

CLACKMANNANSHIRE & STIRLING  
STRUCTURE PLAN  
3RD ALTERATION

Affordable Housing





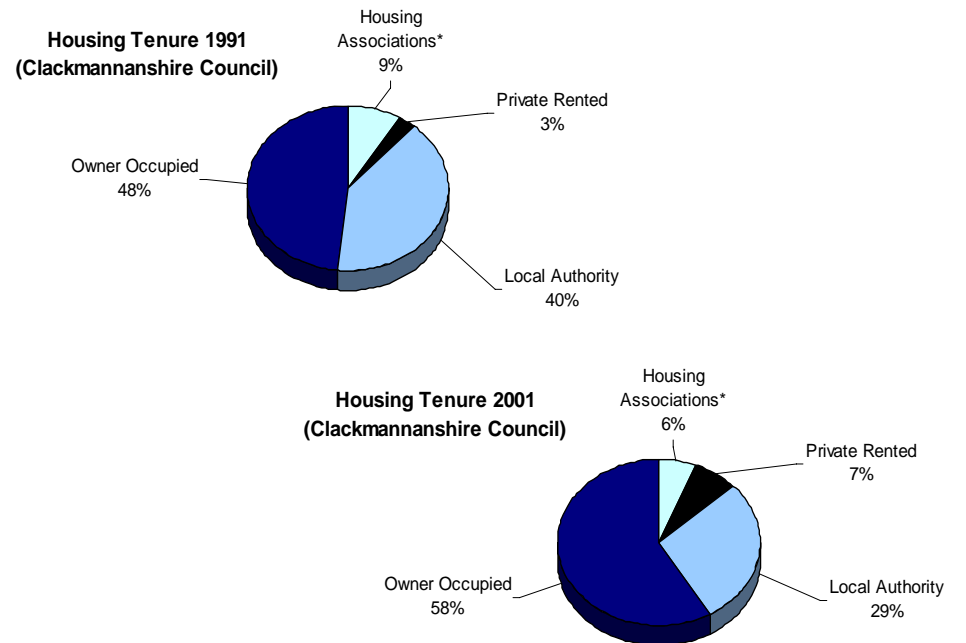
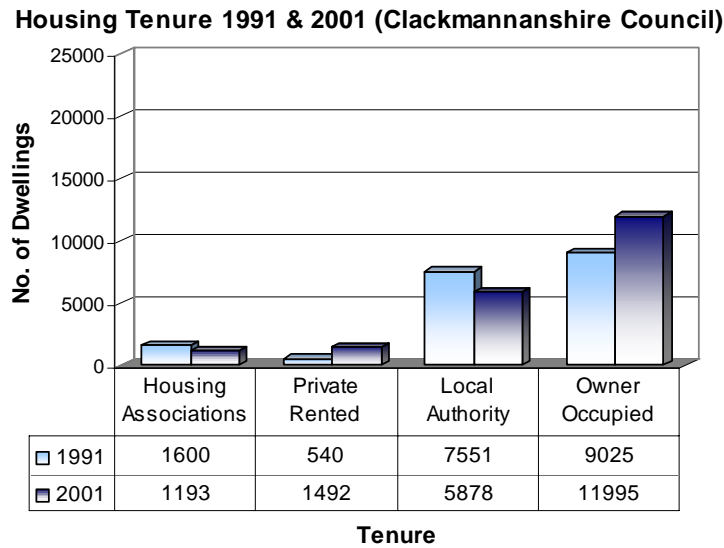
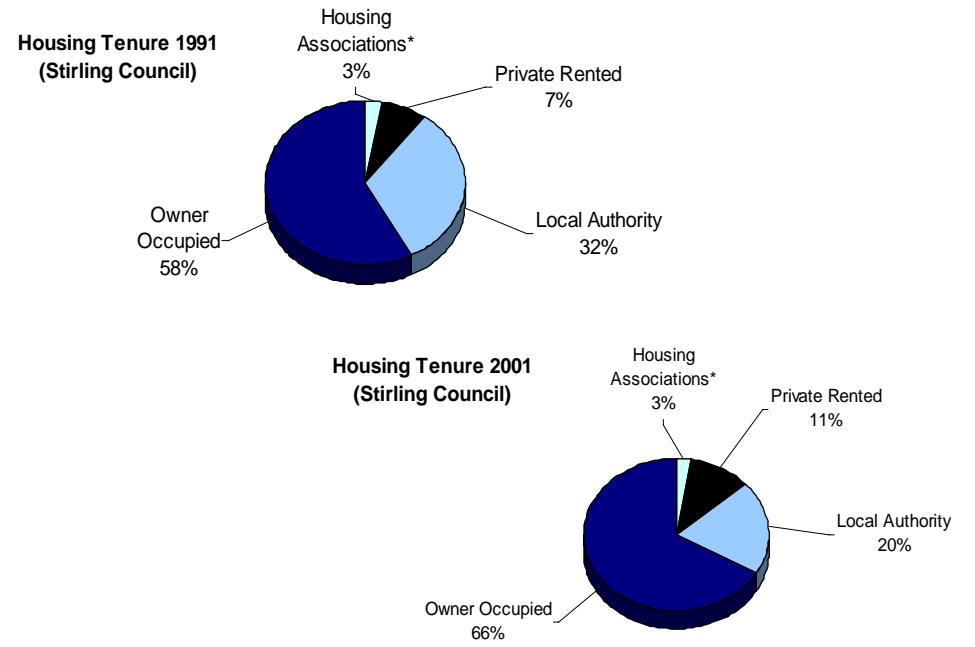
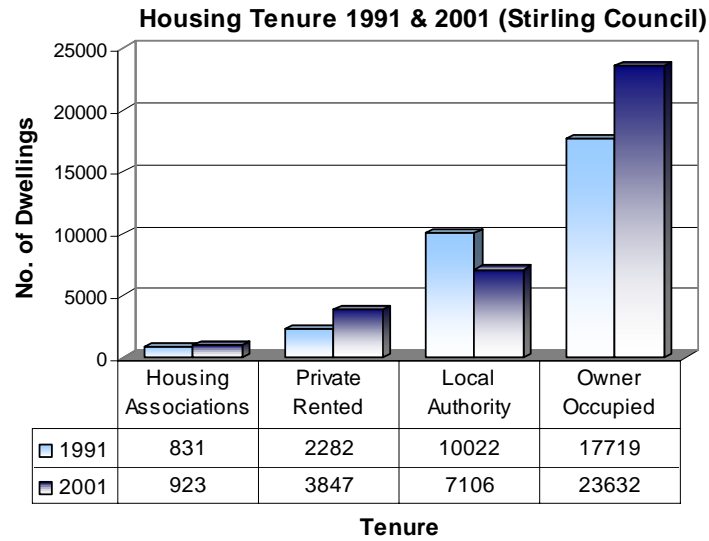
## 6.0 Affordable Housing

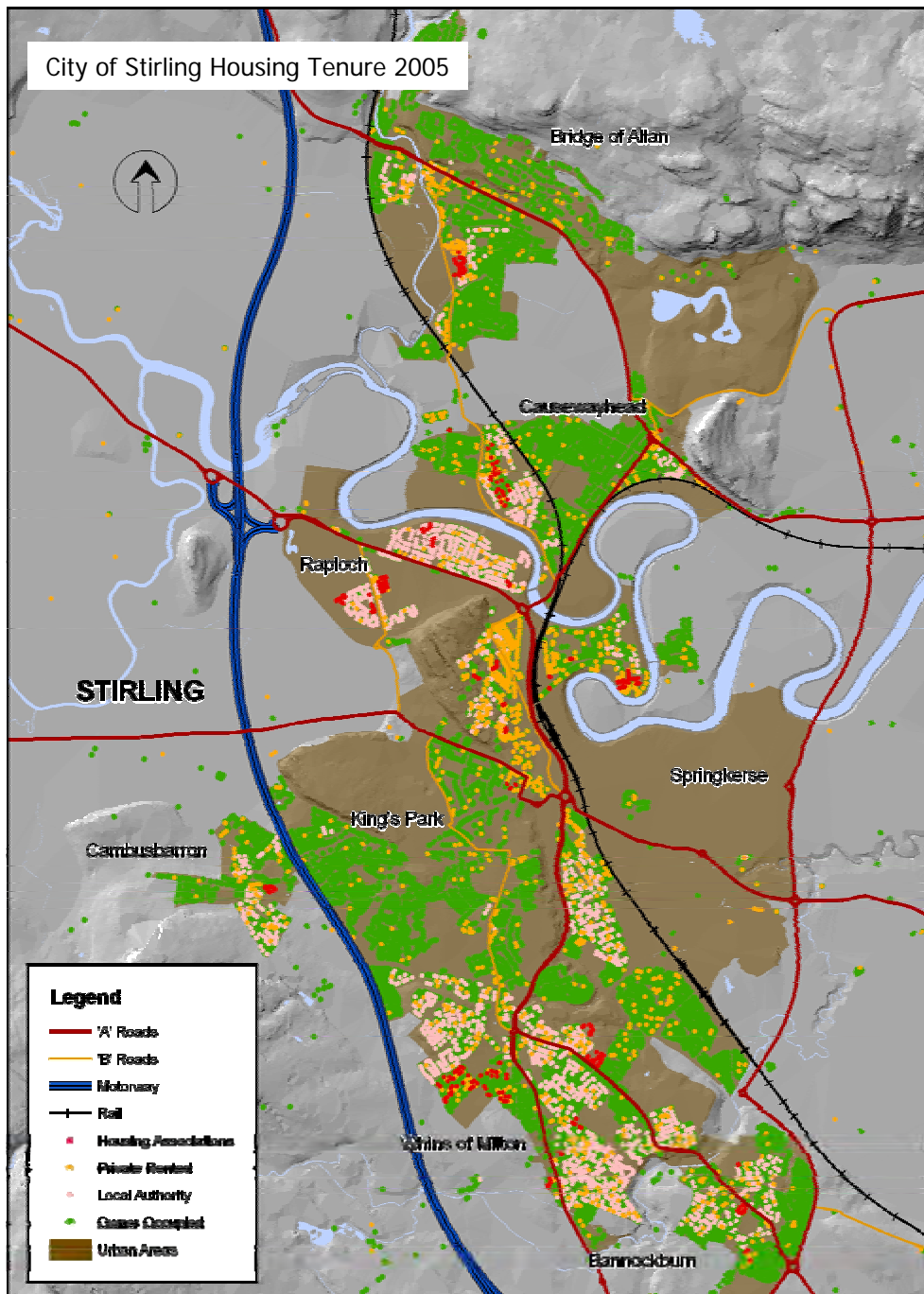
6.1 Scottish Planning Policy indicates that planners should be guided by Local Housing Strategies (prepared in the context of the Housing Act). Both Stirling and Clackmannanshire have approved Local Housing strategies but it is recognised that the linkages between these and the development plan need to be strengthened through subsequent reviews. Clackmannanshire have just completed a housing need study to inform future review of their strategy and Stirling also intend to update their assumptions on housing need in the area. In the absence of a clear instruction from the LHS to the Structure Plan in terms of a future requirement for affordable housing this paper presents some information on the characteristics of the housing market in relation to affordability and highlights some of the outstanding issues to be addressed.

### 6.2 Tenure

6.2.1 Fig 29 shows the composition of the housing stock in Clackmannanshire and Stirling from the 2001 Census, comparing this with the situation in 1991. This shows a substantial increase in owner occupation (10% increase in Clackmannanshire and 8% increase in Stirling). It also illustrates the substantial decline in Local Authority rented stock (decline of 26% in Stirling and 23% in Clackmannanshire). This is attributed to the impact of right to buy of Council houses and the fact that new build programmes have been limited to smaller scale development by registered social landlords (Housing associations). The role of private rented housing has increased in both local authority areas (176% increase in Clackmannanshire and a 73% increase in Stirling), though the overall proportion remains small.

**Fig.29 Housing Tenure**

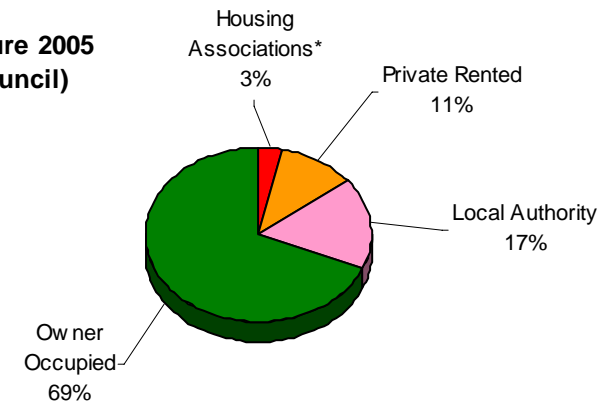




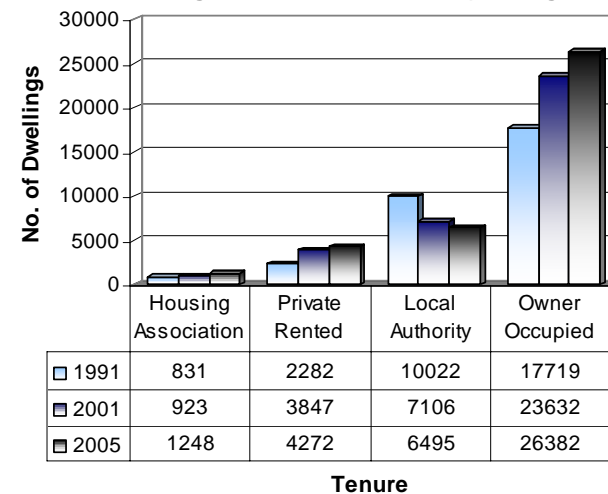
**Fig.30 Housing Tenure 2005**

6.2.2 Fig 30 indicates that in Stirling at least the trends exhibited above have continued up to 2005. The map of housing tenure in Stirling indicates that the distribution of social rented and local authority housing is increasingly concentrated in a few localities. This means that the choice of locations where people can access a social rented house is becoming increasingly restricted.

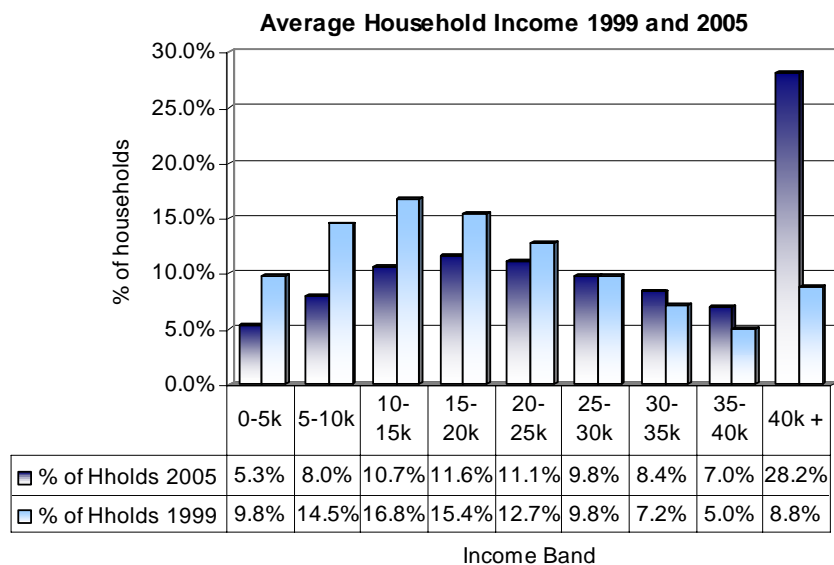
**Housing Tenure 2005 (Stirling Council)**



**Housing Tenure 1991 to 2005 (Stirling Council)**



**Fig.31 Average Household Income - Stirling Council Area**



### 6.3 Income

6.3.1 Fig 31 indicates that:

- 28.2% of households had a gross income of more than £40k in 2005 compared to 8.8% in 1999.
- The percentage of all of households with an income of less than £15k declined from 41.1% to 24.0% between 1999 and 2005.
- Almost 2% of households had an income of over £100k in 2005.

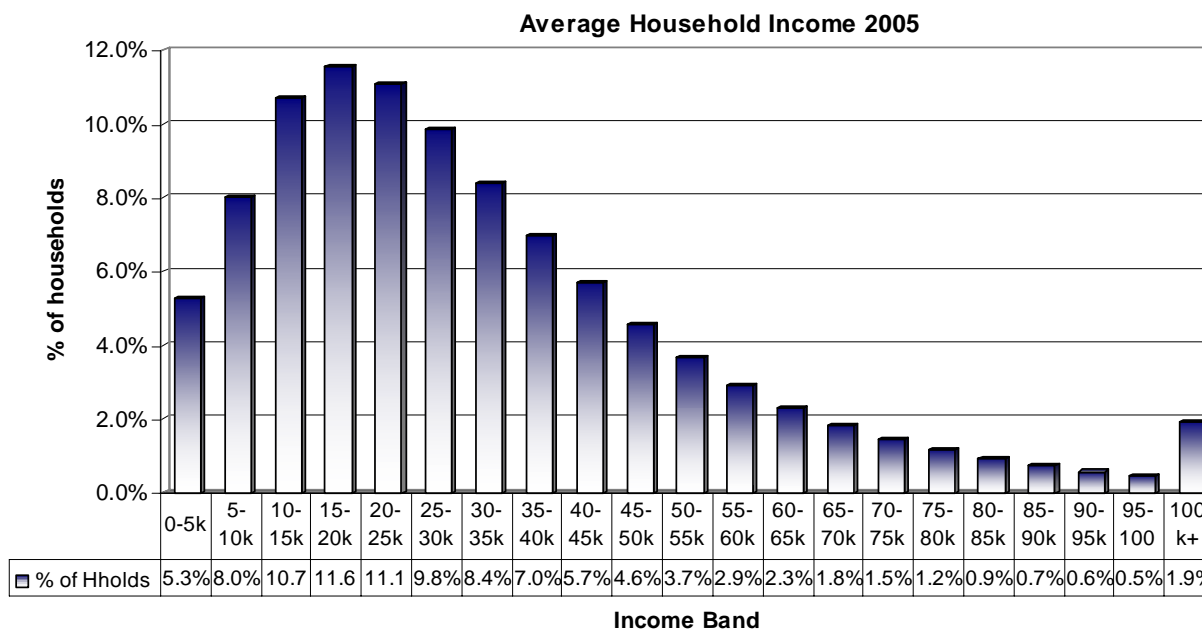
Average household income (gross) in Stirling Council area in:

1999 - £24,600

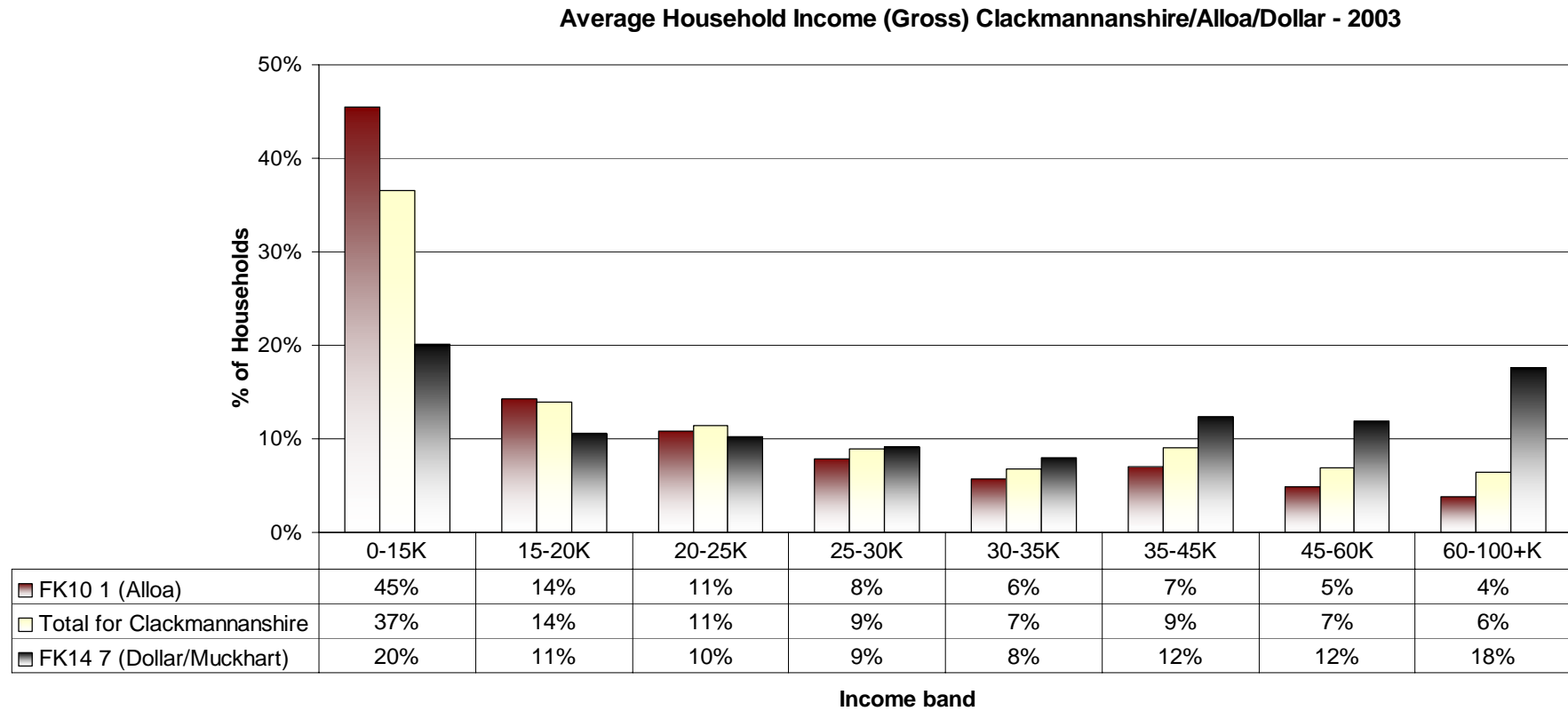
2005 - £34,700

An increase of £10,100 (41%)  
Between 1999 and 2005

(Compared to a 71% increase in average house prices over the same period – see Fig.30)



**Fig.32 Average Household Income - Clackmannanshire Council Area**



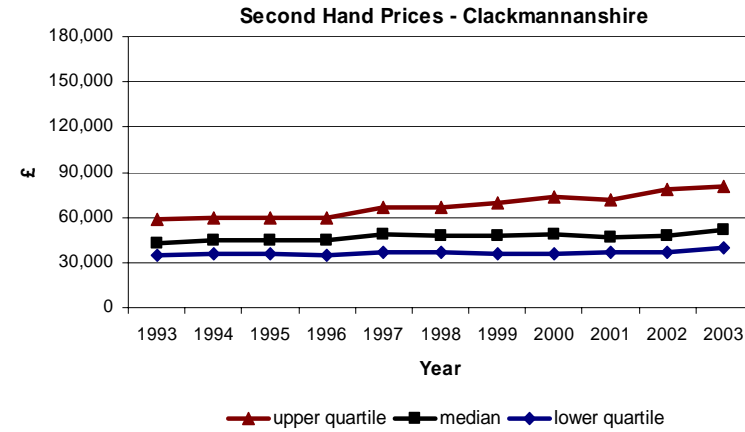
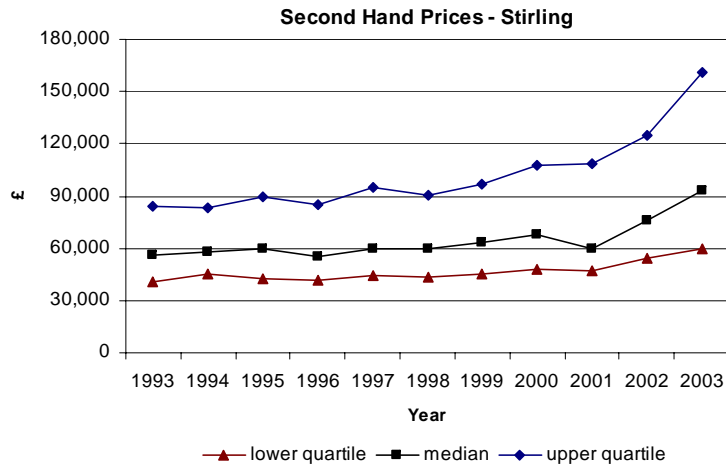
6.3.2 Fig 31 indicates that:

- 37% of households in Clackmannanshire had a gross income of less than £15k in 2003.
- Only 6% of households in Clackmannanshire had an income of over £60k in 2003

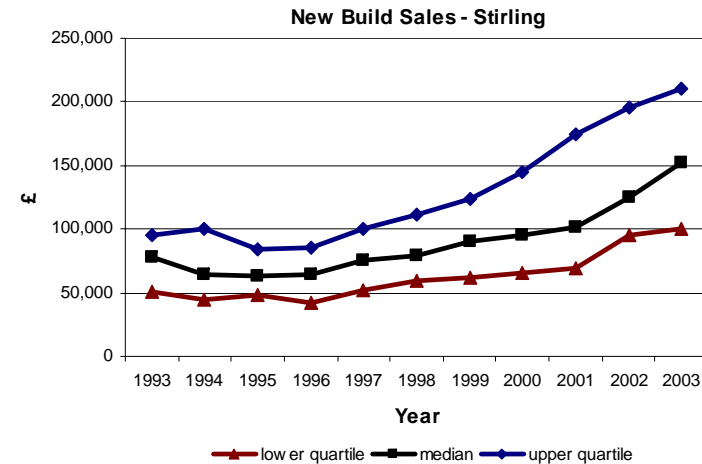
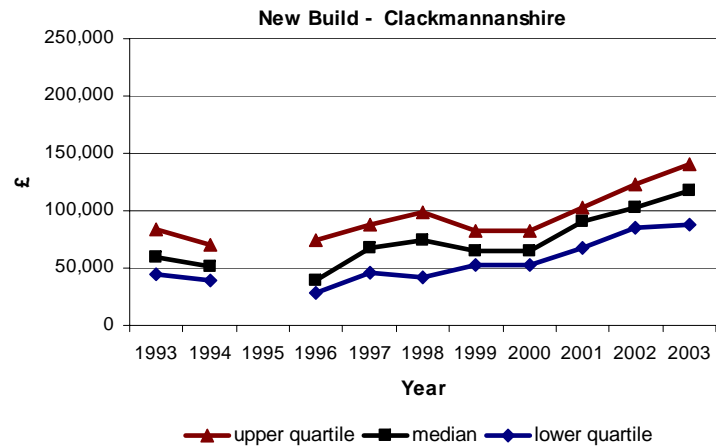
## 6.4 House Prices

6.4.1 If the income data above is compared with house prices, Sasines analysis of second hand house prices in Clackmannanshire indicates a median price of £52,000 in 2003 and in Stirling £93,000(Fig 33). For new build houses prices are significantly higher with a median for Clackmannanshire of £117,5000 in 2003 and £152,500 for Stirling (Fig 34)

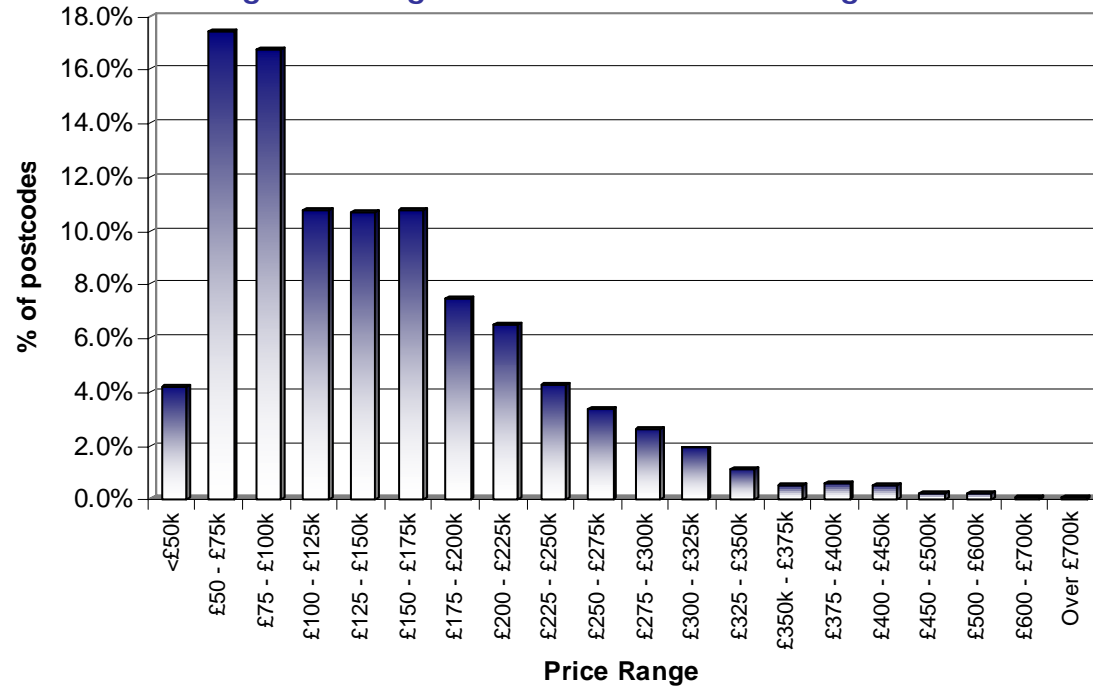
**Fig.33 Sasines Analysis – Second Hand Prices**



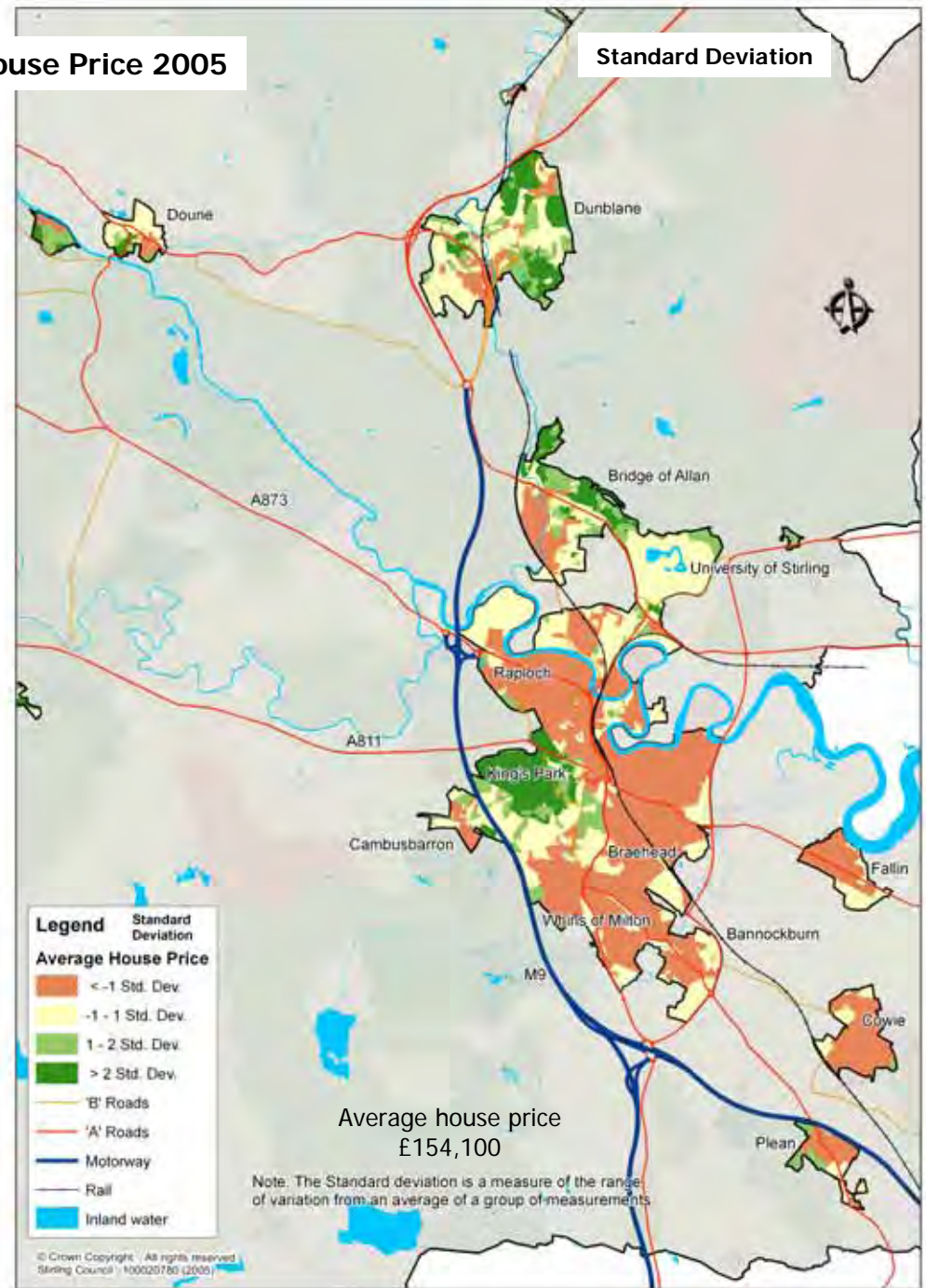
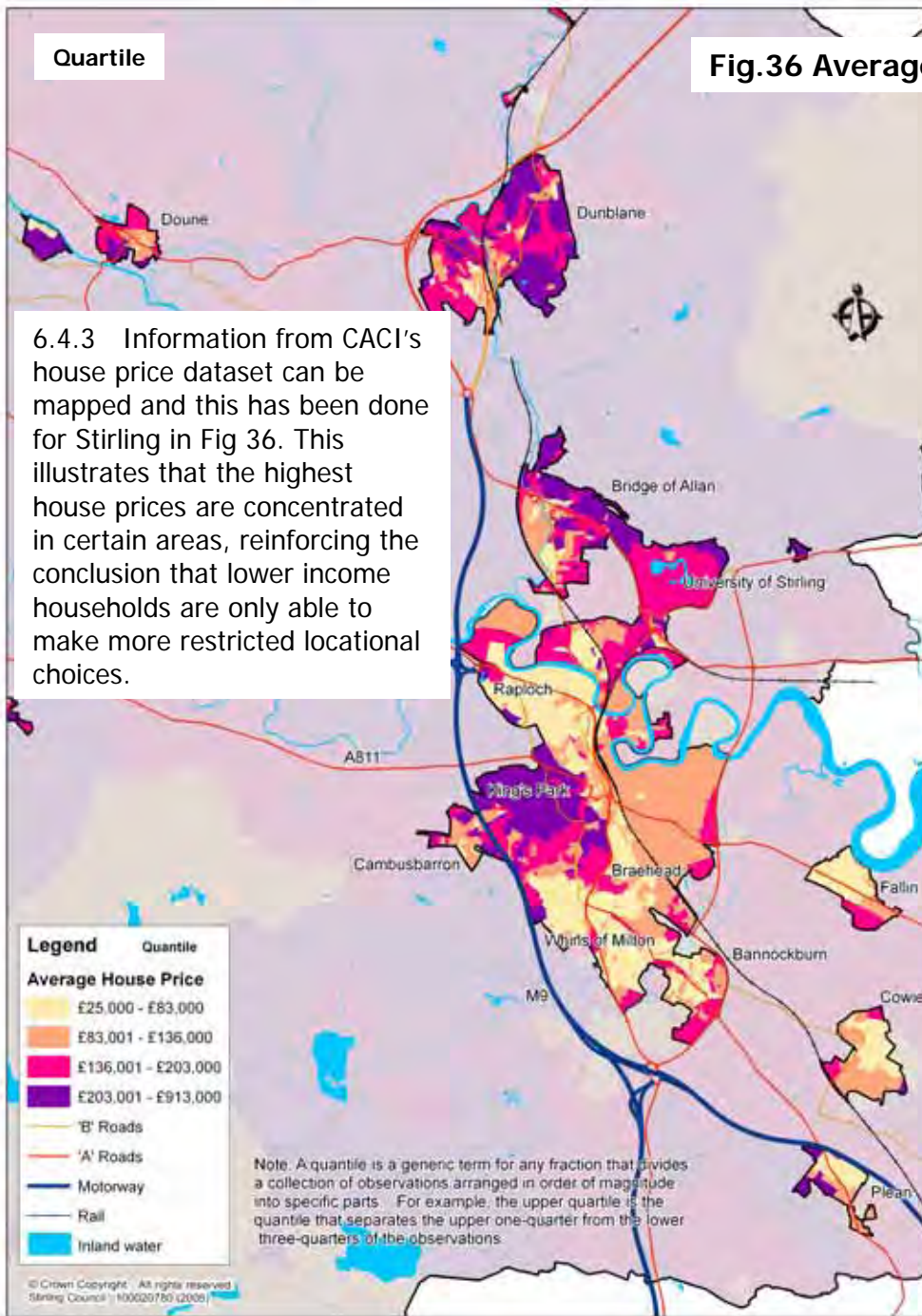
**Fig.34 Sasines Analysis – New Build Sales**



**Fig.35 Average House Price 2005 - Stirling Council Area**



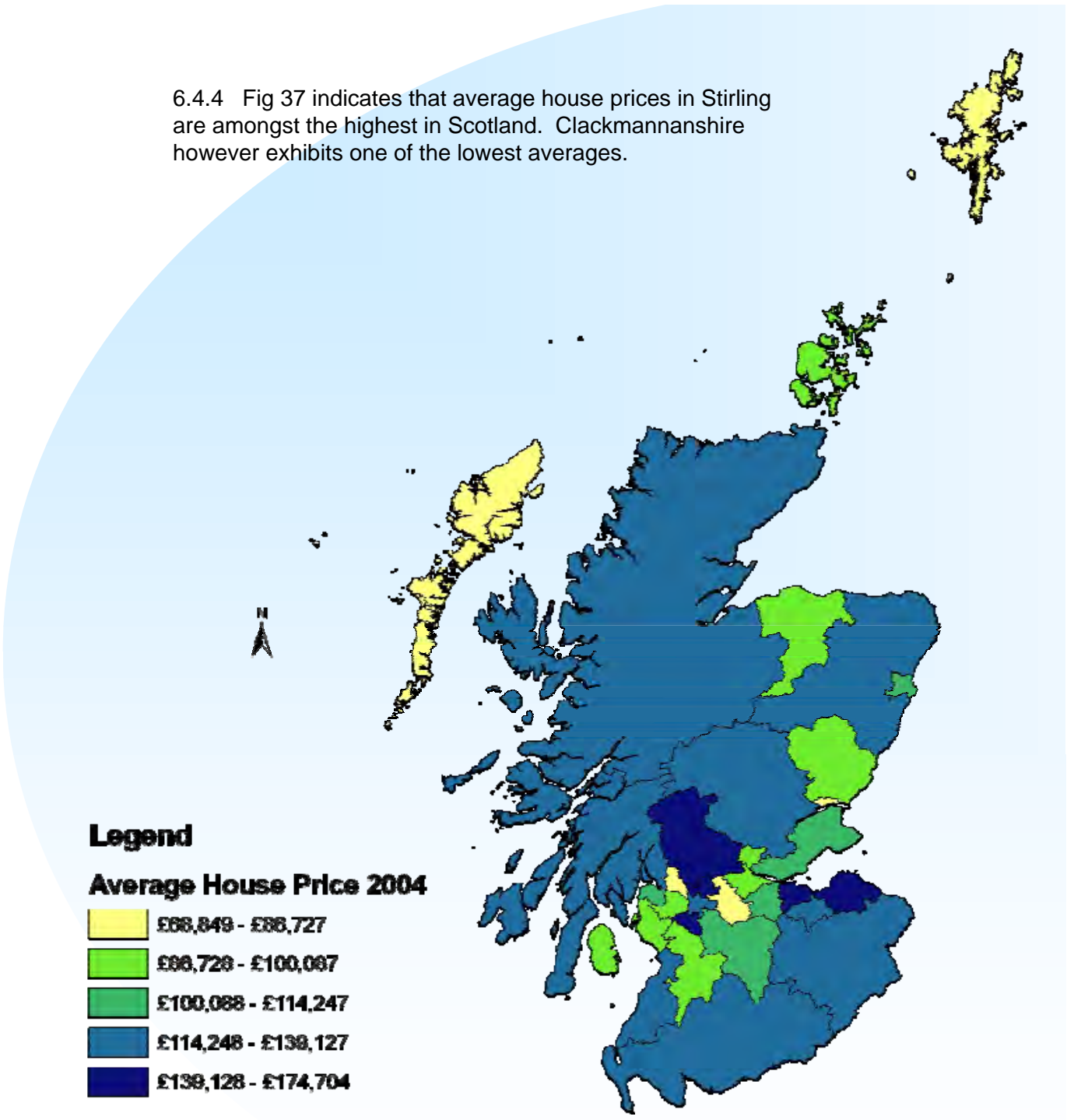
6.4.2 Up to date house price information (2005) derived from the CACI StreetValue dataset indicates the average house price in the Stirling Council area to be £154,100 (Fig 35). This illustrates a £64,300 price increase since (71%) in the last six years.



**Fig.37 Average House Price 2004**

<b>Local Authority</b>	<b>Average Price</b>
DUMFRIES AND GALLOWAY	£120,137
ORKNEY ISLANDS	£88,611
SHETLAND ISLANDS	£84,490
HIGHLAND	£117,919
INVERCLYDE	£114,247
NA H-EILEANAN AN IAR	£68,849
FALKIRK	£100,087
ARGYLL AND BUTE	£121,162
SOUTH LANARKSHIRE	£107,226
SCOTTISH BORDERS	£139,127
DUNDEE CITY	£86,727
ABERDEENSHIRE	£121,222
CLACKMANNANSHIRE	£91,541 ★
NORTH LANARKSHIRE	£84,843
EAST AYRSHIRE	£89,260
NORTH AYRSHIRE	£89,139
WEST LOTHIAN	£111,074
FIFE	£103,404
EAST DUNBARTONSHIRE	£165,323
ANGUS	£97,283
STIRLING	£150,132 ★
GLASGOW CITY	£119,933
ABERDEEN CITY	£103,845
RENFREWSHIRE	£97,859
MORAY	£94,023
CITY OF EDINBURGH	£168,149
EAST LOTHIAN	£154,444
SOUTH AYRSHIRE	£116,816
WEST DUNBARTONSHIRE	£85,459
EAST RENFREWSHIRE	£174,704
PERTH AND KINROSS	£127,155
MIDLOTHIAN	£128,304

6.4.4 Fig 37 indicates that average house prices in Stirling are amongst the highest in Scotland. Clackmannanshire however exhibits one of the lowest averages.



## 6.5 Housing Needs and the Local Housing Strategies

6.5.1 The above comparison provides a crude indication of affordability. For Stirling if it is assumed that households can only access housing at three times their annual salary then only 18% of households could afford an average priced house. For Clackmannanshire the 2004 Sasines average house price is £91,541. Based on the same assumption only 29% of households could afford such a house. These affordability issues are likely to be accentuated in the new build market where in 2003 prices were significantly higher than for second hand houses.

6.5.2 Estimating the need for affordable housing as a proportion of the total land requirement for housing is however a complex process which requires consideration of a whole range of issues including housing waiting lists and homelessness. Need for affordable housing may be expressed throughout the market area or confined to one local authority but is more likely to be expressed through distinct geographical variations in supply and demand. National Guidance is currently being refined on how local authorities might best tackle this issue through their Local Housing Strategies and work is progressing in both authorities to this end.

6.5.3 Local Analysis of the Stirling Housing market is detailed in the Supplementary Planning Guidance "Meeting Stirling's Housing Needs" which was published as part of the First Alteration to the Local Plan. This predated publication of the Local Housing Strategy in 2005 but has been used to support provision of affordable housing on new housing sites of over 20 houses. This information accentuates the distinct geographical concentrations in supply of affordable housing and the apparent mismatch between supply and expressed demand through the waiting lists.

6.5.4 Some areas indicate distinct surpluses in the supply of social rented housing and this is in some areas such as Cornton, Cultenhove and the Raploch being tackled through selective demolition and re-possession. The current Development Plan policy approach in Stirling has had limited success in tackling the supply of affordable housing in the area.

6.5.5 Annex B on page 29 of the 2005 Local Housing Strategy assumes a current net need for affordable housing in Stirling based on a number of factors including housing waiting list information. A current net need at 2004 of 450 units is identified and it is assumed that this level of need is likely to increase by 6% per year throughout the strategy period to 2009. The supporting text however accepts that a more sophisticated approach may be desirable and that a future review should provide guidance on the totality of the new housing land requirement for the longer term.

6.5.6 The Clackmannanshire Housing Needs Assessment informs the Local Housing Strategy, Update 2005, that overall the housing sub market area has sufficient affordable housing stock. Both national planning policy and the LHS do, however, require that newly forming communities be sustainable with mixed tenure, good quality homes in an attractive living environment. Regeneration must be a key focus for housing policy in Clackmannanshire.

## 6.6 Conclusions

- Continued mismatch in income levels and house prices is most obvious in the Stirling Council area and in the new build housing market.
- Housing choice for people on lower incomes is restricted to certain geographical areas and to a declining stock of social rented housing.
- Further work is required to articulate the numerical need for affordable housing in the Structure Plan area.
- The Structure Plan review should be informed by the Local Housing Strategies.
- A tailored approach to tackling affordable housing need throughout the Structure Plan area will be required as there are likely to be distinct geographical variations in the level of need within and between urban and rural areas.

6.6.1 Providing a range and mix of housing including affordable housing relates to the planning objective of “Creating Balanced Communities” as expressed through Scottish Planning Policy. In planning large scale new housing release this should, to some extent, be an objective irrespective of the numerical need for affordable housing. SPP3 does however require the Structure Plan to indicate the overall need for affordable housing as derived from the Local Housing Strategy. A long term view of housing need in this context is not currently expressed through the Local Housing Strategies of either Council and further work will be required in this respect.

6.6.2 Current Local Plan policies have not delivered substantial improvements in the overall supply of affordable housing in Stirling. Consideration at a strategic level should be given to the practicalities and approach to future delivery through the planning system. Clackmannanshire has successfully provided for affordable housing (mainly by Ochil View HA) to the extent that 27% of new build in recent years has been for affordable housing.



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Appendix





## Uses and Limitations of Projections

The limitations of population projections must be fully recognised. A projection is a calculation showing what happens if particular assumptions are made. (The sub-national population projections are trend-based. They are, therefore, not policy-based forecasts of what the Government expects to happen). Many social and economic factors influence population change including policies adopted by both central and local government. The relationships between the various factors are complex and largely unknown. A single outcome is given in this booklet for each area, but this does not imply that a confident forecast of what will happen has been made, and it is not possible to define helpful statistical limits within which the outcome is likely to fall.

The effect of the assumptions - about future migration, fertility and mortality - is often limited in the sense that there is considerable inertia in population change. The future population of an area is strongly influenced by the initial base population. Because the process of change is cumulative the reliability of projections decreases over time. Change affects some populations more rapidly and more seriously than others. Thus, projections for areas with small populations tend to be relatively less reliable than those for areas with large populations, because the former are usually affected more by migration. Projections of the number of adults are usually more reliable than those for children because of difficulties in projecting levels of fertility and parental migration. The size of the migration flows, and the uncertainty of future trends, are such that for many areas the migration assumptions are more critical than the fertility and mortality assumptions.

*Central government population projections set local and regional population patterns into a national context. They are trend-based. However, it should be remembered that new local planning policies are often intended to modify past trends. Structure plans may be based on reasoned and agreed departures from the projections that seem better able to fit particular local circumstances.*

## Consequences of Projections

It should be recognised that population projections, like some other types of projections, may indicate that existing trends and policies are likely to lead to situations, which are judged undesirable. If new policies are then introduced they may result in the original projections not being realised. However, this means the projections will have fulfilled one of their prime functions, to show the consequences of present demographic trends with sufficient notice for any necessary action to be taken.

*Extracted from: Register General Office for Scotland, Population Projections Scotland (2002 based), Appendix E*

## Headship Rate Method

The method currently used to project households is the Headship rate method which assumes that the number of people who head a household is equal to the number of households. The input data for the method is readily available from the census and GRO(S) Population projections.

The data from the Census's consists of the total number of persons living in households and the number who head a household in each Local Authority area in each age group and each household type. The different household types are:

- 1 person male
- 1 person female
- 2 adults
- 3+ adults
- 1 adult with 1 child
- 1 adult with 2+ children
- 2+ adults with 1+ children

Once headship rates for all local authorities, household types and age groups have been calculated for 1991 and 2001 the two-point exponential model is used to project the headship rates forward. Once the headship rates have been projected for all years over the projection period, they are applied to the projections of adults living in private households. The total number of person living in private households are obtained by taking GRO(S) projected population figures and subtracting from these projections of persons living in communal establishments.

Projections of the adult population in private households are then produced by subtracting those aged 15 and under from the private household population. Applying the projected headship rates to the projected adults in private households gives projections for the number of heads of households in each area, age group and household type. This equates to the number of households. For example, if the projected private household population in a certain Local Authority area in a certain age group were 2,000 and the projected headship rate for a particular household type were 0.18, then the projected number of households in that category would be  $0.18 * 2,000 = 360$ .

# Households

## Headship Rate Method (Cont.)

### Household Projections Calculation

Basic instructions on how midyear household estimates are calculated (used as base year in projection)

<b>A</b>	Start	Estimated dwellings @ Census 2001	
<b>B</b>	+	Newbuilding activity	2001 Q2,Q3&Q4, 2002 Q1&Q2
<b>C</b>	+	Conversions	2001 Q2,Q3&Q4, 2002 Q1&Q2
<b>D</b>	-	Demolitions	2001 Q2,Q3&Q4, 2002 Q1&Q2
<b>E</b>	=	Estimated dwellings @ mid-2002	
<b>F</b>	-	Local Authority vacant stock	@ 31/3/2002 from Stock 2
<b>G</b>	-	Non-Local Authority vacant stock	First, estimate the non-Local Authority total stock which is E (estimated total stock) less the estimated Local Authority stock at 31/3/2000 from Stock 1. The percentage of non-Local Authority stock which was vacant at the 2001 Census is then applied.
<b>H</b>	-	Other non-effective stock	The percentage of total stock at the 2001 Census which was 'ineffective' is applied to 'E', the estimated stock at mid-20002
<b>I</b>	+	Sharing allowance	This was calculated using the 2001 Census and replaces the values - based on the 1991 Census - used in estimates up to 2000. We have investigated the big drop in the figures and have concluded that the revised figure is consistent with the Census household and dwelling counts.
<b>J</b>	=	Household estimates @ mid-2002	

## Household Projections Calculation (Cont.)

### Notes

1. Census data provides dwelling counts at April 2001. To create 2002 estimates at mid year, an extra quarter of returns must be used (2001 Q2)
2. New housebuilding completions figures are taken from the NB1, NB2 returns from LAs and and from figures provided by Scottish Homes on Housing Association new building.
3. Conversions figures are calculated from CON1 and Stock 4 returns from LA's.
4. Demolitions figures are taken from S2 and Stock 5 returns from LAs.
5. Local Authority vacant stock figures are taken from the S1A and Stock 2 returns from LAs.
6. Non-Local Authority vacant stock is estimated as a percentage of all non-Local Authority stock. Non-Local Authority stock is taken to be total dwellings less Local Authority stock estimates provided by LAs on the S1A and Stock 1 returns. The percentage applied is fixed and is that calculated from the 2001 Census.
7. Other non-effective stock is taken to be a percentage of total dwellings. The percentage applied is fixed and is that calculated from the 2001 Census. Examples of other non-effective stock includes second homes and holiday homes.
8. Households sharing a dwelling is calculated from the 2001 Census.

### Conversions

The conversions figure shown is the net increase in the number of stock due to conversions. The figure is calculated from information given on the CON1 and Stock 4 returns and is taken to be the total number of dwellings at the end of the project minus the number at the start. No net increase (or decrease) is counted until the project is completed, which is assumed to be when the number of dwellings at the end of the project is equal to the number of final completions expected at the start.

### Changes to estimated dwelling stock figures

Please note that, for previous years estimates, the calculation A-E does not hold for all Local Authorities, and this in turn means it does not hold in the summary Scotland calculations. The reason for this is that the estimated dwellings figures for some Local Authorities were changed following the advice of the Local Authorities themselves during consultation in 1998 and 1999.

## Households

## Summary Statistics for Calculation of Mid-Year Estimates

		<b>Scotland</b>	<b>Stirling</b>
<b>Estimated Dwellings</b>	<b>Census 2001</b>	<b>2307305</b>	<b>37054</b>
New housebuilding	2001 Q2	5,793	109
Conversions	2001 Q2	285	6
Demolitions	2001 Q2	1,288	34
Estimated Dwellings	<b>Mid 2001</b>	2,312,095	37,135
New Housebuilding (TOTAL)	2001 Q3 - 2002 Q2		
	<b>Total</b>	23,615	558
	Private	17,868	492
	Housing Association	5,672	66
	Local Authority	75	0
Conversions	2001 Q3 - 2002 Q2	1,410	17
Demolitions	2001 Q3 - 2002 Q2	4,963	29
<b>Estimated Dwellings</b>	<b>Mid-2002</b>	2,332,157	37,681
Local Authority Vacant Stock	31st March 2002	20,424	189
Non-Local Authority Vacant Stock	31st March 2002	67,334	725
Other Non-Effective Stock	Mid-2002	29,633	532
Sharing Allowance	Mid-2002	1,315	8
<b>Estimated Households</b>	<b>Mid-2002</b>	2,216,081	36,243

