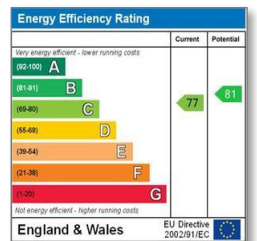




Derby Housing Market Area Boundary Study 2018

Report of Findings

7th May 2019





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1. Introducing the Study

Background to the Project and Wider Policy Context

Project Overview

- 1.1 Opinion Research Services (ORS) was commissioned by Derby City Council on behalf of the HMA, comprising Amber Valley Borough Council, Derby City Council, South Derbyshire District Council and Derbyshire County Council to undertake a study to confirm the Derby Housing Market Area (HMA) boundary. The purpose of the study is to confirm the boundary of the Derby HMA and Functional Economic Market Area (FEMA) based on Council boundaries
- 1.2 As background, in 2005 a study of HMA boundaries was commissioned by the East Midlands Regional Assembly Housing Board¹. This study identified the HMAs covering all of the local authorities of the old East Midlands Region based upon migration and travel to work patterns from the 2001 UK Census of Population.
- 1.3 Figure 3.3 of the East Midlands Regional Assembly report is shown overleaf as Figure 1 of the current report and this shows the initial HMAs identified, including areas where the boundaries of HMAs overlap marked with dashed black lines.
- 1.4 The report considered at paragraph 3.18 to 3.20 that:

3.18 The Derby sub-regional housing market stretches from South Derbyshire to Amber Valley, overlapping with the Nottingham sub-region across Erewash. It extends across the regional boundary into East Staffordshire due to the sizeable household migration movements evident between South Derbyshire and East Staffordshire. The town of Burton on Trent abuts the South Derbyshire boundary on both its eastern and northern edge.

3.19 Travel to work patterns display a similar configuration, with heavy commuting flows from Amber Valley and South Derbyshire into Derby City, and between East Staffordshire and South Derbyshire. Travel to work patterns also reveal a relationship between South Derbyshire and North West Leicester, leading to the demarcation of the southern overlap with the Leicester sub-region.

3.20 The Derby travel to work area extends into the southern fringes of Derbyshire Dales district, the centre of Amber Valley and much of South Derbyshire. However, areas to the south of Derby, such as Swadlincote, face restricted infrastructure access to the City and demonstrate greater connectivity with the Burton on Trent labour market. The Derby subregional housing market therefore crosses the regional boundary and into East Staffordshire.

- 1.5 On this basis, the East Midlands Regional Assembly report produced Figure 4.1 which is reproduced in the current report as Figure 2. The highlighted area in the reports covers Nottinghamshire, as shown in the original report, but the map also shows three separate HMAs within Derbyshire.

¹ Identifying the Sub-Regional Housing Markets of the East Midlands DTZ Pleda Consulting 2005

Figure 1: Identifying the Sub-Regional Housing Markets of the East Midlands Figure 3.3 (Source: DTZ/East Midlands Regional Assembly 2005)

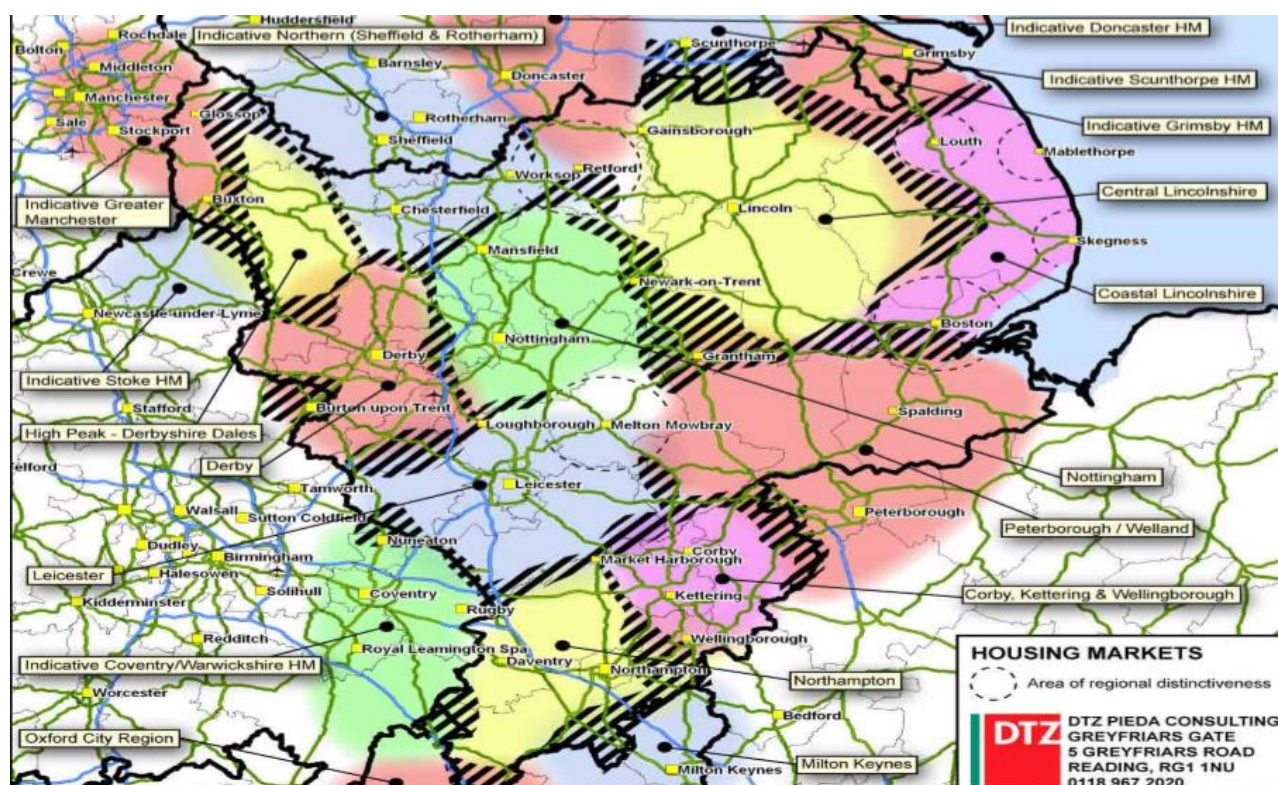
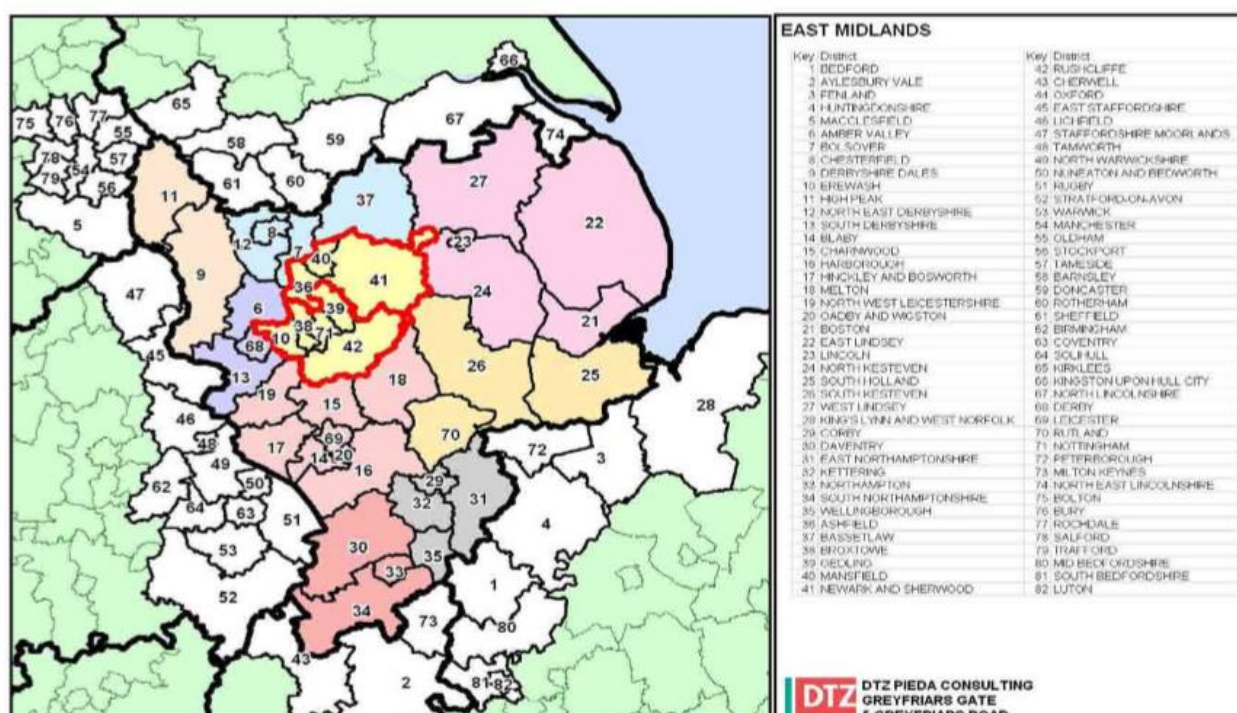


Figure 2: Identifying the Sub-Regional Housing Markets of the East Midlands Figure 4.1 (Source: DTZ/East Midlands Regional Assembly 2005)

Map 4.1: Proposed HMA Groupings in the East Midlands



1.6 ORS have already considered the continued relevance of the Nottingham Core HMA on behalf of its constituent authorities and have concluded that it remains the most appropriate grouping. However, the

situation in Derbyshire is slightly different because the Regional Assembly study constrained the HMAs to the regional boundary and Derbyshire shares boundaries with the North West, West Midlands and Yorkshire and Humberside regions. Therefore, the boundaries of its HMAs are potentially more flexible and extend outside the regional boundary.

- 1.7 The four local authorities in the Derby HMA agreed a “Statement on Continuing Joint Working on Key Strategic Issues” in July 2013 stating that the councils are “*committed to close co-operation and liaison on Development Plan matters at both the local and wider Housing Market Area (HMA) level*”, including preparation of local planning documents. The Statement covers the joint strategic approach and actions for:
- » Planning for housing growth
 - » Development sites
 - » Transport infrastructure
 - » Other Infrastructure (including social infrastructure, utilities and service providers)
- 1.8 Under *Planning for housing growth*, the Statement notes that the councils have a shared evidence base “*to ensure that the three authorities meet the requirements of the NPPF*”. Further to this, the councils commit to “*continue to work together to objectively assess housing need, and deliver the required dwellings across the HMA*” and to “*work co-operatively with partners on any future strategic review of housing growth and distribution*”.
- 1.9 Considering development sites, the statement recognises that development in one administrative area could impact on a neighbouring authority, where the development is close to authority boundaries or is large. The authorities recognise that it is “*important to work co-operatively on a wide range of sites that are likely to have cross-boundary implications*”. A key action is for “*early discussion and consultation on emerging Local Plan material, site briefs, masterplans and development frameworks*”.

Government Policy: Pre July 2018

- 1.10 The National Planning Policy Framework (NPPF) was updated in July 2018 and again in February 2019. Prior to July 2018, the NPPF 2012 contained a presumption in favour of sustainable development, and stated that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area.
- 1.11 Under the NPPF 2012, Strategic Housing Market Assessments (SHMAs) primarily informed the production of the Local Plan (which sets out the spatial policy for a local area). Their key objective was to provide the robust and strategic evidence base required to establish the full Objectively Assessed Need (OAN) for housing at the HMA level and provide information on the appropriate mix of housing and range of tenures needed.
- 1.12 Planning Practice Guidance (PPG) on the assessment of housing and economic development needs was published in March 2014, updated in March 2015 and updated again in September 2018.

Government Policy: Post July 2018

- 1.13 The NPPF as updated in July 2018 and again in February 2019 contains a number of changes. The underlying theme of sustainable development remains, but in relation of identifying and meeting housing needs several significant changes have been implemented. These include the NPPF 2019 containing:
- » No references to housing market areas;

- » No mention of Strategic Housing Market Assessments which are now entitled Local Housing Needs Assessments;
- » A new standard methodology to underwrite a local housing market assessment;
- » A new definition of affordable housing; and
- » A housing delivery test to assess if a planning authority is meeting its housing needs.

60. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

61. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).

62. Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless: a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and b) the agreed approach contributes to the objective of creating mixed and balanced communities.

National Planning Policy Framework 2019 (NPPF), paragraph 60-62

- 1.14 Therefore, the new NPPF does not contain any explicit reference to HMAs and housing needs are to be set at a local authority level. However, new Planning Practice Guidance on Plan Making does state that:

How can housing market areas be defined?

A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. These can be broadly defined by analysing:

The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.

Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).

Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).

Suggested data sources: Office for National Statistics (internal migration and travel to work areas statistics); Land Registry House Price Index and Price Paid data (including sales); data from estate agents and local newspapers about geographical coverage of houses advertised for sale and rent; Ministry of Housing, Communities and Local Government statistics including live tables on affordability (lower quartile house prices/lower quartile earnings); and neighbourhood data from the Census.

Paragraph: 010 Reference ID: 61-010-20180913

- 1.15 Therefore, as part of the plan making process there is still a need to consider Housing Market Areas.

Duty to Co-operate

- 1.16 The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.
- 1.17 The NPPF 2012 set out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as “the homes and jobs needed in the area”.
- 1.18 The NPPF 2018 updated the references to Duty to Cooperate, but the overriding principle of joint working is retained in the NPPF 2019, and councils are now required to maintain statements of common ground with each other.

Maintaining effective cooperation

24. Local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.

25. Strategic policy-making authorities should collaborate to identify the relevant strategic matters which they need to address in their plans. They should also engage with their local communities and relevant bodies including Local Enterprise Partnerships, Local Nature Partnerships, the Marine Management Organisation, county councils, infrastructure providers, elected Mayors and combined authorities (in cases where Mayors or combined authorities do not have plan-making powers).

26. Effective and on-going joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.

27. In order to demonstrate effective and on-going joint working, strategic policymaking authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these. These should be produced using the approach set out in national planning guidance, and be made publicly available throughout the plan-making process to provide transparency.

National Planning Policy Framework (NPPF 2019), paragraphs 24-27

2. Defining the Housing Market Area and Functional Economic Market Area

An Evidence Base to Identify Functional Housing and Economic Markets

- 2.1 The National Planning Policy Framework (NPPF, February 2019) refers to the need for Local Plans to “*as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas*” (paragraph 11, emphasis added). It should be noted that unlike the previous iteration of the NPPF (March 2012), the new version no longer refers to housing market areas for purposes of defining need, instead referencing the area of the Local planning Authority as the norm for assessment. It also refers to the standardised method in national planning guidance which itself assesses at a local authority level. The associated new iteration of Planning Policy Guidance has been published in draft form, and the Government has indicated that it is likely to change meaningfully before it is finalised.
- 2.2 Given that it is unclear precisely what will be contained in the finalised version of the new guidance, this assessment of housing market area follows the definitions set out in the current guidance. The current PPG² requires that “*Needs should be assessed in relation to the relevant functional area: i.e. housing market area...*” (PPG 2a-008).
- 2.3 The identification of the Housing Market Area (HMA) and Functional Economic Market Area (FEMA) area therefore the first relevant building block in the evidence for housing and employment needs.

Housing Market Area Definition

- 2.4 The definition of a functional housing market area is well-established as being “*...the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay*” (MacLennan et al, 1998)³.

Functional Economic Market Area Definition

- 2.5 Paragraph 160 of the NPPF 2012 states that Local Planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. No detail on defining such markets is set out within NPPF although paragraph 180 states that local planning authorities should take account of different geographic areas, including travel-to-work areas and is clear on the need for local planning authorities to work together on issues with cross boundary impacts.

² At the time of writing – Published Nov 2016, updated July 2018 :

<http://webarchive.nationalarchives.gov.uk/20180607114246/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

³ Local Housing Systems Analysis: Best Practice Guide. Edinburgh: Scottish Homes

- 2.6 Section 2a of Planning Practice Guidance relates to housing and economic development needs assessments. Paragraph 009 relates to identifying the assessment area and states that no single source of information on needs will be comprehensive in identifying the appropriate assessment area; consideration should be given to the appropriateness of each source of information and how they relate to one another. Paragraph 012 is titled how can functional economic market areas be defined? This paragraph is set out below:

“The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply often referred to as the functional economic market area. Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including:

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

- 2.7 CLG published a note on functional economic market areas in 2010. In its first paragraph it states that:

“This economic note is aimed at local authorities and provides a succinct overview of the types of issues partners may wish to consider when seeking to identify these areas. It does not represent Government policy.”

- 2.8 In keeping with PPG, it acknowledges that there is no universal approach to defining FEMAs but does indicate that Census commuting or migration data is perhaps the most reliable flow data which can be supplemented with other datasets. On this basis there is therefore a clear overlap between the HMA and FEMA for an area, but other factors such as transport and retail offer should also be considered.

Planning Practice Guidance

- 2.9 Planning Practice Guidance (PPG)⁴ on the Assessment of Housing and Economic Development Needs (March 2014) reflects this existing concept, confirming that the underlying principles for defining housing markets are concerned with the functional areas in which people both live and work:

What is a housing market area?

A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case the housing market areas overlap. The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

Planning Practice Guidance (March 2014), ID 2a-010

⁴ <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/>

- 2.10 As noted in the introduction, the requirement to identify HMAs has now been transferred to the PPG relating to Plan Making. Therefore, PPG requires an understanding of the housing market area and says this can be defined using three different sources of information:
- » House prices and rates of change in house prices
 - » Household migration and search patterns
 - » Contextual data (e.g. travel to work area boundaries, retail and school catchment areas)
- 2.11 These sources are well-established, being consistent with those previously identified in the CLG advice note *“Identifying sub-regional housing market areas”* published in 2007⁵.

Geography of Housing Market Areas (NHPAU/CURDS)

- 2.12 CLG also published a report on the ‘Geography of Housing Market Areas’ in 2010⁶ which was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University. This study explored a range of potential methods for calculating housing market areas for England and applied these methods to the whole country to show the range of housing markets which would be generated. The report also proposed three overlapping tiers of geography for housing markets:
- » Tier 1: framework housing market areas defined by long distance commuting flows and the long-term spatial framework within which housing markets operate;
 - » Tier 2: local housing market areas defined by migration patterns that determine the limits of short term spatial house price arbitrage: i.e. households moving without changing jobs;
 - » Tier 3: sub-markets defined in terms of neighbourhoods or house type price premiums.
- 2.13 The report recognised that migration patterns and commuting flows were the most relevant information sources for identifying the upper tier housing market areas, with house prices only becoming relevant at a more local level and when establishing housing sub-markets. The report also outlined that no one single approach (nor one single data source) will provide a definitive solution to identifying local housing markets; but by using a range of available data, judgements on appropriate geography can be made.
- 2.14 Advice published in the Planning Advisory Service (PAS) technical advice note about Objectively Assessed Need (OAN) and Housing Targets (originally published in June 2014, with a second edition⁷ in July 2015) also suggests that the main indicators will be migration and commuting (second edition, paragraph 5.4).
- “The PPG provides a long list of possible indicators, comprising house prices, migration and search patterns and contextual data including travel-to-work areas, retail and school catchments. In practice, the main indicators used are migration and commuting.”*
- The PAS OAN technical advice note also suggests that analysis reported in the CLG report “Geography of Housing Market Areas” (CLG, November 2010) should provide a starting point for drawing HMAs (Figure 3).*
- 2.15 Figure 3 shows the local authority boundary (in black) and compares these with the CURDS study (in red) to consider their alignment. It is apparent that the CURDS study concluded that the areas identified by the Derby HMA is part of a larger HMA which extends west to include parts of Derbyshire Dales and east

⁵ Identifying sub-regional housing market areas (CLG, March 2007); paragraph 1.6

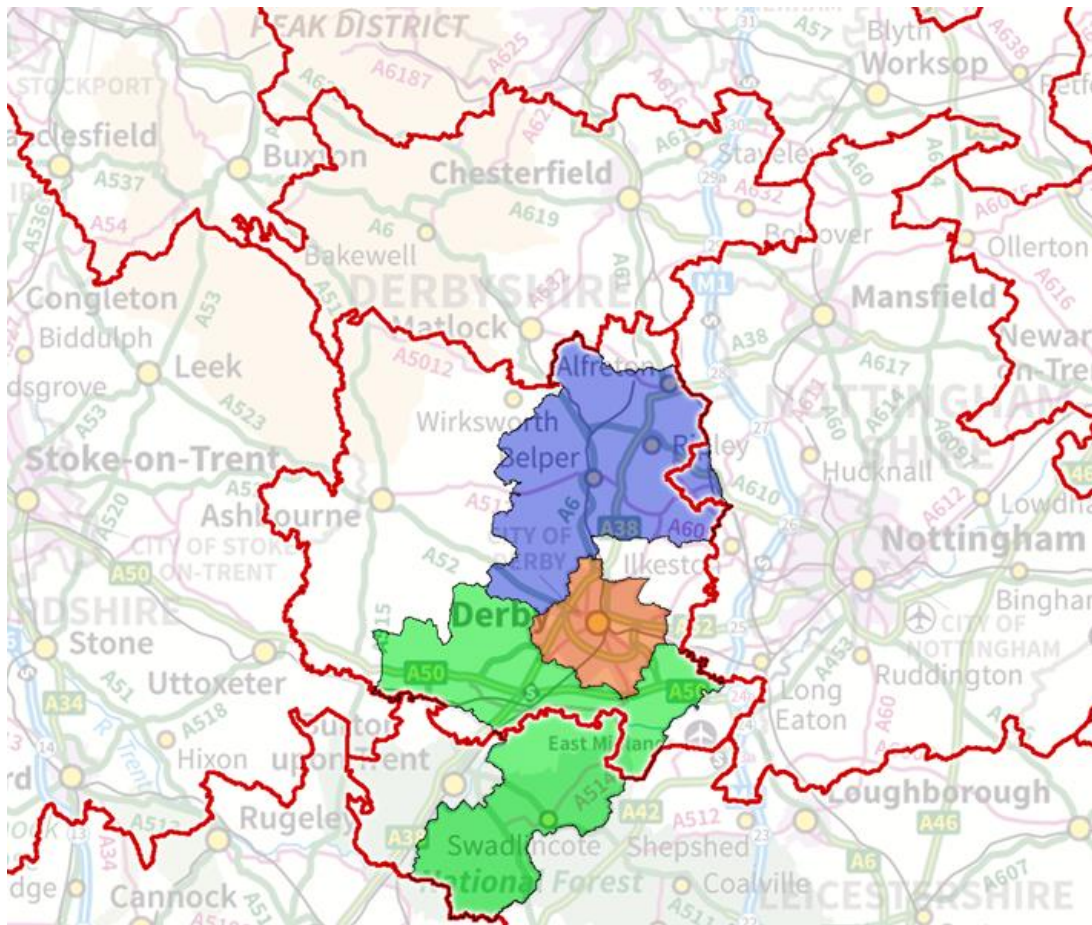
⁶ Geography of Housing Market Areas (CLG, November 2010)

⁷ <https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf>

to include parts of Erewash. The NHPAU study came to a similar conclusion to Figure 3.3 of the East Midlands Regional Assembly study of 2005 in that the Derby HMA is part of an HMA which extends to the west and east. This is unsurprising because they were underwritten by the same data sources. The southern part of South Derbyshire lies with Loughborough and Burton on Trent in an MHA extending south east to Leicestershire.

- 2.16 While the NHPAU Derby MHA includes the western part of Erewash, a minority of the Erewash population live in the NHPAU Derby MHA area. Of a total Erewash population of 112,081 in the 2011 Census, 85,289 lived in the Nottingham MHA area in the three towns of Ilkston, Long Eaton and Sandiacre.

Figure 3: NHPAU Study – PAS OAN technical advice note ‘Starting Point’ boundaries (red) with LA boundaries (black) (Source: NHPAU/CURDS 2010. Ordnance Survey data © Crown copyright and database right 2018)



ONS Travel to Work Areas

- ^{2.17} PPG defines housing market areas on the basis that they will reflect “*the key functional linkages between places where people live and work*” (ID 2a-010). Furthermore, PPG identifies Office for National Statistics Travel to Work Areas (TTWAs) as one of the identified data sources that should be considered when establishing housing market areas.

Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).

Planning Practice Guidance (March 2014), ID 2a-011

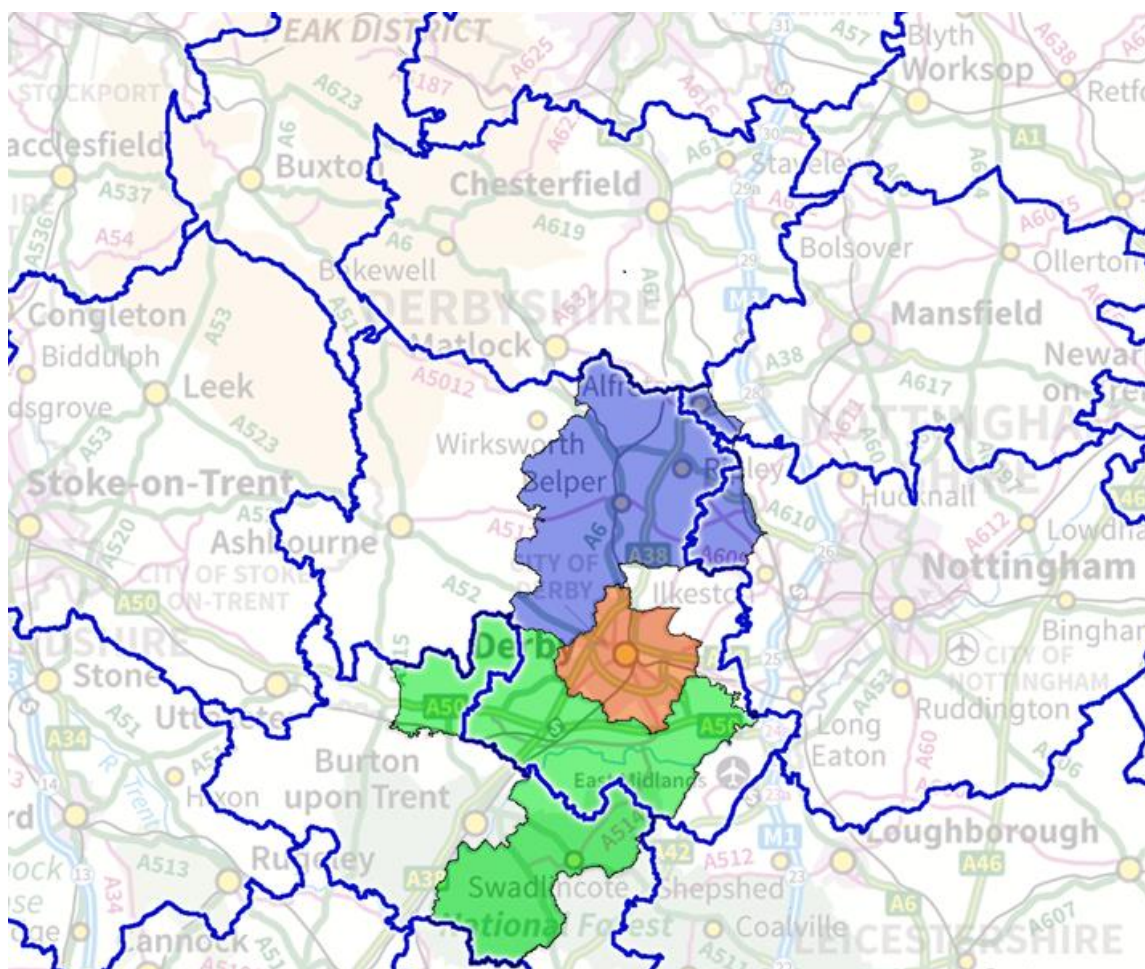
- ^{2.18} The Office for National Statistics (ONS) defines official Travel to Work Areas for those involved in labour market analysis and planning. These areas are also based on analysis of Census commuting flow data, and TTWAs based on data from the 2011 Census were published in August 2015. A total of 228 TTWAs were defined for the whole of the UK based on 2011 data, a reduction from the 243 TTWAs that were previously defined based on 2001 Census data.
- ^{2.19} ORS use the ONS published definition for TTWAs⁸ that is appropriate for planning purposes and has consistently been accepted by Planning Inspectors⁹.
- ^{2.20} Figure 4 shows the defined TTWAs (2015), in blue, and these are based on the commuting flow data from the 2011 Census. Chesterfield is identified as a separate TTWA and this also contains the majority of Derbyshire Dales, but the towns of Ashbourne and Wirksworth in Derbyshire Dales are both located in the Derby TTWA, as is the comparatively lightly-populated western part of Erewash. Therefore, the ONS TTWA are similar to NHPAU study and support the idea that Amber Valley, Derby and South Derbyshire as a distinct HMA, but with a strong overlap with Derbyshire Dales and less so with Erewash. The southern part of South Derbyshire lies in the TTWA of Burton on Trent with the eastern part of East Staffordshire.
- ^{2.21} The southern part of the Derbyshire Dales is a thinly populated area. The two major centres of population are Ashbourne, with a total population of 8,377 in the Census 2011 and Wirksworth with a total population of 5,038.

⁸

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/traveltoworkareanalysinggreatbritain/2016>

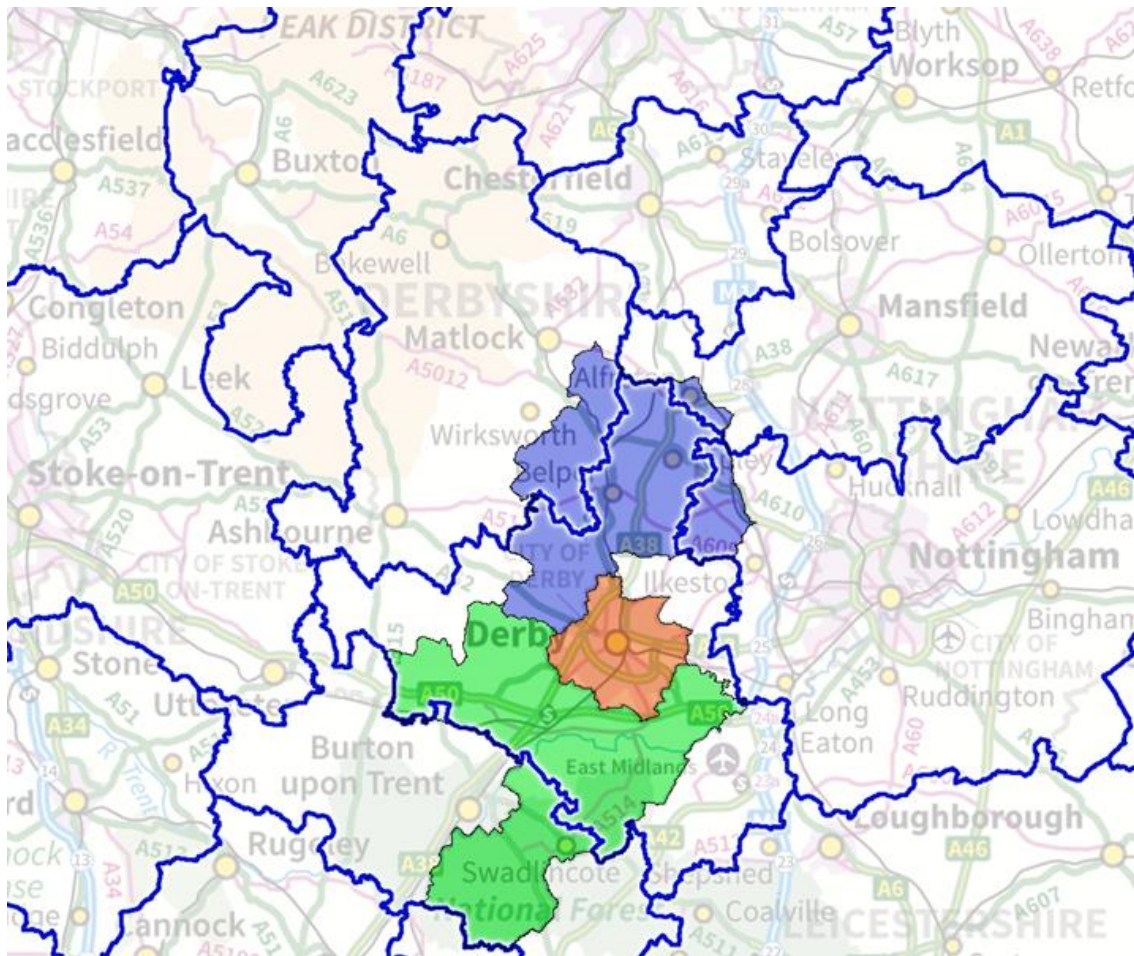
⁹ in 2016, the ONS introduced the concept of *alternative TTWAs, created for different subgroups of the working population* which can be used for other purposes

Figure 4: ONS Travel To Work Areas 2015 (blue) with LA boundaries (black) (Source: ONS 2015, Ordnance Survey data © Crown copyright and database right 2018)



- 2.22 It is also worth noting that the ONS 2015 TTWA for Derbyshire are very different to those identified in the ONS 2007 TTWA study. The 2007 TTWA are shown in Figure 5 and these highlighted the major towns of Derbyshire Dales such as Matlock, Bakewell and Ashbourne formed a separate TTWA. Therefore, since the 2001 Census the travel to work patterns for the southern part of Derbyshire Dales appear to have developed a stronger link to Derby City.

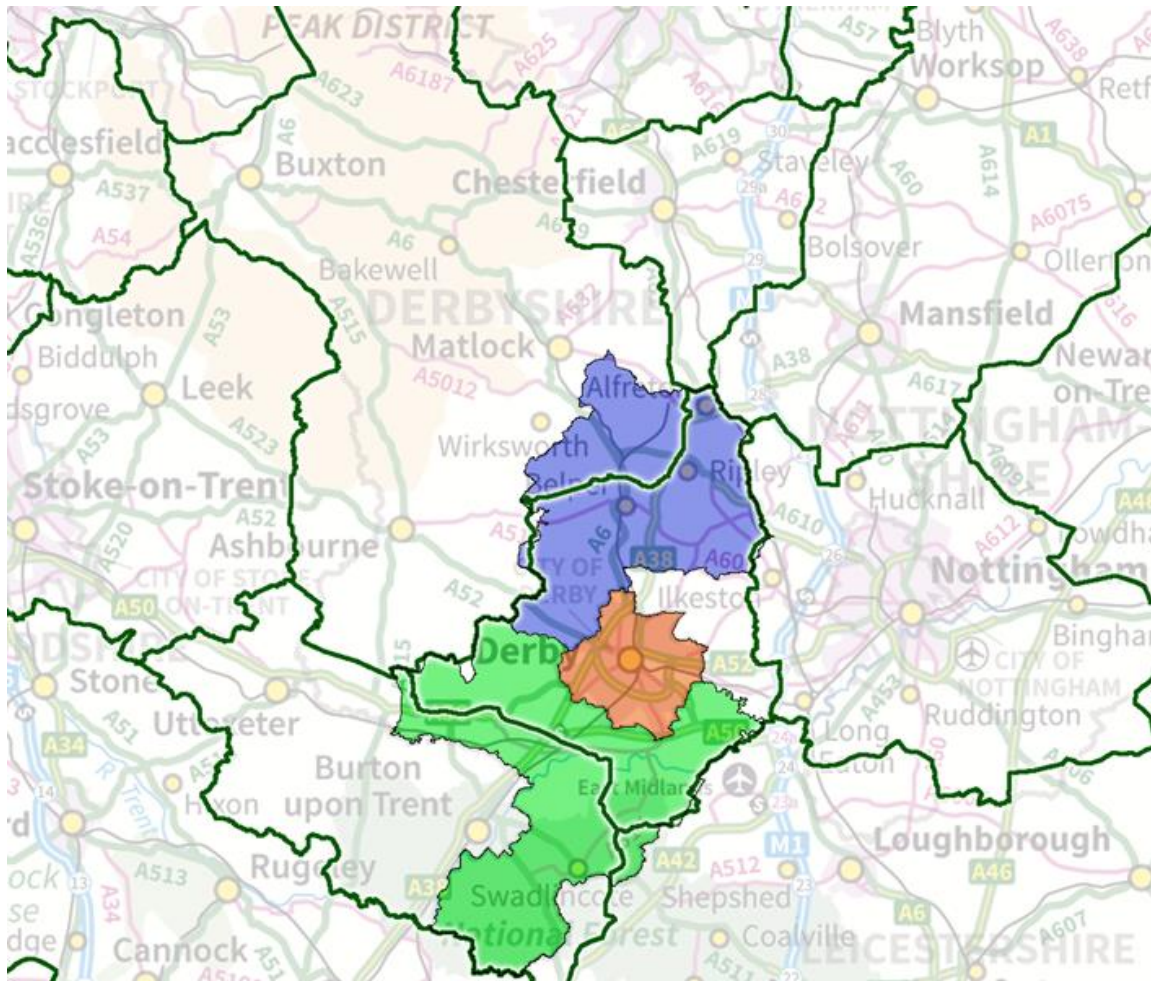
Figure 5: ONS Travel To Work Areas 2007 (blue) with LA boundaries (black) (Source: ONS 2007, Ordnance Survey data © Crown copyright and database right 2018)



Valuation Office Agency Broad Rental Market Areas

- 2.23 The Broad Rental Market Area (BRMA) is the geographical area used by the Valuation Office Agency (VOA) to determine the Local Housing Allowance rate (LHA), the allowance paid to Housing Benefit applicants. The BRMA area is based on an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping.
- 2.24 When determining BRMAs the Rent Officer takes account of the distance of travel, by public and private transport, to and from these facilities and services. The boundaries of a BRMA do not have to match the boundaries of a local authority and BRMAs will often fall across more than one local authority area. Therefore, BRMAs are areas within which it would be reasonable to expect a household needing local housing allowance support to move to another settlement within the area to find suitable housing.
- 2.25 The BRMA areas for Derby HMA and surrounding areas are shown, in green, in Figure 6. It is evident that the majority of the Derby HMA falls into the Derby BRMA with only small lightly populated areas to be found in other BRMAs. The lightly populated western part of Erewash remains in the Derby HMA. It is notable that the towns of Ashbourne, Matlock and Buxton all fall within a separate BRMA, and the southern part of South Derbyshire falls within the East Staffordshire BRMA with Uttoxeter and Burton on Trent. Adjacent to the north lies a BRMA centred around Chesterfield and to the east a BRMA around Nottingham.

Figure 6: VOA Broad Rental Market Area Boundaries (green) with LA boundaries (black) (Source: VOA and Ordnance Survey data © Crown copyright and database right 2018)



Retail and Transport

- 2.26 Beyond the core considerations of migration, travel to work and the BRMA areas for the Derby HMA, to consider the area covered by the FEMA it is also necessary to look at wider issues such as the retail catchment area and transport links. Derby City commissioned a retail study¹⁰ which shows that the core catchment area for Derby City Centre covers Amber Valley and South Derbyshire as well as parts of Erewash and Derbyshire Dales.
- 2.27 A further briefing note produced by Nexus Planning indicates that there is a strong link between Derby City centre and the southern area of Derbyshire Dales for the market for comparison goods. While the links for Derby City and South Derbyshire are weaker.
- 2.28 However, overall the evidence points to the retail catchment areas for Derby City following a similar geography to the travel to work and migration patterns.
- 2.29 It is also the case that East Midland airport is located in North West Leicestershire local authority, but is very close to the boundary with South Derbyshire. Some of the planned strategic development around

¹⁰ Derby City Centre Retail Market Summary February 2018

the airport is proposed to be located inside the Derby HMA. This would be expected to see an even closer relationship develop between North West Leicestershire and the Derby HMA.

Administrative Boundaries and HMAs and FEMAs

- 2.30 The NPPF recognises that housing market areas may cross administrative boundaries, and PPG emphasises that housing market areas reflect functional linkages between places where people live and work. The previous 2007 CLG advice note¹¹ also established that functional housing market areas should not be constrained by administrative boundaries, nevertheless it suggested the need for a “best fit” approximation to local authority areas for developing evidence and policy (paragraph 9):

“The extent of sub-regional functional housing market areas identified will vary and many will in practice cut across local authority administrative boundaries. For these reasons, regions and local authorities will want to consider, for the purposes of developing evidence bases and policy, using a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas.”

- 2.31 This “best fit” approximation has also been suggested by the PAS OAN technical advice note, which suggests (second edition, paragraph 5.9):

“boundaries that straddle local authority areas are usually impractical, given that planning policy is mostly made at the local authority level, and many kinds of data are unavailable for smaller areas.”

- 2.32 This means there is a need for balance in methodological approach as set out in previous guidance:

- » *On the one hand, it is important that the process of **analysis and identification of the functional housing market areas should not be constrained by local authority boundaries**. This allows the full extent of each functional housing market to be properly understood and ensures that all of the constituent local planning authorities can work together under the duty to cooperate, as set out in Guidance (PPG, ID 2a-010).*

On the other hand, and as suggested by the PAS OAN technical advice note (and the previous CLG advice note), it is also necessary to identify a “best fit” for each functional housing market area that is based on local planning authority boundaries. This “best fit” area provides an appropriate basis for analysing evidence and drafting policy, and would normally represent the group of authorities that would take responsibility for undertaking a Strategic Housing Market Assessment.

- 2.33 In summary, therefore, the approach to defining housing market areas needs to balance robust analysis with pragmatic administrative requirements.

- 2.34 Based on the range of analysis that we have considered, it is evident that the geography of housing market areas around Derby is complex. There are clearly important functional relationships with areas such as Derbyshire Dales in particular, so it is relevant to note that PPG recognises that *“it might be the case that housing market areas overlap”* (paragraph 10). The three national mapped sources (NHPAU/CURDS Study, ONS TTWAs, VOA BRMAs) used in defining HMAs, all indicate that the Derby HMA local authorities are all in the same HMA.

¹¹ Identifying sub-regional housing market areas (CLG, March 2007)

^{2.35} The study of HMA boundaries commissioned by the East Midlands Regional Assembly Housing Board considered the issues relating to High Peak and Derbyshire Dales from paragraph 3.36 onwards and stated that:

- » 3.36 *The High Peak - Derbyshire Dales sub-region covers the southern and central High Peak areas and the greater part of Derbyshire Dales. The western extent of the sub-region includes the north westerly corner of Staffordshire Moorlands District due to residents in this area accessing services within Derbyshire Dales as opposed to those in Stoke on Trent.*
- » 3.37 *Travel to work patterns reveal the considerable influence of Greater Manchester on High Peak with heavy commuting flows apparent from High Peak district into Stockport, Tameside and Manchester. This pattern underlies the Greater Manchester sub-region's eastern boundary, which stretches from Glossop down to Buxton. By contrast, travel to work movements from the High Peak and Derbyshire Dales into Sheffield and Rotherham are negligible. As a result, the Sheffield and Rotherham market extends only marginally into the Peak District embracing the settlements on the eastern fringe of the Pennines.*
- » 3.38 *The level of connectivity between High Peak and Derbyshire Dales districts is low, in terms of household and travel to work movements. Nevertheless, both areas are affected by similar influences on their housing markets, such as high levels of second and holiday home ownership and long-distance in-migration from high income groups, causing rising prices within the area. The area also has a unified planning authority – the Peak District National Park- which has helped to develop a close working relationship between the High Peak and Derbyshire Dales districts.*
- » 3.39 *The High Peak - Derbyshire Dales housing market extends southwards into the area around Ashbourne, where it overlaps with the north west fringe of the Derby housing market. Ashbourne is perceived to be on the cusp of both part of the High Peak - Derbyshire Dales housing market and the Derby housing market.*

^{2.36} Derbyshire Dales District Council HMA review (G L Hearne, 2015) considered the Derbyshire Dales relationship with the Derby HMA and concluded that:

'The evidence points to a complex set of relationships between parts of Derbyshire Dales and surrounding areas, with the report concluding that the southern part of Derbyshire Dales, including Ashbourne and Wirksworth, falls within a Derby-focused HMA and FEMA; whilst the northern part of the District, including Bakewell and Hathersage, falls within a Sheffield-focused HMA and FEMA. The central part of the District, including Matlock, should be reasonably seen as falling within an area of overlap between the HMAs and FEMAs with influences from Sheffield, Chesterfield and Derby.

^{2.37} The Inspector's report for the Derbyshire Dales Local Plan Examination (November 2017)¹² noted that:

"as submitted the Plan does not make the approach to HMAs and housing provision across the Sub-Region clear so a modification MM11 is necessary to explain this and indicate that future local plan reviews would need to consider the potential for a wider HMA and joint working on plan preparation across district boundaries." (paragraph 58)

¹²

http://www.derbyshiredales.gov.uk/images/documents/L/Local%20Plan%20Examination%20Library/Inspectors_Report_FINAL.pdf

- 2.38 Modification MM11 describes a relationship between the southern part of the Derbyshire Dales and the Derby HMA. MM11 repeats the conclusion from the 2015 G L Hearne review of the HMA verbatim (paragraph 2.36 above) and concludes by addressing the Inspector’s concerns that the Derbyshire Dales HMA and joint working should be revisited in future Local Plan reviews:

As part of future Local Plan reviews, it is desirable to review the existing arrangements with a view to either defining a wider strategic HMA or pursuing joint working and plan preparation across district boundaries.

- 2.39 Importantly, the modification appears to allow for joint working across district boundaries rather than necessarily extending the definition of the Derbyshire Dales HMA into other areas. Because of this, the Derby HMA authorities should explore joint working with Derbyshire Dales District Council.
- 2.40 It is also important to recognise the inclusion of part of Erewash in the Derby HMA. While the population of the western part of Erewash is not in itself significant, the inclusion of part of Erewash demonstrates the close connection between the two cities of Derby and Nottingham as well as the surrounding areas.
- 2.41 In conclusion, we consider that the study of HMA boundaries commissioned by the East Midlands Regional Assembly Housing Board remains a fair summary of the situation relating to High Peak and Derbyshire Dales. On this basis and given the evidence from the three national mapped sources, it is necessary to assess whether the Derby HMA authorities can be considered as a separate HMA and FEMA.

Key Statistics for Derby HMA

Migration within the UK to and from Derby HMA

- 2.42 Figure 7 shows the movement which occurred in each local authority in the Derby HMA area in the year prior to the 2011 UK Census of Population. It identifies the current residence of those who previously lived in each local authority and moved in the 12 months prior to the Census and also the previous residence of those who now live in each local authority.
- 2.43 The migration self-containment rates are higher for Derby City and lower for South Derbyshire. The definition for a Housing Market Area sets out that it is the area “*where most of those changing house without changing employment choose to stay*”. Unfortunately, no data is available that relates migration with changes in employment circumstances; but given that most working people will live relatively close to their job, it is reasonable to assume that those migrants moving longer distances will tend to also change their place of work – so the containment rates for this group will inevitably be higher.

Figure 7: Previous Area of Residence (12 months prior to Census) by Current Area of Residence (Source: 2011 Census of Population)

	Moved within LA	All Moves to LA	All moves from LA
Number of moves			
Amber Valley	6,208	10,461	10,520
Derby	21,029	30,095	29,762
South Derbyshire	4,262	8,731	8,566
		% of total moves to the LA that originate from within the HMA	% of total moves from the LA to a destination within the HMA
Proportion of moves			
Amber Valley		59.3%	59.0%
Derby		69.8%	70.6%
South Derbyshire		47.7%	48.6%

Travel to Work Patterns

- 2.44 Whilst housing market areas are defined predominantly in terms of the areas “where most of those changing house without changing employment choose to stay”, it is also relevant to consider them in the context of “...the geographical area in which a substantial majority of the employed population both live and work”. It is therefore important to consider the extent to which the resident population work in the area and the workplace population live in the area.
- 2.45 Figure 8 demonstrates the levels of self-containment in the Derby HMA local authorities, i.e. those who live and work in the area. Overall, this shows that while 73.3% of people who live in Derby City also work in the area, the levels of self-containment are much lower for the remaining authorities.

Figure 8: Workplace Location by Area of Residence (Source: 2011 Census of Population)

	Reside and work in area	Reside in area	Work in area
Number of workers			
Amber Valley	33,501	59,625	55,305
Derby	82,683	112,844	124,448
South Derbyshire	19,850	48,103	34,172
		Residents who work in area	Workers who reside in area
Proportion of workers			
Amber Valley		56.2%	60.6%
Derby		73.3%	66.4%
South Derbyshire		41.3%	58.1%

Containment within the Combined Area

- ^{2.46} Figure 9 shows the migration and travel to work patterns for the combined Derby HMA.
- ^{2.47} PPG identifies that a “*relatively high proportion of household moves*” will be contained within a housing market area and suggests that this will be “*typically 70%*” or more; however, this “*excludes long-distance moves*” (ID 2a-011).
- ^{2.48} As the PAS OAN technical advice note confirms, “*what counts as a long-distance move is a matter of judgment*” (second edition, paragraph 5.16). Data from the English Housing Survey 2013-14 household report¹³ (figure 6.4) shows that over 7 in every 8 moves in the UK involved distances of less than 50 miles, with almost 5 in every 6 involving distances of less than 20 miles. It would therefore seem appropriate for long-distance moves to include all moves of at least 50 miles, and for moves of 20 miles or more to also be considered.
- ^{2.49} The concept of excluding “*long-distance moves*” relates back to the early definition of a functional housing market area that was set out at the start of this chapter. That definition focused on “*those moving house without changing employment*”, and long-distance moves will generally involve a change of job or other change of lifestyle (such as retirement). On balance, it seems unlikely that many people would move more than 20 miles in this part of the country without a change of job; so it would seem reasonable to consider moves of over 20 miles as being “*long-distance*” in the context of this specific area.
- ^{2.50} The levels of self-containment in the combined area are considerably higher than for the individual local authorities and all well above 70% migration target and the 67% ONS threshold for Travel to Work Areas, i.e. those who live and work in the area. Overall, the table shows that 72.8% of people who live in the combined area also work in the area and 75.0% of those who work in the combined area also live in the area. Considering the migration data; 71.1% of those who moved to the area previously lived in the area and 71.7% of previous residents of the area who moved stayed in the area.

Figure 9: Migration and Workplace Location by Area of Residence for the combined area (Source: 2011 Census of Population)

	Reside and work in area	Reside in area	Work in area
Combined area	160,537	220,572	213,926
		72.8%%	75.0%%
	Moved within area	All Moves to area	All moves from area
Combined area	35,042	49,287	48,848
		71.1%	71.7%

Conclusions

- ^{2.51} There is no single correct definition of an HMA and FEMA, but the CURDS HMA analysis, ONS Travel to Work Areas and BRMAs all indicate that the Derby HMA authorities of Amber Valley, Derby City and South Derbyshire are all located within the same HMA and FEMA. The migration and commuting data

¹³ <https://www.gov.uk/government/statistics/english-housing-survey-2013-to-2014-household-report>

also supports a Northern Derbyshire HMA and FEMA containing Bolsover, Chesterfield and North East Derbyshire and a HMA containing Derbyshire Dales and High Peak linked by the Peak District National Park.

- 2.52 This does not prevent overlaps occurring between the area, with for example the town of Ashbourne being in the administrative area of Derbyshire Dales, but in within the functional HMA and FEMA for Derby HMA, and the western part of Erewash Borough Council also lying within the Derby HMA. At the same time areas of Amber Valley and South Derbyshire lie inside of other functional HMAs and FEMAs, with South Derbyshire being linked to East Staffordshire and probably Burton on Trent in particular. However, from an administrative and practical point of view it is necessary for HMAs and FEMAs to follow local authority boundaries and the three authorities in the Derby HMA and FEMA remain the most appropriate grouping.

Appendix A

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