



Report

GVA  
81 Fountain Street  
Manchester  
M2 2EE

# East Staffordshire SHMA

## The Future Housing Market

June 2013

## Contents

1. The Future Housing Market.....3

## Appendices

Prepared By ..... Status.. .....Date .....

Reviewed By ..... Status.. .....Date .....

**For and on behalf of GVA Grimley Ltd**

# 1. The Future Housing Market

- 1.1 This section presents a number of scenarios of projected population change in East Staffordshire over the plan period. These scenarios are built using the POPGROUP suite of software with the input assumptions derived from official datasets and updated where relevant to reflect the analysis of the strategic drivers. Additional information on the POPGROUP suite of software is included within Appendix 1. Population change is then translated into household projections in order to understand the resultant level of projected growth in households within the district over the plan period. A final step in the process is conversion from households into dwellings.
- 1.2 Four scenarios are developed as follows to comply with Paragraph 159 of the NPPF:
- **Scenario 1a: Rebased SNPP 2010 (2008-based changes in Headship)**- this scenario analyses the latest official sub-national population projection dataset released by the ONS (2010 based). This dataset is 'updated' to take account of the latest available data from the 2011 Census at the time the modelling was undertaken. It assumes that headship rates change in line with the 2008-based Sub-National Household Projections.
  - **Scenario 1b: Rebased SNPP 2010 (Fixed Headship)** – this scenario builds upon the population analysis underpinning Scenario 1, however fixes headship rates for household formation at 2011 levels in order to test the sensitivity of the projections to changes in headship rates as included in the 2008-based Sub-National Household Projections.
  - **Scenario 2a: Employment Led (ELR) (2008-based changes in Headship)**– this scenario projects future population change based on forecast future economic performance of East Staffordshire. This scenario is aligned to the economic forecasts which underpin the 2013 East Staffordshire Employment Land Review (ELR). It assumes that headship rates change in line with the 2008-based Sub-National Household Projections.
  - **Scenario 2b: Employment Led (Fixed Headship)** – this scenario builds upon the population analysis underpinning Scenario 2a, and continues to take account of population changes arising from the future performance of the economy, in line with the ELR. However, this scenario fixes headship rates for household formation at 2011 levels (as with Scenario 1b).
- 1.3 The evidence is brought together at the end of the section, including consideration of evidence published subsequent to preparation of the scenarios and the implications for developing a housing requirement for East Staffordshire.
-

## Outputs of the Population Modelling Analysis

### Demographic Projections: Sub-national Population Projection (2010 base)

- 1.4 On the 21<sup>st</sup> March 2012 the Office of National Statistics (ONS) released the latest full set of official Sub National Population Projections (SNPP) data<sup>1</sup>. These have a 2010 base and replace the 2008-based Sub-National Population Projections.
- 1.5 The ONS notes within an accompanying 'methodology document'<sup>2</sup> the detailed data sources and methodology used to generate the population projections. These are however, summarised based on the accompanying 'frequently asked questions'<sup>3</sup> note:
- “Registrations of births and deaths collected by the civil registration system at the General Register Office are used to calculate fertility and mortality rates. Internal migration estimates and cross-border migration estimates are based on administrative data. International migration estimates are based on data from the International Passenger Survey, together with asylum seeker data from the Home Office and National Asylum Support Service.” (ONS, SNPP 2010 – Frequently Asked Questions)*
- 1.6 A number of methodological changes have been integrated in the latest projections which have an impact both at a national and a sub-national level. These changes are primarily related to the treatment of projections of international migration flows and changes to fertility rates reflecting recent national trends. These are explored in more detail below.

---

<sup>1</sup> Note: In September 2012 the ONS published an Interim 2011-based SNPP dataset. This does not represent a full official SNPP with the projections only running to 2021. This dataset is considered in more detail throughout this section but does not form a separate considered scenario.

<sup>2</sup> ONS, (2012) Methodology: 2010 Sub-National Population Projections, 21st March 2012  
<http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/2010-based-projections/rpt-snpp-2010-based-methodology-report.html>

<sup>3</sup> ONS, (2012) Frequently Asked Questions: 2010-based Sub-National Population Projections, 21st March 2012  
<http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/2010-based-projections/rpt-snpp-2010-based-faq.html>

---

### *Projecting International Migration*

- 1.7 ONS has an ongoing programme of 'improvement' to its estimation methodologies to ensure the most accurate data on immigration and emigration is used in its estimation of the population. In 2010, ONS released a set of 'revised' Mid Year Estimates (MYE) for 2001-2009 and a revised 2008-based population projection, which took account of a number of such improvements; specifically, the improved handling of onward student moves and the integration of administrative data sources to better estimate the local impact of international migration.
- 1.8 In November 2011, ONS released further revisions to MYE for 2006-2010, using a revised methodology for international migration estimates based upon an approach developed by Dr Peter Boden and Professor Phil Rees working at the University of Leeds<sup>4</sup>.
- 1.9 These latest MYE revisions, although yet to be made 'official statistics', have been used as the basis for ONS' latest 2010-based SNPP, released in March 2012. The 2010 - based SNPP include a substantial increase in net international migration flows at a national UK level.
- 1.10 The new projections also include updated assumptions around fertility rates. Nationally recent evidence suggests a rise in fertility rates, this again impacts on local level projections,<sup>5</sup>, this is explained by the ONS below:

*“Compared to the 2008-based projections, the long-term fertility assumption has remained the same. However higher fertility rates are assumed in the short-term, with the assumed UK fertility rates set to increase from current levels to a high of 2.02 (children per women) in 2013 before decreasing to the long-term assumption of 1.84 by 2027. These short-term assumptions are very different to those used in the 2008-based projections which assumed a decreasing fertility rate and reached the long-term within five years. The 2010-based assumptions are higher and stay higher for longer reflecting the current relatively high trends in fertility.” (ONS, SNPP 2010 – Frequently Asked Questions)*

---

<sup>4</sup> Boden P and Rees P (2010) Using administrative data to improve the estimation of immigration to local areas in England, Statistics in Society – Series A, Volume 173 Issue 4m, p707-731, October 2010  
<http://onlinelibrary.wiley.com/doi/10.1111/j.1467-985X.2009.00637.x/abstract>

ONS (2011) Improved Immigration Estimates to Local Authorities in England and Wales: Overview of Methodology  
<http://www.ons.gov.uk/ons/guide-method/method-quality/imps/improvements-to-local-authority-immigration-estimates/index.html>

<sup>5</sup> Note: Further information on the national assumptions can be found at the following link:

<http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2010-based-projections/rep-2010-based-npp-fertility-assumptions.html#tab-Principal-assumptions>

### *Taking account of the 2011 Census data*

- 1.11 In July 2012 the ONS published the first phase release of data from the 2011 Census. This included estimates of the population and the number of households for each authority in England and Wales as well as a breakdown by age. In order to ensure the analysis takes account of this data release all of the modelled scenarios have been rebased to reflect the 2011 Census population count.
- 1.12 This exercise is very similar to that undertaken by the ONS in the publication of the 2011-based Interim sub-national population projections. This is described in the text box below.

#### **Interim 2011-based Sub-National Population Projections**

The ONS published a 2011-based Interim set of Sub-National Population Projections (SNPP) on the 28<sup>th</sup> September 2012. These projections were produced ahead of the usual schedule of releases in order to provide an indication of the impact of the integration of available data from the 2011 Census. They have only been published to 2021 and hence do not cover the whole period of the new East Staffordshire Local Plan.

It is important to recognise that these projections do not take into account all of the data usually required to update trends in the ONS projection model. Assumptions around future fertility, mortality and migration levels are based on the trends calculated for the 2010-based SNPP. This is because a revised back series for the rolled forward mid-2002 to mid-2010 population estimates taking account of the 2011 Census is not yet available to update the assumptions. The projections do however, give an indication of the possible size and structure of the future population based upon an updated base position regarding the structure of the population in terms of age and sex as of the 2011 Census date.

- 1.13 Significantly, the 2011 Census data indicates that previous and historic ONS datasets under-estimated the level of population growth to 2011. It is more than likely that this under-estimation has been influenced by the international migration components of the projection. This historical undercount could have an impact on the production of future demographic trend based projections by the ONS. If the higher level of net international migration is confirmed over recent years a trend based projection is likely to extrapolate this higher net annual flow forwards<sup>6</sup>.

---

<sup>6</sup> The ONS states in the published 'Information Paper – Quality and Methodology Information Sub-National Population Projections' (25<sup>th</sup> September 2012): "SNPPs are demographic, trend-based projections indicating likely size and age structure of the future population if the underlying trends and assumptions about future levels of components of change were realised. They are based on levels of births, deaths and migration observed over a five year reference period leading up to the base year. However, as a result of inherent uncertainty of demographic behaviour, any set of projections will inevitably be proved wrong, to a greater or lesser extent, as a forecast of future demographic events or population structure. The SNPPs use the latest available population estimates and are inevitably dependent

- 1.14 The GVA modelled “**Scenario 1: Rebased SNPP 2010**” presented below therefore takes the 2011 Census population data as a start point and as with the Interim 2011-based SNPP dataset applies the projected rate of change assumed through the 2010- based dataset (ONS long-term assumptions on fertility and mortality change) but projects this forward through to the end of the plan period.
- 1.15 The ‘corrections’ applied through the various datasets highlight the impact of varying assumptions and the importance of considering a range of scenarios recognising that projecting forward data over the long-term is always associated with a level of uncertainty.

**Scenario 1: Rebased SNPP 2010 (population-led projection)**

- 1.16 The projected impact of the rebasing of the 2010-based SNPP to include the 2011 Census outputs is illustrated in figure 5.2.

*Figure 5.2: Projected Population Rebased SNPP 2010*

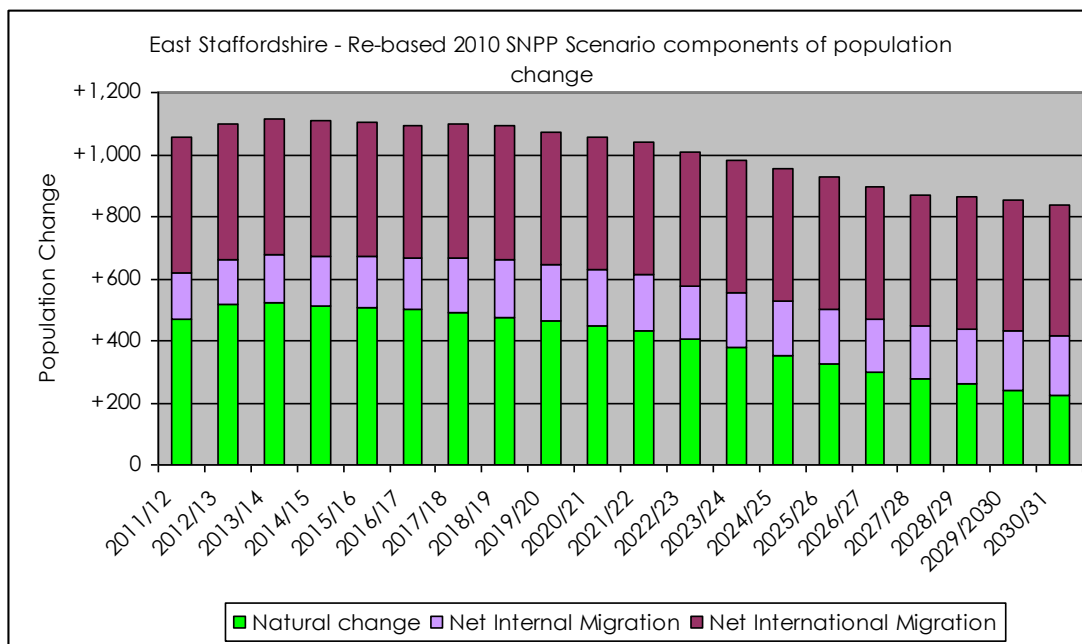
Scenario	Population 2011	Population 2031	Projected Change in Population 2011 - 2031	Annual Average Change (20 years)
Re-based SNPP 2010	113,858	133,978	20,120	1,006

*Source: Edge Analytics, GVA, 2013*

- 1.17 Under this scenario the population of East Staffordshire is projected to increase by just over 20,100 people between 2011 and 2031.
- 1.18 The following chart illustrates the assumed net impact of the three components of change on annual population change in East Staffordshire under this scenario.

on the accuracy of these estimates. The methods used do not enable statements of probability nor confidence intervals to be directly calculated’. In addition to the above in the past the ONS produced a ‘Sub National Population Projections Accuracy Report’ in August 2008. This considered a range of projections but not the latest series of projections considered in this research.

Figure 5.3: Components of Change Rebased 2010 SNPP



Source: Edge Analytics, 2012

- 1.19 The chart serves to illustrate the trend-based nature of this projection approach, with future change projected by a continued extrapolation of historical trends. Under this scenario internal migration continues to represent a small positive factor on population change with Natural Change continuing to represent a significant driver of population growth alongside the important assumed continuation of a strong international migration net inflow.

Scenario 2: Employment Led (ELR)

- 1.20 This scenario projects the population of East Staffordshire based on an economic forecast. The methodology and assumptions used in constructing the scenario are presented below.



### *Methodology / Assumptions*

- 1.21 The population projected under the Rebased SNPP 2010 scenario (Scenario 1) has been aligned with the economic forecasts utilised in the 2013 East Staffordshire Employment Land Review.

### *Employment Assumptions*

- 1.22 The East Staffordshire Employment Land Review (ELR) utilises an economic evidence base derived from Experian Business Strategies and modified to reflect the performance of key business sectors within the local economy. The employment scenario included within the ELR was entitled the Alternative Labour Demand scenario. This is based on modifications to an Experian-produced forecast which specifically relate to the need to reflect local strengths within the economy within manufacturing sub-sectors and their capacity to sustain employment levels. The Alternative Labour Demand scenario forecasts employment growth of 5,728 full time equivalent (FTE) jobs over the plan period.

### *Other Assumptions*

- 1.23 The construction of this scenario is achieved by applying parameters which measure the relationship between the population and the labour-force (economic activity rate) and between the labour force and the number of jobs in an area (labour force: jobs conversion factor). This takes into account the level of unemployment but also the degree to which residents live and work within the area in question. In an employment based scenario, net in-migration will occur if the size of the resident labour-force is insufficient to match the number of jobs that are forecast to be created.
- 1.24 The scenario assumes that current levels of in commuting, in absolute terms, remain the same and hence that in proportional terms in-commuting reduces over time (because the workforce grows). Unemployment rates remain constant over the projection period<sup>7</sup>. The same approach is applied to economic activity rates<sup>8</sup>, the only variation on these assumptions is a varying of older person activity rates to reflect likely changes to pension ages over the long-term, with the following assumption applied:
- 50 – 64 and 65 – 74 year age groups: Economic activity rates incrementally increased by 10% between 2011 and 2030. An incremental approach is applied to reflect the gradual impact of this factor on economic activity.

---

<sup>7</sup> Note: Unemployment rates are held constant at 4.4% based on a 5 year average of the last five years.

---

1.25 Importantly the assumed economic activity rates and unemployment levels are based on historic averages over a 5 year period. This is important both in terms of smoothing out estimation errors in the published datasets, which are based on sampling analysis, but also in terms of the relative health of the economy which is projected forward. Projecting current rates forward over a twenty year period would compound any current issues linked to the economic recession and present a particularly negative outlook in employment terms. The averaging out of rates incorporates the current economic climate as well as more positive economic periods therefore achieving a more balanced perspective for projecting forward.

1.26 The following table illustrates the impact of the employment forecast on population levels. This shows population growth over the period of just under 21,900 persons, compared to 20,120 under Scenario 1.

*Figure 5.7: Employment-Led (ELR) – population projection*

Scenario	Population 2011	Population 2031	Projected Change in Population 2011 - 2031	Annual Average Change (20 years)
Employment-led (ELR)	113,858	135,746	21,888	1,094

Source: *Edge Analytics, GVA, 2013*

*Implications of different levels of population change*

1.27 The size of the population, as modelled under each of the scenarios above will have linked implications for the size of the resident labour force. A summary of the change in labour force under each of the scenarios is provided below:

- Scenario 1 – Under Scenario 1 the resident labour force would increase by 4,826 persons over the period 2011-2031.
- Scenario 2 – Under Scenario 2, the resident labour force would increase by 5,594 over the period 2011-2031.

1.28 When assessed in the context of the likely changes in East Staffordshire's economy over the next 20 years, as set out in the Employment Land Review 2013 and comprising 5,636 FTE jobs, it is apparent that Scenario 2 achieves a "better" alignment between jobs that are likely to be created and labour force requirements. This would suggest that the demographically derived scenarios could potentially lead to

<sup>8</sup> Note: Economic activity rates are held constant based on average figures developed from those presented within figure 3.8 and attributed to individual age groups by sex.

increasing levels of in commuting to fill job opportunities due to constraints to the size of the resident labour force.

## Translating Projected Population Growth into Household Growth

### *Methodology*

- 1.29 Edge Analytics have converted the two population projections presented in the preceding analysis into numbers of households utilising two different headship rate assumptions.
- 1.30 The first assumption is to apply the rate of change in headship rates included within the 2008-based DCLG sub-national household projections (household headship rates by household type, age and sex). This assumption sees an overall increase in the headship rate which contributes to a fall in average household size over the projection period.
- 1.31 The second and alternative assumption is to fix headship rates at 2011 levels. This is more consistent with evidence that headship rates in 2011 were lower than projected within the 2008-based sub-national household projections, a fact which can be partially explained by affordability challenges and a constrained mortgage market leading to lower household formation. These factors could in principle continue to exert an influence, leading to suppressed headship rates. Average household size still falls under this assumption because of the general ageing of the population and the fact that older person households typically contain only 1 or 2 persons.
- 1.32 Application of both alternative assumptions to the population projections results in four scenarios in total.

### Scenario 1a: Household Projection

- 1.33 The following table illustrates the projected level of household change resulting from the Scenario 1 population projection presented earlier in this section together with the 2008-based changes in headship rates. In addition the 2008-based DCLG Household projections (SNHP)<sup>9</sup> are included for reference as these represent the latest nationally published (official) household projection dataset for the period.

---

<sup>9</sup> The un-rounded detailed dataset released by the DCLG for modelling purposes are used within the table. These are available at:  
<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/householdestimates/detailedatadownloads/> (June 2012)

---

*Figure 5.8: Projected Household Change*

Scenario	Households 2011	Households 2031	Projected Change in Households 2011 - 2031	Annual Average Change (20 years)
Scenario 1a: Re-based SNPP 2010 – 2008-based changes in Headship Rates	47,546 <sup>10</sup>	59,190	11,644	582
Comparator: DCLG 2008-based SNHP	46,815	56,401	9,586	479

Source: Edge Analytics, GVA, 2013

- 1.34 The Scenario 1a household projection highlights the potential for a total change of 11,644 households over the period 2011 to 2031. This compares to 9,586 households as projected by the DCLG 2008-based SNHP.

### Scenario 1b: Household Projection

- 1.35 Scenario 1b applies the fixed headship rate assumption to the Scenario 1 population projection. The results are presented at Figure 5.9 below.

*Figure 5.9: Household Projection*

Scenario	Households 2011	Households 2031	Projected Change in Households 2011 - 2031	Annual Average Change (20 years)
Scenario 1b: Re-based SNPP 2010 - Fixed Headship Rates	47,546	58,638	11,092	555
Comparator: DCLG 2008-based SNHP	46,815	56,401	9,586	479

Source: Edge Analytics, 2013

- 1.36 The projection illustrates that with household headship rates fixed at 2011 levels, there could be a change of 11,092 households over the period 2011 to 2031. This compares to 9,586 households over the same period (using the DCLG 2008-based SNHP comparator) and 11,644 households (under Scenario 1a) for the same period.

<sup>10</sup> The number of households in 2011 derived from Scenario 1 does not exactly align with the household total from the 2011 Census because it is a projection from 2010 given rebasing of the *population* in 2011 rather than rebasing of the number of households. In contrast the household projections derived from Scenario 2 are based on the household total from the 2011 Census. Hence the household projections do not have the same 2011 base number.

## Scenario 2a: Household Projection

- 1.37 The employment led household projection (see Figure 5.10) with 2008-based changes in headship rates illustrates that there could be a total change of 12,195 households over the 20 year period 2011 to 2031. As previously stated this scenario is aligned with the Employment Land Review (ELR) for East Staffordshire and the employment forecasting that underpins this work.

*Figure 5.10: Household Projection*

Scenario	Households 2011	Households 2031	Projected Change in Households 2011 - 2031	Annual Average Change (20 years)
Scenario 2a: Employment-led (ELR) – 2008-based changes in Headship Rates	47,251	59,446	12,195	609
Comparator: DCLG 2008-based SNHP	46,815	56,401	9,586	479

*Source: Edge Analytics, GVA, 2013*

## Scenario 2b: Household Projection

- 1.38 Scenario 2b applies the fixed headship rates assumption to the Employment Led population projection). The results are presented at Figure 5.11 below.

*Figure 5.11: Household Projection*

Scenario	Households 2011	Households 2031	Projected Change in Households 2011 - 2031	Annual Average Change (20 years)
Scenario 2b: Employment-led (ELR) - Fixed Headship Rate	47,251	58,806	11,555	578
Comparator: DCLG 2008-based SNHP	46,815	56,401	9,586	479

*Source: Edge Analytics, 2013*

- 1.39 Under this scenario, there could be a total household change amounting to 11,555 over the 20 year period 2011 to 2031. Fixing headship rates would therefore serve to

---

The key factor when considering the household projections, however, is the projected change over the plan period as opposed the exact starting base.

---

moderate household formation compared to Scenario 2a (which projects household change of 12,195 over the same period).

## Translating household growth into projected dwelling requirements

- 1.40 The levels of household growth projected under the various scenarios have been translated into projected dwelling requirements within this section.
- 1.41 In calculating dwelling requirements from household projections a standard margin of 2.5% has been applied to the household projections to allow for 'churn' or turnover within the housing market.
- 1.42 The following table presents the range of dwelling requirements derived from each scenario.

*Figure 5.12: Projected dwelling requirements (2011 – 2031)*

Scenario	Projected Change in Households 2011 - 2031	Projected Change in Dwellings 2011 - 2031 (Vacancy rate of 2.5% assumed)	Annual Average Change (20 years)
Scenario 1a: Re-based SNPP 2010 – 2008-based changes in Headship	11,644	11,935	597
Scenario 1b: Rebased SNPP 2010 -Fixed Headship	11,092	11,369	568
Scenario 2a: Employment-led (ELR) – 2008-based changes in Headship	12,195	12,500	625
Scenario 2b: Employment-led (ELR)- Fixed Headship	11,555	11,844	592

*Source: GVA, Edge Analytics, 2013*

- 1.43 It is important to note that these projections have a base date of 2011. The Local Plan period will cover the years 2012 to 2031. The net delivery rates for 2011/12 therefore needs to be subtracted from the overall level of dwellings required in order to arrive at an updated per annum figure taking account of the backlog built up over this year.

### *Housing Delivery 2011/2012*

- 1.44 Housing completions data for the year 2011/2012 and supplied by East Staffordshire Borough Council demonstrates that 524 homes were delivered during the year. The

completions figure has been subtracted from the projected change in dwellings and an annual average change figure produced by dividing the result by the full 19 years of the plan period. The results are summarised at Figure 5.13.

*Figure 5.13: Net projected dwelling requirements (2012-2031)*

Scenario	Projected Change in Dwellings 2011 - 2031	Net Projected Dwelling Requirement (2012-2031)	Annual Average Change (19 years)
Scenario 1a: Re-based SNPP 2010 – 2008-based changes in Headship	11,935	11,411	601
Scenario 1b: Rebased SNPP 2010 -Fixed Headship	11,369	10,845	571
Scenario 2a: Employment-led (ELR)- 2008-based changes in Headship	12,500	11,976	630
Scenario 2b: Employment-led (ELR)-Fixed Headship	11,844	11,320	596

Source: GVA, Edge Analytics, 2013

## Bringing the Evidence Together

- 1.45 Four scenarios have been developed in order to examine the latest demographic evidence, as well as alignment with the economic ambitions of the Council and the implications for considering a range of dwelling requirements. The scenarios also consider and highlight the sensitivity of the housing requirements calculations to household headship rate assumptions. The range of dwelling requirements comprises:
- Scenario 1a: Re-based SNPP 2010 (2008-based changes in Headship) 601 dwellings per annum (2012-2031)
  - Scenario 1b: Rebased SNPP 2010 (Fixed Headship) 571 dwellings per annum (2012-2031)
  - Scenario 2a: Employment-led (ELR) (2008-based changes in Headship) 630 dwellings per annum (2013-2031)
  - Scenario 2b: Employment Led (ELR) (Fixed Headship) 596 dwellings per annum (2021-2031)
- 1.46 Planning for purely demographically driven demand, Scenarios 1a and 1b do not take any account of economic changes in East Staffordshire over the plan period, nor the resultant requirements for labour to fill potential job opportunities. East

Staffordshire's Employment Land Review of 2013 provides an agreed economic forecast and this has been used as an input to the modelling process to generate housing requirements that are reflective of the economic growth potential of East Staffordshire to 2031 as well as being aligned with the Employment Land Review evidence base.

### Consideration of New Evidence

- 1.47 Subsequent to the scenarios being constructed the Department for Communities and Local Government (DCLG) published the 2011-based Interim Sub National Household Projections (SNHP) in April 2013. This dataset has been issued with an "interim" status reflecting limitations in terms of alignment with Census 2011 results, and a limited projection period covering 2011 to 2021. The newly published 2011-based projection is a base projection and does not take account of the performance of the economy, nor the potential changes in requirements for labour within East Staffordshire as a result of employment changes.
- 1.48 While the 2011-based Interim SNHP has not been used to remodel the scenarios presented above, its findings are compared at Figure 5.14<sup>11</sup> below to Scenario 1a. It should be noted that the 2011-based interim SNHP only cover a part of the Local Plan Period (2012-2031) and therefore direct comparison with the scenarios in this report is not possible over the whole Local Plan period.
- 1.49 The 2011-based interim SNHP projects a change of 4,852 households over the period 2011-2021 compared to 6,094 households under Scenario 1a: Rebased SNPP 2010 (2008-based changes in Headship). This represents a difference of 1,242 households over the period 2011-2021, suggesting that household formation under the 2011-based Interim SNHP is projected at a slower rate than that assumed under Scenario 1a.

---

<sup>11</sup> As previously stated, due to the population forecast being 2010-based, the 2011 household total under Scenario 1a is not directly constrained to the 2011 Census count. The key factor when considering the household projections, however, is the projected total change over the plan period as opposed the exact starting base.

---



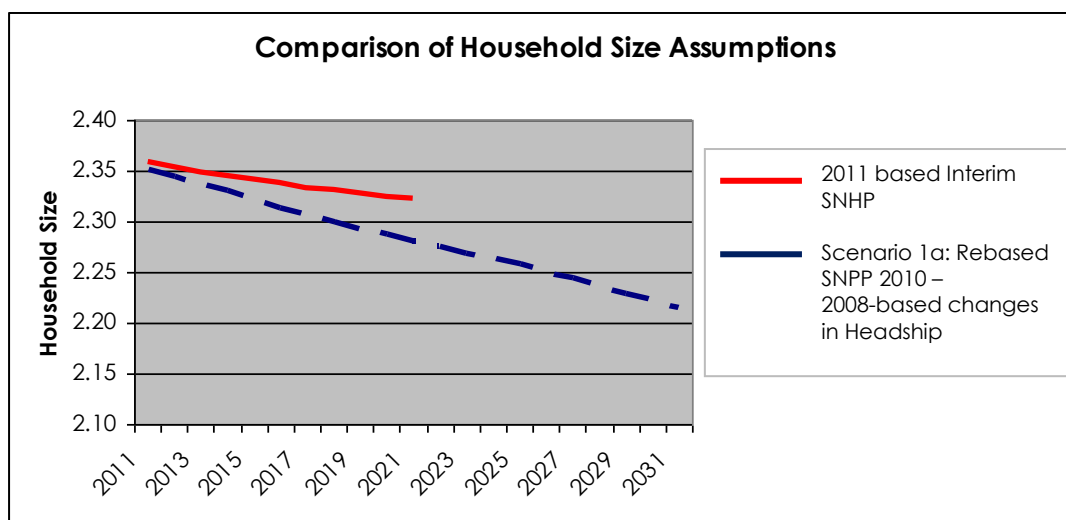
Figure 5.14: Comparison of household projections (2011-2021)

Household Projection	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Change 2011-2021
2011-based interim SNHP <sup>12</sup>	47355	47869	48377	48871	49384	49882	50371	50844	51303	51758	52207	4852
Scenario 1a: Rebased SNPP 2010 – 2008-based changes in Headship	47546	48123	48719	49342	49985	50623	51241	51864	52459	53062	53640	6094
<b>Difference</b>												<b>1242</b>

Source: DCLG/ GVA analysis

1.50 A comparative analysis of household size is presented at Figure 5.15 highlighting the differences over the 2011-2021 period and the Scenario 1a projection to the end of the Local Plan period (2022-2031).

Figure 5.15: Comparison of household size trends



<sup>12</sup> The 2011-based interim SNHP provides household projections at mid-year which is why the 2011 start point differs from the Census 2011 household total in February 2011.

*Source: DCLG/ GVA analysis*

- 1.51 The comparison of average household size trends over the period 2011-2021<sup>13</sup> reveals a divergent trend between Scenario 1a (which is informed by the 2008-based SNHP) and the household size trend projected by the 2011-based Interim SNHP. The 2011-based projection highlights a trend of household sizes decreasing more slowly over 2011-2021 when compared to Scenario 1a. If the slower rate of change in household size were to be perpetuated post 2021, this would lead to continuing differences in average household size assumptions between the 2011-based interim SNHP and Scenario 1a up to 2031. However the official 2011-based SNHP covering the period to 2031 will not be released by the ONS until 2014. Based on the differences to 2021, however, it would be prudent to make some allowance for a slowing in household formation from the 2008 based projection.
- 1.52 In advance of the official 2011-based projections being available, any household projections with a time horizon of post-2021 will be based on user assumptions with regard to changes in headship rates and household formation. Such assumptions could potentially include a perpetuation of the 2011-2021 (2011-based) trend, however the validity of such assumptions will not be revealed until publication of the full dataset in 2014. The analysis undertaken herein has suggested that headship rate change to 2031 is likely to sit somewhere between the 2008-based SNHP Increasing Headship rate assumption and the Fixed Headship rate assumption.

*Conclusions*

- 1.53 Based upon the evidence presented in this report, East Staffordshire should plan to meet its demographically driven housing demand and should also look to meet economically derived housing demand resulting from consideration of the aligned economic evidence base in the Employment Land Review. This suggests planning for a housing requirement that is aligned to population Scenario 2, which in turn takes account of both demographic and economic evidence, and the increasing labour force requirement associated with the delivery of new jobs.
- 1.54 The new 2011-based Interim SNHP was published subsequent to the scenario work contained in this report. The interim 2011-based projection does indicate a potential reduction in household formation from the rates projected by the 2008-based SNHP. It would therefore be prudent to take account of the implications of a reduced propensity for household formation over the plan period.
- 1.55 Figure 5.15 shows that a mid point between Scenario 2a and Scenario 2b is a reasonable projection of the number of households given the lower level of household

---

<sup>13</sup> Note: Average Household Size = Household Population/ Total Households

formation in the new 2011-based Interim SNHP<sup>14</sup>. The mid point calculation is shown at Figure 5.16. This gives a total of 11,875 households by 2031. Translating this into an annual requirement means a mid point requirement of 613 dwellings per annum (2012-2031).

*Figure 5.16: Mid Point Calculation*

Scenario	Projected Change in Households 2011 - 2031	Projected Change in Dwellings 2011 - 2031	Net Projected Dwelling Requirement (2012-2031)	Annual Average Change (19 years)
Scenario 2a: Employment-led (ELR)- 2008-based changes in Headship (a)	12,195	12,500	11,976	630
Scenario 2b: Employment-led (ELR) - Fixed Headship (b)	11,555	11,844	11,320	596
<b>Mid Point (=average of a+b)</b>	<b>11,875</b>	<b>12,172</b>	<b>11,648</b>	<b>613</b>

- 1.56 Planning for this housing requirement figure will enable East Staffordshire to fully meet its demographically derived housing requirements (since it is higher than Scenario 1a) as well as supporting the projected growth of its economy and net employment gains.<sup>15</sup>
- 1.57 This report forms part of the evidence base for the Local Plan, and its findings will be subject to further consideration by the Local Planning Authority prior to establishing a final housing requirement.

<sup>14</sup> It is important to note that the mid-point has been calculated between the household outputs of these two scenarios, and has not been retrospectively applied to the modelling process that informs derivation of the original scenarios or their results.

<sup>15</sup> It will also deliver housing to accommodate a higher number of households by 2021 (53,612) than projected under the 2011-based Interim SNHP (52,207).