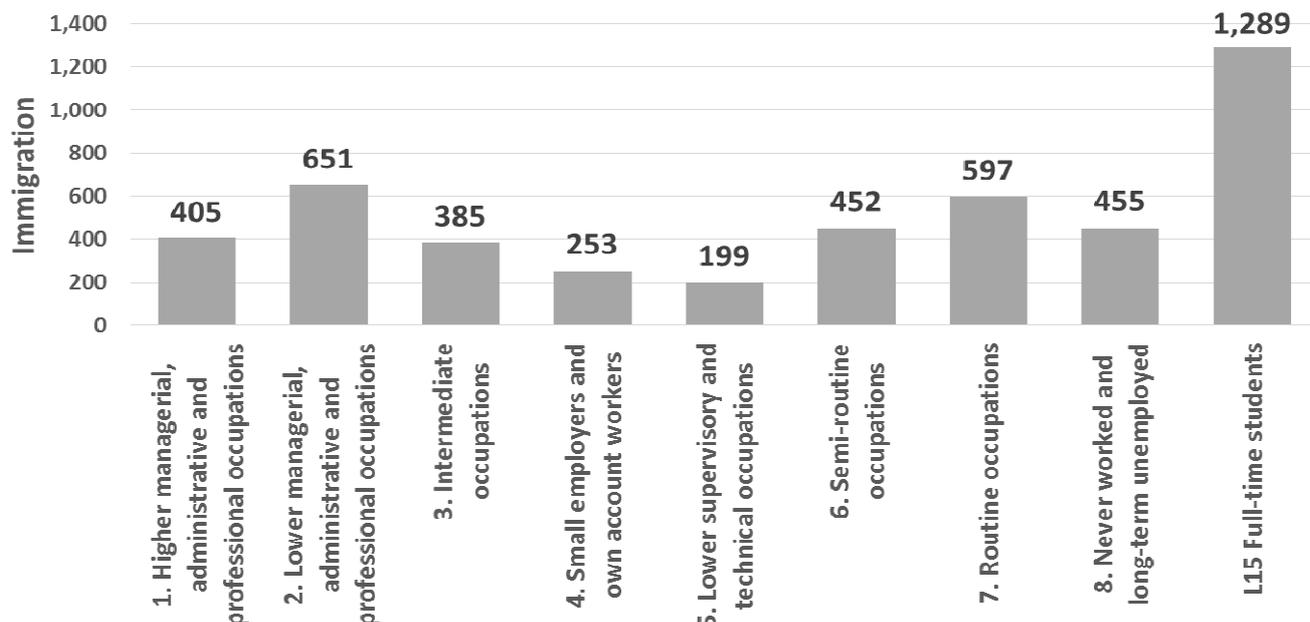
Figure 32: LEP Net Migration for UK in-movers and out-movers by occupation group, 2011



Source: Census 2011

In terms of immigration to the LEP area, figure 33 shows there was a mixed picture for the occupation groups of immigrants at the time of the census, with similar numbers in higher skills occupations compared to those in routine or semi-routine occupations. By far the highest group were full-time students accounting for nearly one in three of all migrants, while one in ten were people that had never worked and were long-term unemployed.

Figure 33: Immigration to the LEP area by occupation group, 2011



Source: Census 2011

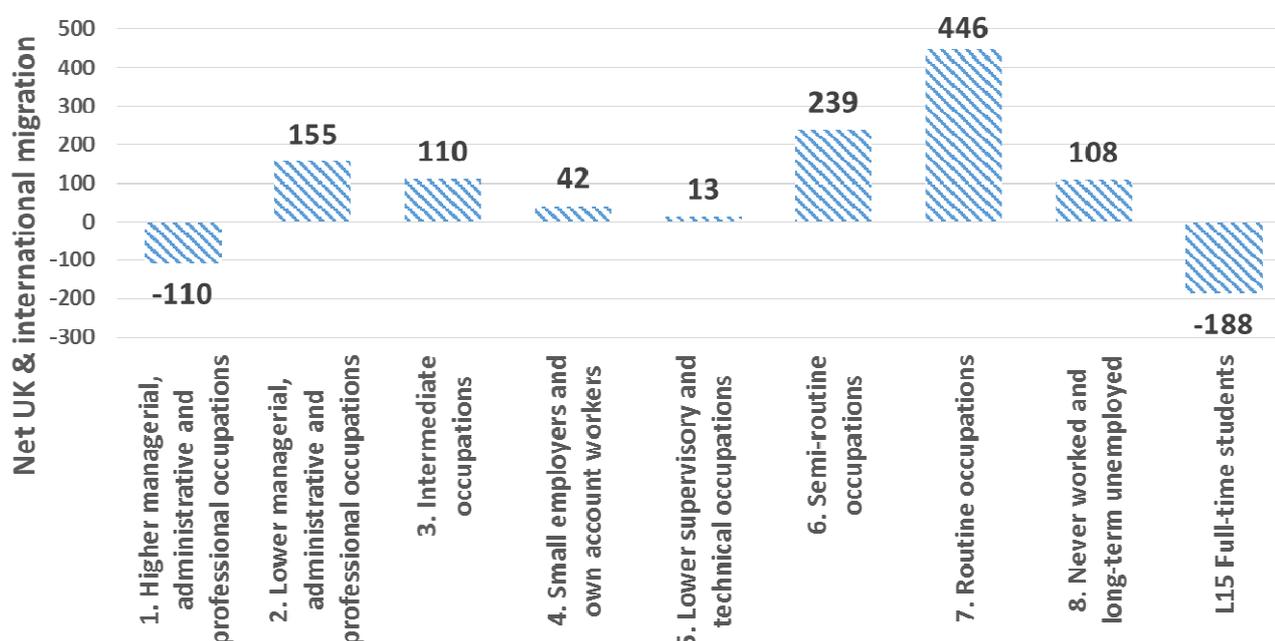
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Again, in order to try to provide an approximation of overall net migration<sup>10</sup> by occupation group, figure 34 shows that the two groups that potentially saw a net loss were 'higher managerial, administrative and professional occupations' and full-time students. The LEP saw gains across all other occupation groups, with the most significant being in 'routine occupations'. As the area generates more and better skilled jobs it would be hoped that overall net migration will see an increase in migrants being attracted to the area in higher skilled and professional occupations.

**Figure 34: Potential LEP net UK & international migration by occupation group** (modelled data for guide only)



Source: Census 2011

Among the main findings from this census-based review of LEP migration is that some types of people move in and out of the area much more often than others. This is especially so for young adults, including students moving to and from university. There are also potential issues regarding the loss of certain types of people, with the loss of economically active young people to other areas of the UK, in particular those in higher skilled professional occupations. The LEP area has also been seen to be gaining older people through net migration and these will have support and service demands which will need to be met.

Given that the population of the LEP area is ageing while the working age population has been in decline, it is increasingly important that the LEP attracts and retains the workforce and skills needed to support economic growth in high value industries. As part of this there will need to be the right housing in place to both retain existing skilled workers and attract higher skilled workers to the area, particularly graduates where affordable housing will be paramount.

<sup>10</sup> LEP emigration numbers are based on UK international migration figures which show that total emigration accounted for 48% of total immigration, therefore LEP immigration numbers have been multiplied by 0.48 to provide an indication of potential emigration from the LEP.

## How Future Housing Can Help Enhance Productivity and Prosperity in Stoke-on-Trent and Staffordshire

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It is recognised that there is an housing crisis across the UK and the LEP area is found to have a number of housing and demographic issues which could hinder ambitions to raise productivity and increase prosperity in Stoke-on-Trent and Staffordshire.

### Existing LEP Area Housing and Demographic Issues

Due to the recession and economic downturn, along with other possible factors, the **delivery of housing in the LEP area has slowed** over recent years at a time when there has been a growth in the population, which is expected to continue. This has resulted in the area experiencing housing supply **issues both in terms of quantity and quality**, with some areas seeing a shortfall of new homes, exacerbating affordability issues, and other parts suffering from low quality, older housing stock.

There is also likely to be **pressure from surrounding areas**, such as Birmingham, for increased house building in the LEP area as they are unable to meet their own housing needs, while nationally significant infrastructure projects such as HS2 will likely lead to further growth.

Alongside the need to increase the overall supply of new homes, there are also **housing market issues regarding the type and mix of housing** which currently exists in some parts of the LEP. As house building has slowed there has been a **rise in the cost of housing** making some areas unaffordable for many, in particular first-time buyers and workers on lower than average pay. To help address this situation there **needs to be an increased supply of affordable housing**, alongside support for first-time buyers and young skilled workers, including graduates, to get onto the property ladder, i.e. Right to Buy and Starter Homes.

As well as improving the affordability of housing, there also needs to be the right amount of high quality **'aspirational housing' to support growth in higher paid and better skilled jobs**. For some areas this means increasing the supply of larger aspirational properties and in other areas having housing that allows people to move up the property ladder and remain in the area as they develop their skills and careers. The supply of more aspirational housing could also help attract higher skilled workers and higher income families to the LEP area.

### Potential Benefits from Having the Right Housing Stock in the LEP area

The provision of the right housing stock could see the **reversal of declining house sales** and help **widen opportunities for home ownership** in the LEP area, with **less of a reliance on privately rented housing** where there are issues relating to rent levels, security of tenure with rising evictions and housing quality that can impact on health and wellbeing.

At a time when the population of the LEP area is ageing and there is a declining working age population, the right housing supply can **improve the comparative attractiveness of the area** as a place to live and work. This may have **positive effects on migration flows to and from the area** by retaining existing

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### Potential Impacts on the Workforce and Raising Productivity in Stoke-on-Trent and Staffordshire

economically active, skilled working age residents and potentially attract higher skilled workers and graduates to the area.

By possessing the housing to **increase the workforce and skills needed to support economic growth**, the LEP area would become **more competitive in attracting greater business investment**. This can lead to greater access to more good jobs for an increasingly skilled workforce which is more productive and able to benefit from economic growth and a better quality of life through increased prosperity.

The increase in housing and business investment could also see **greater retention of both council tax and business rates** to fund services within local communities, although this is very much dependent on the final design of the business rate retention mechanism.

#### Future Housing Supply in the LEP area

If the LEP area is to solve existing housing and demographic issues and reap the benefits of having the right housing stock then proposed future housing supply will need to take into account changing demands of both the existing and future population, particularly the workforce, with the right quantity and type of new housing developments matched to the level and location of demand. The successful delivery of new homes will be **dependent on how barriers to housing delivery in the area can be overcome**, including access to investment and funding; planning; viability; land availability; supporting infrastructure; and environmental concerns.

Clearly Stoke-on-Trent and Staffordshire is made up of **distinct housing markets and it is recognised that these will have different challenges** that will need to be addressed through effective local partnership working. For example, in Stoke-on-Trent the viability of housing developments remains a challenge whilst affordability is a greater issue in a number of more rural parts of the county.

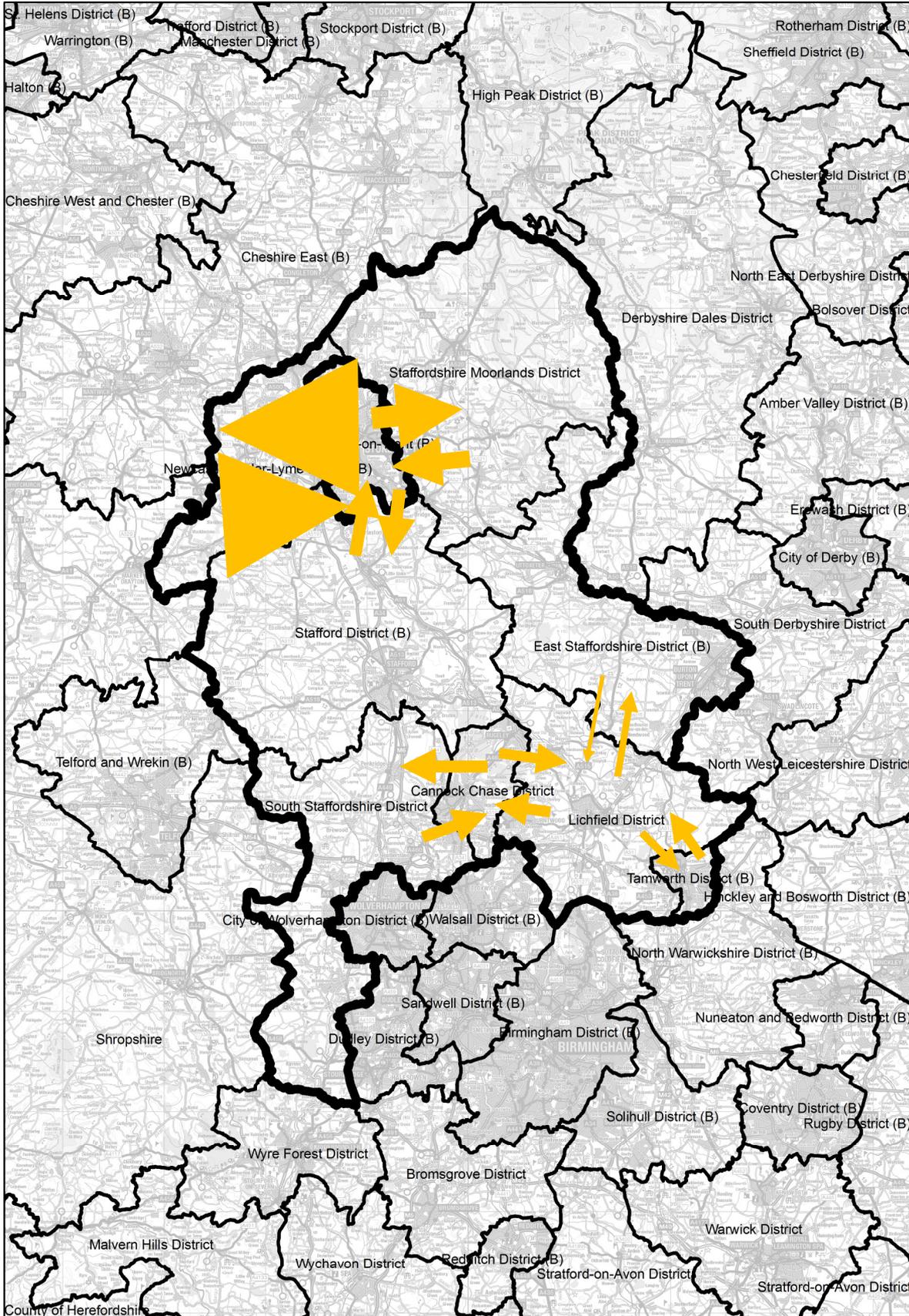
Any new housing developments will need to be in suitable locations with **access to a good range of community facilities, jobs, services and infrastructure**. In particular, it will be important that there is the appropriate investment in **skills provision** to ensure that existing and new residents have the ability to develop their skills, including upskilling and reskilling, to support economic growth and increased productivity in the LEP area.

#### Appendix

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The following maps show the main individual LEP local authority internal migration flows and top UK migration origins and destinations (the arrows are weighted by the size of the flows).

Figure 35: Top internal LEP migration to and from each local authority area of the LEP



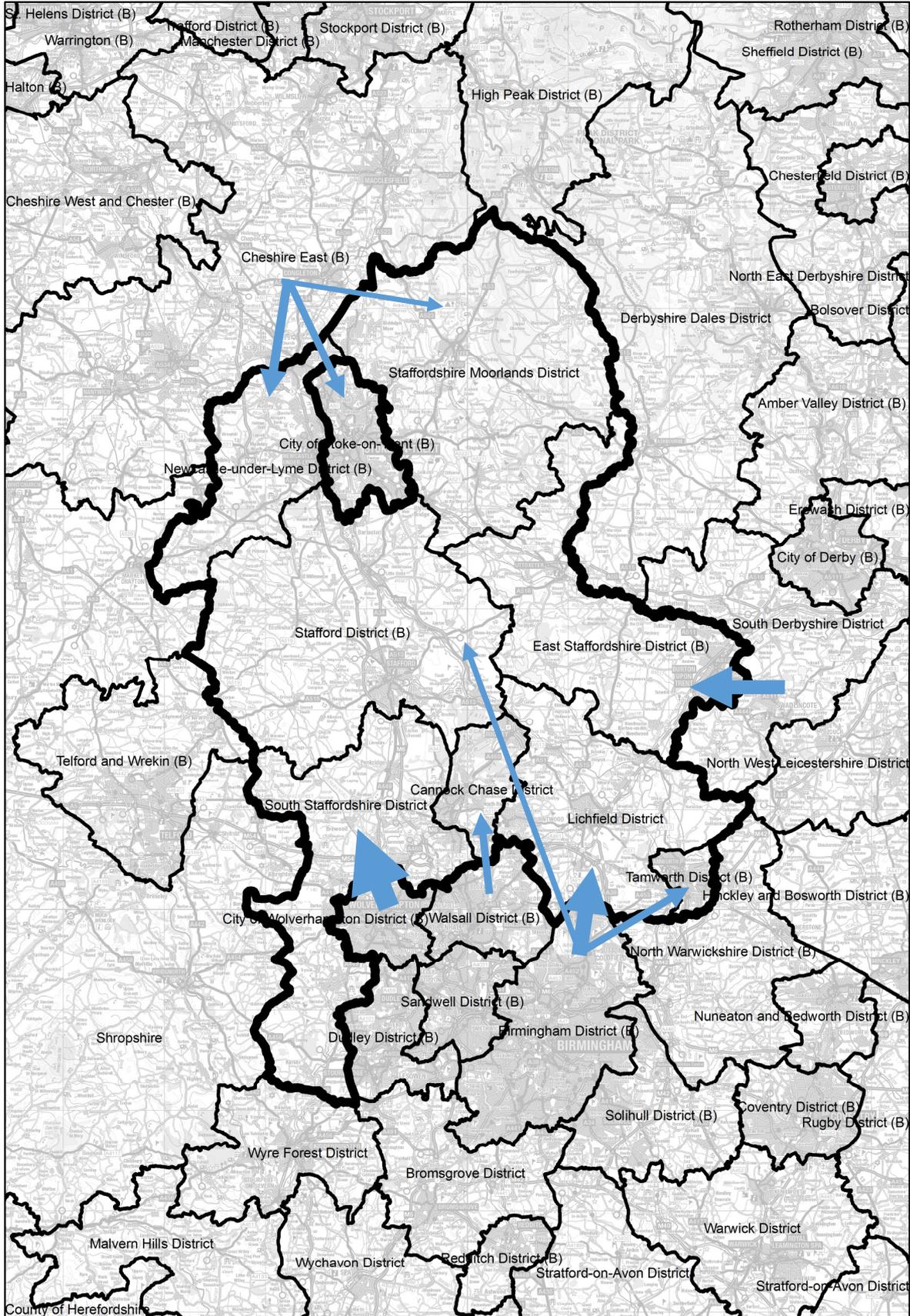
Source: Census 2011

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### Potential Impacts on the Workforce and Raising Productivity in Stoke-on-Trent and Staffordshire

Figure 36: Top origin of UK migration into each local authority area of the LEP



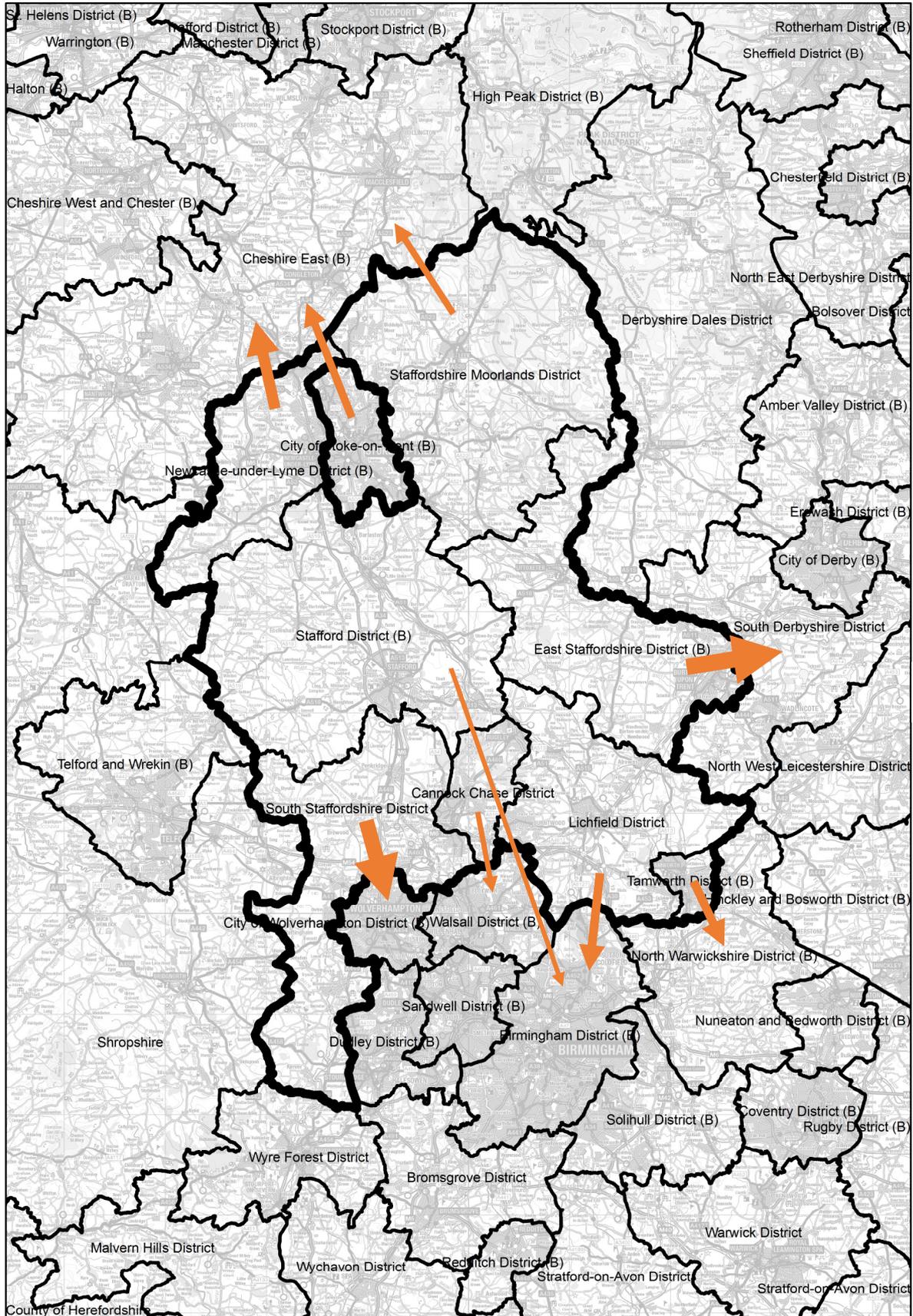
Source: Census 2011

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### Potential Impacts on the Workforce and Raising Productivity in Stoke-on-Trent and Staffordshire

Figure 37: Top destination of UK migration out of each local authority area of the LEP



Source: Census 2011