



Strategic Planning & Research Unit

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# APPENDIX 3



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## Appeal Decisions

Inquiry commenced on 20 August 2013

Site visit made on 7 October 2013

by Graham Dudley BA (Hons) Arch Dip Cons AA RIBA FRICS

an Inspector appointed by the Secretary of State for Communities and Local Government

Decision date: 17 March 2014

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### Appeal 1: APP/G2245/A/13/2197478

Land at Broom Hill, Swanley, Kent

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a failure to give notice within the prescribed period of a decision on an application for outline planning permission.
- The appeal is made by Cooper Estates Limited against Sevenoaks District Council.
- The application Ref SE/12/03421/OUT, was dated 24 December 2012.
- The development proposed is mixed use development comprising demolition of existing employment building, erection of new employment building for provision of up to 2,500m<sup>2</sup> of employment use (B2/B8), erection of 61 dwellings (including no fewer than 24 affordable social houses), alterations to existing access in the vicinity of London Road and provision of an access road within a corridor not less than 16m wide, including an amenity strip not less than 4.5m wide along the west side, provision of land for an access corridor not less than 20m wide for possible future access to the employment allocation site to the east, alterations to existing access on to Beechenlea Lane, provision of not less than 0.24 hectares retained open land, provision of not less than 1.41 hectares of public open space, including an equipped play area, and provision of a public footpath.

### Appeal 2: APP/G2245/A/13/2197479

Land at Broom Hill, Swanley, Kent

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a failure to give notice within the prescribed period of a decision on an application for outline planning permission.
  - The appeal is made by Cooper Estates Limited against Sevenoaks District Council.
  - The application Ref SE/12/03422/OUT, was dated 24 December 2012.
  - The development proposed is Mixed use development comprising demolition of existing employment building, erection of new employment building for provision of up to 2,500m<sup>2</sup> of employment use (B2/B8), erection of 39 dwellings (including no fewer than 16 affordable social houses), alterations to existing access in the vicinity of London Road and provision of an access road within a corridor not less than 16m wide, including an amenity strip not less than 4.5m wide along the west side, provision of land for an access corridor not less than 20m wide for possible future access to the employment allocation site to the east, alterations to existing access on to Beechenlea Lane, provision of not less than 0.94 hectares retained open land, provision of not less than 1.44 hectares of public open space, including an equipped play area, and provision of a public footpath.
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**Appeal 3: APP/G2245/A/13/2195874**  
**Land at Broom Hill, Swanley, Kent**

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant outline planning permission.
  - The appeal is made by Cooper Estates Limited against the decision of Sevenoaks District Council.
  - The application Ref SE12/03423/OUT, dated 24 December 2012, was refused by notice dated 28 March 2013.
  - The development proposed is mixed use development comprising erection of 20 dwellings (including no fewer than 8 affordable social houses), provision of land for an access corridor not less than 20m wide for possible future access to the employment allocation site to the east; alterations to the existing access on to Beechenlea Lane, provision of not less than 1.06 hectares retained open land, provision of not less than 1.48 hectares of public open space, including an equipped play area.
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**Appeal 4: APP/G2245/A/13/2195875**  
**Land at Broom Hill, Swanley, Kent**

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant outline planning permission.
  - The appeal is made by Cooper Estates Limited against the decision of Sevenoaks District Council.
  - The application Ref SE/12/03424/OUT, dated 24 December 2012, was refused by notice dated 28 March 2013.
  - The development proposed is mixed use development comprising erection of 20 dwellings (including no fewer than 8 affordable social houses), provision of land for an access corridor not less than 20m wide for possible future access to the employment allocation site to the east, alterations to the existing access on to Beechenlea Lane, provision of not less than 1.17 hectares retained open land, provision of not less than 1.33 hectares of public open space, including an equipped play area.
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This decision is issued in accordance with Section 56 (2) of the Planning and Compulsory Purchase Act 2004 as amended and supersedes that issued on 23 January 2014.

**Procedural Matters**

1. The inquiry was held on the 20-23 August and 8 October.
2. During the course of the inquiry the council acknowledged that subject to controls for mitigation and management, there would now be no objection in relation to ecology. It is now common ground between the main parties that objections related to air quality and site contamination have been overcome and objections related to affordable housing would be overcome with an appropriate legal agreement.
3. The council also confirmed, because of their current understanding of the schemes, that the balance of the benefits against harm has changed for the proposals for 20 dwellings (Appeals 3 and 4). Now the council is of the opinion that for those schemes the benefits outweigh the harm and approval would have been recommended.



4. The applications are for outline planning permission, with all matters apart from access reserved.

## Decisions

### Appeal 1

5. The appeal is allowed and planning permission is granted for a mixed use development comprising demolition of existing employment building, erection of new employment building for provision of up to 2,500m<sup>2</sup> of employment use (B2/B8), erection of 61 dwellings (including no fewer than 24 affordable social houses), alterations to existing access in the vicinity of London Road and provision of an access road within a corridor not less than 16m wide, including an amenity strip not less than 4.5m wide along the west side, provision of land for an access corridor not less than 20m wide for possible future access to the employment allocation site to the east, alterations to existing access on to Beechenlea Lane, provision of not less than 0.24 hectares retained open land, provision of not less than 1.41 hectares of public open space, including an equipped play area, and provision of a public footpath, at Broom Hill, Swanley, Kent in accordance with the terms of the application, Ref SE/12/03421/OUT, dated 24 December 2012 and the plans submitted with it, subject to the relevant conditions set out in Annex A.

### Appeal 2

6. The appeal is allowed and planning permission is granted for a mixed use development comprising demolition of existing employment building, erection of new employment building for provision of up to 2,500m<sup>2</sup> of employment use (B2/B8), erection of 39 dwellings (including no fewer than 16 affordable social houses), alterations to existing access in the vicinity of London Road and provision of an access road within a corridor not less than 16m wide, including an amenity strip not less than 4.5m wide along the west side, provision of land for an access corridor not less than 20m wide for possible future access to the employment allocation site to the east, alterations to existing access on to Beechenlea Lane, provision of not less than 0.94 hectares retained open land, provision of not less than 1.44 hectares of public open space, including an equipped play area, and provision of a public footpath, at Broom Hill, Swanley, Kent in accordance with the terms of the application, Ref SE/12/03422/OUT, dated 24 December 2012 and the plans submitted with it, subject to the relevant conditions set out in Annex A.

### Appeal 3

7. The appeal is allowed and planning permission is granted for a mixed use development comprising erection of 20 dwellings (including no fewer than 8 affordable social houses), provision of land for an access corridor not less than 20m wide for possible future access to the employment allocation site to the east; alterations to the existing access on to Beechenlea Lane, provision of not less than 1.06 hectares retained open land, provision of not fewer than 1.48 hectares of public open space, including an equipped play area at Land at Broom Hill, Swanley, Kent in accordance with the terms of the application, Ref SE12/03423/OUT, dated 24 December 2012 and the plans submitted with it, subject to the relevant conditions in Annex A.

## Appeal 4

8. The appeal is allowed and planning permission is granted for a mixed use development comprising erection of 20 dwellings (including no fewer than 8 affordable social houses), provision of land for an access corridor not less than 20m wide for possible future access to the employment allocation site to the east; alterations to the existing access on to Beechenlea Lane, provision of not less than 1.06 hectares retained open land, provision of not less than 1.48 hectares of public open space, including an equipped play area at Land at Broom Hill, Swanley, Kent in accordance with the terms of the application, Ref SE12/03424/OUT, dated 24 December 2012 and the plans submitted with it, subject to the relevant conditions in Annex A.

## Main Issues

9. I consider that the main issues are:
- The need for the proposed housing.
  - The effect of the proposal on the character and appearance of the surrounding area.
  - The effect of the proposal in relation to noise.
  - The need for financial contributions including for education and libraries, community learning, families and social care and healthcare.

## Reasons

Need, National Planning Policy Framework (The Framework) and 5 year housing supply

10. It is common ground that there is an adopted Core Strategy [CS], which was prepared prior to the publication of guidance in the Framework. While the methodology of identifying the housing supply was not fully agreed, there is no dispute between the parties that the council identified a 5 year supply related to the provision set out in the CS, with a 5% buffer, which can be realistically achieved. There is no record of under delivery. However, it is also common ground that the need for housing as assessed will not nearly be met by the adopted housing supply targets arrived at in the CS, which is greatly reduced from the need actually identified because of the constraint represented by the district's Green Belt. The substantial difference between that assessed and that included in the CS will not be made up in other nearby areas and there has been no attempt as yet to cooperate with neighbouring authorities. One of the reasons for the extremely limited targets for housing supply being found acceptable in the examination of the Core Strategy was the limited land availability in Swanley, caused to a great extent by the extensive surrounding Green Belt land and Area of Outstanding Natural Beauty.
11. The National Planning Policy Framework (The Framework) reaffirms that planning law requires that applications for planning permission must be determined in accordance with the development plan, unless material considerations indicate otherwise. It does not change the statutory status of the development plan as a starting point for decisions. It notes that The Framework should be taken into account in the preparation of the development plan and is a material consideration in planning decisions.

12. A core principle is that planning should be plan led, empowering local people to shape their surroundings, with succinct local plans setting out a positive vision for the future of the area. They should provide a framework within which decisions on planning applications can be made with a high degree of predictability and efficiency.
13. The Core Strategy was formulated prior to the guidance in The Framework coming into the decision making process. There is a difference between the approaches to the formulation of housing targets from when the CS targets were decided and now with The Framework. Previous advice in Planning Policy Statement 3 [PPS3] required provision of a sufficient quantity of housing taking into account need and demand. The Framework indicates that local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area. The emphasis has changed in The Framework and, in my view, this is an important material consideration. My attention has not been drawn to any objectively assessed needs assessment produced since the CS. The Framework also notes that housing applications should be considered in the context of the presumption in favour of sustainable development.
14. The council argues that the plan making advice in paragraph 14 of The Framework should not be confused with the decision taking advice. I acknowledge that there is a difference between the two parts. However, paragraph 215 notes that following 12 months from publication of The Framework, due weight should be given to relevant policies in existing plans according to their degree of consistency with The Framework (the closer the policies in the plan to the policies in The Framework, the greater the weight that may be given). In my view, the way that the allocation was made for housing in Swanley was not up-to-date with the approach now put forward in The Framework and this is a material consideration to which I attach weight.
15. A fundamental aim of The Framework is the presumption in favour of sustainable development, which must be considered. In this case, in formulating the CS housing supply a practical and logical approach was taken to the inability to provide the very substantial numbers of houses required in the area, relating to Green Belt and AONB land; that was reasonable. The framework also notes at paragraph 10 that decisions need to take account of local circumstances, so that they respond to the different opportunities for achieving sustainable development in different areas.
16. In this case there is an area of land not in the Green Belt, not required for employment use and within the development boundary of Swanley, and plainly suitable for the provision of some sustainable housing, as now accepted by the local planning authority on part of the site. In my view, the relevant policies in the CS limiting housing numbers, because of the Green Belt and AONB, is still relevant, but the strong encouragement for permitting sustainable development and that the assessed need has not nearly been met, is an important material consideration. I acknowledge that many local people have contributed to the development plan making process and have expectations in relation to the adopted plan and I have taken this into account and attach weight to it. In this respect, supplementary site allocations were considering small residential development on the appeal site and local residents have contributed to the planning process through this inquiry.

17. Overall, taking into account the considerable need for housing, in my view, further sustainable housing development should be considered for the appeal site, provided any adverse impacts of doing so would not significantly and demonstrably outweigh the benefits, when assessed against the council's policies and The Framework. I attach substantial weight to the great need for housing and affordable housing that would be provided by the proposed development.

#### Land Use

18. LP Policies EP1 and SW8 relate in part to land at Broom Hill, noting it as being suitable for a small high-technology business park with access to be achieved from London Road, and this included the provision of land for recreational purposes. This approach has been continued in the Core Strategy, although the suggestion for the layout of development has changed from that of the Local Plan.
19. The Core Strategy notes that Swanley has a significant stock of employment land and its retention and modernisation in accordance with CS Policy SP8 will be a key factor in the development of the local economy. It is noted that the economy has the potential to benefit from the town's location next to the M25 so, in addition to existing sites, an unimplemented Sevenoaks District Local Plan allocation for employment land at Broom Hill adjoining Junction 3 is proposed to be retained as it continues to have potential for economic development to support the economic regeneration of the town. CS Policy SP8 relates to the new provision of business development, including through allocation of greenfield land at Swanley outside of the Green Belt.
20. CS Policy LO4 notes the provision of 660 dwellings in Swanley and that the local economy will be sustained through the regeneration and redevelopment of the existing suitable employment sites and through allocation of additional land adjoining the M25 and not in the Green Belt, for employment purposes. The policy allocating sites for development in the Draft Allocations and Development Management DPD indicates an emphasis will be on, amongst other things, providing additional public open space where opportunities arise and protecting the setting of the town.
21. The proposal map attached to DPD Policy EMP4 identifies land adjacent to the existing employment land in the south east corner as being for development. This land does not include the appeal site and development of the appeal site would not prevent the proposed employment use. The plan identifies the appeal site to be maintained as open space and for land to the north to be allocated for biodiversity mitigation and improved access to open land.
22. However, the appeal site is not the subject of any landscape or open space designation. CS Policy SP10 relates to Green infrastructure, Open Space, Sport and Recreation Provision. Some parties suggested that the site is an open space and related to this policy in terms of being natural or semi-natural space. However, text to the policy provides examples of what is considered to be natural and semi-natural space and these include woodlands, urban forestry, scrubland, grasslands, wetlands, nature reserves and wastelands. The appeal site has been used for grazing and it is open, but it is not semi-natural or natural, being in an agricultural use and managed for grazing with, as noted by

neighbours, regular ploughing. In my view, the land does not come within the terms of CS Policy SP10, which was also the view of the council officers.

23. LP Policy EN9 notes that the council will safeguard important areas of green space within the built confines. These areas are identified on the proposals map. The appeal site is not one of those, and the council at the inquiry said that it would be reasonable to conclude that the council did not consider that the appeal site had the necessary qualities, including its visual openness, to justify inclusion.
24. The proposals would not affect the land identified for employment, but would in fact provide a potential access to the employment land. While no explanation could be given to my question about how it would be decided which of two proposed accesses would be used for the proposed employment development, it is clear that there is potentially some benefit from the schemes in that they make provision for a potential access to the employment land.
25. No case has been made in relation to prematurity in relation to the Development Allocations Document. The appeal site itself was not allocated for actual employment development. In any case, The Framework notes that planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Here the appeal site is not now identified for employment use. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities. In my view, the use of the land would not compromise the proposed employment use, but could help by providing an alternative arrangement for access. I conclude that the proposals would not conflict with the aims and objectives of CS Policies SP8, SP10 and LO4 and LP Policies EP1, SW8 and EN9.

#### Character and Appearance

26. CS Policy SP1 provides general guidance to ensure good quality development that responds to local character, which would include the nearby housing, employment use and Broom Hill. Some development will have an impact on the area, the importance is that design and layout respond to its surroundings. CS Policy LO4, while noting the need for provision of various forms of development, indicates that emphasis will, amongst other things, be on protecting the setting of the town. In terms of The Framework, design is part of sustainable development and this includes taking into consideration the impact development would have on open spaces, whether public or private.
27. Interested parties noted that the reason the land was removed from the Green Belt was related to the need at the time to identify land for employment purposes and that much of it would remain open in proposed schemes. I acknowledge the reasons given by the inspector when the land was removed from the Green Belt, which was not related to any need or intention to provide housing at that time. While I have some sympathy with the case being put forward, the land has, for whatever reason, been removed from the Green Belt and is now, for planning purposes, in the confines of Swanley. Therefore, normal protection and tests related to development in the Green Belt and

protection afforded in relation to development in the countryside do not apply to the appeal site.

28. However, I accept that the land remains an important space and the implications of proposed development need to be considered carefully in relation to the surrounding landscape and existing development. There was much evidence about whether the appeal site could contribute to the setting of Swanley, as it is now identified as being within Swanley for planning purposes. This can be looked at in different ways. It could be considered that it is what is outside the development boundary that forms the setting of what is within it, but as it currently stands the visual perception for those looking at Swanley will be that the start of the development of the town occurs with the housing in Beechenlea Lane and nearby business uses. This would change in the future with the planned business uses that will be further out than the appeal site. There is no prominent line on the ground that identifies the 'planning boundary'. Development of the site will have an impact on the visual perception of the setting of Swanley, even if it is within the identified development boundary. So while technically the appeal site is part of the town the impact of this development on the town's setting needs to be taken into consideration, while taking account of the planning boundary and the implications that has for future use of the land.
29. Currently the appeal site is mainly a field, which in the past has been used for grazing, but from the state of the grass this has not been the case for some time. The northern area was a nursery, but now that part of the site is derelict and partially overgrown. The appeal site is part of an attractive open landscape at the edge of Swanley, offering visual benefits, particularly to local residents. The field has fairly steep undulations, with a high point near the centre of the south-east boundary, with levels dropping off considerably to the west and to a lesser extent to the north and east. The central part of the site on its south eastern edge is relatively prominent. Beyond the appeal site to the north-east the land dips a little and then generally rises up to Broom Hill, which I consider to be the most prominent topographical feature in the near vicinity.
30. The appellant has produced a detailed and professional landscape appraisal of the proposal. While this was not done in line with recent changes that have now been made to recommendations by the Landscape Institute, I consider that it was a thorough and realistic appraisal of the situation and no technical criticism of it was identified by the council's witnesses. I come to my conclusions based on the evidence submitted, but also from my site visit, including views from a number of locations within Swanley and from footpaths just outside Swanley.
31. While there are a number of locations where the appeal site is identifiable from public positions, these generally are distant views with little of the land being visible, but with the more prominent Broom Hill visible beyond the appeal site and in some views distant woodland beyond the motorway. I acknowledge that housing on the site would become visible, but at this distance it would be seen as part of and a very small extension to the existing housing and not out of character with the surrounding houses in Swanley. At that distance the impact on Swanley would not be significant.
32. The housing would generally with all schemes be provided in the lower southern part of the site, but with the two larger schemes, houses through

much of the length of the site. However, even with Appeal 1 scheme as illustrated, the additional houses would be kept tight to the boundary, adjacent to existing houses, leaving some of the higher land towards the north and Broom Hill relatively open. To my mind this is important, ensuring that housing is kept compact with existing housing and that some of the higher part of the site remains for open space. This would be the case for all four schemes to a greater or lesser extent. I accept that two storey houses in the proposed layouts would be likely to have roofs that would come close to or a little above the land level at the eastern edge of the site, and that the land itself would be obscured in some views by new building, particularly when seen from the existing housing in Beechenlea Lane and to a lesser extent in some of the distant views from the town side. However, whether the tops of buildings are a little above the higher land level would make little difference to the overall impact of development at the appeal site, as development at the appeal site will be evident in views. Planting could be provided on the boundary at the higher parts of the site and this could continue to provide a green backdrop and landscaping is a matter for conditions.

33. The layout, with predominantly detached houses, would be in keeping with the adjacent houses in Beechenlea Lane. While the built fringe of Swanley would be extended out at the appeal site, it would still be seen as part of the general built development of the town, closely associated with the existing employment uses to the south and proposed employment uses to the south east. I accept that in distant views the houses would visually extend the town a little, but in these views the effect would be marginal and the form of Broom Hill and distant trees would still provide a relatively open and rural appearance.
34. I also accept that close up there would be a substantial impact on the character and appearance of the appeal site, particularly as seen from the houses in Beechenlea Lane, which back on to the appeal site. Their outlook will change from one of 'countryside' to a suburban landscape. The extent of this impact varies between the schemes, with the greatest impact from the 61 dwelling proposal. However, if you live at the edge of a developed area it would not be reasonable to expect that no further expansion of the developed area could occur at any time in the future. There will be many other properties in Swanley that were once on the edge of the town, but are now incorporated within it by expansion. The properties in Beechenlea Lane did have the extra protection of being next to Green Belt land in the past, but when that designation was removed, the expectation of the land remaining fully undeveloped significantly reduced.
35. I note that much of the land was partly identified for open space, some of which will be achieved with all the proposed schemes, including public access to some areas. This is much less than was expected by residents, but there is no evidence to show how the open space identified would have been provided on private land, with no indication that compulsory purchase of the land would be an option. In addition, as noted above, the land was not identified by the council under LP Policy EN9 as an important area of green space within the built confines needing to be safeguarded.
36. In my view, the appeal site, being very close to existing residential development is in a very good location for residential development. While I attach considerable weight to the harm that would be caused to existing

residents in terms of the impact on their outlook and views, this has to be balanced by the level of expectation they should have in relation to development on the appeal site and the benefit such development would bring in terms of housing provision. In my view, while the change to the character and appearance of the land will be great in terms of transition from grazing to housing, the provision of housing at the fringe of Swanley would be in character with nearby built development and not out of place.

37. Visual change would also be considerable for those viewing from the footpath and from Broom Hill. However, these views already incorporate housing in Swanley, particularly those in Beechenlea Lane and adjacent to the employment development. The overall character of this view would not change considerably. The provision and location of accessible open space would also respond to, and integrate with, the surrounding open land, existing houses and the proposed development.
38. I accept that the housing would be nearer and the field lost, and that this would cause some harm in terms of the 'rural' character of the appeal site itself, but the overall harm in terms of the character of the area generally would not be substantial.
39. In my view, all of the proposed layouts fully respect their surroundings and control of the design of buildings would be achieved at approval of reserved matters stage, so there would not be an unacceptable impact on the setting of the town, but should respond to the local environment. While there is substantial change to the actual character of the appeal site, which would cause some harm in terms of the current situation, this needs to be balanced against the benefits of the proposals. In my view the illustrated layouts would represent good design. I conclude that the proposal would accord with the aims and objectives of CS Policies SP1 and LO4 and SP10.

## Noise

40. LP Policy EN1 provides some general development control principles, including that it should not have an adverse impact on the amenities of adjoining occupiers or future occupiers, including in respect of noise. Some of the council's concern related to the noise from vehicles using the potential access to the proposed employment units in addition to that generated by nearby roads. However, as noted above, the parties were not able to explain why the access through the appeal site would be used and not the other identified access. There can, therefore, be no absolute expectation that the access to the proposed employment land through the site would be used.
41. The council acknowledges that the use of the CadnaA noise modelling software by WSP Acoustics and its application in relation to these schemes is appropriate and no objection has been raised to the data, assumptions or overall results predicted by the model by the council. While the appellant acknowledged that a mistake had been made in relation to some of the original calculations, the impact of those errors was outlined and updated.
42. Overall, I consider that the evidence, following correction, indicates that should the employment access be necessary, noise from it and other sources could be adequately mitigated by provision of acoustic barriers and other means. This might involve mechanical ventilation as an alternative to opening some



windows, lowering plot levels, twisting orientation of the building façades relative to the access and barriers. A combination of these methods would enable acceptable noise conditions to be provided in the nearby residences.

43. With the illustrative layout there is also concern that the guideline value for amenity space as referenced by the World Health Authority Guidelines and BS 8233:1999 would not be achieved for some dwellings, particularly in schemes related to Appeals 1 and 2. This is in situations where the houses do not screen the amenity area from the motorway. In this situation there may need to be some revision to the indicative layouts provided, ensuring that most if not all the dwellings could achieve or come close to a  $L_{Aeq, 16h}$  55 dB(A) level in the external amenity spaces.
44. It was also a concern that in order to achieve the required noise levels, the suggested mitigation, perhaps in the form of a tall monolithic barrier or necessary limitations on the houses, such as fixed windows and mechanical ventilation, could themselves be unacceptable. The appellant indicated at the inquiry that there are a number of ways that sound could be mitigated, such as by lowering the access road a little, which in combination with rising ground would benefit sound reduction and not need a tall barrier. In my view, this is a matter that will be the subject of the detailed design and layout, but in principle could be overcome by acceptable and appropriate means. I acknowledge that a tall barrier could be unacceptably imposing, but this is not the only means to achieve appropriate mitigation. While some houses may need mechanical ventilation, this could be a benefit in terms of improved thermal efficiency within the houses and not to be seen as a problem.
45. Given that these are outline applications and that the design and layout of buildings is a reserved matter, I am satisfied from the evidence presented that an acceptable noise environment can be achieved for the proposed developments at the appeal site. The proposals would accord with the aims and objectives of LP Policy EN1.

#### Financial contributions

46. Agreements made with the district and county councils have been submitted for all four schemes. These cover provision of affordable housing, management of the public open space and highway works, as generally referred to in the travel plan, and road safety audit. There is no argument raised that these are not reasonable, necessary or related to the relevant schemes. The appellant confirmed at the inquiry that it had no concerns to raise about the viability of the required affordable housing. I consider these are necessary and reasonable related to the developments proposed.
47. Requests from Kent County Council have also been made for financial contributions towards primary education, community learning, library facilities, families and social care and local cycle infrastructure, but no one from the County Council attended the inquiry to explain the information provided. The district council gave no evidence in relation to these, as it does not consider that the contributions sought have been justified and hence were not a reason for refusal of the schemes.
48. In terms of education, a spread sheet has been provided and identifies forecast shortfalls in provision starting from about 2014 for primary schools in the

vicinity of the site. There is little explanation as to how the shortfall is identified in 2014, and this is particularly necessary as in 2012 and 2013 there appears to be a good surplus. The reason for the sudden anticipated change in numbers is not explained. There is also little information to explain how the final figure requested is identified and the appellant says that the figures are worked out on the wrong numbers of houses and flats. In my view, the figures requested have not been adequately justified.

49. In relation to adult social services, it has not been demonstrated that the services identified are necessary or calculated in accordance with an identified methodology and it has not been adequately explained whether this has been the subject of consultation and adoption. So there is no apparent agreed methodology to explain or assess the need for the contribution sought. The same goes for library contribution. In relation to the NHS, West Kent Primary Healthcare Trust provides little explanation of the legislative or Development Plan policy used to calculate the contributions or the need for it related to the developments proposed.
50. A sum is also suggested in relation to provision of cycling facilities. While I appreciate that there could be benefit in relation to the schemes, there is no reasonable breakdown of how the sums sought relate to the scale of the various developments proposed. I am therefore not satisfied that the sums sought are justified or reasonably related to the developments proposed. While achieving transport means, other than by car is necessary, conditions are proposed requiring transport matters to be considered, including encouraging cycling and therefore I do not consider the lack of the contribution is a reason for refusal.
51. I have some concerns about the white lining contribution sought for schemes associated with Appeal 1 and Appeal 2. There is no reasonable break down of how the contribution sought is assessed against the scale of the development, which is particularly evident as £90,000 is sought for the 61 unit scheme as well as the 39 unit scheme. However, I note from the transport assessment that there is a prediction that with increased traffic flows, including from the appeal site, the M25 Junction 3 would become more congested. The impact of the proposed development on the M25 Junction 3 can be reduced to 'minimal' by implementing recommendations for alternative white lining of the Junction road layout to increase flow/capacity of the Junction. A condition has been proposed that requires a scheme to be submitted and approved, but no implementation clause has been proposed. Therefore, in my view, a contribution towards white lining is required to make the proposed developments of the schemes in Appeals 1 and 2 acceptable. While I have concerns about whether, particularly the amount for the 39 unit development has been properly related to the number of units, as contributions have been provided for and the white lining is required, this is not a reason to refuse these developments.

## Ecology

52. CS Policy SP11 and LP Policy EN17B aim to conserve biodiversity within the district. Dry acid grassland is a BAP (Biodiversity Action Plan) Priority Habitat and occurs on free-draining, nutrient poor soils on sand or gravel substrates and is characterised by various species. Parched acid grassland that becomes excessively dry in the summer may also support a number of uncommon,

ephemeral species. Where dry acid grassland occurs, it is a scarce resource in Kent and should be protected. Impact on BAP Priority Habitats is an important material consideration in planning decisions.

53. The site was previously recorded as Lowland Acid Grassland BAP habitat, following a habitat survey in 2003. However, this was a remote survey, with little evidence that there was a follow-up survey at the site to confirm the findings. The appellant noted that access for such a survey had not been requested. The council acknowledged that acid grassland would not be categorically identifiable from the original 2003 survey. While a boundary survey may have been undertaken there is no evidence for this. In my view, given the level of evidence, it is unlikely that BAP designation of the land could reasonably have been confirmed at that time.
54. In any case, there is no dispute between the parties that currently the land is likely to be identified as MG6 *Lolium perenne*-*Cynosorus cristatus* perennial ryegrass – crested dog's-tail (mesotrophic) grassland community. This is not a habitat which can be classed as a BAP habitat. The Kent Habitat Survey of 2012 notes that incorrect classification can occur when a habitat is surveyed outside of the optimal season for surveys and can be affected by unusual seasonal weather conditions. Concern was raised that the survey findings may be distorted because of the cold winter/spring. However, a follow up survey has been done and this has confirmed that the land would still not have BAP classification.
55. I accept that some species that have been recorded at the site are characteristic of lowland acid grassland and could contribute to a BAP habitat. With appropriate management, this site could see an increase in the number and diversity of appropriate plant species, characteristic of lowland acid grassland, which could in time lead to BAP classification. However, there is little evidence to suggest that if the appeals were to be dismissed that would be the case. The previous use of the land was for grazing and a neighbour noted at the inquiry that it has been regularly ploughed and the indications are that this grazing would continue. On the other hand, if the appeals are allowed, management would occur on parts of the open space that would enable the encouragement of some acid grassland.
56. Given that the evidence shows the land is not a BAP habitat and is not conclusive that the land ever was BAP habitat, I accept that on site mitigation to reinstate some acid grass land would be a benefit of all schemes, with some extra advantage to those with larger areas of managed open space. While the acid grass land would be affected by public access, the council noted at the inquiry that harm caused by each of the schemes could be mitigated by appropriate on site works.
57. The council is also concerned that as this is an outline application the layouts could change and grassland become fragmented and management unworkable. However, the acceptability of any reserved matter proposals can be considered at the time and if not acceptable in terms of layout of grassland, can be rejected. I also accept that some of the areas not identified as open space would not necessarily be provided with acid grass land and therefore I attach no benefit in relation to those areas in those appeals.

58. I conclude that all the proposals would not have an unacceptable effect on acid grassland, but could have positive benefits, providing some area of lowland acid grassland. I conclude that all the proposals would accord with the aims and objectives of CS Policy SP11 and LP Policy EN17B.

#### Bats

59. Surveys and reports have revealed a small presence of common Pipistrelle, Soprano Pipistrelle and noctule bats foraging for food at the site, but the indications are that the site is not extensively used for this. Bat roosts were not found, although I accept that there will be roosts nearby. The survey indicates that the old nursery provides the best area for foraging and that linear features such as hedgerows are likely to provide important connectivity routes for bats between areas of suitable habitats. In the schemes for appeals 3 and 4 this area would be little affected and, in my view, these schemes are unlikely to have a material impact on bats, particularly with the mitigation measures proposed.
60. The report notes that mitigation should be provided in relation to appeals 1 and 2 as these would, in particular, include development on the nursery area. This can be achieved by enhancement and management of retained habitats within the site boundaries, to increase biodiversity and improve foraging at the site and roosting potential in the new buildings. With suitable mitigation, I accept that the impact on bats with the schemes in appeals 1 and 2 would be low and not unacceptable.

#### Reptiles

61. The survey shows that there is a low population of common lizards and slow-worms at the site, with a slow-worm being seen at the site visit. The majority of reptiles were found in the rough grass at the entrance to the site from Beechenlea Lane and within the former nursery area within the northern part of the site. The peak count in one survey was 15 slow-worms and 5 common lizards. From this, guidance suggests that the site supports a low population of slow-worms and common lizards (fewer than 50 individual species per hectare of suitable habitat).
62. However, the report notes that it would be necessary to provide appropriate mitigation as required by current legislation to protect such species. As the grassland habitat at the entrance to Beechenlea Lane would be lost in these schemes and the nursery area habitat lost for schemes associated with appeals 1 and 2, it will be necessary to translocate the existing population to an appropriate location, either within the site or to an appropriate alternative site. There would need to be appropriate enhancement and management of the proposed sites. It is common ground between the parties that on-site ecology/bio-diversity mitigation can be secured by suitably worded and appropriate planning conditions.
63. In the absence of mitigation, the impact on reptiles would be high, but with mitigation there would be potential positive impacts on reptiles through enhanced habitat and access to the wider landscape. I accept that there are risks associated with translocation and that care will be required to ensure success. However, overall I consider that with the proposed mitigation none of the schemes would cause harm in relation to reptiles in the area.

## Air Quality

64. Planning policies should sustain compliance with and contribute towards EU limit values or national objectives for pollutants, taking into account the presence of Air Quality Management Areas and the cumulative impacts on air quality from individual sites in local areas. Planning decisions should ensure that any new development in Air Quality Management Areas is consistent with the local air quality action plan.
65. A core principle of The Framework is to contribute to conserving and enhancing the natural environment and reducing pollution. In terms of the environmental role of development, it notes that it should contribute to protecting and enhancing the natural and built environment. As part of this, it should help to minimise pollution, and mitigate and adapt to climate change, including moving to a low carbon economy. The planning system should contribute to and enhance the natural and local environment by: preventing both new and existing development from contributing to or being put at unacceptable risk from, or being adversely affected by, unacceptable levels of air pollution.
66. A number of interested parties have provided evidence related to the poor quality of air in Swanley as identified at various positions by air monitoring. There are a number of major roads running adjacent to Swanley and clearly there is significant pollution generated by these. The air quality action plan notes that the council has no direct jurisdiction over these, which are the major contributory source of pollution within 4 of the Air Quality Management Areas. The appellant has provided an air quality assessment report looking at the cumulative effect of development on the application site, including the proposed employment development adjacent, effectively a worst case scenario. The exercise included the construction phase.
67. The Council's identified Air Quality Management Area in Swanley includes properties on London Road, so only the industrial units in appeals 1 and 2 are within this. Air quality measurements of average annual nitrogen dioxide in Swanley have exceeded the Air Quality Management Area objectives.
68. The air quality assessment for the construction phase indicates that the site would cause a medium risk overall, with construction phase impacts from dust particles judged to be moderate to slight adverse significance. The construction phase would be relatively short term and temporary, and there must be expectation with construction work for some dust to be generated. When the residential use of the site occurs, the prediction is for an increase in average nitrogen oxide concentrations within the range of slight adverse to negligible, with dust and particulate emissions predicted to be within a range negligible to neutral.
69. The assessment identifies that the potential impact can be mitigated by careful management of the site during the construction phase and with the proposed new access for the largest number of dwellings (appeals 1 and 2) being located from London Road, keeping traffic a reasonable distance away from the existing dwellings. It is also proposed to look at travel plans to help promote alternative sustainable modes of travel and ease congestion and queuing at peak periods for all the schemes. On this basis after construction there is predicted to be a small or imperceptible increase in nitrogen dioxide, and imperceptible to no change for dust and particulates.

70. CS Policy SP2 relates to sustainable development and in terms of air quality notes that the design and location of new development will take account of the need to improve air quality in accordance with the District's Air Quality Action Plan. Development in areas of poor air quality or development that may have an adverse impact on air quality will be required to incorporate mitigation measures to reduce impact to an acceptable level. New development in areas of poor air quality will be required to incorporate measures in the design and orientation that demonstrate an acceptable environment will be created for future occupiers. Permission will be refused where unacceptable impacts cannot be overcome by mitigation. In my view, it has been demonstrated that the impact of the proposed development would be very small, and while I accept that there would be some small additional pollution resulting from the development, taking account of policy and the mitigation proposed, it is my view that the weight against the proposal on this ground is very limited and I note that the council has withdrawn its objection on this issue.
71. I consider that the proposals would not cause unacceptable harm either in terms of neighbouring occupiers or proposed occupiers in relation to air quality and would accord with the aims and objectives of CS Policies SP2.

#### Other Matters

#### Living Conditions of Neighbouring Occupiers

##### Light

72. I acknowledge that the access road for the schemes in Appeals 3 and 4 would mean that vehicles leaving the site at night would direct headlights towards the property opposite the entrance. However, that property is on slightly raised up ground and so it is unlikely that lights would be direct into the front windows. In addition, at night there would be a normal expectation that curtains or blinds would be drawn, so the actual impact on those residents would be minimal.

##### Noise

73. For the schemes associated with appeals 3 and 4 there would be traffic movements along Beechenlea Lane and into the site next to Hawcroft and Upland. The additional movement within Beechenlea Lane for 20 dwellings would not be likely to cause a significant percentage increase in traffic and would not, in my view, be likely to cause unacceptable harm to neighbours in terms of noise and disturbance. There would be a noticeable increase in traffic perception for the two occupiers of the properties adjacent to the entrance, but the access road is a reasonable distance from the boundaries and from the adjacent properties and I consider that with reasonable fencing and landscaping the visual, noise and disturbance impact of the use of the access road can be acceptably mitigated. Concern was raised that the Beechenlea Lane access would also be used for the schemes in Appeals 1 and 2. Access from here is not proposed in those schemes, apart from emergency vehicles, cyclists and pedestrians. I acknowledge that the impact from these larger schemes would be substantially greater if it were to occur, but in my view the possibility of this can be prevented by condition.

## Traffic

74. While concerns have been raised that the proposal would cause harm in relation to traffic flows, there is little evidence produced to conclude that this would be the case. The proposals have carefully considered access and traffic flow and subject to the various conditions and agreements, I consider that the impact on the surrounding highway network would be acceptable for all schemes.

## Human Rights

75. Some residents have mentioned the European Convention on Human Rights. Even if allowing these appeals resulted in an interference with neighbouring residents' home and private and family life, that interference must be balanced against the public interest in pursuing the legitimate aims, particularly the economic well-being of the country. In all the circumstances, I consider that approval of the developments is necessary in a democratic society in furtherance of legitimate aims. I have found the proposals to be acceptable in relation to the area and in relation to neighbouring properties. Therefore the degree of any interference would be insufficient to give rise to a violation of the adjoining neighbours' rights under the Human Rights Act. It does not place a disproportionate burden on neighbouring residents and I therefore consider that allowing this appeal would not result in a violation under the Convention or under the Human Rights Act 1998.

## Conditions

76. Conditions are set out in Annex 1 and I consider these to be reasonable, necessary and related to planning and the permissions granted. Reasons for the conditions are identified in the annex.
77. A condition was also proposed to control the height of development in relation to the ridge. I do not consider this to be necessary, as when the proposed schemes are submitted their impact will be assessed. It can be seen from the illustrated schemes that the heights of some houses would be at about the level of land at the ridge and, as noted above, whether a number are slightly above or below would not be a material difference, so to state a particular level would not be appropriate. Clearly, if something tall or unacceptably different from the illustrative scheme is proposed the council can reject the applications for reserved matters, and various conditions require level information to be submitted and approved.
78. A condition was also proposed that would control lorries not on site. That would not be reasonable or, in my view, necessary as there is a condition related to construction management and layout of the site during construction. Ensuring that there would be good lorry access and parking is a matter that can be considered as part of the construction site management.

## Conclusion

79. I do not consider that the proposals would interfere with the allocated adjacent employment use, but because of the provision of a potential access route to this employment land, these proposals could provide some benefit in relation to that, and I attach a little weight to it. The proposals, while affecting the openness of part of the appeal site, would provide to a varying extent some

formal open space accessible to the public, which would be an advantage and could lead to establishment of some dry acid grassland in the area. I attach some weight to this.

80. There would be an impact, particularly on newts and slow-worms and bats, but I am satisfied that suitable mitigation can be provided, although noting there can be risks involved with re-locating species. In my view the proposals would result in an overall neutral impact, with the greatest impact on these species coming from development on the old nursery site. There would also be some impact in relation to air quality, again with proportionally greater impact coming from the two larger schemes, but because of the identified level of impact the weight I attach against the proposals is limited.
81. I accept that with all four developments there would be some impact on adjoining residents, particularly in terms of the landscape and outlook, and particularly for those living near the site or who walk along the footpath, part of which crosses the site. However, I only attach moderate weight to this, as the designed illustrative layouts have been carefully considered to take account of the surroundings.
82. I have acknowledged there is a recent current development plan that does not include allocation of this land for housing and which has identified an achievable 5 year housing supply. However, the identification of that supply is not in accordance with the latest advice in The Framework, and in any case, the limited supply of housing identified was for specific reasons, and development here would not conflict with those reasons, because it would be in the confines of Swanley and not Green Belt land. I consider that because of the great need for housing and affordable housing in the area, substantial weight should be proportionally attached to the provision of the housing and justifies a deviation from and addition to the housing identified in the adopted plan, for all four schemes.
83. Overall, taking into consideration these and all other matters raised, I consider that the benefit of the various schemes clearly outweighs the harm, with the larger schemes providing a greater level of houses and affordable houses to offset the increased proportional harm that they would have.

*Graham Dudley*

Inspector



## APPEARANCES

### FOR THE APPELLANT:

Mr G Jones QC	Of Counsel,
He called	
Mr R Buchanan	Pro Vision
Mr D McCloskey BSc	Director PV Ecology
(Hons) MCIEEM	
Mr A Colthurst MIOA,	Associate Director WSP Acoustics
CMCIEH	
Mr M Gibbins	Director Indigo Landscape Architects
Dr R Bickers BSc (Hons)	Corylus Ecology – Evidence taken as read
PhD MCIEEM	

### FOR THE LOCAL PLANNING AUTHORITY:

Mr A Frazer-Urquart	Of Counsel
He called	
Mrs L Westphal BA hons	Principal Planning Officer, Sevenoaks District
MRTPI	Council
Mr C Alden Dip EH, Dip	Senior Environmental Health Officer, Sevenoaks
Acoustics, Dip Env Prot	District Council
Mr S Craddock BA, MA	Principal Planning Officer, Sevenoaks District
MRTPI	Council
Miss H Forster BSc	Biodiversity Officer, Kent County Council
(Hons) MCIEEM	

### INTERESTED PARTIES:

Margaret Partridge	
Cllr A Searles	
Nigel Britten	CPRE Protect Kent, Chair Sevenoaks Committee
Jill Skinner	
Brian Goode	
Mr M Bentley	
Mr J Bromfield	
Mr K Hutchins	

## DOCUMENTS

Document	1	Appellant's appearances
	2	Draft statement of common ground
	3	Rebuttal proof from Mr Buchanan
	4	Rebuttal proof from Mr Gibbins
	5	Rebuttal proof from Mr Colthurst
	6	Rebuttal proof from Mr McCloskey
	7	Rebuttal proof from Dr Bickers
	8	Information from Mr J Broomfield
	9	Information from Mr B Goode
	10	Information from Mr M Bentley

- 11 Information from Ms M Partridge
- 12 Information from Ms J Skinner
- 13 Information from Mr K Hutchins
- 14 Appellant's opening statement
- 15 Bundle of case law
- 16 Bundle of case law
- 17 Summary proof of Mr S Craddock
- 18 Notification letter
- 19 Extract from PPS 3
- 20 Local Gov Assoc Ten Key Principles for owning your housing number – finding your objectively assessed needs
- 21 Mrs L Westphal Summary proof
- 22 Covenants with County Council
- 23 Plan showing open space
- 24 Policy EN10
- 25 Statement from the CPRE
- 26 Notes from Mr McCloskey
- 27 Draft Statement of Common Ground on Technical Noise Issues
- 28 Representation from Mr J Bromfield
- 29 Statement from Ms M Partridge
- 30 Inspector's decision related to examination of the North Warwickshire Borough Council Core Strategy
- 31 Bath and North East Somerset Core Strategy Examination
- 32 Ryedale District Council – Examination of Ryedale Plan
- 33 Examination of East Hampshire District Local Plan – Joint Core Strategy
- 34 Examination of Dacorum Core Strategy
- 35 Sevenoaks District Council – Hearing Statement Response to Inspector's Issues and Matters
- 36 Proposals Map
- 37 Proposed Conditions
- 38 Statement of Malcolm Bentley
- 39 Statement of John Bromfield
- 40 Statement of Terence Bull
- 41 Information related to air pollution
- 42 Draft undertakings/agreements
- 43 Information regarding the cycle strategy
- 44 Information about agreements/undertakings
- 45 Closing on behalf of Sevenoaks District Council
- 46 Various judgments
- 47 Outline Closing Statement on Behalf of Cooper Estates Ltd
- 48 Statement of Common Ground

## Annex A – Conditions

Conditions to apply to all four appeals unless stated.

1. Details of the appearance, landscaping, layout, and scale, (hereinafter called "the reserved matters") shall be submitted to and approved in writing by the local planning authority before any development begins, and the development shall be carried out as approved.

Reason: In Pursuance of section 92(2) of the Town and Country Planning Act 1990.

2. Application for approval of the reserved matters shall be made to the local planning authority before the expiration of three years from the date of this permission

Reason: In Pursuance of section 92(2) of the Town and Country Planning Act 1990.

3. The development hereby permitted shall be begun either before the expiration of five years from the date of this permission, or before the expiration of two years from the date of approval of the last of the reserved matters to be approved, whichever is later.

Reason: In Pursuance of section 92(2) of the Town and Country Planning Act 1990.

4. The buildings shall not be occupied until a means of access for vehicular and pedestrian traffic has been constructed in accordance with the approved plans.

Reason: To ensure satisfactory access to the site and ensure the free flow of traffic on surrounding roads.

5. No buildings shall be occupied until space has been laid out within the site for cars to be parked, including garages and where applicable space for customers of the commercial unit(s), and for the loading and unloading of vehicles, and for vehicles to turn so that they may enter and leave the site in forward gear. These details shall be submitted pursuant to condition 1 and the development shall be maintained thereafter at all times in accordance with the approved details.

Reason: To ensure satisfactory access and parking within the site and to ensure the free flow of traffic on surrounding roads.

6. (Appeals 1 and 2) - Before first occupation of the development a scheme of works in general accordance with drawing 310131-002-100-003 Rev CO1 within Appendix C of the submitted Transport Assessment shall be submitted to and approved in writing by the local planning authority. Works shall be carried out in accordance with the approved scheme.

Reason: To ensure that the M25 motorway continues to be a safe and effective part of the national system of routes for through traffic in accordance with 510 of the Highways Act 1980

7. Pursuant to condition 1 above, no development shall take place until full details of both hard and soft landscape works have been submitted to and approved in writing by the local planning authority. These works shall be carried out as approved and in accordance with the approved implementation programme. The details shall include proposed finished levels or contours; means of enclosure; other pedestrian access and circulation areas; hard surfacing materials; minor artifacts and structures (eg. furniture, play equipment, refuse or other storage units, signs, lighting etc.); proposed and existing functional services above and below ground (eg. Drainage, power, communications cables, pipelines etc. indicating lines, manholes, supports etc.)

Soft landscape works shall include planting plans; written specifications (including cultivation and other operations associated with plant and grass establishment); schedules of plants, noting species, plant sizes and proposed numbers/densities where appropriate; implementation programme,

Reason: To protect the visual appearance of the area as supported by policies EN1 & SW8 of the SDLP and policies SPI and L04 of the Core Strategy.

8. All hard and soft landscape works shall be carried out in accordance with the approved details. The works shall be carried out prior to the occupation of any part of the development or in accordance with the implementation programme approved by the local planning authority.

Reason: To protect the visual appearance of the area as supported by policies EN1 & SW8 of the SDLP and policies SP1 and LO4 of the Core Strategy.

9. No development shall take place until an ecological mitigation and enhancement strategy has been submitted to and approved in writing by the local planning authority.

The ecological mitigation and enhancement strategy shall include the following (but not be limited to):

- a) Purpose and conservation objectives for the proposed works.
- b) Review of site potential and constraints.
- c) Details of updated surveys (if required).
- d) Detailed design(s) and/or working method(s) to achieve stated objectives.
- e) Extent and location/area of proposed works on appropriate scale maps and plans.
- f) Timetable for implementation demonstrating that works are aligned with the proposed phasing of development.
- g) Persons responsible for implementing the works.
- h) Details of initial aftercare and long-term maintenance.
- i) Details for disposal of any waste arising from works.

The ecological mitigation strategy shall be implemented in accordance with the approved details and all features shall be retained in that manner thereafter.

Reason: To protect the ecology and bio-diversity of the site in accordance with the provisions of the NPPF.

10. A Landscape and Ecological Management Plan (LEMP) shall be submitted to and approved in writing by the local planning authority, prior to the commencement of the development. The purpose of the LEMP shall be to detail the contribution that the landscaping and management of the site's open spaces make to the ecological enhancement of the site and to ensure that the open space will be managed appropriately. The plan must include the following (but not be limited to):
- a) Description and evaluation of features to be managed.
  - b) Ecological trends and constraints on site that might influence management.
  - c) Aims and objectives of management.
  - d) Appropriate management options for achieving aims and objectives.
  - e) Prescriptions for management actions.
  - f) Preparation of a work schedule (including an annual work plan capable of being rolled forward over a five year period).
  - g) Details of the body or organisation responsible for implementation of the plan.
  - h) On-going monitoring and remedial measures.

The LEMP shall also include details of the legal and funding mechanism(s) by which the long term implementation of the plan will be secured by the developer with the management body(s) responsible for its delivery.

The plan shall also set out (where the results from monitoring show that conservation aims and objectives of the LEMP are not being met) how contingencies and/or remedial action will be identified, agreed and implemented so that the development still delivers the biodiversity objectives of the originally approved scheme.

The approved plan will be implemented in accordance with the approved details.

Reason: To protect the ecology and bio-diversity of the site in accordance with the provisions of the NPPF.

11. Prior to the commencement of development a bio-diversity monitoring strategy shall be submitted to, and approved in writing by, the local planning authority. The purpose of the strategy shall be to establish the effectiveness of the species mitigation and the acid grassland management plan.

Aims and objectives of monitoring:-

- a) Identification of baseline conditions prior to the start of development.
- b) Appropriate success criteria, thresholds, triggers and targets against

which the effectiveness of the various conservation measures being monitored can be judged.

- c) Methods for data gathering and analysis.
- d) Timing and duration of monitoring, including a time table.
- e) Responsible persons and lines of communication.
- f) Review, and where appropriate, publication of results and outcomes.

A report describing the results of monitoring shall be submitted to the local planning authority at intervals as identified in the Strategy. The report shall also set out (where the results from monitoring show that conservation aims and objectives are not being met) how contingencies and/or remedial action will be identified, agreed with the local planning authority, and then implemented so that the development still delivers the biodiversity objectives of the originally approved scheme.

The monitoring strategy will be implemented in accordance with the approved details.

Reason: To protect the ecology and bio diversity of the site in accordance with the provisions of the NPPF.

12. Development shall not take place until samples of the materials to be used in the construction of the external surfaces of the development hereby permitted have been submitted to and approved in writing by the local planning authority. Development shall be carried out in accordance with the approved details.

Reason: To ensure a satisfactory appearance upon completion in accordance with the provisions of policy EN1 of the SDLP and policy SP1 of the Core Strategy.

13. No development shall take place until there has been submitted to and approved in writing by the local planning authority a plan indicating the positions, design, materials and type of boundary treatment to be erected. The boundary treatment shall be completed before the use hereby permitted is commenced or before the dwellings are first occupied. Development shall be carried out in accordance with the approved details.

Reason: To ensure a satisfactory appearance and standard of residential amenity upon completion in accordance with the provisions of policy EN1 of the SDLP and policy SP1 of the Core Strategy.

14. Development shall not take place until details of any earthworks have been submitted to and approved in writing by the Local Planning authority. These details shall include the proposed grading and mounding of land areas, including the levels and contours to be formed, showing the relationship of proposed mounding to existing levels and surrounding landform. Development shall be carried out in accordance with the approved details.

Reason: To ensure a satisfactory appearance and standard of amenity to the surrounding area upon completion in accordance with the provisions of policy EN1 of

the SDLP and policy SP1 of the Core Strategy.

15. Development shall not commence until details have been submitted to and approved in writing by the LPA of the existing and proposed ground levels detailing any changes to levels and including finished ground floor slab levels. The development shall be implemented in accordance with the approved plans.

Reason: To ensure a satisfactory appearance and standard of amenity to the surrounding area upon completion in accordance with the provisions of policy EN1 of the SDLP and policy SP1 of the Core Strategy.

16. Development shall not commence until details have been submitted to and approved in writing by the LPA of a scheme detailing and, where possible, quantifying what measures or offsetting schemes are to be included in the development which will reduce the transport related air pollution of the development during construction and when in occupation. The construction works and use of the development shall be in accordance with the approved details/scheme.

Reason: To ensure the minimum impact upon the air quality of the surrounding area in accordance with the provisions of policy SP2 of the Core Strategy.

17. Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) Order 1995 (or any order revoking and re-enacting that Order with or without modification), roof extensions or enlargements shall not be carried out to the dwellings hereby permitted.

Reason: To protect the amenities of nearby residents from development on adjacent higher land in accordance with the provisions of policy EN1 of the SDLP and SP1 of the Core Strategy.

18. The details submitted pursuant to condition 1 shall include a detailed scheme of acoustic protection measures, including indicating the predicted attenuation to be afforded by those measures, for all dwellings and associated private amenity space in the development.

Measures will include details of:-

Engineering works such as cuttings and bunds.

Acoustic glazing and ventilation schemes.

Reflective and absorbent barriers and treatments.

A programme of implementation for the acoustic protection measures and any proposed phasing.

A programme of implementation and any proposed phasing for the submission of a validation report to demonstrate the effectiveness of the acoustic protection measures.

Reason: In accordance with the requirements of the National Planning Policy Framework, paragraph 123 and the Noise Policy Statement for England, to protect the health and quality of life for residents of the development.

19. No residential units shall be occupied until an acoustic validation report has been submitted to the LPA to demonstrate the effectiveness of the acoustic protection measures. If the validation report identifies an adverse noise impact within the dwellings exceeding the previously agreed noise value by 3 dB(A) or more, details of the additional remediation measures required to achieve the agreed noise level shall be submitted to and approved in writing by the LPA, and this shall include a programme of implementation, which shall be followed.

Reason: In accordance with the requirements of the National Planning Policy Framework, paragraph 123 and the Noise Policy Statement for England, ensuring the health and quality of life for residents of the development.

20. Residential units shall not be occupied until any approved acoustic protection measures have been implemented in accordance with the approved details and the approved programme(s) of implementation.

Reason: In accordance with the requirements of the National Planning Policy Framework, paragraph 123 and the Noise Policy Statement for England, ensuring the health and quality of life for residents of the development.

21. Any external engineering works, such as cuttings and bunds, required to protect the dwellings from the noise of road traffic using any new access road that crosses the application site to the new employment site to the east shall be completed before the use of the access across the appeal site commences, unless otherwise agreed in writing with the local planning authority.

Reason: In accordance with the requirements of the National Planning Policy Framework, paragraph 123 and the Noise Policy Statement for England, ensuring the health and quality of life for residents of the development.

22. (Appeals 1 and 2) The access onto Beechenlea Lane shall be used for emergency vehicular, cycle and pedestrian access only. The Beechenlea Lane access shall not be used to access the site by any construction traffic.

Reason: To protect the residential amenities of residents in Beechenlea Lane and ensure the free flow of traffic on the surrounding road network.

23. Prior to the commencement of development, a Travel Plan shall be submitted to and approved in writing by the LPA in consultation with Kent County Council. The travel plan shall include measures proposed to promote and encourage sustainable methods of travel. The development shall be managed in accordance with the approved details.

Reason: To support the provision of sustainable development in accordance with the provisions of the NPPF.

24. The proposed residential development shall achieve a Code for Sustainable Homes minimum rating of level 3. Evidence shall be provided to the Local Authority - either prior to the commencement of development of how it is intended the development will achieve a Code for Sustainable Homes Design Certificate minimum level 3, or as an alternative as agreed in writing by the Local Planning Authority; provide to the



LPA prior to the occupation of any dwelling, a certificate to show that the dwellings have achieved a Code for Sustainable Homes minimum level 3.

Reason: In the interests of environmental sustainability and reducing the risk of climate change as supported by the NPPF and policy SP2 of the Core Strategy.

25. Construction and site preparation work shall take place on the site only between 0800 and 1800 hours on Monday to Friday, and 0900 and 1300 hours on Saturday. No activities shall take place on Sundays or Public Holidays.

Reason: In the interests of the residential amenities of the adjacent residents.

26. Development shall not commence until a sustainable surface water drainage scheme for the site has been submitted to and approved in writing by the local planning authority. The drainage strategy should demonstrate that the surface water run-off generated up to and including the 100 year critical storm (including an allowance for climate change) will not exceed the run-off from the undeveloped site following the corresponding rainfall event, and so not increase the risk of flooding either on or off site. The scheme shall subsequently be implemented in accordance with the approved details before the development is occupied.

Reason: To prevent flooding by ensuring the satisfactory storage of/disposal of surface water from the site.

27. If, during development, contamination is found to be present at the site then no further development (unless otherwise agreed in writing with the local planning authority) shall be carried out, until a remediation strategy has been submitted to and approved in writing by the local planning authority, detailing how this contamination will be dealt with. The remediation strategy shall be implemented as approved.

Reason: To protect ground water because the site is located within a source protection zone and to comply with NPPF.

28. If contamination is found as condition 27, the residential development shall not be occupied until a verification report demonstrating completion of works set out in the approved remediation strategy, and the effectiveness of the remediation, has been submitted to and approved, in writing, by the local planning authority. The report shall include results of sampling and monitoring carried out in accordance with the approved verification plan to demonstrate that the site remediation criteria have been met. It shall also include any plan (a "long-term monitoring and maintenance plan") for longer-term monitoring of pollutant linkages, maintenance and arrangements for contingency action, as identified in the verification plan. The long-term monitoring and maintenance plan shall be implemented as approved.

Reason: To protect ground water because the site is located within a source protection zone and to comply with NPPF.

29. No infiltration of surface water drainage into the ground at the site shall occur, other than if proposed details of such are submitted to and approved in writing by the LPA, prior to the development commencing. Any infiltration of surface water drainage into

the ground shall be carried out in accordance with the approved details.

Reason: To protect ground water because the site is located within a source protection zone and to comply with NPPF.

30. In order to protect ground water, piling or any other foundation design using penetrative methods shall not be undertaken, unless details of such works have been submitted to and approved in writing by the local planning authority prior to development commencing. The development shall be carried out in accordance with the approved details.

Reason: To protect ground water because the site is located within a source protection zone and to comply with NPPF.

31. If piling is proposed, a piling method statement shall be submitted to and approved in writing by the LPA in consultation with Thames Water prior to the commencement of works. This shall detail the type of piling to be undertaken and the methodology by which such piling will be carried out, including measures to prevent and minimise the potential for damage to subsurface water infrastructure, and a programme for the works. Any piling must be undertaken in accordance with the terms of the approved piling method statement.

Reason: The proposed works will be in close proximity to underground water utility infrastructure. Piling has the potential to impact on local underground water utility infrastructure. The applicant is advised to contact Thames Water Developer Services on 0845 850 2777 to discuss the details of the piling method statement.

32. Development shall not commence until a drainage strategy, detailing any on/off site drainage works, has been submitted to and approved in writing by the LPA (in consultation with the sewerage undertaker). No discharge of foul or surface water from the site shall be accepted into the public system until the drainage works referred to in the strategy have been completed.

Reason: The development may lead to sewerage flooding and to ensure that sufficient capacity is made available to cope with the new development and in order to avoid adverse environmental impact upon the community.

33. Prior to commencement of development, a site management plan shall be submitted to and be approved in writing by the Local Planning Authority. The management plan shall provide the following details:

- a) Parking for site personnel
- b) Location of materials storage
- c) Site personnel facilities
- d) Turning and loading/unloading areas
- e) Wheel washing facilities — such facilities to be implemented upon commencement of development and retained for the duration of building works.

The works shall be undertaken in accordance with the approved management plan.

Reason: In the interests of the amenities of the surrounding area in accordance with the provisions of policy EN1 of the Sevenoaks District Plan.

33. (Appeals 1 and 2) During the implementation of the approved scheme, access to the site for all vehicular traffic, materials and site personnel shall be only via the main access onto London Road and not from Beechenlea Lane.

Reason: To protect the amenities of the residents of Beechenlea Lane accordance with the provisions of policy EN1 of the Sevenoaks District Local Plan.

34. The development hereby permitted shall be carried out in accordance with the following approved plans, so far as they relate to access:

#### Appeal 1

3248-BG61-P	01	Location plan
	02	Site Plan

#### Appeal 2

3248-BG39-P	01	Location plan
	02 A	Site Plan

#### Appeal 3

3248-BC20E-P	01 A	Location plan
	02 A	Site plan

#### Appeal 4

3248-BC20W-P	01	Location plan
	02 A	Site plan

Reason: For the avoidance of doubt and in the interests of proper planning.

# APPENDIX 4

## Email from Oxford Economics

**From:** Nicole Penfold [mailto:N.Penfold@gladman.co.uk]

**Sent:** 02 December 2015 11:42

**To:** James Donagh <James.Donagh@bartonwillmore.co.uk>; Simon Macklen <Simon.Macklen@bartonwillmore.co.uk>; Dan Usher <dan.usher@bartonwillmore.co.uk>; Debbie Mayes <Debbie.Mayes@bartonwillmore.co.uk>

**Subject:** FW: OE unconstrained employment forecasts

All

Please see response below from Oxford Economics.

Thanks

Nicole

**From:** Kerry Houston [<mailto:khouston@oxfordeconomics.com>]

**Sent:** 02 December 2015 11:35

**To:** Nicole Penfold

**Cc:** Caroline Franklin

**Subject:** RE: OE unconstrained employment forecasts

Hi Nicole,

Caroline has forwarded me your query.

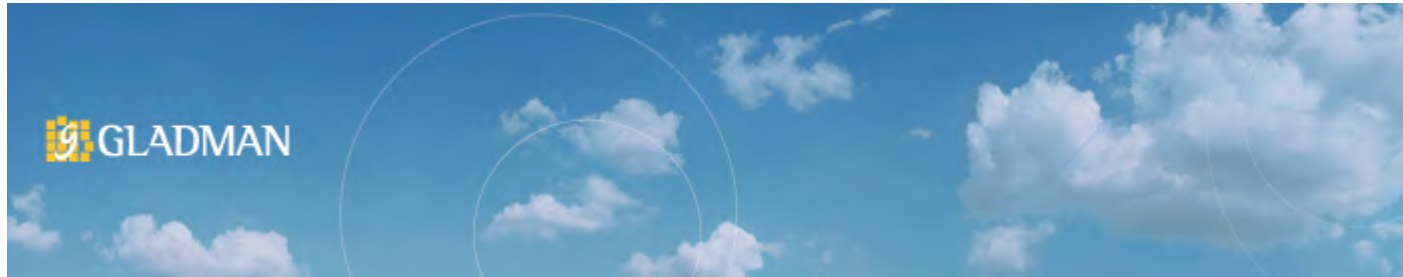
Our forecasts are demand based and are not constrained by population. We produce our own forecast of population which differs from the Official Projections. WE use the natural increase assumptions from the official projections but we have our own view on migration (the model assumes that people will move to where the jobs are). I've attached a short note which summarises our approach.

Also the 2014 National Population Projections have recently been released. We are working to incorporate these assumptions into our suite of forecast models. The UK migration forecast in the latest projections are much closer to our view in the short/medium term.

I hope this is helpful.

Best wishes,  
Kerry

**From:** Nicole Penfold  
**Sent:** 01 December 2015 14:13  
**To:** George Armitage ([garmitage@oxfordeconomics.com](mailto:garmitage@oxfordeconomics.com))  
**Cc:** Phill Bamford  
**Subject:** OE unconstrained employment forecasts



Good Afternoon George

I was wondering if you could assist me with something.

Attached is an example from Experian of the jobs demand output they can provide which is not constrained by population.

Our understanding is that the OE forecasts (similarly to the normal Experian forecasts) are constrained to the 2012 SNPP. I was therefore wondering whether you are able to supply a similar set of unconstrained economic forecasts? If so, would it be possible for you to provide these for Telford and Wrekin as an example.

Kind Regards,

Nicole

Nicole Penfold - Policy Planner | [n.penfold@gladman.co.uk](mailto:n.penfold@gladman.co.uk) | DDI: 01260 288 849 | M: 07507 662 233

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## Email from Cambridge Econometrics

**From:** Shyamoli Patel [<mailto:sp@camecon.com>]  
**Sent:** 14 September 2015 12:03  
**To:** Dan Usher <[dan.usher@bartonwillmore.co.uk](mailto:dan.usher@bartonwillmore.co.uk)>  
**Cc:** Anthony Barker <[ab@camecon.com](mailto:ab@camecon.com)>; Mike May-Gillings <[mmg@camecon.com](mailto:mmg@camecon.com)>; Simon Macklen <[Simon.Macklen@bartonwillmore.co.uk](mailto:Simon.Macklen@bartonwillmore.co.uk)>; James Donagh <[James.Donagh@bartonwillmore.co.uk](mailto:James.Donagh@bartonwillmore.co.uk)>  
**Subject:** RE: Query

Hi Dan,

I can confirm that our employment projections aren't constrained by the ONS population projections. I've outlined our methodology below, which I hope you find useful.

CE's employment projections are baseline economic projections based on historical growth in the local area relative to the region or UK (depending on which area it has the strongest relationship with), on an industry-by-industry basis. They assume that those relationships continue into the future. Thus, if an industry in the local area outperformed the industry in the region (or UK) as a whole in the past, then it will be assumed to do so in the future. Similarly, if it underperformed the region (or UK) in the past then it will be assumed to underperform the region (or UK) in the future.

They further assume that economic growth in the local area is not constrained by supply-side factors, such as population and the supply of labour. Therefore, no explicit assumptions for population, activity rates and unemployment rates are made in the projections. They assume that there will be enough labour (either locally or through commuting) with the right skills to fill the jobs. If, in reality, the labour supply is not there to meet projected growth in employment, growth could be slower.

I hope that helps.

Kind regards,  
Shyamoli

**From:** Dan Usher [<mailto:dan.usher@bartonwillmore.co.uk>]  
**Sent:** 14 September 2015 11:32  
**To:** Shyamoli Patel <[sp@camecon.com](mailto:sp@camecon.com)>  
**Cc:** Anthony Barker <[ab@camecon.com](mailto:ab@camecon.com)>; Mike May-Gillings <[mmg@camecon.com](mailto:mmg@camecon.com)>; Simon Macklen <[Simon.Macklen@bartonwillmore.co.uk](mailto:Simon.Macklen@bartonwillmore.co.uk)>; James Donagh <[James.Donagh@bartonwillmore.co.uk](mailto:James.Donagh@bartonwillmore.co.uk)>  
**Subject:** Query

Hi Shyamoli,

We are currently responding to a Planning Inspector's pre-hearing question which we would like your view on.

The question is as follows:

As argued by the Council, is the jobs led model used in the SHMA too circular and thus flawed to justify a housing requirement (HOU1, 3.80-3.89)?

In short, the SHMA being referred to recommends an uplift from the CLG household projections (and their population projections), to increase the population and labour force, to fill a job growth target. This is based on a model such as Chelmer or PopGroup.

However, the Council suggest this approach is flawed and is a 'circular argument', whereby the forecasts (such as yours for example) are based on sub national population projections from ONS, thereby meaning a higher population than ONS projections is not required.

"In order to predict future employment change many authorities rely on econometric forecasts, either standard or bespoke to reflect alternative macroeconomic expectations or policy aspirations. This is often deeply flawed because population is both an input and an output to the process. The jobs-led demographic modelling uses the expected future population (usually taken from CLG projections) as an input, and also produces future population as an output which is then used to calculate future housing need. Importantly however the input population already assumes a given amount of housing development and the guidance suggests that at best the process is logically circular, but generally the model is internally inconsistent, because the population that is output does not equal the population that is input. It is a 'self-defeating prophecy'."

In respect of the job forecast you sent me last week, can you let me know if the view put forward by the Council is correct, i.e. is your job forecast constrained to the ONS population projection? Thanks

Regards

***Dan Usher***

Research Associate

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# APPENDIX 5



John Byrne  
Head of Planning  
Aylesbury Vale District Council

Our Ref:

PINS/J0405/429/8

Date:

7 January 2014

Dear Mr Byrne,

## **Vale of Aylesbury Plan Strategy Examination:**

- **Duty to co-operate**
- **Soundness in terms of the overall provision for housing and jobs**

1. Further to the initial hearing sessions held on 10, 12 and 13 December 2013 I set out below my conclusions in respect of the duty to co-operate (Matter 1) and soundness in terms of overall provision for housing and jobs (Matter 2) and explain the implications for the examination.

## **Background**

2. The Council submitted the Vale of Aylesbury Plan Strategy (the Plan) for examination in August 2013, having previously published the Proposed Submission version of the Plan in May 2013.
3. Section 33A of the Planning and Compulsory Purchase Act 2004 (as amended) imposes a duty to co-operate in terms of the preparation of a development plan document as far as it relates to a strategic matter. The duty to co-operate came into effect in November 2011 and the Council does not dispute that it is required to meet it in relation to overall housing provision within the Plan, amongst other strategic matters. The duty requires the Council to have co-operated in maximising the effectiveness of the preparation of the Plan and in particular to have engaged constructively, actively and on an ongoing basis.
4. It is also of relevance that the National Planning Policy Framework (NPPF) was published in March 2012, over a year before the Proposed Submission version of the Plan was published and some seventeen months before the Plan was submitted for examination. The NPPF clearly sets out the approach that should be taken in terms of identifying and meeting needs for development including housing and emphasises the need for co-operation and collaboration, particularly where housing markets cross administrative boundaries and where local planning authorities may not be able to accommodate development requirements wholly within their own areas.
5. In the early stages of plan preparation, the Council commissioned work to consider the potential needs for housing and employment growth in the District. The Housing and Economic Growth Assessment (HEGA) was published in September 2011. This set out a number of scenarios for growth and informed the identification of initial

options for the overall scale of housing and employment to be planned for in the District. The HEGA focussed on the scale and distribution of growth within Aylesbury Vale; it did not specifically consider the potential development needs of other authorities or assess wider housing markets.

6. In light of the duty to co-operate and the publication of the NPPF, the Council commissioned the Strategic Housing Market Assessment: Validation Study (the Validation Study) in May 2012. The Validation Study (published in February 2013) undertook a review of the HEGA, defined a sub-regional housing market area (HMA) and identified potential housing requirements across it. The Validation Study considered that Aylesbury Vale is most appropriately regarded as being within the Luton and Milton Keynes HMA which also includes the local authority areas of Milton Keynes, Central Bedfordshire, Bedford and Luton.
7. Further work on demographic projections undertaken on behalf of the Council was published in April and May 2013. A supplementary report to the Validation Study was published in June 2013 to take account of updated information. This sets out the Council's up to date position in terms of potential housing needs and provision for each of the local authorities within the HMA.

### **Duty to co-operate**

8. Whilst there are a number of cross-boundary issues requiring co-operation between the Council, other local authorities and relevant bodies, the overall provision for housing is of particular significance given the pattern of commuting and migration between Aylesbury Vale and other authorities, interrelationships in housing markets and the role that the District has had in accommodating growth on a sub-regional level.
9. The District boundary adjoins the urban area of Milton Keynes, which is likely to continue to be a major focus for housing and economic growth. The relationship between Aylesbury Vale and the growth of Milton Keynes has long been recognised as a key issue, in particular the potential for future growth of the urban area, partly or wholly within Aylesbury Vale. The need for joint working and effective co-operation on this matter is clearly set out in the recent Inspector's Report on the Milton Keynes Core Strategy (May 2013) and in the Core Strategy itself (Policy CS6) adopted in July 2013.
10. Based on the Validation Study, the Council acknowledges that Aylesbury Vale forms part of a wider HMA along with Milton Keynes, Central Bedfordshire, Bedford and Luton. It also accepts that there are interrelationships with other areas and is aware of concerns that due to environmental constraints, a number of authorities may not be able to accommodate all of their identified housing needs and may be looking to Aylesbury Vale to accommodate some additional growth.
11. The duty to co-operate is not a duty to agree. In addition, whilst consideration must be given to joint working and the production of joint local development documents, these are not specific requirements of compliance with the duty. The lack of jointly produced evidence and the fact that a number of other local authorities continue to have concerns in respect of the level of housing provision set out in the Plan are not in themselves reasons to conclude that the Council has failed to comply with the duty. It is the actions of the Council in terms of co-operating to maximise the effectiveness of the preparation of the Plan which are critical to my consideration of the matter.

12. There is no Strategic Housing Market Assessment (SHMA) or other assessment of housing needs produced jointly with other authorities. The Validation Study and supplementary report which considered housing needs across the wider HMA were commissioned and produced solely on behalf of the Council. The conclusion that a joint SHMA or equivalent document was not a realistic proposition appears to have been reached on the basis of discussions with officers of the other authorities concerned. Other authorities were not formally approached to undertake joint work on housing needs and provision.
13. Quite correctly, in light of the duty to co-operate and the publication of the NPPF, the Council acknowledged that the housing needs of the wider HMA should be identified and that further work to supplement the HEGA was necessary. Given the context of the strategic issues relating to housing provision, this was clearly a fundamental element of effective plan preparation requiring constructive, active and ongoing engagement with other relevant authorities.
14. The Council point to a number of meetings and discussions with adjoining authorities<sup>1</sup> during the preparation of the Validation Study. However, these authorities were not actively involved in establishing the scope of the Validation Study. Indeed, the Council confirmed at the hearing session that there was no written brief for the Validation Study and it was commissioned on the basis of verbal instructions. Whilst the objectives of the Validation Study are set out in paragraph 1.10, it is not clear what level and form of engagement with other authorities was intended.
15. There are various references to consultation with other authorities within the Validation Study. The adjoining authorities present at the hearing session considered their involvement in the Validation Study to be essentially that of consultees. They did not consider that they had been actively or directly involved in its preparation. Although adjoining authorities were sent the draft of the Validation Study in January 2013, no request for formal endorsement from these other authorities was made.
16. In the case of Bedford Borough Council, there does not appear to have been any direct contact from the Council or its consultants during the preparation of the Validation Study. For Luton Borough Council, consultation consisted of a telephone call on 27 November 2012. Neither Bedford nor Luton Borough Councils were sent the draft of the Validation Study. The two authorities in question do not adjoin Aylesbury Vale and the linkages in terms of commuting, migration and housing markets are less than for adjoining authorities. In neither case has the authority identified a specific unmet housing need that they consider should be met in Aylesbury Vale. However, it may be that the pattern of migration and housing markets could change over time, particularly given the significant issues in terms of the ability of Luton Borough to accommodate its own growth. In any event, they both form part of the Luton and Milton Keynes HMA and the Validation Study draws clear and specific conclusions in relation to their housing needs.
17. Adding to this concern is the fact that neither Bedford nor Luton Borough Councils were consulted on the Proposed Submission version of the Plan in May 2013.
18. The timing of the Validation Study in relation to the Council's decisions on overall housing provision is also of relevance. Following earlier consideration by the Cabinet meeting of 15 May 2012, the level of housing provision of 6,000 houses (in total approximately 13,500 including existing commitments) was agreed by the Cabinet at its meeting on 14 August 2012. At its meeting on 17 October 2012, the Council

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<sup>1</sup> Also South Bucks District Council

agreed to the submission of the Plan following necessary publicity, on the basis of providing for a total of 13,500 houses, including existing commitments.

19. Whilst it was agreed that amendments to the Plan could potentially be made by the Head of Planning, these appear to relate to the timing of the revocation of the South East Plan and the potential need for revisions to explanatory text and supporting material along with minor presentational amendments. There is no indication in the Council's decision or the supporting papers that substantive changes to the policies or overall strategy for growth would be contemplated at that stage. Specifically, there is no mention of the potential for overall housing provision to be reconsidered in the light of continuing engagement with other authorities. The Council had already taken significant steps to determine its preferred level of housing provision at or around the time of commissioning the Validation Study. Its position on the matter had been clearly established whilst the Validation Study was still in preparation and the Council's decision to submit the Plan on the basis of overall provision for 13,500 houses was made before adjoining authorities were consulted on the draft Validation Study and before the final report was published. The conclusions of the Validation Study were drawn in the context that the Proposed Submission version of the Plan was making provision for 13,500 houses (Paragraph 7.16).
20. The extent to which engagement, particular of the limited form undertaken, could have genuinely influenced the overall level of housing provision appears to have been minimal. The response of other authorities to the Validation Study needs to be seen in this context along with their understanding of their role in the process. There is no record of any substantive engagement with other authorities in relation to the Updated Demographic Projections Reports of April and May 2013, or the supplementary report to the Validation Study of June 2013.
21. As I have noted above, the duty to co-operate does not place an obligation on the Council to have agreed with other authorities in terms of the overall level of housing to be planned for in Aylesbury Vale or how any unmet needs from other authorities will be met. However, the nature of representations from other authorities is an indication as to what extent engagement has been constructive in resolving strategic issues. Of the four other authorities within the HMA, only two, Milton Keynes and Central Bedfordshire Councils were invited to make representations on the Proposed Submission version of the Plan. Central Bedfordshire Council are supportive of the overall provision for housing. However, Milton Keynes Council expresses concern as to the balance between the provision for houses and jobs. It considers that the relationship between Aylesbury Vale and Milton Keynes, and specifically the potential need for the growth of the urban area of Milton Keynes into Aylesbury Vale has not been adequately addressed. It highlights the need for joint working on this issue and raises concerns as to the extent of engagement earlier in the process and the effectiveness of the consultation process.
22. Luton Borough Council has subsequently raised concerns regarding the potential scale of its housing needs and the inability to accommodate such levels of growth within its own boundaries. It has identified a potential level of housing need well in excess of the figure set out in the supplementary report to the Validation Study. Whilst accepting that links with Aylesbury Vale are less than those with other authorities, Luton Borough Council considers that given the potential scale of unmet housing need, it may be that some of it will need to be accommodated beyond adjoining authorities, including in Aylesbury Vale. Luton Borough Council wrote to the Council in June 2013, setting out these concerns and suggesting a member meeting and a jointly commissioned SHMA. Such a meeting has not taken place and the offer of commissioning a joint SHMA has not been taken up. Although at a late stage in the

process, the Council had the opportunity to reconsider submitting the Plan in the light of this request.

23. A number of other authorities beyond the HMA raise concerns in respect of the overall provision for housing and the implications for their areas<sup>2</sup>. There are particular concerns in the case of Dacorum, Chiltern, Wycombe and South Bucks that the Plan does not give sufficient recognition to the interrelationships with Aylesbury Vale, constraints within these other areas and the potential need for Aylesbury Vale to accommodate some unmet housing needs.
24. The Council points to the practical difficulties in working jointly with numerous other authorities in identifying housing needs across authority boundaries and planning to ensure that these are met, given the different stages of plan preparation and evidence gathering. It also highlights the fact that other authorities were not in a position to demonstrate alternative clear and specific evidence regarding housing needs or quantify the level of potential unmet housing need. The Council emphasises the benefits of progressing the Plan to adoption rather than delaying the process to allow evidence in relation to the housing needs of other authorities to be gathered.
25. I note that discussions have taken place recently with the other authorities in Buckinghamshire and a shared framework relating to the alignment of Local Plan timetables and co-ordination of evidence was produced in November 2013. The Council have also sought to build in a contingency approach to the Plan to enable it to respond should unmet housing needs be identified by other authorities. I deal with the effectiveness of such a contingency approach in relation to soundness below. However, in my view, both of these actions represent a recognition by the Council of the need for co-ordination of evidence gathering and plan preparation and the potential for unmet needs from other authorities to be accommodated in Aylesbury Vale.
26. The key question is that of timing and the choice between having an adopted plan as soon as possible or a plan that at the point of adoption, effectively resolves strategic housing issues following genuine co-operation and collaboration with other authorities based on constructive, active and ongoing engagement.
27. As it stands there are significant issues in terms of potential unmet needs from other authorities and how they will be accommodated. There are particular issues concerning the relationship of Aylesbury Vale to Milton Keynes and its future growth. These issues have been left unresolved. The Council has been aware of these issues from early in the plan preparation process, if not before. There has been a substantial period of time since the duty to co-operate came into force and the NPPF was published. Whilst noting the lack of specific evidence on potential unmet needs from other authorities and accepting that collaboration and joint working is a two way process, it is the Council's duty, as the authority submitting the Plan for examination, to have sought to address these issues through constructive, active and ongoing engagement.
28. On the basis of the above assessment I consider that the Council has not engaged constructively, actively and on an ongoing basis and that this has undermined the effectiveness of plan preparation in dealing with key strategic issues. It is with regret therefore that I must conclude that the Council has not complied with the duty to co-operate.

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<sup>2</sup> Chiltern District Council, Wycombe District Council, South Bucks District Council, Dacorum Borough Council, Hertfordshire County Council, South Northamptonshire Council and the West Northamptonshire Joint Planning Unit.

## **Soundness in terms of the overall provision for housing and jobs**

29. Notwithstanding the above, I consider it appropriate to also set out my findings in respect of soundness, insofar as it relates to the overall provision for housing and jobs given that I held initial hearing sessions on the matter.
30. In order to be considered sound the Plan must be positively prepared, justified, effective and consistent with national policy. Paragraph 182 of the NPPF explains that it should be based on a strategy which seeks to meet objectively assessed development and infrastructure needs, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development. It should be the most appropriate strategy when considered against reasonable alternatives, be deliverable and based on effective joint working on cross-boundary strategic priorities. It should enable the delivery of sustainable development.
31. In terms of housing, local planning authorities should use their evidence base to ensure that the local plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies in the NPPF (Paragraph 47). The need for joint working and collaboration where there are cross-boundary issues and where development requirements cannot wholly be met within individual local authority areas is emphasised (Paragraphs 178-181).
32. In respect of overall housing provision, the Council initially consulted on options ranging from 12,000 to 21,000 additional houses between 2011 and 2031 (including commitments). These options were based on the scenarios for growth identified in the HEGA. The HEGA itself did not recommend a particular level of growth. As noted above, the Council had already taken significant steps to determine its preferred level of housing provision at or around the time of commissioning the Validation Study and its position on the matter had been clearly established whilst the Validation Study was still in preparation. The Validation Study, demographic projections of April and May 2013 and the supplementary report to the Validation Study were all produced against the background of the Council's decision in respect of housing and jobs growth.
33. The proposed level of housing growth is close to the bottom of the overall range of options initially consulted upon. The Council confirmed that it considered each of the options to be a credible assessment of housing needs and reflected reasonable alternatives. It also confirmed that there are no fundamental environmental or infrastructure constraints to higher levels of growth within the overall range identified.
34. The Plan would provide for an average of 675 houses per year. This compares with past completion rates which have averaged approximately 750 houses per year. I appreciate that past levels of growth were in the context of higher requirements set out in the South East Plan and in recent years a significant proportion of completions have been affordable houses supported by government funding which may not be available in future. However, the District has seen annual completions above the level proposed in the Plan even in the very difficult economic circumstances that have prevailed in recent years. In 2011/12 completions totalled 1,103 houses and in 2012/13 they totalled 934 houses.
35. On the basis of the Council's assessment, the Government's 2011-based interim household projections published in April 2013 indicate an annual need for 961 houses. The 2008-based household projections indicated a need for 765 houses annually. I note the Council's concern in relation to the 2011-based interim

projections, particularly in terms of migration assumptions given data from mid-year population estimates. However, whilst an over estimation of migration may play a significant part in the other (unattributable) component of change in the mid-year estimates, there is insufficient basis to conclude that it accounts for 100% of this figure. Indeed the ONS itself considers that it would be sensible to exclude the unattributable figure from migration trends (see Appendix 1 to M2/17) given the degree of uncertainty. Attributing all of this to migration, as the Council has done, has the effect of substantially reducing the estimates of past net in-migration to the District. The very recent trend suggests an increase in annual net in-migration, to approximately the levels assumed in the 2011-based interim household projections. Whilst the Council has concerns as to the assumptions which underpin the projections, I find insufficient evidence to conclude that they are inaccurate to the extent suggested.

36. The proposed level of housing in the Plan most closely reflects the projection in the HEGA based on a five year migration trend. The May 2013 Demographic Projections Report concludes that this scenario would require approximately 12,900 houses between 2011 and 2031 and see a growth of approximately 5,500 jobs. It also considers four economic led projections (two used in the original HEGA and two based on more up to date forecasts). All of the economic led projections show significantly more houses would be required than provided for in the Plan (approximately 16,600 to 21,500). The figures would be even higher if existing patterns of out-commuting were to remain. Notwithstanding the difficulties associated with economic forecasting, it is clear that the Council is planning for a level of housing well below that indicated by its own evidence in terms of potential economic growth.
37. The Plan seeks to make provision for at least 6,000 new jobs in addition to those on committed sites (approximately 10,000). Despite the doubts expressed by the Council in its statement and at the hearing sessions in relation to the implementation of existing commitments, the Plan is clearly based on a strategy of delivering some 16,000 additional jobs between 2011 and 2031. The Council's evidence indicates that significantly more housing than that planned would be required to support this level of jobs growth. There is no substantive evidence that the jobs density or patterns of out-commuting are likely to change to the extent required to support the planned level of employment growth without the need for significantly more housing. In simple terms there is a clear and substantial mismatch between the level of housing and jobs planned.
38. The Validation Study concluded (Paragraph 7.20) that potential economic growth could lead to a higher requirement for housing than proposed in the Plan and that an objective assessment of housing needs would be for between 6,000 and 9,000 houses in addition to commitments. It raises some doubt as to the realism of reducing out-commuting to the levels required to support housing provision at the lower end of this range and recognises that provision towards the upper end of the range would potentially allow for some unmet needs from other authorities to be met and support higher levels of job growth (Paragraph 7.21). It goes on to recommend a plan, monitor and manage approach to housing and employment growth. It seems to me that the Council's own evidence base raises concerns as to the appropriateness of the level of growth planned.
39. The decision on the level of housing provision was based on the needs of the District following initial consultation. There is no evidence that the potential needs of other authorities was a specific factor taken into account at that stage.
40. As explained above, I do not consider that the overall level of housing provision in the Plan is a result of effective co-operation and collaboration with other relevant



authorities. A number of key strategic issues remain unresolved. The contingency approach included in the Plan is not an effective or appropriate way to deal with the issue of potential unmet housing needs from other authorities. The decision on whether unmet needs had been identified and justified and that these should be met in Aylesbury Vale would be taken by the Council itself. On a practical level, the only effective response to such a situation would be a review of the Plan, given that the issue would be the overall level of housing provision rather than phasing and also that the Plan does not include site allocations. This is likely to take some time, even if the Council agreed to such a course of action. There is considerable uncertainty as to when and indeed whether strategic issues would be addressed.

41. There are significant strategic housing issues which need to be effectively resolved as soon as possible through the plan making process following genuine co-operation and collaboration with other authorities. Putting this off by relying on a potential future review wholly dependent on the Council's own interpretation of the situation would not be appropriate. Whilst there are clearly benefits in having an adopted plan as soon as possible, these would not in themselves outweigh the need for that plan to be effective in respect of housing issues.
42. Taking all of the above into account, I consider that in relation to the overall provision for housing and jobs, the Plan has not been positively prepared, it is not justified or effective and it is not consistent with national policy. It is therefore not sound.

### **Overall conclusions**

43. You will appreciate that there is no mechanism to rectify a failure to comply with the duty to co-operate. Accordingly I must recommend non-adoption of the Plan and give reasons for the recommendation.
44. In terms of soundness, there would be a need for a substantial amount of additional work to rectify the deficiencies I have identified. This would require significant cross boundary co-operation with a number of other authorities and is likely to take some time, particularly given the difficult issues that would need to be addressed. Modifications required to make the Plan sound would make it fundamentally different to that submitted in terms of its overall strategy and the approach to growth. In the light of this, a suspension of the examination would be inappropriate, notwithstanding the failure to comply with the duty to co-operate.
45. Under the circumstances this leaves two options. Firstly the Council could choose to receive my report. Given my findings, I must recommend non-adoption of the Plan. Alternatively the Council may choose to withdraw the Plan under S22 of the Planning and Compulsory Purchase Act 2004 (as amended) I appreciate that you will be disappointed by my conclusions. However, I would be grateful if you could confirm the Council's position via the Programme Officer as soon as possible.
46. In the meantime, it would be inappropriate to proceed with the further hearing sessions scheduled to begin on 18 February 2014. I will be asking the Programme Officer to inform relevant parties that the further hearing sessions will not be taking place and there is no need to submit statements. The Council's website should also be updated to reflect the situation. A copy of this letter should be placed on the website and made available on request.

Yours sincerely

*Kevin Ward*  
INSPECTOR

# APPENDIX 6

## **STAGE 1 OF THE EXAMINATION OF THE SOUTH WORCESTERSHIRE DEVELOPMENT PLAN**

### **INSPECTOR'S INTERIM CONCLUSIONS ON THE STAGE 1 MATTERS**

#### **The duty to co-operate in the planning of sustainable development (Matter 2)**

1. The South Worcestershire Councils' [SWCs] *Duty to Co-operate Statement* and supporting evidence provided to the examination demonstrate that the SWCs have co-operated constructively, actively and on an ongoing basis with each other and with the other Worcestershire councils and prescribed bodies on strategic and cross-boundary matters in preparing the South Worcestershire Development Plan [the Plan]. There is evidence of a similarly appropriate level of co-operation with other neighbouring local planning authorities [LPAs] and with authorities in the West Midlands conurbation. No LPA has stated in terms that they are looking to the SWCs to meet part of their development needs.
2. The main area of controversy is whether or not the SWCs have co-operated effectively over housing provision with the three north Gloucestershire councils who are producing a Joint Core Strategy [JCS], and with Birmingham City Council. It is argued that the Plan fails to take adequate account of unmet housing need in the JCS area and in Birmingham.
3. Dealing first with the JCS area, there has been a series of meetings since at least 2010 involving representatives of the SWCs and JCS councils, at which the possibility that sites in South Worcestershire close to Tewkesbury could meet an element of housing need arising in north Gloucestershire has been discussed. This demonstrates active co-operation between the authorities on the issue. However, there is no current evidence that the JCS councils intend to pursue this approach.
4. Assuming they maintain their current stance, whether or not they ought to do so is a matter of soundness to be considered at the JCS examination. Should their position change, on the other hand, the ongoing nature of the duty to co-operate will require the SWCs to continue to engage in constructive discussions on the issue. The same applies in respect of any other neighbouring LPA which may identify a need for development that they consider should be met in South Worcestershire.
5. Turning to Birmingham, it may well be, on current evidence, that the City Council [BCC] will face a substantial shortfall of land within its boundaries to meet its arising housing need. The extent of the shortfall, and proposals for how it might be addressed, is currently being considered through a sub-regional Strategic Housing Study.

The SWCs are not directly involved in that work, but in my view that is appropriate given their distance from Birmingham.

6. Nonetheless, there have been meetings between representatives of BCC and SWDC to discuss the issue of housing need. At a meeting in 2011 BCC expressed concern at the housing requirement of 20,400 then being proposed by the SWCs. However, their representative made it clear at the Matter 2 hearing that BCC have no objection to the housing requirement figure in the submitted Plan.
7. At this time, therefore, there is no clear evidence that any land in South Worcestershire will be required to meet part of Birmingham's housing need. It would be contrary to the plan-making objectives of the *National Planning Policy Framework* [NPPF] to delay the examination of the Plan until any such evidence may have emerged. In that event, the ongoing duty to co-operate will require the SWCs to engage with BCC and other authorities over the issue.
8. The ongoing duty to co-operate over other LPAs' housing needs is recognised in policy SWDP2 H and its footnotes, which I consider further under Matter 1 below.
9. BCC and the Black Country councils have concerns about the level of employment land provision in the Plan, but that is a question of soundness, considered further under Matter 3 below. There is no evidence that the SWCs have failed to engage adequately with BCC and the Black Country authorities over the matter.
10. As I made clear at the hearing session, the issue of the West Mercia police headquarters at Hindlip Park will be considered further during Stage 2 of the examination.
11. I conclude that the legal duty to co-operate in the preparation of the Plan has been met.

## **The housing requirement (Matter 1)**

### ***The objective assessment of housing need over the Plan period***

#### *The assessment of housing need in the SHMA*

12. The NPPF advises that Local Plans should meet the full, objectively-assessed needs for housing in the housing market area, as far as is consistent with the NPPF's policies. Consistent with this objective, Local Plans should be based on adequate, up-to-date and relevant evidence, and the assessment of and strategies for housing, employment and other uses should be integrated. In particular, the *Strategic Housing Market Assessment* [SHMA] should identify housing need which meets household and population projections, taking account of migration and demographic change.

13. Using the POPGROUP model, the Worcestershire SHMA (February 2012 – CD.090) identifies three Core Scenarios [CS] of projected population and household change, based on the 2008-based sub-national population projections [SNPP] and 2009 ONS mid-year estimates (CS1, CS2 & CS3). The most recent trend-based projections in CS3 are then modified to reflect the need for additional net in-migration to meet forecast job growth in the Plan area (CS4). Finally, in Sensitivity Scenario 2 (SS2), assumptions are made about future increases in the economic activity rates of older people. These have the effect of substantially reducing the level of in-migration needed to meet the forecast growth in jobs.
14. SS2 is the basis for the Plan's housing requirement figure of 23,200 dwellings for the period 2006 to 2030. The Councils consider that this represents the full, objectively-assessed need for housing in the Plan area over that period.
15. However, I consider that there are three fundamental shortcomings in the approach taken in the SHMA. In combination they mean that its assessment of housing need is unreliable and does not provide a sound basis for the planning of housing provision in the Plan area. I shall deal with each in turn.
16. **First**, the SHMA does not use household representative rates [HRR]<sup>1</sup> drawn from the 2008-based DCLG household projections – the corresponding official projections to the 2008 SNPP – or any other official population or household statistics. Instead, for the purposes of the SHMA, HRR were recalibrated using the total number of occupied properties in the Plan area in 2011, drawn from Council Tax records. While the objective may have been to calibrate HRR to a fixed dataset, the adjustment introduces a degree of inconsistency into the household projection process. This is because an individual occupied property, as considered for Council Tax purposes, may contain more than one household as defined in the Census and other official population and household statistics.
17. Comparison of the Council tax data for occupied properties with household numbers drawn from the 2011 Census – not available until after the SHMA was published – illustrates the point. In each of the three districts of South Worcestershire, the Council Tax occupied properties figure is lower than the Census figure for households: an overall discrepancy of some 1,500. By contrast, when the 2011 household figures drawn from the 2008-based household projections are compared with the 2011 Census figures, the overall discrepancy is significantly lower, albeit with greater divergences in the individual figures for two of the three districts.
18. **Secondly**, the job growth figures underlying CS4 were based on employment forecasts for the three South Worcestershire districts produced by Cambridge Econometrics [CE] in 2009. The CE forecasts

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<sup>1</sup> Also sometimes known as "headship" rates.

give annualised employment growth rates well below any of the more recent employment forecasts, by other independent and reputable analysts<sup>2</sup>, that were provided to the examination. Moreover, the CE forecasts predict a modest decline in employment between 2010 and 2020, in contrast to all the other forecasts which predict reasonably strong growth in that decade.

19. Economic forecasting is notoriously difficult and so variations between forecasts need not necessarily cause concern in themselves. Nonetheless, there are two factors which in my view significantly reduce the reliability of the CE forecasts as a basis for assessing future household growth. First, they were explicitly based on a *public sector austerity scenario* which attempted to anticipate cuts in government spending, but they have not been revisited subsequently in the light of actual spending plans. Secondly, and perhaps more significantly, they contain an unexplained anomaly in their treatment of agricultural employment, as follows.
20. The CE forecasts show some 6,000 workers employed in the agricultural sector in South Worcestershire in 2001, rising slightly to about 6,600 in 2010. The number of agricultural workers then slumps to around 3,700 in 2020 before falling more gradually to some 1,800 in 2030. The fall of some 44% between 2010 and 2020 largely accounts for the overall decline in employment predicted by CE for that decade<sup>3</sup>. No explanation is given for this dramatic predicted decline in agricultural employment. It appears to have no basis in current trends and it is not reflected in any of the other employment forecasts provided to the examination. Each of these predicts a more gradual decline in agricultural employment during the Plan period.
21. **Thirdly**, there is a lack of convincing evidence to support the assumed increases in older people's economic participation rates which provide the basis for SS2. While the Councils refer to national trends in support of the assumptions, the way the latter are derived from the former is not made clear.
22. There may be evidence of a steady rise, nationally, in economic participation by women aged 50-64<sup>4</sup>, but there appears to be no parallel trend among men and, moreover, future increases in the state pension age will not affect men in this age-group. Among the 65-plus age group, it may well be that the number in employment has nearly doubled between 1993 and 2011, but the Office for National Statistics [ONS] report<sup>5</sup> cited in para 1.7 of Annex Q1(c)3 to the Councils' Matter 1 hearing statement makes it clear that two-thirds of them were working part-time in 2011. It is unclear how this

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<sup>2</sup> Oxford Economics and Experian

<sup>3</sup> Manufacturing employment is also forecast to fall over the same period, but much more gradually.

<sup>4</sup> CD.084, p147, Figure 3

<sup>5</sup> Office for National Statistics, *Older Workers in the Labour Market, 2012*

tendency would affect older people's ability to substitute for younger in-migrants in the future workforce.

23. I asked the Councils to carry out further sensitivity tests on SS2 to assess the effect of reducing the assumed increases in the economic participation rates of older persons, by half and by three-quarters<sup>6</sup>. The effect was to raise the projected increase in households between 2006 and 2030 by about 2,850 and 4,300 respectively, compared with SS2. The Councils also voluntarily carried out two further sensitivity tests, one applying a flat 10% increase in the participation rate across all 50+ age groups, and the other attempting to define the increase so as to mirror the impact of planned rises in the state pension age. These tests also resulted in significant rises in the projected household figures, compared with SS2.
24. Thus I find both a lack of clear evidence to support the assumptions made in SS2, and a high degree of sensitivity in the model to changes in those assumptions when calculating the housing requirement for the Plan period. Although the Councils refer in paragraph 1.35 of their Matter 1 hearing statement to other factors that might reduce the need for in-migration to meet the forecast increase in jobs over the Plan period, the effects of those factors are not quantified and in any event they did not form part of the SHMA modelling exercise.
25. Because of their fundamental shortcomings, I consider that the Plan is not justified in relying on the February 2012 SHMA, and in particular on SS2, as the basis for defining its housing requirement.

#### *Alternative approaches to assessing housing need*

26. Despite the fundamental shortcomings in the way the SHMA was carried out, in principle its approach of beginning with trend-based projections and modifying them to take account of the effect of job growth forecasts is an appropriate one. A similar approach was followed in the evidence prepared for the examination by Nathaniel Lichfield and Partners [NLP], also using the POPGROUP model<sup>7</sup>.
27. NLP had the advantage of access to later SNPP, Mid-Year Estimates [MYE] and household projections, which take account of more recent trends than the 2008-based projections that were used in preparing the SHMA. Compared with the latter, the 2011-based interim household projections indicate a significantly lower rate of increase between 2011 and 2021. In particular, the growth in household formation by those aged 25 to 44 is substantially reduced.
28. However, the DCLG *Statistical Release* setting out the 2011 household projections advises that they show

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<sup>6</sup> Reported in CD.221

<sup>7</sup> Hearing statement M1/27b (Appendix)

... the long-term trend in household numbers if previous demographic trends in the population and household formation rates were to continue into the future. These interim projections only span for a 10-year period so users that require a longer time span would need to judge whether recent household formation trends are likely to continue.<sup>8</sup>

29. It seems very likely that the 2011-based projections are, at least in part, reflecting the fact that household formation, especially among the 25-44 age-groups, has been suppressed in the years since the global financial crisis of 2008 by a combination of reduced supply and lower effective demand. Some evidence for this can be found in the 2011 Census, which simultaneously demonstrated that there is a higher population and a lower number of households than had been expected from previous projections. At a national level, the Census found about 375,000 fewer households in 2011 than had been predicted in the 2008-based household projections.
30. A recent Town and Country Planning Association paper argues persuasively that just under half that reduction is attributable to suppressed household formation due to the state of the economy and the housing market<sup>9</sup>. The corollary of this is that, under the more favourable economic conditions expected in future years, there will almost certainly be a return to higher rates of household formation. Thus it would be unwise to rely on the household growth rates shown in the 2011-based projections persisting throughout the Plan period.
31. NLP follow this logic by employing two alternative sets of HRR in their modelling. The first, on which their "index" scenarios are based, uses HRR drawn from the 2011-based household projections for the period 2011-2021, then for the rest of the Plan period uses an index of HRR drawn from the 2008-based household projections. This effectively assumes that current trends in household formation will persist until 2021, after which there will be a return to the household growth rates experienced in the years before the financial downturn.
32. Taking into account all the evidence I heard on this point, this is a reasonable assumption. On the basis of current economic trends, I consider it less likely that, after 2021, household growth rates will accelerate beyond the rates experienced before 2008, as envisaged in NLP's alternative "partial catch-up" scenarios.
33. On their "index" basis, NLP's three trend-based "baseline" scenarios produce dwelling requirements for the Plan period of between about

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<sup>8</sup> DCLG, *Housing Statistical Release, Household Interim Projections 2011 to 2021, England*, April 2013, p19

<sup>9</sup> Alan Holmans, *New estimates of housing demand and need in England, 2011 to 2031*, Town and Country Planning Tomorrow Series Paper 16, September 2013, appended to hearing statement M1/23c. According to the paper, the rest of the reduction is due to the effect of HRR changes associated with increased international migration.



23,500 and 24,600<sup>10</sup>. NLP then apply employment forecasts to their first baseline scenario, in much the same way as was done by the SHMA to produce CS4. NLP test the effects of applying both the 2009 CE forecasts used in the SHMA, and recent forecasts produced by Experian. The additional in-migration required to provide enough employees to meet these job forecasts raises the dwelling requirement to 25,300 based on the CE forecasts, and 32,000 based on the Experian forecasts. NLP recommend the latter as the minimum housing requirement for the Plan.

34. NLP's methodology is generally sound. In particular they use realistic assumptions about both future falls in local unemployment rates and increases in economic activity among older age-groups in the period to 2020. Nonetheless, I am concerned that the Experian forecasts on which NLP rely lie at the upper end of the range of employment forecasts provided to the examination. Indeed it is notable that the three Experian forecasts – from 2011, 2012 and 2013<sup>11</sup> – gave annual average job increases ranging widely from just under 500 to just under 700<sup>12</sup>. These compare with the figures of about 450 jobs per annum from the 2011 Oxford Economics forecasts<sup>13</sup>, and about 250 per annum from the 2009 CE forecasts.
35. Using the Chelmer model, Barton Willmore [BW] follow a similar overall method to the SHMA and NLP in producing a trend-based demographic scenario, this time based on the interim 2011-based SNPP, and then applying employment forecasts to estimate the additional in-migration required to support likely job growth. It seems that their demographic scenario uses HRR drawn from the 2008-based projections throughout, which is likely to overstate the actual household formation rate in the period to 2021.
36. At the same time, while the 2012 Experian employment forecasts BW used were substantially lower than the 2011 figures used by NLP, their analysis appears not to have included the more sophisticated, and realistic, assumptions made by NLP in respect of unemployment and economic participation rates. For both these reasons, I find that it would not be appropriate to adopt BW's recommended requirement of about 34,000 dwellings for the Plan period.
37. The Chelmer model was also used by Pegasus Group and DLP to produce a range of future housing growth scenarios. Leaving aside Pegasus's avowedly unrealistic "zero net migration" scenario, these result in housing requirements for the Plan period ranging from about

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<sup>10</sup> The variations depend on which set of demographic inputs are used. The requirement figures also include an allowance for unmet need, which I deal with separately below.

<sup>11</sup> The 2011 forecasts were used by NLP, the latter two were provided to the examination by Barton Willmore.

<sup>12</sup> The last figure is a 15-year average of the 2011 Experian forecasts. NLP actually use an annual average increase of 630 jobs in their Experian-based scenario, after extrapolating the forecasts from 2026 to 2030.

<sup>13</sup> Provided to the examination by Gladman Developments Ltd.

23,700 to around 27,000. However, each of these scenarios is essentially trend-based and does not include the necessary additional step of factoring in the effect of future employment growth on in-migration. Similar comments apply to the analysis presented by Harris Lamb using the *What Homes Where* toolkit.

38. Development Economics Ltd [DE] take a different approach, presenting three assessments of future housing need based on demographic change, economic growth and affordability needs. Balancing these three "drivers", DE argue for a minimum housing requirement of 36,000 dwellings over the Plan period. However, their assessments appear not to have involved any original modelling work, and the economic growth assessment in particular is based on less sophisticated assumptions than those which informed the NLP work.
39. Finally, PSL Research Ltd provide an analysis of the SHMA work which identifies some of the shortcomings I have outlined above and proposes adjustments to the SHMA figures to rectify them, leading to a recommended requirement figure of about 26,800 over the Plan period. While PSL's analysis is illuminating, their adjustments to the SHMA figures are essentially broad estimates, and moreover they do not seek to correct for the effect of the 2009 CE employment forecasts which I regard as insufficiently reliable.
40. The SWCs themselves commissioned a further examination of the demographic and economic impacts of the SWDP's policies, published as *South Worcestershire Demographic Forecasts* in August 2013 (CD.220). Its main output is a "dwelling-led" forecast which presents an illustration of the demographic implications of the target level of housing growth in the Plan. While this forecast takes account of more recent official population and household statistics than the SHMA, it is not intended to constitute an assessment of housing need as required by the NPPF.

#### *Conclusions on the assessment of housing need*

41. For the reasons given above, the analysis in the February 2012 SHMA does not provide a reliable basis for identifying the level of housing need in South Worcestershire over the Plan period. This is principally because it introduces inconsistency into the calculation of HRR, uses employment forecasts which appear significantly out of line with those produced by other reputable forecasters, and places reliance on unsupported assumptions about a substantial increase in older people's participation in the workforce.
42. Nonetheless, the SHMA's underlying methodology, which involves modelling a trend-based demographic growth scenario and then modifying it to take account of additional in-migration resulting from forecast employment growth, is essentially sound. The inclusion of an assessment of job-related in-migration is particularly necessary in

South Worcestershire in view of the well-documented relative ageing of the population over the Plan period.

43. For the reasons given in the previous section, I consider that none of the other analyses of housing need presented to the examination provides a sufficiently firm basis on which to derive an overall housing requirement for the Plan period. Nonetheless there are useful elements in some of the analyses which could contribute towards a sound assessment of the requirement.
44. Thus **I must ask the Councils to undertake some further analysis in order to derive an objective assessment of housing need over the Plan period.** From what is said above, it should be clear that in my view the demographic stage of that analysis should be carried out using the latest available official population projections, combined with NLP's "index" approach to translate those projections into future household numbers. The "index" approach uses HRR drawn from the 2011-based household projections for the period 2011-2021, and an index of HRR drawn from the 2008-based household projections for the rest of the Plan period.
45. It is more difficult to indicate clearly how the employment growth stage of the analysis should be conducted, principally because of the large variations in the employment forecasts provided to the examination. As a first step in this stage, therefore, the Councils will need to satisfy themselves that they have up-to-date and realistic employment forecasts to inform the analysis. This is likely to mean examining and comparing forecasts from more than one source to ensure as far as possible that any they rely on are representative of the likely economic situation over the Plan period.
46. Once representative employment forecasts have been obtained, the Councils will need to assess their implications in terms of in-migration. For the purposes of this assessment I would endorse, in principle, NLP's assumptions about both future falls in local unemployment rates and increases in economic activity among older age-groups in the period to 2020. A similarly realistic assessment will need to be made of any further increases in older people's economic activity in the following decade.
47. It will be helpful to me for the Councils to prepare more than one employment-based scenario to illustrate the implications of different levels of employment growth, provided that each is based on up-to-date and representative forecasts. It is also likely to be helpful for sensitivity tests to be carried out on any significant assumptions made in this stage of the analysis.
48. I should add that, as with the original SHMA analysis and many of the other analyses I have referred to, separate modelling will need to be carried out to assess the level of housing need in each local authority area separately, before the results are brought together to give a objectively-assessed need figure for South Worcestershire as a

whole. In the interests of comparability, all the modelling should cover the same time period (2006-2030) and be set out in similar formats as were used in chapter 6 of the SHMA.

49. Clearly I cannot predict the outcome of this additional work. However, the 2009 CE employment forecasts on which SHMA CS4 was based show levels of employment growth well below any of the more recent employment forecasts provided to the examination. Added to this, the unsupported assumptions used to derive SS2 had the effect of substantially reducing the projected growth in households derived from CS4. As a general guide, therefore, it appears from the evidence before me so far that the objectively-assessed housing need figure for the Plan period is likely to be substantially higher than the 23,200 figure identified in the submitted Plan.

### ***Other issues relevant to Matter 1***

*Does the proposed housing requirement take adequate account of the need for affordable housing?*

50. The SHMA contains a robust assessment, in accordance with DCLG's *Practice Guidance*, of the need for affordable housing in the Plan area. Based on this assessment, and taking into account the committed supply of affordable housing, the *Housing Background Paper* (CD.084) identifies a net requirement over the remainder of the Plan period (2012-2030) of some 6,280 affordable dwellings<sup>14</sup>.
51. Of this requirement, the SWCs calculate that about 4,110 can be delivered between 2012 and 2030 from the uplift in land value associated with housing developments allocated in the submitted Plan<sup>15</sup>. This figure is informed by the *Affordable Housing Development Viability Study* (CD.103) and reflected in the requirements of policy SWDP15, which will be considered at Stage 2 of the examination.
52. This leaves a need for over 2,000 affordable dwellings which is not specifically met by the Plan as submitted. The recalculation of the assessment of housing need which I am asking the SWCs to carry out is likely to lead to an increase in the Plan's overall housing requirement, which may in turn increase the amount of affordable housing that can be delivered in association with market housing developments. Nonetheless, it is probable that a gap will remain between the need for affordable housing and the amount that can be specifically delivered through the Plan.
53. While this is regrettable, on current evidence I see no feasible means of overcoming it through further changes to the Plan. Increasing the proportion of affordable housing required from development beyond

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<sup>14</sup> CD.084, p152, Table 4

<sup>15</sup> CD.084, p153

a viable level would be counter-productive, while simply increasing the overall housing requirement in proportion to the unmet affordable housing need would result in a substantial surplus of market houses and so would be economically unrealistic.

54. Additional affordable supply, over and above that identified in the Plan, would come forward from schemes such as that run by the Worcester Lettings Agency to bring derelict houses back into use. Other affordable housing initiatives such as housing association and local authority new-build schemes, and developments delivered through rural exceptions policy, neighbourhood plans and Community Right to Build are not included in the Plan's supply figures and would also contribute to reducing the gap in provision.

*Does the proposed housing requirement take adequate account of any past under-supply of housing in the Plan area?*

55. The intention of the SHMA was to carry out an objective assessment of housing need over the whole of the Plan period, 2006-2030. For the reasons set out above, I consider that its assessment is unreliable and that further work is needed to ensure that a satisfactory objective assessment of need over the whole Plan period is made. Once that has been done, there will be no need to consider past under-supply, as I will expect the Plan to make provision for the full assessed level of need.

*Is there justification for the Plan's base date of 2006?*

56. The Council made it clear at the hearing session that the base date for the Plan was chosen to coincide with the start date of the *West Midlands Regional Spatial Strategy* [WMRSS] review period. With the revocation of the WMRSS and the passage of time, the date now appears somewhat arbitrary. Nonetheless, all the evidence of housing, employment and retail need has been prepared on that basis, and it would be unhelpfully disruptive to insist that the base date be changed at this point in the preparation process. The Plan looks forward at least 15 years from its likely adoption date and so is consistent with the advice in NPPF paragraph 157.

*Does the Plan place unjustified reliance on a review in 2019 in order to meet the full housing requirement for the Plan area?*

57. As submitted, the Plan aims to meet what the SWCs regard as the full, objectively-assessed need for housing within its area. That aim is consistent with national planning policy. Once a revised housing need figure has been arrived at, on the basis I have outlined above, it will be for the SWCs to show how the need will be met through the Plan. It would not be appropriate to rely on a review of the Plan to meet part of the objectively-assessed need.
58. In considering Matter 2 above, I referred to the ongoing duty on the SWCs to co-operate with other LPAs, including the JCS councils and

BCC, in respect of any housing need that might arise in their areas which they consider should be met in South Worcestershire. This duty is recognised in policy SWDP2 H and its footnotes. However, as currently worded the policy is not entirely clear or effective. Moreover, its requirement that another LPA's housing needs must be set out in an adopted Local Plan before they can be considered for inclusion in the SWDP is too stringent, as it might be impossible for that other LPA to adopt their Local Plan until such consideration has been given.

59. In my view **policy SWDP2 H needs to be reworded** along the following lines:

As required by the Duty to Co-operate, due consideration will be given, including through a review of the SWDP where appropriate, to the housing needs of another local planning authority in circumstances when it has been clearly established through that LPA's Local Plan process that those needs must be met through provision in the SWDP area.

60. **Footnote 8** would then become unnecessary and **should be deleted**. Its reference to a review of the Plan in 2019 is too restrictive given that, in principle, circumstances could dictate that an earlier review is required.
61. In the interests of consistency, these changes are also likely to require corresponding **modifications to policy SWDP62/2**. I invite the SWCs to consider this point and make appropriate proposals.

*Is there justification for the level of windfall allowance?*

62. NPPF paragraph 48 enables LPAs to make an allowance for windfall sites in the five-year housing land supply if there is compelling evidence to support this. The five-year supply is not a static measurement but rolls forward each year. In principle, therefore, I see no objection to the Plan accounting for windfalls as part of the supply of housing over the Plan period identified in policy SWDP3 G and Table 4e.
63. The Councils have provided evidence of recent windfall supply rates on small sites of less than 10 dwellings, or less than five dwellings in the case of Malvern Hills. In order to avoid double-counting with existing commitments, the windfall rates are applied from 2016/17 only, and they are reduced by one-third to allow for uncertainty at the end of the Plan period. An adjustment is also made to account for small-site allocations in the first 10 years. With these adjustments in place, it is reasonable to suppose that windfall developments will come forward on the basis that the Councils assume.
64. NPPF paragraph 48 also makes it clear that windfall allowances should not include residential gardens. In this respect the evidence before me is not entirely clear and I need to seek further clarification

from the Councils. I will write to the Councils separately on this point. **Depending on the outcome of this clarification process, the actual level of the windfall allowance, as set out in the submitted Plan, may be confirmed or may need to be adjusted.**

*Is there justification for the level of allowance made for bringing empty homes back into use?*

65. The calculation of the housing requirement derived from the SHMA includes a 3% allowance for vacant homes to allow for turnover, or "churn", in the housing market. As the SHMA makes clear, this level of vacancy allowance is commonly made in housing requirement calculations<sup>16</sup>. It corresponds almost exactly to the vacancy rate of 2.9% for South Worcestershire in October 2010 that can be derived from SHMA Figure 3.1.
66. While NPPF paragraph 51 advocates bringing empty houses back into use, it gives no guidance on including them in the assessment of housing land supply. Nonetheless, Table 4e of the submitted Plan includes an allowance of 550 dwellings in the overall housing supply for bringing long-term empty homes back into use. Long-term empty homes are defined as those that have been unoccupied or substantially unfurnished for more than six months. There were 1,364 such dwellings in South Worcestershire in October 2011<sup>17</sup>. The Councils say that advice from their housing support teams indicates that about one-third of long-term empty homes are in danger of being lost to the supply without intervention.
67. The *Housing Background Paper* gives figures showing that Wychavon brought 254 empty homes back into use between 2006 and 2012, and I was told at the hearing session about similar initiatives elsewhere. Despite this, I can find no clear evidence of how the actual allowance figures for each sub-area were derived. Although the SWCs do refer to the overall figure of 550 dwellings as corresponding to 12% of the SHMA vacancy allowance<sup>18</sup>, it is not made clear how that percentage has been arrived at.
68. Thus I am not persuaded that the Table 4e allowance of 550 dwellings over the Plan period is soundly based. It would represent 40% of all the long-term empty homes that existed in South Worcestershire in 2011 – that is to say, more than the one-third of such homes that the SWCs regard as in danger of being lost to the supply. Even if assumes that the same proportion of the additional dwellings built over the Plan period also fall into long-term disuse,

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<sup>16</sup> SHMA, para 6.100

<sup>17</sup> See CD.084, Appendix 11, Annex 1

<sup>18</sup> Hearing statement M1/1, para 1.149

that only adds a further 82 dwellings to the number potentially lost to the supply<sup>19</sup>.

69. Thus an allowance of 550 dwellings would represent a success rate of over 100% in bringing such homes back into use. That is evidently implausible. Moreover, the figures for long-term empty homes change significantly from one year to another – in 2004 the figure in South Worcestershire was as low as 988, whereas in 2009 it was 1,829. In Wychavon the figure rose by 272 between 2006 and 2009, despite the Council bringing 126 empty homes back into use over the same period, according to the SWCs' figures.
70. This shows that fluctuations in the market are a far more significant factor in reducing (or increasing) the proportion of long-term empty homes than local authority initiatives, valuable though the latter are. Indeed it suggests that in many cases local authority initiatives, rather than preventing properties from being lost to the supply altogether, only speed up the process of returning it to use. While that is of course to be welcomed, it does not justify treating dwellings that would have returned to use in any case, albeit somewhat later, as additions to the overall housing supply.
71. Taking all these points into account, **I conclude that the Plan's allowance of 550 dwellings in the housing supply for bringing long-term empty homes back into use is not justified.**
72. If the SWCs wish, and are able, to bring forward further evidence to justify a lower allowance figure, I would be prepared to consider that evidence at the reconvened Matter 1 hearing. However, it would need to demonstrate robustly (i) that any figure included in the allowance corresponded to dwellings that would otherwise remain empty throughout the whole Plan period, and (ii) that there were firm, evidence-based arrangements in place to ensure that the dwellings are brought permanently back into the housing supply. Any such evidence should be provided on the same timescale as the revised assessment of housing need referred to above.

*Is there justification for the level of allowance made for dwellings released when their residents move into extra care accommodation?*

73. There is clear national and local policy support for the provision of extra-care housing for older people. The *Worcestershire Extra Care Housing Strategy* (CD.218) identifies a need for some 2,600 such housing units in South Worcestershire between 2012 and 2026. It indicates that extra-care dwellings should be self-contained, each

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<sup>19</sup> The arithmetic is: 22,785 (Plan supply figure minus the 550 "empty homes" allowance) x 3% (SHMA vacancy rate) = 686.25 x 12% (SWCs' assumed proportion of vacant homes in danger of loss to supply) = 82.35. This figure is a little generous because it includes 2006-11 completions which must already be included in the 2011 vacancy figures, and it also assumes that new houses will fall into long-term vacancy at the same rate as older stock.



with their own kitchen and bathroom, as distinct from the shared facilities found in residential care homes. On this basis, the *Strategy* considers that extra-care housing should be classified within use-class C3, the dwelling-house class.

74. However, the SWCs point to two recent appeal decisions in which self-contained extra-care housing was deemed to fall into use-class C2 – *use for the provision of residential accommodation and care*<sup>20</sup>. They also provide evidence that, when submitting applications, some developers are choosing to categorise extra-care housing as C2 on the grounds that, among other things, it may reduce their liability to provide affordable housing or CIL.
75. The needs of older people for extra-care housing are encompassed within the Plan's overall (C3) housing requirement: they are not assessed as a separate category. The SWCs' concern is therefore that if a proportion of extra-care housing provided during the Plan period is classified as C2 rather than C3, it will appear as if that element of the housing requirement has not been met, when in fact it has. They propose to overcome this by making an allowance in the supply figures for the dwelling-houses that are "released" when their occupants move into extra-care housing that has been classified as C2.
76. I accept that there are monitoring difficulties which arise from the ambiguity over the position of extra-care housing in the use-class spectrum. But in my view those difficulties do not justify the Council's decision to make an allowance in the supply figures in SWDP Table 4e for "extra-care housing release". Such an allowance could only be justified if the Plan made separate provision in the supply for C2 extra-care housing.
77. Because no such separate provision is made in the Plan, any C2 extra-care developments will have to come forward on allocated or windfall sites that would otherwise be available for C3 housing. No actual addition to the housing supply already identified by the other elements of Table 4e will have occurred. Making an allowance for the dwelling-houses "released" by their occupants in these circumstances would therefore be inappropriate, as it would, in effect, constitute double-counting. For these reasons **the allowance for "extra-care housing release" in SWDP Table 4e should be removed.**

*Does the Plan make adequate allowance for the non-delivery of housing commitments?*

78. The Plan applies a non-delivery discount rate of 4% to all commitments – that is to say, sites with planning permission for housing – excluding dwellings under construction<sup>21</sup>. That rate is supported by detailed evidence of lapsed planning permissions for

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<sup>20</sup> See hearing statement M1/1, Annex 1(n), para 18

<sup>21</sup> See footnote B to SWDP Table 4e.

each of the three districts (EX.214-217b). However, the information for each district covers a different period of time, ranging from 18 years at Worcester City to six at Wychavon. Moreover, the "average" lapse rate for each district appears to have been arrived at by calculating the mean of the percentage lapse rates for each year. This is mathematically inexact if the objective is to assess the overall percentage lapse rate over the period in question.

79. I also note that, in Malvern in particular and to a lesser extent in Worcester, there are much higher annual lapse rates in the years after 2007 compared with the period from 2000 to 2007. In order to achieve a robust discount figure that takes account of recent market conditions, and is reasonably consistent across all three districts, I therefore consider that it should be calculated by reference to figures from 2006/07 onwards – the earliest date for which figures for Wychavon were provided.
80. Summing all the available figures for lapsed permitted dwellings since 2006/07, and dividing that sum by the total number of dwellings with outstanding planning permissions over the same period, gives an average lapse rate of 4.8% across South Worcestershire. On this basis **I conclude that a robust and sound non-delivery discount figure to be applied to commitments in SWDP Table 4e is 5%**, rather than the 4% used in the Plan as submitted.
81. In reaching this conclusion I note that the inspector in the Honeybourne appeal<sup>22</sup>, to which many respondents referred, and some other inspectors have applied a 10% non-delivery discount rate when dealing with section 78 appeals on housing development. But I have based my conclusion on the detailed evidence provided at this examination, which does not all appear to have been before those other inspectors.

*Should the Plan set out district-wide housing figures for each of the three LPAs in the Plan area?*

82. An important factor in the decision of the three SWCs to prepare the SWDP jointly is that Worcester City's built-up area is tightly constrained inside its boundaries. There is insufficient space in the City's administrative area to meet all its needs for development, especially housing.
83. Hence the Plan proposes that a share of Worcester's housing need should be met on sites just outside and abutting its boundary, in both Malvern Hills and Wychavon (policy SWDP3 H). The Worcester City administrative area together with the urban extension sites directly abutting it are referred to in the reasoned justification to policy SWDP3 as the Wider Worcester Area [WWA].

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<sup>22</sup> Land between Station Road and Dudley Road, Honeybourne – Ref APP/H1840/A/12/2171339

84. Because of natural and environmental constraints, Malvern Hills district is also seen by the Councils as having limited ability to accept new development. The Plan therefore proposes that part of its housing need be met in the WWA and part in Wychavon.
85. These arrangements are entirely in line with the approach suggested in NPPF paragraph 179 to deal with situations where development requirements cannot wholly be met within an LPA's own area. Accordingly, policy SWDP3 D and Table 4b of the Plan contain separate housing apportionments for the WWA, Malvern Hills excluding the WWA, and Wychavon excluding the WWA. The policy specifies that the apportionments are non-transferable between these three areas.
86. Some respondents have pointed out a potential difficulty, in that NPPF paragraph 47 indicates that each LPA must be able to demonstrate a five-year housing land supply in its own area. My view is that this difficulty can be overcome by **making it clear in the Plan that, for the purposes of monitoring their five-year housing land supply, Malvern Hills and Wychavon will make separate calculations for those parts of their administrative areas within and outside the WWA**, in accordance with policy SWDP3 D and Table 4b. (The issue does not arise for Worcester City because its administrative area apportionment is already set out in the Plan.) This would be in addition to the sub-area-based monitoring described in paragraph 33 of the reasoned justification to policy SWDP3.
87. The High Court Consent Order concerning a Secretary of State [SoS] decision on two appeals by *Richborough Estates* at Sandbach, Cheshire<sup>23</sup> to which I was referred pre-dates the replacement of PPS3 by the NPPF. It also makes it clear that the decisive point in that case was the introduction by the SoS of an additional requirement relating to the five-year housing land supply in part of a district council area *which has no basis in the development plan or PPS3*. By contrast, policy SWDP3 D will, once adopted, by definition become part of the development plan. Because of these material differences I consider that the *Richborough Estates* case has no direct bearing on this matter.

*Should the phasing of housing provision in the Plan be adjusted or deleted?*

88. Policy SWDP3 E and Table 4c set out the proposed level of housing provision in each of the three sub-areas, divided into three phases: 2006-2013, 2013-2019 and after 2019. Since the first phase effectively represents completions and current commitments, the issue is whether or not the phasing of provision before and after 2019 should be adjusted or deleted.

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<sup>23</sup> *Richborough Estates (Sandbach) Ltd v SoS CLG, Cheshire East Council and others*, CO/7802/2011. See hearing statement M1/24b.

89. The SWCs' representative made it clear at the hearing session that the phasing is not intended to hold back development if, for example, it proves possible to exceed the indicated level of provision for 2013-2019. Nor is the phasing specifically linked to the timing of infrastructure provision, albeit that there may be particular timing requirements applying to some individual sites. (These will be considered during Stage 2 of the examination.)
90. Instead, the SWCs' representative said that their intention was that the phasing would encourage development to come forward sooner in the Plan period rather than later. This is reflected in the higher annual rate of provision for 2013-2019 compared with the period after 2019.
91. Merely indicating a certain rate of provision will not in itself mean that development comes forward, however. In this regard, the robustness of the SWCs' housing delivery trajectories will be examined at Stage 2. In the absence of any other justification for the phasing of the sub-area housing provision totals, my view is that **the reference to phasing in policy SWDP3 E should be deleted**. This would effectively make that sentence of the policy redundant, since the sub-area totals are already set out in policy SWDP D and Table 4b.
92. It is a matter for the SWCs whether or not they retain Table 4c, or a variant of it. But **if they choose to do so, it should be made clear that any future phasing indicated in it is indicative, and not intended to prevent development from coming forward earlier than indicated**. Any indicative phasing shown would of course need to be consistent with the SWCs' housing delivery trajectories.

*Should the five-year housing land supply include provision for a 5% or 20% buffer?*

93. NPPF paragraph 47 advises that when calculating their five-year housing land supply, LPAs should include an additional buffer of 5% moved forward from later in the plan period. Where there has been a record of persistent under-delivery of housing in their area, LPAs should increase the buffer to 20%. Whether a 5% or a 20% buffer is used is relevant to the calculation of housing delivery trajectories for the Plan period.
94. Appendix 9 to the SWCs' *Housing Background Paper* (CD.084) sets out housing completions for three Council areas from 1996 to 2011. It indicates that Worcester City and Malvern Hills met their total requirements for that period derived from the former WMRSS and Worcestershire County Structure Plan, while Wychavon under-provided by about 10%. On this basis the Council argue that there has not been persistent under-provision of housing in the Plan area.

95. Many of the respondents who contend that there has been persistent under-provision base their argument on a shorter time-period, typically beginning in 2006. The inspector in the Honeybourne appeal<sup>24</sup>, to which many respondents referred, based his findings of persistent under-delivery on the same period. But it is unclear from his decision whether or not he had evidence of delivery from earlier years. In any case, while that approach was found to be appropriate when considering the current five-year land supply in the context of a section 78 inquiry, it is appropriate to take a longer perspective when dealing with a Plan whose period extends to 2030.
96. Moreover, the Honeybourne decision only considered the housing land supply in Wychavon district, as did the Evesham decision<sup>25</sup> to which reference was also made. While the inspector who dealt with the Rushwick appeal<sup>26</sup> stated that Malvern Hills council *has very significantly underperformed* [in the delivery of housing] *on a persistent basis*, he did not elaborate on the basis for that statement.
97. The SWCs' assessment of housing delivery in Appendix 9 to CD.084 takes no account of the higher housing requirement figures from 2006 onwards set out in the WMRSS Phase 2 Revision Panel Report. Had it done so, it is likely that, against those figures, their assessment would have shown significant under-delivery of housing in the Plan area since 2006. But taking into account that the Panel's recommended figures have never had formal development plan status, I consider that under-delivery against those figures, when balanced against a record of successful provision in the preceding 10 years, should not be regarded as persistent under-delivery for the purposes of this examination.
98. It follows from this that **a 5% buffer should be used when calculating whether or not the Plan's housing delivery trajectories will deliver a five-year housing land supply** in accordance with NPPF paragraph 47. It would nonetheless be prudent also to calculate the five-year supply using a 20% buffer, in order to test the robustness of the trajectories.

### **The employment land requirement (Matter 3)**

99. At the hearing, the SWCs made it clear that the Plan's employment land requirement of 280ha over the Plan period is based primarily on the annual average of employment land developed across the three council areas over the 21 years from 1992 to 2013<sup>27</sup>. That is an appropriate length of time, taking in periods of both growth and recession. Although the requirement figure is somewhat higher than

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<sup>24</sup> See footnote 22.

<sup>25</sup> Land off Cheltenham Road, Evesham – Ref APP/H1840/A/13/2195014

<sup>26</sup> Land at Green Hedges, Claphill Lane, Rushwick – Refs APP/H1840/A/12/2187934 & 2193129

<sup>27</sup> See the table in EX.109a, Annex 1

would result from a strict extrapolation of the 21-year average<sup>28</sup>, the difference is justified given that there are some gaps in the data from which the average was derived, notably in Wychavon where only developments over 0.4ha were recorded.

100. While the *South Worcestershire Employment Land Review* prepared by GVA Grimley in February 2008 (CD.073) provides no direct support for the requirement figure, the evidence base that underlies that review is now quite dated. The more recent report of the same title by Roger Tym and Partners (March 2011 – CD.074) does not seek to set out a requirement figure.
101. The Councils' *Economic Prosperity Background Paper* (CD.070) sets a goal of 25,000 additional jobs in South Worcestershire between 2011 and 2030. That implies an annual employment growth rate of around 1%, comparable with the rate experienced during the decade of strong economic performance between 1998 and 2008<sup>29</sup>. This rate is significantly higher than the growth rates implied in the economic forecasts provided to the examination for the discussion of Matter 1. Nonetheless the *Background Paper* makes it clear that the Councils have deliberately chosen an optimistic figure in order to ensure that there is no planning barrier to economic growth, reflecting guidance in NPPF paragraph 19.
102. Employment land take-up rates between 1998 and 2008 were somewhat higher than the 1992-2013 average, and on this basis the *Background Paper's* goal of 25,000 jobs provides further support for the Plan's 280ha requirement figure. Even if, as seems likely, actual employment growth is lower than that goal, the requirement will help promote economic development by ensuring that a wide range of sites is available for developers and businesses. It will provide flexibility to accommodate unanticipated needs and rapid economic change.
103. BCC and the Black Country councils expressed some concern at the hearing that the amount of employment land required by the Plan might threaten their own regeneration objectives. It was suggested that the WMRSS Phase 2 Revision Panel's recommended figure of 244ha would be more appropriate. However, that figure is for a 20-year period and implies an annual take-up rate somewhat greater than that implied by the Plan figure. Moreover I was given no specific evidence to show how the provision of employment land in South Worcestershire in general threatens investment in the West Midlands conurbation. (The issue of the Worcester Technology Park in particular will be considered during Stage 2.)
104. Taking all these points into account, I conclude that the employment requirement figure of 280ha set out in policy SWDP3 C is soundly

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<sup>28</sup> A strict extrapolation of the 1992-2013 annual average would give a figure of 255.6ha for the Plan period.

<sup>29</sup> See CD.074, Table 3.4 on p15.

based. No evidence was submitted to indicate that the distribution into sub-area totals set out in Table 4a under that policy is inappropriate. However, in order to provide necessary flexibility, **the policy needs to make it clear that the sub-totals are not intended to put a cap on employment development in any of the sub-areas.**

#### **The requirement for retail provision (Matter 4)**

105. Policy SWDP3 F and Table 4d set out an overall retail floorspace requirement of 50,000sqm over the Plan period, of which 28,000sqm is allocated to Worcester City with a further 2,000sqm outside the city boundary in the WWA. The policy figures, as submitted, correspond to the findings of the *South Worcestershire Town Centres and Retail Strategy Update 2010* (CD.192-195), which had an end-date of 2026.
106. However, in their hearing statement the SWCs presented figures drawn from a more recent update to the Retail Strategy carried out in 2013. The 2013 Update took account of several more recent datasets than had been available in 2011, including the 2011-based interim SNPP and Experian's September 2012 *Retail Planner Briefing Note 10.1*. It also rolled forward the end-date of the forecast period to 2031.
107. Notwithstanding these changes, the 2013 Update continues to forecast a surplus of convenience goods floorspace in all town centres except Malvern, where a need for some 664sqm by 2031 is identified. In respect of comparison goods floorspace there are more significant changes in the forecast level of need, most notably in Worcester. Much, but not all, of the forecast need for additional floorspace will be met by existing commitments.
108. In the interests of soundness I consider that **the figures in policy SWDP3 F and Table 4d should be revised to reflect the findings of the 2013 Update**, as – unlike the 2010 update – the 2013 version is based on up-to-date information and covers the whole of the remaining Plan period. This will provide a firmer basis on which to determine, during Stage 2 of the examination, whether or not the Plan makes adequate provision to meet the assessed level of need.
109. The 2013 Update was criticised for relying on household surveys which were conducted in 2006 or 2007 and so do not reflect subsequent changes in shopping patterns, or spending by those living outside the study area. However, I am not persuaded that any such changes or additional spending are likely to have been so significant, particularly in a period characterised by recession and slow growth, as to justify the cost and delay involved in commissioning new or additional surveys.

110. There are also concerns that the Plan ought to be more aspirational in seeking to claw back to Worcester local comparison spending that currently goes out to centres like Birmingham, Merry Hill and Cheltenham. But I share the Councils' view that this is more likely to be achieved as a result of market competition than by increasing the retail floorspace requirement beyond a level that reflects an up-to-date needs assessment. In this respect, the important question is whether or not there are opportunities for growth over and above that required to meet the assessed need, especially in Worcester city centre. That is a question for Stage 2 of the examination.

*Roger Clews*

Inspector

28 October 2013



# APPENDIX 7

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# Report to Birmingham City Council

**by Roger Clews BA MSc DipEd DipTP MRTPI**

**an Inspector appointed by the Secretary of State for Communities and Local Government**

**Date 11 March 2016**

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PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

## **Report on the Examination of the Birmingham Development Plan ("Birmingham Plan 2031")**

The Plan was submitted for examination on 1 July 2014

The examination hearings were held between 21 October and 27 November 2014

File Ref: PINS/P4605/429/7

## Abbreviations Used in this Report

the 2004 Act	<i>Planning and Compulsory Purchase Act 2004 (as amended)</i>
AA	Appropriate Assessment
AAP	Area Action Plan
BCAs	Black Country Authorities
BCC	Birmingham City Council
BDP	<i>Birmingham Development Plan</i>
BMV	Best and most versatile
BW	Barton Willmore
the Council	Birmingham City Council
CHP	Combined Heat and Power
CIL	Community Infrastructure Levy
DCLG	Department for Communities and Local Government
dpa	dwellings per annum / year
dph	dwellings per hectare
ELOTS	<i>Employment Land and Office Targets Study</i>
HMA	Housing Market Area
HRRs	Household Representative Rates
IF	Inspector's Interim Findings
GBSLEP	Greater Birmingham and Solihull Local Economic Partnership
LAA	Local Aggregate Assessment
LDS	Local Development Scheme
LEP	Local Economic Partnership
LIT	Longbridge Infrastructure Tariff
LTBHM	Long-Term Balancing the Housing Market (Model)
LPA	Local Planning Authority
MM	Main Modification
MoU	Memorandum of Understanding
MPA	Minerals Planning Authority
MSA	Minerals Safeguarding Area
MYEs	Mid-Year Estimates
NPPF	<i>National Planning Policy Framework</i>
NWGC	North Worcestershire Golf Club
ONS	Office for National Statistics
the Plan	<i>Birmingham Development Plan</i>
PPG	<i>Planning Practice Guidance</i>
PPTS	<i>Planning Policy for Traveller Sites</i>
RIS	<i>Regional Investment Site</i>
SA	Sustainability Appraisal
SHNS	<i>Strategic Housing Needs Study</i>
SCI	Statement of Community Involvement
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
2012 SHMA	<i>Birmingham Strategic Housing Market Assessment 2012</i>
SPRG	<i>Spatial Plan for Recovery and Growth</i>
SUE	Sustainable Urban Extension
UDP	<i>Birmingham Unitary Development Plan 2005</i>
UPC	Unattributable Population Change
WSP PB	WSP Parsons Brinckerhoff

## Non-Technical Summary

This report concludes that the Birmingham Development Plan [BDP] provides an appropriate basis for the planning of the city, provided that a number of modifications are made. Birmingham City Council have specifically requested me to recommend any main modifications [MMs] necessary to enable the BDP to be adopted.

The MMs all concern matters that were discussed at the examination hearings. Following the hearings, the Council prepared schedules of the proposed modifications and carried out sustainability appraisal of them. The MMs were subject to public consultation over an eight-week period. In some cases I have amended their detailed wording in the light of the responses. I have recommended that the MMs be included in the BDP after considering all the representations made in response to consultation on them.

The purposes of the recommended MMs can be summarised as follows:

- To ensure that the levels of housing, employment, office and retail development to be provided over the Plan period, and the objectively-assessed needs for market and affordable housing, are accurately identified;
- To ensure that the housing delivery trajectory seeks to bring forward housing as early as possible to meet the identified needs;
- To provide sites to meet the identified needs of Gypsies and Travellers;
- To ensure that there are adequate arrangements to secure the provision of housing elsewhere in the Greater Birmingham Housing Market Area to meet the shortfall of provision in Birmingham;
- To ensure that there is an appropriate relationship between the policies in the BDP, adopted Area Action Plans and Supplementary Planning Documents;
- To identify accurately the transport and other infrastructure improvements that are sought by the BDP, and the mechanisms for securing developer contributions towards them;
- To ensure that the BDP's development management and site allocation policies are justified, effective and compliant with national policy;
- To ensure that the position of defined centres in the hierarchy is consistent with the evidence;
- To ensure that the BDP contains effective policies to deal with flood risk and drainage, minerals and waste;
- To ensure that the BDP's policy requirements take adequate account of viability considerations;
- To provide a sound monitoring framework for the BDP;
- To clarify the status of the illustrative plans that appear in the BDP;
- To state correctly the existing adopted development plan policies that are to be superseded by the BDP.

## Introduction

### Scope and purpose of the examination

1. The Birmingham Development Plan [hereafter referred to as “the BDP” or “the Plan”] makes provisions for development in the city over the period to 2031. It also has the informal title of *Birmingham Plan 2031*. This report contains my assessment of the BDP in accordance with Section 20(5) of the *Planning and Compulsory Purchase Act 2004* (as amended) [the 2004 Act]. It considers whether the Plan’s preparation has complied with the duty to co-operate, in recognition that there is no scope to remedy any failure in this regard. It then considers whether the BDP is sound and compliant with the other relevant legal requirements. At paragraph 182 the National Planning Policy Framework [NPPF] advises that in order to be found sound, a Local Plan must be positively prepared, justified, effective and consistent with national policy.
2. The starting point for the examination is the assumption that Birmingham City Council [BCC / the Council] consider the submitted BDP to be sound. The BDP Pre-submission version [SUB1], as submitted in June 2014, is the basis for my examination. It is the same document as was published for consultation in December 2013.
3. Where reference is made in this report to an examination document, the document number is quoted, eg [SUB1], [EXAM 1]. All the examination documents are available on the BDP website.

### Inspector’s Interim Findings

4. Hearings were held in October and November 2014 to discuss a wide range of matters of soundness and legal compliance. In January 2015, I issued Interim Findings [IF, EXAM 131] on three key topics: the objective assessment of housing need, sustainability appraisal [SA], and the duty to co-operate. My IF, which form the **Annex** to this report, took account of all the relevant representations made and evidence submitted at the time of their preparation. In order to avoid unnecessary repetition, I do not go over the ground they cover again in this report, but I refer to them wherever they are relevant.
5. My IF recommended that the Council should carry out additional work in respect of the objective assessment of housing need, SA and the duty to co-operate. In response, a Supplementary Report on housing need and a Revised Sustainability Report were published as EXAM 145<sup>1</sup> & 146<sup>2</sup> in March 2015. I invited comments on them from those who had participated in the relevant hearings session, and responses to their comments from BCC. As a result, further work on SA was carried out and a further Revised Sustainability Report was published as EXAM 154<sup>3</sup> in June 2015. Consultation was carried out on the further Revised Sustainability Report alongside consultation on the main

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<sup>1</sup> Peter Brett Associates, *Examination of the Birmingham Development Plan, Objectively Assessed Housing Need Supplementary Report*, March 2015

<sup>2</sup> AMEC Foster Wheeler, *Sustainability Appraisal of the Birmingham Development Plan, Revised Sustainability Report*, March 2015

<sup>3</sup> AMEC Foster Wheeler, *Sustainability Appraisal of the Birmingham Development Plan, Revised Sustainability Report*, June 2015

modifications, and I have taken account of all the representations made on it in this report.

6. The duty to co-operate is considered separately below.

## **Consultation**

7. The Council carried out widespread public consultation over an eight-week period, both on the Plan before its submission and on the proposed main modifications. I have taken account of all the responses to those consultations in preparing this report. The Council contacted everyone on their extensive consultation database, including all those who had commented on previous iterations of the Plan. Notices were also placed in local newspapers and on the Council's website. At pre-submission stage, officers held information sessions in local libraries and attended District and Ward committees and other local meetings on request.
8. A very large number of representations were received at both stages of consultation, from local residents and businesses, community organisations, neighbouring local authorities, statutory agencies, developers and others. The majority of the representations were critical of the Plan, and most notably of its proposals for development allocations in the Green Belt. These are clear indications that the consultation process gave all those potentially affected by the Plan an adequate opportunity to express their views.
9. Nonetheless, a significant number of representors expressed concern about the adequacy of the consultation process on the Plan. Some of this criticism focussed on what they saw as its lack of clarity. The plan-making process is, unfortunately, inherently complex and it is difficult to see how the Council could have made matters any simpler. Having said that, however, the vast majority of the representations that were made showed a clear grasp of the issues and were articulately expressed.
10. There were also complaints that the Council did not take adequate account of the views expressed during consultation. It is true that, while significant changes have been made in the light of consultation, many of the main proposals, including the Green Belt allocations, have not fundamentally altered. However, that in itself does not indicate any deficiency in the consultation process. In this report I consider whether any further modifications are necessary to make the Plan sound.
11. Representors also pointed out that certain evidence documents, including some of the reports on the transport modelling of the Green Belt allocations, were not made publicly available in time to inform pre-submission consultation on the Plan. However, all the relevant documents were made available to hearing session participants, including residents and representatives of community groups, in time to permit thorough comment and discussion on them. It is most unlikely that any additional points would have been made, had the documents been available sooner. I am satisfied therefore that consultation on the Plan was not compromised by a lack of information.
12. Taking all these points into account, I find that satisfactory consultation was carried out on the Plan. The consultations met all the relevant legal

requirements, including compliance with the Council's *Statement of Community Involvement* [HTY1].

## Main modifications

13. In accordance with section 20(7C) of the 2004 Act the Council asked me to recommend main modifications [MMs] to rectify any deficiencies that make the BDP unsound/not legally compliant and thus incapable of being adopted. The MMs are referenced in bold in the report in the form **MM1**, **MM2**, **MM3** etc, and are set out in full in the **Appendix** to this report. The Council may choose to make additional modifications to the BDP before it is adopted, as long as they do not materially affect the policies it contains<sup>4</sup>.
14. The MMs all concern matters that were discussed at the examination hearings. Following the hearings, the Council prepared schedules of proposed main modifications and carried out SA of them. The MMs were subject to public consultation over an eight-week period in August, September and October 2015 and I have taken account of the responses in coming to my conclusions in this report. The Council also published a schedule of proposed additional modifications for consultation at the same time as the MMs.
15. In order to avoid over-complicating the consultation process, I advised the Council that, for each policy in the main modifications schedule, all the proposed modifications should be set out under a single MM number. This means that some MMs, which are relevant to more than one issue, are mentioned more than once in this report. It also means that, as well as the changes that are necessary for soundness, some MMs also include minor changes that could in principle have been made as additional modifications. This report does not explicitly refer to those minor changes.
16. In the light of the consultation responses, I have made some amendments to the detailed wording of the MMs, mainly in the interests of clarity and consistency. Where necessary I provide further explanation of them in this report. None of the amendments significantly alters the content or purpose of the modifications as published for consultation, or undermines the participatory processes or SA. Thus no further consultation is necessary.

## Policies Map

17. When submitting a Local Plan for examination, Councils are required to provide a submission Policies Map showing the changes to the adopted Policies Map that would result from the proposals in the Local Plan<sup>5</sup>. For the BDP, the submission Policies Map is document SUB 4, dated June 2014. An online version of the Policies Map is published on the BDP website.
18. The Policies Map is not defined in statute as a development plan document and so I do not have the power to recommend MMs to it. However, a number of the published MMs to the Plan's policies require further corresponding changes to be made to the Policies Map. Those further changes to the Policies Map were published for consultation alongside the MMs. In this report, I identify

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<sup>4</sup> See s23 of the 2004 Act.

<sup>5</sup> See Articles 22(1)(b) & 2(1) of the 2012 Regulations.

any amendments that are needed to those further changes in the light of the consultation responses.

19. When the BDP is adopted, in order to comply with the legislation and give effect to the Plan's policies, the Council will need to update the adopted Policies Map to include the corresponding changes published alongside the MMs (incorporating any necessary amendments identified in this report).

## Assessment of Duty to Co-operate

20. Section s20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on them by section 33A in respect of the Plan's preparation. I considered this question thoroughly in my IF and determined that it would be reasonable to conclude that the Council had complied with the relevant legal requirements in respect of their duty to co-operate in the preparation of the BDP<sup>6</sup>. There has been no subsequent evidence to cause me to alter that view.
21. In my IF, I also considered the outcome of co-operation between BCC and other organisations in terms of the soundness of the BDP, and made a number of recommendations for further work in this regard<sup>7</sup>. That further work is considered in the following sections of this report, in the context of the relevant soundness issues.

## Assessment of Soundness

### Main Issues

22. Taking account of all the representations, written evidence and the discussions that took place at the examination hearings I have identified **13 main issues** upon which the soundness of the Plan depends. They are considered in turn below.

### ***Issue A – Do sections 1, 2 and 3 of the BDP set out a sound basis for its policies and proposals? Are the provisions of policies PG2 and PG3 justified and effective?***

23. Sections 1, 2 and 3 of the BDP respectively set out the Plan's preparation history, purpose and structure; a description of present-day Birmingham and the challenges the city faces; and the BDP's vision for the city in 2031, the Plan's objectives, and a summary of its strategy. Paragraph 1.12 makes it clear that on adoption the BDP will replace all the saved policies in the *Birmingham Unitary Development Plan 2005* [UDP], apart from a few policies that will continue in force until the adoption of the forthcoming *Development*

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<sup>6</sup> See Annex, para 71.

<sup>7</sup> See Annex, para 84.



*Management DPD.* **MM1** is necessary to rectify an omission in the list of policies that will remain in force.

24. The BDP's vision and objectives reflect the NPPF's emphasis on positive planning to achieve sustainable development. In similar fashion, policy PG2 establishes a positive approach towards development and investment, while policy PG3 sets out an overarching requirement for high quality in all aspects of design. **MM4** is needed to remove a potentially misleading reference in PG3 to design "standards".
25. Subject to these MMs, which are needed to ensure the Plan's effectiveness, I find that sections 1, 2 and 3 of the BDP set out a sound basis for its policies and proposals, and that the provisions of policies PG2 and PG3 are justified and effective.

***Issue B – Does the BDP appropriately identify housing needs and does it set out effective measures to meet them in accordance with national policy?***

*Objective assessment of housing needs*

26. Paragraph 47 of the NPPF advises that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the NPPF's policies. The essential first step in this process is to identify the full, objectively assessed housing needs.

*Assessing overall housing need*

27. A *Strategic Housing Needs Study* for the Greater Birmingham Housing Market Area<sup>8</sup> [HMA] has been commissioned by the Greater Birmingham and Solihull Local Economic Partnership [GBSLEP] and the four Black Country local authorities [BCAs]. Its Stage 2 Report [*SHNS Stage 2*, EXAM 90], published in November 2014, assesses housing need across the HMA. For Birmingham, it projects a need for between about 89,000 and 116,000 new dwellings over the period 2011 to 2031<sup>9</sup>. The Council accept that *SHNS Stage 2* provides a sounder basis than their own *Strategic Housing Market Assessment 2012* [2012 SHMA, H2] for assessing overall housing need in Birmingham over the Plan period, because it is based on more up-to-date evidence.
28. In my IF, I endorsed the general approach of *SHNS Stage 2* but made it clear that further work needed to be carried out on four specific aspects. These were addressed in March 2015 in the *Objectively Assessed Housing Need Supplementary Report* [EXAM 145] and are considered in turn below. At my request, the *Supplementary Report* also reviewed relevant aspects of the alternative assessment of housing need submitted to the examination by

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<sup>8</sup> For the definition of the extent of the HMA, see my IF, paras 8 & 9.

<sup>9</sup> EXAM 90, Table 3.4 & para 3.43

Barton Willmore [BW]<sup>10</sup>, and considered the implications for Birmingham of the 2012-based household projections, published by the Department for Communities and Local Government [DCLG] in February 2015.

29. Stage 3 of the GBSLEP *Strategic Housing Needs Study* [*SHNS Stage 3*, EXAM 162] was published in August 2015. It provides an update on housing need across the HMA but adds nothing of significance to *SHNS Stage 2* or the *Supplementary Report* as regards the assessment of Birmingham's own needs. However, I have taken account of the additional evidence on this issue contained in BW's *Birmingham Sub-Regional Housing Note* (October 2015), submitted with their response to consultation on the MMs.
30. In respect of Household Representative Rates [HRRs], the March 2015 *Supplementary Report* argues that two sets of factors account for the downturn in household formation, among younger adults in particular, that is apparent from the 2011 Census. The first is the severe economic recession that began in 2008, while the second comprises longer-term social trends including more precarious employment, especially for younger adults, student fees, and higher numbers of international migrants, who appear to be more likely to live in shared households during young adulthood. While the direct effects of the recession may wear off as the economy recovers, the social trends are likely to be longer-lasting.
31. This assessment is broadly supported, notwithstanding some differences in emphasis, by recent papers from two academic demographers<sup>11</sup>. In my view, it is a more comprehensive and convincing account of likely trends in household formation in Birmingham over the Plan period, than one that foresees a full return to the rates of household growth experienced in recent decades.
32. It follows that it is unnecessary to base household projections on a full return by 2031 to the HRRs embodied in the 2008-based DCLG projections (whether for all age groups or specifically for younger adults), in order to avoid suppressing future household formation. On the other hand, in view of the improvement in economic conditions since 2008, it would be unwise to assume that rates of household formation over the period to 2031 will not exceed the historically low rates embodied in the interim 2011-based DCLG household projections.
33. On this basis, I find that an "index" approach to HRRs, which involves a partial, rather than a full, return to the trend reflected in the 2008-based projections, is sound. This "index" approach was employed in *SHNS Stage 2* in order to adjust the interim 2011-based household projections to take account of likely trends after 2021. It is relevant to note that if the same approach is applied to the latest Office for National Statistics [ONS] 2012-based population projections, it produces 2011-31 household projections for

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<sup>10</sup> *Birmingham Sub-Regional Housing Study Part 2 Addendum* (September 2014) – appended to Barton Willmore's Matter A Hearing Statement. I have also taken account of BW's response to the *Supplementary Report* [EXAM 145E].

<sup>11</sup> A Holmans, *New Estimates of Housing Demand and Need in England, 2011 to 2031*, Town & County Planning Tomorrow Series Paper 16, TCPA, September 2013; and L Simpson, "Whither Housing Projections?" in *Town and Country Planning*, December 2014

Birmingham that correspond very closely to the DCLG 2012-based household projections<sup>12</sup>. (The difference between the respective household growth figures is less than 1%).

34. That is significant because the DCLG 2012-based household projections use a different methodology for calculating HRRs from that used in the 2011-based projections. In particular, for Birmingham, the 2012-based projections assume considerably higher household formation rates among 25- to 34-year-olds<sup>13</sup>. In effect, therefore, these official projections also embody a partial “return to trend”, for this younger adult age group especially, compared with the 2011-based figures. According to the DCLG methodology paper, while it is proposed to carry out more detailed analysis of Census 2011 data on household formation, in the meantime the 2012-based projections are regarded as the most up-to-date and nationally consistent estimates.
35. Unattributable Population Change [UPC] is the term coined by ONS for an unexplained difference between the mid-year population estimates [MYEs] that have been updated to take account of the 2011 Census, and the previous “rolled-forward” MYEs that pre-dated the 2011 Census. For the 2011 MYEs, at the national level, UPC amounts to 103,700 – a small proportion of the total UK population. At the local level, however, UPC is distributed very unevenly with some local planning authorities [LPAs] experiencing “positive” and others “negative” UPC. The positive UPC figure for Birmingham is relatively high, at around 25,000.
36. According to ONS, UPC is likely to result from a combination of sampling variability in the 2001 and 2011 Census estimates and migration estimates. However, the exact causes, and the extent to which each factor is responsible, are unclear. Moreover, as the base population figures have now been updated in line with the 2011 Census, UPC is only significant for future projections if it indicates inaccuracy in the trend data underpinning them. ONS’s quality assurance did not reveal any problems indicating that adjustments to the 2012-based population projections to account for UPC were necessary<sup>14</sup>. Hence those projections make no allowance for UPC. DCLG’s 2012-based household projections follow suit.
37. Nonetheless, it is relevant to consider whether an adjustment should be made for UPC at the local level. The *Supplementary Report* considers UPC within the Greater Birmingham HMA in detail and finds no evidence that would help disentangle its causes. One significant factor appears to be that, until fairly recently, the initial allocation of international migrants to local authority areas based on surveys at arrival airports has been prone to error. Thus it is difficult to rely on UPC figures at the LPA level even where they are substantial, as in Birmingham. Including UPC in future projections of local housing need would compound this and other existing errors and uncertainties.

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<sup>12</sup> See *Supplementary Report*, paras 2.36-2.37 & Table 2.3. The 2012-based population projections were not available when *SHNS Stage 2* was prepared.

<sup>13</sup> See Barton Willmore, *Birmingham Sub-Regional Housing Note*, Appendix 1.

<sup>14</sup> ONS, *2012-based Subnational Population Projections for England, Report on Unattributable Population Change* (20 January 2014)

38. BW's October 2015 Note points out<sup>15</sup> that average annual net in-migration to the UK between 2005 and 2015 was about 73,000 persons higher than the annual figure assumed in the 2012-based household projections (238,000 against 165,000). However, there is no direct read-across between these figures and UPC. ONS's view is that, insofar as UPC may be due to errors in measuring international migration, it will have a reducing impact on future projections over time, because of improvements that have already been made to migration estimates<sup>16</sup>.
39. Taking all these points into account, I agree with the Council's view that no account should be taken of UPC in the assessment of Birmingham's overall housing need. There is a separate question as to whether account should be taken of the evidence on net migration figures referred to in the BW Note. But it cannot necessarily be assumed that recent international migration trends will prevail throughout the Plan period. Nor does there appear to be clear evidence on how they would translate into population change at the local level. In addition, as noted above, it appears that migrants' household formation patterns may differ in some respects from those of the indigenous population.
40. On the evidence before me, therefore, I see no sound basis on which the household projections for Birmingham could be reliably adjusted to take account of recent national migration figures. Future official projections of population and household growth will no doubt take full account of changes in migration trends. Should these have significant consequences for Birmingham the appropriate response would be to review the Plan accordingly.
41. In respect of future employment growth, the *Supplementary Report* demonstrates that both the minimum and maximum housing growth figures projected by *SHNS Stage 2* would meet the corresponding projections of employment growth produced by Experian. No higher forecasts of employment growth were presented to challenge that finding.
42. As advised by the national *Planning Practice Guidance* [PPG], the *Supplementary Report* reviewed a range of market signals. Although the levels of over-occupancy and "concealed" households in Birmingham are above the regional and national averages, this appears to correlate with the higher-than-average proportion of people from ethnic minorities living in the city. ONS acknowledge that this correlation may in part reflect closer familial ties in some minority-ethnic cultures<sup>17</sup>. Moreover, as indicated above, higher numbers of "concealed" or "sharing" households are also likely to be due, in part, to wider social trends rather than resulting solely from a shortfall in housing provision.
43. While house prices and affordability ratios in Birmingham undoubtedly rose substantially between 1997 and 2007 before levelling off, the graphs in BW's October 2015 Note show that their pattern of growth tracked the national pattern. In absolute terms the latest available figures for Birmingham remain considerably below the national average, with the city's affordability ratio in particular showing some improvement from its 2007 peak. There is, however,

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<sup>15</sup> The Note references the ONS *Migration Statistics Quarterly Report*, August 2015.

<sup>16</sup> See the ONS 20 January 2014 Report (note 14 above), p.4.

<sup>17</sup> See EXAM 145, para 5.22.

some evidence that rents in Birmingham have been rising more quickly than the national average since 2010.

44. On the other hand, rates of development in the city show very strong performance between 2004 and 2009, outstripping the former regional housing targets more than twofold. From 2009 the effects of the financial crisis and a subsequent, gradual recovery are evident, but there is nothing to indicate that the position in Birmingham is unusual in this respect. As will be seen below, the Plan itself proposes a very substantial uplift in housing completions from 2015 onwards.
45. Drawing these points together, I find no strong market signal evidence to justify a further increase to the index-based household projections set out in the *SHNS Stage 2* report. As already noted, those projections give housing need figures for Birmingham ranging from 89,000 to 116,000. UPC is the principal factor that accounts for the difference between them<sup>18</sup>. Thus excluding UPC from the assessment of housing need, for the reasons given above, indicates that the lower need figure of 89,000 should be preferred.
46. As the *Supplementary Report* acknowledges, if the latest, 2012-based DCLG household projections had been available when work began on *SHNS Stage 2*, they would naturally have formed the starting-point for that work. But to begin the analysis all over again at this stage would represent disproportionate effort and cause unacceptable delay to the BDP. As the PPG points out, housing assessments are not automatically rendered outdated every time new projections are issued<sup>19</sup>.
47. Having reviewed all the relevant evidence, I am satisfied therefore that the figure of 89,000 net additional dwellings represents a sound objective assessment of the overall need for housing in Birmingham during the BDP period.

#### *Assessing affordable housing need*

48. Affordable housing need in Birmingham is assessed in Parts A and C of the 2012 SHMA. The detailed methodology employed in Part A follows the then-current DCLG needs assessment model<sup>20</sup>, which advised that need should be assessed over a five-year period. On that basis, the unadjusted net annual need is calculated as 10,427 dwellings, and it is suggested that an annual need figure of 1,989 dwellings may be more realistic, after making adjustments for demand and supply factors.
49. Part C of the 2012 SHMA approaches the issue of affordable housing from a different standpoint. A *Long-Term Balancing the Housing Market* [LTBHM] model takes a range of overall household growth projections for Birmingham over the 20-year BDP period. These are then distributed across different housing sizes and tenures according to suitability and affordability. On this basis, in the SHMA's "default" demographic scenario (based on the DCLG

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<sup>18</sup> See EXAM 90, para 3.44.

<sup>19</sup> PPG, 2a-016-20140306

<sup>20</sup> See DCLG, *Strategic Housing Market Assessments Practice Guidance, Version 2*, 2007, Chapter 5.

2008-based household projections), the affordable housing requirement would amount to 38% of total household growth over the Plan period (30,300 out of a total growth figure of 80,200). At the other end of the range, a scenario based on the ONS 2010-based population projections – the latest comparable data then available – shows total household growth of 105,200 and affordable housing need at 30% of that figure.

50. Neither the 2012 SHMA itself nor the *Supplementary Report* expressly addresses the question of which approach should be preferred. While the SHMA Part A methodology is very similar to that advocated in the *Housing and economic needs assessment* section of the PPG (which postdates the SHMA), the annual requirements derived from it apply only to a five-year period. Since they include both existing (as at 2012) and newly-arising need, they cannot simply be extrapolated over the full BDP period.
51. The LTBHM model used in Part C, on the other hand, covers the full 2011-31 period. While it does not directly follow the PPG methodology, it nonetheless addresses the same questions of current and newly-arising need and the availability of existing stock to meet that need. Moreover, it produces reasonably consistent results in respect of affordable housing need over a wide range of demographic scenarios. The inverse relationship between the high- and low-growth scenarios, in respect of the proportion of affordable housing required, is convincingly explained by reference to levels of out-migration from the city. However, none of the SHMA Part C scenarios results in an affordable housing need share higher than 38%. Hence that represents the maximum likely level of affordable housing need.
52. For these reasons, I find that the *Supplementary Report* is justified in calculating affordable housing need on the basis that it represents a 38% share of overall housing need over the BDP period. The same calculation method was used in the *Housing Targets 2011-2031 Technical Paper*, September 2013 [H1], and no substantial evidence to challenge its use in either document was brought forward. Based on the objectively-assessed need for 89,000 dwellings overall, therefore, Birmingham's objectively-assessed need for affordable housing is about 33,800 dwellings. The remaining need, of approximately 55,200 dwellings, is for market housing.
53. The PPG advises that total affordable housing need should be considered in the context of its likely delivery by market-led housing development. An increase in the Local Plan's total housing requirement should be considered where it could help to meet the need for affordable housing<sup>21</sup>. This point is dealt with in the section below headed *Meeting affordable housing need*.

#### Meeting the objectively-assessed housing needs

##### *Meeting the overall need for housing – capacity within Birmingham*

54. In seeking to meet the objectively-assessed need for housing, the Council's *Strategic Housing Land Availability Assessment*, published in September 2014 [2014 SHLAA, EXAM 6], demonstrates capacity for 46,830 dwellings over the rest of the BDP period. Adding completions (4,159) and long-term vacant

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<sup>21</sup> PPG, 2a-029-20140306

dwellings brought back into use (793) since 2011 gives a total supply of around 51,800 dwellings over the Plan period as a whole. About 4,500 of these dwellings are on sites under construction and a further 11,000 have full or outline planning permission. Because the subsequent SHLAA was published in November 2015, it was too late to be considered by examination participants, but the overall position it presents is very similar.

55. The SHLAA is prepared on an annual cycle, which includes a “call for sites” and a robust process of reassessment of existing sites, involving some 1,200 site visits. Individual sites are identified as being available for development within five, 10 or 15 years, according to their circumstances. Site capacities are based wherever possible on extant planning permissions or direct evidence from their promoter; elsewhere they are based on standard densities but with appropriate adjustments made to take account of site-specific constraints. For the larger<sup>22</sup> housing sites the evidence in the 2014 SHLAA is supported by the Council's *Site Delivery Plan* [EXAM 25], which provides a more in-depth analysis of the factors affecting their deliverability.
56. Having sought further explanation about the assessments of a number of individual sites, I am satisfied that the SHLAA methodology is sound, and that it provides an accurate account of the sites that are either deliverable within five years or developable in later years, in accordance with NPPF footnotes 11 and 12<sup>23</sup>. It is true that a high proportion of the identified sites are relatively small, and that most of the larger sites are located in the inner-city wards (particularly Ladywood and Nechells), rather than the higher-value suburbs. But that is because Birmingham is heavily built-up, with most development opportunities to be found on brownfield land in the older parts of the city. Based on development trends since 2000, in a wide range of economic conditions, there is a realistic prospect that the identified sites will be brought forward for development by the end of the Plan period.
57. Student households are included in the DCLG household projections. The sites identified in the SHLAA include sites with planning permission for just over 4,000 bedspaces in purpose-built student cluster flats and studio apartments. This level of provision is justified by evidence from the city's universities on the current demand from students<sup>24</sup>, and DCLG have confirmed that such accommodation should be included in the monitoring of housing supply<sup>25</sup>.
58. Alongside the identified sites, the 2014 SHLAA includes a windfall allowance for some 7,600 dwellings over the remainder of the BDP period. This figure is based on an annual allowance that is initially set some way below the lowest windfall completion rates of recent years, and then increases gradually over the period to reflect the expected recovery in the housing market. Nonetheless, the maximum annual allowance is less than a quarter of the highest level experienced before the 2008 financial crisis. The calculation of the allowance specifically excludes development of residential gardens. I am

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<sup>22</sup> Sites for more than 100 dwellings in the city centre and 50 dwellings elsewhere

<sup>23</sup> The identified sites include two Green Belt sites which are allocated for around 5,000 and 350 dwellings respectively in the Plan period. The justification for those allocations, and for not allocating other Green Belt or greenfield sites, is considered under Issue E.

<sup>24</sup> See EXAM 6, paras 6.7-6.13.

<sup>25</sup> See EXAM 6, Appendix 3.

satisfied therefore that the overall windfall allowance is based on sound evidence and is realistic and achievable. Indeed, in practice it is likely to be exceeded.

59. Finally, the 2014 SHLAA makes a modest allowance of 800 additional dwellings from the Council's Empty Homes Strategy. There is clear evidence that the Strategy has succeeded in bringing well over 200 long-term empty homes back into use each year since 2011. The allowance of 800 assumes that 200 more will have been brought back into use each year until 2018, when current funding for the Strategy runs out. That is a realistic assumption.
60. Thus the figure of around 51,800 dwellings, derived from the 2014 SHLAA, represents a sound assessment of the potential overall housing land supply during the BDP period.

*Meeting the overall need for housing – addressing the shortfall*

61. Clearly, the supply of housing land in Birmingham is a long way short of meeting the objectively-assessed need for about 89,000 dwellings. Nonetheless, it will be clear from my findings elsewhere in this report that, on the available evidence, the allocation of additional sites within the city boundaries would not be justified. Accordingly, while submitted policy PG1 makes provision for the development of 51,100 additional homes<sup>26</sup>, the reasoned justification makes it clear that the Council will work with neighbouring authorities to secure additional provision to meet the overall need. That is not a new situation: the evidence shows that for many years newly-arising housing need in Birmingham has outstripped the capacity of the city to meet it, and so a substantial proportion of Birmingham's need has been met in other parts of the West Midlands.
62. The principal mechanism for achieving such provision outside the BCC area is now the duty to co-operate, introduced into the 2004 Act by the *Localism Act 2011*<sup>27</sup>. In my IF I explained why I did not accept the argument put to me, that in order for the BDP to be found sound it would have to set out where the shortfall of housing provision in the city to meet Birmingham's needs would be met, by reference to specific apportionments in other LPA areas. I noted that it is not within my remit, in examining the BDP, to specify how much land should be allocated for development in any other LPA area. That would require a separate Local Plan, or plan review, examination in each case.
63. Moreover, it would be inconsistent with the NPPF's emphasis on the need to have up-to-date plans in place, to delay the adoption of the BDP until every other relevant council in the HMA had reviewed their Local Plan to provide for the Birmingham shortfall – a process that could take several years and would delay necessary housing development coming forward within the city itself. In particular, it would delay the release from the Green Belt of the strategic urban extension [SUE] site at Langley (considered under Issue E below).

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<sup>26</sup> The PG1 figure of 51,100 dwellings derives from the *Housing Targets Technical Paper*, which in turn is based on the 2012 SHLAA. Given the marginal difference of only 700 dwellings from the currently-assessed capacity, it is unnecessary to modify the policy figure. Such marginal fluctuations are to be expected in annual capacity assessments.

<sup>27</sup> As s33A of the 2004 Act



64. NPPF paragraph 47 makes it clear that LPAs are to ensure that their Local Plan meets the full need for housing in the HMA, as far as is consistent with the NPPF's policies, while paragraph 179 advises that joint working should enable LPAs to meet development needs that cannot wholly be met in their own areas. Thus there is a clear policy injunction on other LPAs to co-operate in allocating land to meet the shortfall in Birmingham. Adoption of the BDP will provide certainty as to the scale of the shortfall and the requirement for it to be met elsewhere in the Greater Birmingham HMA.
65. In my IF, I described the process that is being followed in order to arrive at an agreed distribution of the shortfall to other authorities in the HMA. Since then, the latest stage in the process has been the publication in August 2015 of the *SHNS Stage 3* report, which identifies a series of options for meeting the shortfall. The bodies who commissioned the report (GBSLEP and the BCAs) together cover 13 LPAs across the West Midlands. The next stage is for the GBSLEP itself to assess the options and decide on a preferred option to take forward into the next iteration of its *Spatial Plan for Recovery and Growth* [SPRG].
66. Alongside this, so far seven LPAs in the HMA have committed themselves to a review of their adopted or emerging Local Plans, should this be necessary to address Birmingham's shortfall<sup>28</sup>. All this is clear evidence of effective co-operation between LPAs with the aim of meeting the housing needs of Birmingham and the HMA as a whole. While the SPRG is a non-statutory document, both its preferred option and the evidence underpinning it are likely to be material considerations of significant weight when Local Plans are reviewed.
67. Nonetheless, I consider that the duty to co-operate places a particular responsibility on the Council to ensure, as far as they are able to, that appropriate contributions towards Birmingham's housing needs are made when other LPAs draw up or review their Local Plans. Thus **MM2** is necessary to spell out in policy PG1 itself the full scale of objectively-assessed need, including the need for affordable housing, and that provision needs to be made elsewhere in the Greater Birmingham HMA, through the duty to co-operate, to meet the shortfall within the Plan period. Alongside that, **MM3** is required in order to explain in the policy's reasoned justification the mechanism for achieving that objective. These modifications are necessary to ensure that the BDP is effective.
68. For the same reasons, new policy TP47 is inserted by **MM84**. It puts the onus on the Council, both to monitor housing land supply and delivery in the city and in other LPA areas, and to take an active role in promoting appropriate provision in Local Plans across the HMA to meet the shortfall in Birmingham. Those requirements are consistent with the duty to co-operate on cross-boundary strategic matters. In my view, they provide an adequate mechanism to secure provision to meet Birmingham's full housing needs over the Plan period. Should they nonetheless fail to bring forward sufficient housing, either within Birmingham or in the wider HMA, there is a fall-back

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<sup>28</sup> The seven are Bromsgrove, Cannock Chase, Lichfield, North Warwickshire, Redditch, Solihull, and Stratford-on-Avon.

provision in the policy requiring a full or partial review of the BDP to be undertaken as necessary.

69. As published for consultation, the requirements of MM84 were set out as part of the reasoned justification, but respondents made the valid point that they ought to have policy status in view of their importance to the achievement of the Plan's strategy. The Council will need to insert appropriate introductory text to the policy as an additional modification. In the light of consultation, the policy requirements themselves, and the monitoring indicators that would trigger them, have been refined in order to ensure that they are sufficiently precise and effective.
70. However, I see no need to change the period of three years (following adoption of the BDP) within which the new policy expects relevant Councils to have submitted a replacement or revised Local Plan for examination. That is a realistic period to allow for the SPRG to be finalised and for Plan reviews to be brought forward. Modified policy PG1 makes it clear that provision should be made within the HMA to meet the Birmingham shortfall in full by the end of the Plan period.
71. While the evidence at this examination demonstrates that around 51,000 dwellings is the maximum that can be provided in the city over the Plan period, it cannot be assumed that the same circumstances will necessarily prevail when any such review takes place. Thus any Plan review that may be required under the terms of the new policy will provide a genuine opportunity to reassess the capacity for housing provision in the city in the light of contemporary evidence. Having said that, setting a fixed date to review the BDP, independent of any evidence of a failure in provision, is unnecessary in the light of national guidance that most Local Plans are likely to require updating in whole or in part at least every five years<sup>29</sup>.
72. Nor is it necessary for the strategic options set out in *SHNS Stage 3* to be subject to SA, in order to meet the legal requirements for SA of the BDP. Clearly it would be sensible for SA of the strategic options to be carried out, as envisaged in my IF, as part of the process of arriving at a preferred option for distributing the housing shortfall across the HMA. But the effects of implementing the BDP itself arise from the policies and development proposals it contains, not from any development proposals that may be put forward in other Local Plans.
73. A number of responses to the MM consultation drew attention to the alternative method being adopted in the Coventry and Warwickshire HMA for meeting the shortfall in housing land supply in Coventry. A Memorandum of Understanding [MoU] has been drawn up, setting out the distribution of the shortfall to the other LPAs in the HMA, and I understand that all but one have signed it. It is suggested that I should not find the BDP sound until a similar process has been carried out for the Greater Birmingham HMA.
74. Evidently I was not party to the discussions that led to the production of the Coventry and Warwickshire MoU, nor am I aware of all the evidence that has

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<sup>29</sup> PPG, 12-007-20140306

been presented to Local Plan examinations in that HMA. The MoU appears to be a useful means of securing agreement from LPAs to a proposed distribution of the housing shortfall, but the necessary first step must be to define the proposed distribution to each LPA. However that was done in Coventry and Warwickshire, the method being followed in the different and more complex circumstances of the Greater Birmingham HMA is the GBSLEP- and BCA-led process described above. No robust alternative method of arriving at an evidence-based distribution of the shortfall has been put before me.

75. It is understandable that there should be a desire to see more rapid progress, particularly as publication of the *SHNS Stage 3 Report* occurred some six months later than anticipated in my IF. However, I do not see how the NPPF objective of boosting housing supply would be assisted by delaying adoption of the BDP until the SPRG is finalised, and a MoU has been drawn up and signed by all (or most) of the 14 Greater Birmingham LPAs. There is no convincing evidence to show how taking that stance would speed up progress on the SPRG, or help bring forward Local Plan reviews across the HMA. In the meantime, land for over 5,000 dwellings in the Birmingham Green Belt would remain unreleased.
76. In short, delaying adoption of the BDP at this point would hinder rather than help achieve the goal of meeting housing need.

#### *Meeting affordable housing need*

77. Applying the 38% affordable housing share to the overall BDP housing requirement for 51,100 dwellings gives an affordable housing requirement of some 19,400 dwellings. The Council's *Housing Targets 2011-31 Technical Paper*, September 2013 [H1] indicates that over the BDP period affordable housing providers, including the Birmingham Municipal Housing Trust, registered social landlords and housing associations, are likely to provide about 9,000 new affordable dwellings net (after allowing for the demolition of around 5,000 older or unsuitable dwellings) from their own development programmes. That is a reasonable estimate, having regard to recent trends.
78. In addition to this direct provision, policy TP30 seeks a 35% affordable housing share from all other developments of 15 or more dwellings<sup>30</sup>, subject to viability. Viability assessments carried out in preparation for the introduction of the Community Infrastructure Levy [CIL]<sup>31</sup> demonstrated that a substantial majority of typical residential schemes (70%) would remain viable with affordable housing provision at this level, and with CIL charges set at £115 per square metre [psm] in high-value areas and £55 in low-value areas. In the event, however, the Council have chosen to set the high-value CIL rate at £69 psm and the low-value rate at zero, with the express intention of maintaining viability and maximising affordable housing content<sup>32</sup>.
79. On the basis of this evidence, I am confident that setting the policy requirement for affordable housing on applicable sites at 35% is reasonable.

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<sup>30</sup> For the evidence supporting the threshold of 15 dwellings see H6, section 10.

<sup>31</sup> GVA, *CIL Economic Viability Assessment*, October 2012 [IMP4]

<sup>32</sup> Inspector's report on the examination of the draft BCC CIL charging schedule [EXAM 153], paras 53 & 62

On individual sites where it is shown that 35% affordable housing would render a development unviable, policy TP30 allows for a lower level of provision to be made. **MM66** amends the policy in order to make it clear that the 35% requirement applies to all new use-class C3 developments over the 15-dwelling threshold, and to clarify the factors that will be taken into account when considering relaxation of the requirement on grounds of viability.

80. Retirement housing schemes vary widely in character, from those that are little different from mainstream housing, to those providing substantial extra care for residents. It is therefore difficult to make a general assessment of the effects of policy TP30 on their viability. However, many schemes providing higher levels of care will fall into use class C2, and so will be exempt from the policy's requirements. The evidence submitted to the Birmingham Community Infrastructure Levy [CIL] examination suggested that retirement housing in the C3 use class would display similar overall viability characteristics to conventional housing schemes<sup>33</sup>. Moreover, policy TP30 allows for specific viability issues to be considered at the development management stage. Consequently, excluding Class C3 retirement housing from the policy's provisions is unnecessary to ensure the viability of the Plan.
81. The *Technical Paper* estimates that policy TP30 would deliver about 10,500 affordable homes over the Plan period, based on the proportion of sites over the 15-dwelling threshold identified in the then-current 2012 SHLAA. From my own assessment of the 2013 and 2014 SHLAAs, I consider this to be a cautious estimate. In addition, it is reasonable to assume that affordable housing would be provided on most windfall sites above the threshold. Thus, when the direct provision of 9,000 dwellings is also taken into account, there is a very good prospect that the affordable housing requirement for 19,400 dwellings within Birmingham will be met. Indeed, evidence from recent SHLAAs indicates that it may be exceeded.
82. Given the lack of available sites to provide more than about 51,000 new dwellings overall in the BCC area, the total BDP housing requirement cannot be raised to help to meet more of the need for affordable housing, as is suggested in the PPG. Consequently, particular attention will need to be paid to ensuring that the balance of affordable housing need is met from development outside the city, during the ongoing process of identifying sites elsewhere in the HMA to meet the Birmingham shortfall. **MM84** amends the Plan's monitoring indicators accordingly. As part of that process, the Council will need to carry out regular reviews of likely affordable housing delivery from sites within the city, using the latest available evidence, so that all parties have the best possible understanding of the amount of affordable housing that needs to be provided on sites in other LPA areas.

*The housing trajectory and the five-year housing land supply*

83. As submitted, policy TP28 set out a stepped trajectory for the delivery of the overall housing requirement. Annual average housing delivery would rise in four steps from 1,300 dwellings a year (dpa) in the early years of the BDP period, to 3,090 dpa from 2021 onwards. However, that trajectory appeared

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<sup>33</sup> See EXAM 153, para 62.

inconsistent with evidence in the 2014 SHLAA about the rate at which housing sites would come forward for development.

84. Accordingly, **MM62** sets out a substantially revised delivery trajectory. The modification reduces the number of steps to three and greatly increases the proportion of housing coming forward earlier in the Plan period. **MM63** adds the important qualification that the annual provision rates in the trajectory are not ceilings and that higher rates of provision will be encouraged wherever possible.
85. Over the first four years of the Plan period, 2011-15, the modified trajectory broadly reflects the actual amount of housing that has been developed. There is then a very substantial step-up in the annual rate, from 1,650 to 2,500, for the three years 2015-18. This reflects improving conditions in the housing market and the consequent uplift in expected completions, as evidenced in the 2014 SHLAA. From 2018 and for the rest of the Plan period there is a further step-up in the delivery trajectory to 2,850 dpa, largely accounted for by the output from the Langley SUE which is expected to reach maximum annual output by that date.
86. An alternative approach would have been to set the delivery trajectory as a "flat" annual average of the overall housing requirement across the whole Plan period, ie 2,555 dpa. However, that would not reflect the actual pattern of need, which the evidence demonstrates is likely to increase more rapidly after 2021 than before. Moreover, that alternative approach would be unrealistic, in that it would impose a retrospective requirement for the years 2011-15 that could not be met simply by increasing the supply of housing land from 2015 onwards.
87. In other areas that do not face similar constraints on supply, it might well be possible to make up the resulting "shortfall" in provision between 2011 and 2015 quickly, by allocating additional sites for development in the next five years (under what is known as the *Sedgefield method*). That option does not exist in Birmingham, where all the available sources of supply, and their likely timescale for delivery, have been accounted for in the modified policy TP28 trajectory.
88. For these reasons I consider that the housing delivery trajectory set out in policy TP28, as amended by MM62 & MM63, is sound. It will facilitate the most rapid possible provision of housing within the city to meet the objectively-assessed needs, and will promote the NPPF's goal of boosting significantly the supply of housing immediately upon adoption.
89. The modified TP28 trajectory will be used as the basis for calculating the five-year supply of housing land in accordance with NPPF paragraph 47. On that basis, EXAM 161 demonstrates that a five-year supply of housing land will be available when the Plan is adopted, and can be maintained. The figures for 2015-20 are a five-year requirement of 13,860 dwellings, and a deliverable five-year supply of 14,536 dwellings (5.2 years' supply). The five-year supply ratio increases in subsequent years, up to 5.5 years from 2018 onwards. Additional "headroom" is likely to be provided by further windfalls coming forward in line with historic trends, but not included in the cautious assessment made in the SHLAA.

90. EXAM 164 provides a later iteration of the five-year supply position, based on the 2015 SHLAA. This envisages rather more housing coming forward between 2015 and 2017 and somewhat less in future years. Although the overall total is very similar to that envisaged in EXAM 161, the effect is to boost the five-year supply ratio in the first two years and to reduce it thereafter. While the supply ratio from 2018 onwards appears very tight, at 5.1 or 5.2 years, the figures in the table do not take account of the fact that, in practice, the forecast excess of supply over requirements in the early years will be rolled forward to inflate the supply ratio in future years. As with EXAM 161, additional windfalls are also likely to come forward.
91. It is also valid to point out that in circumstances where housing land supply is constrained, as in Birmingham, it is the available supply that, in effect, dictates the overall housing requirement for the city. This means that a fairly tight five-year supply ratio is unavoidable if the objective of boosting housing provision is to be pursued. It would make no sense, for example, to set artificially low targets in the early years in order to increase the supply ratio later on. The housing trajectory must be set to encourage the maximum possible output in each year of the Plan period, as MM62 does for the BDP.
92. The five-year supply calculations assume that a 5% buffer is required, on the basis that there has not been a record of persistent under-delivery of housing in Birmingham. That is appropriate, given that all the applicable pre-BDP housing targets<sup>34</sup> for the period since 2001 were comfortably exceeded, notwithstanding a downturn in provision after the 2008 financial crisis.

*Specific policy requirements for new housing*

93. Policies TP26, TP27 and TP29 to TP32 are concerned with the quality and sustainability of housing development. A number of modifications are necessary to ensure that they are effective and consistent with national policy.
94. Accordingly, **MM60 & MM61** amend TP26 and TP27 to ensure that they take adequate account of watercourses and flood prevention requirements, and to clarify that necessary infrastructure should be put in place before the new housing for which it is required. **MM64** adds market signals and local housing market trends to the list of factors in policy TP29 that should be taken into account when deciding on the mix of housing types and sizes in any individual scheme. **MM65** amends the reasoned justification to recognise the role of the new-build private rented sector in overall housing provision, and the particular characteristics that must be taken into account when considering planning applications.
95. Policy TP29 sets out target densities for residential development in the city centre, in areas well served by public transport, and elsewhere<sup>35</sup>. Given the substantial shortfall in housing land in Birmingham overall, it is sensible to seek to maximise the yield from each development site, and there is no clear evidence to support the claim that a minimum target density of 40dph is

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<sup>34</sup> Targets were set in both the UDP and the *West Midlands Regional Spatial Strategy*. The latter was revoked in 2012.

<sup>35</sup> These do not apply to the Langley SUE, for which specific density requirements are contained in modified policy GA5 (see Matter E).

incompatible with the provision of family or specialist housing. Nonetheless, since the existing monitoring evidence is not comprehensive, it would be beneficial for the densities actually achieved in future developments to be carefully monitored against the target densities<sup>36</sup>. If this monitoring shows it to be necessary, the latter should be reassessed in the next review of the Plan.

96. While policy TP29 allows scope for variation from the target densities, the circumstances in which lower densities would be appropriate need further definition: this is provided by **MM64**. **MM67 & MM68** respectively rectify an omission in the policy TP31 list of existing housing areas that will be priorities for regeneration efforts, and clarify the policy TP32 criteria for design and layout of new student accommodation. These changes are necessary for effectiveness.

#### *Conclusion on Issue B*

97. Drawing all the above points together, I conclude on Issue B that, subject to the necessary main modifications I have recommended in the interests of soundness, the BDP appropriately identifies housing needs and sets out effective measures to meet them in accordance with national policy.

#### ***Issue C – Does the BDP make adequate and appropriate provision to meet the accommodation needs of gypsies, travellers and travelling showpeople?***

98. Gypsy and traveller accommodation needs in Birmingham are the subject of the recent *Birmingham Gypsy, Traveller and Travelling Showpeople Accommodation Assessment*, May 2014 [H5]. It identified a need for eight additional Gypsy and Traveller pitches over the Plan period, of which four would be required in the five years 2014-19. A Gypsy and Traveller transit site of between 10 and 15 pitches is also required. The Travelling Showpeople requirement for two additional plots over the Plan period can be met at the existing yard on Shipway Road. There is no evidence to cast doubt on the reliability of this assessment, nor evidence of unmet needs from other areas that would affect the requirement for provision in Birmingham.
99. As submitted, the Plan made no provision to meet the identified five-year need for Gypsy and Traveller pitches, and so was not compliant with national policy in *Planning Policy for Traveller Sites* [PPTS]. However, this is rectified by **MM69** to policy TP33, allocating sites for Gypsy and Traveller accommodation at Hubert St / Aston Brook St East and Rupert St / Proctor St.
100. Both sites are Council-owned and located close to main traffic routes. Having visited them I consider that both are suitable for their intended use, with no substantial evidence to show that this would be prevented by land contamination. The latter site is currently in use as a private car park. It had 25 vehicles on site and was about one-third full when I visited on a weekday afternoon. This is an industrial area and there was very heavy parking on the

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<sup>36</sup> MM84 will bring residential density monitoring categories into line with the target densities in policy TP29: see Issue M.

streets in the immediate vicinity. However, there was ample, free on-street parking space available a short walk away, in Avenue Road and Chester St. There is therefore no reason to suppose that the closure of the car park will lead to significant additional congestion in the area.

101. The allocated sites are of sufficient size to provide at least a five-year supply of permanent pitches and will meet the full identified need for transit pitches. In my view there is a very good prospect that they will come forward in the near future. It may also be possible to accommodate the remaining Plan-period requirement for permanent pitches on these sites. If not, the City Council are committed to seeking an additional site within a broad area of search comprising the south-west quadrant of the city's urban area. That area has been chosen having regard to the location of existing unauthorised encampments. **MM70** ensures that these provisions, also needed for compliance with PPTS, are set out clearly in the Plan.
102. In accordance with PPTS, policy TP33 also includes criteria to guide decision-making on other planning applications for traveller accommodation that may come forward. As submitted, some of these were excessively onerous, imposing disproportionate requirements on traveller site proposals compared with what would be expected of other residential developments. Those excessive requirements are deleted or amended by **MM69**, while **MM70** amends the reasoned justification to explain the purpose of the criteria and to clarify the policy approach to traveller site proposals in the Green Belt so as to reflect national guidance. In view of the criterion in policy PG3 requiring new developments to create safe environments that design out crime, I see no need in TP33 for a specific requirement to consult the police on planning applications.
103. Subject to the identified modifications which are necessary for soundness, the BDP makes adequate and appropriate provision to meet the accommodation needs of gypsies, travellers and travelling showpeople.

**Issue D – Does the BDP make adequate and appropriate provision to meet employment development needs?**

*Need for office floorspace and employment land*

104. Warwick Economics and Development's *Employment Land and Office Targets Study* (2013) [ELOTS, EMP4] provides the basis for the BDP's employment development requirements. The Study examines the policy, economic, demographic and property market factors influencing future employment development in Birmingham. Its "most likely" estimates of demand for land and floorspace over the Plan period are derived by integrating a range of estimates based on growth projections and past completion rates. An "accelerated development scenario" is also assessed, and a small adjustment is made to take account of the likely economic impact of HS2 Phase One.



105. This is a robust methodology leading to realistic demand estimates. In my view it is to be preferred to the alternative approach of Regeneris<sup>37</sup>, which is based on past take-up rates alone and so may not adequately allow for future growth. While there is merit in the argument that a forecast based purely on gross value added would be likely to overstate future demand, ELOTS avoids this danger through its integrated approach. The ELOTS estimates were not challenged by any other comparable evidence.
106. Policy PG1's office floorspace requirement figure of 745,000sqm is close to the mid-point between the "most likely" and "potential maximum" figures (the latter based on the "accelerated development scenario") and reflects the ELOTS recommendations. Also as recommended by ELOTS, an overall employment land requirement figure of 407ha over the Plan period (comprising 320ha for industrial uses and 87ha for storage and distribution) reflects the "most likely" scenario, adjusted to take account of HS2 effects.

#### *Employment land categories*

107. ELOTS further differentiates this employment land requirement into four categories: Regional Investment Sites [RIS], and Best Urban, Good Urban and Other Urban land. It says that the past property market in Birmingham suggests that around 11% of demand, some 45ha, could be required on larger, Regional Investment Sites between 2012 and 2031. On the same basis, about 224ha of Best Urban Land would be needed, 118ha of Good Urban Land, and 20ha of Other Urban Land<sup>38</sup>.
108. The categories are defined in BDP policies TP16 and TP17. It may well be that, especially from the point of view of potential occupiers, there is very little functional difference between the RIS and Best Urban categories, as both are intended to provide large, high-quality sites attractive to national and international investors (whereas the less valuable Good Urban and Other Urban land is appropriately intended mainly for local companies).
109. But whatever may be the origins of the RIS concept, the evidence makes it clear that a continuing supply of large, high-quality sites (whether designated as RIS or Best Urban) is essential if Birmingham is to meet locational requirements for future business investment and expansion<sup>39</sup>. The key policy distinction made by the BDP is that warehousing uses are generally permitted on Best Urban sites, but only permitted on RIS where they are ancillary to other employment uses.
110. There are two RIS in Birmingham, at Aston and Longbridge. Each is designated in an adopted *Area Action Plan* [AAP, G2, G5], which sets out a range of regeneration objectives for the area it covers. Aston is a relatively disadvantaged inner-city area while Longbridge has experienced large-scale job losses with the closure of the MG Rover car plant in 2005. In both areas, providing substantial job opportunities both to meet existing skills and to

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<sup>37</sup> Regeneris Consulting, *BDP Representations: Longbridge RIS*, paras 3.27-3.32 – Appendix 1 to the Matter J Hearing Statement of Planning Prospects

<sup>38</sup> EMP4, paras 5.16, 5.27 & Table 5.12

<sup>39</sup> See, for example, EMP3, Figure 3.5 and para 3.13.

develop the local skills base further are important social as well as economic objectives.

111. These particular local circumstances justify the requirement in policy TP17 for B1 and B2 uses on the RIS, subject to **MM49 & MM50**, which replace an unclear and ineffective policy reference to “high-quality” uses with a fuller explanation in the reasoned justification. Through the AAPs, the restriction on warehousing has already been in force for several years and there is no substantial evidence to indicate that it has significantly held back development on either RIS.
112. Nonetheless, under Issue F below I consider the status of the Longbridge AAP, which is over six years old and pre-dates the NPPF. Within the scope of policy TP17, any future review of the AAP should re-examine the specific use-class and employment type floorspace requirements set out in its Proposal RIS1, to ensure that they reflect current circumstances and national policy. In particular, the AAP Review will be the place to consider the continuing relevance of the technology park concept which underpins its RIS proposals. The need for such consideration is underlined by a 2010 appeal decision<sup>40</sup> which found no justification for the Council’s proposed condition seeking to limit the specific uses to which an office development on the RIS could be put.

#### *The reservoir approach*

113. A large proportion of the completed employment development in Birmingham over the 10 years 2003-13 – some 11ha a year on average – was on previously-developed land<sup>41</sup>. While many of the better sites have now been taken up, there is still potential for further recycling of previously-developed land, particularly for Good Urban and Other Urban category developments. Thus policy PG1 expresses the employment land requirement as a rolling “minimum five-year reservoir” figure of 96ha, excluding RIS. Policy TP16 breaks down the reservoir figure by category. Over the whole Plan period, and also taking into account the 45ha RIS requirement, the combined five-year reservoir figures equate to the total of 407ha recommended by ELOTS.
114. This flexible “reservoir” approach allows for peaks and troughs in the demand for employment land. It is appropriate in Birmingham in view of the substantial opportunities for land recycling. However, careful monitoring of planning permissions and site availability will be necessary to ensure that the reservoir is maintained.
115. Given that sites will need to be found outside the city boundary for around 40% of Birmingham’s housing needs, it was suggested that other LPAs in the HMA should make some employment allocations outside the city to complement the “displaced” housing. That is principally a matter for the LPAs concerned. However it would be a mistake, in my view, to reduce the BDP’s evidence-based office and employment land requirements in response to the shortage of available land for housing. Restricting the availability of land for economic development would be likely to have negative consequences not just

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<sup>40</sup> Ref APP/P4605/A/09/2115711 – Appendix 2 to the Matter J Hearing Statement of Planning Prospects

<sup>41</sup> EMP4, para 7.2

for Birmingham but also for the wider region, given the leading role the city plays in the West Midlands economy.

*Office floorspace and employment land provision*

116. Policy TP20 allocates the vast majority of the Plan's office floorspace requirement, 700,000sqm, to the City Centre, including the designated City Centre Enterprise Zone, and the remainder to Sutton Coldfield Sub-Regional Centre and the three District Growth Points. There is also scope for some limited additional provision to come forward at other District and Local Centres. The distribution reflects the relative accessibility of these locations as well as site availability, with land for some 745,000sqm being available in the City Centre, according to ELOTS<sup>42</sup>. There was no substantial evidence to cast doubt on the capacity of the various areas to meet these allocations.
117. The RIS employment land requirement is effectively met by the allocations at Aston and Longbridge. In the Best Urban category, currently-available development land amounts to about 43ha, with a further potential 24ha identified as not currently-available<sup>43</sup>. The currently-available supply is therefore some way below the minimum five-year reservoir figure of 60ha. At the same time, total identified supply over the whole Plan period (made up of completions, currently- and not currently-available land) is only about 84ha against a requirement of 224ha. Moreover, some 29ha of the currently-available supply is concentrated at one location, The Hub at Witton. All the other currently-available sites are less than 3ha in size.
118. The Best Urban category, by area, accounts for more than half the overall employment land requirement identified by ELOTS. As the principal source of land for inward investment into Birmingham it is very important to the city's future prosperity. Thus it is vital that the BDP secures an adequate supply.
119. The extensive, largely disused railway land at Washwood Heath was previously identified in the Best Urban category. But most of it is now very unlikely to be available for other employment development in view of its protection under the *HS2 Phase One Safeguarding Directions* as the proposed site for the HS2 rolling-stock maintenance depot. Notwithstanding the representations that have been made to Parliament on this matter, on current evidence it would be imprudent to place reliance on the land becoming available through cancellation of the HS2 project or location of the maintenance depot elsewhere. However, it is appropriate that the land should retain its current designation as a Core Employment Area for as long as this possibility remains.
120. HS2 are committed to minimising land-take at Washwood Heath and returning the residual land to the market as early as possible. However this appears unlikely to happen before the later 2020s, and the 16ha residual area (on current plans) will at most make only a small contribution to the Best Urban supply. Indeed, that contribution may well be cancelled out or even exceeded by the demand for replacement sites for existing businesses displaced by the HS2 developments.

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<sup>42</sup> EMP4, para 7.7

<sup>43</sup> See EXAM 42. These figures were current when the hearing session took place in October 2014.

121. There is another potential source of Best Urban land at the Birmingham Wheels Park site at Bordesley, of about 30ha. However, as I make clear under Issue F below, appropriate alternative premises need to be found for the existing sports facilities on the site before it is redeveloped for employment use. There are also land contamination issues to be resolved. While neither of these factors is insurmountable, they mean that the Wheels site is unlikely to become available in the short term.
122. In the BDP the Council propose the allocation of a strategic employment site at Peddimore, in the Green Belt to the east of the Langley SUE allocation. Even though the site was rejected by the inspector who examined the 2005 UDP, I must consider whether the allocation is sound in the light of present-day circumstances.
123. The 71ha Peddimore site would boost the total identified Best Urban supply from 84ha to 155ha, and so go a long way towards meeting the Plan period requirement of 224ha. Its size and good road transport links are likely to make it attractive to developers, and it would provide local employment opportunities for residents of the SUE and the surrounding neighbourhoods. No other extensive areas of potential Best Urban development land in the city, either greenfield or previously-developed, were brought to my attention.
124. Reference was made to a study of potential large employment sites across the West Midlands, and to proposed developments at Birmingham International Gateway and UK Central, both of which lie outside the BCC area. But I am not in a position to consider whether or not sites outside Birmingham would be suitable for development. Nor would it be acceptable to hold up adoption of the BDP for an indefinite period pending discussions among a wide range of stakeholders on regional priorities for employment development. There is a well-evidenced shortfall of Best Urban land to meet the city's own development needs that should be met as far as possible by this Plan.
125. Consequently I find that the Peddimore allocation is justified in terms of meeting economic development needs. It is required as soon as possible, in order both to overcome the shortfall in the reservoir of currently-available Best Urban land and to contribute to the overall Plan-period requirement. Justification for its allocation in respect of SA and Green Belt policy is considered under Issue E below.
126. Currently-available land in the Good Urban and Other Urban categories amounts to some 21ha and 6ha respectively. The Other Urban five-year reservoir target is met but there is a shortfall of some 10ha against the target for Good Urban land. A further 25ha of not currently-available land is likely to contribute to the supply in future years, and based on past evidence other recycling opportunities are likely to come forward. Nonetheless, the present shortfall is a matter of some concern which will need careful monitoring, and remedial action by the Council should the situation persist.

#### *Other employment policy matters*

127. The BDP identifies Core Employment Areas as the focus of Birmingham's industrial activity and the location for some of the city's major employers. Development in these areas is limited by policy TP18 to the B1(b), B1(c), B2

and B8 use classes and *sui generis* uses that are appropriate to industrial locations. All other employment land and premises (apart from the RIS which are covered by policy TP17) are subject to policy TP19, which allows for changes to other uses in defined circumstances.

128. I consider that this approach strikes the right balance between safeguarding those defined areas that are most important to the continuing industrial strength of the city, and applying a more flexible approach in other areas when it can be shown that continuing employment use of a site is inappropriate or unviable. The Policies Map and the relevant illustrative plans are to be altered to take account of recent planning permissions<sup>44</sup> and other significant inconsistencies.
129. Otherwise, there is no strong case at present for altering the boundaries of the designated Core Employment Areas, notwithstanding the occasional presence of non-industrial uses within them. However, it is important that they are kept under regular review to ensure that their continued protection is justified. This is provided for by **MM52**, while **MM51** clarifies the definition of the uses permitted by policy TP18 to ensure its effectiveness.
130. While the evidence clearly indicates that there is a continuing need for large sites, actual take-up will ultimately be determined by demand. Employment development that is otherwise appropriate ought not to be discouraged solely on grounds of size. Thus I would not support the suggestion that there should be a policy preventing the sub-division of RIS and other large employment sites.
131. Policy GA6 specifies that, in common with the Core Employment Areas, development at Peddimore is to be limited to B1(b) & (c), B2 and B8 uses, with 40ha of the site safeguarded for B1(c) and B2 uses only. Both these measures are justified in the light of the overall need for Best Urban land and the balance of need for manufacturing and warehousing established by ELTS. But the suggestion that B8 use should be prevented on any part of the site, while motivated by an understandable desire to maximise employment opportunities, would make the policy too inflexible. Given the shortage of large Best Urban sites elsewhere in the city, land needs to be made available for B8 development at Peddimore.
132. Policy TP19, as submitted, sought inappropriately to rely on a SPD to define the tests applicable to proposed changes of use: this is rectified by **MM53 & MM54** which embed the tests within the policy itself. The tests themselves, including the marketing requirements, are not unduly onerous in the context of the overall shortfall in the identified supply of employment land. **MM53** also removes the provision which would have required successful applicants for change of use under TP19 to make a financial contribution towards upgrading other nearby employment land. That general requirement would not comply with the statutory limitation on the use of planning obligations set out in the *Community Infrastructure Regulations 2010* (as amended), or the corresponding guidance in NPPF paragraph 204.

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<sup>44</sup> Including a residential permission at the Royal College of Defence Medicine, Longbridge, which was issued too late for the Policies Map change to be published alongside the MMs

### *Conclusion on Issue D*

133. In the light of the above points I conclude that, subject to the MMs identified as necessary for soundness, the BDP makes adequate and appropriate provision to meet employment development needs.

### ***Issue E – Does the BDP comply with national policy in its approach to the Green Belt? Are the allocations of Green Belt land for a SUE at Langley, employment development at Peddimore, and residential development at Yardley justified and deliverable? Should other Green Belt or greenfield allocations be made?***

#### *The Green Belt policy approach*

134. Policy TP10 sets out the BDP's overall approach to development within the Green Belt boundary. Elsewhere in the BDP, alterations to the boundary are proposed in order to allocate for development land at Langley, Peddimore and Yardley that is currently part of the Green Belt. NPPF paragraph 83 advises that such alterations to Green Belt boundaries should only be made in exceptional circumstances. The justification for these particular alterations is considered in the following sections.

135. Policy TP10 also sets out the policy basis for considering future development proposals within the revised Green Belt boundary. As submitted, it is effective and consistent with national policy except in two respects. First, it contains references to "Green Wedges", which might cause confusion by suggesting that this is a policy designation distinct from the rest of the Green Belt. In fact, as was explained at the hearing, it is meant as a purely descriptive term and can be removed without altering the policy's intended meaning. Secondly, the last sentence of the policy needs to be reworded so as to remove any potential for conflict with national Green Belt policy towards outdoor sport and recreational facilities. Subject to **MM41**, which makes the necessary modifications, policy TP10 is sound.

#### *Langley SUE and Peddimore employment allocations*

136. The Langley SUE and Peddimore employment allocations under policies GA5 and GA6 are the most controversial proposals in the BDP. Some 6,000 objections were made to them at pre-submission stage, community groups opposing them appeared at several hearing sessions, and the local MP, Andrew Mitchell, also attended one of the hearings to express his views. The reaction is readily understandable, since the two sites occupy a substantial proportion of the remaining Green Belt land within the city boundary. For the most part they are currently in agricultural use, and they are valued by residents of Sutton Coldfield and surrounding areas, particularly for the extensive views of open countryside that they offer, the wildlife they support, and the opportunities to use the public rights of way that cross them.

*Pre-submission SA and assessment work ("Stage 1")*

137. The Council's decision to allocate the sites at Langley and Peddimore followed a lengthy process of assessment, including SA. The October 2012 BDP *Options Consultation* document [HTY11] was produced in response to the March 2012 publication of the NPPF, with its requirement to meet objectively-assessed needs, and to the publication of Census figures and ONS projections of higher population growth than had been indicated by earlier figures. At the time, the resulting housing need up to 2031 was projected to be between 75,000 and 95,000 dwellings<sup>45</sup>, thus encompassing the figure of 89,000 which is now the objectively-assessed level of need.
138. The 2012 Interim SA [HTY14], which was prepared to support HTY11, assessed three strategic options for development. The "do-nothing" Option 1 would have meant keeping development over the BDP period at the same levels as envisaged in the 2010 *Core Strategy Consultation Draft* [HTY7] (including around 45,000 new dwellings). The other two options involved accommodating additional growth within the existing urban area (Option 2), and strategic release of Green Belt land for development (Option 3).
139. Option 2 fared worst by far in the Interim SA. That is unsurprising because among other things it would have involved building on some, and intensifying the use of other, existing green spaces within the built-up area, and significantly increasing the density of development in suburban areas. The option attracted negative scores on four of the eight groups of SA objectives, including natural resources and waste, pollution and economic growth.
140. The results for Options 1 and 3 were rather closer. The appraisal summary found that Option 1 would be environmentally preferable, but would have negative social impacts and, to some extent, negative economic effects. Option 3, on the other hand, would have clear economic benefits, some negative environmental effects (with potential for mitigation of some of these) and mixed social effects.
141. Overall, while it is clear that none of the three options would have exclusively positive effects, HTY14 supports the rational conclusion that Option 3 is the option most consistent with the objective of promoting sustainable development<sup>46</sup>. I therefore find that it provides a sound basis for the Council's decisions to reject the reasonable alternatives of Options 1 and 2, to promote Option 3 (strategic Green Belt release) in HTY11, and to take it forward into the preparation of the pre-submission version of the BDP [SUB1]. A summary of the HTY14 assessment appears in section 3.2 of EXAM 154.
142. The Council also carried out a preliminary assessment of potential strategic Green Belt sites, which is summarised in section 3 and Appendix 1 of the October 2013 *Green Belt Assessment* [PG1]. It found that only four areas of Green Belt land in the city, all lying to the north and east of Sutton Coldfield, were of adequate size and sufficiently free of other constraints to be

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<sup>45</sup> HTY14, para 1.1

<sup>46</sup> On the basis that sustainable development has three dimensions: economic, social and environmental (NPPF para 7)

considered for allocation<sup>47</sup>. That is a sound judgment, which was not substantially challenged during the examination. However, while some of the evidence base for PG1 has informed the subsequent SA work, the specific justification given in Stages 2 and 3 of PG1 for choosing the Langley and Peddimore sites for allocation in the BDP has effectively been superseded by the later stages of the SA.

*Identified deficiencies in SA and subsequent work undertaken*

143. HTY14 thus represented the first of what can be seen as three distinct stages of SA work supporting the eventual allocation of the Langley and Peddimore sites in the 2013 pre-submission version of the BDP [SUB1]. Although I have found that the first stage provided a sound basis for the selection of Option 3 (strategic Green Belt release), in my IF I identified substantial deficiencies in the second and third stages of the SA<sup>48</sup>. The further SA work that was undertaken on the Council's behalf in response, and the consultation that took place thereon, are described in the Introduction above.

144. For the reasons set out below, I consider that the further SA work, which is brought together in the Revised SA report of June 2015 [EXAM 154], has repaired the deficiencies I identified in the earlier SA reports. The judgment in the *Cogent Land* case<sup>49</sup> established that defects in a SA Report may be cured by a later document.

145. In considering EXAM 154 it is important to bear a number of key points in mind. First, as the PPG makes clear, SA is about all three aspects of sustainable development – it *ensures that potential environmental effects are given full consideration alongside social and economic issues*. Secondly, it should be proportionate, focussing on the impacts that are likely to be significant. *It does not need to be done in any more detail, or using more resources, than is considered to be appropriate for the content and level of detail in the Local Plan*. Thirdly, modifications to it *should be considered only where appropriate and proportionate to the level of change being made to the Local Plan*<sup>50</sup>.

146. Finally, and perhaps most importantly, the SA report is part of the evidence base supporting the Plan, and is to be examined as such. While it *should help to integrate different areas of evidence and to demonstrate why the proposals in the Local Plan are the most appropriate*<sup>51</sup>, SA is not a mathematical formula or a precise science. In deciding which reasonable alternative to pursue at each stage, professional judgment is required both in assessing the likely significant effects of each alternative, and in weighing the relative importance of those effects.

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<sup>47</sup> See HTY11, Appendix, pp4-5, and PG1, Appendix 1.

<sup>48</sup> As reported in the October 2013 SA Report on the Pre-Submission BDP [HTY17].

<sup>49</sup> *Cogent Land LLP v Rochford DC* [2012] EWHC 2542 (Admin): see paras 124-127.

<sup>50</sup> PPG, ID 11-001-20140306, 11-009-20140306 & 11-021-20140306

<sup>51</sup> PPG, ID 11-022-20140306



### *Strategic option-testing ("Stage 2")*

147. My IF identified the following crucial defect in the second stage of the earlier SA work: that it failed to explain why alternative SUE sites were assessed on the basis that what was being sought was a single site for 5,000 dwellings, rather than site(s) for a range of between 5,000 and 10,000 dwellings as stated in HTY11.
148. In response, the March 2015 Revised SA [EXAM 146] contained a new section 5.1: *Testing the Scale of a Sustainable Urban Extension*, comparing the sustainability effects of SUE(s) at two different scales: around 5,000 dwellings, and up to 10,000 dwellings. Then, in the light of comments made during focussed consultation on EXAM 146, section 5.1 in EXAM 154 widened the assessment to include the effects of SUE(s) at two additional scales: 500-3,000 dwellings, and around 7,500 dwellings.
149. This stage of the assessment was carried out on a non-site-specific basis. That was appropriate given that its purpose was to test alternative scales of development at the strategic level. Introducing site-specific factors would have greatly complicated that assessment process. Specific comparisons between potential SUE sites were appropriately carried out at the subsequent, third stage.
150. The results of the second-stage assessment are set out in summary format in Table 5.1 of EXAM 154, with an accompanying commentary. More detailed appraisal tables are in Annex B. On page 79 the report makes it clear that the tables give a score for the performance of each option against each of 28 sustainability objectives, and the meaning of each possible score is clearly set out. The sustainability objectives themselves were developed to reflect the key sustainability issues for Birmingham, in a scoping report [HTY12] which was also the subject of consultation.
151. This is a common, and perfectly reasonable, SA method. It is, however, necessary to recognise that, with this method, the absolute scores given to each option in isolation are somewhat less important than the scoring of the options in relation to one another. In other words, whether (for example) option X is given a positive or negative score against any particular objective is less significant overall than whether its score against that objective is better or worse than option Y's – always provided, of course, that the scoring is done consistently for all options.
152. It is also necessary to recognise that, as indicated in the previous sub-section, the choice of one option over another cannot be arrived at simply by adding up their respective scores and comparing the results. Judgment must be used to determine, for example, whether a better performance against one group of objectives is more or less important than a worse performance against another.
153. In Table 5.1 the 500-3,000 dwelling option scores significantly worse than the rest against the group of objectives concerning sustainable transport and climate change. This is largely because developments of that size are seen as having difficulty, whether individually or in combination, in supporting the level of public transport and other facilities (schools, shops etc) needed to keep

traffic growth within acceptable limits. In view of the substantial public transport investment likely to be needed in a SUE (see below), and the evidence on the scale of development needed to support local facilities including a secondary school<sup>52</sup>, that is a justified conclusion.

154. From the commentary accompanying Table 5.1 it is clear that this was the key factor in the decision not to take forward the 500-3,000 dwelling option to the next stage of the SA. Although the option also attracted a worse score than the rest against a number of other objectives, the fact that they are not mentioned in the commentary indicates that they carried less weight in the decision. In my view that was appropriate.
155. The impact of future development on transport patterns and climate change is, self-evidently, a central matter to be considered in the SA. It is also clear from the responses to consultation on the BDP that the traffic impact of the proposed SUE is one of the local residents' main concerns. Against the related sustainability objectives, the 500-3,000 dwelling option justifiably achieved worse scores than any of the others, and on no objective did it achieve a better score than the preferred 5,000-dwelling option. In all these circumstances it was entirely reasonable for the 500-3,000 dwelling option not to be taken forward to Stage 3 of the SA.
156. Even if it is the case that smaller developments could be brought forward more quickly than a 5,000-dwelling SUE, as some responses to consultation suggested, I consider that any short-term benefits of this would be outweighed by the longer-term environmental cost.
157. For the other three options – developments of 5,000, 7,500 and 10,000 dwellings – the assessment results in Table 5.1 are more closely grouped. Economic benefits increase with the size of the development, as do the benefits of housing provision, including affordable housing. Against these objectives, the preferred 5,000-dwelling option scored less well than the others.
158. On the other hand, both bigger options scored significantly worse than the preferred option against the objectives concerned with efficient use of land, built and historic environment, natural landscape and biodiversity. There are also differences between these three options' scores against the objectives dealing with sustainable transport, reducing climate change and air quality.
159. Taking these objectives in turn, I am not convinced of the justification for giving a worse score for efficient use of land to the 7,500- and 10,000-dwelling SUE options than to the smaller options. The Appraisal Criteria table on page B1 of EXAM 154 defines this objective more precisely as *Encourage land use and development that optimises the use of previously-developed land and buildings*. Evidently the amount of greenfield land-take would increase according to the size of the SUE. But in the specific context of Birmingham, where the Plan already contains measures to maximise the use of previously-developed land for development, I have seen no clear evidence to

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<sup>52</sup> See EXAM 154, footnote 42, and PG1, para 2.2.3.

demonstrate that any such increase would affect the use of previously-developed land or buildings.

160. However, EXAM 154 is fully justified, in my view, in giving negative scores to the 7,500- and 10,000-dwelling options against the natural landscape and biodiversity objectives. All the potential SUE sites are largely undeveloped and for the most part are used for agriculture or other countryside purposes. In these circumstances it is reasonable to conclude that developing twice as much land, or half as much again, as for the 5,000-dwelling option would have commensurately greater adverse impacts, both on the rural landscape around Sutton Coldfield and on its potential for supporting wildlife.
161. It may well be that the 5,000-dwelling option would also have harmful effects in these respects. But that would not change the fact that the 7,500- and 10,000-dwelling options would have significantly greater adverse impacts, as reflected in their relative scoring.
162. The negative scoring for the two biggest options against the built and historic environment objective is explained in Appendix B as being essentially due to the need for these options to use more land than the preferred 5,000-dwelling option. I find this unconvincing as it implies a linear relationship between the amount of land-take and impact on the historic environment, whereas in reality historic buildings and other assets are likely to be found in discrete locations and can often be safeguarded in new development<sup>53</sup>. Moreover, impact on the built, as distinct from the historic, environment is mainly a matter of design quality. There is no reason why this cannot be achieved in a bigger development as much as in a smaller one. In my view, therefore, no account should be taken of the relative scoring of the options against the built and historic environment objective.
163. Turning to the sustainable transport, reducing climate change and air quality objectives, the differences in the scores given to the 5,000-, 7,500- and 10,000-dwelling options are explained in the section 5.1 commentary and in Annex B by reference to two factors. First, while all three options have the potential to support substantial investment in public transport, there is greater uncertainty over whether this would be adequately achieved by the 7,500-dwelling option.
164. That is because none of the potential SUE sites has been shown to have capacity for as many as 7,500 dwellings and, at this stage of the analysis, it cannot be assumed that all those dwellings would be built on contiguous SUE sites, so that public transport could be provided efficiently and effectively. It has already been established that sites of 3,000 dwellings or less are unlikely to be able to support the necessary level of public transport and other facilities.
165. Secondly, evidence prepared for the Council indicated that maximum delivery from any of the potential SUEs in the Sutton Coldfield area over the Plan period would be around 5,000 dwellings, including affordable housing. It also found that it was unlikely that the market could support more than one such

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<sup>53</sup> This is generally confirmed by the site-specific assessment contained in PG6 & PDF-2-1428-30.

development. Hence release of a second SUE site would increase overall delivery of housing by only a relatively small amount. In these circumstances, splitting development between two sites, both delivering at well below full capacity, would create a substantial risk that the necessary investment in public transport and other infrastructure would occur too late, if at all<sup>54</sup>.

166. This was a controversial argument which attracted substantial criticism from representors. Reports drew attention to the substantial size of the arc containing the potential SUEs, and to the strong house values and demand for homes at the top end of the market in the Sutton Coldfield area, arguing that there was comfortable market capacity for up to 12,000 dwellings by 2031<sup>55</sup>.
167. Empirical evidence on this point was somewhat inconclusive. Delivery of more than 500dpa, and in one case over 1,000dpa, had been achieved in other LPA areas in the past, but in the examples quoted those high output levels appear not to have been sustained for more than three or four years. In 2013, a total of over 11,000 dwellings were planned for delivery over 10 years on several sites in an arc across north Bristol, similar in size to the Sutton Coldfield arc<sup>56</sup>. But I was shown no evidence of what has actually been achieved there so far, or at other cities and towns where high levels of growth are also planned.
168. It was also, fairly, pointed out that the BDP expects around 12,000 dwellings to be delivered during the Plan period in two neighbouring central wards (Ladywood and Nechells). However, transport infrastructure requirements in those established inner-urban areas would be much lower than for a SUE.
169. Having considered all this evidence, it appears to me that the market might support delivery of more than 5,000 dwellings in the Sutton Coldfield area over the Plan period. However, there can be no certainty that it would deliver as many as 10,000, or even 7,500. Thus there is a significant risk that allocating more than one SUE site for development would result in both delivering at well below their potential maximum output. This in turn would risk delaying the investment in public transport, schools and other facilities that is necessary to limit traffic growth at the new developments.
170. For all these reasons, EXAM 154 is justified in drawing attention to the risks to delivery of public transport and other infrastructure associated with both the 7,500 and 10,000-dwelling options. And given that those risks exist, the analysis is correct in concluding that adverse impacts on climate change and air quality are likely to increase with the scale of development. If traffic growth is not effectively contained, it is reasonable to infer that more development will lead to substantially more vehicular emissions.
171. In reaching this view, I have given no weight to the sentences in the Table 5.1 commentary referring to lack of evidence over how traffic from the 7,500- and 10,000-dwelling options could be accommodated on the current road network, and to what is said to be the position of Highways England on this matter. While it is true that the traffic impacts of a 5,000-dwelling development have been assessed in detail using the PRISM model, it would be unfair to take this

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<sup>54</sup> See PG3 and PG4.

<sup>55</sup> See PDF-2-1410 and Appendix 1 to Turley's Matter E hearing statement.

<sup>56</sup> See EXAM 70A-C & EXAM 88.

into account in the SA when a similar level of analysis is not available for the other options. To do so would contradict the principle that SA should assess the reasonable alternatives at the same level of detail as the preferred option<sup>57</sup>.

172. Representors correctly observed that the September 2013 *Transport Analysis of Green Belt Options* [TA3] proposes a transport infrastructure strategy for developments of up to 10,000 dwellings on each of the potential SUE sites<sup>58</sup>. However, it does not assess in any substantial detail the costs or risks to funding of the strategy. Similar comments apply to the February and March 2014 transport reports produced on behalf of the promoters of Site B<sup>59</sup>. The June 2014 *Birmingham Eastern Fringe Bus Study* [TA21] gives a figure of almost £16 million for bus service infrastructure, including "Sprint" rapid transport services, based on site C alone. This emphasises the importance of ensuring, as far as possible, that risks to infrastructure investment are minimised.
173. Drawing all the above together, it will be evident that on certain specific points I disagree with the findings of EXAM 154. This underlines my earlier point that SA depends in large part on professional judgment to draw conclusions from the available evidence. Nonetheless, I concur with the overall conclusions of the strategic option-testing, as summarised in Table 5.1. The economic and housing provision benefits associated with the 7,500- and 10,000-dwelling SUE options would be outweighed by the negative environmental effects likely to result from developing such substantial areas of greenfield land, especially when account is also taken of the risks to delivery of infrastructure. Those negative effects would be exacerbated by the concentration of suitable strategic sites in one relatively small area of the city.
174. In my view, therefore, this strategic-level option-testing provides a rational basis for the Council's preference for a single SUE site providing around 5,000 dwellings over the Plan period. At that scale of development, the negative environmental impacts of development are capable of being outweighed by the economic and social benefits arising from the substantial increase in housing provision, including affordable housing.

#### *Comparison of potential SUE sites ("Stage 3")*

175. The purpose of the third and final stage of the SA work was to provide the basis for determining which particular area of Green Belt should be allocated as a SUE. SA of four reasonable alternative sites for a 5,000-dwelling SUE is reported in section 5.2 of EXAM 154, with a summary in Table 5.1 and detailed assessments for each site in Appendix C.
176. The Peddimore site (Area D) is separated from most of the existing urban area by the dual-carriageway A38, and contains significant archaeological and heritage assets. As a result, it scores worse than the other three sites in respect of sustainable transport, air quality and impact on the built and

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<sup>57</sup> PPG, ID 11-018-20140306

<sup>58</sup> The capacity of each SUE site was subsequently refined in PG3.

<sup>59</sup> PDF-2-1417 & 1426

historic environment. I concur with that assessment and with the reasons given in the commentary for rejecting Area D as a potential SUE site.

177. Areas A (Hill Wood) and B (land west of M6 Toll) are judged to have negative impacts on natural landscape, biodiversity and (for Area A only) air quality, whereas the Langley site (Area C) is seen as having a neutral impact against those criteria. In addition, Area C attracts a positive score in respect of sustainable transport while the other two sites are judged to be neutral.
178. The SA's findings in respect of sustainable transport were the subject of much critical comment, most notably in a detailed report prepared by WSP Parsons Brinckerhoff [WSP PB] for the promoters of Area B<sup>60</sup>. I agree with many of the criticisms made. I have already made it clear that the detailed PRISM assessment of the traffic impacts of Site C should not be taken into account in comparing the alternative sites. I also find it hard to understand how TA3 arrived at significantly different accessibility and sustainability scores for Areas A, B and C, especially as the weighting given to these scores is not transparent.
179. Any SUE development would be expected to provide both new on-site facilities such as shops and schools, and new high-quality public transport services. In my view this would be far more important in determining the potential for achieving sustainable transport patterns than any marginal differences in the relative accessibility of the three sites to existing facilities or existing railway stations<sup>61</sup>. As the WSP PB report points out, the three potential SUE sites are adjacent to one another and would have almost identical transport infrastructure requirements.
180. From my own assessment of the available evidence, therefore, the different scores given to Areas A, B and C against the sustainable transport objective in Table 5.2 of EXAM 154 are not justified. Nor is the worse score given to Area A, compared with the other two, in respect of air quality. All three should be scored the same against those objectives.
181. Bearing in mind the emphasis in the PPG on proportionality and the prudent use of resources, I consider it unnecessary to ask the Council to carry out further work on these matters, as some representors have suggested. In my view, it is unlikely that it would provide such conclusive new evidence as to justify the additional cost and delay that would be caused.
182. I also find no justification for scoring Areas A and B differently from Area C against the sense of place and social and environmental responsibility objectives. There are no intrinsic factors that would prevent these objectives being achieved on each site through good design and careful management of the development process.
183. On the other hand, however, I find that EXAM 154 tends if anything to underplay the greater landscape impacts that would arise from developing Area A or B rather than Area C. Both the former vary considerably in terms of

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<sup>60</sup> Appendix 6 to the Turley response to consultation on the Revised SA

<sup>61</sup> In reaching this view I have taken into account the recent planning permission for retail development at Mere Green and representors' criticisms of the base data for TA3.

landscape character. Parts of them are semi-urbanised or intensively farmed, but each also contains substantial areas where historic field boundaries, mature hedgerows, and areas of woodland, or streams and pools, create more intricately-patterned rural enclaves. By contrast, a far greater proportion of Area C consists of open arable fields with comparatively little distinctive landscape character.

184. These distinctions were confirmed by my own site visits as well as by the detailed landscape character assessments of all four potential SUE sites prepared for the Council [PG5]. Figure 04 in PG5 highlights the significantly greater sensitivity to residential development of Areas A and B, compared with Area C, with regard to landscape and visual effects. None of the other landscape assessments submitted to the examination takes a similarly comprehensive approach.
185. I advised in paragraph 44 of my IF that a previous SA document (SUB 5) contained an erroneous reference to landscape constraints in the northern part of Area B (there referred to as Area B1). Having looked again at the evidence, I see that my advice was only partially correct. In fact, as Figure 04 in PG5 makes clear, while the northernmost tip of Area B1 has low landscape sensitivity, further south it contains zones of medium and high sensitivity. The position is correctly stated in Exam 154, Appendix C, page C16.
186. EXAM 154 also justifiably gives lower scores to Areas A and B than to Area C against the biodiversity objective. While the differences in the sites' relative ecological value may be not expressed with complete clarity in the Appendix C commentary, they are evident from the *Ecological Constraints and Opportunities* report for the Council [PG7] which underpins the SA assessment<sup>62</sup>. No similarly comprehensive ecological assessments are available.
187. One representor claims that, at the Matter E hearing session, the Council accepted *there was no difference between [Areas] B and C from a landscape and ecology perspective*. I have no record of any such concession, and the Council deny making it<sup>63</sup>. In any case, even if a Council officer had said that briefly at the hearing, it would not outweigh the very substantial evidence pointing to the opposite conclusion.
188. The SA objectives do not specifically take account of the impact of development on best and most versatile [BMV] agricultural land. Evidence in the June 2014 *Green Belt Assessment Addendum* [PG2] indicates that a small proportion of Area C falls into the Grade 2 and Grade 3a classifications. There is no comparably detailed evidence for Areas A and B. But even if those areas were found to contain no land above Grade 3b, it is highly unlikely that development of Area C with its small amount of better-grade land would have a significantly greater environmental impact.
189. EXAM 154 additionally assesses the relative merits of developing sub-areas within Areas A, B and C – the north-western part of Area A (Area A2), and the southern parts of Areas B and C (Areas B2 and C2). Section 5.2 explains that

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<sup>62</sup> See PG7, section 5.

<sup>63</sup> See EXAM 166C.

those sub-areas were assessed because they are also large enough to accommodate a SUE of around 5,000 dwellings. However, this is not apparent from the underlying evidence base. Neither PG1 nor PG3 puts the capacity of any of these three sub-areas as high as 5,000: C2's is the closest at around 4,500, while A2's and B2's are both lower<sup>64</sup>. Moreover, the PG3 figures were based on a density of 40dph, which in the light of MM16 is likely to overstate potential capacities.

190. Areas A2, B2 and C2 cannot, therefore, be seen as reasonable alternative sites for a SUE of around 5,000 dwellings. But while their inclusion in the EXAM 154 assessment may have been superfluous, in my view it would be unreasonable to see it as invalidating the latter's findings on Areas A, B and C, which evidently do constitute reasonable alternatives. Nor would any practical purpose be served at this stage of the examination if I were to require EXAM 154 to be revised in order to delete the assessment of Areas A2, B2 and C2. On the contrary, it would create unhelpful delay.
191. Given that, on the available evidence, Area B2 could not accommodate around 5,000 dwellings, it seems highly unlikely that "Area B3", (a sub-area of B2 promoted by a representor) could do so. No firm evidence that it could was put to me. Area B3 must therefore also be excluded from consideration as a reasonable alternative SUE site. Nor was I made aware of any other sub-area, or specific combination of adjacent sub-areas, that is capable of providing around 5,000 dwellings.
192. To summarise, as was the case with the second stage assessment I do not agree with all the findings of EXAM 154 in its third-stage comparison of potential SUE sites. In particular, there is no sound basis, in my view, for awarding different scores to Areas A, B and C against the objectives of sustainable transport, air quality, sense of place and social and environmental responsibility. On the other hand, I consider that EXAM 154 is entirely justified in finding that Areas A and B perform significantly worse against natural landscape and biodiversity objectives than Area C.
193. Given that the effects of developing each of the three areas are judged to be equivalent in all other respects, these significant differences in landscape and biodiversity impacts provide a sound and rational basis for the Council's decision to allocate Area C (Langley) as a SUE for the development of 5,000 dwellings during the BDP period. From my own assessment of the evidence I agree that, of the reasonable alternatives, a SUE on Area C is most consistent with the objectives of sustainable development.

#### *Other points on SA of the SUE options*

194. It was the first stage of SA that provided the justification for the selection of Option 3 – strategic release of Green Belt land. I see no reason to revisit that assessment now that the objectively-assessed level of housing need has been determined to be 89,000 dwellings. As I have made clear earlier, when the first stage of SA took place, housing need in Birmingham up to 2031 was projected to be between 75,000 and 95,000 dwellings. The current figure of

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<sup>64</sup> PG3, Table 10.1



89,000 is well within that range. Appropriate account was taken of the benefits of additional housing delivery in the comparisons made during the later SA stages.

195. EXAM 154 was criticised by some representors on the grounds that no new evidence was prepared to support its assessments, particularly in respect of the second-stage assessments of the new 500- to 3,000- and 7,500-dwelling options. It will be evident from the discussion above that I disagree with some of the individual findings in the document. But overall I consider that its evidence base is sufficient and that it provides adequate explanations for the Council's decisions to reject the reasonable alternatives in favour of their preferred option, at each stage of analysis.

*Comparison of potential strategic employment sites*

196. As noted above, the Peddimore strategic site (Area D) was rejected as a potential SUE allocation as a result of SA. Together with part of the Langley SUE site (Area C), it was also shortlisted by PG1 as a potential large-scale employment allocation. A full appraisal of the comparative sustainability effects of employment development on Areas C and D was made in EXAM 154. The appraisal favours Area D principally because it has fewer neighbouring residential areas than Area C, from which it is separated by the dual-carriageway A38. Thus large-scale employment development here would have less harmful impacts on living conditions, due to noise and effects on air quality, than employment development on Area C. These judgments, with which I concur, were not challenged by any substantial evidence.
197. The amount of land required for a strategic employment site at Area D would be significantly less than for a SUE. This would reduce its potential impact on archaeological deposits and enable development to be kept away from impinging on the setting of the listed Peddimore Hall. However, as submitted, policy GA6 envisaged 80ha of developable land at Peddimore. In order to provide that developable area, buildings could not be confined to the lower-lying part of the site, where their visual impact would be largely contained in a shallow bowl of land, but would encroach onto the more visually prominent upper slopes surrounding it.
198. **MM18** therefore modifies the policy to reduce the developable area to 71ha and to control building heights at the edges of that area, in order to overcome the landscape impacts. The allocation also includes land to provide landscape buffers between the developed area and the surrounding open countryside. Notwithstanding the reduction in the developable area, it is logical to keep Wiggins Hill Road as the eastern boundary of the allocation in order to provide a clear, defensible Green Belt boundary. However, for the avoidance of doubt the developable area should be clearly indicated on the Policies Map<sup>65</sup>.
199. PG2, Figure 2 shows that a very large proportion of the developable land at Peddimore falls into the Grade 2 or Grade 3a agricultural classifications. This factor is not specifically considered by EXAM 154. NPPF paragraph 112 advises that, where significant development of agricultural land is

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<sup>65</sup> The proposed modification to the Policies Map [EXAM 156, PMM85F], as published for consultation alongside the MMs, shows the 71ha modified developable area correctly.

demonstrated to be necessary, preference should be given to areas of lower-quality land. However, no other alternative large-scale employment sites of comparable quality to Peddimore have been shown to be available, either on agricultural land or elsewhere. In view of the pressing need for additional Best Urban land to meet Birmingham's employment development needs<sup>66</sup>, I consider that the loss of this BMV land at Peddimore is justified.

#### *Deliverability of the strategic sites*

200. Policy GA5 sets out the specific requirements for the Langley SUE development. There is a strong emphasis on design quality, informed by the local topography, landscape and heritage assets. Substantial areas of publicly-accessible green space are required, including a green corridor linking the development to the New Hall Valley country park to the west and the countryside to the east. Existing wildlife habitats, such as woodlands and streams, and heritage assets will be protected, and new habitats will be created. These measures will go a long way towards offsetting the negative environmental effects identified in the SA.
201. The combined traffic effects of a SUE on Area C and a strategic employment site at Peddimore have been the subject of detailed modelling by the Council's agents, in consultation with Highways England and neighbouring county councils. A series of informed criticisms of that modelling work were made before, during and after the hearing sessions, but each was convincingly rebutted<sup>67</sup>. In particular, I find no reason to consider that the methodology failed to meet national standards, or that it misrepresented the level of traffic generation. Highways England have confirmed that they are satisfied with the outcomes of the modelling and the proposed mitigation measures to the strategic road network<sup>68</sup>.
202. It would be unrealistic to suppose that development in this scale would have no external traffic impacts. But I am satisfied that the modelling work so far undertaken has identified the highway improvements, particularly at junctions, and the traffic management strategies that are necessary to accommodate the additional traffic on both main and local roads. It has shown that, with those measures in place, the likely effects of the proposed developments on the road network are acceptable.
203. The model included a series of bus service improvements, with two new routes linking Langley and Peddimore to Sutton Coldfield and the city centre, and alterations to two other routes to provide enhanced connections, including to destinations beyond Birmingham. Necessary measures to assist pedestrian and cycle movements and link the development to the surrounding area have also been set out. All the transport schemes, which are referenced in policy GA5, have been costed and likely funding sources have been identified<sup>69</sup>. As is usual for large-scale developments, schemes will be worked up in more detail and implemented as the development comes forward.

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<sup>66</sup> See Issue C above.

<sup>67</sup> See EXAM 66, 111 & 130.

<sup>68</sup> See their Matter E hearing statement.

<sup>69</sup> See TA8, sections 4 & 9 and Annex E.

204. Consultation revealed some scepticism among local residents about how effective the new bus routes will be, and about the potential effects of bus lanes, in particular, on other traffic movements. This scepticism focussed especially on the proposed "Sprint" rapid transit route between Sutton Coldfield and Birmingham city centre. However, bus lanes are only one of a number of potential bus priority measures under consideration. Centro<sup>70</sup> are currently developing a pilot Sprint service in partnership with the local bus operator. Public transport improvements are an essential part of the Plan's overall transport strategy, and it is difficult to see how traffic growth, whether at Langley and Peddimore or elsewhere in the city, would otherwise be kept within manageable limits.
205. Policy GA5 requires the provision within the development of new primary schools, a secondary school, early years' and health care facilities, and local shops and services. Subject to a specific requirement for flood risk modelling of Langley Brook, there are no substantial flood risk issues that would compromise the proposed development. Site drainage will be dealt with in accordance with the comprehensive provisions of policy TP6.
206. Developer contributions to infrastructure provision at Langley are to be made through planning obligations rather than CIL. This approach was endorsed by the inspector who carried out the Birmingham CIL examination<sup>71</sup>.
207. A number of modifications to policy GA5 and its reasoned justification (**MM16 & MM17**) are needed to ensure effectiveness and consistency with relevant evidence and national policy. In particular, changes are necessary to clarify density guidelines (reflecting the site's landscape character and environmental qualities and the primary focus on providing family housing), and to emphasise the design role of the proposed masterplan and Supplementary Planning Document [SPD]; specific references to early years' provision, rapid transit bus services and pre-development minerals investigation and extraction need to be added; and amendments are needed to facilitate the effective provision of green space in line with other BDP policies, and to require appropriate soil protection measures.
208. However, I consider that no change is needed to the policy requirement for the development to *achieve the highest standards of sustainability and design*. That is an appropriate aspiration for a development of this scale, and unlike the original wording of policy PG3, the reference to "standards" is not open-ended. On the contrary, policy GA5 contains a specific section spelling out what is required in respect of sustainability and design. There is no implication that the policy imposes requirements that are inconsistent with modified policies TP3 and TP4, or with national policy.
209. The policy states that the development will provide approximately 6,000 new homes<sup>72</sup>. The Council's view, based on document PG3, is that about 5,000 of those dwellings would be delivered during the BDP period, provided there is a reasonably strong recovery in the housing market. The promoters of the site

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<sup>70</sup> Centro is the body responsible for delivery of public transport in the West Midlands.

<sup>71</sup> See EXAM 153, paras 60-61.

<sup>72</sup> As published for consultation, MM16 proposed deleting the word "approximately", but it is appropriate to retain it, as it is unlikely that exactly 6,000 dwellings will be built.

consider that higher delivery rates are feasible, possibly enabling about 6,000 dwellings to be built by 2031. While that would undoubtedly be welcome – and would not be discouraged by the BDP's policies – in my view it is appropriate to base the Plan's requirements on the Council's more cautious view.

210. Policy GA6, which will govern the strategic employment development at Peddimore, contains equivalent requirements to GA5 in respect of design, green space provision, the protection and enhancement of biodiversity and heritage assets (including archaeological deposits), and transport improvements. Alongside the changes outlined above, **MM18** clarifies the transport measures that are required, and inserts references to soil protection and pre-development minerals investigation and extraction. These amendments are needed to ensure that the policy is justified and effective.
211. As at Langley, no CIL will be levied on the Peddimore development. In view of the evidence of demand for high-quality employment land, there is a good prospect that the site will be built out over the BDP period. There is no substantial evidence before me to the contrary.

#### The Yardley residential allocation

212. The former sewage works at Yardley ceased operation in the 1970s. Investigation of ground conditions and contamination risks has shown that it is feasible to build about 350 dwellings on part of the site. The development would also facilitate improved access to, and enhancement of, the River Cole valley, which is an important green area in this intensively built-up part of Birmingham.
213. PG1 demonstrates that, unlike the rest of the Cole valley, the previously-developed former sewage works do not fulfil any of the Green Belt purposes defined in NPPF paragraph 80, and have no significant ecological value. SA found no negative impacts from the development of 350 dwellings there. Accordingly, I consider that the allocation of the Yardley site for housing accords with the objective of promoting sustainable development.

#### Exceptional circumstances

214. Assessments of the contribution that the Langley and Peddimore sites make to the purposes of the Green Belt, as defined in NPPF paragraph 80, are made in PG1. Given their location, neither plays any significant role in preventing the merger of neighbouring towns or in preserving the setting and character of historic towns. In my view, preserving their Green Belt status is not essential in order to encourage the recycling of derelict and other urban land, given the clear evidence of a shortage of land to meet Birmingham's overall development needs. The decision to release these two defined areas of land for development will not lead to "unrestricted sprawl", and both have defensible boundaries formed by main roads and topographical features.
215. On the other hand, it is undeniable that the proposed developments at Langley and Peddimore will constitute encroachment into the countryside. The way that the effects of this have been considered through SA, and the mitigation measures that are proposed, have been set out above. Taking all this into

account, I consider that the encroachment that will result from these two strategic allocations is justified for the following reasons.

216. Birmingham is not the only local planning authority area that faces difficulties in providing sufficient housing land to meet the needs arising within its own boundaries. But the scale of potentially unmet need in the city is exceptional, and possibly unique. Without strategic Green Belt release, there are sites for around 46,000 new dwellings – only just over half the objectively-assessed need for 89,000. The release of Green Belt to provide an additional 5,000 dwellings at Langley over the Plan period, and a further 350 dwellings at Yardley, would make a very substantial contribution towards meeting the shortfall. For the reasons set out above, the evidence does not support any additional strategic residential allocations in the Green Belt.
217. Even with the release of the Langley and Yardley sites, the BDP will leave a shortfall of around 38,000 dwellings that will need to be met elsewhere in the Greater Birmingham HMA. The duty to co-operate requires good faith on the part of other authorities in the HMA in helping to meet the shortfall. Equally, though, it requires that BCC should maximise the provision of housing land within the city boundary to meet the assessed needs, to the extent that this is compatible with the objectives of sustainable development. The release of the Langley and Yardley sites is necessary to achieve this.
218. The evidence to support the need for the Peddimore strategic employment allocation is set out under Issue D. That evidence shows that Birmingham has substantial quantities of previously-developed employment land, but very few sites that are suitable for high-quality employment development. The safeguarding of the Washwood Heath site for the HS2 maintenance depot has effectively removed the largest of those potential sites from consideration. Thus the allocation of the Peddimore site is essential to meet the city's economic growth needs, which are important not just for its own prosperity but also for that of the wider region.
219. In my view, this combination of factors means that exceptional circumstances exist to justify alterations to the Green Belt boundary in order to allocate the SUE site at Langley (policy GA5), land for housing at the former Yardley sewage works (policy GA8) and the strategic employment site at Peddimore (policy GA6). In the case of Yardley, **MM22** is needed to set out this rationale, as it is currently absent from the reasoned justification to policy GA8.

#### *Timing of Green Belt release*

220. I have considered the suggestion that the Langley and Peddimore sites should be held in reserve until later in the BDP period, and only released if sufficient development does not come forward on other sites in Birmingham, the vast majority of which are brownfield land. But notwithstanding the encouragement given in the NPPF to the reuse of previously-developed land, such an approach would run contrary to the overwhelming evidence of shortage of other land in the city to provide for the levels of housing and employment development that are necessary. Given the significant lead-time required for building on these strategic sites, it would also jeopardise the

contribution they are required to make towards meeting needs during the Plan period. For those reasons, it would not be a sound approach.

*Should other Green Belt or greenfield allocations be made?*

221. The evidence that demonstrates the soundness of the allocations at Langley, Yardley and Peddimore also adequately supports the Council's decision not to allocate other Green Belt sites for development in the BDP. There is no substantial evidence before me of development needs beyond the BDP period that would justify allocating Area A and/or B for development after 2031.
222. North Worcestershire Golf Club [NWGC] is in financial difficulties and is shortly to close. Its course, which could potentially accommodate around 800 new dwellings, is in a sustainable location outside the Green Belt in the southern suburbs of the city. At present there is no public access to the course, and it is likely that provision of open space as part of any development could compensate for the loss of public views from the site perimeter.
223. However, the course is surrounded by residential streets and lies some distance from the nearest main roads. While I was shown details of proposed access points to the site, there has been no detailed analysis of the impact of traffic from an 800-house development on the local road network or on local residents' amenity. In the absence of such analysis, the allocation of NWGC for development would not be justified. No other substantial areas of greenfield land in Birmingham were shown to be available for development.

*Conclusion on Issue E*

224. Subject to the MMs that are necessary for soundness, for the above reasons I conclude that the BDP complies with national policy in its approach to the Green Belt; that the allocations of Green Belt land for a SUE at Langley, employment development at Peddimore, and residential development at Yardley are justified and deliverable; and that no other Green Belt or greenfield allocations should be made.

***Issue F – Are the BDP's policies and proposals for the other identified Growth Areas justified and deliverable?***

225. As well as the new Green Belt development areas at Langley and Peddimore, the BDP identifies eight other areas of the city which will make a substantial contribution to the development growth sought by policy PG1. These other Growth Areas are already largely built-up, and so growth and regeneration within them will be mainly achieved through the reuse of previously-developed urban land<sup>73</sup>. The BDP's proposals for each area are helpfully illustrated by a series of plans that have been updated to reflect current circumstances and to show extra detail of the areas and their environmental features. However, **MM5** is required to make it clear that these illustrative plans do not form part of the policies themselves or of the Policies Map.

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<sup>73</sup> EXAM 21 sets out the evidence base for the amount of development expected in each Growth Area.

### *The City Centre (GA1)*

226. The largest of the Growth Areas is the City Centre, which has already experienced considerable growth and transformation in recent years. The Council's aspiration is to expand city centre development and activity beyond the inner ring road into the surrounding neighbourhoods, in similar fashion to the changes that have already occurred along Broad Street and at Brindleyplace. Much of BDP policy GA1 – including improvements to accessibility, and the identification of seven City Centre Quarters whose distinct characters are to be supported and strengthened – reflects the approach already established through the Council's non-statutory Big City Plan of 2010.
227. The overall goal of strengthening the social and economic vitality of the city centre clearly reflects national policy, and the measures set out in policy GA1 build on existing good practice. To ensure that the policy is fully effective, **MM6 to MM10** (inclusive) are needed to reflect the importance of the canal network and the proposed new HS2 station in supporting city-centre vitality, to ensure that policy GA1 is consistent with other BDP policies, and to clarify its relationship to other policy and strategy documents.

### *Longbridge (GA10)*

228. The extensive sites on the southern edge of Birmingham, formerly occupied by the MG Rover car plant, are the subject of an AAP that was adopted in 2009<sup>74</sup>. The AAP contains a series of site-specific and other proposals, many of which embody detailed policy requirements, including a Longbridge Infrastructure Tariff [LIT] to be levied on new developments.
229. The AAP was examined and adopted before the publication of the NPPF and it may be that some of its proposals, to a greater or lesser extent, no longer reflect government policy. But the AAP itself is not before me for examination and so it would not be appropriate for me to reach any conclusions on its soundness. It is for the Council to bring forward a review of the AAP in order to take into account changes in national policy and other relevant circumstances. In the meantime the weight to be given to it in planning decisions will be determined in accordance with NPPF paragraph 215.
230. Equally, however, it is inappropriate for policy GA10 to state that *Future growth and development in Longbridge will be brought forward in line with the policies set out in the AAP*. That would incorrectly imply that the soundness of the AAP had been tested and endorsed through this examination. **MM24** therefore deletes those words. Together with **MM25**, it also makes amendments to take account of a recent planning permission for major retail development, to clarify the significance of the reference in the reasoned justification to an ITEC park, and to acknowledge the Council's intention to discontinue the LIT when their CIL is introduced.
231. These modifications are sufficient to make policy GA10, in its own terms, effective and compliant with national policy. There are inconsistencies between some of its requirements and those of the AAP, but NPPF paragraph

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<sup>74</sup> By Birmingham City Council and Bromsgrove District Council

215 provides the means for resolving these in development management decisions. Nonetheless, it would be desirable for a review of the AAP to take place in the near future, in order to provide a more focussed, thorough and up-to-date planning framework for the regeneration of these important sites.

*Other Growth Areas (GA2-GA4, GA7-GA9)*

232. **MM11 & MM12** are needed to ensure that policy GA2 accurately reflects the categories of development envisaged on the former City Hospital site, and the importance of the canals to the regeneration of the Greater Icknield area.

**MM13** deletes reference to the Aston, Newtown and Lozells AAP from policy GA3: it is required for the same reason as the corresponding deletion from policy GA10<sup>75</sup>. It also clarifies the proposals for the former City University teaching campus. Contrary to concerns expressed at the hearing, the policy does not envisage the redevelopment of the Perry Barr stadium, but only highlights its potential for enhancement: the Council will alter paragraph 5.47 of the reasoned justification to make this clear.

233. **MM15** corrects a policy cross-referencing error in policy GA4, which otherwise sets out a sound framework for development in and improvements to Sutton Coldfield town centre. **MM19 & MM20** ensure that policy GA7 gives adequate recognition to existing sports facilities in the Bordesley Park area, including Birmingham City FC and the Birmingham Wheels Park. In particular, they require appropriate replacement premises to be found for the Wheels Park (or appropriate consolidation on site), before its existing site is redeveloped for employment use. This is necessary to achieve a proper balance between social and economic objectives for future development in the area, given the value of some of the facilities at the Wheels Park to local schools and community groups.

234. **MM21** and **MM23** are required to give the necessary precision to the requirements for environmental enhancement and transport improvements in the Eastern Triangle (GA8) and Selly Oak and South Edgbaston (GA9) areas. There is no substantial evidence that inclusion of the former Smith and Nephew site on Alum Rock Road within the Bordesley Park AAP area is necessary to achieve its successful redevelopment.

235. On a larger scale, there is similarly no need to extend the Selly Oak and South Edgbaston Growth Area in order to promote growth in other parts of Edgbaston and Harborne. Indeed, to do so would risk undermining the focussed initiatives within the Growth Area itself that are being promoted through a recently-adopted SPD<sup>76</sup>. The existing combination of positive development management and informal strategies are sufficient to achieve the BDP's development objectives in other locations such as Hagley Road, Edgbaston Village and District Centre, and the Botanical Gardens and their surroundings.

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<sup>75</sup> See the last-but-one paragraph.

<sup>76</sup> See EXAM 163: *Wider Selly Oak Supplementary Planning Document*, June 2015.



### *Conclusion on Issue F*

236. Subject to the MMs identified as necessary for soundness, the BDP's policies and proposals for the identified Growth Areas are justified and deliverable.

### **Issue G – Are the BDP's policies towards town, district and local centres positively-prepared, justified and effective? Does the Plan make appropriate provision for retail, leisure, tourism and related uses?**

#### *Overall policy approach*

237. NPPF paragraph 23 advises that *local planning authorities should define a network and hierarchy of centres that is resilient to anticipated future economic changes*. BDP policy TP20 defines a realistic, five-tier centre hierarchy with the highest levels of retail and office growth allocated to the City Centre, followed by Sutton Coldfield Sub-Regional Centre and three District Growth Points.
238. The overall amount of retail growth planned for is consistent with the city-wide total set out in policy PG1 (as amended by **MM2**) which in turn reflects the findings of the *Birmingham Retail Needs Assessment Update*, February 2013 [EMP6]. **MM2** is needed to correct a drafting error in the policy as submitted, to ensure that the comparison retail floorspace requirement is correctly given as 350,000sqm. This figure reflects growth to 2026 only, in view of the considerable uncertainty surrounding longer-term forecasting. Growth beyond 2026 will need to be taken into account in a Plan review. While there are no specific allocation figures for District and Local Centres, evidence on existing commitments<sup>77</sup> indicates that the retail provision total will easily be met.
239. In the light of the NPPF advice I consider that the general limits which policy TP20 imposes on the scale of retail and office growth in the fourth and fifth tiers (District and Local Centres)<sup>78</sup> are justified. They will ensure that appropriate account is taken of the centre hierarchy in the development management process. Nonetheless, the policy also allows for flexibility in decision-making to take account of individual circumstances and future changes. Thus I find no substantial evidence to support the view that the limits will lead to inappropriate out-of-centre development.
240. Policy TP20 does not make it adequately clear that, where it refers to the need for proposals outside defined centres to meet national policy requirements (including the sequential test), this applies to all main town centre uses as defined in the NPPF. **MM55 & MM56** make the necessary corrections. However, the policy's encouragement for locating community facilities in centres does not imply that the sequential test applies to all community uses: there is no conflict with national policy in this respect. In order to ensure TP20's effectiveness, the modifications also clarify its retail floorspace requirements and its relationship with other BDP policies, give appropriate

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<sup>77</sup> See EMP6, Spreadsheet 5.

<sup>78</sup> These are also reflected in the provisions of policy TP21.

recognition to the role of the leisure and evening economy in centres, and specify where the boundaries of the centres are defined.

241. Submitted policy TP23 does not make clear which uses will be permitted in town centre frontages, as is also required by NPPF paragraph 23: instead it inappropriately seeks to devolve this aspect of policy to a SPD<sup>79</sup>. This shortcoming is rectified by **MM57 & MM58**, which also correct the omission of pubs and bars from the list of uses that will be encouraged in centres. Policy TP24, as submitted, gives appropriate recognition to the importance of tourism facilities to the city and its economy, but **MM59** is needed to ensure that similar support is given to Birmingham's cultural facilities, including those for spectator sports<sup>80</sup>.

#### *Local considerations*

242. The recent planning permission for major retail development at Longbridge means that it would be unrealistic to continue to regard it as a Local Centre. **MM55** therefore promotes it to the District Centre tier of the hierarchy and makes the necessary cross-references to policy GA10, where an updated retail floorspace figure for the centre is set out. That updated figure, all of which is already built out or committed, is double the amount of floorspace envisaged in the 2009 Longbridge AAP, and is comparable with the scale of retail floorspace in other District Centres.
243. There is no substantial evidence to show that the rest of the development proposed at Longbridge requires more retail provision than this to meet its needs, and I share the Council's concern that increasing the retail provision figure further could pose a threat to the vitality and viability of other centres nearby. **MM24** therefore amends policy GA10 to make it clear that any additional retail provision at Longbridge will be subject to a retail impact assessment, thereby providing the necessary protection for other centres while maintaining necessary flexibility in future decision-making.
244. I find no justification for adding more centres in the hierarchy: in particular, Edgbaston Mill and other shopping parades in the Edgbaston area do not meet the criteria for designation in BDP paragraph 7.22. While Stechford lacks the scale and concentration of retail provision necessary to make it a District Centre, its Local Centre status will not impede the growth and development envisaged by policy GA8. No other centres in Birmingham play the same widely-recognised niche roles as those already singled out for mention in policies TP22 and TP23.

#### *Conclusion on Issue G*

245. Subject to the MMs necessary for soundness, the BDP's policies towards town, district and local centres are positively-prepared, justified and effective. The Plan makes appropriate provision for retail, leisure, tourism and related uses.

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<sup>79</sup> The *Shopping and Local Centres SPD*, adopted in 2012

<sup>80</sup> See Issue K.

**Issue H – *Is the BDP's approach to minerals and waste planning justified, effective and consistent with national policy?***

*Minerals*

246. The NPPF requires Minerals Planning Authorities [MPAs], of which the City Council is one, to prepare an individual or joint Local Aggregate Assessment [LAA], the primary purpose of which is to assess requirements for and supply of minerals in the LAA area. Local Plans should define Minerals Safeguarding Areas [MSAs] so that specific minerals resources of local or national importance are not sterilised by other development, and include policies for the extraction of those resources. The NPPF also places emphasis on the use of secondary or recycled minerals in preference to primary extraction.
247. Although the West Midlands local authorities are preparing a joint LAA, no draft had been published by the time of the examination hearings. No minerals extraction has taken place in Birmingham for over 30 years and there are no current proposals for extraction. The British Geological Survey mineral resources map of Warwickshire and the West Midlands<sup>81</sup> shows pebble-bearing bedrock and deposits of sand and gravel lying across much of the city. However, the majority of these lie underneath established urban development, the chief exceptions being in the areas of Green Belt in the northern part of the City Council area.
248. There is a significant gap in the BDP's coverage in respect of minerals planning. In my view, however, designating a MSA across all or large parts of the city would be something of an artificial exercise, given the limited opportunities that, on past evidence, are likely to arise for exploitation of sand and gravel resources. The aims of national policy should instead be met by focussing on realistic opportunities for extraction, which are only likely to arise in connection with relatively large-scale development.
249. **MM48** therefore introduces a new Plan policy (TP15A) requiring development on all sites over 5ha to be preceded by an investigation of mineral deposits on the site, and the extraction of any that are found to be viably workable. The word "viably" has been inserted following consultation, as it would clearly be unreasonable to require prior extraction if it is not commercially viable<sup>82</sup>. Setting a 5ha threshold strikes an appropriate balance between promoting the extraction of workable minerals and avoiding the unnecessary screening of applications where extraction is unlikely to be viable.
250. New policy TP15A also safeguards infrastructure for processing substitute, secondary and recycled aggregates and for producing concrete building materials, together with any associated bulk transport facilities, as advised by the NPPF. This is especially important in a dense urban area like Birmingham, where secondary and recycled aggregates can account for an important share of the supply of building materials. There is scope for providing new minerals processing and transport infrastructure in the Core Employment Areas.

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<sup>81</sup> EXAM15B

<sup>82</sup> Similar changes have been made to MM16 & MM18, for the same reason.

251. From the consultation responses it is clear that there is some concern among neighbouring MPAs over the likely demand for aggregates from future development in Birmingham. Demand over the Plan period is put at a minimum of 40 million tonnes by the Council<sup>83</sup>. In the light of this it is vital that work on the joint LAA is completed soon, in order to provide more certainty over the scale of future demand, and to set a robust framework for meeting it in as sustainable a manner as possible.

#### *Waste*

252. The BDP's waste policies are underpinned by a comprehensive Waste Capacity Study, updated in 2014 [ES5 & ES6], and the *Birmingham Total Waste Strategy* [ES7]. Both documents recognise the importance of reducing dependence on landfill sites outside the City Council area, even if the original objective of eliminating use of landfill altogether by 2026 may be unachievable<sup>84</sup>. In the context of the substantial projected increase in waste arisings over the Plan period, this will require significant expansion of waste management facilities, whether or not Birmingham currently achieves equivalent self-sufficiency.

253. Policy TP13 reflects guidance in the *National Planning Policy for Waste* as well as the *Birmingham Total Waste Strategy* in seeking to drive waste management up the waste hierarchy and to reduce the proportion of waste sent to landfill. To ensure the policy's effectiveness, **MM45** requires the preparation of a waste minimisation and management strategy for all developments on sites of more than 5ha.

254. In accordance with the proximity principle, policy TP14 encourages the development of materials recycling facilities, food waste management and expanded facilities for commercial waste, incorporating emerging technologies where appropriate. **MM46** is necessary to clarify its provisions for safeguarding existing waste management facilities and capacity. Policy TP15, as clarified by **MM47**, identifies the Tyseley Environment Enterprise Area and other industrial areas as suitable for waste management development, and sets out criteria for assessing development proposals.

255. As modified, these policies provide an adequate planning framework for the development of the additional waste management facilities that will be required over the Plan period.

#### *Conclusion on Issue H*

256. Subject to the MMs that have been identified, the BDP's approach to minerals and waste planning is justified, effective and consistent with national policy.

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<sup>83</sup> BCC's Matter C hearing statement, para 2.3

<sup>84</sup> ES7, para 6.3.1.3

**Issue I – Are the BDP's policies to mitigate and adapt to climate change and reduce flood risk justified and effective?**

257. **MM26 to MM28** (inclusive) are necessary to ensure that policies TP1 and TP2 set out the Plan's overall approach to reducing carbon emissions and adapting to climate change accurately and comprehensively. Submitted policy TP3 requires amendment for consistency with national policy, in the light of the Written Ministerial Statement *Planning Update* of 25 March 2015. While the policy continues to encourage good sustainable construction practice, **MM29 & MM30** are needed to ensure that it does not set any specific standards for residential development, beyond those embedded in the Building Regulations.
258. Policy TP4 requires all new developments to incorporate low- or zero-carbon energy generation, or to connect to such generation networks where they exist. Such a requirement is permitted by s1 of the *Planning and Energy Act 2008*, but in order to make the policy compliant with NPPF paragraph 96, **MM31** qualifies it by reference to a viability test.
259. The viability test also applies to larger developments<sup>85</sup>, for which the policy requires first consideration to be given to a Combined Heat and Power [CHP] system. According to evidence prepared for the Council [EXAM 148], those parts of the city with the strongest viability are also the areas with the greatest potential for developments of this size to come forward. **MM32** is needed to make it clear that a proposed SPD will provide more detail on the implementation of TP4, without inappropriately adding to its requirements.
260. **MM33 & MM34** make substantial amendments to policy TP6 in the light of advice from the Environment Agency. The changes, which take appropriate account of viability considerations, are necessary to ensure that the policy is effective in managing flood risk and protecting and enhancing water resources, in a manner consistent with national policy. The qualification that an easement will be provided between development and watercourses "where appropriate and feasible" is justified, having regard to the densely built-up character of much of Birmingham.
261. Subject to the MMs that are necessary for soundness, the BDP's policies to mitigate and adapt to climate change and reduce flood risk are justified and effective.

**Issue J – Are the BDP's policies towards transport and digital communications justified and effective?**

262. Policy TP37 sets out the BDP's overall strategy for transport: **MM73** is needed to ensure that the list of potential measures it sets out is comprehensive. The reasoned justification explains the context in which they will be applied. As arrangements already exist for consulting the police on transport schemes, there is no need for this to be made a development policy requirement.

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<sup>85</sup> Residential developments over 200 units and non-residential development over 1,000sqm

**MM74** is necessary to make policy TP39 fully effective in its requirements for development-related measures to encourage cycling.

263. Policy TP40, which covers public transport, requires a number of amendments to ensure that it fully reflects infrastructure and service improvements that have a reasonable prospect of coming forward in the lifetime of the Plan. These include extensions to the Midland Metro, construction of rail chords at Camp Hill and new stations on the Camp Hill and Sutton Park lines, and bus-based rapid transit services to many parts of the city. All these schemes are in progress or are under active consideration by Centro and Network Rail.
264. On the other hand, the reference in the submitted policy to a new station at Soho Road is not justified, as it is clear from the representations that there is no current prospect of this station being provided in the Plan period, and the area is already served by the Midland Metro. Similarly, however desirable it might be for additional heavy rail stations to be provided in the city centre, and for a combined station to be provided for the new HS2 terminus and existing mainline routes, it seems from the evidence that such schemes are very unlikely to come forward, at least by 2031.
265. A further amendment to Policy TP40 is required to make it clear that land subject to the *HS2 Phase One Safeguarding Directions* will be protected in line with the statutory requirements<sup>86</sup>. All the necessary changes to the policy and its reasoned justification form **MM75 & MM76**.
266. **MM77 & MM78** amend policy TP41 to ensure its effectiveness in making provision for freight transport, and in controlling its environmental effects, while **MM79 & MM80** remove erroneous references to the "Smart Route" approach from policy TP43. The Highway Improvement Lines protected by the latter policy all apply to schemes that have already secured funding or for which funding bids will soon be made. As modified, the policy sets out a comprehensive approach to traffic and congestion management in support of new development. **MM81 & MM82** are necessary to ensure the effectiveness of policy TP44's accessibility requirements for major developments.
267. Subject to the MMs identified as necessary for soundness, the BDP's policies towards transport and digital communications are justified and effective.

***Issue K – Does the BDP contain sound policies to protect and manage the natural and historic environment, open space, and sports and recreational facilities?***

268. Policies TP7 and TP8 together provide an appropriate framework for promoting biodiversity and geodiversity, subject to **MM35 to MM39** (inclusive) which make clear where the green infrastructure network and designated nature conservation sites in Birmingham are located, clarify what would constitute unacceptable harm to the network, and bring the criteria for assessing proposed developments on designated sites into line with national policy. Specific protection for ancient woodland is provided by policy TP7. The Council

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<sup>86</sup> See EXAM 45.

will ensure that the Policies Map shows all categories of green infrastructure accurately.

269. While the Kiely Brothers site at Somery Road is currently used for storing building materials, its location close to the Weoley Castle Scheduled Monument, and on the line of the Castle Walkway and former Lapal Canal, makes it an important potential link in the green infrastructure network. In addition there are significant flood risk issues that would need to be overcome in order for it to be developed for an alternative use. For these reasons there is no compelling case for removing the site from the network.
270. **MM40 & MM42** are necessary to give greater precision to TP9's and TP11's requirements for the protection and provision of open space, playing fields, allotments and participation sports facilities, while **MM43** makes it clear that spectator sports facilities are covered by policy TP24 rather than TP11<sup>87</sup>. **MM44** is required to align the approach of policy TP12 to the historic environment with national policy.
271. Subject to these necessary modifications to ensure their effectiveness, the BDP contains sound policies to protect and manage the natural and historic environment, open space, and sports and recreational facilities.

***Issue L – Are the BDP's policies towards education and health justified and effective?***

272. Subject to the necessary clarification and consistency with other BDP policies provided by **MM71 & MM72**, policies TP35 and TP36 set out justified and effective arrangements for promoting education and health in Birmingham through the development management process.

***Issue M – Has the implementation of the BDP been shown to be economically viable? Does the BDP set out effective arrangements for implementing and monitoring the achievement of its policies and proposals?***

273. Up-to-date viability evidence relevant to the BDP is set out in the Council's *CIL Economic Viability Assessment* [IMP4] and *CIL Revised Viability Assessment* [EXAM 27], supplemented by EXAM 148 and EXAM 160. In preceding sections of this report, I have given detailed consideration to the effects on viability of the Plan's requirements in the key areas of affordable housing and low- or zero-carbon energy generation<sup>88</sup>. The Plan allows flexibility in these and its other policy requirements so that appropriate account can be taken of viability considerations. Accordingly, I am satisfied that the cumulative impact of the BDP's policy requirements, together with those of other applicable standards and policies, will not put its implementation at serious risk over the course of

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<sup>87</sup> See Issue G.

<sup>88</sup> See Issues B & I.

the Plan period. A similar conclusion was reached by the examiner in respect of the Council's proposed CIL charging schedule<sup>89</sup>.

274. Section 10 of the Plan gives a detailed account of the means by which it is to be implemented, recognising that a wide range of agencies and partners will be involved and that the private sector will play a key role. It emphasises the role of the Council's Infrastructure Delivery Plan [IMP1] and Site Delivery Plan [IMP2] in identifying the infrastructure necessary to support the BDP's development proposals. It refers to local, national and international sources of investment and grant funding for infrastructure and development, and acknowledges the importance of co-ordinating the City Council's efforts with those of other West Midlands local authorities and LEPS.
275. Taken as a whole, this is a positive and realistic assessment of what is required to secure the implementation of the Plan. In view of the importance it places on infrastructure provision and partnership working, there is no need for every category of infrastructure or potential partner agency to be mentioned specifically. Section 10 also sets out the means by which contributions will be sought, in accordance with statutory provisions, towards infrastructure and mitigation measures directly associated with and made necessary by development. In order for these to be effective, they need to be expressed as a policy: this is achieved by **MM83**.
276. Section 11 of the Plan contains a series of indicators against which implementation of its policies and proposals will be measured. **MM84** amends a number of these and adds others so as to ensure that coverage is comprehensive and properly targetted. In particular, these additions include monitoring indicators for delivery of the Plan's key growth targets for housing, offices, employment land and retail. As I found to be necessary when considering Matter B, **MM84** includes monitoring indicators to cover the housing growth outside the city that is required to meet the shortfall in Birmingham, and specifies the measures that will be taken, including early review of the Plan, if monitoring reveals that the necessary progress is not being made.
277. I conclude that implementation of the BDP has been shown to be economically viable and that, subject to the necessary modifications, it sets out effective arrangements for implementing and monitoring the achievement of its policies and proposals.

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<sup>89</sup> EXAM 153, para 71



## Assessment of Legal Compliance

278. My examination of the compliance of the Plan with the legal requirements is summarised in the table below. I conclude that the Plan meets them all.

LEGAL REQUIREMENTS	
Local Development Scheme [LDS]	The BDP has been prepared in accordance with the Council's LDS (April 2014).
Statement of Community Involvement [SCI] and relevant regulations	The SCI was adopted in April 2008. Consultation on the BDP and the MMs has complied with its requirements.
Sustainability Appraisal [SA]	SA has been carried out and is adequate.
Appropriate Assessment [AA]	The Habitats Regulations Assessment Screening Report (October 2013) concluded that the BDP is not likely to lead to adverse effects on any European sites alone or in combination with other plans, and that there is no requirement to prepare an AA.
National policy	The BDP complies with national policy except where indicated and modifications are recommended.
2004 Act (as amended) and 2012 Regulations	The BDP complies with the Act and the Regulations.

## Overall Conclusion and Recommendation

279. The BDP has a number of deficiencies in relation to soundness for the reasons set out above, which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the 2004 Act. Those deficiencies have been explored in the main issues set out above.

280. The Council have requested that I recommend main modifications to make the Plan sound and capable of adoption. I conclude that with the recommended main modifications set out in the Appendix to this report, the Birmingham Development Plan satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the National Planning Policy Framework.

***Roger Clews***

Inspector

*This report is accompanied by an Annex containing my Interim Findings and an Appendix containing the Main Modifications.*

# APPENDIX 8

# **North Warwickshire Local Plan**

## **Draft for Consultation**

**August 2016**

**Amended version of Draft Local Plan following LDF Sub-committee meeting on 3<sup>rd</sup>  
August 2016**

**North Warwickshire Local Plan  
Draft August 2016**

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**NOTE:**

Please note after each policy there are two boxes. The first box identifies which Strategic Objective or Objectives the policy is specially addressing. The second box cross-references the new policy to where it has come from:

<i>Document</i>	<i>Abbreviation</i>	<i>Policy Number / Reference (examples)</i>
Saved policy from the 2006 Local Plan	2006 LP	HSG1
adopted Core Strategy	CS	NW1
Draft Site Allocations Plan	SAP	SR1
Draft Development Management Plan	DM	10

Once this Plan has been adopted this second box will be deleted.

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**Schedule of Changes**

<b>Core Strategy Policy</b>	<b>Policy Title</b>	<b>Draft Local Plan 2016</b>	<b>Local Plan Policy Number</b>
<b>NW1</b>	Sustainable Development	Combined with NW12 and NW22	LP1
<b>NW2</b>	Settlement Hierarchy	Amended with new category of development area Categories 3A and 3B combined	LP2
<b>NW3</b>	Green Belt		LP3
<b>NW4</b>	Housing Development		Chapter 8
<b>NW5</b>	Split of Housing	Deleted – allocations made so no need for policy	-
<b>NW6</b>	Affordable	Taken out reference to 10 or less units	LP9
<b>NW7</b>	Gypsy & Travellers	Incorporated into amount of development new policy	LP10
<b>NW8</b>	Gypsy & Travellers Site	No change	Lp10
<b>NW9</b>	Employment		Lp11
<b>NW10</b>	Development Considerations	Changes following recommendations from Draft DM Plan consultation	LP31
<b>NW11</b>	Renewable Energy & Energy Efficiency		LP37
<b>NW12</b>	Quality of Development	Moved to follow Sustainable Development	LP1
<b>NW13</b>	Natural Environment		LP14
<b>NW14</b>	Historic Environment		LP15
<b>NW15</b>	Nature Conservation		LP16
<b>NW16</b>	Green Infrastructure		LP17
<b>NW17</b>	Economic Regeneration		Chapter 9. LP11
<b>NW18</b>	Atherstone		Chapter 11
<b>NW19</b>	Polesworth & Dordon	The Meaningful Gap paragraph is put into a stand along policy	LP5
<b>NW20</b>	Services & Facilities		Chapter 11
<b>NW21</b>	Transport	Expanded into a number of other policies	Chapter 12
<b>NW22</b>	Infrastructure	Combined with NW1	LP1

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	<b>DRAFT DEVELOPMENT MANAGEMENT POLICIES</b>	<b>How incorporated into new Local Plan</b>
<b>DM1</b>	Agricultural and Rural Enterprise Housing	LP2
<b>DM2</b>	Green Belt Considerations	LP3, LP4
<b>DM3</b>	Employment Sites	LP12
<b>DM4</b>	Existing Employment Land	LP11
<b>DM5</b>	Development Matters	LP20,LP31, LP35,LP36
<b>DM6</b>	Built Form	LP32, LP33
<b>DM7</b>	New Agricultural, Forestry and Equestrian Buildings	LP34
<b>DM8</b>	New Landscape Features	LP14
<b>DM9</b>	Landscaping Proposals	LP14
<b>DM10</b>	The Historic Environment	LP15
<b>DM11</b>	Rural Employment	LP13
<b>DM12</b>	The Meaningful Gap	LP5, LP21
<b>DM13</b>	Services and Facilities	LP22, LP23
<b>DM14</b>	Transport Considerations	LP25, LP26, LP27, LP28, LP29

## **Abbreviations**

<b>ATLAS</b>	Advisory Team for Large Applications
<b>CW HMA</b>	Coventry & Warwickshire Housing Market Area
<b>DCLG</b>	Department of Communities & Local Government
<b>GB &amp; BC HMA</b>	Greater Birmingham & Black Country Housing Market Area
<b>HCA</b>	Homes and Communities Agency (part of DCLG)
<b>OAN</b>	Objectively Assessed Need
<b>ONS</b>	Office of National Statistics
<b>RSS</b>	Regional Spatial Strategy
<b>SHLAA</b>	Strategic Housing Land Availability Assessment
<b>SHMA</b>	Strategic Housing Market Assessment
<b>TBC</b>	Tamworth Borough Council

## **Glossary**

A Glossary of Key Words is included in Appendix A



## **Chapter 1    Introduction**

- 1.1    Welcome to the new Local Plan for North Warwickshire.
- 1.2    The Local Plan takes forward the adopted Core Strategy with some changes and incorporates the site allocation and development management draft policies that have been out for consultation previously. Putting all the documents together in one place will make it easier to understand how development is managed and what policies should be taken in to consideration. There will also be Neighbourhood Plans which when approved will have policies that will impact on proposals. In addition from time to time the Borough Council may update parts of this plan rather than updating the entire document.

## **What is a Local Plan?**

- 1.3    A Local Plan contains planning policies to guide the development and use of land, which affect the nature of places and how they function at a strategic level as well as providing detailed policies for individual sites and applications. The Core Strategy was adopted in 2014 and sought quality sustainable development in the right place at the right time. It looked forward to 2029. This Local Plan looks forward to 2031 and continues the theme of sustainable development in the right place with the right infrastructure. The Local Plan also gives an indication of where and how development will take place beyond this time frame in order to ensure a continuous supply of land. It explains how much and what type of development there will be and where this will be located.
- 1.4    The policies within this Plan are interrelated and therefore the document should be read as a whole. It will replace the saved policies from the North Warwickshire Local Plan 2006 and the adopted Core Strategy. The National Planning Policy Framework (NPPF) sets the national context for this Plan. In addition the County Council prepares the Waste and Minerals Local Development Documents. The first of these documents sets out sites proposed for waste development whilst the second document will set out potential sites and areas of search for new mineral development. Together these plans make up the statutory planning framework for the Borough. All subsequent Local Plan documents as well as any Neighbourhood Plans or Neighbourhood Development Orders must be in conformity with the Development Plan and follow its approach. A number of Neighbourhood Plans are currently being prepared by Parish and Town Councils.
- 1.5    The Minerals Core Strategy will also define Mineral Safeguarding Areas (MSAs). North Warwickshire has a number of resources such as sand and gravel and coal. The North Warwickshire Coalfield covers a significant area of the Borough from Shuttington in the north-west to the boundary with Coventry to the south east. Some of the reserves identified within the coalfield are shallow and may be accessible by surface mining extraction methods. It will be necessary for non-mineral development proposed by this Local Plan to consider whether mineral resources should be extracted prior to development taking place in order to not needlessly sterilise mineral resources. The environmental and social impacts of such extractions will be important considerations. The Borough Council has concerns about the potential environmental, visual and amenity impacts of extractions. In particular before the Borough Council supports a scheme, it should be satisfied that the potential impact has been addressed and there are no viable, accessible reserves that may be sterilised or trigger the need to surface mine.

- 1.6 A Proposal Map Development Plan Document (known as the Proposals Map) sits alongside this Plan which will show the detailed geographical items. Supplementary Planning Documents (SPD) will be used, where necessary, to add more detail and give guidance on how the Council will implement specific policies.
- 1.7 The Local Plan has been shaped by consultation. Taking into account the consultations undertaken previously in relation to the Draft Site Allocations and Draft Development Management Plan as well as the Core Strategy this document shows the preferred option of allowing development of the appropriate size and scale in a variety of settlements, guided by the updated settlement hierarchy. The settlement hierarchy is based on an assessment of the services, facilities and sustainability of the various settlements within the Borough. This builds on work previously undertaken for the 2006 Local Plan and 2014 Core Strategy.

#### ***Duty to Co-operate***

- 1.8 The Localism Act 2011 introduced a requirement for the Borough Council to co-operate with other local authorities as well as organisations and agencies to ensure the effective discussion of issues of common concern to develop sound plans. This Duty is an on-going process and does not stop with the production of a plan. The Borough Council has a proven track record in cooperating with neighbouring authorities in strategic planning matters and has been working with neighbouring authorities to consider their future development needs and if they can accommodate them. The Borough Council has reached an agreement on the amount of development that can be accommodated and an amount that potentially could be delivered if the appropriate infrastructure can be delivered with local authorities from the Coventry & Warwickshire area as well as the Greater Birmingham & Black Country area (including Tamworth). It is considered there is sufficient information to progress this Plan taking into account these needs and providing for them where possible within this Plan. The Borough Council continues to commit to working collaboratively with neighbouring authorities to objectively establish the scale and distribution of any emerging housing and employment shortfalls. In the event that work identifies a change in provision is needed in the Borough of North Warwickshire an early review of this Plan will be brought forward to address this.

#### ***Sustainability Appraisal***

- 1.9 Sustainability Appraisals were prepared to accompany the Core Strategy as well as the Draft Site Allocations Plan and Draft Development Management Plan. A further Sustainability Appraisal to look at this comprehensive Plan has been undertaken to further assist with the progress of the Plan and where possible changes have been made to the Plan. However as development pressures increase it is important to recognise that not all development will be able to be accompanied with no adverse impacts so mitigation of those impacts will be very important considerations.

## **Chapter 2    Spatial Portrait**

- 2.1 The Spatial Portrait gives the story of the Borough and the issues that it faces. It includes not just the traditional aspects related to land-use planning but it also includes other information/issues that have an impact on how land is used, such as, health, skills and training. All of this information provides an image of the Borough which then feeds into the strategic policies.
- 2.2 North Warwickshire is a rural Borough with over 50 settlements as shown on Map 1, covering 110 square miles/28,526 ha/285 km<sup>2</sup>. The rural nature of the Borough is very important. This is created by the number of rivers – Blythe, Tame, Cole, Anker - Kingsbury Water Park and the canal system, as well as the number of other natural features and the predominantly mixed agricultural and woodland uses operating throughout the Borough. The Borough has an open rural character which is unique compared to many of the surrounding urban areas.
- 2.3 Settlements range in size from Atherstone, and Mancetter, with a population of 10,000 to small hamlets. Atherstone with Mancetter, Coleshill and Polesworth with Dordon are the three market towns and are important to the health of the surrounding rural economy as they provide many services and facilities to the outlying hinterland.
- 2.4 The Borough lies between Birmingham, Solihull, Tamworth, Coventry, Nuneaton and Hinckley, all of which are growing areas. Growth is expected to take place in the Borough in the plan period to assist with the need to provide housing for the Coventry & Warwickshire and the Greater Birmingham areas. In addition the Borough Council will continue its commitment to deliver 500 dwellings for Tamworth from the previous Core Strategy. There is an additional requirement in the Tamworth adopted Local Plan for a further 825 dwellings and 14 hectares of employment to be provided in North Warwickshire and Lichfield. The Borough therefore has pressure for growth from all around. This is not only in terms of land being sought in this Borough but in terms of the environmental implications of such growth. For example, traffic passing through the Borough especially along the A5.
- 2.5 The economy of the Borough, since the closure of the coal mines, has seen an increase in employment land, particularly logistics, but a decrease in manufacturing. Large brownfield sites, such as Hams Hall, Birch Coppice, and Kingsbury Link, have been used for development, mainly B8 (storage and distribution uses) the former two sites also benefit from intermodal rail freight interchanges. The Borough is the location for many national and international companies including Aldi, TNT, 3M, BMW, Sainsbury and Subaru. In 2012 it also became home to one of Ocado's national hubs.
- 2.6 There are a number of other older industrial estates in Atherstone, Mancetter, Arley and Coleshill that serve the local and sub-regional employment needs of the Borough comprising mostly of smaller companies. Over 90% of firms in the Borough employ 10 or less employees. Over 50% of workers commute into and out of the Borough. With companies locating in the Borough it is important for local people to have the necessary skills to take up the local job opportunities as well as having the skills to start up in business.
- 2.7 Major roads of national and regional significance pass through the Borough (M6, M6 Toll, A5, M42, and A446) and they form part of the Strategic Road Network. The A5 and A446 although part of this network, are not dual carriageway along their entire length and has speed limits as low as 40 mph in some parts. The Borough Council is

working with Warwickshire County Council, Leicestershire County Council, the Highways Agency from the East and West Midlands, as well as other local authorities along its route, to investigate the issues of growth and how improvements to the route can take place. A Strategy has been prepared for the A5 and the Borough Council will work with partners including the private sector to deal with issues along its route. The capacity of the A5 and A446 will be an on-going concern as major developments are taking place along its route mainly outside the Borough which may impact on how development takes place in the Borough. Such developments include the MIRA Technology Park and sustainable urban extensions in Hinckley & Bosworth and Birmingham; DIRFT in Daventry and Rugby; growth in Nuneaton & Bedworth; HS2 interchange station; UK Central; growth in Birmingham as well as growth in Tamworth, Lichfield and beyond.

- 2.8 Rail also plays an important role in the Borough with the Trent Valley line/ West Coast mainline and the Cross Country line. During 2008 a new station called Coleshill Parkway opened and services have been improved to Atherstone. There are two intermodal rail freight facilities at Hams Hall and Birch Coppice. The improvement of rails services and facilities will be a key issue if growth is going to be delivered.
- 2.9 In January 2012 the Secretary of State announced the route for the first phase of HS2 (High Speed Rail) between London and the West Midlands. This travels through the Borough northwards from the NEC along the Tame Valley up to Middleton and then on to Bassett's Pole. A route also comes out of and goes in to Birmingham to the south of Water Orton. The safeguarded route is shown on the Proposals Map. The next phase of the route to Leeds via the East Midlands and to Manchester was published in January 2013 but not yet safeguarded. The Leeds leg follows the route of the M42 from a junction near Lea Marston, past Polesworth and then heads towards Ashby. The full impact of the proposals will not be known for some time, but increased traffic, especially through the rural countryside close to the new railway station and monorail depot to the east of the M42 near to the NEC, is likely. Improved public transport connections will be extremely important to mitigate this impact as well as substantial landscaping and absorptive noise barriers along its route. Other mitigation measures, including community benefits will be needed and will be progressed through discussions with HS2 Ltd and the Department of Transport. There will be pressure for development expanding out of the new HS2 railway station at the NEC.
- 2.10 The Borough Council recognises that when HS2 takes place, it will impact on a number of properties. The Council will work with owners to mitigate the loss of properties wherever possible.
- 2.11 In addition to the above transport corridors there is 7km of the Birmingham & Fazeley Canal and 17km of the Coventry Canal within the Borough. The canal system has many uses from regeneration to tourism to being important biodiversity corridors. They are an important recreation and tourism resource.
- 2.12 There are three main airports close to the Borough boundary – Birmingham International, East Midlands and Coventry Airports. Implications on North Warwickshire of any expansion plans for the airports will be considered particularly in relation to the increase in the amount of traffic. However the opportunities of improved access to jobs and services will also be exploited. Development within the Borough will need to consider the constraints imposed by their close proximity.

- 2.13 The Borough's own objectively assessed housing need and the need to consider delivering further growth for neighbours means that growth is much greater than ever experienced in the Borough before. This will bring many challenges. In particular due to the rural nature of the Borough making quality places that are integrated into the existing fabric of settlements wherever possible will be important. Making settlements work will be just as important as delivering a specific site as this will lead to their long lasting success.
- 2.14 The Borough has historically been seen as a good place to be, particularly for logistics companies, due to its location. Broadening the employment base is very important to the Borough Council. MIRA Technology Park is directly adjacent to the Borough with access off the A5 in this Borough. Its primary focus is research and development. It provides the opportunity to extend the opportunities within the area. The Borough Council will work with partners to ensure that those living in North Warwickshire have the right opportunities, training and skills to take advantage of and access the additional jobs. The way that buildings will be built and integrated into the landscape and existing settlements will also be an important consideration too.
- 2.15 The Borough has a special and important natural environment shaped by its landscape and mining legacy. It has four major river corridors – the Tame, Blythe, Cole and Anker - and holds the largest and most important area of inter-connected wetlands in the sub-region along the Tame Valley. Cumulatively this area forms a migratory bird route of regional significance. The Borough also has notable concentrations of heathland, ancient woodlands and acid grasslands associated with post-industrial habitats, which are otherwise scarce within the county. The natural environment provides many vital ecosystem services to the Borough, such as natural flood defence, carbon sequestration and the maintenance of biodiversity and air quality. These services help to underpin the local economy and make a valuable contribution to the quality of life of its residents.
- 2.16 North Warwickshire has a high level of energy consumption with 61% being used by transport (particularly caused by the high levels of petroleum consumption), 25% by industrial uses and 13% by domestic (Source Quality of Life 2009 page 99).
- 2.17 With a number of mineral reserves within the Borough there are a number of quarries. Early consideration of beneficial after uses of mineral sites needs to be undertaken. Where development is proposed on land with mineral reserves consideration must be given to the extraction of the mineral before development takes place in accordance with national guidance. In terms of the coal reserves from the Northern Warwickshire Coalfield the Council will not support surface mining operations especially where it will have a direct effect on local residents and an adverse environmental impact.
- 2.18 North Warwickshire contains a number of major hazard sites and pipelines. Whilst they are subject to stringent controls under existing health and safety legislation, it is considered prudent to control the kinds of development permitted in the vicinity of these installations. There are therefore consultation zones for each major hazard site and pipeline. In determining whether or not to grant planning permission for a proposed development within these consultation zones, the Borough Council will consult the Health and Safety Executive to determine the risks for the proposed development.
- 2.19 As mentioned above the Borough of North Warwickshire is made up of a number of different settlements each with their own characteristics but sometimes showing similar issues. The County Council has prepared Locality Profiles for the Borough

which divides the Borough into four areas to coincide with the Area Forum Boundaries.

### ***Villages & Hamlets***

- 2.20 There are a number of other settlements, without a development boundary, that do not have the same range of services and facilities but provide significantly to community life within the Borough. With the emphasis in the past for development to be targeted at the main settlements (Atherstone/ Mancetter and Polesworth/Dordon, as identified by the Warwickshire Structure Plan, 1989) it put the smaller villages in a difficult position in that they were losing services and facilities without the support of the planning policies, to recognise their importance to the rural nature of the Borough. Local requirements have changed as the residents of the countryside have changed, but there are many people who live in the smaller settlements and the countryside, who have difficulty accessing services/facilities and affordable housing. Local planning policies should allow for these needs to be catered for in a sensitive and innovative way. Such settlements include Ridge Lane, Middleton, Corley, Lea Marston and Furnace End.

### ***Countryside***

- 2.21 With the Borough covering over 110 square miles and with over 50 settlements ranging in size from the largest conjoined settlement of Atherstone and Mancetter having a population of 10,000 to places with a few houses, means that the countryside plays an important role in the Borough. Many small settlements do not have a development boundary but are important to the local communities. The countryside gives the rural context in which all other things operate. Its landscape is diverse and varied.
- 2.22 There are three major private estates of Packington, Blythe and Merevale, which have influenced the landscape of the Borough. Agriculture is a major influence on the character of the Borough.
- 2.23 Within the countryside there are 8 golf courses, including The Belfry and the Forest of Arden; major tourist attractions, such as Kingsbury Water Park; as well as more local facilities. A thriving rural economy is important to the Borough. However, a balance needs to be struck between allowing development that is appropriate in terms of scale and character, whilst protecting and emphasising the rural context of the Borough.

### **Chapter 3    *Issues***

- 3.1     It is clear that there are a number of cross cutting issues that have consistently been highlighted or raised throughout the development of this Plan. .
- 3.2     Access is an important issue in respect of both the physical means of accessing services and facilities, as well as accessing education, employment, debt/benefits advice/health services, leisure and recreation and housing provision and support. This issue is exacerbated by an increasing elderly population, higher than expected adverse health issues, cross cutting the generations (obesity/smoking/drinking/infant death rates) and increased fuel costs impacting on fuel poverty and transport costs. These raise major implications and potential pressures for future service needs and how to address the form and location of their provision and how those who need those services can access them
- 3.3     The Sustainable Community Strategy (SCS) recognises that with limited resources, partnership working needs to be more focussed in order to ensure delivery. This is not to say that other issues are less important to either individual organisations, or groups of organisations, which can be tackled outside of the SCS arena. It has therefore focussed on three priorities that it considers the North Warwickshire Community Partnership (the Local Strategic Partnership) as a whole can be effective at delivering results. These are:
1.       Raising aspirations, educational attainment and skills
  2.       Healthier Communities
  3.       Transport, Access and Communications
- 3.4     In terms of the Local Plan the aim is to look at spatial linkages to these issues. For example there are clear links between issues of poor health, obesity and open space/recreation provision, education and the skills gap, rural transport and isolation and where the opportunities and needs are for seeking planning gain or financial contributions from any proposed commercial/housing developments.
- 3.5     The Borough has, is and will continue to look for ways of tackling these issues. This will be through a range of opportunities including, the LEADER programme, the Borough's Community Hubs, Section 106 contributions, as well as continuing to work with a range of partners from the public, private and voluntary sectors. The Local Plan can assist in ensuring a lasting legacy from any development that takes place.

### ***Delivery of infrastructure***

- 3.6     A further issue has also been identified which is connected to the above but is much broader and that is the delivery of infrastructure to ensure that developments work for both existing and future residents and businesses. The growth now being envisaged has brought this issue to the fore. This Plan seeks to ensure that the growth is considered comprehensively and not in a piecemeal way. Working with partners and our neighbours will be key to ensuring that infrastructure is achieved and delivered.

### ***So what makes North Warwickshire unique?***

- 3.7     In conclusion the list below summarises the key qualities that makes North Warwickshire unique:
1.       Quality of its natural and historic environment. The Borough has a pleasant rural character distinct from its growing urban neighbours with a large number of natural and historic assets. There are 10 Conservation Areas, over 600



- listed or Scheduled Ancient Monuments and buildings, as well as many wildlife and geological sites of varying designations.
2. The Borough has a number of unique biodiversity habitats and species that are only or predominantly found in the Borough, such as heathland.
  3. Dispersed settlements. There are over 50 settlements within the Borough, ranging from Market Towns to small hamlets, each with a different character.
  4. Mix of architectural styles. Whilst there is no distinctive Borough-wide building style there are very local styles either in character or in form that leads to places being very different from one another.
  5. Former mining legacy. The Borough had a number of mines and there are still ex-mining communities in need of assistance, in particular with the standard of housing and access to skills, training and access to better health care.
  6. The Borough has some unique transport issues. It has national road and rail routes going through the Borough – M6, M6 (Toll), M42 and West Coast Mainline. The A5 itself is a unique part of the Borough. It is a road which is multi-functional, serving a national as well as a local requirement. High Speed Rail will bring with it its own unique issues. However access to jobs and training is still an issue.
  7. A range of major employers. The Borough is the location for national and regional headquarters of both national and international companies with two rail freight facilities, which is unusual for such a relatively small Borough. In addition the Borough is close to the Enterprise Zone at the MIRA Technology Park.



## Chapter 4 Spatial Vision

4.1 This leads us to the Spatial Vision for the Local Plan. This Vision builds on the Community Strategy Vision and gives it a spatial dimension.

4.2 The Spatial Vision for the Borough is thus:

*Rural North Warwickshire: a community of communities. A place where people want to live, work and visit, now and in the future, which meets the diverse needs of existing and future residents is sensitive to the local environment and contributes to a high quality of life. A place which is safe and inclusive, well planned, built and run and offers equality of opportunity and good services for all.*

*The rural character of North Warwickshire will be retained and reinforced to ensure that when entering the Borough it is distinctive from the surrounding urban areas.*

*The Borough will accommodate development in a balanced and sustainable way, placing a high priority on quality of life, ensuring the protection, restoration and enhancement of valuable natural and historic resources and providing the necessary supporting infrastructure.*

*New homes, new employment proposals, local services and community facilities will be integrated carefully into the Borough's existing areas respecting local distinctiveness. The majority of the development will be focused on the Market Towns and Local Service Centres.*

*Employment generation will benefit local residents and ensure long lasting benefits to the Borough, including improved skills, reducing out commuting and regeneration of industrial estates where appropriate.*

*Housing catering for the needs of residents will be provided in order to give choice of tenure and location and will be located to take advantage of good public transport accessibility and to help maintain and enhance the vitality and viability of settlements.*

*Existing communities will retain their distinctiveness and identity through good quality, inclusive design. New development will be designed to a high quality following urban design, sustainable development and construction principles and giving high importance to the public realm as well as good access and provision of Green Infrastructure, open space, sports and recreational facilities.*

*Important natural and historic areas and buildings help to create the distinctive character and identity of the Borough and its settlements are protected and enhanced.*

## Chapter 5 Strategic Objectives

- 5.1 The following table gives the Strategic Objectives for the Local Plan that flow out of the Spatial Vision and the National Planning Policy Framework in respect of its presumption in favour of sustainable development, with a short paragraph giving an outline of the sort of things they would cover. All of the objectives are interlinked and so should be read together. The Local Plan policies will flow from these. In addition, policies in other Development Plan Documents, including Neighbourhood Plans will also use these objectives.

### ***1 To secure a sustainable pattern of development reflecting the rural character of the Borough***

- 5.2 This will include giving priority to re-using previously developed land and buildings within Market Towns and Local Service Centres, recognising regeneration opportunities; as well as reducing the overall need to travel, limiting exposure to flood risk and protecting the Borough's environmental assets and rural character.

- 5.3 This will be achieved by:

- seeking the development of previously developed land
- concentrating the majority of development within existing settlements
- recognising regeneration opportunities
- protecting the local character and appearance of our settlements
- reducing the need to travel
- protecting community facilities and services
- improving access to those facilities
- limiting exposure to flood risk and other constraints
- protecting the Borough's environmental assets

### ***2 To provide for the housing needs of the Borough***

- 5.4 This will ensure there will be a sufficient supply and appropriate size, mix and tenure of housing to meet the identified requirements of residents

- 5.5 This will be achieved by:

- ensuring that the type of housing built reflects local requirements
- ensuring that housing requirements are delivered
- providing for affordable housing throughout the Borough
- enabling specialist housing needs, including for the elderly, to be met in appropriate locations
- improving infrastructure to support new development
- promoting the construction of energy efficient and sustainable homes
- promoting a high quality of design which reflects the local setting

### ***3 To develop and grow the local economy for the benefit of local residents***

- 5.6 This will be achieved by working in partnership with local businesses, landowners and developers to provide land and buildings; improve infrastructure to support economic development and by facilitating regeneration initiatives that capture local economic benefits for local residents' especially higher skills aspirations.

- 5.7 This will be achieved by:

- providing new employment land
- improving infrastructure to support new development

- facilitating regeneration initiatives
- enabling local economic opportunities to benefit local residents
- protecting existing employment uses of buildings and land
- managing change within town centres so as to strengthen their vitality
- managing sustainable tourism where there is an economic and community benefit
- reducing the need to travel
- reducing adverse environmental impacts

#### **4      *To maintain and improve the vitality of the Market Towns***

5.8      This will be achieved by making the best use of land and buildings; facilitating regeneration and building on their historic strengths

5.9      This will be achieved by:

- making the best use of land and buildings
- using regeneration opportunities when they arise
- building on their historic strengths
- protecting a range of facilities and services
- protecting their conservation and heritage assets

#### **5      *To promote rural diversification***

5.10     This will be achieved by supporting investment that maintains and extends services and facilities that directly benefit rural needs and maintains and enhances the environment.

5.11     This will be achieved by:

- supporting investment that maintains and extends services directly benefitting rural needs
- enabling appropriate farm diversification schemes
- encouraging appropriate re-use of rural buildings
- mitigating adverse environmental impacts

#### **6      *To deliver high quality developments based on sustainable and inclusive designs***

5.12     This will raise the quality threshold of developments; promote sustainable construction practices including energy efficiency, recycling and addresses crime and safety issues

5.13     This will be achieved by:

- raising the quality of design in all developments
- promoting sustainable construction practice in all new developments including energy efficiency and the use of re-cycling
- promoting sustainable design which mitigates and adapts to climate change
- managing development so as to reflect the local character and appearance of our towns and villages
- limiting adverse impacts on bio-diversity and ecology assets
- providing and enhancing the provision of open and green spaces
- reducing the perception of crime
- reducing adverse impacts on neighbourhood amenity
- promoting sustainable water and drainage management
- reducing the impact of traffic on the environment
- reducing the impact of contaminated land

**7      *To protect and enhance the quality of the natural environment and conserve and enhance the historic environment across the Borough***

- 5.14 This will be achieved through securing good sustainable design that addresses environmental issues, including flood risk and the creation and restoration of habitats, enhancing local distinctiveness and safeguarding important environmental, historic and archaeological assets
- 5.15 This will be achieved by:
- addressing adverse impacts arising from flood risk, contaminated land and other forms of pollution
  - safe-guarding designated environmental. Historic and archaeological sites
  - protecting and improving green infrastructure including wildlife habitats
  - managing new development so as to integrate with its setting
  - linking new development to the enhancement of the local natural and historic assets

**8      *To establish and maintain a network of accessible good quality Green Infrastructure, open spaces, sports and recreational facilities***

- 5.16 This will promote well-being, social inclusion and community cohesion, in addition to both economic and environmental benefits
- 5.17 This will be achieved by:
- protecting existing and promoting community facilities
  - providing and promoting healthy and safe ways to relax and play through the design and layout of new developments
  - enhancing the overall well-being of the community
  - linking new development to the enhancement of local facilities
  - seeking sustainable design which minimises environmental impacts

**9      *To ensure the satisfactory provision of social and cultural facilities***

- 5.18 This will secure the social and physical infrastructure necessary to improve the health, education, life-long learning and well-being of all sectors of the community
- 5.19 This will be achieved by:
- securing opportunities to link new development to the provision of new facilities and services
  - linking new development where appropriate, to the improvement of health, education and life-long learning
  - maintaining and enhancing the availability of key services and facilities within communities
  - securing access to these services and facilities

## **Chapter 6     Sustainable Development**

- 6.1 When considering development proposals that accord with policies in the Local Plan, the National Planning Policy Framework is also a material consideration. As delivery of the Local Plan is very important to the Council it will take a positive approach that reflects the presumption in favour of sustainable development. The Borough Council will always work proactively with applicants and other stakeholders jointly to seek solutions which mean that proposals can be approved wherever possible, and to secure development which sustainably improves the economic, social and environmental conditions in North Warwickshire.
- 6.2 Planning applications that accord with the policies in this Plan (and, where relevant, with policies in neighbourhood plans) will be approved without delay, unless material considerations indicate otherwise. Where there are no policies relevant to the application or relevant policies are out of date at the time of making the decision then the Council will grant permission unless material considerations indicate otherwise – taking into account whether:
- Any adverse impacts of granting permission would significantly and demonstrably outweigh the benefits, when assessed against the policies in the National Planning Policy Framework taken as a whole; or
  - Specific policies in that Framework indicate that development should be restricted.
- 6.3 Place making is a key part of considering development proposals and making them sustainable whatever their size. There are two overarching elements that make development proposals work for the long term. These are ensuring the development is of a quality that is long-lasting and that infrastructure is provided.

### *Quality of Development / Place*

- 6.4 The quality of development is important and can be helped through early consideration of the development. This is particularly the case in considering the natural and historic environment and how this will be dealt with. Considering biodiversity at an early stage of the planning process will assist in building in beneficial features to aid biodiversity.
- 6.5 The Council will work with and look to developers to contribute effectively to maintaining and developing local Quality of Life and assisting in the delivery of the Sustainable Community Strategy, through high standards of development; the type and character of buildings and uses proposed and from measures of the type set out below:
- ensure that the impact of development on the social fabric of communities is considered and taken into account;
  - seek to reduce social inequalities;
  - address accessibility (both in terms of location and physical access) for all members of the community to jobs, health, housing (particularly affordable housing), education, shops, leisure and community facilities;
  - take into account the needs of all the community, including particular requirements relating to age, sex, ethnic background, religion, disability or income;
  - deliver safe, healthy and attractive places to live; and,
  - support the promotion of health and well-being by making provision for physical activity including walking and cycling.

- 6.6 In addition to delivering suitable forms of development in appropriate locations, a main objective of the Core Strategy was to promote high quality development at all times. This continues in this Local Plan and policies in this Plan are formulated with this objective in mind. Quality developments rely on a combination of factors including aesthetics of the buildings; how water is dealt with and how development fits within the landscape, both rural and urban. Other policies play an equal part in the achievement of quality developments such as how access is gained to a site and how cars and lorries are treated within a scheme. All are crucial in achieving high quality developments within the Borough and making places work.
- 6.7 The Design Council has developed the Building for Life (BfL)<sup>1</sup> standard, in conjunction with the Home Builders Federation and is supported by government as the standard for the design quality on new homes. BfL provides a means of ensuring new housing meet appropriate design standards; respect their setting and are sustainable, thus creating quality places.
- 6.8 The Borough Council will encourage the use of the BfL standard within new residential developments. It will look to promote Building for Life and where appropriate, offer specific guidance drawing on this initiative. Consequently, the aim is to ensure that all new housing developments achieve a good standard of design as defined by the BfL standard and serve the needs of the existing and future residents.
- 6.9 Ensuring high quality design across the commercial and industrial sector is equally as important. Many elements of the BfL standard apply to non-domestic buildings and the Council will seek that development achieves a good standard.
- 6.10 The Council recognises the importance of planning development to reduce the opportunity for crime, including terrorism. Whilst crime levels across the Borough are generally lower than other areas of the West Midlands, design should ensure such figures are maintained and further lowered where possible. The fear of crime especially at night is still an issue. The Borough Council will use the Secured by Design<sup>2</sup> principles, which are widely accepted to contribute to lowering crime rates.
- 6.11 North Warwickshire is made up of a number of communities and thus there are very differing styles. With the Borough having over 50 settlements it is important that the local distinctiveness is reflected in any developments. This is particularly important in settlements that for the settlement hierarchy have a co-joined settlement boundary. This does not detract from the fact that these places consider themselves separate with each having their unique identities.
- 6.12 The Landscape Character Appraisal and individual Settlement Appraisals have been carried out and will be developed further into Supplementary Planning Documents and should be used as the basis for creating locally distinctive proposals. The Landscape Character Assessment identified landscape sensitivity areas surrounding settlements and these will be used when assessing impacts from developments. The Borough Council has Design Champions and they will be used to promote and encourage local distinctiveness in new developments.
- 6.13 Development can adversely affect public rights of ways. The Borough Council wants to see access to the countryside maintained and improved. Therefore it wants to avoid any adverse effects on the current provision and where possible, see the expansion of public rights of way.

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<sup>1</sup> Design Council 2015; Building For Life, <http://www.designcouncil.org.uk/resources/guide/building-life-12-third-edition>

<sup>2</sup> ACPO CPI, 1989; Secured by Design, [www.securedbydesign.com](http://www.securedbydesign.com)

- 6.14 Planning applications should be submitted with evidence to show how the design, scale and layout match the historic pattern of the surrounding development, its built form, density and overall appearance.

#### *Implementation and Infrastructure*

- 6.15 The delivery of infrastructure at the right time and in the right place will be essential to the success and delivery of developments for this Local Plan. Infrastructure can range from the provision of services and facilities to the provision of the open spaces. Considerable importance is attached to the need to ensure that existing and future local communities in North Warwickshire have reasonable access to a range of services and facilities:
- 6.16 A number of factors underpin the importance of planning agreements and Section 106 contributions in North Warwickshire:-
- The area is relatively remote with a small but dispersed population and this has an impact on the cost of service provision.
  - The Authority has a history of working in partnership with developers to secure and deliver local benefits through the Planning process.
  - The area does not benefit from any significant UK, regional nor EU regeneration regimes.
  - There are significant public concerns to ensure the impacts of development are mitigated.
  - Again, there is public concern to maintain the provision of local services that are vital to community life.
  - Limited Council resources reflecting a small and rural population.
- 6.17 These may be required by planning conditions or sought in the form of Planning Obligations in accordance with Circulars 11/95 and 05/05 respectively (or their successors) and the National Planning Policy Framework.
- 6.18 Alongside this Local Plan is an Infrastructure Delivery Plan. This sets out the known infrastructure requirements to accommodate the growth within the Borough. This will be updated on a regular basis. The Plan will feed in to a Community Infrastructure Levy (CIL) which is a new planning charge that came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 (now amended by the Community Infrastructure Levy (Amendment) Regulations 2011). The Borough Council will work with partners to develop a Community Infrastructure Levy charging schedule as well as seek alternative funding opportunities. Both S106 obligations and CIL will need to have regard to viability issues to ensure the level of levy set or obligations sought does not prevent the delivery of development in general.
- 6.19 The policies give a framework within which assessments of S106, CIL or other legal agreements will be made. These will be supplemented, where necessary, over time by further advice in the form of guidance notes and Supplementary Planning Documents.

#### *Future Growth*

- 6.20 The Borough Council recognises that the pressure for growth will extend beyond 2031 and that this needs to be considered at an early stage. It will explore with partners and stakeholders options for future growth of the Borough beyond 2031 to ensure options are explored and the required infrastructure is provided in a timely manner. This will enable a wide range of options to be explored, ensure

infrastructure and the funding of it will be provided accordingly and that places are created that are sustainable.

#### **LP1 Sustainable Development**

Planning applications that accord with the policies in this Plan (and where relevant, with other policies in Neighbourhood Plans) will be approved without delay, unless material considerations indicate otherwise. Where there are no policies relevant to the application or relevant policies are out of date at the time of making the decision then the Council will grant permission unless material considerations indicate otherwise - taking into account whether:

1. Any adverse impacts of the proposal would significantly and demonstrably outweigh its benefits, when assessed against the policies in the National Planning Policy Framework taken as a whole; or
2. Specific policies in the Framework or other material consideration indicate that development should be restricted.

#### ***Quality of Development / Place***

All development proposals must;

- provide the required infrastructure
- demonstrate a high quality of sustainable design that positively improve the individual settlement's character; appearance and environmental quality of an area;
- deter crime;
- sustain, conserve and enhance the historic environment
- provide, conserve and enhance biodiversity; and,
- create linkages between green spaces and wildlife corridors.

Development should protect the existing rights of way network and where possible contribute to its expansion and management.

#### ***Implementation and Infrastructure***

The Local Plan's policies and proposals will be implemented by working in constructive partnership with funding agencies and service providers; by the grant or refusal of planning permission, and by the use of planning conditions and obligations, in order to secure the required infrastructure to ensure all developments are sustainable. There are some key priorities:

- Provision of affordable housing;
- Protection and enhancement of the environment and mitigation of the environmental impact of past and proposed development of land;
- Provision of necessary services, facilities and infrastructure to meet the demands of new development and communities to include health facilities, education facilities, Green Infrastructure, open space, sports and recreation and transport; and,
- Provision of training and upskilling opportunities.

Delivery of Strategic Objectives: All

**CS NW1, CS NW12, CS NW22**



## **Chapter 7    Spatial Strategy**

- 7.1    The Local Plan sets out the long term strategic policies and proposals. It identifies a Borough-wide pattern of development and sets out the sites to bring forward the required development.
- 7.2    The Spatial Strategy is a key component of the Local Plan for delivering a sustainable way of living and working and considering the appropriate distribution for development. It seeks to allow development to take place in a controlled pattern throughout the Borough. The pattern of development has been influenced by considering how the Borough functions, as well as the impact of surrounding cities and towns. Future development will take place in accordance to the size of the settlement taken, with its range of services and facilities and is influenced by considering if the settlement is in or outside of the Green Belt. This will mean that the majority of development will take place in the larger settlements, with more limited development in the smaller rural settlements and in particular those not in the Green Belt. This will benefit those who currently live, work and visit the Borough and future generations and ensure that development is directed to the most appropriate place.
- 7.3    This strategy moves forward the settlement hierarchy principles, which were introduced in the Local Plan 2006 and the adopted Core Strategy 2014. The Local Plan's approach is still to steer most development to the Main Towns and then in a cascade approach in other settlements with very little development towards the countryside. A limited amount of development is targeted to the smaller settlements which follow the recommendations of the Matthew Taylor Report which advocated more development in the rural areas, to assist in maintaining the vitality of the rural settlements.
- 7.4    The Matthew Taylor Review on the Rural Economy and Affordable Housing showed that historically, settlements can grow incrementally and this can help to maintain the balance between restraint and the continuing vitality of the settlements. In this Core Strategy this approach has been widened to consider the holistic development of services and facilities to help maintain and enhance thriving communities. The constant aim is to provide these in the most sustainable way, without it stimulating pressure on the countryside, in particular, the Green Belt to make suitable provision for development necessary to sustain rural communities, by focussing rural housing development and supporting facilities on a network of Local Service Centres, but with limited development provision in other smaller settlements, identified with a development boundary on the Proposals Map. Elsewhere, other than where specifically provided for in the Plan, development will be limited to that requisite for agriculture, forestry or other uses that can be shown to require a rural location.
- 7.5    The difficulty arises in determining how much development should be allowed in the smaller settlements, particularly as 60% of North Warwickshire is within the Green Belt. For example, it has been estimated to warrant an additional primary class that over 150 new dwellings would be required. In many locations this is not feasible when trying to balance the needs of the local community, the protection of the local environment, the character of the settlement/landscape and ensuring that the development is as sustainable as possible. To keep a village shop profitable is indeterminable, as changing shopping habits can easily skew this. In some locations a small village can sustain a village shop, whilst in other locations the shop is not profitable. In these instances however, it is not just seeing shops as shops, but it is the need to protect those premises as a community asset with wider potential.

- 7.6 The Core Strategy sought to develop a broad distribution pattern for development, with the majority of development being directed to the Main Towns, in order to achieve vibrant sustainable communities within a sustainable pattern of development. This policy sets out the settlement hierarchy for the Borough. This Plan continues the hierarchy set out in NW2 of the Core Strategy with a slight change as outlined below. The result is that, Atherstone with Mancetter and Polesworth with Dordon, are the Main Towns. Coleshill is also recognised as a Market Town due to its range of services and facilities but development will be smaller in scale due to the Green Belt wrapping around the settlement. There are five Local Service Centres located throughout the Borough, which provide important local services and facilities. Housing growth has generally been distributed to the Market Towns (including Coleshill) and then to Local Service Centres. In settlements, villages and hamlets beyond these, development that provides for local housing needs and help support local services will be permitted.
- 7.7 The amount of development now being envisaged means that the Borough Council has had to consider whether it is appropriate or possible that all the required development can fit into this settlement hierarchy. As the hierarchy underpins many of the policies within the Plan it is important to ensure there is flexibility to ensure development is delivered. As a result it is considered necessary to allow developments that may be on the outer boundary of the Borough that are close to sustainable settlements outside of the Borough such as Tamworth and Nuneaton.
- 7.8 This Local Plan allocates strategic and non-strategic housing sites. Further allocations may come forward through Neighbourhood Development Plans, prepared by Parish Councils. All development proposals from housing, employment to retail will be expected to accord with the settlement hierarchy and be proportionate to the size and scale of the settlement.
- 7.9 Although in the past it was only local affordable housing that could be supported in the smaller settlements, now a small proportion of market housing as well as affordable has been allocated to some of the smaller settlements in order to assist with maintaining the vitality of these smaller communities. So in smaller settlements small scale housing developments that help regenerate and support the rural economy or meet proven affordable housing needs (via a local housing needs assessments) can still be considered. If plan monitoring shows that this distribution is not being maintained through planning permissions, the position will need to be redressed through a revision to this policy.
- 7.10 In the Core Strategy it was suggested that in Category 4 settlements sites would normally be no larger than 10 units at any one time. The reason behind this was to ensure small communities were not swamped by new developments but could grow organically and naturally to be sustainable. This is still the case and continues to be the stance of the Council. However it is clear in the production of this Plan that sites that have been put forward for development are not the smaller incremental sites and tend to be larger. For this reason there are some allocations that are larger. In these cases the Borough Council will discuss phasing options where viability permits.
- 7.11 Work is continuing at a sub-regional level with neighbouring authorities to develop a Sub-Regional Spatial Strategy. This will build on the work already carried out and will reflect issues arising from the creation of the Coventry & Warwickshire Local Enterprise Partnership. It is not expected that this work will alter the specific Spatial Strategy for North Warwickshire.

## **LP2 Settlement Hierarchy**

Development within the Borough will be distributed in accordance with the Borough's settlement hierarchy.

All development will take place inside development boundaries as shown on the Proposals Map unless permitted by policies elsewhere in this Plan or a Neighbourhood Plan.

### **Category 1: Market Towns – Atherstone with Mancetter, Coleshill and Polesworth with Dordon**

Development for employment, housing (including affordable housing), services and other facilities will be permitted within the development boundaries of the Market Towns.

### **Category 2: Settlements adjoining the outer boundary of the Borough**

Development for employment, housing (including affordable housing), services and other facilities will be permitted directly adjacent to built up areas of adjoining settlements if:

- a) the site lies outside of the Green Belt or an identified Gap
- b) development is clearly part of a wider sustainable development
- c) has a clear separation to an existing North Warwickshire settlement to ensure the character of North Warwickshire settlements are preserved; and,
- d) linkages are made to existing North Warwickshire settlements to ensure connectivity between places especially via walking and cycling

### **Category 3: Local Service Centres – Baddesley with Grendon, Hartshill with Ansley Common, New & Old Arley, Kingsbury, Water Orton**

Development will be permitted in the development boundaries of the Local Service Centres subject to the proposal being considered to be appropriate to its place in the settlement hierarchy.

### **Category 4: Other Settlements with a development boundary - Ansley, Austrey, Curdworth, Fillongley, Hurley, Newton Regis, Piccadilly, Shuttington, Shustoke, Warton, Whitacre Heath, Wood End**

Development will be limited to that identified in this Plan or has been identified through a Neighbourhood or other locality plan. It will cater for windfall housing developments usually on sites of no more than 10 units at any one time depending on viability. A Neighbourhood Plan may allocate more.

### **Category 5: Outside of the above settlements**

#### **Part A**

Development for affordable housing outside of development boundaries will only be permitted where there is a proven local need; it is small in scale and is located adjacent to a village.

#### **Part B**

Outside of development boundaries only housing for agricultural and forestry purposes or for other uses requiring a rural location will be permitted, subject to the need being justified in terms of demonstrating all of the following criteria:

- a) an essential functional need and business link to the proposed location and scale of the dwellings(s);

- b) that there are no other suitable and viable options including the re-use of existing buildings to meet this need, and
- c) that the business is viable such that it can sustain the number and scale of the dwelling(s) proposed.

In the event that planning permission is granted, then occupancy restrictions will be attached to reflect the nature of that functional need. Permitted development rights relating to future enlargement will be withdrawn

Occupancy restrictions will only be removed where it can be shown that they are no longer appropriate or needed; that a robust marketing process has been undertaken to verify that the dwelling(s) cannot provide for another functional need and that the property cannot be reasonably used for affordable housing.

Applications for subsequent dwellings in connection with a business will attract occupancy restrictions on earlier dwellings if none exist already.

Delivery of Strategic Objectives: 1, 2, 3

**CS NW2, DM1**

**Green Belt**

- 7.12 National Green Belt policy operates over two thirds of the Borough. Within Green Belts the primary aim is to maintain the open nature of the area and there is a general presumption against development that is inappropriate, except in very special circumstances.
- 7.13 The pressure on the Borough from surrounding urban areas means that the longevity of the Green Belt needs to be considered making sure that future needs can be catered for within the Borough. Two studies have been carried out relating to the Green Belt.
- 7.14 The first relates to how broad areas and parcels of land perform in relation to the five purposes of Green Belt as defined by the NPPF.<sup>3</sup> The Joint Green Belt Study highlighted some areas as relatively poor performing in some aspects of the purposes of Green Belt. Taking into account the needs of the Borough, the pressures for further development and the environmental impacts it is considered some of these sites will be either allocated now for development or safeguarded for development as and when required whether in this Plan period or the next. This is explained further in this Plan.
- 7.15 The maintenance of the Green Belt is seen as a vital component in protecting and enhancing the Borough as an area of pleasant countryside, especially by preventing the incursion of nearby urban areas. It is not just the wholeness of the Green Belt designation that is important but having defensive boundaries. As a result a second Study of the Green Belt has been carried out looking at the future boundaries of the Green Belt in relation to the outer limits and the detailed boundaries around settlements.<sup>4</sup> The study has been undertaken to look at ensuring that the boundaries continue to be defensible and follow clear physical features. The detailed boundaries of the Green Belt are shown on the Proposals Map.

<sup>3</sup> Joint Coventry & Warwickshire Green Belt Study – Stage 2 Report April 2016

<sup>4</sup> North Warwickshire Green Belt Study 2016

- 7.16 It is accepted that settlements surrounded by the Green Belt have smaller scale opportunities than those outside the Green Belt. This is in essence the role of the Green Belt, in protecting the openness between places. However there may be opportunities for limited infill and redevelopment in villages still washed over by the Green Belt designation. Two settlements exhibit a clear, focussed and cohesive settlement pattern with limited infill potential. Middleton and Lea Marston are considered to have the potential for one or two true infill plots. Therefore infill boundaries have been drawn to indicate where infill and limited redevelopment would be permitted and are shown on the Proposals Map.
- 7.17 It must be stressed that a Green Belt Infill Boundary is not the same as a Development Boundary. A Green Belt Infill boundary is only intended to accommodate that type of development defined as “infill” or “infilling”. The policy defines “limited” through the use of a boundary rather than by a number or indeed leaving the matter open to interpretation on a case by case basis. This is the same approach adopted for settlement and town centre boundaries. The village however remains “washed over” by Green Belt and development within the village continues to be controlled by National and Local Green Belt policy. The restriction on development classed as “inappropriate” within a Green Belt therefore still applies. A Development Boundary however excludes the area within it from the Green Belt and its policy constraints. It establishes the principle for development and enables all types of development to be accommodated (site availability and other policies permitting). This includes redevelopment of existing buildings and plots, such as the demolition of large properties in large plots or the redevelopment of garden areas for higher density housing proposals.
- 7.18 Individual residential properties within Green Belt can be redeveloped but only where they *“would not have a greater impact on the openness of the Green Belt and the purpose of including land within it than the existing development”*. This prevents the demolition of a dwelling and its replacement with multiple dwellings that are larger in overall volume than the dwelling they replace or that have a greater impact on the “openness” of the Green Belt (determined by a comparison of the footprint, volume and dispersal/spread of development between the original and new development), unlike redevelopment within a normal development boundary where this can occur.
- 7.19 Taking this approach it is not considered that the NPPF alone is all that is necessary for the management of new development proposals in North Warwickshire’s Green Belt. The spatial vision and the strategic objectives set out in the Core Strategy 2014 and this Local Plan, emphasise that it is the rural character of North Warwickshire that distinguishes it from its neighbours. That character is to be retained by safeguarding that countryside and protecting its openness from encroachment. The Council therefore has to have robust and consistent policies to implement these objectives. The NPPF provides the background to do so, but it lacks definition when it comes to some of the details of handling planning applications. The policy below provides that definition as the alternative would be to rely on the wording of the NPPF and thus determine each application on its merits. This could result in an inconsistent approach, but on the other hand the use of stricter definitions should not be seen as prescriptive.
- 7.20 In particular it is some of the adjectives used in the NPPF that are considered to lack precision and it is the purpose of the policy below to make these explicit. It therefore addresses the main definition issues that are likely to arise when dealing with new development proposals in the Green Belt. There are two key quantitative adjectives

“disproportionate” and “materially larger”. In addition it is considered necessary to consider how previously developed land is dealt with. These are explained below.

- 7.21 The present saved 2006 Local Plan policy ENV13 includes a figure of 30% as a guide in order to assist in the assessment as to whether extensions are disproportionate or not. This has been applied consistently since that Plan was adopted; it is well understood, it has been upheld throughout that period on appeal, and it has impacted on new development proposals. It is not considered that there is reason to vary this figure. However the policy below does address a constant issue arising with its use and that is the relationship with permitted development rights. Each application will be dealt with on its merits against this policy. However there may be circumstances whereby larger extensions might be deemed acceptable. Examples could include the existing building's setting, proximity and relationship with other buildings; its prominence in the landscape and whether there would be a substantial improvement in the overall design of the building. These considerations would also need to be assessed against the 30% figure set out in the policy.
- 7.22 The figure of 30% also is included in this Policy where it relates to replacement houses in the Green Belt. In order to remain consistent, the policy below retains this figure across all replacement buildings. However because of the different definitions in the NPPF – “disproportionate” and “materially larger” there could be case for different quantitative figures. The term “not materially larger” might suggest a lesser amount of development than “disproportionate”. This is why it is also important to assess each application on its merits using the same considerations as set out above where appropriate. An additional consideration would be looking at the merits of replacing a building either on the same footprint as the existing or another.
- 7.23 It is considered that the use of a quantitative measure in these instances is a very useful indicator as to what the Council considers to be the meaning of these adjectives. Given the importance of retaining the Green Belt to the Council and to the consistent successful use of the measure since the adoption of the 2006 Local Plan, it is considered that it should be retained.
- 7.24 The NPPF gives guidance on how to deal with applications for the partial or complete redevelopment of previously developed land. The requirements or conditions set out are well-understood, but there is no guidance on how to deal with different end users. Redevelopment within the lawful use of the previously developed land is acknowledged as being appropriate development. It is proposed alternative uses that raise the issue. A redevelopment proposal for an alternative use that is itself appropriate within the Green Belt by definition in the NPPF is clearly acceptable. However it is the redevelopment by a use that would normally not be appropriate development that is at issue here – particularly a residential redevelopment scheme. A residential scheme that is put forward as a Rural Exceptions Site or under the Community Right to Build is not the issue here – it is the open market housing proposal that is.
- 7.25 There are three key factors in North Warwickshire that are important in relation to this issue. Firstly there are a significant number of previously developed sites in commercial use that have historically been operating in the Borough – the great majority through established use. Many are in isolated locations; outside of settlements, have poor road connections, limited accessibility by other modes of transport and are in areas where there are planning constraints. Their residential redevelopment would be in unsustainable locations and result in small and medium size pockets of isolated housing with no nearby services or facilities. Secondly, the whole development strategy of the Core Strategy 2014 is continued in this Local Plan

to concentrate new housing within settlements thus enhancing their own services and safeguarding their facilities. The potential number of previously developed sites could impact on this overall Strategy because of their number and location. Thirdly, the number and size of these previously developed sites if redeveloped residentially would impact on the overall housing targets and be provided outside of the settlement hierarchy. In short for the three reasons set out above, the impact of agreeing residential after use on these sites is considered to adversely impact on the sustainable development principles of the Local Plan itself.

**LP3 Green Belt**

- 1 The outer extent of the West Midlands Green Belt as well as the detailed development boundaries in North Warwickshire are shown on the Proposals Map
2. Areas within Development Boundaries are excluded from the Green Belt.
3. Limited infilling in settlements washed over by the Green Belt will only be allowed within the infill boundaries as defined on the Proposals Map.
4. Settlements surrounded or washed over by the Green Belt will be able to pursue the Community Right to Build. Housing sites would have to be locally affordable in perpetuity. A community or other use would be required to show how it would remain in community use in perpetuity.
- 5 When considering proposals within the Green Belt development proposals will be determined in line with the NPPF. In addition regard should also be had to the following important considerations:
  - a) Facilities appropriate to outdoor sport and recreation will be assessed on whether the scale and provisions proposed are essential for the function of the parent use concerned, and that they are the minimum size necessary in order to fulfil that essential function.
  - b) Extensions will be considered to be disproportionate if they individually or cumulatively exceed 30% in volume of the original building. For the purposes of this policy, the original building is defined as that which was present on 1 July 1948 or that which came into being after this date as a result of the original planning permission, and volume is defined as gross external volume excluding basements and cellars. For the avoidance of doubt, the volume of extensions that could be permitted under the General Permitted Development Order will be considered to be included within the 30% figure.
  - c) A replacement building will be considered to be materially larger if it is 30% larger in volume than the building it replaces. Replacements should be located on the same footprint as the existing building unless there are material benefits to the openness of the Green Belt or, when environmental and amenity improvements indicate otherwise. For the purposes of this policy, volume is defined as gross external volume excluding basements and cellars.
  - d) In all cases, consideration will be given to the removal of permitted development rights to prevent sequential enlargement

Delivery of Strategic Objectives: 1, 2, 3

**CS NW3, DM2**



### **Safeguarded Land**

- 7.26 The Green Belt boundaries as explained earlier can be altered when a Local Plan is reviewed. As Green Belt boundaries should have a degree of permanence it is important to consider where possible what the impact of longer term growth will have on the area and to reflect this in where necessary. A Local Planning Authority can therefore safeguard land for future development. This essentially takes the land out of the Green Belt. The identification of any safeguarded land ensures that Green Belt boundaries will last beyond the end of the Local Plan period. Safeguarded Land, which is land that has been taken out of the Green Belt to meet longer term development needs (if required) is treated as though it is in the Green Belt until it is formally allocated for development through a development plan. This is in accordance with national planning policies which state the intention for Green Belt boundaries to have permanence in the long term.
- 7.27 Safeguarded land is identified as land to be protected from development during the current Local Plan period but will only be considered for development through a review of the Local Plan. Although development will not generally be appropriate on safeguarded land, it is recognised that not all development will prejudice the function and the value of the land. It will therefore, be appropriate to permit development required in connection with established uses, or change of use to an alternative open land use or to temporary uses which would not prejudice the possibility of development after the plan is reviewed, nor is detrimental to the character of the site and its surroundings.
- 7.28 The consideration of the permanent development of safeguarded land, such as for housing or employment, will only occur through a change to the allocation through a review of the Local Plan. During the review, the reassessment of safeguarded land will involve determining for each site whether in the prevailing circumstances there is a case for releasing some or all of the land for development, or whether it should be maintained as safeguarded land until the next review of the Plan

#### **LP4 Safeguarded Land for Potential Future Development**

Land at Hawkeswell Lane, Coleshill, and land to the west of Tamworth Road, Kingsbury, as identified on the Proposals Map, will be removed from the Green Belt and safeguarded for potential future development needs.

The identified areas will be protected from development other than that which is necessary in relation to the operation of existing uses, change of use to alternative open land uses or temporary uses. All proposals must not prejudice the possibility of long term development on the safeguarded land site.

The status of safeguarded land sites will only change through a review of the local plan.

Delivery of Strategic Objectives:

**CS None, DM2**



### **Meaningful Gap**

- 7.29 Polesworth with Dordon is one of the Market Towns in the Borough. Due to its location it has a close relationship with Tamworth. NW19 of the Core Strategy 2014 referred to a meaningful gap between Polesworth and Dordon. This was to avoid coalesce with Tamworth. The Core Strategy however did not define where the boundaries of this area would fall and it was expected that this would be through the emerging Site Allocations Plan. As this Local Plan has superseded the production of the Site Allocations Plan it is now included in this Plan.
- 7.30 A detailed technical study has been carried out to look at the area and to determine where the detailed boundaries should be drawn. A separate consultation was carried out by the Council to consider the extent of the “gap” and this has informed the designation as shown on the Proposals Map.
- 7.31 In order to retain the separate identity of these settlements, new development should not visually or physically reduce the size of this gap.

### **LP5 Meaningful Gap**

- 1) The Meaningful Gap between Tamworth and Polesworth and Dordon is defined on the Proposals Map.
- 2) Any development to the west of Polesworth & Dordon must respect the separate identities of Polesworth and Dordon and Tamworth and maintain a meaningful gap between them.
- 3) All new development within this gap should be small in scale and not intrude visually into the gap or physically reduce the size of the gap.

### **Delivery of Strategic Objectives:**

### **CS NW19, DM12**

### **Amount of Development**

### **Housing Numbers**

- 7.32 National planning policy sets out the requirement for a local plan to identify and meet housing needs including mix and tenure within the relevant housing market area. North Warwickshire sits within two Housing Market Areas of Coventry & Warwickshire and Greater Birmingham. This makes the picture of determining the housing requirement for the Borough more complicated. To establish the housing requirement for the Borough it requires looking at the need for the Borough and then considering the housing requirements of neighbours.

### *Objectively Assessed Need (OAN)*

- 7.33 The Coventry & Warwickshire Strategic Housing Market Assessment (SHMA) indicates that in the first instance for North Warwickshire the Coventry & Warwickshire geography can be considered to be an appropriate housing market area for the purposes of local plan policy making. This document has been updated on a regular basis with the latest being in 2015. This update established an initial objectively assessed need (OAN) of 3800 for the Borough. It then looked at a variety

of factors including the need to make a lift in the numbers due to specific circumstances and it determined that an economic uplift of 940 units was required over the Plan period. This uplift can be attributed approximately 35% to the Coventry & Warwickshire HMA and 65% to the Greater Birmingham HMA. As the updated SHMA is based on up-to-date demographic evidence it takes account of need arising from shortfalls in delivery against previous targets.

### *Needs of Neighbours*

- 7.34 The Borough has been working with partners within the Coventry & Warwickshire HMA to produce and agree the overall housing number for the area. The Memorandum of Understanding includes a redistribution of housing due to capacity constraints within the City of Coventry. The work so far has resulted in an updated housing figure as shown in Table 1 below. The Table indicates the minimum housing requirement for the new Plan should be 5280 dwellings between 2011 - 2031.
- 7.35 Nuneaton and Bedworth BC is working on updating their SHLAA which will indicate whether they can accommodate the amount of development currently envisaged through the Coventry & Warwickshire MoU. The MoU may need to be amended to reflect this information. It potentially could impact on the housing numbers for the Borough.
- 7.36 The Borough Council agreed through the Core Strategy to deliver 500 dwellings for Tamworth. This commitment will continue. In Table 1 there is an economic uplift of 620 dwellings for the Greater Birmingham & Black Country HMA. Tamworth lies within this HMA so this uplift can be attributed to this area which will avoid double counting.
- 7.37 Table 1 shows the emerging housing requirement:

*Table 1: Emerging Housing figures 2011 - 2031*

			<i>Annual Requirement</i>
Initial housing need (updated SHMA 2015)		3800	
Economic uplift that can be attributed to the two housing market areas: CW HMA (35%) = 320 GB / BC HMA (65%) = 620*	940		
Objectively Assessed Housing Need (OAN) (3800 + 940)		4740	
Redistribution from CW	540		
Emerging Housing Requirement (540 + 4740)		5280	264 pa

Note\* this figure will provide for the 500 dwellings already agreed with TBC – this will avoid double counting

- 7.38 In order to progress a new Local Plan the Borough Council took the decision in September 2015 to look at testing a possible provision to assist with the shortfall for the Greater Birmingham & Black Country HMA particularly as the Birmingham Local Plan would be adopted prior to the adoption of the new Local Plan. Based on migration and commuting patterns it was considered that a figure of 10% of the shortfall should be tested. This would mean a potential additional number of dwellings of 3790.

- 7.39 Since the Borough Council took the above decision work has been ongoing with partners across the Greater Birmingham & Black Country HMA as well as other local authorities beyond the housing market area to agree a redistribution of the housing identified shortfall. This has resulted in a draft Memorandum of Understanding to agree the distribution of housing amongst the local planning authorities from both in and outside of the HMA.
- 7.40 Table 2 indicates the full housing requirement that the Local Plan will seek to deliver over the Plan period.

*Table 2: Overall Housing Requirement*

	<b>Total</b>		<b>Annual Nos</b>
Objectively Assessed Need including economic uplift includes 500 for Tamworth Borough Council	4740		
Redistribution from Coventry & Warwickshire Housing Market Area	540		
<i>Sub-total</i>		5280	264
To test the potential delivery of up to 3790 for Greater Birmingham & Black Country Housing Market Area (this would include any amount required for Tamworth BC)	3790		190
<b>Total Potential</b>		<b>9070</b>	<b>454</b>

- 7.41 Due to the low past delivery rates and the rural nature of the Borough the delivery of all of the housing will however be dependent on the provision of infrastructure. The Local Plan therefore seeks to deliver a minimum of 5280 homes over the plan period from 2011-31. This equates to an annual housing requirement of 264 new homes per annum. The provision of the additional housing within the Plan period up to 9070 will be challenging and be a major change for the Borough.
- 7.42 Monitoring will be carried out covering the supply of housing and completions of housing within the Borough. However just as importantly will be the monitoring of the situation in the Housing Market Areas and in particular Tamworth, Birmingham and Coventry. It is important that sites in North Warwickshire are not seen as “quick wins”, which means that sites in the other areas do not come forward for development. This would be unacceptable.

### **Employment Requirements**

- 7.43 With the abolition of the Regional Spatial Strategy the Borough Council has to consider its employment land target. Looking at the available evidence it has been decided to continue with the target to equate to 11 hectares over a 5 year period. Therefore over the Plan period this equates to a total of 60 hectares.
- 7.44 The 2013 Employment Land Review (ELR) identified a need for 60 hectares for employment needs and this was reflected in the 2014 Core Strategy. At that time it was understood that 2 hectares of land at Spring Hill Industrial Estate, Arley, would be lost from employment use. The site has however remained in employment use and is now fully used. The continued use of the land for employment purposes reduced the need to find those 2 additional hectares elsewhere.
- 7.45 Consultants have revisited the Employment Land Review providing the evidence to show that there is still a need for 58 hectares (excluding 2 hectares at Spring Hill) of employment land within the Borough. The indications are that this requirement will be sufficient to deal with the minimum growth of 5280. Further employment land will

be required if further housing growth is possible. If the full 9070 dwellings is delivered around 91 hectares of land will be required between 2011 and 2031.

- 7.46 Unlike during the preparation of the Core Strategy the Borough Council has now been approached to deliver employment land for a neighbouring local authority. Tamworth Borough Council is seeking the Borough to deliver a proportion of 14 hectares in partnership with Lichfield District Council. A site allocation has been identified to satisfy a part of these 14 hectares. As any additional housing and employment needs to be considered in balance and Tamworth lies within the Greater Birmingham HMA any proportion delivered will be within the overall employment land requirements and not additional. This will avoid double counting.
- 7.47 Within the Coventry & Warwickshire HMA consideration has been given to the employment land requirements across the HMA. As a result a Memorandum of Understanding has been agreed on the delivery of additional employment land to address a shortfall in provision from Coventry City Council. There is no additional land requirements that that the Borough must consider.
- 7.48 In addition, since the preparation of the Core Strategy two studies<sup>5</sup> have made it clear that there is a wider than local need for large sites. This provision does not necessarily have to be provided for within North Warwickshire. The Borough Council will continue to work with other local planning authorities to see what opportunities there are around the East and West Midlands to deal with this need. There are large scale sites are coming forward in other areas such as Daventry, Market Harborough, North-west Leicestershire and South Staffordshire. It is not therefore considered an issue that North Warwickshire needs to consider further. It is considered more important for the Borough to focus its attention on widening the employment base and to build on the opportunities that the Horiba MIRA Technology Park can provide and seek the provision of aspirational job opportunities within the Borough.

#### ***Gypsy, Travellers and Travelling Show People***

- 7.49 The Government's key objective for planning for housing is to ensure that everyone has the opportunity of living in a decent home. The Planning Policy for Travellers Sites, which relates to Gypsies, Travellers and Travelling Show people was published in March 2012. This document should be read in conjunction with the NPPF which includes a commitment to ensuring that the housing needs of members of the gypsy and traveller community and the travelling show people's community are met.
- 7.50 The Gypsy Traveller and Travelling Show people Accommodation Assessment: North Warwickshire and Nuneaton and Bedworth, published in June 2013 examined the necessity for further pitches in the study area. The study was conducted by a team of researchers from the Salford Housing and Urban Studies Unit (SHUSU) at the University of Salford. The study was greatly aided by research support and expertise provided by members of the Gypsy and Traveller communities
- 7.51 For North Warwickshire this assessment, which took in to account the 17 pitches at the Warwickshire County Council rented site at Alvecote, indicated there is a need for an additional 9 residential pitches (2 up to 2017, 3 up to 2022, and 4 up to 2028) and up to 5 transit caravan pitches up to 2028. The end target date is 2028 and not 2031 as in the case of the housing and employment targets. There was no evidence of any requirement to provide pitches for travelling show people.

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<sup>5</sup> CBRE 2015 and West Midlands Strategic Sites Study 2015

- 7.52 The GTAA assessed the future travelling intentions of the Gypsy and Travellers community and was not considered to impact on the future pitch requirements. Although the current communities within North Warwickshire are reasonably settled on current authorised sites they wish to maintain the intention and ability to travel. The current identified need/requirements will therefore be maintained and this issue will be monitored through future assessments and reviews
- 7.53 In order to provide for a range of small sites outside of the Green Belt, but close to services and facilities, a site criteria policy is included in this Local Plan. It follows the principles of the settlement hierarchy.

#### **LP6 Amount of Development**

Between 2011 and 2031 there will be:

- a minimum of 5280 dwellings (net) will be built by 2031;
- there is an aspiration to deliver a further 3790 dwellings; and,
- around 90 hectares of employment land.

Between 2011 and 2028, 9 residential and 5 transit Gypsy and Traveller pitches will be provided.

The actual amount of development delivered over the Plan period will be governed by the provision of infrastructure to ensure developments are sustainable.

Delivery of Strategic Objectives:

**CS NW4, CS NW7, CS NW9**

## Chapter 8 Housing

- 8.1 The Borough Council is seeking to provide a variety of types and tenures of housing throughout the Borough, but will specifically seek the type and tenure to reflect the local settlement. Information for this can be found in a variety of sources including the Strategic Housing Market Assessment (SHMA) and Local Housing Needs Studies

**Table 3: Change in Age Structure 2001 to 2014**

	Under 15	15-29	30-44	45-59	60-74	75 and over	Total
North Warwickshire	-12.3%	1.0%	-21.8%	5.9%	35.3%	28.6%	1.1%
Coventry/Warwickshire	2.7%	19.7%	-5.5%	11.1%	24.8%	19.4%	9.9%
West Midlands	2.1%	14.8%	-7.0%	11.4%	21.2%	20.2%	8.2%
England	4.2%	12.9%	-4.0%	16.0%	24.1%	17.5%	9.8%

Source: Mid-Year Population Estimates

- 8.2 Work was carried out for the CW SHMA and it is projected that between 2011 and 2031 there will be a population change of some 6.3% with the greatest growth in the over 60's age group as outlined in Table 4.

**Table 4: Population change 2011 to 2031 by fifteen year age bands (2012-based SNPP (as updated))**

	Under 15	15-29	30-44	45-59	60-74	75 and over	Total
North Warwickshire	0.6%	-5.8%	-5.2%	-13.9%	23.7%	88.5%	6.3%
Coventry/Warwickshire	18.1%	8.1%	12.5%	1.6%	26.4%	72.2%	17.3%
West Midlands	7.9%	1.3%	3.4%	-3.4%	24.7%	67.1%	10.7%
England	11.0%	2.3%	4.9%	1.9%	31.4%	69.2%	13.8%

Source: JGC Demographic Projections

- 8.3 Evidence suggests that developments should provide for special needs accommodation for the elderly and for those with mobility issues. The Borough has an ageing population. It is clear from the data available that the Borough has an ageing population with also well over 20% considering they have bad or very bad ill-health. This evidence indicates that the type of housing being developed in the Borough must reflect this need.

**Table 5: Health & Care Indicators 2011, %**

Indicator	North Warwickshire	County	England
General health very bad (%)	1.4	1.1	1.2
General health bad or very bad (%)	6	4.9	5.5
Limiting long term illness or disability (%)	19.2	17.1	17.6
Provides 1 hour or more unpaid care per week (%)	12.1	10.9	10.2
Provides 50 hours or more unpaid care per week (%)	2.9	2.3	2.4

Source: ONS Census

- 8.4 The Borough Council will seek housing developments to be at a density of at least 30 dwellings per hectare. However this should not compromise the quality of proposals and it attaches considerable importance to maintaining and improving the quality of the local environment. Within in the town centres in the Market Towns as defined on the Proposals Map can accommodate a higher density of housing development. For



this reason, higher densities, of 50 dwelling per hectare (dph) or more, may be considered appropriate in the defined town centre areas.

#### **LP7 Housing Development**

Housing developments will be required to:

##### *Housing Mix*

Provide for a variety of types and tenures that reflect the needs of the Borough and of the settlement. Sites will be expected to provide for a range of needs and opportunities including homes for those with mobility issues, older people as well as the young.

##### *Special Needs*

- Provide for an element of special needs housing. This will be sought in all developments (including the sites allocations included in this Local Plan) that provide for 100 or more dwellings or involve sites of over 3 hectares irrespective of the number of dwellings
- The amount of special needs housing sought will be expected to amount to 10% of the total housing provision on the site concerned, but the precise quantity will be determined having regard to site size, suitability, the economics of provision and the need to achieve a successful development. All or part of the provision may be absorbed within the 40% affordable housing requirements of this Plan.

##### *Density*

Housing is expected to be built at a net density of no less than 30 dwelling per hectare. In town centres, net densities of 50 dwellings per hectare or more will be sought. In all cases making more efficient use of land must not compromise the quality of the environment.

##### *Infrastructure*

Provide for the necessary infrastructure. Development will only occur if the appropriate infrastructure is available or can be made available.

Delivery of Strategic Objectives:

#### **CS NW4**

##### **Windfall Allowance**

- 8.5 A windfall site is one that has not been allocated but comes forward for development at a later date. They are unforeseen sites that cannot be allocated at the time of the production of the Local Plan.
- 8.6 Analysis has been carried out as to how many sites than have come forward since 2011. This Plan seeks to allocate sites larger than 0.2 hectares or more than 5 dwellings. The analysis has been carried out on how many of these types of sites have come forward since 2011. The actual amount has been assessed as being on average just over 100 dwellings per annum. This is shown in Table 6 below.

*Table 6: New applications on sites of 0.2 hectares or less than 5 dwellings:*

<b>Year</b>	<b>Windfall Applications</b>
<b>2011-12</b>	211
<b>2012-13</b>	57
<b>2013-14</b>	96
<b>2014-15</b>	73
<b>2015-16</b>	104
<b>TOTAL</b>	541
<b>Average per annum</b>	108

- 8.7 The analysis has been careful not to count all sites that could have been counted as windfall since 2011. As there were few allocations within the relevant plans it would have skewed the analysis and showed much higher windfalls than would be expected when more sites are allocated. It is not proposed to allocate these sizes of sites within this Plan.
- 8.8 Within this Local Plan it is not proposed to incorporate a windfall allowance for the period 2011-2016. However a windfall allowance of 60 dwellings per annum for the next 15 years (2016-2031) has been included in the land requirement calculations. It is a conservative figure expecting opportunities in a Plan-led system to reduce over time. The total amount of housing anticipated on windfall sites during the plan period is therefore 900 dwellings. The level of housing completions and planning consents will be continuously monitored to avoid any adverse impact on the Borough's housing delivery.

#### **LP8 Windfall Allowance**

A windfall allowance of 60 dwellings per annum will be used from 2016 to 2031.

Delivery of Strategic Objectives:

**None**

#### **Affordable Housing**

- 8.9 Generally affordable housing is defined as housing that is non-market for those whose need is not met by the market. National guidance indicates that this can include a wide variety of delivery methods such as socially rented and intermediate housing. Following royal assent of the Housing & Planning Act starter homes are now part of the affordable housing definition. Further guidance is awaited on how this will impact on housing provision within the Borough.
- 8.10 The Council undertook a Housing Market Assessment in 2013 to provide up to date evidence and information for the Core Strategy. Affordable housing needs still remain high with a need of 112 units per annum.
- 8.11 The need for affordable housing as identified by this assessment is significant. The analysis further shows that the ratio of income to house prices/market rental in the Borough is such that the greatest amount of need is for socially rented accommodation. Since the adoption of the 2006 Local Plan therefore "local affordable housing" for North Warwickshire has related to the provision of socially rented housing provided by a Registered Social Landlord, or housing of a similar standard



that is available at an equivalent or lower cost (in terms of weekly or monthly repayments or rent). The changes to the socially rented accommodation is not the only provision of local affordable housing but it is a means of comparison to ensure that the housing that is provided is affordable for those in housing need in North Warwickshire. However, nationally changes to the grant funding scheme introduced a new type of home (Affordable Rented homes) with rents charged at up to 80% of market rents and less secure tenancies than social tenancies. Where affordable housing for rent is provided as part of a development proposal it is expected that this will be primarily through “affordable rent” properties unless social rent can be achieved viably through development of Council or other public owned land and assets.

- 8.12 Further changes to the Planning Policy Guidance through the Housing and Planning Act have introduced an exception site policy which enables applications for development for Starter Homes on under-used or unviable industrial and commercial land that has not been currently identified for housing. Starter Homes are new affordable housing products which first-time buyers can purchase at a discount of at least 20% on the market value. Such properties are expected to be offered to people who have not previously been a home buyer and want to own and occupy a home, and who are below the age of 40 at the time of purchase. It is noted that these affordable starter home properties should be exempt from any future community infrastructure levy and housing and tariff-style contributions to enable developers to help deliver the discounted sale price.
- 8.13 In addition the Government is seeking that Starter homes will be required on all reasonably sized housing sites, proposing that a single national minimum requirement of 20% of all homes to be delivered on residential developments must be starter homes. The Government requirement would apply to sites which meet at least one of the following criteria: 10 units or more or 0.5 or more hectares. All homes delivered on the above basis would be classed as contributing towards the Council’s targets for affordable housing.
- 8.14 Provision of affordable housing remains one of the main priorities for the future. ‘Right to buy’/acquire has exacerbated the local situation leaving a dwindling supply of housing held by the Council or Registered Social Landlords. In villages with a population of less than 3000 it is possible to curtail the right to acquire from Registered Social Landlords (RSL’s). Thresholds and percentages are justified and pursued in the Plan and sites will be identified to provide exclusively for affordable housing.
- 8.15 In terms of delivery of housing sites the Borough Council has been working with the Homes & Communities Agency and other local authorities in the sub-region to prepare a Local Investment Plan (LIP). This includes a list of priority sites that it will pursue with Registered Social Landlords and the private sector to deliver. In addition, the Borough Council itself has built affordable units and will pursue this again where possible, by looking to its own and other public sector land to unlock further opportunities.
- 8.16 Any local affordable housing will have a cascade of eligibility from local ward up to Borough level. It is important that the housing provided caters for the local affordable housing need and that this is maintained as such in perpetuity. In the first place, priority will be given to those who currently live or work in the ward where the development is taking place. Secondly, the needs of those living in adjacent wards will be considered, followed then by the wider needs of the Borough. Those who

have been offered a job in North Warwickshire and need to move into the area, but cannot afford a house will also be eligible if they can provide proof of the job offer.

- 8.17 Each housing site will be expected to provide for housing in order to meet the target of 20, 30 or 40% of housing to be affordable depending on the type and size of site over the plan period. This provision will be provided through onsite provision, off-site financial contributions and/ or land, with a minimum of 20% of the affordable element delivered through “*Starter Homes*” provision. The methodology in the Affordable Housing Viability Report will be used to calculate any financial contribution. In all cases viability issues will determine the nature and scale of provision, and reflect any National planning policy requirements. Planning conditions will be imposed or planning obligations be sought for social or affordable rental provision, in order to ensure that the affordable housing provision is provided, in a way that meets local needs and is locally affordable in perpetuity. Innovative ways of providing affordable housing will need to be pursued and may involve combining commuted sums from a number of developments that collectively, can provide a viable sum and the availability of a suitable site to provide affordable housing elsewhere in the Borough.

#### **LP9 Affordable Housing Provision**

Schemes of 10 or more dwellings

1. 30% of housing provided on-site will be affordable
2. Except in the case of Greenfield (previously agricultural use) sites where 40% on-site provision will be required.

This will be achieved through on site provision or through a financial contribution in lieu of providing affordable housing on-site. This will be calculated using the methodology outlined in the Affordable Housing Viability report or subsequent updated document and is broadly equivalent to on-site provision.

The Council and other partners will continue to maximise numbers of affordable housing on other sites.

Proposals to provide less than the targets set out above should be supported by a viability appraisal to verify that the targets cannot be met and the maximum level that can be provided without threatening the delivery of the scheme.

##### **Affordable Housing Mix**

A target affordable housing tenure mix of 85% affordable rent and 15% suitable intermediate tenure will be provided wherever practicable.

Delivery of Strategic Objectives:

#### **CS NW6**

#### **Gypsy & Travellers**

- 8.18 In order to provide for a range of small sites outside of the Green Belt, but close to services and facilities, a Gypsy & Traveller Plan will be brought forward and will include pitch allocations and follow the principles of the settlement hierarchy. The allocations will be informed by the Gypsy and Travellers Accommodation Assessment (GTAA) and any subsequent update and review.

- 8.19 Sites for Travelling Show people will not be allocated specifically as no need has been identified. However appropriate sites would be groups of farms buildings close to main roads throughout the Borough. In addition, there would be a need to meet the criteria reflected in government guidance. If sites arise then they will be treated in accordance with the Policy LP10 below.
- 8.20 A criteria based policy will assist the provision of sites. Where sites fall outside the development boundary preference will be given for them to be located on previously developed land.
- 8.21 Any permission granted under this Policy will be subject to a condition limiting occupancy to Gypsy and Travellers.
- 8.22 It is important that sites permitted as Gypsy and Travellers sites (whether residential or transit sites) are safeguarded for their continued use. If sites are lost this could lead to a reduction in site availability and increase the potential for unauthorised sites. Safeguarding will ensure that the levels of Gypsy and Traveller accommodation are maintained.
- 8.23 Sites for Travelling Show people will not be allocated specifically as no need has been identified. However appropriate sites would be groups of farms buildings close to main roads throughout the Borough. Further work will be required to identify specific sites to meet any identified need. Any submitted proposals will be assessed through the criteria based policy below.

#### **LP10 Gypsy & Travellers Sites**

##### *New Sites*

Sites will be allocated and/or permissible inside, adjoining or within a reasonable safe walking distance of a settlement development boundary outside of the Green Belt. Site suitability will be assessed against relevant policies in this Core Strategy and other relevant guidance and policy. Sites will also be assessed using the following criteria:

- The size of the site and number of pitches is appropriate in scale and size to the nearest settlement in the settlement hierarchy and its range of services and infrastructure, limited to a maximum number of 5 pitches per site.;
- The site is suitably located within a safe, reasonable walking distance of a public transport service, with access to a range of services including school and health services;
- Avoiding areas with a high risk of flooding or affected by any other environmental hazards that may affect the residents' health and welfare;
- The site has access to essential utilities including water supply, sewerage, drainage and waste disposal;
- The site can be assimilated into the surroundings' and landscape without any significant adverse effect.

##### *Safeguarding Established Gypsy, Traveller and Travelling Show people Sites*

Existing Authorised sites listed in Appendix E will be safeguarded for Gypsy and Traveller Use for the number of pitches permitted.

Any new Gypsy and Traveller sites granted planning permission will also be safeguarded for Gypsy and Traveller use for the number of pitches permitted.

Planning permission for changes of use or redevelopment to uses other than for residential use by gypsy and travellers or as a travelling show people yard of the sites listed/identified in Appendix E will be refused unless acceptable replacement accommodation can be provided, or it can be demonstrated that the site is no longer required to meet any identified needs.”

Delivery of Strategic Objectives:

**CS NW8**

**Chapter 9    *Employment***

- 9.1    Economic growth is a key Government goal and Local Enterprise Partnerships have been developed to pursue this. The Borough Council wants to work with the private sector to create long lasting local employment opportunities as well as mitigate any adverse impacts and enhance the rural character of the Borough.
- 9.2    Historically North Warwickshire had a number of large brownfield sites that have been redeveloped. Two of the largest sites are Hams Hall and Birch Coppice, which were seen as regional logistic sites in the abolished Regional Spatial Strategy and benefits from intermodal rail freight facilities. Many of the main settlements have a range of industrial estates.
- 9.3    Although North Warwickshire has seen one of the largest growths in terms of logistics and support facilities in the West Midlands it is still a fragile economy, with a high dependency on a narrow range of sectors and larger employers,. The growth of the small to medium sized enterprises, in particular, will continue to be supported. Both appropriate rural diversification and regeneration of existing sites will be part of the long term strategy to address the economic issues that the Borough faces.
- 9.4    There is the Horiba MIRA Technology Park, an Enterprise Zone, south of the A5 primarily aimed at research and development. Plans for the development of UK Central around the HS2 Interchange Station on the south west border of the Borough are also expected to provide higher skilled jobs opportunities. With the development of the latter two sites, this will change the local market and will provide opportunities to diversify the local economy for different types of employment growth. The Borough Council is keen to exploit these opportunities.
- 9.5    In addition, to target the priority issues and needs identified through the Sustainable Community Strategy, it is considered that all employment related development, should support and assist improvements to access to services, health, skills training and education opportunities through appropriate contributions or specific service delivery. The aim is to address the skills and education deficit and improve aspiration, opportunity and choice of employment. Delivery will need to provide a more focused match between available local employment and the existing and aspirational local employee skill base, in order to meet local economic needs and to address the large scale out-commuting pattern that presently exists in the Borough.
- 9.6    The Borough Council will work with neighbouring authorities and relevant Local Enterprise Partnerships to develop and assist companies. In particular research and development and other knowledge based companies/ facilities would be welcomed in order to broaden the range of higher skilled employment generating uses.
- 9.7    The provision of high speed broadband throughout the Borough will be important to allow businesses to grow, develop and exploit the opportunities coming forward as a result of the MIRA Technology Park.
- 9.8    Delivery of appropriate employment uses and redevelopment within existing employment sites should reflect the need to broaden the employment base and improve employment choice and opportunity. This will assist both in the employment choice and opportunities across the Borough. It is important therefore to protect employment land from alternative uses. However the Borough Council recognises that this cannot always be the case. Proposals for a change of use from employment uses (Class B) to non-employment uses should be supported by evidence to show

that the existing buildings and land are not suitable or cannot be viably reused for another employment use. Evidence should include details of the marketing of the site for employment use for at least 12 months.

#### **LP11 Economic Regeneration**

The delivery of employment generating uses, including the redevelopment of existing employment sites and farm diversification, should reflect the need to broaden the employment base, improve employment choice and opportunities for local people.

All employment land will be protected unless it can be demonstrated that there is no realistic prospect of the site being used for employment purposes. Evidence would need to demonstrate that:

- The site is no longer commercially viable; and,
- It has been marketed for an appropriate period of time, usually no less than 12 months; and,
- There are no alternative employment uses that could use the site.

Support and encouragement will be given to small scale rural businesses to expand where this does not impact detrimentally on the countryside character in environmental or sustainable terms.

Proposals for limited infilling and the partial or complete redevelopment of existing employment land outside of development boundaries will be considered against Policy LP1 and LP2 in order to retain the rural character, appearance and openness of the countryside throughout the Borough.

Delivery of Strategic Objectives:

**CS NW9, CS NW17, DM4**

#### **Employment Areas**

- 9.9 There are a number of industrial areas throughout the Borough. Some are purpose built whilst others like Manor Road have grown out of the location of other historical uses. It will be expected that the majority of employment generating uses will be concentrated into this areas.

#### **LP12 Employment Areas**

The following existing industrial estates together with the sites allocated in this Plan support the functioning of the Borough and in particular the Market Towns and Local Service Centres:

- Holly Lane, Atherstone
- Carlyon Road, Ratcliffe Road and the Netherwood Estate, Atherstone
- Manor Road, Mancetter
- Coleshill Industrial Estate
- Kingsbury Link
- Collier's Way, Arley
- Kingsbury Road, Curdworth
- Hams Hall, Coleshill
- Birch Coppice, Dordon

Within all of these estates, changes of use between the B1 light industrial, B2 general industrial and B8 warehouse and distribution Use Classes will be permitted provided there is no disproportionate concentration of B8 uses on any one estate. However at Collier's Way, New Arley and at Manor Road, Mancetter B8 uses will not be permitted.

The rail freight terminals at Birch Coppice and Hams Hall are of strategic significance. Development proposals on these two estates will be encouraged to use these terminals. Existing rail sidings on other sites will be safeguarded.

Delivery of Strategic Objectives:

**DM3**

### **Rural Employment**

- 9.10 The Local Plan seeks to support and encourage small scale rural businesses to develop and to enable their expansion where this does not impact detrimentally on the countryside character in environmental or sustainable terms.

#### **LP13 Rural Employment**

##### *Farm Diversification*

Proposals for farm diversification through the introduction of new uses onto established farm holdings will be supported where it can be demonstrated that:

- a) the development in terms of its scale, nature, location and layout would contribute towards sustaining the long term operation and viability of the farm holding;
- b) it would not cause an additional adverse impact to the safe and free movement of pedestrian, vehicular or other traffic on the trunk or rural road network as a result of heavy vehicle usage,
- c) there would be no adverse impacts arising from increased noise or other form of pollution,
- d) there are adequate foul drainage facilities, and
- e) there would be no adverse impact on the character of the surrounding natural or historic environment.

##### *Re-Use of Existing Rural Buildings*

Proposals for the re-use and adaptation of existing rural buildings will be supported provided that the following three pre-conditions are all satisfied:

- a) The buildings have direct access to the trunk or rural distributor road network and are readily accessible to the Main Towns and Local Service Centres via a range of modes of transport;
- b) they are of sound and permanent construction, and
- c) are capable of adaptation or re-use without recourse to major or complete re-building, alteration or extension.

If the building is a Listed Building or one that is recognised formally as a locally important building, then irrespective of the foregoing pre-conditions, the re-use or adaptation of that building will be considered if the proposal is the only reasonable means of securing its retention. However, development proposals will have to show an understanding of the historic and/or architectural significance of that building; its relationship to its setting and its sensitivity to change. Appropriate materials should be used along with methods of repair which respect the building's significance. As much of the fabric of the building, as possible, that embodies its character and interest should be retained. The criteria set out in section (a) of this policy will however still apply in these cases.

Provided that the building meets these pre-conditions, the preferred re-use of the building is for a rural business or other employment opportunity or one that would provide a community facility or service. Only where demonstrable adverse impacts would arise or such a use can be evidenced to be unviable, would an alternative use be considered. Tourism uses and locally affordable housing provision may be appropriate in this situation in accordance with Policies LP2, LP3 and LP9. Open market housing will only be considered if it can be shown that a tourism use or a locally affordable housing use would be demonstrably inappropriate or unviable to sustain.

Delivery of Strategic Objectives:

**DM11**



**Chapter 10 Environment**

- 10.1 North Warwickshire is characterised by distinctive and open countryside with market towns and many small villages and hamlets. Large country estates make up part of the Borough and much of this open character is in part due to their existence. The overwhelming land use is agriculture, often in extensive estates and accompanied by countryside recreation. The Borough has many Sites of Special Scientific Interest (SSSI), areas of Ancient Woodland, Local Sites (Wildlife and Geological), Parks and Gardens of Historical Interest, Country Parks and Warwickshire Wildlife Trust Nature Reserves. However, biodiversity is not only restricted to these sites, but also extends into the wider countryside where protected, rare and endangered species exist, forage or rest, such as individual veteran trees. Assets are not only statutory and non-statutory sites, including potential sites, but also those that maintain connectivity within the landscape. Some of these assets have already been identified but are continually being updated. Therefore Supplementary Planning Documents will be prepared in order to allow the information to be updated. Contributions will be sought to assist with the delivery of creating and maintaining the Borough's biodiversity and geo-diversity assets.
- 10.2 The Local Plan, therefore, recognises that it is essential for a healthy and diverse landscape to be protected and enhanced to ensure species movement throughout the Borough as well as into neighbouring authorities. This flow will assist with climate change adaptation by enabling species to expand populations as well as move to more favourable areas.
- 10.3 Due to the area's natural assets and growth pressure from surrounding areas the primary planning policy will be appropriate development of the appropriate size in the appropriate location. As a consequence it is important to ensure that new developments treat landscape and bio-diversity as integral parts of the whole proposal. This should assist in retaining, protecting and strengthening the visual amenity and bio-diversity of the setting.
- 10.4 The Borough has seen proposals that themselves change the landscape – e.g. new fishing pools. Either individually or cumulatively these can change landscape character as well as the hydrology of the area. The impacts of these proposals are therefore often much wider than perhaps just the immediate setting. Initial assessment of these impacts is thus important.
- 10.5 Regeneration of the Market Towns particularly through mixed-use development will allow the primary assets of the Borough - its countryside and settlements - to be protected and enhanced. Policies to protect and improve the Countryside beyond defined settlement boundaries and expected growth will continue through this Core Strategy.
- 10.6 It is intended that mineral workings sites, both in use or exhausted, as well as existing employment sites be put back into appropriate Green Belt/rural uses as current operations and permissions cease.
- 10.7 For clarification habitats includes: Habitats, species and features identified under Section 41 of the National Environment and Rural Communities Act as a principal of importance; proposed and designated Local Wildlife Sites and Local Geological Sites; Local Nature Reserves; ancient woodlands and veteran trees; river corridors and canals; networks of natural habitats and legally protected species, including linear features and wildlife corridors, such as hedgerows.

- 10.8 All of these make a substantial contribution to the Borough's natural environment. The network however is not restricted to these sites but other features of biodiversity that add, buffer and link to the wider countryside, providing connectivity and facilitating species movement in response to climate change.

#### **LP14 Natural Environment**

The quality, character, diversity and local distinctiveness of the natural environment will be protected and enhanced. In particular within identified landscape character areas development will conserve, enhance and where appropriate, restore landscape character as well as promote a resilient, functional landscape able to adapt to climate change. Specific landscape, geo-diversity, wildlife and historic features which contribute to local character will be protected and enhanced.

##### **A Landscaping Proposals**

New development should retain existing trees, hedgerows and nature conservation features with appropriate protection from construction where necessary and strengthen visual amenity and bio-diversity through further hard and soft landscaping.

Development proposals should be designed so that existing and new conservation features, such as trees and hedgerows are allowed to grow to maturity without causing undue problems, for example by impairing visibility, shading or damage.

Development will not be permitted which would directly or indirectly damage existing mature or ancient woodland, veteran trees or ancient or species-rich hedgerows.

##### **B New Landscape Features**

The landscape and hydrological impacts of development proposals which themselves directly alter the landscape, or which involve associated physical change to the landscape such as re-contouring, terracing, new bunds or banks and new water features such as reservoirs, lakes, pools and ponds will be assessed against the descriptions in the Landscape Character Areas. Particular attention will be paid in this assessment as to whether the changes are essential to the development proposed; the scale and nature of the movement of all associated materials and deposits, the cumulative impact of existing and permitted schemes, the impact on the hydrology of the area and its catchment, any consequential ecological impacts and the significance of the outcome in terms of its economic and social benefits

Delivery of Strategic Objectives:

**CS NW13, DM8, DM9**

#### **Historic Environment**

- 10.9 North Warwickshire has been shaped by human activity over many thousands of years, and the distinctiveness of its present landscapes and settlements reflects this historic character. Amongst the more prominent features of its historic environment are remains of a number of monastic sites from the middle ages, whilst the economic exploitation of the Borough's geology has left a rich heritage of industrial archaeology. The 24km of canal system also adds to the industrial heritage of the

Borough. The Warwickshire Historic Environment Record contains records of over 1350 archaeological sites, of which 29 are Scheduled Ancient Monuments. There are 579 Listed Buildings, 10 Conservation Areas and 3 Registered Parks and Gardens.

- 10.10 Apart from these discrete sites, the entire landscape has intrinsic historic interest which contributes to the local sense of place and is valued by residents and visitors. It has been systematically characterised through the national programme of Historic Landscape Characterisation, a regional programme of Historic Farmsteads Characterisation and a Countywide Historic Town Study and results of this work have informed this Core Strategy and will further inform the planning and design of developments.
- 10.11 The Historic Environment is a finite and non-renewable resource. 14 designated assets were identified by English Heritage as being 'at risk', mainly from disuse or neglect, in 2011/7. Kingsbury Hall is undergoing major work and Astley Castle has seen major works completed. The Borough Council will continue to work with owners to seek ways of securing their future. The Borough Council has an on-going programme for updating the areas Conservation Area Appraisals and will undertake management plans for them where appropriate. It will seek opportunities for enhancement through development and links with other projects and partnerships.
- 10.12 The Borough recognises the role of the Historic Environment in shaping the distinctiveness of the Borough and in contributing to quality of life and quality of place. It is committed to protecting and where possible, enhancing its historic assets including identification of areas where development might need to be limited in order to conserve heritage assets or would be inappropriate due to its impact upon the historic environment. Proposals for new development should reflect this commitment, with design that reflects local distinctiveness and adds value to it. The re-use and restoration/conservation of historic buildings can be a catalyst for regeneration. The Council have successfully implemented a Conservation Area Partnership Scheme in Atherstone and will seek ways of building on this success including the use of Neighbourhood Plans in the promotion of positive improvements to the Borough's historic environment. Proposals which may have an impact upon the Borough's Historic Environment will be assessed in accordance with local and national policy and guidance."

#### **LP15 Historic Environment**

The Council recognises the importance of the historic environment to the Borough's local character, identity and distinctiveness, its cultural, social, environmental and economic benefits. The quality, character, diversity and local distinctiveness of the historic environment will be conserved and enhanced. In particular:

- Within identified historic landscape character areas development will conserve, enhance and where appropriate, restore landscape character as well as promote a resilient, functional landscape able to adapt to climate change. Specific historic features which contribute to local character will be protected and enhanced and,
- The quality of the historic environment, including archaeological features, Listed Buildings, Scheduled Ancient Monuments, Registered Parks and Gardens, Conservation Areas and any non-designated assets; buildings, monuments, archaeological sites, places, areas or landscapes positively identified in North Warwickshire's Historic Environment Record as having a degree of significance meriting consideration in planning decisions, will be protected and enhanced, commensurate to the significance of the asset.

- Wherever possible, a sustainable reuse of redundant historic buildings will be sought, seeking opportunities to address those heritage assets identified as most at risk.

All Scheduled Ancient Monuments, Registered Parks and Gardens, Conservation Areas are shown on the Proposals Map.

### ***Understanding the Historic Environment***

All development proposals that affect any heritage asset will be required to provide sufficient information and an assessment of the impacts of those proposals on the significance of the assets and their setting. This is to demonstrate how the proposal would contribute to the conservation and enhancement of that asset. That information could include desk-based appraisals, field evaluation and historic building reports. Assessments could refer to the Warwickshire Historic Environment Record, Conservation Area Appraisals, The Warwickshire Historic Towns Appraisals, The Heritage at Risk Register and Neighbourhood Plans or other appropriate report.

### ***Conserving the Historic Environment***

Where a proposal affects the significance of a heritage asset, including a non-designated heritage asset, or its setting, the applicant must be able to demonstrate that:

- i) all reasonable efforts have been made to sustain the existing use; find new uses or mitigate the extent of the harm to the significance of the asset; and,
- ii) the works proposed are the minimum required to secure the long term use of the features of the asset that contribute to its heritage significance and interest are retained.

Additional evidence, such as marketing details and/or an analysis of alternative proposals will be required where developments involve changes of use, demolitions, sub-divisions or extensions.

Where a proposal would result in the partial or total loss of a heritage asset or its setting, the applicant will be required to secure a programme of recording and analysis of that asset and archaeological excavation where relevant and ensure the publication of that record to an appropriate standard.

### ***Traffic and the Historic Environment***

New transport infrastructure including surface treatments, street furniture, signage, road markings and lighting will be expected to be designed so as to conserve and where appropriate enhance the significance of affected heritage assets and their settings.

Where Transport Assessments accompany development proposals, they must include an assessment of how townscape and the historic environment has been assessed and addressed within their respective proposals

Delivery of Strategic Objectives:

**CS NW14, DM10**

### **Nature Conservation**

10.13 The Borough Council recognises the need to establish a coherent and resilient ecological network in order to contribute towards the Government's target of halting the loss of biodiversity by 2020. The Core Strategy aims to achieve this by providing

robust protection for these biodiversity assets that have a significant role and function in the Borough's existing ecological network and by seeking enhancements and gains where deficiencies are identified.

#### **LP16 Nature Conservation**

Sites of Special Scientific Interest (SSSI's) will be subject to a high degree of protection, in view of their national importance. Development adversely affecting a SSSI will only be permitted where the benefits of the development at these sites clearly outweigh the likely impacts on the site and any broader impacts on the national network of SSSI's.

Development that affects Sites of Regional and Local Importance for Nature Conservation will only be permitted where the benefits of the development outweigh the nature conservation value of the site and the contribution it makes to the Borough's ecological network.

Development that damages habitats and features of importance for nature conservation will only be permitted where there are no reasonable alternatives to the development taking place in that location. Where appropriate, developments will be required to help enhance these features and/or secure their beneficial management. Development will be resisted where it leads to the loss of irreplaceable habitats and features, such as ancient woodland or veteran trees unless it can be demonstrated there are overriding reasons and benefits that outweigh the loss.

Development should help ensure that there is a net gain of biodiversity and geological interest by avoiding adverse impacts first then providing appropriate mitigation measures and finally seeking positive enhancements wherever possible. Where this cannot be achieved, and where the development is justified in terms of the above criteria, the Local authority will seek compensation and will consider the use of biodiversity offsetting as a means to prevent biodiversity loss. In doing so, offsets will be sought towards enhancements of the wider ecological network in the Borough or sub-region in line with local, regional and national priorities for nature conservation

Delivery of Strategic Objectives:

#### **CS NW15**

#### **Green Infrastructure**

10.14 Green Infrastructure (GI) is a strategically planned and delivered network of high quality green spaces and other environmental features. It should be designed and managed as a multifunctional resource capable of delivering a wide range of environmental and quality of life benefits for local communities. Green Infrastructure includes parks, open spaces, playing fields, woodlands, allotments and private gardens. The Borough already has higher than average accessibility to woodland providing an excellent basis from which to develop a Borough wide network. However there are still local deficiencies which need to be tackled as well as the creation of further woodlands helping to extend corridors.

10.15 The Borough Council along with other authorities in the sub-region and Natural England have developed a Sub-regional Green Infrastructure Strategy. This strategy has established criteria to identify sub-regional Green Infrastructure assets of Landscape, Accessibility and Biodiversity importance. The Borough is also a partner

in the Coventry, Solihull and Warwickshire Biodiversity Offsetting pilot. Biodiversity Offsetting provides a standardised mechanism for quantifying and delivering compensation where adverse impacts on biodiversity cannot be avoided or mitigated on site. The outcome of this work and any additional local work will be taken forward in other Development Plan Documents as well as an explanation of how the formulae and offsetting will be translated into further guidance. Policy will need to set clear standards for when and how biodiversity offsetting may be used within the planning system.

- 10.16 The two canals in North Warwickshire can contribute towards the provision of significant local and strategic Green Infrastructure, as they provide important wildlife corridors and can support significant biodiversity along their length. The definition of Green Infrastructure includes “blue infrastructure and blue spaces” such as waterways, towpaths and their environs. They also provide important open spaces. Further detail on the definition of “Green Infrastructure” can be found in the Glossary.
- 10.17 Opportunities exist throughout the Borough where development takes places. In particular the use of mineral sites provides an opportunity to create links and for biodiversity offsetting potential. For example the quarry sites of Purley, Jubilee and Oldbury. Offsets would be sought towards enhancements of the wider ecological network in line with local, regional and national priorities for nature conservation. In addition, the development of HS2 will also provide a corridor in its own right but equally could cause links across the railway line to be broken.

#### **LP17 Green Infrastructure**

Development proposals must where appropriate, demonstrate how they contribute to maintaining and enhancing a comprehensive and strategically planned Green Infrastructure network, where appropriate. With reference to the sub-regional Strategy for Green Infrastructure and the local Green Infrastructure resource development should:

- Identify, maintain and enhance existing Green Infrastructure assets;
- Optimise opportunities to create links between existing Green Infrastructure within the district and to surrounding sub-regional networks;
- Help deliver new Green Infrastructure assets where specific need has been identified.

Where new Green Infrastructure cannot be provided on site, or where an existing asset is lost or adversely affected, contributions will be sought towards wider Green Infrastructure projects and improvements within the district or, where appropriate, in the sub-region.

Delivery of Strategic Objectives:

#### **CS NW16**

#### **Tame Valley including Kingsbury Water Park**

- 10.18 The Tame Valley extends from the Black County across Birmingham into to North Warwickshire and beyond. It is an important ecological area which is a regional asset that needs to be proactively considered and where possible enhanced as a tourist destination. The area has many functions – wildlife, flood storage, nature, and tourism.



- 10.19 The Tame Valley Wetlands partnership has focused on part of the Valley area lying within North Warwickshire. The Borough Council is a partner of this group which is seeking to enhance the area
- 10.20 Part of the valley includes the Kingsbury Water Park. Kingsbury Water Park grew out of the old, gravel workings in 1975 and has become a haven for bird watchers and walkers alike, attracting over 100,000 visitors per annum. It is an important local and regional visitor attraction providing important habitats as well as camping and visitor facilities. The route of Phase 2 of HS2, as suggested, will go through the site and potentially affect many of the buildings. The Borough Council recognises the importance of the site to both the local area and region. It therefore wishes to indicate its support for its continued existence which may require replacement of the buildings within the envelope of the site.

**LP18 Tame Valley including Kingsbury Water Park**

Encouragement will be given to the maintenance and enhancement of the Tame Valley.

Replacement buildings as a result of the proposed HS2 will be permitted elsewhere within the Kingsbury Water Park, as shown on the Proposals Map, to ensure its continued existence.

Delivery of Strategic Objectives:

**None**

**Local Nature Reserves**

- 10.21 The Borough Council control a number of sites which have potential for enhancing and improving biodiversity and the natural environment while facilitating access for educational, recreational needs and community health and well-being. Some sites are already accessible and serve their communities as informal recreation, providing natural open space. Those that are currently not accessible there is the intention to develop as Local Nature Reserves and further facilitate access and biodiversity improvements. The proposed Local Nature Reserves are Dafferns Wood, New Arley; River Anker, Atherstone; Abbey Green Park, Polesworth and Cole End Park, Coleshill.
- 10.22 Daffern's Wood is about 2.42 hectares in size and was purchased by North Warwickshire Borough Council in 1992. It once was part of Arley Wood which in turn was part of the Arden Forest covering most of Warwickshire. The wood is classified as Ancient Woodland. Ancient Woodland is an important habitat for many rare and threatened species of animals and plants. Ancient Woodlands date back to 1600 or before and developed naturally (without manmade planting). Only 20% of the total wooded area in Britain is Ancient Woodland making its preservation and management of great importance.
- 10.23 The Riverside site is located behind the Carlyon Road industrial estate in Atherstone. The area is a small but long band of grassland following the river Anker with a narrow band of newly planted trees screening the rear of the industrial units. Running through the area is a public footpath which leads to a bridge over the river and links the area with Witherley in Leicestershire and other walking routes.

- 10.24 The River Anker flows through the Abbey Green site. The silted up channels and reed beds make it an interesting area to develop for wildlife. The aim is to create a riverside wildlife area following the Anker and creating a focal point for the park. There is also potential to create a riverside walk and perhaps fishing platforms.
- 10.25 The project in Coleshill would focus on the area of the park south of the River Cole, in particular the area linking the children's play area accessed from Old Mill Road with the park. This area is currently boggy and overgrown with the invasive weed Himalayan Balsam. The project would create a nature walk from the play area and possibly areas of native planting, wildflower meadow and woodland within this part of the park.

#### **LP19 Local Nature Reserves**

The following sites are designated as Local Nature Reserves and are shown on the Proposals Map:

- Dafferns Wood, New Arley
- Riverside, Atherstone
- Abbey Green Park, Polesworth
- Cole End Park, Coleshill

Delivery of Strategic Objectives:

#### **SAP LNR1**

#### **Green Spaces**

- 10.26 Open spaces, whether publicly or privately owned, are important within settlements as they break up the built form and contribute to local identity. The Council's Green Space Strategy identified that there were sufficient number of green spaces throughout the Borough but it was the quality of these that needed to be improved. However this study was carried out when the growth within the Borough was relatively low compared to the growth potentially taking place up to 2031. The Strategy is currently under review and will be available mid-2017. The results of the study and strategy will feed into consideration of sites.

#### **LP 20 Green Spaces**

The Green Spaces as shown on the Proposals Map will be retained as such

Neighbourhood Plans may designate additional areas.

Delivery of Strategic Objectives:

#### **DM5, SAP OS1**



## **Chapter 11 Services & Facilities**

- 11.1 Local Services and facilities are an important element in ensuring the vitality of the towns, villages and hamlets in the Borough, including social, health and cultural infrastructure. The Local Plan will protect and support local services and facilities across the Borough and will ensure community involvement in the consideration of the means of achieving this. Further advice and guidance will be developed.
- 11.2 Retail uses will be focused towards the Market Towns to help maintain their viability and vitality. Existing retail uses will be protected in accordance with the settlement hierarchy and developed further within the site allocations plan.
- 11.3 The most common types of facilities found in our towns and villages are as follows:

### **COMMUNITY FACILITIES**

Allotments, Cemeteries, Clinics, Colleges, Health Centres, Indoor Sports Facilities, Libraries, Local Authorities Offices, Places of Worship, Playgrounds, Fire Stations, Police Stations, Schools, Sports Facilities, Sports Grounds & Fields, Village Halls, Surgeries, Theatres, Social Club, Youth Centres & Venues for Community Art/Crafts.

- 11.4 Poor health and in particular obesity, is an issue throughout the Borough, but with some local high concentrations. In addition there is increasing concern over betting. Planning cannot restrict takeaways or betting shops completely. Where there is a local problem local policies may seek to restrict the number of takeaways or betting shops, other uses in order to maintain the variety of retail uses and to assist in achieving a healthy resident population.

### **LP21 Town Centres and Neighbourhood Centres**

A Town Centre Boundary with a defined Core Shopping Frontages zone is defined on the Proposals Map for the Market Towns of Atherstone with Mancetter, Coleshill and Polesworth with Dordon.

The following areas are designated as Neighbourhood Centres:

1. Browns Lane & New Street Shopping parade, Dordon;
2. Jubilee Court, Tamworth Road, Kingsbury;
3. Station Buildings, Birmingham Road, Water Orton; and,
4. 82 to 102 Coleshill Road, Chapel End, Hartshill

Within the Core Shopping frontages and Neighbourhood Centre shopping parades further loss to non-retail uses such as hot food takeaway, estate agents or other A2 (Non Deposit-taker) and A3 uses will be restricted unless:

- clear evidence is available justifying the loss and change of use, and
- there will be no adverse impact on the retail choice and availability in the frontage or centre.

Proposals that would have a detrimental impact on the viability and vitality of centres will not be permitted.

### *Disproportionate Concentration*

The disproportionate concentration of uses will not be supported. The following factors will be taken into account: the existing mix of uses, the impact on customer behaviour, the proximity of education establishments, the deprivation levels in the area and the cumulative highway and environmental impacts. Robust justification using a sequential approach will be required to avoid a disproportionate concentration of uses.

### Delivery of Strategic Objectives:

### **DM13, SAP**

- 11.5 The provision of new and the maintenance of existing services and facilities is an important consideration for the Borough Council. It is these services and facilities that make a settlement work for both the existing and future residents. They are also important for the local business community. It is expected larger settlements will have a wider range of services and facilities that fit with their place within the settlement hierarchy.

### **LP22 New Services and Facilities**

Development proposals for new shopping, office, entertainment, hotel and leisure uses together with new community, social, health and education facilities or mixed residential/commercial uses should be directed towards the town centres of the Market Towns or within the development boundaries of the Local Service Centres. Each such development should be commensurate in scale and nature with the role and function of the settlement concerned and the size of the catchment area such that it does not result in adverse highway, environmental or viability and vitality impacts.

Dual or multiple uses of sites or “hubs” providing services and facilities for individual or groups of settlements will be encouraged.

### Delivery of Strategic Objectives:

### **DM13**

### **LP23 Loss of Services and Facilities**

Proposals resulting in the loss of an existing service or facility, such as health care premises and also including retail uses, which contribute to the functioning of a settlement or the public health and well-being of its community, will only be supported if:

- a) an equivalent facility or service is wholly or partially provided elsewhere, in an equally or more accessible location within that settlement;
- b) the land and buildings are shown to be no longer suitable for continued use in terms of their location, design and/or construction,
- c) it can be demonstrated by evidence that there is no realistic prospect of an alternative service or facility using the site, such as through an appropriate marketing campaign or the internal procedures of the parent organisation; and,
- d) its loss will not harm the vitality of the settlement.

In particular the loss of retail uses within town centre boundaries and particularly within defined neighbourhood centres and primary shopping frontages as defined elsewhere in this Plan, will only be supported if it can be shown that there is no reasonable prospect of retention of the use; occupation by an alternative retail or mixed community/retail use, or that there would be no adverse impact on the retail choice and availability. Mixed use proposals, including those with residential uses, will be appropriate.

Delivery of Strategic Objectives:

**DM13**

### **Recreational Provision**

- 11.6 As part of any development it is important that provision is made for recreation whether this is indoor or outdoor. The health and wellbeing benefits of such provision can improve the quality of life for residents.
- 11.7 Work is currently being undertaken to update the Council's Open Space, Sport & Recreation Audit and Green Space Strategy and the North Warwickshire Playing Pitch Strategy and a review of Leisure Services built facilities. This is expected to be completed by mid 2017. This work will feed into the future plans of the Borough Council and also will influence advice and guidance given on development proposals.
- 11.8 Long term maintenance is a key issue. Therefore improvements may be more appropriate to improve off-site facilities / sites rather than creating new on site provision. This will be particularly relevant to smaller scale sites. A review is

### **LP24 Recreational Provision**

Development proposals will be expected to provide a range of new on-site recreational provision such as parks and amenity space, sport or recreation facilities and semi-natural areas such as woodland wherever appropriate to the area and to the development.

The design and location of these spaces and facilities should be accessible to all users; have regard to the relationship with surrounding uses, enhance the natural environment, protect and improve green infrastructure and link to surrounding areas where appropriate.

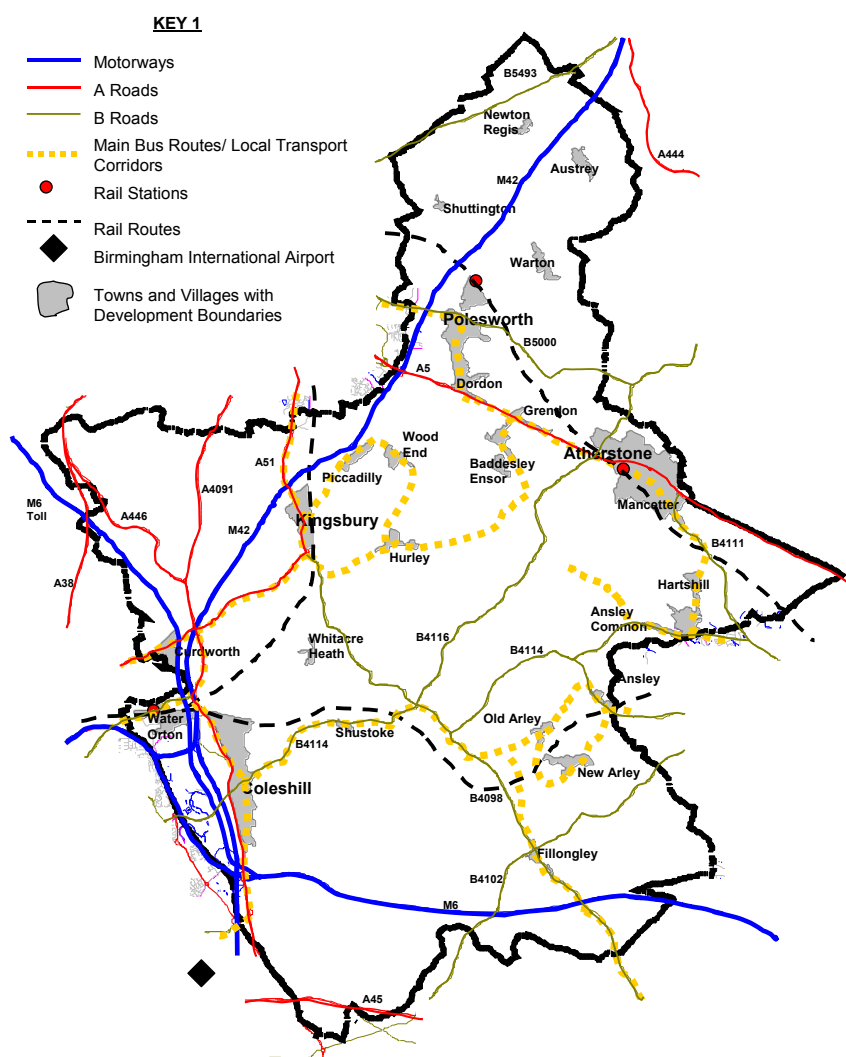
The Council will require the proper maintenance of these areas and facilities to be agreed. Where on-site provision is not feasible, off-site contributions may be required where the developments use leads to a need for new or enhanced provision.

Delivery of Strategic Objectives:

## Chapter 12 Transport

- 12.1 Transport, especially in a rural area, gives everyone the means of accessing services and facilities as well as jobs and training. The Core Strategy seeks to maintain and improve public transport links between the Market towns, Local Service Centres and other villages to help sustain a viable local economy. The Borough Council will pursue transport improvements through development and will seek mitigation measures from any transport developments.

Figure 3 Transport Network in North Warwickshire



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- 12.2 With the development of High Speed rail and the new Station at the NEC there are implications on road traffic that will need to be carefully considered and mitigated against, especially through the rural roads of North Warwickshire. Opportunities will be sought to improve public transport links in to the rural parts of North Warwickshire and improve access to a wider range of services and facilities.
- 12.3 Birmingham International Airport is close to the western boundary of the Borough. It is near to junctions on the M6 and M42 and there is a direct rail link from the airport

to Birmingham. Two bus routes travel to the airport through the Borough from Nuneaton and Atherstone.

- 12.4 The proximity of the airport brings significant economic benefits and opportunities to North Warwickshire. However disturbance is caused along the flight-paths over residential areas. Airport traffic is a factor in the growth of road traffic in the Borough and the presence of the airport has created a demand for remote vehicle parking. The Borough Council will seek improvements to public transport wherever possible.
- 12.5 Arrangements are in place to consult with the Civil Aviation Authority on the height of proposed development in the Borough. Maps showing safeguarded areas for Birmingham International and Coventry airports can be viewed at the Borough Council offices.
- 12.6 It is important that when development proposals are submitted elements of transport are considered. A Strategic Transport Assessment is being updated for the Plan as a whole but individual site considerations will still be necessary. In addition the Borough Council has a priority of reducing the “killed and serious accidents” year on year.
- 12.7 Transport Assessment and Travel Plans are an important element in determining if a development can be carried out in a workable way without leading to traffic problems.
- 12.8 The Borough has a number of level crossings on the rail network. Development will need to address its impact where necessary to avoid any adverse impact or interference to the rail network. Potentially where there is an expected increase in people using a level crossing then early discussions need to take place with Network Rail and consideration should be given to the replacement of the crossing with a bridge.

#### **LP25 Transport Assessments**

Transport Assessments will be required to accompany development proposals which will generate significant amounts of movement as outlined in Appendix X to this Plan. Assessments will also be required where there is a cumulative effect created by additional floor space or traffic movement on the site or in the vicinity, or where there are demonstrable shortcomings in the adequacy of the local transport network to accommodate development of the scale proposed.

These Assessments should address impacts on both the local and strategic highway networks and should be scoped so as to be bespoke to the nature of the development proposals. They should also ensure that proposals provide appropriate infrastructure measures to mitigate the adverse impacts of development traffic and other environmental and safety impacts either individually or cumulatively. Appropriate provision for, or contributions towards the cost of any necessary highway improvements should also be addressed. Widening opportunities to access new developments for all sections of the community will need also to be addressed through the provision and enhancement of public transport services and facilities together with walking and cycling facilities.

The Assessments should assess the impact on level crossings in the vicinity of the development.

Travel Plans will be required to be submitted alongside these Assessments.

### **Travel Plans**

Development will be expected to link with existing road, cycle and footpath networks. Developments that are likely to generate significant amounts of traffic and particularly larger developments will be expected to focus on the longer term management of new trips; encourage the use of public and shared transport as well as appropriate cycle and pedestrian links. Increasing the opportunity to access these developments for all sections of the community should be addressed. This will be secured through a Travel Plan and/or financial contributions which will be secured either through planning conditions or the provisions of Section 106.

### **Delivery of Strategic Objectives:**

### **DM5, DM14**

### **Rail**

- 12.9 Rail also plays an important role in the Borough with the Trent Valley line/ West Coast mainline and the Cross Country line. There are four stations in the Borough. Atherstone and Polesworth are on the Tamworth to Nuneaton stretch of the West Coast Mainline. Water Orton is situated along the Leicester and Nuneaton line to Birmingham. During 2008 a new station called Coleshill Parkway opened. There are two intermodal rail freight facilities at Hams Hall and Birch Coppice. These routes and stations are shown in Figure 3.
- 12.10 Local rail services have improved since the 2006 Local Plan. Services have been improved to Atherstone and the new station in Coleshill has meant greater patronage. Polesworth is virtually closed with only one service in the morning going north. In patronage terms Atherstone has seen an increase of 125% between 2013/14 and 2014/15. Use of Water Orton station has reduced slightly whilst Coleshill Parkway continues to increase.
- 12.11 Kingsbury once had a railway station and a replacement station is still being pursued by Centro, alongside the Camp Hill Chord proposals for the Birmingham to Lichfield line that passes through Kingsbury past Dosthill and on to Tamworth. This has been included in Warwickshire's Local Transport Plan 3 and is saved policy TPT4 from the North Warwickshire Local Plan 2006. In addition Network Rail have highlighted in the West Midlands Route Utilisation Strategy and the Initial Industry Plan, the need to improve the rail access to Birch Coppice/Kingsbury Depots, which would facilitate new and enhanced passenger rail services on the Birmingham to Tamworth rail corridor.
- 12.12 A new station on the Birmingham to Nuneaton line is included in the Warwickshire Local Transport Plan. Although the exact location is not known it is in the Arley area.
- 12.13 The improved provision of train services to Atherstone is supported. Investment has been made to improve the platforms and the train information signage. Further improved train services were introduced in December 2012 which cut the journey time to London by a further 20 minutes. There remain issues over car parking and access to the western platform under the bridge on the Watling Street. Lighting has been improved and the footbridge has been removed. However, replacement of the

footbridge is still supported. In addition, opportunities to improve parking for both the station and the town will be pursued.

## **LP26 Stations**

### **Existing Stations**

Further improvements will be encouraged and sought at existing stations. In particular:

- improved car parking facilities will be explored for Atherstone Railway Station
- improved services, provision of new footbridge and parking facilities at Polesworth Station
- improved connectivity to and between all railway stations to ensure integrated facilities for buses, walking and cycling.

### **New Railway Stations**

Land west of Railway Bridge at Spring Hill, Arley and land adjoining Trinity Road Railway Bridge, Trinity Road, Kingsbury are safeguarded new stations and are shown on the Proposals Map.

## **Delivery of Strategic Objectives:**

### **CS NW21, SAP TP1, DM14**

- 12.14 In January 2012 the Secretary of State announced the route for the first phase of HS2 (High Speed Rail) between London and the West Midlands. This travels through the Borough northwards from the NEC along the Tame Valley up to Middleton and then on to Basset's Pole. A route also comes out of and goes in to Birmingham to the south of Water Orton. The safeguarded route is shown on the Proposals Map.
- 12.15 The next phase of the route to Leeds via the East Midlands and to Manchester was published in January 2013. The Leeds leg follows the route of the M42 from a junction near Lea Marston, past Polesworth and then heads towards Ashby. The formal announcement of the route is expected in November 2016.
- 12.16 The full impact of the proposals will not be known for some time, but increased traffic, especially through the rural countryside close to the new railway station and monorail depot to the east of the M42 near to the NEC, is likely. Improved public transport connections will be extremely important to mitigate this impact as well as substantial landscaping and absorptive noise barriers along its route. Other mitigation measures, including community benefits will be needed and will be progressed through discussions with HS2 Ltd and the Department of Transport. Pressure for development around the new HS2 railway station at the NEC will be resisted.

## **LP27 Railway Lines**

### **High Speed Rail**

The line of the proposed High Speed 2 Phase 1 railway through North Warwickshire will be safeguarded and is shown on the Proposals Map.



The line of the High Speed 2 Phase 2 railway through North Warwickshire will be safeguarded when it is published. Until this time, the line will be treated as a material planning consideration of significant weight.

Connectivity between the line and the settlements of North Warwickshire will be improved through work with developers, the nominated undertaker, government organisations (including Highways England and the Department of Transport) and funding agencies. The traffic implications and impact of growth in adjoining area and from development related to High Speed rail will need to be addressed and mitigated through encouraging sustainable transport solutions and measures, including traffic calming and access constraints on the rural road network.

### **Safeguarding of Rail Routes**

The former Baddesley Mineral Railway line between Baddesley Colliery and Birch Coppice (Safeguarded Route RR1) and the route of the former Whitacre Line between Hampton in Arden to Whitacre will be safeguarded (Safeguarded Route RR2) to allow for the reinstatement of the route or if this is possible then as a recreational cycle route.

No development will be permitted which would sever or prevent the future use of the routes as a railway or other form of transport unless a suitable diversion or alternative is provided.

### **Delivery of Strategic Objectives:**

### **CS NW21, SAP SR1, DM14**

### **Road**

#### **A5**

- 12.17 The A5 is an important part of the Strategic Road Network and forms a key arterial route through the Borough. The A5 is an important strategic route for the sub-region and nationally but it is also an important local road serving the local community. It therefore has both local and national significance.
- 12.18 The Borough Council has been working with 14 other local authorities and the Highway England to develop a Strategy for the A5. As a trunk road its maintenance and improvements essentially lies with Highways England, who are developing and reviewing their Route-wide Strategies. The A5 is one of these key routes.
- 12.19 There is growth proposed along the A5 both within and outside of the Borough. It is difficult to see how the current road will be able to cater for such growth without substantial investment. Investment will unlock a number of development sites. Any growth along its route will need to carefully consider the implications of additional traffic.

#### **A446**

- 12.20 In addition the A446 runs parallel to the M42 and is another major route through the Borough which has both local and national significance. As part of the HS2 proposals the bridge over the River Tame will be built so the road can be dualled in the future. Investment will be sought to complete this work so that the road is fully dually south of Dunton Island (junction 9 M42).



## **LP 28 Strategic Road Improvements**

### **A5**

A study has been undertaken in respect of the future of the A5 Trunk Road and the outcome of this will become a material planning consideration in respect of future development proposals that might impact on the A5. The Council will work alongside the appropriate Agencies to develop the A5 Strategy and options for its dualling.

### **A446**

Improvement of the A446 including the dualling over the River Tame will be sought as well as improved cycling links.

Delivery of Strategic Objectives:

**CS NW21, DM14**

## **Cycling**

12.21 The *Northern Warwickshire Cycleway* covers approximately 35 miles around the Borough with more localised routes in Atherstone, Polesworth, Coleshill and Kingsbury. This provides for leisure uses. There has been little in the way of cyclist provision for commuters, apart from that proposed at the Station at Hams Hall. The Borough Council will pursue the introduction of improved cycling and pedestrian links throughout the Borough. This will also have health benefits and will be supported through the recently announced Cycling and Walking Investment Strategy by Central Government as well as support the A5 Sustainable Travel & Transport Strategy.

## **LP29 Walking and Cycling**

The Borough Council will develop a Walking and Cycling Strategy

All developments should consider what improvements can be made to encourage safe and fully accessible walking and cycling.

Delivery of Strategic Objectives:

**DM14**

### **Chapter 13    Development Considerations**

- 13.1 The Council recognises the importance of sustainability. In this respect, all development should demonstrate that it is sustainable. This will be achieved by being well designed, laid out and constructed in a manner to ensure the long term retention, adaptation and re-use of premises; where services and facilities link and support development they must be protected and improved where necessary; and that promotion of sustainable transport is prioritised, as there is a reliance on private vehicular transport. This is in line with the Government's intentions towards sustainable patterns of movement.
- 13.2 High quality design and place making should be the aim of all those involved in the development process. This policy aims to ensure that a high quality of design is achieved in North Warwickshire. The Policies in this section retain the approach taken in the existing Core Strategy and 2006 Local Plan.
- 13.3 Development proposals will be expected to adopt principles of good design so that they make a positive contribution to the character and quality of the area. Regard should therefore be had to good practice set out in '*By Design – Urban Design in the Planning System: Towards Better Practice*' (DETR/ CABE 2000) and '*By Design - Better Places to Live*' (DTLR 2001)
- 13.4 Reference should also be made to design SPG produced by the Council. This includes 'A Guide for Shop Front Design', 'A Guide for the Design of Householder Developments' and 'A Guide for the Design of Lighting Schemes'. In addition to this the Council plans to prepare further design guidance. The timetable for this will be brought forward through the Local Development Scheme.
- 13.5 Equal opportunities are an increasingly important matter in planning. Recent legislation sets out the Council's obligations in ensuring that development is suitable for people of all ages, abilities and backgrounds. In addition, promoting healthy and active lifestyles is a key local priority, as set out in the North Warwickshire Sustainable Community Strategy<sup>6</sup>.
- 13.6 Open spaces, whether publicly or privately owned, are important within settlements as they break up the built form and contribute to local identity. Settlement Character Assessments will be undertaken to identify public spaces within the settlements and will seek to protect and enhance them. The Council's Open Space, Sport & Recreation Audit and Green Space Strategy<sup>7</sup> and the North Warwickshire Playing Pitch Strategy identify existing shortfalls in provision, as well as further classifying the importance of existing open spaces and working to improve and protect sports facilities across the Borough.
- 13.7 People within the Borough should be able to enjoy places without undue disturbance or intrusion from neighbouring uses. This protection of amenity in the public interest accords with paragraph 66 of the National Planning Policy Framework. The Council will look to protect and improve, where possible, living and working conditions through development proposals, which will be enforced by planning conditions or through the Council's Environmental Health powers.

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<sup>6</sup> North Warwickshire Community Partnership, 2010; North Warwickshire Sustainable Community Strategy

<sup>7</sup> NWBC, 2008; North Warwickshire Green Space Strategy

- 13.8 The Rivers Tame, Blythe and Anker are all wildlife sites in the Borough. All are at risk of pollution, particularly the River Blythe, which is a Site of Special Scientific Interest. In addition, despite flood alleviation works in some parts of the Borough, a significant amount of residential and employment land along and near these corridors is at risk of flooding.
- 13.9 The Council seeks to reduce this risk by minimising surface water run-off to these rivers through the appropriate location of new development and requiring Sustainable Drainage Systems (SuDS) and other appropriate attenuation measures. In line with guidance, where there is considered to be a risk of flooding, developers will be required to conduct a Level 2 flood risk assessment as a Level 1 Strategic Flood Risk Assessment was carried in 2009. Recommendations from this study will be used as guidance and included in future Development Plan Documents. In addition, ponds and ditches form an important natural drainage function that should, where possible, be protected and enhanced, especially as they can also result in environmental enhancement and provide benefits to wildlife.
- 13.10 The raw material, heavy infrastructure and disposal needs of the adjacent Birmingham conurbation and other nearby major urban areas have resulted in additional pressures on the Borough's land resources, including potential contamination. The Borough still has a legacy from extensive coal mining and other extraction. The Minerals and Waste Core Strategies will address specific detailed policies including how to assess viability of sites. Whilst the County Council sets out the strategic approach for mineral extraction and waste disposal, the Borough retains control over contaminated land issues. In line with national requirements and the intentions of the Council's Environmental Health section to identify and reduce the amount of contaminated land across the Borough, development proposals must identify contaminated and potentially contaminated land and secure land remediation where appropriate. Such identification may be necessary prior to determination of proposals depending on the sensitivity of the end use. In addition, strict control of the use and disposal of hazardous substances is necessary to safeguard land, premises and people.
- 13.11 Waste should be considered as part of the design of any development. This can be done through Site Waste Management Plans (SWMP's) or their successor. Attention should be given to opportunities to minimise the generation of waste as a by-product and development and ensuring waste arising and managed sustainably.
- 13.12 Development proposals particularly of facilities which attract members of the public will need to consider the measures it will need to take to make the sites as safe as possible and to deter terrorism.
- 13.13 'Secured by Design' (now owned by the Mayor's Office for Policing and Crime, MOPAC, on behalf of the UK police services) and NaCTOS (The National Counter Terrorism Security Office) provide on-line advice and guidance towards designing out crime and reducing vulnerability to the potential impact of terrorism in new development schemes as part of sustainable development proposals. The local police's Crime Prevention Design Adviser (CPDA) will also be able to provide advice on measures addressing particular types of crime or anti-social behaviour for both specific developments, or Design and Access Statements where compliance with the Secured by Design award scheme is sought.

### **LP31 Development Considerations**

Development should meet the needs of residents and businesses without compromising the ability of future generations to enjoy the same quality of life that the present generation aspires to. Development should:

1. Be targeted at using brownfield land in appropriate locations reflecting the settlement hierarchy; and,
2. be adaptable for future uses and take into account the needs of all users; and,
3. maintain and improve the provision of accessible local and community services, unless it can be demonstrated that they are no longer needed by the community they serve; not needed for any other community use, or that the facility is being relocated and improved to meet the needs of the new, existing and future community; and,
4. promote healthier lifestyles for the community to be active outside their homes and places of work; and,
5. encourage sustainable forms of transport focussing on pedestrian access and provision of bike facilities; and,
7. expand or enhance the provision of open space and recreation facilities, including contributing to the implementation of the Green Space Strategy and Playing Pitch Strategies before proposals will be supported Open Space, Sport and Recreation Facilities; and,
- 8 not lead to the loss unless a site of equivalent quality and accessibility can be provided, or shown that it is surplus to needs; and,
9. avoid and address unacceptable impacts upon neighbouring amenities through overlooking, overshadowing, noise, light, fumes or other pollution; and,
10. protect and enhance the historic environment; and,
11. manage the impacts of climate change through the design and location of development, including sustainable drainage, water efficiency measures , use of trees and natural vegetation and ensuring no net loss of flood storage capacity; and,
- 12 protect the quality and hydrology of ground or surface water sources so as to reduce the risk of pollution and flooding, on site or elsewhere; and
13. not sterilise viable known mineral reserves; degrade soil quality or pose risk to human health and ecology from contamination or mining legacy and ensure that land is appropriately remediated, and,
14. seek to maximise opportunities to encourage re-use and recycling of waste materials, both in construction and operation, and,
- 15 Adequate space for bins should be provided within all new developments to enable the storage of waste and for materials to be re-cycled. Guidance is provided at Appendix X,
- 16 provide for information and communication technologies; and,
- 17 seek to reduce crime and in particular the threat of terrorism.

Delivery of Strategic Objectives:

**CS NW10, DM5**

### **Built Form**

- 13.14 The Council does not wish to stifle innovative design. However it is expected that new buildings and extensions or alterations to existing buildings integrate well into their surrounding environment so that a local sense of place is reinforced.

- 13.15 The impact of a large extension to a building is greater when the building is located in the countryside rather than inside the development boundary of a settlement. This policy seeks to protect rural character and openness and to avoid suburbanisation of the countryside.
- 13.16 The policy introduces a set of criteria against which design issues can be assessed. The Borough Council has prepared Design Guides in order to illustrate these matters.
- 13.17 Planning applications should be submitted with evidence to show how the design, scale and layout match the historic pattern of the surrounding development, its built form, density and overall appearance.

## **LP32 Built Form**

### *General Principles*

All development in terms of its layout, form and density should respect and reflect the existing pattern, character and appearance of its setting. Local design detail and characteristics should be reflected within the development. All proposals should therefore:

- a) ensure that all of the elements of the proposal are well related to each other and harmonise with both the immediate setting and wider surroundings;
- b) make use of and enhance views into and out of the site both in and outside of the site;
- c) make appropriate use of landmarks and local features;
- d) reflect the characteristic architectural styles, patterns and features taking into account their scale and proportion,
- e) reflect the predominant materials, colours, landscape and boundary treatments in the area;
- f) ensure that the buildings and spaces connect with and maintain access to the surrounding area and with the wider built, water and natural environment;
- g) are designed to take into account the needs and practicalities of services and the long term management of public and shared private spaces and facilities;
- h) create a safe, secure, low crime environment through the layout, specification and positioning of buildings, spaces and uses in line with national Secured by Design standards;
- i) reduce sky glow, glare and light trespass from external illumination; and
- j) ensure that existing water courses are fully integrated into site layout at an early stage and to ensure that space is made for water through de-culverting, re-naturalisation and potential channel diversion.

Where Design Briefs are adopted for allocated sites and Neighbourhood Plans address design matters, then all development proposals will be expected to accord with the principles set out therein.

### *Specific Development Types*

Infill development should reflect the prevailing character and quality of the surrounding street scene. The more unified the character and appearance of the surrounding buildings and built form, the greater the need will be to reproduce the existing pattern.

Back-land development should be subservient in height, scale and mass to the surrounding frontage buildings. Access arrangements should not cause adverse impacts to the character and appearance, safety or amenity of the existing frontage development.

### *Alterations, Extensions and Replacements*

Extensions, alterations to and replacement of existing buildings will be expected to:

- a) respect the siting, scale, form, proportions, materials, details and overall design and character of the host building, its curtilage and setting;
- b) retain and/or reinstate traditional or distinctive architectural features and fabric,
- c) safeguard the amenity of the host premises and neighbouring occupiers
- d) leave sufficient external usable private space for occupiers, and
- e) satisfy the design criteria set out in Appendix X.

Proposed replacements of rural buildings which have been converted to an alternative use will not be permitted in order to retain the historic, architectural and visual character, design and appearance of the original building.

Extensions should be physically and visually subservient to the host building including its roof form so as not to dominate it, by virtue of their scale and siting.

### Delivery of Strategic Objectives:

### DM6

### **Shop Front Design, Signage and External Installations**

13.18 The principle purpose of a shop-front is the advertisement and display of goods and services provided inside the building. Good design will reinforce the shop's identity and its location in the street, but by reflecting the style of the whole building above street level, and that of its neighbours. A good design will treat the shop-front as an integral part of the whole building and street frontage without focussing exclusively on the retail outlet alone.

13.19 The Council has to balance the important economic and social function with the commercial interests of properties. This is particularly important in the historic town centres so as to retain a viable retail base whilst preserving the historic and traditional appearance of our town centres. The Council's adopted "*Guide for Shop Front Design*" provides advice, guidance and examples of the preferred approach to development affecting all shop fronts and commercial properties. In particular:

- the proportions of the shop-front should harmonise with the main building;
- materials should reflect the existing range on the original building;
- the shop-front should not be treated separately from the upper levels;
- it should add interest and attract custom; and,
- it should avoid standardisation, reflecting the diversity of a street scene.

### **LP33 Shop Fronts, Signage and External Installations**

Development proposals involving change to existing, or the introduction of new shop fronts will be expected to have regard to the host building and the wider street scene in terms of their scale, proportion and overall design. The design criteria set out in Appendix X to this Plan or that set out in a Neighbourhood Plan will need to be satisfied.

External illumination will be expected to adopt a scale, detail, siting and type of illumination appropriate to the character of the host building, the wider street scene and longer distant views. The design criteria set out in Appendix X or that set out in a Neighbourhood Plan will need to be satisfied.

External installations and security measures should be integrated into the overall design of the host building with the aim of avoiding harm to the appearance of the building and the street scene. The design criteria set out in Appendix X or that set out in a Neighbourhood Plan will need to be satisfied.

Delivery of Strategic Objectives:

#### **DM6**

#### **New Agricultural, Forestry and Equestrian Buildings**

13.20 The rural character of the Borough is very important. Any buildings within the countryside can have an adverse effect on the locality generally and on local amenity specifically. Agricultural and equestrian buildings, in particular, can have substantial visual impacts. Encouragement will be given to the use of existing buildings wherever possible. Any impacts will be balanced against the economic need for such buildings.

#### **LP34 New Agricultural, Forestry and Equestrian Buildings**

New or extensions to existing agricultural, forestry and equestrian buildings or structures will be supported if it can be demonstrated that they are reasonably necessary both in scale, construction and design for the efficient and viable long-term operation of that holding; that there are no other existing buildings or structures that can be used, altered or extended, that they are located within or adjacent to a group of existing buildings, the site selected and materials used would not cause visual intrusion and in the case of livestock buildings their location would not cause loss of residential amenity.

Delivery of Strategic Objectives:

#### **DM7**

#### **Water Management**

13.20 Water Management is an important issue that must be addressed in any development proposal. Flooding events, in particular, are making headlines on a more regular basis. Existing issues may not be able to be addressed completely but they should not be made any worse by development taking place and where possible improvements should be made.

13.21 The Water Framework Directive has resulted in a number of River Basin Management Plans covering the whole country. Two specifically relate to North Warwickshire. Humber River Basin Management Plan covers the majority of the Borough and a smaller area north of Coventry is covered by the Severn River Management Plan. The Rivers Tame, Blythe and Anker are all subject to pollution.



Particular attention will be paid to remediation measures to benefit the River Blythe Site of Special Scientific Interest, which is currently under serious threat from pollution run-off.

- 13.22 The Borough Council will consider the impact of flood zones in its consideration of development within or adjoining floodplains. In line with relevant guidance, where there is considered to be a low-medium or high risk of flooding, developers will be required to conduct a flood risk assessment. Up-to-date Indicative Floodplain Maps can be viewed and obtained from the Environment Agency who regularly update and maintain the information.
- 13.23 Effective flood protection requires proper maintenance of watercourses and the control of water discharge through drainage systems. Ponds and ditches form an important natural drainage function that should where possible be protected and enhanced. In many new developments man-made drainage must be provided. The Environment Agency advocates the use of Sustainable Drainage Systems (SUDS). These seek to control surface water run-off as close as possible to its origin. SUDS help to reduce the impact of development and decrease the need to invest in flood management and protection. They can also result in environmental enhancement and provide benefits to wildlife. Advice on SUDS can be sought from the Environment Agency, Highways Authority and sewerage undertakers. A particular issue has been identified by the Environment Agency in the Atherstone and Mancetter area. However there are many local issues throughout the Borough.

#### **LP35 Water Management**

In line with the objectives of the Water Framework Directive, development proposals must not affect the ecological status of a waterbody and where appropriate, incorporate measures to improve its ecological value.

Opportunities should be sought to de-culvert rivers, reduce back-up flows and under capacity where there this does not exacerbate flooding elsewhere. If de-culverting is not proposed evidence will be required to demonstrate why this is not possible. River channel restoration should also be undertaken to return the water course to its natural state and restore floodplain to reduce the impact of flooding downstream.

New developments should also seek opportunities to improve flow conveyance; watercourse re-profiling and the removal of structures. The culverting of watercourses will only be approved in exceptional circumstances.

New development proposals in Flood Zone 3 should:

- i) provide floodplain compensation on a level-for-level basis;
- ii) leave an 8 metre strip from the top of the banks to ensure access for maintenance,
- iii) have raised finished floor levels,
- iv) have agreements in place that “less vulnerable” uses are prevented for changing to those that are more vulnerable, and
- v) not contain single storey residential development.

In order to improve and protect water quality, infiltration measures are the preferred means of surface water disposal where ground conditions are appropriate and where practicable, the separation of surface water from sewers should be undertaken. New development proposals should be accompanied by a Water Statement that includes evidence to demonstrate that there is adequate sewerage infrastructure in place or that it will be in place prior to occupation.



**Delivery of Strategic Objectives:**

**DM5**

**Parking**

- 13.24 Transport in a rural area has a different dynamic to that in a built up area. There is a strong dependence on the use of the motor car, as rural bus services may not provide the required journey at the relevant time to access employment sites, in particular. This issue is being exacerbated by the cut in funds to bus operators. This reliance on the motor car can lead to local issues that may result in a greater need for on-site parking and thus result in localised parking standards. It is important that there provision is made for proper vehicular access, sufficient parking and manoeuvring for vehicles in accordance with adopted standards;
- 13.25 Parking reviews undertaken in recent years have indicated the Borough's historic town centres are approaching capacity at peak times. Nevertheless, the reviews note that, if managed correctly, there was sufficient capacity to meet demand until at least 2018. The reviews also noted that the impact of the increased rail service on parking would be minimal and this appears to be borne out by recent assessments particularly for Atherstone, although the private car park provision at both Coleshill and Water Orton are often over capacity at peak hours resulting in spill over parking occurring. Coleshill town centre currently suffers from insufficient publically accessible parking to serve both its commercial, economic and residential needs and functions.
- 13.26 With the likely introduction of Civil Enforcement and a further parking study underway there may be implications for the Market Towns. Until this study has been completed this is still unclear. The Borough Council will consider the results of the study and will consider what action will be required.
- 13.27 However, increased development levels expected to be accommodated in this Local Plan are likely to significantly increase pressure on available spaces. To enable adequate capacity to serve the commercial function of the town centres it is recommended that new housing development within the identified Town Centres should provide a minimum level of private parking to reduce the pressure on current public provision.

**LP36 Parking**

Adequate vehicle parking provision commensurate to a proposed development will be expected, as guided by the Standards at Appendix X. Greater emphasis will be placed on parking provision in areas not served by public transport whilst lower provision within the main towns may be appropriate.

*Town Centres*

Within the defined Town Centres new residential development must provide the minimum parking spaces necessary to enable and service the development, with 1 parking space per flat or 1.5 per house. No reduced level of car parking provision will be acceptable unless the following circumstances are clearly evidenced:

- there is spare capacity available in nearby public car parks or adjacent on street car parking (that is available for long stay use); or

- where the exercise of flexibility would assist in the conservation of the built heritage, facilitating a better quality of development and the beneficial re-use of an existing historic building.

#### *Airport Parking*

Proposals for remote car parking of passengers or visitor vehicles in the Borough will not be permitted.

#### Delivery of Strategic Objectives:

#### **DM5, DM14**

13.28 Climate change is a key priority for all and over the coming years the move to zero carbon will influence the future policy background. Changes, especially with the improvement in green technology, can have a major long lasting impact. The Borough Council is committed to reducing the carbon footprint of the Borough and encourages changes that lead to such improvements. It has worked with other authorities in the sub-region to produce a Renewable Energy Study. This indicated there was little opportunity for large scale wind generation or district and community heat and power schemes. The report also highlighted how a reasonable proportion of properties in the Borough are still not connected to mains gas supply. In addition it has worked with the sub-regional authorities and the Carbon Trust to produce a renewable energy toolkit.

13.29 Wind turbines are a means of providing renewable energy. A key factor of their development will be their impact on the landscape and the local community. A study has been undertaken to consider the possibility of using district heating schemes. This showed that there was limited scope but large development should look at the possibility of such proposals.

13.30 All proposals will be required to provide detailed information on associated infrastructure required, including roads and grid connections, impact during construction and operational phases of the development, including visual impact, noise and odour issues and provisions made for restoration of the site.

#### **LP37 Renewable Energy and Energy Efficiency**

Renewable energy projects will be supported where they respect the capacity and sensitivity of the landscape and communities to accommodate them. In particular, they will be assessed on their individual and cumulative impact on landscape quality, sites or features of natural importance, sites or buildings of historic or cultural importance, residential amenity and the local economy.

New development will be expected to be energy efficient in terms of its fabric and use. Major development will be required to provide a minimum of 10% of its operational energy requirements from a renewable energy source subject to viability. Smaller schemes will be encouraged to seek the introduction of renewable energy and energy efficiency schemes at the outset to avoid costly retrofit.

Viability and suitability will be considered when renewable energy provision is being planned for developments in order to provide the most suitable type.

Delivery of Strategic Objectives:

**CS NW11**

**Broadband**

- 13.31 The roll out of superfast broadband is critical in helping to assist in providing a wider skills base within the Borough and allow for home working and homebased businesses to thrive. This will particularly help rural businesses.
- 13.32 The Coventry, Warwickshire and Solihull Superfast Broadband Project continues to deliver the Government's 2015 targets that every property should be able to access broadband speeds of at least 2Mbps and that superfast broadband (defined as providing more than 24Mbps) should be available to 90% of premises in each local authority area. The project is supported by the Coventry & Warwickshire and Greater Birmingham & Solihull Local Enterprise Partnerships (LEPs). This Plan however looks beyond the aims of the sub-regional broadband project and seeks all new development to have connections enabling download speeds of 30Mbps in accordance with the Government's commitment to the EU2020 Digital Agenda. Where no strategic telecommunications infrastructure is available, developers should provide suitable ducting to the premises for later connection.

**LP38 Information and Communication Technologies**

New development will contribute to and be compatible with local fibre or other high speed broadband infrastructure. This will be demonstrated through a 'Connectivity Statement' submitted with planning applications where appropriate, based on the scale and nature of the proposed development. Such statements should set out the anticipated connectivity requirements of the development, known data networks nearby and their anticipated speed (fixed copper, 3G, 4G, fibre, satellite, microwave, etc.), and a description of how the development will connect with or contribute to any such networks.

The Council will expect new development to be connected to high speed broadband infrastructure capable of providing a minimum download speed of 30Mbps. Where no strategic telecommunications infrastructure is available, as a minimum and subject to viability of the scheme, suitable ducting that can accept fibre should be provided either to:

- the public highway; or
- a community led local access network; or
- another location that can be justified through the connectivity statement.

Major infrastructure development must provide ducting that is available for strategic fibre deployment or community owned local access networks. Developers are encouraged to have early discussions with strategic providers or local broadband groups.

Delivery of Strategic Objectives:

**None**

## **Chapter 15 Allocations**

- 15.1 In order to be able to allocate the right amount of land it is important to understand the components of supply within the Borough.

### *Housing Land*

- 15.2 Housing supply is made up of completions (sites already completed), commitments (sites with planning permission), windfalls (unidentified sites coming forward for development during the Plan period) as well as new site allocations and proposals.
- 15.3 The Borough Council has to maintain a 5-year housing supply. The National Planning Policy Guidance introduced a requirement for either a 5% or 20% buffer depending on whether the Council has a good record or not of maintaining and delivering a five year housing supply. The Borough Council will monitor its housing delivery to ensure that good delivery is maintained. There has been two years of lower than expected performance but this is expected with the recession. However with the production of this Core Strategy and the forthcoming other Development Plan Documents and especially the Site Allocations, this is expected to change. There is therefore a 5% flexibility included in the five year housing supply.
- 15.4 Table 7 indicates the amount of housing that is required for the remaining Plan period.
- 15.5 The Strategic Housing Land Availability Assessment 2016 indicates that there is sufficient land to cater for the housing requirement up to and beyond 2031. In addition, the Borough Council is actively pursuing development on land it owns as well as County Council owned land to ensure the continuous supply of readily available sites. Specific allocations are brought forward through this Plan. Additional sites could be brought through a Neighbourhood Plan.

*Table 7: Housing Supply*

<b>Housing Supply Sources / Allowances</b>	<b>Explanation</b>	<b>Amount to be Added / Subtracted to reach the requirement for new housing allocations</b>
Housing requirement	The amount of housing required over the plan period includes Strategic Housing Market Assessment and redistribution from GB HMA (including Tamworth BC) and CW HMA	9070
Net housing completions (2011/16)	New homes built in the first part of the plan period	- 706
Sites with planning permission at 01/04/2014	Remaining capacity on existing planning permissions for new homes	- 1056
Windfall allowance	An allowance of 60 per annum (2016 to 2031)	- 900
Sub-Total of land to be allocated in the Local Plan	Total derived from above five rows	= 6408
5% flexibility rate on site allocations	To ensure flexibility, choice and competition in the market for land	+ 320
<b>Total amount of land to be allocated in the Local Plan</b>	<b>Total taking account of need, net completions to date, planning permissions, windfall allowance and flexibility rate</b>	<b>= 6728</b>

- 15.6 The housing allocations are listed in LP38. These total a slightly higher figure of 6728. This means if all sites were delivered and all windfalls came forward total completions would be 9598 by 2031. However some of the sites may not be

completely built out before the end of the Plan period so this additional figure gives some added flexibility.

- 15.7 The number of new housing and its delivery alongside the relevant infrastructure will be challenging. The Borough Council will work with funding agencies and organisations particularly the Local Enterprise Partnerships and the Combined Authority to access additional funding.

<b>LP39 Housing Allocations</b>		
The following sites are allocated for housing and shown on the Proposals Map:		
	Area (ha)	No.
<b>Category 1 - Market Towns</b>		
<i>Atherstone &amp; Mancetter</i>		
Land at Holly Lane Atherstone (ATH20)	32.7	531
Land to north-west of Atherstone off Whittington Lane	71.2	1282
Land off Sheepy Road, (football ground)	2.2	46
Britannia Mill redevelopment site, Coleshill Rd	0.4	54
<i>Coleshill</i>		
Grimstock Hill (COL 1)	1.1	12
Police station and Leisure Centre site (COL3)	0.9	25
Land at Blythways (COL6)	1.3	27
Allotments adjacent to Memorial Park, Coleshill	1.4	30
<i>Polesworth &amp; Dordon</i>		
Land to east of Polesworth & Dordon	160.8	2000
Land west of Woodpack Farm, Polesworth	1.5	32
Land off Fairfields Hill, Polesworth	0.4	9
Former Polesworth Learning Centre, High St, Polesworth	0.7	14
Land at Windridge Dunns Lane, Dordon	0.6	9
Former Chapel House site, Dordon	0.3	7
<b>Category 2 - Adjacent adjoining settlements</b>		
Land west of Robey's Lane, adjacent Tamworth	66.1	1191
Site at Lindridge Road adj. Langley SUE, Wishaw	6.7	141
<b>Category 3 - Local Service Centres</b>		
<i>Baddesley Ensor/Grendon</i>		
Land at Church Farm, Baddesley	2.2	47
Land north of Grendon Community Hall (former Youth Centre)	0.3	7
Boot Hill Grendon		
Former Sparrowdale School site, Spon Lane Grendon	1.9	39
Former Recycling centre site, Spon Lane Grendon	0.2	5
<i>Hartshill/Ansley Common</i>		
Land between Church Rd and Nuneaton Rd, Hartshill (HAR 3)	30.4	400
Land off Coleshill Rd, Ansley Common (ANSCOMM 1)	1.8	38
Land north of Coleshill Road, Ansley Common	19.7	355
Land south of Coleshill Road, Ansley Common	15	230
<i>Kingsbury</i>		
Land north of Kingsbury Hall, Kingsbury	2.9	41
<i>Water Orton</i>		
Former School redevelopment site (excluding original historic school building)	2.8	48
<b>Category 4 - Other Settlements with a Development Boundary</b>		
<i>Ansley</i>		
Land at Village Farm, Birmingham Road	0.6	12
Land rear of Village Hall, Birmingham Road	1.5	31
<i>Newton Regis</i>		
Manor Farm	1.0	21

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<i>Shuttington</i>		
Land south of Shuttington Village Hall	1.2	24
<i>Warton</i>		
Land north of Orton Rd, Warton (part WAR8)	4.2	88
<i>Wood End</i>		
Land south of Islington Farm, r/o 115 Tamworth Rd	1.3	28
<b>Total Allocations</b>		<b>6,824</b>

*Additional Land*

- 15.8 The delivery of housing land can alter and change over the Plan period. In order to take account of this land and to allow an additional element of flexibility land to the north of Coleshill Road, Ansley Common is reserved for future housing land. This land totals 15.6 hectares and could deliver a further 280 units.

*Employment Land*

- 15.9 Table 8 provides information on the employment supply for the Borough. These figures do not include the outstanding planning permissions for Hams Hall and Birch Coppice, as they were originally designated as Regional Logistics Sites in the Regional Spatial Strategy Phase 2. In addition the car storage area at Baddesley now occupied by JLR was not included. Following the abolition of the Regional Spatial Strategy, local monitoring is taking over to take account of all employment land. This is however takes time to bring forward and will be incorporated within the local monitoring process.

*Table 8: Employment Land 2011 - 31*

		<i>Lower Requirement</i>	<i>Higher Requirement</i>
<b>A</b>	Total Employment Land Requirement	58	91
<b>B</b>	Completions in ha from 2011 to 2016	3.22	3.22
<b>C</b>	Extant Planning permissions / allocations	31.58	31.58
<b>D</b>	<b>Total Supply (B + C)</b>	<b>34.80</b>	<b>34.80</b>
<b>E</b>	Remaining Employment Land Requirement Sum = A – D	<b>23.2</b>	<b>56.2</b>

<b>LP40 Employment Allocations</b>	Area (ha)
<b>Category 1 – Market Towns</b>	
<i>Atherstone</i>	
Land south of Rowlands Way east of Aldi (for Aldi expansion)	6.6
<i>Coleshill</i>	
Power Station B site	20.0
<i>Polesworth / Dordon</i>	
Land west of Birch Coppice, Dordon	5.1
Land/Playing fields south of A5, Dordon	3.5
<b>Category 2 – Adjacent adjoining settlements</b>	
Land to west of Junction 10 M42	8.5
Land at MIRA	18.4
<b>TOTAL</b>	<b>62.1</b>



### *Additional Land*

- 15.9 Employment land requirements can alter and change over the Plan period. In order to take account of this land is reserved for future employment needs adjacent to the above allocation at MIRA. This totals some 24.8 hectares.

### **Other Allocations**

- 15.10 The Local Plan identifies sites for other uses other than for housing and employment uses. In particular it identifies a new school site in Water Orton and a cemetery extension in Coleshill. These are described in more detail in the next section.

### **Details for Site Allocations**

- 15.11 This section is split following the settlement hierarchy in LP2 and indicates all allocations for that particular settlement that require additional policy information beyond the requirements in this Local Plan. It is expected that any Concept Plans and Master Plans will be developed in consultation with the local community.

### **Category 1 Market Towns**

#### **Atherstone with Mancetter**

##### *Atherstone*

- 15.12 Atherstone is one of the three Market Towns within North Warwickshire and is extremely important to the vitality of the Borough as a whole. It has continued to struggle within the overall economic climate. It has a variety of shops, large employment areas, historical areas as well as recreational facilities, providing a wide range of services and facilities. However due to the easy access to surrounding larger towns and cities these services and facilities are constantly under pressure.
- 15.13 Atherstone grew as a town through its association with agriculture and because of its location in relation to Watling Street, and the canal and railway network. It continues to exhibit a distinctive character, being underpinned by its historic plan form which has medieval origins. The prosperity of the town during the 18<sup>th</sup> and 19<sup>th</sup> centuries is evidenced with its two and three storey townhouses, with Georgian facades which line Long Street and surround the Market Place/Church Square. There is a legacy of past industries, most importantly the production of felt hats, with examples of industrial buildings from the 19<sup>th</sup> century onwards. A Heritage Partnership Scheme with Advantage West Midlands and English Heritage assisted in improving some of the important frontages within the town centre.
- 15.14 Atherstone has two main employment sites. The oldest of these, at Carlyon Road, was built during the 1970's and 1980's. It is the quality of many of the units<sup>8</sup> that is now an issue with many of the units not standing up to modern day needs. The other site off Holly Lane is dominated by the presence of TNT and Aldi. Land has been allocated for further expansion at this estate. The landowner now wishes to retain this land for their expansion plans. Therefore, although available, it is for a specific end user of Aldi themselves. Both estates offer redevelopment and regeneration opportunities.

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<sup>8</sup> Chesterton Report 2001 and CB Richard Ellis 2007

### *Mancetter*

- 15.15 Mancetter although sharing a development boundary with Atherstone and is considered as an integral part of the Market Town in planning terms it is clearly seen, locally as a settlement in its own right with its own character. It has its own historic core formed from surviving historic buildings and with important archaeological remains dating back to the Roman period. It also has a conservation area. Mancetter has its own industrial estate offering a range of unit sizes starting from small starter units. Ridge Lane lies within the Mancetter Parish and although does not have a development boundary is an important small community in the countryside.

### *Housing*

- 15.16 Britannia Mill is one of the last remaining mill buildings in Atherstone. It stands adjacent to the Coventry Canal. Any redevelopment will need to consider the impact and retention, wherever possible, of the listed buildings. There are some other additional keys issue to overcome particularly in relation to access and parking. The site has been allocated some years but a planning application has now been submitted.

#### **Britannia Mill**

The site of the former Britannia Mill, Coleshill Road, Atherstone is allocated for housing development. Any redevelopment will need to consider the impact and retention, wherever possible, of the listed buildings

#### **2006 Local Plan housing allocation, SAP ATH18**

- 15.17 The Core Strategy identified that due to constraints around Atherstone that growth would take place to the north-west of the town. Some development has already taken place and further applications are currently under consideration. There are two main housing allocations being proposed to the north-west of the town. Land off Holly Lane was shown as an allocation in the Draft Site Allocations Plan. An outline planning application is currently being considered for this site. If for any reason this application is withdrawn it will be expected that it will be considered as part of the new allocation to the north-west.

#### **Land at Holly Lane Atherstone**

32.7 hectares of land off Holly Lane, Atherstone is allocated for around 530 dwellings.

- The site should provide for a mix of types and tenures including the opportunity to provide serviced plots for potential self-build dwellings; and
- Open space provision either on-site or part via financial contributions towards improvements at Royal Meadow should be provided, including provision of a landscaped walk/cycle link along the Innage Brook, linking with the route and Sustainable Urban Drainage systems on adjoining sites to the south, off Rowland Way; and
- The site will require significant landscaping along its north and north western boundaries to address the open aspect and landscape sensitivity identified in the Council's Landscape Character Assessment for this area of land at the edge of Atherstone town.



Development of the site should enable/not prevent access opportunities and routes to further potential land to the west, including both vehicular and pedestrian.

#### **SAP sites ATH20 & ATH 22**

- 15.18 Land beyond the above allocation is now put forward as an area of future growth for Atherstone. This site will be considered through a Concept and Master Plan which will be brought together with the local community and ensure the comprehensive development of the area.
- 15.19 Additional access over the West Coast Mainline will be required to open the area for development. The bridge at Whittington Lane could be utilised. Its strength will need to be investigated and, if required, work carried out to bring it up to a suitable standard or a new bridge be provided.
- 15.20 Although Atherstone has a range of service and facilities the growth of the town will place pressure on these. A full study will need to be carried out involving the local community to ascertain the exact requirements. The Borough Council will work with ATLAS (Team for dealing with large planning applications in the Homes & Communities Agency), the local community and landowners to agree a Concept Plan and Master Plan for the area.

#### **Land to the north-west of Atherstone**

Some 70 hectares to the north-west of Atherstone is allocated for future growth. It is expected that it will deliver at least 1280 dwellings. Development will take place in accordance with an agreed Concept and Master Plan to ensure the comprehensive delivery of the area. . These Plans will consider in particular but not exclusively:

1. Access from the A5
2. Access over the West Coast Mainline;
3. Pedestrian and cycling links and facilities will be required to access the services and facilities in Atherstone, Grendon and Baddesley;
3. Existing buildings at Whittington to be incorporated into a service centre allowing for their conservation and preservation; and,
4. Green infrastructure links will be provided to access and open routes along the River Anker corridor and the Coventry Canal.

#### **None**

#### **Site of Football Ground, Sheepy Road, Atherstone**

Some 2.24 hectares of land at the football Ground off Sheepy Road, Atherstone is allocated for housing development. A Strategic Flood Risk Assessment Level 2 will be required to address potential flood issues. .

#### **SAP site ATH14**

#### *Employment Land*

- 15.21 Land north-west of Atherstone off Holly Lane/Rowland Way (6.8 hectares) will be brought forward as a long term employment site subject to the single user

restrictions. The landowner, Aldi, now wishes to retain this land for their expansion plans. Therefore, although available, it is for a specific end user of Aldi themselves.

- 15.22 The site lies partially within flood zones 2 and 3 to the eastern end of the site. A Level 2 Strategic Flood Risk assessment will therefore be necessary to assess the implications. However, this area can be targeted for uses that will not affect flood storage capacity, such as parking, landscaping and natural open space to reduce impact on flooding and surface water drainage and maintain the capacity of the site.

#### **Land at Holly Lane / Rowland Way, Atherstone**

6.8 ha of employment land at Holly Lane/Rowland Way will be safeguarded for the future expansion of Aldi to assist in their continued presence and growth within the Borough.

If the land is no longer required for this purpose it will continue to be safeguarded as a long term employment site for smaller scale, mixed B1 and B2 uses appropriate to the location reflecting the proximity with existing residential development to the north and accessed off Holly Lane and/or Abeles Way.

#### **2006 Local Plan allocation, SAP EMP8**

#### **Coleshill**

- 15.23 Coleshill is one of the three Market Towns and lies to the west of the Borough. It has a wide range of services and facilities. It is surrounded by Green Belt. The town's historic core continues to reflect its medieval plan form, whilst architecturally the town displays a considerable variety of buildings varying in size, type and date. The built character of the historic core is dominated by two and three storey Georgian townhouses and its medieval church. There are many listed buildings and two conservation areas within the town. Since 2008 it has had its own railway station, Coleshill Parkway, with a bus interchange, which is proving to be very successful.
- 15.24 Coleshill Industrial Estate / Gorsey Lane lies to the north of the settlement with Hams Hall Business Park and rail freight terminal beyond this. Coleshill lies to the north of the NEC and Birmingham Airport. HS2 Phase 2 will run to the west of the Town with the new Interchange Station just to the south.
- 15.25 Development in the Core Strategy was limited to land inside the development boundary. This was taken forward in the Draft Site Allocations Plan. Although there are a few opportunities it is considered necessary to allocate land outside of its current boundaries and remove land from the Green Belt. This will allow for some development to take place and maintain Coleshill as a Market Town.
- 15.26 There are a number of constraints to development around Coleshill. These are physical barriers such as flood plain to the historic view of the Church setting within the conservation area. Land around Coleshill within the Joint Green Belt Study generally performed well in relation to Green Belt principles.

#### *Housing*

- 15.27 There are some outstanding allocations from the Draft Site Allocations Plan which are brought forward as part of this Plan. These are the sites at Blythways, Blythe Road, Coleshill and the former Police and Leisure Centre sites to the south of Coleshill town centre.

15.28 Within the 2006 Local Plan and the Core Strategy it was expected that there would be no development outside of the current development boundary other than possibly for locally affordable housing.

15.29 A further housing site is being proposed on the site of the allotments adjacent to the Memorial Park, Coleshill. Access would need to be gained through the site of the former police station. Replacement of the allotments will be required.

**Allotments adjacent to Memorial Park, Coleshill**

1.4 hectares of allotment land adjacent to the Memorial Park, Coleshill is allocated for residential development. Replacement allotments will be required

**None**

*Employment*

15.30 The land at Hams Hall was formerly part of the power generating site at Hams Hall and specifically the site of Power Station B. It was not included in the original planning application which was approved by the Secretary of State in the early 1990's.

15.31 The site has been assessed by consultants its performance against the five Green Belt criteria.

**Land at Hams Hall (site of the former Power Station B Site)**

Approximately 20 hectares of land at Hams Hall, on the former Power Station B site, will be removed from the Green Belt and identified for employment purposes including B1, B2 and B8 uses appropriate to the location reflecting the proximity with, and sensitivity of, the BMW engine production facility adjoining the site.

**None**

*Community Facilities*

15.32 Coleshill Town Council identified, as part of work on the Infrastructure Delivery Plan a need for a cemetery extension. They have also expressed this need within their emerging Neighborhood Plan. The most optimum site for such a use is directly adjacent to the existing cemetery. This area may also incorporate the

**Land off Maxstoke Lane, south of St Peter and St Pauls Cemetery**

Approximately 2.5 hectares of land north of Maxstoke Lane, south of St Peter and St Pauls Cemetery Coleshill will be released from the Green Belt and allocated for cemetery use for the Parish and Coleshill Community.

**None**

**Polesworth with Dordon**

- 15.33 Polesworth with Dordon make up one of the three Market Towns and lies to the north of the Borough. Polesworth has the historic core centred on Polesworth Abbey and the Conservation Area. Polesworth and Dordon have a close geographical relationship with Tamworth, for a range of services and facilities. However residents also use the services and facilities in other neighbouring settlements of Atherstone, Nuneaton and Coventry. Hospital referrals are mainly accessed via the George Eliot or University Hospitals. This puts the services and facilities in Polesworth and Dordon under pressure. It still retains some key services but these are generally small in scale.
- 15.34 Polesworth and Dordon are important areas for growth. Any growth will need to respect their individual characters. There are however constraints to their growth: To the north and east is the issue of coal reserves. To the west, the gap between the built up boundary of Tamworth and the rural areas up to Polesworth and Dordon in North Warwickshire, are extremely important locally and to the Borough as a whole. The industrial area and the housing to the south of the A5 are separate from the main body of the settlement and any development in this area needs to consider how this issue could be addressed.
- 15.35 Access within and around Polesworth and Dordon is an issue. The junction of the A5 and Long Street needs to be improved or changed if development in this area can be taken forward. In addition, Long Street itself may constrain the number of developments that take place to the north of the A5 and needs to be addressed in any development proposals that look towards the A5 for access. The B5000 also needs to be considered and appropriate proposals be implemented.
- 15.36 It is clear the issue of coal reserves needs further investigation to ascertain the exact areas for development to the east of Polesworth and Dordon
- 15.37 A major challenge is to ensure that any development growth in Polesworth and Dordon makes a positive contribution to its sustainability by embracing a mix of housing and other uses, especially small scale employment uses, is supported by all the necessary infrastructure and services while protecting the separate identity of the two distinct communities

*Housing*

- 15.38 Land to the east of Dordon was identified as a housing allocation in the Draft Site Allocations Plan. The area north of Dunns Lane / to the east of Polesworth was safeguarded for future development. Within this Local Plan it is proposed to bring forward all of this land to ensure that the area can be comprehensively developed and address a number of issues. The Borough Council will work with ATLAS (Team for dealing with large planning applications in the Homes & Communities Agency),

the local community and landowners to agree a Concept Plan and Master Plan for the area.

**Land to the east of Polesworth & Dordon between the A5 and B500 will be allocated for development**

Land to the east of Polesworth and Dordon between the A5 and the B500 is allocated for development. It is expected that there will be a minimum of 2000 dwellings.

Development will be carried out in accordance with the approved Concept Plan. Development will include:

- a new distributor road;
- a mixture of house types which will include housing for the elderly and for young people as well as an area for self-build;
- retention and long term management of designated and non designated Local Wildlife sites and the delivery of accessible public open space within the site, to include the creation of a local Country Park and nature reserve involving part of the former Orchard Colliery and the Hollies to facilitate improved recreational provision for Polesworth and Dordon;
- a hub will be created which will include retail, community and health facilities;
- pedestrian and cycling provision throughout the site to ensure healthy means of access;
- access along Dunns Lane to the west will be limited / controlled; and

Development will be considered as a whole and any smaller development will need to show how it is contributing to and providing the required infrastructure to ensure the successful development of the whole area.

**SAP HS1, SAP OS3, SAP TP2, Site DOR26 POL7 & POL13**

15.39 The site is a brownfield redevelopment opportunity in a highly sustainable location, close to the town centre and community facilities on the site of a former primary school and secondary and adult education centre. The site lies close to the 12th century Abbey church, now the parish church of St Editha, which is a Grade II\* listed building, the 14th century gatehouse, also Grade II\* listed and the site of Polesworth Abbey a former medieval Benedictine nunnery. The latter two heritage assets are also Scheduled Ancient Monuments. The development of the site will therefore require sensitive design and, where possible, retain or enhance existing views from the High Street into the Church, Abbey and grounds.

15.40 The opportunity to retain the 19 Century vacant former school building as part of any redevelopment proposal, through conversion and re-use should be sought to retain links with the history of educational use on the site.

**Land at the former Polesworth Learning Centre site, High St, Polesworth**

A brown field site of approximately 0.7 hectares of land south of High Street, north of Polesworth Abbey, on the former Polesworth Learning Centre is allocated for residential redevelopment.

Development of the site will need a high quality of design and landscaping to reflect the proximity of the Abbey, its grounds, curtilage and associated buildings and provision must be made for retaining views into the Abbey from the High Street.

**SAP**

*Employment*

- 15.41 Birch Coppice is one 1.5 hectares of the current site are allotments. These will need to be replaced subject to further consultation with alternative provision being provided at a more accessible location close to existing residential areas. The existing allotments use must be replaced and relocated to an alternative location north of the A5, prior to any redevelopment proposal being granted. Land north of the A5 in association with DOR10, DOR13 Open space and the existing allotments off Browns Lane, is considered a potential suitable location.

**Land to the immediate west of Birch Coppice Business Park, Dordon**

Approximately 5.1 hectares are allocated for employment purposes on land to the immediate west of Birch Coppice south of the A5 at Dordon. Landscaping will be required along the A5 and to the residential properties on the A5. Replacement allotments will be required to be provided to land north of the A5.

Access to the site must be via the current Birch Coppice service road, Arley Drive off Danny Morson Way and not via a separate new access onto the A5 Watling Street.

Identify a Site opportunity for accommodating open space/recreation uses involving re-location from land south of A5 to land north of A5, to facilitate improved recreational provision and facilitating employment and/or mixed development opportunities.

**SAP EMP5, SAP OS2**

- 15.42 The allocation of the playing fields south of the A5 at Dordon reflects an opportunity to relocate the current recreational use (Birch Coppice Football club ground) to a site closer to existing residential areas and help rationalise accesses onto the A5. The site, if redeveloped, can utilise access from the adjoining allocated employment site allowing closure of the current access onto the A5.

**Site of playing fields south of A5 Dordon, adjacent to Hall End Farm**

Site of playing fields south of the A5 at Dordon (3.45 hectares), adjoining Hall End Farm and Birch Coppice is allocated as an employment site, for low intensity, small scale, primarily B1, research and development uses, appropriate to the location reflecting the proximity with existing leisure and residential development and accessed off the adjoining employment site. The existing recreation use will be replaced and relocated to an alternative location north of the A5, prior to any redevelopment proposal.

**SAP EMP3, SAP DOR13**

**Category 2: Settlements adjoining the outer boundary of the Borough**

**Tamworth**

*Employment*

15.43 In the Core Strategy and the in the Draft Site Allocations the Borough Council was not keen to identify any sites for dealing with a particular need identified by neighbouring local authorities. It is important to the Borough Council that residents and businesses are seen as being part of North Warwickshire. This is the stance that Borough Council would like to continue in the main. However it recognises that this cannot always be the case. There are some sites that are clearly, due to their road layouts in particular, seen as being part of the neighbouring local authority. This in some ways makes the distinction clear that a site is serving the needs of the neighbouring local authority. The site south-west of junction 10 of the M42 is such a site. Its physical location and access through the existing Relay Park means it is read as being part of Tamworth. For this reason the Borough Council will accept that this contributes to the proportion of 14 hectares being sort by Tamworth Borough Council within their adopted Local Plan 2015. Further discussions will take place with Tamworth Borough Council and Lichfield District Council to ascertain the location of the further 6.5 hectares.

**Land to the South-west of Junction 10, M42 extension to Centurion Park, Tamworth**

8.5 hectares south-west of A5 at Junction 10 of the M42 adjoining Centurion Park at Tamworth will be allocated for the needs of Tamworth primarily for B1, B2 and B8 uses.

**SAP**

*Housing*

15.44 In addition to employment land Tamworth Borough Council is also seeking a further 825 dwellings to be provided between North Warwickshire Borough Council and Lichfield District Council. Any provision is not in additional to the 3790 for the Greater Birmingham HMA but as part of that provision as Tamworth is clearly part of the Greater Birmingham HMA.

15.45 The land to the west of Robey's Lane was not considered to be part of the Meaningful Gap due to its relationship to Tamworth and is seen as an opportunity to develop a site directly adjacent to the site of the former Golf course which is currently under construction in Tamworth. The opportunity exists to provide access with this site to ensure that the developments are undertaken comprehensively.

15.46 Robey's Lane itself is a small rural lane and it will be important that this is retained to ensure that the rurality of the gap is maintained. A landscaped buffer will be provided to the west of the Lane to assist with maintaining and strengthening the gap in this locality.

**Land adjoining Tamworth west of Robey's Lane**

An area of approximately 66 hectares, east of the former Tamworth Golf Course and west of Robey's Lane is to be released for residential development subject to:



- primary access to be provided via the adjoining Golf Course redevelopment site (only service/emergency and pedestrian access to be accommodated onto Robey's Lane);
- a mixture of house types which will include housing for the elderly and for young people as well as an area for self-build;
- the delivery of accessible public open space within the site linking with adjoining developments, including pedestrian and cycle route access to the Coventry Canal and open space proposed to the north of the Golf Course site;
- the provision of a significant landscaped buffer along the site boundary with Robey's Lane with particular attention given to the proximity with, and potential impact on, Alvecote Wood and Alvecote Priory, respectively an ancient woodland and scheduled ancient monument.

**None**

#### **Lindridge Road, Wishaw**

15.47 Within the Birmingham Local Plan there is a Sustainable Urban Extension (SUE) called Langley SUE. This site is expected to deliver in the region of 6,000 dwellings. The site north of Lindridge Road, Wishaw lies directly north of the Langley SUE and would provide for around 140 dwellings. It is a triangular piece of ground and is bounded to the east by the motorway. The site is currently in the Green Belt and it is proposed to exclude the site from the Green Belt and to seek it to be developed as part of the Langley SUE. It would make a natural extension to the housing proposal and would have a strong defensible boundary of the motorway to the east.

#### **Lindridge Road, Wishaw**

Approximately 6.7 hectares north of Lindridge Road, Wishaw is to be excluded from the Green Belt and allocated for residential development subject to;

- Delivery, access and development of the site to be directly linked to the development and delivery of the Langley Sustainable Urban Extension immediately to the south within Birmingham City Council administrative area and allocated in the Birmingham Local Plan.
- The location of residential development and open space to take account of the proximity of the Langley Mill Sewage Treatment Works off Lindridge Road to the north-west of the site.

**None**

#### **Horiba MIRA Technology Park & Enterprise Zone**

15.48 The MIRA Technology Park & Enterprise Zone was established in 2013. The MIRA estate covers an area of approximately 874 acres (353 hectares) – roughly 1.05 by 1.55 miles (1.7km by 2.5km). The site has over 58 miles (95km) of test track, which along with its other specialist testing equipment make it a unique automotive testing facility within the UK. Although the majority of the site falls within the Borough of Hinckley & Bosworth the Borough Council has been working with HBBC and Nuneaton & Bedworth BC to ensure the benefits of its growth are far reaching.

15.49 The Local Plan production has given the opportunity to look at how further growth could be permitted which would exploit the different emphasis of jobs for the benefit of the Borough. This Plan supports the focus on advanced manufacturing and



engineering consistent with the sub-regional vision established by the Coventry and Warwickshire Local Enterprise Partnership under the SEP. Approximately 42 hectares has become available to the south of the main site. This land will be outside of the current Enterprise Zone.

- 15.50 Due to the nature of the Technology Park and because of the strong desire of the Borough Council to broaden its employment base the site will focus on B1 (research and development) and B2 uses. Logistic uses will not be permitted. The Borough Council sees this as a unique opportunity to build on the success of Horiba MIRA and does not wish to see this diluted in any way.

#### **Land to the south of Horiba MIRA Technology Park & Enterprise Zone**

Approximately 42 hectares will be allocated for B1 (research & development) and B2 use to the south of the A5 at Horiba MIRA Technology Park & Enterprise Zone, with 18.4 hectares being made available in the short term. B8 (warehousing & distribution) will not be permitted unless it is ancillary to the main use. Development will be carried out in accordance with an agreed Master Plan.

The Master Plan will include:

1. The provision of a cycle and footpath link along the A5 to Atherstone and Mancetter;
2. Access to the cycle/pedestrian route to the south east of the site; and
3. A landscape buffer to the southern and south eastern boundaries of the site.

It is likely that development will be carried out in phases with at least 18 hectares coming forward within this Plan period.

**None**

### **Category 3 Local Service Centres**

#### **Baddesley & Grendon**

- 15.51 Baddesley Ensor and Grendon are two villages which are co-joined. They are situated about 2½ miles from Atherstone. Grendon reflects the unplanned “ribbon” development of the early to mid-1900, running south east along the A5. Whilst Baddesley Ensor rises up Boot Hill from the A5 with the main centre located from Hill Top to Keys Hill/New Street. Baddesley benefits from a number of services and facilities, including the primary school, village hall, public house and a few shops and daily bus service. It has a community library in the village hall and community hub. Grendon in addition has a post office, public house and a newsagent. There is also a Working Men’s Club and bowling green. New development should help maintain existing services, but must be developed in character with the village, addressing service needs and highway issues.

#### **Land at Church Farm, Baddesley Ensor**

Land at Church Farm New Street, Baddesley Ensor, comprising 2.2 ha is allocated for residential development. A high level of design and care is required to address the setting of the nearby Grade 2\* Listed Church and the sensitive landscape edge and setting of the site as highlighted in the Council’s Landscape Character Assessment for the settlement. Consideration should be given to the retention of the former Church Farm dwelling where

possible as part of any development proposal to reflect the character of the site and aid in integrating the site with the existing village.

#### **SAP Site BE7**

##### **Land at Boot Hill, Baddesley Ensor**

Land at Boot Hill adjoining the former Youth Centre, currently Grendon Community Centre, comprising 0.3 ha, is allocated for residential development. Development of the site should ensure retention of the mature trees to the boundaries of the site to reflect the character of the site and aid in integrating the site into the existing village.

#### **SAP Site BE3**

##### **Land at Spon Lane, Grendon (former Sparrowdale School and Former Recycling Centre)**

Land at Spon Lane, Grendon on the former Sparrowdale school site, comprising 1.9 ha, and the former recycling centre, comprising 0.2 ha, are allocated for residential development. Access to the sites will be via Spon Lane using the existing access points. The most southern access point will be closed in the interest of highway safety. A pedestrian cycle link will be expected to the east of the site as well as the provision of a play area.

#### **SAP Sites GRE1 & GRE2**

##### **Hartshill with Ansley Common**

- 15.52 Hartshill with Ansley Common is one of the five Local Service Centres. It has a wide range of service and facilities. The main facilities include a large secondary school, serving a wide catchment area in parts of North Warwickshire and Nuneaton, one of the largest Junior Schools in Warwickshire and a primary school. The scale of school provision is a particular feature of the village and needs major investment both in terms of the buildings as well as providing better access to the schools.
- 15.53 There has been considerable housing development in the village in the last 40 years, which has resulted in two large estates either ends of the village. There is potential for further housing growth including a number of previously developed sites, as well as substantial Greenfield sites. The key would be to allow development that would reflect the nature of the village, as well as improve the local services and facilities. Although it has a very close proximity to Nuneaton it remains an area which has a more rural character. Any development in this area will affect residents and businesses in both Boroughs'.
- 15.54 Hartshill has a long history of mineral extraction, with hard rock quarries to the east. To the west there are the remains of the Moorwood mineral railway line and there are sites that have previously been tipped. Early consideration of beneficial after uses of mineral sites needs to be undertaken. Any uses would need to protect and enhance the rich natural and geo-diversity in this area.

## *Housing*

- 15.55 It is proposed to allocate some 30 hectares at land off Church Road, Hartshill. The land extends to Nuneaton Road in the east to Camp Hill Road to the south. There are areas of land to the north west of the site which are still potentially operational for mineral extraction, but these lie outside of the allocated site. The owners, Tarmac and Hanson, are keen to secure the site and quarries long term use as well as give the opportunity, either in its entirety or in parcels, to be released for uses that would assist the continued vitality of the village. The Hartshill Parish Plan and Neighbourhood Plan have highlighted a need for housing for older people. It is expected that due to the size of the site that a range of house types will be provided.

### **Land off Church Road, Hartshill**

Some 30.6 hectares at land off Church Road, Hartshill is allocated for a minimum of 400 dwellings with associated infrastructure.

Development will be undertaken in accordance with a Concept and Master Plan agreed with the Borough Council. The document will be prepared to assist with the development of the site. Development of the site will include:

- a through road from Church Road to either Nuneaton Road or Camphill Road capable of buses, emergency vehicles and waste vehicles manoeuvring freely;
- access and parking issues addressed;
- a range of house types to include housing for the elderly and young people; and
- a net improvement in educational, sport and recreation facilities within and adjoining the site to include educational infrastructure to assist the adjoining secondary school and nearby primary schools as well as the retention and long term management of designated Local Wildlife sites.

### **SAP HS3 (Site HAR 3)**

- 15.56 There are a number of sites that have been put forward for housing development around Ansley Common. Some 19.7 hectares north of the village and 15 hectares south of the village have been allocated. These large areas give the opportunity for a number of service and facilities to be improved as well as improve the local roads.

- 15.57 Access to these sites will need to be investigated and solutions be implemented comprehensively. This may also involve sites within the boundary of Nuneaton and Bedworth Borough Council.

### **Land north and south of Ansley Common**

Some 19.7 hectares (north) and some 15 hectares (south) of land at Ansley Common are allocated for housing development. It is expected that at least 585 dwellings will be developed in this Plan period. Development will take place comprehensively in accordance with an agreed Concept and Master Plan.

### **None**

- 15.58 There are further sites around Ansley Common that have been put forward for development. The site off Oldbury Road cannot be developed as it is a Regionally

Important Geological Site (RIG). An additional area to the west of the northern 19.7 hectares site will be reserved for longer term housing needs. It is very important that this site is considered with the other allocations in the area to ensure that the services and facilities, including road access, educational and health facilities, are planned comprehensively.

#### **Reserved housing sites**

Further land to the north of Ansley Common is allocated as a reserve housing site. It will be planned as part of the above site.

#### **None**

#### **Kingsbury**

- 15.59 Kingsbury is located to the western half of the Borough south of Tamworth. It is constrained by a flood plain to the west and the Birmingham to Tamworth railway line to the east. The Kingsbury Oil Terminal lies to the north east. The village is surrounded by Green Belt. It has a small conservation area with one of English Heritage's Buildings at Risk. Kingsbury is now a large, semi-rural village
- 15.60 Kingsbury Hall is currently on the Building at Risk register prepared by Historic England. The Hall and adjoining land extends to 2.8 ha site. The Hall and its surrounding grounds, walls and structures are Grade 2\* listed. They are also part of a Scheduled Ancient Monument. The adjoining developable area amounts to approximately 2.3ha.
- 15.61 Some works to the Hall have already been carried out but there is an urgent need to consider further opportunities for its restoration and conservation through allowing some adjoining enabling development, which will both guarantee the completion of current works to the building that are stalled (allowing weather ingress and the risk of further dereliction and vandalism) and provide some support and re-assurance for its future conservation and retention.
- 15.62 Some 28 units have already been given planning approval. However it is clear that additional development is required in order to ensure that the Hall is restored and that it can be removed from the Buildings at Risk register. Access for the additional development may be a constrained and this will need to be investigated and a workable solution be approved by the County Highways team in order to maximise the development possible.

#### **Kingsbury Hall**

2.8 hectares of land at Kingsbury Hall (including the curtilage of the Hall) will be excluded from the Green Belt and proposed for housing to enable the completion of the works to the Hall. A schedule of works will be agreed prior to any development taking place to minimise the impact of development on the heritage asset and to maximise the potential for delivering a quality development whilst restoring and conserving the building and its surrounding curtilage.

Approval of access improvements will be required prior to development taking place. Access will be provided via Coventry Road and/or Tame Bank/Bromage Avenue.

**None**

**Water Orton**

- 15.63 Water Orton is constrained by the Green Belt and the River Tame. It is under pressure for further development due to its close proximity to Birmingham. Major road and rail transport infrastructure surrounds the village. In addition the delta junction for the High Speed Railway (HS2) will lie to the south and west of the village. The majority of the route in this area will be either on embankment or viaduct and be four tracks wide.

*Education*

- 15.64 As a result of the development of Phase 1 of HS2 there is a need identified to move the current Water Orton Primary school to a new location. This has been given as an assurance by the Secretary of State and is an essential part of the mitigation for the proposed railway line. Water Orton is constrained on the lack of opportunities that could fit the criteria of providing a good quality school environment, close to the existing village away from other noise generators such as other railway lines. The only potential site is a site off Plank Lane. For this exceptional reason the site is removed from the Green Belt and allocated as a site for the new school.
- 15.65 The site constitutes approximately 3ha on land north of 'The Green' and Plank Lane, Water Orton. Development of the site is subject to the programme and delivery of HS2 and any necessary compensatory agreements, to ensure both that funding resources and a delivery programme is in place to ensure delivery of the community/education facility.

**New School**

Land off Plank Lane Water Orton will be removed from the Green Belt and allocated for a new primary school, including playing fields.

**None**

*Housing*

- 15.66 There is one main housing allocation in Water Orton. The site has become available due to the relocation of the school. This enables the release of the old site for residential redevelopment and will help support the provision of the new school at Plank Lane. These are exceptional circumstances. The site comprises 2.8 ha of land, which includes the current Water Orton Primary School, playing fields and associated facilities that lies between Attleboro Lane and the boundary edge of the area safeguarded for HS2 Phase 2 route into Birmingham.
- 15.67 It is proposed to remove from the Green Belt the area of the site beyond the school buildings. The embankment of the HS2 route will form the new line of the Green Belt in this particular area and form a firm defensive boundary. The proximity of the site to the HS2 route to the south will need to be addressed by any development proposals.

#### **Former site of Water Orton School**

The site of the former Water Orton Primary School (2.8 hectares) at Attleboro and Vicarage Lane, Water Orton is allocated for housing. The development will include;

- a range of house types to include housing for the elderly and young people;
- the retention of the original 19th Century School Building; and,
- the provision of a landscaped buffer to the southern boundary of the site, alongside the area safeguarded for the HS2 Phase 2 route.

**None**

#### **Category 4 Other Settlements**

#### **Ansley**

15.68 Ansley is a large parish to the west of Nuneaton containing the two main settlements of Ansley Village and Ansley Common. Ansley village lies west of Nuneaton along the B4112 Birmingham Road just under a kilometre from Church End, the old village containing the church, a specialist school, and vicarage. The houses of the present Ansley village extend for nearly a mile along Birmingham Road. The location of the settlement is rural but with a character linked to previous mining activity including housing. The settlement is also characterised by some small scale farmed landscape with varied topography and landscape. The settlement includes a village store and fish & chip shop, a post office point, 2 public houses and social club, church hall, recreational facilities and bus services into Nuneaton/Hartshill but no primary school (the nearest being at Arley or Ansley Common and Galley Common).

15.69 The levels of facilities and services within the village are considered insufficient to support major development levels. Ansley's role will be primarily to serve its own local needs in terms of development, particularly in terms of affordable housing, and serve a limited rural hinterland around. These development needs are expected to be fairly limited. Development potential is also limited by Green Belt designation along the southern and western boundary of the village. Two allocations have been made towards the northern part of the village.

#### **Land at Village Farm, Birmingham Road, Ansley Common**

Land at Village Farm, Birmingham Road comprising a 0.6 ha brownfield redevelopment site opportunity is allocated for residential development. Consideration should be made for retaining the original 19 Century farm dwelling as part of any redevelopment proposal to reflect the character of the site and aid in integrating the site with the existing village.

#### **SAP Site Proposal ANS1**

#### **Land rear of Village Hall, Birmingham Road, Ansley Common**

Land rear of Village Hall, Birmingham Road comprising 1.5 ha is allocated for residential development and is expected to provide improved access and parking facilities for the adjoining village hall as part of any development proposals.

#### **SAP Site Proposal ANS4**

##### **Austrey**

- 15.70 The village is situated within attractive countryside close to the Leicestershire border. It consists of approximately 400 houses, two churches, a primary school and a pre-school, public house, 2 playing fields and a shop/post office. There are at least 14 Listed Buildings/Structures, some with altered fronts, but at least five of them show old timber-framing. There is some potential for small scale redevelopment or expansion.
- 15.71 It is normal practice that if a site has planning consent that it is not included in a Local Plan as an allocation as the principle of development has already been accepted and to avoid double counting. The following site is not included in the list of new allocations but is included here due to the important local facilities that the development will deliver. The proposal will deliver community services, parking for the village hall and open space. The development boundary will be drawn around the current consent.

##### **Land off Main Road, Austrey**

Land off Main Road, Austrey is allocated for a mixed use proposal for housing, to provide additional Open Space (village green) and an element of parking for the church and village hall.

#### **SAP HS3 (Site AUS14)**

##### **Newton Regis**

- 15.72 The village of Newton Regis lies grouped along roads from Austrey on the south-east and Seckington on the west, Shuttington to the south and is the northernmost village in the Borough. Many of the houses are modern, but at the west end of the village there is a large conservation area which has retained its character, with black and white cottages, thatched roofs, farm buildings, a picture book duck pond and church, all combining to form the traditional old world village image. More recent housing development has blended in well with the older buildings.
- 15.73 The village has limited services including one school with a nursery. The Village Hall is a recently constructed building which gives the community access to better facilities and services and currently accommodates Post Office services. There is some potential to accommodate well designed small scale development.

##### **Site Manor Farm, Newton Regis**

1 hectare of land is allocated for housing developed at Manor Farm, Newton Regis. The site needs to be sensitively developed due to the conservation area, listed buildings and important local buildings.

#### **SAP Site Proposal NR3**



## Shuttington

15.74 Shuttington is a small village and parish to the north of Tamworth. The village stands centrally on the highest ground, at about 280 ft. and from here the land falls fairly sharply westwards to the River Anker. Services are limited with a public house, village hall and playing fields.

### Land south of Shuttington Village Hall

Approximately 24 units will be developed on land south of Shuttington Village Hall. It can provide for a range of housing needs.

## SAP part of Site Proposal SHUT1

## Warton

15.75 Warton is a small village north-west of Atherstone and to the east of Polesworth, which has accommodated additional development since the 1960s. The village has a range of services and facilities with a primary school, two public houses as well as a Working Men's club. There is one remaining shop / post office in the centre of the village and a further facility with ATM. The recreational facilities are identified as needing improvement.

15.76 Land north of Orton Road, Warton lies within walking distance of the Fox and Dogs pub, the approved retail facility and the Warton Nethersole's Primary School. The provision of a pedestrian and cycle link from Little Warton Lane and serving the whole site is important to both access the site sustainably and help integrate the site into the village.

### Land north of Orton Road, Warton

Land north of Orton Road, east of Warton comprising 4.2 hectares is allocated for residential development. The site will be brought forward in agreed phases. Development will include;

- those allotments currently in use will be re-provided on site;
- off-street parking to serve the existing dwellings fronting Orton Road to the west;
- traffic calming measures along the site frontage onto Orton Road; and
- the provision of a pedestrian/cycle access route to the west from the site onto Little Warton Road;

## SAP part of Site Proposal WAR8

## Wood End

15.77 Wood End is an old mining village which grew around the former Kingsbury Colliery. It has a church, a primary school, a small store, club and a village hall. Much of the village dates from the 1980s, with the old housing being demolished and replaced, with further recent redevelopment at formerly Islington Crescent, now known as Meadow View. The Colliery has been redeveloped into the Kingsbury Link Industrial estate. Green Belt constrains the potential for development to the south and west.



**Land south of Islington Farm, r/o 115 Tamworth Rd, Wood End**

1.3 hectares of land are allocated for housing development. Access to the site can be from Meadow View. It can provide for a range of housing needs.

**SAP part of Site Proposal WE3A**

***Category 5 Outside Settlements***

15.78 There are no site allocations beyond the development boundaries as shown on the Proposals Map.

## Chapter 16 Monitoring

16.1 Monitoring of the Local Plan is a central component of ensuring that the Plan delivers. Equally as important is the monitoring of neighbouring plans to ensure that they are delivering their required developments.

### TO BE COMPLETED Prior to consultation

Local Plan		Indicator	Target
<i>No of Policy</i>	<i>Policy Title</i>		
<i>LP1</i>	Sustainable Development		Ensure all planning applications accord with the policies in this Plan
<i>LP2</i>	Settlement Hierarchy		
<i>LP3</i>	Green Belt		
<i>LP4</i>	Safeguarded Land		
<i>LP5</i>	Meaningful Gap		
<i>LP6</i>	Amount of development	Amount of development taking place	9 residential and 5 transit Gypsy & Traveller pitches
<i>LP7</i>	Housing Development		
<i>LP8</i>	Windfall	Amount of development	Actual number of windfalls
<i>LP9</i>	Affordable Housing Provision	Amount of development	Actual number of affordable housing delivered
<i>LP10</i>	Gypsy & Travellers		
<i>LP11</i>	Economic Regeneration		
<i>LP12</i>	Employment Areas		
<i>LP13</i>	Rural Employment		
<i>LP14</i>	Natural Environment		
<i>LP15</i>	Historic Environment		
<i>LP16</i>	Nature Conservation		
<i>LP17</i>	Green infrastructure		
<i>LP18</i>	Tame Valley including Kingsbury Water Park		
<i>LP19</i>	Local Nature Reserves		
<i>LP20</i>	Green Spaces		
<i>LP21</i>	Towns Centres & Neighbourhood Centres		
<i>LP22</i>	New Services & Facilities		
<i>LP23</i>	Loss of Services &		

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	Facilities		
LP24	Recreational Provision		
LP25	Transport Assessment and Travel Plans		
LP26	Stations		
LP27	Railway lines		
LP28	Level Crossings		
LP29	Strategic Road Improvements		
LP30	Cycling		
LP31	Development Considerations		
LP32	Built Form		
LP33	Shop Fronts, Signage & External Installations		
LP34	New Agricultural & Equestrian Buildings		
LP35	Water Management		
LP36	Parking		
LP37	Renewable Energy & Energy Efficiency		
LP38	Information & Communication Technologies		Extent of coverage of areas enabled for superfast broadband services
LP39	Housing Allocations	Amount of development	Delivery of sites
LP40	Employment Allocations	Amount of development	Delivery of sites

<b>Appendices</b>
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<b>A</b>	Glossary
<b>B</b>	Housing Trajectory
<b>C</b>	Evidence Base
<b>D</b>	Settlement Hierarchy
<b>E</b>	List of Existing and Sites with Planning Permission Authorised for Gypsy and Traveller Use
<b>F</b>	Summary of Number of Completions from 1 April 2006 to 31 March 2016 split between Total & New Build (Gross)

**Appendix A      Key Words**

This glossary of terms explains what is meant by commonly used or particularly important planning terms. In some cases the meaning of the term is legally defined, and this glossary cannot supersede such definition. It is however intended to help people using the plan to avoid misunderstandings.

<b>Affordable Housing</b>	A term which relates to housing which is either for sale or for rent – or a combination of both – at below current market values. Typically, it takes the form of social rented, shared ownership, key worker, outright below market sale or below market rent in the private sector.
<b>Annual monitoring report (AMR):</b>	part of the Local Development Framework, the annual monitoring report will assess the implementation of the Local Development Scheme and the extent to which policies in Local Development Documents are being successfully implemented.
<b>AONB</b>	A statutory National Landscape designation to provide special protection to defined areas of natural beauty. These areas are designated by Natural England. There are none in North Warwickshire
<b>Area action plan</b>	used to provide a planning framework for areas of change and areas of conservation. Area Action Plans will have the status of Development Plan Documents
<b>Biodiversity</b>	A whole variety of natural life and habitats, encompassing all genetic species and ecosystems
<b>Biodiversity Action Plan (BAP)</b>	A plan concerned with conserving, enhancing and protecting biological diversity
<b>Community Infrastructure Levy (CIL)</b>	A new provision which empowers, but not requires, Local Authorities to obtain a financial contribution on most types of new development based on the size and type of the development. The proceeds of the levy are to be spent on local and sub-regional infrastructure to support the community
<b>Community Strategy</b>	local authorities are required by the Local Government Act 2000 to prepare these, with aim of improving the social, environmental and economic well being of their areas. Through the Community Strategy, authorities are expected to co-ordinate the actions of local public, private, voluntary and community sectors. Responsibility for producing Community Strategies may be passed to Local Strategic Partnerships, which include local authority representatives.
<b>Conservation Area</b>	A formal designated area of special architecture or historic interest, the character or appearance of which it is desirable to preserve or enhance
<b>Core strategy:</b>	A set out the long-term spatial vision for the local planning authority area, the spatial objectives and strategic policies to deliver that vision. The Core Strategy will have the status of a Development Plan Document. Development plan: as set out in Section 38(6) of the Act, an authority's development plan consists of the relevant Regional Spatial Strategy (or the Spatial Development Strategy in London) and the Development Plan Documents contained within its Local Development Framework.
<b>Density</b>	is the intensive use of a site or area. The term usually refers to the number of new dwellings per hectare
<b>Developer Contributions</b>	Works carried out, or payments made, by the developer of land to provide supporting infrastructure, landscape, public transport, education and other community facilities necessary to enable the development to

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	take place. These are normally secured through obligations / agreements under Section 106 of the Town & Country Planning Act 1990.
<b>Development Boundary</b>	A line that defines the area within which a permissive development policy or policies apply. Proposals maps development boundaries are defined for the majority of existing built-up areas, and are particularly relevant to the application of housing policies. They do not define what is or is not a settlement, and some smaller settlements do not have development boundaries. Nor do they necessarily define the extent of a settlement, as some features such as churches, playing fields, farm buildings and peripheral housing may be outside a development boundary
<b>Development plan documents (DPD):</b>	spatial planning documents that are subject to independent examination, and together with the relevant Regional Spatial Strategy, will form the development plan for a local authority area for the purposes of the Act. They can include a Core Strategy, Site Specific Allocations of land, and Area Action Plans (where needed). Other Development Plan Documents, including generic Development Control Policies, can be produced. They will all be shown geographically on an adopted proposals map. Individual Development Plan Documents or parts of a document can be reviewed independently from other Development Plan Documents. Each authority must set out the programme for preparing its Development Plan Documents in the Local Development Scheme.
<b>Environmental Impact Assessment (EIA)</b>	Procedure to ensure that the likely effects of new development on the environment are adequately appraised and amelioration secured before development is permitted
<b>Evidence Base</b>	The information and data gathered by local authorities to justify the “soundness” of the policy approach set out in Local Plan and supporting documents, including physical, economic, and social characteristics of an area. This includes consultation responses.
<b>Examination In Public(EIP):</b>	The consideration of public views on a development plan document, or proposed changes to it, held before an independent inspector
<b>Flood Plain</b>	Generally flat-lying areas adjacent to a watercourse, tidal lengths of a river or the sea where water flows in times of flood or would flow but for the presence of flood defences.
<b>Green Belt</b>	National policy that defines large land areas where the open character will be maintained. Its purpose is to prevent the spread of conurbations, prevent the coalescence of towns and villages, and preserve the individual characters of settlements.
<b>Green Infrastructure</b>	The physical environment within and between our cities, towns and villages. It is a network of multi-functional open spaces, including formal parks, gardens, woodlands, green corridors, waterways, street trees and open countryside
<b>Greenfield</b>	Land (or a defined site) which has not been built on before or where the remains of any structure or activity have blended into the landscape over time.
<b>Gypsies and Travellers:</b>	Definition of Gypsies and Travellers For the purposes of planning policy, gypsies and travellers are defined in the Planning Policy Traveller Sites (2015 update) as being: <i>“Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family’s or dependants’ educational or health needs or old age have ceased to travel temporarily, but excluding members of an organised group of travelling showpeople or circus people travelling together as such.”</i>

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<b>Hearing</b>	
<b>Historic Landscape Character</b>	The identification of the historic development of today's landscape, and the resultant pattern of physical features due to geography, history and tradition
<b>Housing Mix</b>	The provision of a mix of house types, sizes and tenures in an area
<b>Infrastructure</b>	Roads, public utilities (water supply, drainage, electricity, gas, telephones) and services such as transport, community facilities, schools and local shops. The necessary requirements for site development and community well-being.
<b>Issues and Options</b>	Produced during the early production stage of the preparation of Development Plan Documents and may be issued for consultation to meet the requirements of Regulation 19.
<b>Listed Building</b>	A structure included within the statutory List of Buildings of Special Architectural or Historic Interest compiled by The Secretary of State for Culture, Media and Sport with advice from English Heritage.
<b>Local development document (LDD)</b>	the collective term in the Act for Development Plan Documents, Supplementary Planning Documents and the Statement of Community Involvement.
<b>Local Development Order:</b>	Allows local planning authorities to introduce local permitted development rights.
<b>Local Plan (formerly the Local Development Framework (LDF))</b>	The name for the portfolio of Local Development Documents. It consists of Development Plan Documents, Supplementary Planning Documents, a Statement of Community Involvement, the Local Development Scheme and Annual Monitoring Reports. Together these documents will provide the framework for delivering the spatial planning strategy for a local authority area and may also include local development orders and simplified planning zones.
<b>Local development scheme (LDS):</b>	Sets out the programme for preparing Local Development Documents.
<b>Local Service Centre</b>	is a rural village which, in terms of its size and location, the number and range of services and facilities it contains, and its accessibility by a range of means of transport, enable it to provide for the day-to day needs of its own population and that of the surrounding rural area and other smaller rural settlements. They represent the locations where housing, employment, schooling, health care, and other facilities are to be concentrated in the interests of establishing sustainable patterns of development.
<b>Local strategic partnership (LSP)</b>	Partnerships of stakeholders who develop ways of involving local people in shaping the future of their neighbourhood in how services are provided. They are often single non-statutory, multi-agency bodies which aim to bring together locally the public, private, community and voluntary sectors.
<b>Local transport plan (LTP)</b>	5-year strategy prepared by each local authority for the development of local, integrated transport, supported by a programme of transport improvements. It is used to bid to Government for funding transport improvements.
<b>Market Housing</b>	For those households who can afford to pay the full market price to buy or rent their home, ie. Occupied on the basis of price alone.
<b>Market Town</b>	A settlement in a predominantly rural area that functions as a service centre for the inhabitants of the town and its hinterland. In North Warwickshire these are Atherstone, Polesworth and Coleshill
<b>Mixed Use</b>	New development that includes more than one use, for example

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<b>Development</b>	residential, retail and business. Developments that have an ancillary use to a main use are not mixed use
<b>National Planning Policy Framework (NPPF)</b>	Document containing all national planning policy published in March 2012. The National Planning Policy Framework replaced all previously issued Planning Policy Statements (PPS) and Planning Policy Guidance Notes (PPG).
<b>Neighbourhood Planning</b>	This empowers communities to shape the development growth of a local area through the production of a Neighbourhood Plan, Neighbourhood Development Order or a Community Right to Build Order
<b>Preferred options</b>	Document: produced as part of the preparation of Development Plan Documents, and is issued for formal public participation
<b>Proposals map</b>	The adopted proposals map illustrates on a base map (reproduced from, or based upon a map base to a registered scale) all the policies contained in Development Plan Documents, together with any saved policies. It must be revised as each new Development Plan Document is adopted, and it should always reflect the up-to-date planning strategy for the area. Proposals for changes to the adopted proposals map accompany submitted development plan documents in the form of a submission proposals map.
<b>Regional Spatial Strategy (RSS):</b>	The RSS was a strategy for how a region should look in the future. It identified the scale and distribution of new housing, areas for regeneration, expansion or sub-regional planning and specifies priorities for the environment, transport, infrastructure, economic development, agriculture, minerals and waste treatment and disposal. Regional Spatial Strategies were abolished as part of the Decentralisation and Localism Act.
<b>Renewable Energy</b>	Energy produced from a sustainable source that avoids the depletion of the Earth's finite natural resources, such as oil or gas. Sources in use or in development include energy from the sun, wind, hydro power and biomass
<b>The Regulations</b>	Town and Country Planning (Local Development) (England) Regulations 2004, and the Town and Country Planning (Transitional Arrangements) Regulations 2004.
<b>Saved policies or plans</b>	Existing adopted development plans are saved for three years from the date of commencement of the Act. Any policies in old style development plans adopted after commencement of the Act will become saved policies for three years from their adoption or approval. The Local Development Scheme will explain the authority's approach to saved policies.
<b>Site Allocations Plan</b>	
<b>Site of Importance for Nature Conservation (SINC)</b>	Site selected locally by English Nature, Warwickshire Museum and Warwickshire Wildlife Trust for its nature conservation value. The criteria for the selection of SINCs was adopted by the Borough in 1997
<b>Site specific allocations</b>	Allocations of sites for specific or mixed uses or development to be contained in Development Plan Documents. Policies will identify any specific requirements for individual proposals.
<b>Site of Special Scientific Interest (SSSI)</b>	Site statutorily protected for its nature conservation, geological or scientific value, designated under the Wildlife and Countryside Act 1981 (as amended).
<b>Spatial Planning</b>	Spatial planning goes beyond traditional land use planning to bring together and integrate policies for the development and use of land with



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	other policies and programmes which influence the nature of places and how they function. This includes policies which can impact on land use, for example by influencing the demands on, or needs for, development, but which are not capable of being delivered solely or mainly through the granting or refusal of planning permission and which may be implemented by other means.
<b>Statement of community involvement (SCI):</b>	Sets out the standards which authorities will achieve with regard to involving local communities in the preparation of local development documents and development control decisions. The statement of community Involvement is not a development plan document but is subject to independent examination.
<b>Strategic environmental assessment (SEA)</b>	A generic term used to describe environmental assessment as applied to policies, plans and programmes. The European 'SEA Directive' (2001/42/EC) requires a formal 'environmental assessment of certain plans and programmes, including those in the field of planning and land use'.
<b>Strategic Flood Risk Assessment (SFRA):</b>	An assessment of the likelihood of flooding in a particular area so that development needs and mitigation measures can be carefully considered.
<b>Strategic Housing Land Availability Assessment (SHLAA)</b>	An assessment of potential housing sites to inform the Core Strategy and subsequent allocations of land. The Strategic Housing Land Availability Assessment (SHLAA) identifies the committed sites, additional urban capacity and a range of other sites that have been submitted for consideration. The SHLAA is not a policy document
<b>Strategic Housing Market Assessment</b>	An assessment of the estimated demand for market housing and need for affordable housing in a defined geographical area, in terms of distribution, house types and sizes and the specific requirements of particular groups and which considers future demographic trends.
<b>Supplementary Planning Documents (SPD):</b>	Provide supplementary information in respect of the policies in Development Plan Documents. They do not form part of the Development Plan and are not subject to independent examination.
<b>Sustainability Appraisal (SA):</b>	tool for appraising policies to ensure they reflect sustainable development objectives (i.e. social, environmental and economic factors) and required in the Act to be undertaken for all local development document
<b>Sustainable Development</b>	A widely used definition drawn up by the World Commission on Environment and Development in 1987: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". The Government has set out four aims for sustainable development in its strategy "A Better Quality of Life, a Strategy for Sustainable Development in the UK". The four aims, to be achieved at the same time, are: social progress which recognises the needs of everyone; effective protection of the environment; the prudent use of natural resources; and maintenance of high and stable levels of economic growth and employment
<b>Sustainable Drainage Systems (SuDS)</b>	A replicate natural system which aims to reduce the potential impact of new and existing developments on surface water drainage discharges such as permeable paving or on site retention basins
<b>Traffic Impact Assessment (TIA)</b>	An assessment of the effects upon the surrounding area by traffic as a result of a development, such as increased traffic flows that may require highway improvements
<b>Travellers</b>	For the purposes of Planning Policy "travellers" means "gypsies and

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	travellers” and “travelling show people” as defined in the Planning Policy for Traveller Sites.
<b>Travelling Show People</b>	Definition of Travelling Show People. For the purposes of planning policy, gypsies and travellers are defined in the Planning Policy Traveller Sites (2015 update) as being: <i>“Members of a group organised for the purposes of holding fairs, circuses or shows (whether or not travelling together as such). This includes such persons who on the grounds of their own or their family’s or dependants more localised pattern of trading, educational or health needs or old age have ceased to travel temporarily, but excludes Gypsies and Travellers as defined above.”</i>
<b>Viability</b>	In terms of retailing, a centre that is capable of success or continuing effectiveness. More generally the economic circumstances which would justify development taking place

<b>Appendix B</b>	<b>Housing Trajectory</b>
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**To be inserted**

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**Appendix C      Evidence Base**

<b>Title</b>	<b>Author</b>	<b>Date</b>
National Planning Policy Framework	Department for Communities & Local Government	March 2012
Planning Policy Guidance	Department for Communities & Local Government	
Sustainable Community Strategy	NWBC	2009 - 2026
Local Development Scheme for North Warwickshire	North Warwickshire Borough Council	January 2016
Growth Options Paper	North Warwickshire Borough Council	April 2016
Sustainability Appraisal: Scoping report SA to accompany Core Strategy SA to accompany Draft Site Allocations Plan SA to accompany Draft Development Management Plan SA to accompany Growth Options Paper	LUC	October 2006 October 2014 June 2014  August 2015  June 2016
Draft Site Allocations Plan	North Warwickshire Borough Council	June 2014
Draft Development Management Plan	North Warwickshire Borough Council	August 2015
Joint Green Belt Study for the Coventry & Warwickshire area	LUC	April 2016
Strategic Housing Market Assessment (Coventry & Warwickshire)	GL Hearn	January 2014 Updated 2015
Housing Market Study	PBA	
Strategic Land Availability Assessment	PBA	April 2016
Affordable Housing SPD	North Warwickshire Borough Council	June 2008
Affordable Housing SPD update	NWBC	April 2011
Affordable Housing Viability	NWBC	September 2012
Five Year Housing Supply as at 31 March 2016	North Warwickshire Borough Council	April 2016
Gypsy & Traveller Needs Assessment	Salford University	August 2013
Southern Staffordshire & Northern Warwickshire Gypsy & Traveller Accommodation Assessment	The University of Salford	February 2008
Employment Land Review	GL Hearn	September 2013
Employment Land Review Addendum	GL Hearn	April 2016
Coventry, Solihull & Warwickshire Sub Region Employment Land Study	DTZ	June 2007
Green Infrastructure Study	Land Use Consultants	July 2011
Greenspace Strategy Final Report	Inspace	January 2008
PPG 17 Audit	Inspace	2008
Green Space Strategy 2008-2018	North Warwickshire Borough Council	December 2008

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North Warwickshire Playing Pitch Strategy	Knight Kavanagh & Page	October 2010
Strategic Flood Risk Assessment	Halcrow	January 2008
Strategic Flood Risk Assessment	URS	October 2013
Water Cycle Study	Halcrow	March 2010
Water Cycle Strategy (in progress)		September 2016
Renewable and Low Carbon Energy resource Assessment and Feasibility Study	Camco	April 2010
Strategic Transport Assessment	Warwickshire County Council	July 2012 September 2013
Historic Landscape Characterisation Study	WCC	June 2010
Historic Farmsteads Study	WCC	June 2011
Warwickshire Historic Towns Study	WCC	Ongoing
Landscape Character Assessment	FPCR	August 2010
Conservation Area Appraisals	NBBC	Various
Infrastructure Delivery Plan	North Warwickshire Borough Council	November 2012
Settlement Sustainability Appraisal	North Warwickshire Borough Council	January 2010
Memorandum of Understanding	North Warwickshire Borough Council, Tamworth Borough Council, Lichfield District Council	June 2013

**Appendix D      More detailed information on Settlement Hierarchy**

<b>Category 1</b>	<b>Market Towns</b>	
	Atherstone with Mancetter	
	Coleshill	
	Polesworth with Dordon	
<b>Category 2</b>	<b>Settlements adjoining the outer boundary of the Borough</b>	
<b>Category 3</b>	<b>Local Service Centres</b>	
	Grendon/Baddesley Ensor (together, as a single network of villages)	
	Hartshill with Ansley Common	
	Kingsbury	
	Old and New Arley (together, as a single network of villages)	
	Water Orton	
<b>Category 4</b>	<b>Other settlements with a development boundary</b>	
	Ansley (eastern side of village non Green Belt)	
	Austrey	
	Curdworth	
	Fillongley	
	Hurley	
	Newton Regis	
	Piccadilly	
	Shustoke	
	Shutlington	
	Warton	
	Whitacre Heath	
	Wood End	
<b>Category 5</b>	<b>Other settlements / hamlets</b>	
	<i>Green Belt</i>	<i>Non Green Belt</i>
	Bassetts Pole	Alvecote
	Corley and Corley Moor	Freaseley
	Furnace End	Ridge Lane
	Middleton	

<b>Appendix E</b>	<b>List of Existing and Sites with Planning Permission Authorised for Gypsy and Traveller Use</b>
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**Current Residential Sites**

Alvecote Caravan Park	Socially rented (WCC)		17 pitches with amenity buildings
Kirby Glebe Farm, Atherstone Road, Hartshill	Private	PAP/2011/0273	7 pitches and one amenity building
Fir Tree Paddock, Quarry Lane, Mancetter	Private	PAP/2007/0730	1 pitch

The above sites were approved before the latest GTAA was produced in 2013 and so do not count towards the outstanding need. The GTAA identifies a the requirement for North Warwickshire of 9 residential and 5 transit pitches.

**Sites with Planning Permission for Residential Use**

Land adj. Fir Tree Paddock, Quarry Lane, Mancetter	Private	PAP/2015/0607	2 pitches and one amenity building
Land east of Kirby Glebe Farm, Atherstone Road, Hartshill	Private	PAP/2015/0701	4 pitches and two amenity buildings

**Site with Planning Permission for Transit Site**

Land at Oldbury Road, Hartshill	WCC		12 temporary stopping places
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This means that the outstanding requirement is 3 residential as at July 2016.

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<b>Appendix F</b>	<b>SUMMARY of Number of Gross Completions from 1 April 2006 to 31 March 2016 (split between Total &amp; New Build)</b>
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<b>Total by Settlement Category* INSIDE DEVELOPMENT BOUNDARY</b>	<b>Completions</b>	<b>Of which New Build</b>	<b>Total by Settlement Category* OUTSIDE DEVELOPMENT BOUNDARY</b>	<b>Completions</b>	<b>Of which New Build</b>
CATEGORY 1	472 (33.71%)	380	CATEGORY 1	1 (0.07%)	1
CATEGORY 2	290 (20.71%)	254	CATEGORY 2	1 (0.07%)	0
CATEGORY 3A	210(15.00%)	193	CATEGORY 3A	1 (0.07%)	0
CATEGORY 3B	160 (11.43%)	148	CATEGORY 3B	43 (3.07%)	3
CATEGORY 4A	12 (0.86%)	11	CATEGORY 4A	10 (0.71%)	3
CATEGORY 4B	116 (8.29%)	107	CATEGORY 4B	60 (4.30%)	33
CATEGORY 5	0 (0%)	0	CATEGORY 5	24 (1.71%)	6
<b>TOTAL</b>	<b>1260</b>	<b>1093</b>	<b>TOTAL</b>	<b>140</b>	<b>46</b>

**Total Completions between April 2006 to March 2016 = 1400 (1260 + 140)**

\*Settlement Category according to Policy NW2 Core Strategy 2014



# APPENDIX 9

**i) Memorandum of Understanding between North Warwickshire Borough Council and Birmingham City Council**

**Memorandum of Understanding relating to the delivery of a proportion of the projected unmet housing need arising from the Greater Birmingham & Black Country Housing Market Area in Birmingham City Council and North Warwickshire Borough Council**

**Parties to the Memorandum**

1.1 The Memorandum is agreed by the following Councils:

- Birmingham City Council
- North Warwickshire Borough Council

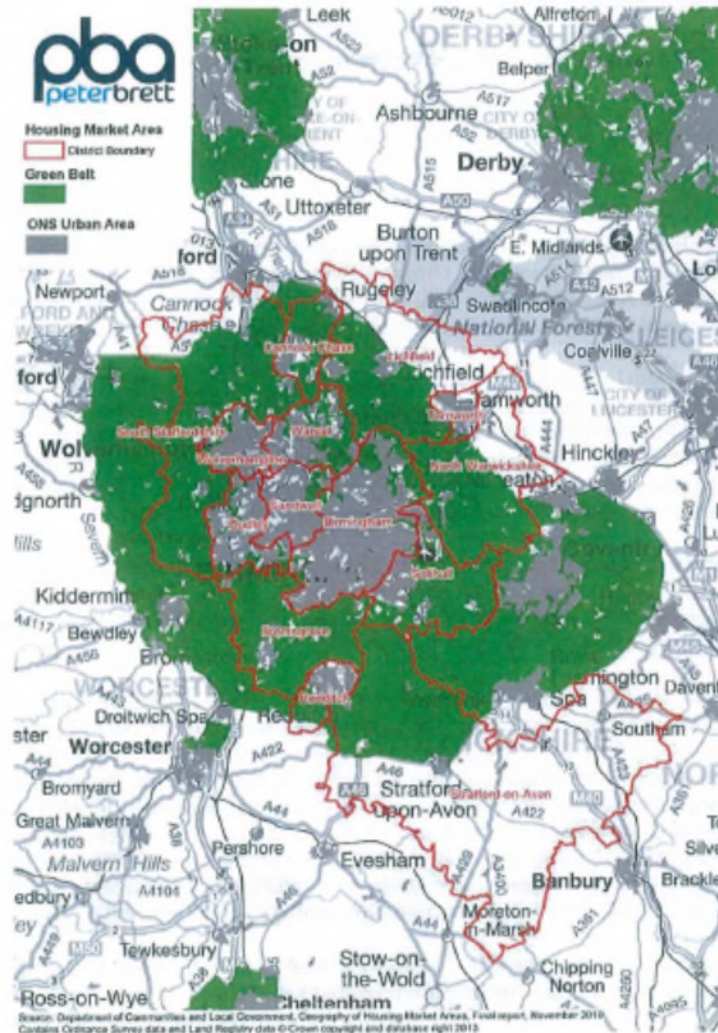
**Purpose**

- 2.1 This Memorandum of Understanding (MoU) seeks to agree the proportion of housing need from the Greater Birmingham & Black Country Housing Market Area (the HMA) that can be accommodated in Birmingham City Council and North Warwickshire Borough Council.
- 2.2 This MoU establishes a framework for co-operation between the signatory authorities with respect to the delivery of housing for the period 2011-2031. It is framed within the Localism Act 2011 and the duty to cooperate set out in Section 110. This sets out the way in which the local authorities will consult one another and work together on matters which affect more than one local authority area in a constructive, actively and on-going basis.
- 2.3 It is agreed that for plan making purposes there is a primary Housing Market Area (HMA) comprising Birmingham, the Black Country and the nine neighbouring local authorities as defined in the PBA Study<sup>1</sup> and shown in the plan below.
- 2.4 The majority of the housing shortfall emanates from Birmingham although there are other authorities who are unable to meet their own housing need including Tamworth Borough Council. The Birmingham Development Plan is intended to be adopted at the end of 2016 and confirms that the City can accommodate a maximum of 51,100 dwellings against a housing need of 89,000. The planning Inspector on the Birmingham Development Plan has endorsed Birmingham City Council's approach to working with other authorities on meeting the housing shortfall, and the active role of the Council in promoting appropriate provision in Local Plans in the HMA.
- 2.5 Paragraph 47 of the NPPF expects local planning authorities to identify specific deliverable sites or broad locations for growth for 15 years. There is clear evidence that current housing commitments in the HMA are not sufficient to meet housing need over the period 2011-31, as required in paragraph 47 of the NPPF. In response to this, the MoU sets out how signatory authorities will attempt to address their objectively assessed housing need (OAN) and then, where possible, deal with any HMA shortfall.

<sup>1</sup>

Greater Birmingham and Solihull LEP Black Country Local Authorities Strategic Housing Needs Study Stage 3 Report (Peter Brett Associates, August 2015)

- 2.6 Birmingham City Council and North Warwickshire Borough Council understand the importance of seeking to meet housing need across the HMA. Not to do so could put at risk the future economic prosperity of the West Midlands and worsen housing affordability.



### 3 The Agreement

#### 3.1 It is agreed that:

1. The Strategic Housing Needs Study Stage 3 Report (August 2015) by PBA identifies a demographic need for 207,100 additional homes across the HMA between 2011 and 2031, with a shortfall in supply of 37,572 homes (18% of total need).



2. The common baseline established through the strategic Housing Needs Study (SHNS) suggests that the adopted North Warwickshire Plan is providing an additional 620 dwellings over and above its own OAN.<sup>2 3</sup> It is agreed that this makes a contribution to meeting the HMA wide shortfall. This provision provides for the 500 dwellings up to 2029 the Borough Council has already agreed to deliver for Tamworth BC. The remaining 120 units will also contribute towards the identified shortfall in the Tamworth Local Plan 2016. To avoid any double counting any further requirement from Tamworth will be considered as part of the wider GB HMA figure.
4. At its Local Development Framework Sub Committee meeting on 3 August 2016, the North Warwickshire Borough Council agreed to aspire to deliver an additional 3,790 dwellings through a new Local Plan. It is agreed that the resultant additional growth over and above local requirements contributes towards to the wider HMA shortfall.
5. It is agreed between the signatory authorities that 3,790 dwellings is the maximum uplift in housing that could be accommodated in North Warwickshire Borough Council.
6. The delivery of the 3,790 will be dependent on the provision of and timely delivery of infrastructure. Birmingham City Council will work with the Borough Council and other partners such as the LEPs in particular Greater Birmingham and Coventry & Warwickshire LEPS) and the Combined Authority to ensure that this can and is provided.
7. In addition to housing North Warwickshire is providing for employment needs to ensure balanced growth. This means that employment provision above that required for their own housing needs must be considered to be providing for a wider than local need.
8. The review of the Green Belt as part of the Local Plan preparation process within North Warwickshire has been carried out in line with an agreed set of principles, to ensure there is consistency of evidence and approach.
9. The regeneration of urban areas within the HMA is important to the economic and social vitality of the wider HMA. Each local authority will ensure the most efficient use of land, and particularly of brownfield land, is promoted when delivering housing across their area. In doing so density assumptions should be appropriate, justified and deliverable.

<sup>2</sup> Greater Birmingham and Solihull LEP Black Country Local Authorities Strategic Housing Needs Study Stage 3 Report (Peter Brett Associates, August 2015)

<sup>3</sup> The Coventry and Warwickshire Updated Housing Needs and Employment Forecasts Study: GL Hearn, (August 2015) established that an additional 47 dwellings per annum (920 in total 2011 – 2031) were needed in North Warwickshire support economic growth. A subsequent report to the Coventry, Warwickshire and South West Leicestershire Shadow Economic Prosperity Board (September 2015) set out an MoU for the distribution of housing within the Coventry and Warwickshire HMA; this also considered the Greater Birmingham and Black Country HMA given the overlap. A pro rata distribution based on migration and commuting flows, suggests the following (2011 – 2031):  
620 dwellings make a contribution to the GB&BCHMA  
320 dwellings make a contribution to the C&WHMA

- 10 Each signatory authority is committed to ongoing cooperation and engagement by both officers and members in planning to meet the housing needs of the HMA and will ensure that the commitments in this MoU are reflected in policy wording in their respective Local Plans.

#### **4 Limitations**

- 4.1 For the avoidance of doubt, this Memorandum shall not fetter the discretion of any of the Councils in the determination of any planning application, or in the exercise of any of their statutory powers and duties, or in their response to consultations, and is not intended to be legally binding but shows clear commitment to collaborate and intent to meet the housing needs of the HMA under the Duty to Co-operate.

#### **5 Liaison**

- 5.1 Member level representatives of the signatory authorities will meet as a minimum yearly or more frequently when appropriate, in order to:
- Monitor the preparation of Local Plans across the signatory authorities and discuss strategic issues emerging from those plans.
  - Agree amendments to the MOU, if necessary.

#### **6 Timescale**

- 6.1 The MoU is intended to run up to 2031 to align with the timescale of the evidence.

#### **7 Monitoring**

- 7.1 Annual monitoring of Local Plan targets and site allocations will be carried out by a HMA monitoring group to ensure that sufficient deliverable and developable housing land is allocated to meet HMA housing needs up to 2031.

#### **8 Review**

- 8.1 The MoU will be reviewed no less than every five years but will also be reviewed when:
- 1) new evidence emerges that renders this MOU out of date e.g. Government household projections
  - 2) a signatory authority or associated authority changes its position in relation to the its housing figures;
  - 3) a signatory authority does not meet the timetable for Local Plan review and this is considered to materially affect achievement of the MoU objectives.
- 8.2 With the creation of the Combined Authority there are now discussions taking place as to its role and how it can assist the delivery of housing across the HMA. This work may mean that this MoU will need to be updated.

**Signatories**



**Signed on behalf of Birmingham City Council  
Waheed Nazir, Strategic Director of Economy**

**Date:** 21.9.16



**Signed on behalf of North Warwickshire Borough Council  
Steve Maxey, Assistant Chief Executive & Solicitor to the Council**

**Date:** 21.9.16

**ii) Draft Memorandum of Understanding on housing for the Coventry & Warwickshire Local Planning Authorities (November 2015)**



**Memorandum of Understanding relating to  
the planned distribution of housing within the  
Coventry & Warwickshire Housing Market Area (HMA)**

**PARTIES TO THE MEMORANDUM**

The Memorandum is agreed by the following Councils:

- Coventry City Council
- North Warwickshire Borough Council
- Nuneaton & Bedworth Borough Council
- Rugby Borough Council
- Warwick District Council
- Stratford-on-Avon District Council
- Warwickshire CC

**PURPOSE**

This memorandum of understanding seeks to ensure that the housing needs of the C&W HMA are met in full.

This memorandum of understanding establishes a framework for co-operation between the constituent authorities with respect to the delivery of housing across the Coventry and Warwickshire HMA. It is framed within the Localism Act 2011 and the duty to cooperate set out in Section 110. This sets out the way in which the Councils will consult one another and work together on matters which affect more than one local authority area.

There is clear evidence that Coventry City Council is unable to meet its full objectively assessed housing needs within the city boundary and thus is unable to meet the requirements of paragraph 47 of the NPPF. It is agreed that for plan making purposes there is a primary housing market area comprising Coventry and the whole of Warwickshire. As a result the City Council and the five Borough/District Councils within Warwickshire have collaborated to assess the full housing needs of the market area and to establish realistic assumptions about the availability, suitability and viability of land to meet that need, in accordance with paragraphs 159 and 160 of the NPPF.

The focus of this memorandum is to ensure that housing needs arising from the growth of the city's population but not capable of being met within Coventry itself will be met within the HMA as a whole. Each local authority will make best endeavours to deliver the housing as set out in this MoU.

## POINTS OF AGREEMENT

The Memorandum has the following broad objective:

The Warwickshire authorities accept that Coventry City Council is unable to accommodate its full housing need. Each Council will therefore cooperate to establish a revised distribution of housing which ensures that the overall needs across the housing market area will be met.

To achieve this objective, it is agreed that:

1. The OAN for the HMA is 85,540 (2011-2031).
2. The table below contains the OAN of each authority within it.

	Average annualised total	Total OAN* (2011-2031)
<b>Coventry</b>	2,120	42,400
<b>North Warwickshire</b>	237	4,740
<b>Nuneaton &amp; Bedworth</b>	502	10,040
<b>Rugby</b>	480	9,600
<b>Stratford-on-Avon</b>	659	13,180
<b>Warwick</b>	600	12,000

Source: Updated assessment of housing need for the C&W HMA, September 2015.

*\*OAN for NWBC and SDC contains need external to the HMA (2,620 gross dwellings). There is also an element of economic uplift in SDC, NWBC and NBBC which will support redistribution of housing from Coventry (3,800 gross dwellings).*

3. As of September 2015, the table below reflects an appropriate and robust distribution of housing across Coventry and Warwickshire

	<b>TOTAL (2011-2031)</b>
<b>COVENTRY</b>	Minimum of 24600 *
<b>NORTH WARWICKSHIRE</b>	5280
<b>NUNEATON AND BEDWORTH</b>	14060
<b>RUGBY</b>	12400
<b>STRATFORD-ON-AVON</b>	13180
<b>WARWICK</b>	18640
<b>TOTALS</b>	88160

\* Should Coventry's capacity increase then the number redistributed to Warwickshire authorities will be considered against the methodology underpinning this report.



4. In the event that, as a result of the completion of Strategic Housing Land Availability Assessment's (to the agreed C&W methodology) it is shown that the distribution in the Table above cannot be delivered, this MOU will be reviewed so that the overall housing requirement is met within the HMA.
5. In the event that, as a result of co-operation with a local authority outside the housing market area, additional development is to be accommodated within the CWHMA at a level that materially affects the distribution set out in this document, the MoU will be reviewed.
6. Each local planning authority will prepare a Local Plan that reflects the agreed distribution.
7. Each local authority will ensure the most efficient use of land is promoted when delivering housing sites across their area. In doing so density assumptions should be appropriate, justified and deliverable.
8. The plan making process will ultimately establish the capacity of each area and quantities of housing that can be delivered. Through the plan making process, the Councils will continue to monitor the capacity of the HMA and in particular any authority that is unable to meet its OAN or redistributed housing requirement. In this instance, the Councils will seek to maximise the quantity of housing delivered in these authorities.
9. Each local authority is committed to ongoing cooperation and engagement by both officers and members in relation to delivery of housing for the C&W HMA.

## **LIMITATIONS**

For the avoidance of doubt, this Memorandum shall not fetter the discretion of any of the Councils in the determination of any planning application, or in the exercise of any of their statutory powers and duties, or in their response to consultations, and is not intended to be legally binding but shows clear commitment and intent to meeting the full housing needs of the market area.

## **LIAISON**

Member level representatives of the Local Authorities through the Shadow Economic Prosperity Board (EPB) will meet as a minimum yearly or more frequently when appropriate, in order to;

- Maintain and update the memorandum, as necessary.
- Monitor the preparation of Local Plans across the six authorities and discuss strategic issues emerging from them

## **TIMESCALE**

The Memorandum of Understanding is intended to run up to 2031 to align with the timescale of the evidence.

## **MONITORING**

Annual monitoring will be carried out to ensure that housing delivery is maintained throughout the HMA. This will be overseen by the C&W monitoring group which will

agree monitoring targets to include permissions, completions and densities. However, due to fluctuations in the market and sites coming on stream a review trigger will come into force if there is a persistent under delivery of housing (against the HMA annualised target) over a consecutive 3 year period.

## **REVIEW**

The document will be reviewed no less than every three years but will be reviewed when new evidence, that renders this MOU out of date, emerges

**Signed on behalf of Coventry City Council  
Councillor Ann Lucas**

Date:

**Signed on behalf of North Warwickshire Borough Council  
Councillor David Humphreys**

Date:

**Signed on behalf of Nuneaton & Bedworth Borough Council  
Councillor Dennis Harvey**

Date:

**Signed on behalf of Warwickshire County Council  
Councillor Isobel Seccombe**

Date:

**Signed on behalf of Rugby Borough Council  
Councillor Michael Stokes**

Date:

**Signed on behalf of Warwick District Council  
Councillor Andrew Mobbs**

Date:

**Signed on behalf of Stratford-on-Avon District Council  
Councillor Chris Saint**

Date:

i) Delves Farm Appeal decision



## Appeal Decision

Site visit made on 8 August 2016

by **Richard Schofield BA(Hons) MA MRTPI**

an Inspector appointed by the Secretary of State for Communities and Local Government

Decision date: 26 August 2016

**Appeal Ref: APP/R3705/W/16/3150188**

**Delves Farm, Boulters Lane, Wood End, Warwickshire CV9 2QF**

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant outline planning permission.
- The appeal is made by Mr Ken Simmons against the decision of North Warwickshire Borough Council.
- The application Ref PAP/2015/0566, dated 4 September 2015, was refused by notice dated 9 February 2016.
- The development proposed is construction of 14 dwellings with access.

### Decision

1. The appeal is dismissed.

### Application for costs

2. An application for costs was made by Mr Ken Simmons against North Warwickshire Borough Council. This application is the subject of a separate Decision.

### Preliminary Matters

3. The application was made in outline with all matters other than access reserved for later determination. I have considered the appeal on this basis, treating the submitted layouts as indicative.

### Main Issues

4. The main issues are:
  - the effect of the proposed development on the character and appearance of the area; and
  - whether the location of the appeal site accords with local planning policy for the distribution of housing.

### Reasons

#### *Character and Appearance*

5. Wood End in the location of the appeal site is characterised by ribbon development stretching out along Boulters Lane on its northern side. Dwellings are situated tight to the road, with extensive rear gardens and open countryside beyond them. There is no perception of development in depth. This character and appearance will be further reinforced by the recent grant of planning permission for 12 dwellings, which will extend this ribbon form from

[www.planningportal.gov.uk/planning/inspectorate](http://www.planningportal.gov.uk/planning/inspectorate)

33 Boulters Lane eastwards to the village's natural beginning opposite Stonehouse.

6. The appeal scheme would introduce a 'backland' development of up to 14 dwellings behind those already present on Boulters Lane. These dwellings would be readily apparent from the proposed access on Boulters Lane and from the rear of the extant dwellings in front of them. From here the development would appear as an incongruous and unrelated add-on to the village, standing well proud of existing dwellings, and at odds with its strongly linear form here.
7. It is suggested that the draft Site Allocations development plan document (DPD) indicates that Green Belt constraints make it preferable to expand to the north and east of Wood End. This may be so, but such expansion still needs to have regard for the character and appearance of the area.
8. I conclude, therefore, that the appeal proposal would have an adverse effect upon the character and appearance of the area. It would conflict with policy NW12 of the North Warwickshire Local Plan Core Strategy (the Core Strategy). This seeks, among other things, to ensure that new development positively improves an individual settlement's character.

#### *Location*

9. Policy NW2 of the Core Strategy sets out a settlement hierarchy for the District. This seeks to direct development to the district's larger settlements, with a greater range of services, while allowing for more limited growth in smaller settlements. Wood End is classed as a Category 4 settlement, where development will be limited to that identified in the development plan, a neighbourhood plan or 'other locality plan'.
10. Core Strategy policy NW5 sets a target of 30 dwellings for Wood End, to be delivered 'usually' on sites of no more than 10 dwellings. The inference from policy NW2 is that such development will be within development boundaries, although these may be altered through other DPDs or once development has taken place (whichever is the earlier).
11. In this context, the location of the appeal site does not appear to be fundamentally at odds with the thrust of Core Strategy policy. It is at a settlement earmarked for development, the indicative quantum of which does not appear to have been exceeded. Although the appeal scheme is for more than 10 dwellings, the use of the word 'usually' in policy NW5 indicates that there is some flexibility around this.
12. The site is not allocated for development in a DPD, but such a document does not appear to be at an advanced stage and policy NW2 indicates that development can take place in advance of it with development boundaries being redrawn where necessary. Indeed, the Council's recent grant of permission for 7 dwellings outwith Wood End's development boundary, along with decisions in other settlements in the district drawn to my attention, are indicative of this position.
13. This being so, I conclude that, at this time, the location of the appeal site accords with local planning policy for the distribution of housing. In this regard, therefore, the appeal proposal would not conflict with policy NW5, which seeks to ensure that development is distributed appropriately between the district's settlements.



### Other Matters

14. The appellant seems to suggest that as the development plan is to be made in two parts, and has yet to be completed, it is both absent and silent, insofar as the site allocations DPD does not yet exist and the Core Strategy does not specify precisely where allocations are to take place. As such, paragraph 14 of the National Planning Policy Framework (the Framework) is engaged. However, this is not the same as saying that the development plan when taken as a whole is absent or silent. The Core Strategy identifies those settlements to which development is to be directed and the appropriate scale of that development. It also sets out additional policies which, notably when used in conjunction with those articulating the overall development strategy, provide decision makers and applicants with a clear framework within which development proposals, such as the appeal scheme, can be assessed and a judgment made about their acceptability.
15. Other appeal decisions were drawn to my attention, wherein Inspectors have concluded that residential development is acceptable outside development boundaries even where, as here, the local planning authority is able to demonstrate a five-year supply of deliverable housing sites. That may be so, but each site is contextually different and these decisions are demonstrative of instances where the Inspectors also found the schemes to be acceptable in all other regards, which is not the case here.
16. My attention was drawn to the judgment in *Suffolk Coastal District Council v Hopkins Homes Ref: [2016] EWCA Civ 168*. However, as this case is concerned with the weight to be given to policies relevant to the supply of housing where paragraph 14 of the Framework is engaged, it does not appear to be directly relevant to the proposal before me.
17. The appeal scheme would assist the Council in significantly boosting the supply of housing, both market and affordable, and it may be that in future the need for housing in the district will be greater than at present. While these are benefits in its favour, the presence of well over five years supply of housing in the district, in line with national policy for boosting supply, necessarily, in my judgment, reduces their weight. The appellant also considers that the scheme would deliver environmental and economic benefits, although these are not expanded upon. In this context, my attention was drawn to paragraph 197 of the Framework. This states that local planning authorities should apply the presumption in favour of sustainable development when determining planning proposals. I have found that the appeal scheme would harm the character and appearance of the area, a matter that I do not consider outweighs the benefits proposed. As such, I do not consider it to be the sustainable development for which the Framework indicates a presumption in favour.
18. The appellant suggests that the appeal scheme would make use of 'under-utilised' land. However, just because a field does not have housing upon it, it cannot *de facto* be 'under-utilised'.

### Conclusion

19. For the reasons given above, and taking all other matters into consideration, I conclude that the appeal should be dismissed.

*Richard Schofield* INSPECTOR

ii) 79 Tamworth Road, Polesworth Appeal Decision



The Planning Inspectorate

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## Appeal Decision

Site visit made on 30 August 2016

by David Troy BSc (Hons) MA MRTPI

an Inspector appointed by the Secretary of State for Communities and Local Government

Decision date: 09 September 2016

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**Appeal Ref: APP/R3705/W/16/3150719**

**78 Tamworth Road, Polesworth, Warwickshire B78 1HX**

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant outline planning permission.
  - The appeal is made by NP Holloway and Son against the decision of North Warwickshire Borough Council.
  - The application Ref PAP/2015/0704, dated 17 November 2015, was refused by notice dated 15 January 2016.
  - The development proposed is an outline application (access only) for residential development of land adjacent 78 of Tamworth Road, Polesworth, B78 1HX.
- 

### Decision

1. The appeal is dismissed.

### Preliminary Matter

2. The application was made in outline with all matters other than access reserved for future consideration. I have determined the appeal on this basis.

### Main Issue

3. The main issue is the effect of the proposed development on the character and appearance of the area.

### Reasons

#### *Character and appearance of the area*

4. Policy NW2 of the North Warwickshire Core Strategy (2014) (CS) sets out a settlement hierarchy for the distribution of development within the Borough, with the aim of directing most development to the district's larger settlements and lesser amounts to lower tiers in the hierarchy, influenced by, amongst other things, their size, needs and range of services and facilities. The purpose of the policy is therefore to distribute development in a sustainable way, which achieves a balance between maintaining the vitality of communities and protecting the intrinsic character and beauty of the countryside. This is emphasised in Strategic Objective 1 of the CS, which aims to secure a sustainable pattern of development reflecting the rural character of the Borough. It also provides the basis for the delivery of the Borough's housing requirements, including site allocations, through the Council's emerging Draft Local Plan, which is still in the early stages of preparation.
-



5. Polesworth is identified as a Category 1 settlement that will accommodate a minimum of 440 additional dwellings 'in or adjacent to' it over the plan period. However, the appeal site is not within Polesworth's development boundary nor does it appear to be adjacent to it. Indeed, the site would appear to fall within the open countryside for the purposes of local planning policy settlements, where development will be limited to that needed to support the rural economy and small scale affordable housing schemes, where there is a proven local need. There is no indication in the evidence before me that the proposed dwellings would fall into any of the specified categories of development that would be appropriate in this location. As such, on its face, the scheme conflicts with the locational requirements of adopted planning policy.
6. Policy NW19 of the CS advises that the planned growth for Polesworth and Dordon should be focused to the south and east of the settlement. Any development to the west of Polesworth & Dordon must respect the separate identities of Polesworth and Dordon and Tamworth and maintain a meaningful gap between them. The meaningful gap is significant as it seeks to retain the open character of the area and restrict development apart from reasonable extensions to existing buildings. Indeed, it is not disputed that from an historical planning policy context a gap has existed in the landscape between Polesworth and Tamworth for many years.
7. The appeal site is an open parcel of land on the north side of Tamworth Road between the settlements of Polesworth to the west and Tamworth to the east. It lies about 300m west of the development boundary identified for Polesworth in the North Warwickshire Local Plan 2006 (Saved Policies) and about 200m east from the boundary with the M42. It lies adjacent to the residential property at No. 78 Tamworth Road that forms a small cluster of two pairs of semi-detached cottages that are separated from the main built area of Polesworth to the west by woodland and open fields. To the west and south is a wooded area and to the north is an open field. The proposed residential development for two dwellings would be accessed via a turning head at the end of the road.
8. The appellant considers that the proposal would be an appropriate addition to an existing cluster of dwellings and would have a negligible effect on the character of the area, due to the modest scale of the development and the limited views into and out of site. The appellant argues that the meaningful gap supports limited development in this location, based on the comments made by the Planning Inspector at the Examination in Public on the CS and the Council's meaningful gap assessment, which states such gaps are spatial planning tools designed to shape the pattern of development and not countryside protection or landscape designations.
9. This may be so. Nonetheless, I do not concur with the appellant that the development would form an appropriate addition to an existing cluster of dwellings in this context. Rather than the site having any close connection with adjacent dwellings, it reads strongly as an integral part of the surrounding countryside that would be separated by a clear gap from the main built area of Polesworth by the open fields and woodland. Whilst the development of two dwellings would be modest in scale they would nevertheless substantially urbanise the site.



10. I have noted the outline residential development granted for two dwellings at 32 Tamworth Road, Polesworth pointed out by the appellant. However, this development represents a form of infill development that is located immediately adjacent to the development boundary and the main built area of Polesworth. Thus, I do not consider it to be directly relevant to the case before me and, as such, I afford this limited weight as a comparable example.
11. Consequently, I conclude that the proposal would cause harm to the character and appearance of the area. It would, therefore, conflict with policy NW19 of the CS as set out above and the underlying principles relating to the meaningful gap. The proposed development would also conflict with Policy NW10 of the CS requiring that development should be targeted at using brownfield land in appropriate locations reflecting the settlement hierarchy and with Policy NW12 that requires development to positively improve the character, appearance and environmental quality of the area.

#### **Other Matters**

12. The appellant argues that the Council does not have a fully up to date Development Plan to direct and deliver the Borough's housing requirements, as the Council's emerging Draft Local Plan is in the early stage of preparation. I do not agree. Just because a plan is made in separate parts does not mean it is not up to date if it has yet to emerge in its totality. The CS identifies those areas to which development is to be directed and the appropriate scale of that development. It also sets out additional policies which, notably when used in conjunction with those setting out the overall development strategy, provide decision makers and applicants with a clear framework within which development proposals can be considered.
13. The appellant also states that the housing requirement is likely to be higher than identified in the CS based on recent information provided by the Council's on the overall housing position in the Borough and that this proposal would constitute a sustainable form of development that would boost the housing supply in line with the requirements of the National Planning Policy Framework (the Framework). This may be so, but there is no dispute that the Council is able to demonstrate a five year supply of deliverable housing sites against the extant development plan requirement.
14. The appellant considers that the proposal would form a sustainable form of development that would be in close proximity to the existing built up area of Polesworth, which is a market town with a full range of local services. However, two dwellings would make only a limited contribution to the vitality of this large community and more generally to the housing stock in the Council's area. There is no evidence before me to suggest that local services are at risk such that these dwellings would secure their retention and the Council can demonstrate a five year supply of deliverable sites. I therefore do not consider that these factors would outweigh the harm that I have found to the character and appearance of the area.
15. I have noted the housing development and planning appeals drawn to my attention by the appellant. However, the appeal decisions<sup>1</sup> at Anstrey have different locational characteristics and relate to a different scale of development. Consequently, I do not consider them to be directly relevant to

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<sup>1</sup> APP/R3705/W/15/3016570 and APP/R3705/W/15/3019478

the case before me and, as such, I afford them limited weight as comparable cases.

16. My attention was drawn by the appellant to the judgment in *Suffolk Coastal District Council v Hopkins Homes* Ref: [2016] EWCA Civ 168. However, as that case is concerned with the weight to be given to policies relevant to the supply of housing where paragraph 14 of the Framework is 'engaged', which it is not here, it does not appear to be directly relevant to the proposal before me.

**Conclusion**

17. For the reasons given above, and having regard to all other matters raised, I conclude the appeal should be dismissed.

*David Troy*

INSPECTOR

# APPENDIX 10

# Incentives, shocks or signals: labour supply effects of increasing the female state pension age in the UK

IFS Working Paper W13/03

Jonathan Cribb  
Carl Emmerson  
Gemma Tetlow

# **Incentives, shocks or signals: labour supply effects of increasing the female state pension age in the UK**

**Jonathan Cribb**

*Institute for Fiscal Studies and University College London*

**Carl Emmerson**

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**Gemma Tetlow**

*Institute for Fiscal Studies and University College London*

First version: March 2013

This version: January 2014

## **Abstract**

In 1995, the UK government legislated to increase the earliest age at which women could claim a state pension from 60 to 65 between April 2010 and March 2020. This paper uses data from the first two years of this change coming into effect to estimate the impact of increasing the state pension age from 60 to 61 on the employment of women and their partners using a difference-in-differences methodology. Our methodology controls in a flexible way for underlying differences between cohorts born at different times. We find that women's employment rates at age 60 increased by 7.3 percentage points when the state pension age was increased to 61 or, equivalently, it increased average retirement age by about one month. Their probability of unemployment increased by 1.3 percentage points. The employment rates of the male partners also increased by 4.2 percentage points. The magnitude of these effects, and the results from subgroup analysis, suggest they are more likely explained by the increase in the state pension age being a shock or through it having a signalling effect rather than them being due to either credit constraints or the effect of individuals responding to changes in their financial incentives to work. Taken together, our results suggest that the fiscal strengthening arising from a one-year increase in the female state pension age is 10% higher than a costing based on no behavioural change, due to additional direct and indirect tax revenues arising from increased earnings.

Key words: early retirement age; labour supply; policy reform; retirement

JEL classification: H55, J21, J26

## ***Acknowledgements***

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## 1. Introduction

Governments across the developed world have, over recent decades, legislated for increases in the early and normal claiming ages that apply to public pension schemes, often with the explicit intention of strengthening the public finances – not only by reducing payments to pensioners but also by increasing average retirement ages and thus generating additional tax revenues. In 1995, the UK government legislated to increase the state pension age (that is, the earliest age at which a pension can be claimed from the state) for women from 60 to 65. This was legislated to happen between 2010 and 2020. This paper uses evidence on labour market behaviour in the UK between 2010 and 2012 to examine what impact increasing the state pension age from 60 to 61 has had on the economic activity of the affected cohorts of women and their partners.

Women's economic activity could be affected by an increase in the state pension age through four main mechanisms. First, the increase reduces the length of time that individuals receive state pension income for and thus reduces their lifetime wealth; this will tend to increase labour supply. However, if those affected were forward looking and well informed, this response might have manifested as soon as the legislation was passed. Second, individuals who are credit constrained may have to continue working (or claim alternative out-of-work benefits) during the period when they are no longer able to receive their state pension. Third, the state pension age may anchor social norms about the 'appropriate' age at which to retire. Some evidence in favour of this was found in a survey carried out on behalf of the Department for Work and Pensions. This found that a significant proportion of individuals, who initially were ignorant of their true state pension age, changed their reported expected retirement age (such that it was equal to their true state pension age) when they were told their actual state pension age.<sup>1</sup> Fourth, increasing the state pension age will have some effect on individuals' marginal financial incentives to work, through changing marginal tax rates and eligibility for out-of-work benefits. However, this channel will not be as important in the UK as it is in some other countries because there is no earnings test for state pension receipt in the UK.

We identify the impact of increasing the state pension age by comparing cohorts who face different state pension ages, while allowing for a flexible specification of cohort, age and time effects. Our specification allows for considerably more underlying heterogeneity between cohorts and time periods than previous papers (such as Mastrobuoni, 2009). However, the specification we have chosen limits us to identifying only those effects that manifest between the old and new state pension ages; other differences in employment rates between treated and control cohorts that occur before or after these points will be subsumed into the cohort effects

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<sup>1</sup> MacLeod et al., 2012, pp. 94–95.

that are included in our specification. For this reason, the effect we identify – which is sizeable – could be considered a lower bound on the true response to the policy. On the other hand, the effect we identify is the short-run effect, which could be larger than the long-run effect if individuals did not fully anticipate the policy change.

Earlier papers have predicted the effects of increasing early and normal retirement ages on labour force participation using out-of-sample predictions. Papers simulating changes in early and normal retirement ages in the US have suggested quite large effects on retirement ages (Fields and Mitchell, 1984; Gustman and Steinmeier, 1985; Rust and Phelan, 1997; Coile and Gruber, 2000), while for the UK Blundell and Emmerson (2007) estimate that a three-year increase in state pension ages for both men and women (and assuming that defined benefit occupational pension schemes respond with a three-year increase in their normal pension ages as well) would increase retirement ages by between 0.4 and 1.8 years, depending on the specification used.

One of the first papers to examine ex post the impact of a change in state pension ages was Börsch-Supan and Schnabel (1999), who looked at evidence from the reduction in the earliest age of pension receipt in Germany, which was reduced from 65 to 63 in 1972. Prior to this reform, the vast majority of men retired at age 65, whereas after the reform there was a significant shift towards retiring at age 63. More recently, there have been increasing numbers of reforms around the world, which have increased pension ages. Therefore, ex post evaluations have become more common in the literature, although none has yet examined the reforms in the UK.

Mastrobuoni (2009) finds that average retirement ages increase by one month for every two-month increase in the normal retirement age in the US. This is larger than the effects typically suggested by the previous simulation studies. Two main factors could be driving this difference. First, the simulation studies generally do not factor in social norms associated with legislated claiming ages, which could tend to increase retirement exactly at the claiming age (the exception being the upper estimate from Blundell and Emmerson, 2007). Second, the simulation studies focus on the steady-state impact on retirement ages; if the reforms were in part unanticipated, the short-run effect on retirement ages may be larger than the long-run effect.

Staubli and Zweimüller (2013) employ a very similar estimation strategy to that used in this paper to examine an increase in the early retirement age in Austria of 2 years for men and 3.25 years for women. They find that employment rates increased by 9.75 percentage points among affected men and by 11 percentage points among affected women, with increases in unemployment rates of a similar size.



A further set of papers have examined how reforms to pension claiming ages affect expected retirement ages. Coppola and Wilke (2010) examine how subjective expectations of retirement age were affected by the legislated increase in statutory retirement age in Germany from 65 to 67. They find that the reform had a large effect on expected retirement ages, with these having increased on average by nearly two years for younger cohorts following the reform – in other words, almost one-for-one with the reform. Meanwhile, Bottazzi, Jappelli and Padula (2006) find that revisions to retirement expectations were much smaller in response to reforms of the Italian pension system, with evidence that this was at least in part due to individuals underestimating the magnitude of these reforms.

By examining how the labour supply of women's partners responds to an increase in the female state pension age, this paper also contributes to the literature on complementarities of leisure within couples. Banks, Blundell and Casanova (2007) exploit differences in pension claiming ages for women in the US and UK to identify the impact of a woman leaving work on her (male) partner's employment and find significant evidence of joint retirement within couples. We exploit the differences in pension claiming ages for women induced by the 1995 reforms to identify whether there has been any knock-on effect on the labour supply of male partners.

The reform that we examine here is somewhat different from those studied by previous papers. First, unlike Mastrobuoni (2009), but similar to Staubli and Zweimüller (2011), we examine a change in the earliest age at which a pension can be received from the state. This means that credit constraints may be important in determining how people respond, as individuals may have to work for longer if they have no other source of non-work income. Second, in the UK system – unlike many other countries' pension systems – there is no earnings test for receipt of pension income; therefore, claiming and ceasing to work are – in theory at least – largely separate decisions. Indeed, the majority of men and women in the UK do not leave the labour market at the same age as they can first claim a state pension. This implies that the major effect of increasing the state pension age, for those who are not credit constrained, might be a reduction in lifetime wealth.

Since this policy reform was announced 15 years in advance, we might expect adjustments in employment rates around the state pension age to be quite small, as individuals have had a considerable period of time over which to adjust their behaviour. However, evidence suggests that – even many years after the legislation was passed – many of the women affected were unaware of it. Crawford and Tetlow (2010) find that six-in-ten of those women who face a state

pension age somewhere between 60 and 65 were unaware of their true pension age.<sup>2</sup> This suggests that some women may face a significant shock as they approach pension age and thus may have to adjust their behaviour sharply over a short period of time. Furthermore, if there are social norms attached to retiring at the state pension age, moving this age could have a greater impact on employment rates than the pure financial incentives would suggest.

We find that employment rates of women at age 60 increased by 7.3 percentage points when the state pension age was increased to 61; this result is statistically significant at the 1% level. This is equivalent to about a one month increase in the average retirement age. The result is robust to a number of specification tests, including using a linear probability model rather than probit, variations in the sample chosen to exclude repeat observations on the same individuals, and using a wild cluster bootstrap procedure to account for potential serial correlation in employment shocks (as suggested by Cameron, Gelbach and Miller, 2008). We find that employment rates among affected women's partners increased by around 4.2 percentage points (with this result being statistically significant at the 5% level and the point estimate being reasonably robust to different specifications). Looking at the employment of both members of couples, we find that – among couples where the wife is aged around the state pension age – the increase in the female state pension age has led to an increase in the proportion of two-earner couples (5.4 percentage points) and a decrease in the fraction of couples where neither is in paid work (4.7 percentage points) but no significant change in the fraction of couples where only the husband or only the wife is in paid work. We interpret this as evidence of complementarities of leisure within couples, rather than couples using alternative margins (male and female labour supply) to respond to the policy change.

The remainder of this paper proceeds as follows. Section 2 describes the institutional setting, the policy reforms we exploit and the data we use and presents evidence on how employment rates changed around the early claiming age prior to the reform. Section 3 describes our empirical strategy and Section 4 presents the results. Section 5 concludes.

## **2. Background and Data**

### **a. Institutional details**

The state pension age in the UK is the earliest age at which individuals can receive a state pension. There is no earnings test for receipt of the state pension (that is, the amount received is

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<sup>2</sup> In 2011, a survey of women affected by the state pension age increases indicated that almost a fifth of women with a state pension age of at least 63 thought that their state pension age was 60 or below (Age UK, 2011).

not reduced if the individual also has earned income)<sup>3</sup> but individuals do receive an actuarial adjustment of benefits if they delay claiming beyond the state pension age. Those not claiming the state pension when they reach the state pension age receive a 10.4% increase in their income for each year that they delay claiming.<sup>4</sup> However, in practice, very few people choose to delay claiming.

The UK state pension consists of two parts. The first-tier pension (known as the Basic State Pension) is based on the number of years (but not on the level) of contributions made.<sup>5</sup> The second-tier pension is related to earnings across the whole of working life (from 1978 onwards); enhancements are also awarded for periods spent out of work due to some formal caring responsibilities since April 2002. However, historically, the majority of employees have chosen to opt out of this second-tier pension in return for a government contribution to a private pension scheme.<sup>6</sup>

A full Basic State Pension in 2012–13 was worth £107.45 a week (17% of average full-time weekly earnings).<sup>7</sup> Most men and women now reaching the state pension age can qualify for the full award. The second-tier pension scheme replaces 20% of earnings within a certain band. The maximum total weekly benefit that could be received from the second-tier pension was around £160. However, since most employees opted out of the second-tier pension scheme in the past, the majority of pensioners receive far less than this from the state.

Between 1948 and April 2010, the state pension age was 65 for men and 60 for women. The Pensions Act 1995 legislated for the female state pension age to rise gradually from 60 to 65 over the ten years from April 2010, with the state pension age rising by one month every two months for ten years. As a result, women born after April 1950 have a state pension age of greater than 60.<sup>8,9</sup> The total loss from a one-year increase in the state pension age is £5,587 for a woman who qualifies for a full Basic State Pension and no additional pension, rising to around

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<sup>3</sup> The earnings test was abolished in 1989. Disney and Smith (2002) examine the labour supply impact of removing the earnings rule.

<sup>4</sup> This adjustment is prorated for partial years of deferral; each 5 weeks of deferral results in a 1% increase in pension income.

<sup>5</sup> Periods in receipt of certain unemployment and disability benefits and periods spent caring for children or adults can also boost entitlement.

<sup>6</sup> A full description of the UK state pension system can be found in Bozio, Crawford and Tetlow (2010).

<sup>7</sup> However, women approaching the state pension age earn, on average, much less than this and are more likely to work part time. Median earnings for 59 year old women who were in work in the two years prior to the increase in the state pension age were £254 per week.

<sup>8</sup> Further details of how the female state pension age is increasing, including the impact of more recent legislation which, if implemented, will see the state pension age of men and women rise to 66 for those born after October 1954, are shown in the appendix in Figure A.1.

<sup>9</sup> To our knowledge no occupational pension schemes adjusted their normal pension ages in line with the change in the female state pension age. Until very recently, the most common normal pension ages were 60 in public sector schemes and 65 in private sector schemes. We are not aware of any schemes that apply a different normal pension age to male and female scheme members.

£14,000 for a woman who qualifies for a full Basic State Pension and a full additional pension entitlement.<sup>10</sup>

State pension entitlements make up a significant fraction of total retirement resources for some individuals, while for others they are much less important. Table 2.1 shows statistics on the distribution of different types of wealth among the cohorts of women that are the focus of this paper. On average, these cohorts had accrued about £130,000 of state pension entitlements by 2010; this figure is calculated as the present discounted value of the estimated future stream of state pension income. However, these women's mean total family wealth is just over £800,000. On average, women's own state pension wealth accounted for one-quarter of their family's total wealth; but for one-in-nine women their state pension wealth accounts for more than half their family's total wealth.

Table 2.1 Distribution of wealth among women born between April 1949 and March 1952

<i>£ thousands</i>	Mean	25th percentile	Median	75th percentile
State pension wealth (individual)	128.0	98.8	131.4	160.5
State pension wealth (family)	226.4	169.1	235.9	294.3
Private pension wealth (individual)	90.2	0.0	23.4	104.9
Private pension wealth (family)	248.2	21.6	136.3	328.8
Net financial wealth (family)	84.3	1.4	24.2	90.6
Net housing wealth (family)	201.8	85.0	180.0	280.0
Other physical wealth (family)	56.1	0.0	0.0	4.5
Total net wealth (family)	820.5	399.6	660.5	1,026.3

Notes: Sample includes all ELSA core sample members born between 1 April 1949 and 31 March 1952. Sample size = 746.  
Source: English Longitudinal Study of Ageing, wave 5 (2010–11). Weighted using cross-sectional weights.

Some other features of the tax and benefit system also change when an individual reaches the state pension age and potentially influence incentives to remain in paid work. First, employees are no longer liable for employee National Insurance contributions (i.e. payroll taxes decline); this increases the financial incentive to be in paid employment. Second, instead of being able to claim the main working-age unemployment and disability benefits,<sup>11</sup> households with one member above the female state pension age become eligible to claim the means-tested Pension Credit Guarantee. This is more generous than the equivalent working-age benefits: not only is the amount received higher (£142.70 per week, with greater amounts for those with

<sup>10</sup> This is based on a full Basic State Pension and a maximum State Second Pension entitlement being lost for one year.

<sup>11</sup> The main working-age unemployment benefit is known as Jobseeker's Allowance (JSA) and is paid at a rate of £71.00 per week. The main working-age disability-related benefit is known as Employment and Support Allowance (ESA) and is paid at a rate of £99.15 per week.

disabilities) but there are also no requirements for recipients to, for example, seek work or attend work-focused interviews. This reduces the incentive for individuals to be in, or to seek, paid work after reaching state pension age. In addition, state pension income will exhaust some or all of an individual's income tax "personal allowance" (that is, the amount of income that can be received tax free). Therefore, the average tax rate on an individual's earnings may actually increase at the state pension age if receipt of state pension income causes them to be pushed into a higher tax bracket. As we show in Section 4b, these different effects mean that some women face a lower incentive to work (as measured by a participation tax rate) at the age of 60 when the state pension age rises, while others see almost no change or an increased incentive to work.<sup>12</sup>

## **b. Data**

We use data from the UK's Labour Force Survey (LFS).<sup>13</sup> This is conducted on a quarterly basis, with all individuals in a household followed for up to five consecutive quarters ('waves') and with one-fifth of households being replaced in each wave. The sample size is large – for example, during January to March 2012, 102,531 individuals were interviewed from 43,794 households – and the survey contains information on individual labour market activities combined with background information such as sex, age, marital status, education and housing tenure. Crucially for our study, the data contain month as well as year of birth, and the large sample sizes mean relatively large numbers of individuals are observed from each birth cohort at each age. For example, about 170 individuals born in the first quarter to be affected by the reform (1950Q2) are observed in each quarter of the LFS data that we use in our analysis (which runs from 2009Q2 to 2012Q2). Further details of the achieved sample size by age and cohort are shown in Table A.1 in the appendix.

Data from the Labour Force Survey are used to produce internationally comparable unemployment statistics using International Labour Organisation (ILO) definitions of employment and unemployment. Therefore, we use ILO measures of economic activity in our analysis. Under these definitions, an individual is categorised as employed if they do any paid work (as an employee or self-employed) in the week of their interview, if they are temporarily away from paid work or if they are on a government training scheme (although this last category is rare for older people). Individuals are considered as being in full-time work if they

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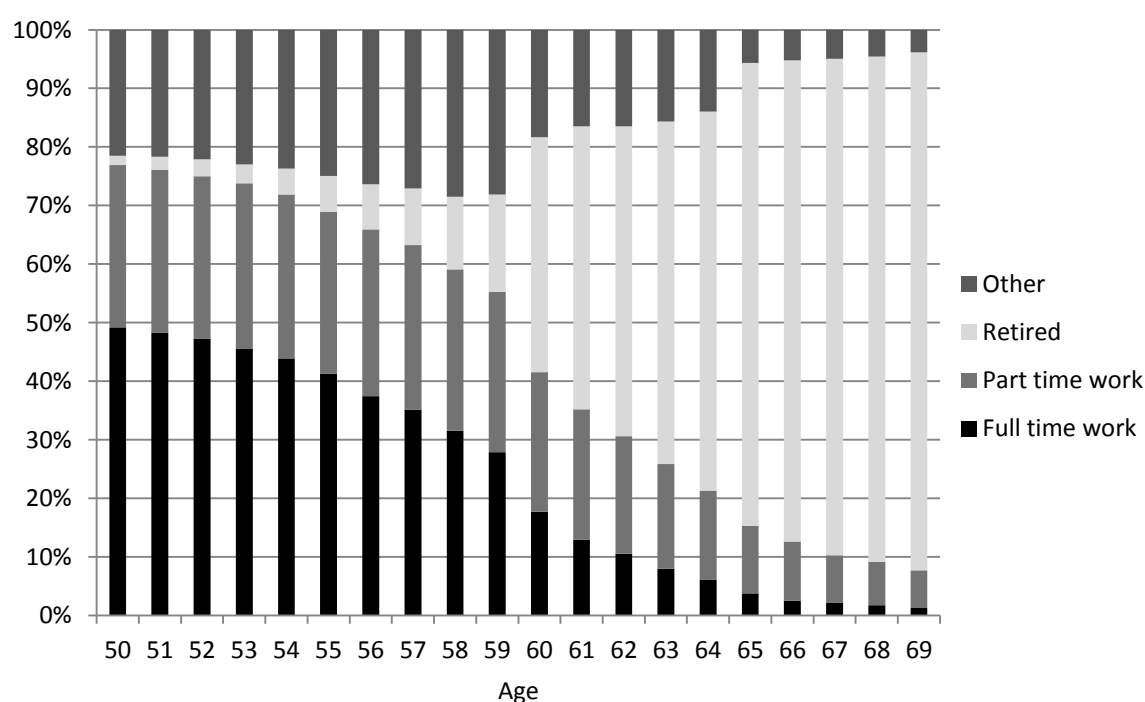
<sup>12</sup> Those aged above the female state pension age are also eligible for the Winter Fuel Payment (which is worth £200 a year) and for free off-peak bus travel. The impact of these payments on labour supply incentives is ambiguous but it is unlikely to be significant.

<sup>13</sup> We do not use data from the English Longitudinal Study of Ageing, which was described in Table 2.1, as it does not yet provide sufficient observations of employment rates of older women since the state pension age started to increase. The sample size of women in the relevant cohorts is also much larger in the LFS than in ELSA.

work 30 or more hours in a usual week. If individuals are not in work, they are categorised as either unemployed (looking for work in the last four weeks or waiting for a job to start and they must be able to start work within the next two weeks), retired, sick or disabled, or a residual category (these are all self-defined). Each individual is categorised as being in one and only one of these categories.

The pattern of economic activity of older women by age is shown in Figure 2.1. This uses LFS data pooled across the eight years before the female state pension age was increased. The percentage of women in paid work (either full-time or part-time) declines with age (which will be due to a combination of age and cohort effects). Between age 59 and age 60, there is a 13.7 percentage point drop in employment and a 23.5 percentage point increase in the percentage reporting themselves as retired. Both of these changes are bigger than any of the changes observed between other consecutive ages. However, prior to the female state pension age being increased, it was not possible to separate out the extent to which this was an impact of hitting the state pension age as opposed to an impact of hitting age 60.<sup>14</sup>

Figure 2.1 Economic activity of women prior to state pension age reform, by age



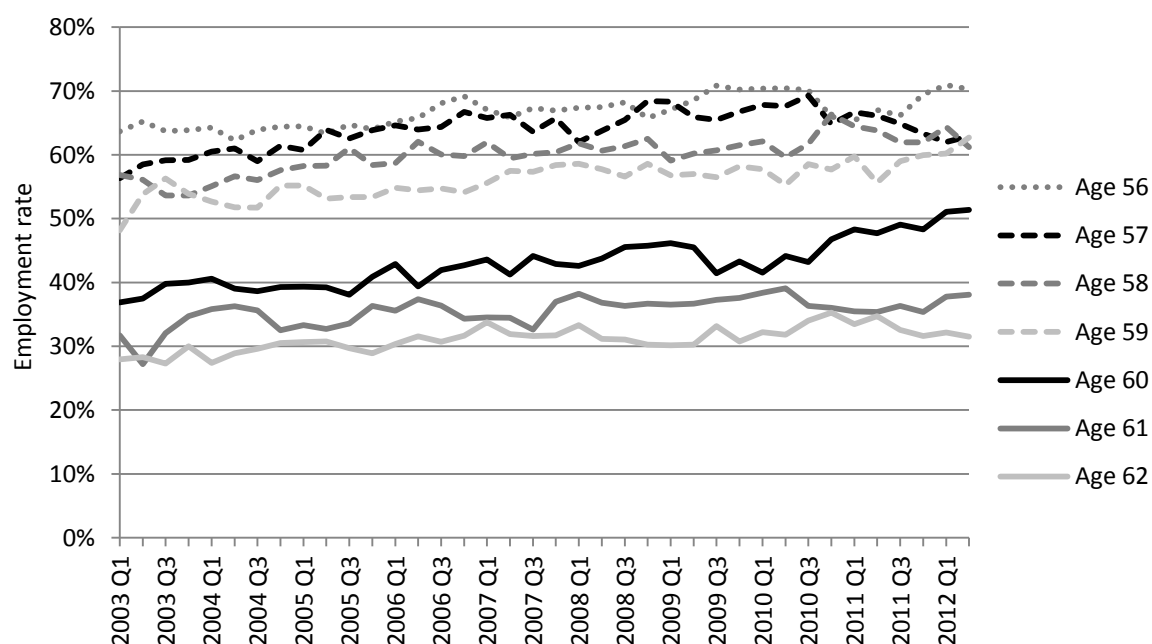
Notes: Averages over the period 2003Q1 to 2010Q1.

Source: Authors' calculations using the LFS. Based on 404,428 observations. The equivalent figure for men is shown in Figure A.2 in the appendix.

<sup>14</sup> One approach has been to assume a parametric relationship between labour market exit and age (for example, a quadratic in age) and also allow for an additional impact of hitting the state pension age. But this assumes that all of the additional retirements that occur at age 60, over and above those explained by the relationship with age measured at earlier and later ages (and other covariates in the model), are due to this age being the state pension age. See, for example, Blundell and Emmerson (2007).

An initial indication of what the impact of increasing the state pension age on employment has been is provided by Figure 2.2. This shows how employment rates of older women have evolved since 2003 by single year of age. While employment rates at each age have generally been increasing over time (due, at least in part, to later cohorts of women having greater labour force attachment), a particularly large increase has been observed for 60-year-old women from April 2010 onwards, which is when the state pension age started to rise. In 2010Q1 (just prior to the increase in female state pension age), the employment rate of 60-year-old women was 41.5%; by 2012Q2 (the first quarter in which all 60-year-olds were under the state pension age), it had increased to 51.4%. This 9.8 percentage point increase is statistically significant ( $t\text{-stat} = 3.57$ ) and is the largest increase over any two years shown in Figure 2.2. During the same two-year period, the employment rate of 61-year-olds fell slightly (by 0.3 percentage points, from 38.4% to 38.1%). This change is not statistically significant at the 10% level. A simple difference-in-differences estimate, comparing the change in employment rate between 2010Q1 and 2012Q2 of 60-year-old women with the change in employment over the same period among 61-year-old women suggests that the increase in the female state pension age from 60 to 61 has increased employment rates among 60-year-olds by 10.1 percentage points. Sections 3 and 4 present more formal approaches to estimating this effect, controlling in a more sophisticated manner for time effects, cohort effects and differences in observed characteristics between the different cohorts of women.

Figure 2.2 Employment rates of older women, 2003–12, by single year of age



Source: Authors' calculations using the LFS, 2003 to 2012. Based on 190,429 observations. The equivalent figure for men is shown in Figure A.3 in the appendix.

Table 2.2 Economic activity for women born between April 1949 and March 1952, in the period 2009Q2 to 2012Q2

Sample	Percentage of sample in each economic activity						Number of observations in sample
	Full-time work	Part-time work	Retired	Unemployed	Sick or disabled	Other	
Full sample	28.2	25.0	23.9	1.9	12.5	8.5	30,297
Single women	32.8	18.8	19.5	3.3	19.8	5.7	8,818
– PTR at age 60 reduced	19.3	13.6	17.8	5.0	38.1	6.1	2,927
– no change in PTR at 60	39.8	21.9	20.7	2.2	10.1	5.3	5,677
– PTR at age 60 increased	30.4	8.9	12.6	9.3	29.0	9.8	214
Women with a partner	26.3	27.5	25.7	1.3	9.5	9.7	21,479
– whose partner is older	25.1	26.6	27.2	1.2	9.7	10.1	15,955
– whose partner is younger	29.6	30.1	21.3	1.5	9.0	8.5	5,524
– PTR at age 60 reduced	25.0	21.9	28.3	0.9	11.5	12.4	4,830
– no change in PTR at 60	29.9	28.8	30.8	1.4	2.8	6.4	3,263
– PTR at age 60 increased	25.9	29.2	23.5	1.4	10.5	9.6	13,386
Rent house	20.5	15.3	18.3	3.5	31.5	10.9	5,853
Own house	30.0	27.3	25.2	1.5	8.0	8.0	24,444
Non-missing sector	35.5	31.5	20.3	2.1	5.8	4.8	24,029
‘Public sector’	36.4	30.8	22.3	1.3	5.1	4.0	12,017
‘Private sector’	34.5	32.2	18.4	2.8	6.5	5.5	12,012
Degree or other HE	34.7	26.4	25.9	1.8	5.7	5.5	8,416
Secondary education	30.4	27.3	22.1	1.9	10.4	7.9	14,756
No qualifications	15.8	18.6	25.2	2.0	24.9	13.5	7,125

Notes: Totals may not sum to 100 due to rounding. Public sector is defined as those who work or most recently worked in education, health, care or public administration. Private sector is those in all other industrial categories.

Source: Authors’ calculations using the LFS.

A description of the background characteristics, and the variation in economic statuses by these characteristics, of women close to the state pension age immediately before and after it started to rise from age 60 is shown in Table 2.2. Among those not in paid work, the most common reported activities are being ‘retired’, being ‘sick or disabled’ and ‘other’ (which most commonly refers to looking after the home or family). Relatively few women in this group report themselves as being unemployed. Full-time employment is more common among single women than among those in couples. Those who own their own home are much more likely to be in work (either full- or part-time) than those who rent their home, while those in the latter group are relatively more likely to be unemployed or sick/disabled (indeed, almost one-third of

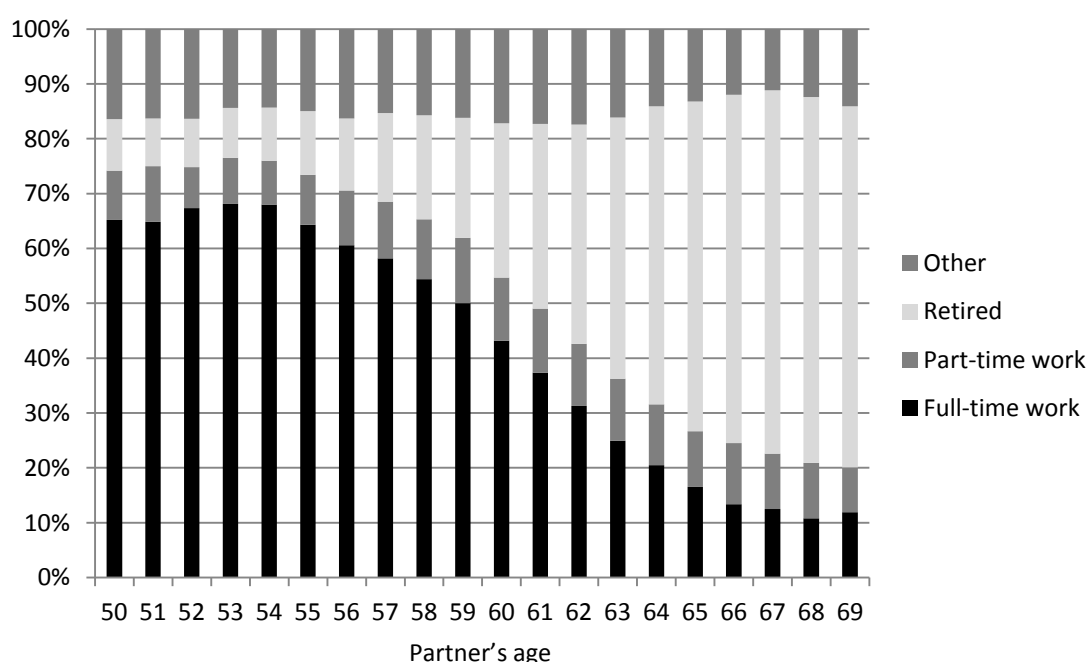


renters report being sick or disabled). There is relatively little difference in the economic statuses of those who have worked in the public sector (defined as education, health, care or public administration) most recently and those who have worked in the private sector most recently. Employment rates are positively correlated with levels of education, with those with lower levels of education being more likely to report being sick/disabled or having 'other' as their main economic activity.

Table 2.2 also shows how economic activity varies across groups of women defined on the basis of the change in their participation tax rate (PTR) at the age of 60 estimated to be induced by increasing the state pension age. How these PTRs are estimated is explained in detail in Section 4b.

The data also allow us to explore the impact of the increase in the female state pension age on the labour market activity of the male partners of those directly affected by the reform. Data from prior to the reform show that, among men aged 55 to 69 who are partners of women aged between 50 and 69, employment rates do typically fall as wife's age increases and the largest drop (of 7.2 percentage points) is between those whose female partner is aged 59 and those whose female partner is aged 60 (see Figure 2.3).

Figure 2.3 Economic activity of men (aged 55–69) with partners prior to female state pension age reforms



Notes: Averages over the period 2003Q1 to 2010Q1. Number of observations = 193,738.

Source: Authors' calculations using the LFS.

### 3. Empirical Methodology

Using data on the labour market behaviour of women who face different state pension ages allows us to estimate what impact increasing the state pension age for women from 60 to 61 has had on labour market behaviour. To do this, we employ a difference-in-differences methodology. The ‘treatment’ (being under the state pension age) is administered at some point to all women but, since the reform was introduced, is administered for longer to women born more recently. Equation (1) sets out the specification we use to estimate the impact of increasing the state pension age.

$$y_{ict} = \alpha(\underspa_{ict}) + \gamma_t + \lambda_c + \sum_{a=1}^A \delta_a[age_{ict} = a] + X_{ict}\beta + \varepsilon_{ict} \quad (1)$$

Our aim is to estimate the effect on an outcome,  $y$ , of being below (rather than above) the state pension age. Fixed effects are used to control for time period ( $\gamma_t$ ), cohort ( $\lambda_c$ ) and age. In other words, we assume that there are cohort- and time-constant age effects, time- and age-constant cohort effects and age- and cohort-constant time effects. The last is the usual common trends assumption required for identification in difference-in-differences estimation. We might be particularly concerned about this identifying assumption being violated in our application if the policy of interest has affected our control group through general equilibrium effects in the labour market. For example, if increasing the state pension age for younger cohorts led to more 60-year-olds wanting to remain in work, this could have reduced employment opportunities for 61-year-olds. Such an effect would bias upwards our estimated effect of increasing the state pension age on women’s employment rates. We cannot rule out this possibility.

The age- and time-constant cohort effects control in a flexible way for underlying differences in employment patterns between different cohorts of women. However, this comes at the cost of subsuming within this ‘cohort effect’ any impact of the state pension age reform that manifests itself in time-constant changes in economic activity rates among the affected cohorts before age 60.<sup>15,16</sup>

We also control for a vector of individual characteristics,  $X$ . These include education, relationship status, housing tenure, ethnicity, geography, as well as partner’s age and partner’s

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<sup>15</sup> An alternative approach would have been to specify a functional form for the cohort effects and attribute any deviations from this pattern between cohorts who were affected by the 1995 legislation and those who were not as being the result of the policy change. This is essentially the approach adopted by Mastrobuoni (2009).

<sup>16</sup> Any other policy changes that affect cohorts (and their behaviour) differently, but in a time-constant way, will also be absorbed into these cohort effects. This could apply, for example, to the reforms legislated in Pensions Act 2007, which changed the way that pension entitlements were calculated (in a way that made the system more generous on average) for all those born after 5 April 1950.

education for those with a partner – the full set of covariates included is laid out in Table A.2 in the appendix.

We also estimate the impact on (male) partners' outcomes, for which we use a similar specification. The impact of increasing a woman's state pension age on her partner's economic activity is estimated, controlling for the woman's cohort, woman's age and time in the same way that we control for these when estimating the effect on female employment. Additional controls are also used, which most importantly include controls for the man's own age, which we control for using a quadratic plus indicators for being aged over the female state pension age and for being aged 65 or over.<sup>17</sup> The identifying assumption is that – after controlling for own age, partner's age, time and cohort effects – any difference between the employment rates of men with female partners who are aged above and below the state pension age is due to the impact of their partners reaching the state pension age. This identifying assumption is cleaner than the one used in identifying the effect on women's economic activity. Whereas all women of the same age at a given time are either above or below the state pension age, for men of a given age at a certain time, they may have a partner who is either above or below the state pension age.

The primary outcome of interest is the effect of increasing the state pension age on employment. This is estimated using both ordinary least squares (OLS) and a probit model, calculating the average marginal effects of the treatment.<sup>18</sup> However, we are also interested in the other possible economic states. To assess these, multinomial probit models are used to examine the impact of increasing the state pension age on: first, whether an individual is in full-time or part-time work or not in paid work; and, second, whether an individual is in work, retired, sick or disabled, unemployed and a residual category.

Since the LFS tracks individuals over up to five consecutive quarters of data, our sample contains multiple observations on the same individuals and so the observations are not independent of one another. We control for this by clustering standard errors at the individual level and also conduct a sensitivity analysis using only the first observation on each individual; we show that this changes the estimated marginal effect very little but increases the standard errors as the sample size is substantially reduced. Our results are also robust to allowing for serially correlated cohort-time shocks.

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<sup>17</sup> The full specification as estimated by OLS is set out in Table A.3 in the appendix.

<sup>18</sup> Since being under the state pension age is a function of both a woman's cohort and time, the variable *underspa* is an interaction. In a non-linear model, calculating marginal effects on an interaction term does not produce a difference-in-differences treatment effect as it does in a linear model. To estimate the treatment effect in a non-linear model, we estimate the model and then, for each observation, look at the difference in the predicted probability of employment if above and below the state pension age and then average across all observations to calculate the average marginal effect across the whole distribution of other regressors.

## 4. Results

### a. Effect of increasing the state pension age on women's employment rates

All the models are estimated on data from 2009Q2 to 2012Q2 – from one year before the reform began to the latest available data – and the cohorts included are those born in 1949–50 to 1952–53, which includes one cohort unaffected by the reform (1949–50) and three cohorts whose state pension age was changed by the reform. Cohort is controlled for using financial year (e.g. 1950–51) fixed effects. Time is controlled for using year and quarter fixed effects and there are age fixed effects in years and quarters to control finely for age, which is particularly important in ensuring that the estimate of being under the state pension age is not simply capturing the effect of being younger.

Calculating whether each individual woman is above or below the state pension age involves calculating her state pension date, and then comparing the date of interview to the state pension date. Under the reform, people born from the sixth day of one month to the fifth day of the next month have the same state pension date. While the exact day of interview is observed in the LFS, only an individual's year and month of birth are available, not their date of birth. This means that those women born between the first and fifth days of any month are allocated a state pension date that is 2 months after they actually reach their state pension age. If dates of birth are distributed uniformly within each month, we will have misclassified whether the woman is over or under her state pension age for 2.7% of women.<sup>19</sup>

Table 4.1 reports the results from estimating equation (1) using a variety of econometric specifications where the dependent variable is being in employment. Our preferred specification is specification 6, which is a probit model with standard errors clustered at the individual level. This shows that being under the state pension age increases the probability of being in work by 7.3 percentage points, with this impact being statistically different from zero at the 1% level.<sup>20</sup> This is consistent with a one-year increase in the female state pension age from 60 to 61 leading to 27,000 more women in paid work.<sup>21</sup>

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<sup>19</sup> Although state pension date is mismeasured for those born between the first and fifth days of the month, in only two months of the year are they incorrectly observed to be under the SPA when they are actually over the SPA. For the same reasons, age in years and quarters may be mismeasured for a small number of individuals, by at most one quarter.

<sup>20</sup> While ethnicity and education (in practice) are fixed for older women, the increase in the state pension age could affect relationship status or housing tenure, so these characteristics could be endogenous. Running the model (specification 6) without controls for relationship status, partner's characteristics or housing tenure leads to a coefficient estimate of +0.076, very similar to the estimate including them. As it is unlikely that the increase in the state pension age has had any important effects on housing or relationship status, we include these as explanatory variables in our preferred specification.

<sup>21</sup> Our model, as set out in equation 1, only allows there to be an effect of raising the state pension age on labour supply at age 60 or above. It is possible that some women reacted to the increase in their state pension age (and resulting loss of state pension wealth) by working longer into their fifties, but still retiring before reaching age 60. Any change like this would be subsumed into the cohort fixed effects included in our model. To see whether there is any evidence of women reacting by increasing labour supply in their fifties, we have calculated the change in average retirement ages between age 55 and 59 for each cohort compared

Table 4.1 Effect of increasing the state pension age from 60 to 61 on women's employment

<i>Specification</i>	<i>Number of waves</i>	<i>Estimated by</i>	<i>Standard errors clustering</i>	<i>Effect of being under SPA</i>	<i>Standard error</i>	<i>N</i>
(1)	5	OLS	Not clustered	+0.075***	[0.015]	30,297
(2)	5	OLS	At individual level	+0.075***	[0.019]	30,297
(3)	1	OLS	Not clustered	+0.074**	[0.030]	6,907
(4)	1	OLS	At cohort level	+0.074**	[0.033]	6,907
(5)	1	OLS	Wild cluster bootstrap	+0.074**	[N/A] <sup>a</sup>	6,907
(6)	5	Probit	At individual level	+0.073***	[0.019]	30,297
(7 - pseudo SPA)	5	Probit	At individual level	-0.007	[0.017]	37,804

<sup>a</sup>Using the wild-cluster bootstrap-t procedure calculates a correct p-value with small numbers of clusters, not standard errors. The estimated p-value using this procedure was 0.046.

Notes: \*\*\* denotes that the effect is significantly different from zero at the 1% level, \*\* at the 5% level, \* at the 10% level. Specifications 1–6 estimated on women born in 1949–50 to 1952–53 from 2009Q2 to 2012Q2. Specification 7 ('pseudo SPA') estimated on women born in 1947–48 to 1950–51 from 2007Q2 to 2010Q2. Probit models estimated using maximum likelihood estimation, and standard errors calculated by bootstrapping the marginal effect 1,000 times. Cohort-level clusters are at year and month of birth level.

To test whether the inclusion of multiple waves of data has an impact on our results and whether our clustering is appropriate, we compare specifications estimated by OLS.

Specification 2 is the OLS counterpart to specification 6; this shows a 7.5 percentage point effect of being under the state pension age. Using only one wave of data (specification 3) to test the importance of including non-independent observations on the same individuals, the estimated impact is slightly smaller, at 7.4 percentage points, than when using all waves, but we estimate the impact with less precision owing to the considerably smaller sample size (although the estimated impact is still statistically significant at the 5% level). Our preferred approach is, therefore, to include all waves of data, but cluster at the individual level.

A further worry may be that there are shocks at the cohort–time level. If the correlation in employment shocks between people from the same cohort at the same time is positive, this would tend to bias standard errors downwards: in other words, we would be too likely to conclude that raising the state pension age affected employment even if it did not (see, for example, Moulton, 1990; Donald and Lang, 2007). We may also worry that there is serial correlation in employment shocks, at the individual and/or cohort level. Ignoring such serial correlation has been shown seriously to bias standard errors (Bertrand, Duflo and Mullainathan, 2004; Cameron, Gelbach and Miller, 2008). To test the implications of these

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to the 1949 cohort. The results of this exercise are presented in Appendix B. In summary, we find no evidence that increasing the state pension age lead to delayed retirement (and therefore increased labour supply) between the ages of 55 and 59.

concerns, we first, in specification 4, account for clustering at the cohort (defined here as month and year of birth) level using cluster-robust standard errors (Liang and Zeger, 1986). This makes little difference to the standard error. However, these standard errors are only consistent as the number of clusters goes to infinity, and we have only 48 clusters. Therefore, in specification 5, we implement a wild-cluster bootstrap-t procedure, as suggested by Cameron et al. (2008), to account both for any cohort-time-level shocks and serial correlation in individual and/or cohort-time shocks.<sup>22</sup> The p-value calculated rises by only 0.018, such that the impact is still significant at the 5% level. Therefore, serially correlated cohort-time shocks do not seem to present a problem in estimating standard errors in this case.

A further test of the validity of our model is to conduct a placebo test – that is, to test whether there is an effect when we would not expect to see one. One way to do this is to imagine that the reform was introduced in 2008 instead of 2010 and look for the impact of being below, rather than above, a ‘pseudo SPA’ for these earlier cohorts. We would expect to see no effect of this pseudo SPA and specification 7 shows that there is, indeed, no impact. The size of the marginal effect is small and of the opposite sign to that found for our main specifications, and is not statistically different from zero.

#### **b. Effect of increasing the state pension age on different subgroups**

Although our preferred specification is the probit model (specification 6), the small difference between the estimated impact using OLS and a probit model implies that we can use linear probability models to test whether the effect is the same across all subgroups, which we do to examine whether any particular groups respond more strongly to reaching the state pension age. The subgroups chosen are intended to distinguish between groups for whom some of the different mechanisms by which the policy change could have affected the labour market behaviour of women – wealth effects, credit constraints, marginal financial incentives, and signalling – may be more or less important. Tables 4.2 and 4.3 present marginal effects of being under the state pension age, estimated separately for different subgroups using OLS.

Table 4.2 shows how responses differed between singles and couples, between home owners and renters, between those working in the public and private sectors, and between those with different levels of educational qualifications. Women in couples may have responded less strongly to the policy change than single women, as their partner may also have adjusted his labour supply (or saving behaviour) to compensate for the family’s state pension wealth loss. Meanwhile, renters are more likely than home owners to be credit constrained. We would

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<sup>22</sup> Cameron et al. (2008) show that a wild-cluster bootstrap-t procedure can be used to obtain hypothesis tests of the right size even with few clusters.

hypothesise, therefore, that the increase in employment rates seen among single women and renters should be larger than that seen among women in couples and home owners.

Although there is substantial variation in the point estimates in Table 4.2, there are no statistically significant differences in the estimates between subgroups. Single women, if anything, respond more strongly than those in couples. We explore the response of these women's partners in more detail in Section 4d. Women who own their own home have a very similar estimated effect (economically and statistically) to those who rent their home. Home owners are less likely to be credit constrained because they are more likely to have savings or access to credit than renters. This suggests that credit constraints may not play a significant role in determining how women respond to increasing the state pension age.

We find no evidence that responsiveness to the policy reform varies systematically with education level. Finally, even though public sector workers typically face a normal pension age of 60 for their final salary occupational pension, the estimated impact of increasing the state pension age is larger for public sector workers than for private sector workers (who typically are not members of a final salary scheme or, if they are, are more likely to have a normal pension age of 65), although the difference is not statistically significant.

Table 4.2 Effect of increasing the state pension age from 60 to 61 on women's employment for different subgroups

	<i>Effect of being under SPA</i>	<i>Standard error</i>	<i>N</i>
Full sample	+0.075***	[0.019]	30,297
Single women	+0.126***	[0.034]	8,818
Women with a partner	+0.054**	[0.023]	21,479
– whose partner is older	+0.045*	[0.027]	15,955
– whose partner is younger	+0.080*	[0.048]	5,524
Rent house	+0.070*	[0.039]	5,853
Own house	+0.078***	[0.022]	24,444
Non-missing sector	+0.070***	[0.022]	24,029
'Public sector'	+0.082***	[0.031]	12,017
'Private sector'	+0.052*	[0.031]	12,012
Degree or other HE	+0.045	[0.037]	8,416
Secondary education	+0.087***	[0.028]	14,756
No qualifications	+0.067*	[0.036]	7,125

Notes: \*\*\* denotes that the effect is significantly different from zero at the 1% level, \*\* at the 5% level, \* at the 10% level. All models are estimated using OLS estimated on women born in 1949–50 to 1952–53 from 2009Q2 to 2012Q2 with standard errors clustered at the individual level.

To examine whether the changes in the financial incentive to work provided by the tax and benefit system, which were induced by the increase in the state pension age, were an important driver of women's responses, we estimate how the PTR for all members of our sample changes at the point that the individual reaches the state pension age. The PTR is defined as the percentage of earnings lost in taxes and withdrawn benefits when an individual moves into paid work. Based on the estimated PTRs, we divide our sample into three broad groups: those who face an increase in their PTR at age 60 when the state pension age is increased, those who face essentially no change, and those who face a decrease in their PTR. If marginal financial incentives are an important driver of women's responses to this policy reform, other things being equal, we would expect the employment rate at age 60 of the last group to increase most significantly as a result of the policy reform.

It is not trivial to estimate the PTR that our sample of women faces before and after the state pension age. There are two main complexities in doing so. First, in order to estimate equation (1), we need to know the PTR faced not only by women who are in work but also by those who are not working when observed in the survey.<sup>23</sup> Second, PTRs depend on a wide range of circumstances, not all of which are observed in the LFS data – such as housing costs and state pension entitlement. We, therefore, have to make use of supplementary data to estimate the PTRs, following a three-step process to divide our sample into groups that face a higher/same/lower PTR at age 60 as a result of the increase in the state pension age.

First, we estimate an equation for median earnings of women aged 57 to 59 from the LFS who are in work, as a function of their education level, their partner's education level (or whether they are single), housing tenure, and whether they live in London or the South East. We use the coefficients from this regression to impute "potential" earnings for all women aged 60 to 64 in the 2008–09 and 2009–10 waves of the Family Resources Survey (FRS).

The second step is to use the IFS tax and benefit microsimulation model (TAXBEN) to calculate the PTR for each of these women in the FRS – first assuming that they are aged over the state pension age, and then assuming that they are aged under the state pension age. PTRs (and how they change at the state pension age) vary across individuals for a number of reasons. In particular, they are affected by the level of individuals' unearned income (including state pension income above the state pension age), partners' employment and earnings, and housing

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<sup>23</sup> Furthermore, not only are the earnings of women who are not in work not observed, but women who work past the age of 60 may be a selected group of women, and therefore we do not think that those women who are not employed would earn those earnings if they moved into work.



costs. These factors are all observed in the FRS data, which allows us to calculate PTRs for the FRS sample.

Based on these estimated PTRs, we identify three groups that broadly are likely to face a higher/same/lower PTR at age 60 as a result of the increase in the state pension age. We do this separately for singles and couples. The groups we distinguish are based on own education level<sup>24</sup>, housing tenure, and whether their partner will be aged under or over 65 when they reach age 60. (The last of these is a proxy for partner's employment status, which is particularly important in determining out-of-work benefit eligibility.) Importantly, these are all characteristics that we also observe in the LFS data. Dividing the groups up requires an element of judgment. Table A.4 in the appendix describes the mean and distribution of the estimated change in PTRs among each group. The broad distinguishing characteristics of each group are as follows:

- Lower PTR at age 60 as a result of increasing the state pension age:
  - Singles: mid/low educated renters;
  - Couples: partner will be aged 65 or over.
- No change in PTR at age 60 as a result of increasing the state pension age:
  - Singles: home owners;
  - Couples: high educated and partner will be aged under 65.
- Higher PTR at age 60 as a result of increasing the state pension age:
  - Singles: high educated renters;
  - Couples: mid/low educated and partner will be aged under 65.

The final step of the process is to divide our sample of LFS respondents into these same groups.

Table 4.3 shows the effect of increasing the female state pension age on women's employment rates, estimated separately for those likely to face a higher/same/lower PTR at age 60 as a result of the increase in the state pension age. We do this separately for singles and couples, although there are very few singles likely to face a higher PTR at age 60 as a result of the reform.

Among singles, the point estimate of the effect of being under the state pension age is largest for those who face a higher PTR as a result of the increase in the state pension age, and lowest for those who face a lower PTR. This is exactly the opposite pattern to what we would expect if changes in marginal financial incentives were an important factor in determining women's responses to the policy. However, none of the estimated coefficients are statistically significantly different from one another.

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<sup>24</sup> In order to measure education the same way in the LFS and FRS, we use a slightly different measure of education than used elsewhere in this paper. Specifically, we define education groups based on age left full time education, where the 'low educated' left at age 15 or below, 'mid educated' at age 16 to 18, and 'high educated' at ages 19 and above.

Among couples, the largest point estimate is for those who face essentially no change in PTR as a result of the reform, with the response again being lowest for those who are likely to have faced a lower PTR at age 60 following the policy change than they would otherwise have done. However, again we cannot reject that the coefficients are the same at standard significance levels. Overall, therefore, we find no significant evidence that changes in marginal financial incentives have been an important factor in driving the response to the policy.

Table 4.3 Effect of increasing the state pension age from 60 to 61 on women's employment for different subgroups based on change in participation tax rate

	<i>Effect of being under SPA</i>	<i>Standard error</i>	<i>N</i>
Singles	+0.126***	[0.034]	8,818
–PTR at age 60 reduced	+0.073	[0.044]	2,927
– no change in PTR at age 60	+0.150***	[0.033]	5,677
–PTR at age 60 increased	+0.260	[0.199]	214
Couples	+0.054**	[0.023]	21,479
–PTR at age 60 reduced	+0.035	[0.037]	4,830
– no change in PTR at age 60	+0.079*	[0.046]	3,263
–PTR at age 60 increased	+0.056**	[0.022]	13,386

Notes: \*\*\* denotes that the effect is significantly different from zero at the 1% level, \*\* at the 5% level, \* at the 10% level. All models are estimated using OLS estimated on women born in 1949–50 to 1952–53 from 2009Q2 to 2012Q2 with standard errors clustered at the individual level.

### c. Effect of increasing the female state pension age on broader measures of women's economic status

The effect of increasing the state pension age on employment is important in determining how raising the state pension age will affect the public finances by generating additional tax revenues. However, the larger public finance picture and individuals' welfare will also be affected if individuals work full-time rather than part-time or if increasing the state pension age increases the number of individuals claiming unemployment or disability benefits. Therefore, we have also examined how increasing the state pension age affects the propensity to work full- or part-time or to engage in other economic activities. Figure 2.1 showed that, prior to the reform, at age 60 there was a drop in both full- and part-time employment and the increase in self-defined retirement was larger than the fall in employment.

We first use a multinomial probit model to estimate the impact of being above the state pension age on whether a woman is in full-time work, in part-time work or not in paid employment. These results are presented in the top panel of Table 4.4. While both full-time and part-time employment is found to have increased as a result of increasing the state pension age, the impact on full-time employment is slightly larger (at +4.3 percentage points) than the impact on

part-time employment (+3.0 percentage points). This model implies that, of the 27,000 extra women in work due to this reform, 16,000 will be in full-time work and 11,000 in part-time work.

Table 4.4 Effect of increasing the state pension age from 60 to 61 on women's economic status

	<i>Effect of being under SPA</i>	<i>Standard error</i>
<i>Multinomial probit model</i>		
Full-time work	+0.043**	[0.017]
Part-time work	+0.030*	[0.017]
Out of work	-0.073***	[0.019]
<i>Multinomial probit model</i>		
In work	+0.060***	[0.019]
Retired	-0.096***	[0.017]
Sick or disabled	+0.013	[0.012]
Unemployed	+0.013***	[0.004]
Other	+0.010	[0.011]

Notes: \*\*\* denotes that the effect is significantly different from zero at the 1% level, \*\* at the 5% level, \* at the 10% level. There are 30,297 observations in both models. Standard errors are clustered at the individual level and estimated by bootstrapping with 1,000 replications. Estimates were successfully produced on all replications for the multinomial probit with three outcomes and on 990 of these replications for the multinomial probit with five outcomes.

We also use a multinomial probit model to estimate simultaneously the impact of increasing the state pension age on the prevalence of five different economic states. As the bottom panel of Table 4.4 shows, the estimated impact on being 'retired' (-9.6 percentage points) is larger in absolute terms than the impact on being in paid work (+6.0 percentage points). This model also suggests that there was a significant increase in the proportion of women reporting being unemployed when the state pension age was increased (+1.3 percentage points).<sup>25</sup> These estimates imply that a one-year increase in the state pension age led to an additional 22,000 women in work, 5,000 more women unemployed and 36,000 fewer women reporting themselves to be retired.<sup>26</sup> The increase in prevalence of unemployment when the state pension age is increased could arise because individuals continue actively seeking work until they reach state pension age, when they qualify for non-employment income sources (such as state and

<sup>25</sup> Using labour force participation as the outcome variable in a probit model, we estimate that being under the SPA increases labour force participation by 8.2 percentage points, significant at below the 1% level.

<sup>26</sup> The increase in employment derived from this specification is different from that quoted above because of the different methodology used to estimate the answer.

private pensions), which do not have the same job search requirements as working-age out-of-work benefits.<sup>27</sup>

**d. Effect of increasing the female state pension age on the economic status of men**

It is also possible to estimate the effect of changing the female state pension age on (male) partner's employment. It is unlikely that there is an impact of this change on partners who are particularly young (because they are likely to work, whether or not their partner is over the state pension age) or particularly old (because they are likely to be retired whatever the age of their partner). We therefore restrict our attention to men aged 55 to 69. Results from estimating probit models of husband's behaviour are presented in Table 4.5. Full results for a specification estimated using OLS are reported in Table A.4 in the appendix.

The impact on men's employment of increasing the female state pension age is estimated to be between 4.2 and 4.5 percentage points, depending on whether a probit or multinomial probit is used; this effect is consistently significant at the 5% level.<sup>28</sup> Our preferred model, the probit, gives an estimated impact of 4.2 percentage points, which is consistent with a one-year increase in the female state pension age from 60 to 61 leading to 8,300 more men in paid work. The results suggest that this is mainly due to an increase in the number of men in full-time work, rather than an increase in part-time work. There are no statistically significant impacts on any other reported economic statuses of men.

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<sup>27</sup> By February 2012, (the last month for which the Department for Work and Pensions release data on number of benefit recipients before the state pension age reaches 61) 1.1% of 60 years old who were under the SPA were on jobseeker's allowance. This figure is consistent with our estimate of a 1.3ppt increase in the proportion of women who are unemployed due to the increase in the state pension age. 13.2% of the same group were claiming disability benefits (incapacity benefit or employment support allowance). Offsetting this to a large extent, there will have been a reduction in the numbers able to claim pension credit. However, published administrative data sources do not allow us to observe this.

<sup>28</sup> The point estimate is also robust to using just the first wave of data on each individual (although significance is reduced due to the lower sample size), and no evidence is found of any impact on male partners' employment rates of a pseudo female state pension age reform introduced two years earlier in 2008.

Table 4.5 Effect of increasing partner's state pension age on men's economic status

	<i>Effect of partner being under SPA</i>	<i>Standard error</i>
<i>Probit model</i>		
In work	+0.042**	[0.022]
<i>Multinomial probit model</i>		
Full-time work	+0.037*	[0.022]
Part-time work	+0.008	[0.015]
Not in work	-0.045**	[0.022]
<i>Multinomial probit model</i>		
In work	+0.044**	[0.021]
Retired	-0.026	[0.017]
Sick or disabled	-0.024	[0.014]
Unemployed	+0.003	[0.007]
Other	+0.004	[0.006]

Notes: \*\*\* denotes that the effect is significantly different from zero at the 1% level, \*\* at the 5% level, \* at the 10% level. There are 18,774 observations in all models. Estimation run on men aged 55–69 who have partners born in 1949–50 to 1952–53 and are observed 2009Q2 to 2012Q2. Standard errors are clustered at the individual level and estimated by bootstrapping with 1,000 replications. Estimates were successfully produced on all replications of the probit and multinomial probit with three outcomes and on 911 replications for the multinomial probit with five outcomes.

As mentioned above, there are two possible reasons that husbands may have changed their employment behaviour in response to the increase in the female SPA. First, there may be complementarities of leisure within couples. Second, couples might choose to adjust the husband's employment to compensate for the policy change rather than the wife working more. The results presented in Table 4.5 are consistent with both of these explanations. To unpick which of these alternative explanations is most important, we estimate a multinomial model of the joint work behaviour of couples. The dependent variable can take four possible values: both members of a couple in paid work, only husband works, only wife works, neither works. Summary results from estimating this model are presented in Table 4.6. (The sample and the other covariates included in the regression are the same as used in the models reported in Table 4.5.)

The right-hand column of Table 4.6 shows the prevalence of different joint working behaviours among couples (prior to the reform) in which the wife was aged 60 (and the husband was aged between 55 and 69). This shows that 33.7% of such couples had no one in work, 11.6% had just the wife working, 25.1% had just the husband working, and 29.7% had both partners working.

Complementarities of leisure within couples would suggest we should see an increase in the number of two-earner couples and a corresponding decrease in the number of couples where neither partner is in paid work in response to the reform. The alternative explanation instead suggests that we would expect to see a decrease in the number of couples where the husband

does not work and an increase in both the number of couples where both partners work and the number of couples where just the husband works.

Table 4.6 Effect of increasing wife's state pension age on employment of couples

	<i>Effect of wife being under SPA</i>	<i>Standard error</i>	<i>Prevalence when wife aged 60 (average 2003–2009)</i>
<i>Multinomial probit model</i>			
No one in work	–0.047**	[0.021]	0.337
Wife only in work	+0.003	[0.017]	0.116
Husband only in work	–0.010	[0.020]	0.251
Both in work	+0.054**	[0.025]	0.297

Notes: \*\*\* denotes that the effect is significantly different from zero at the 1% level, \*\* at the 5% level, \* at the 10% level. Sample size = 18,766. Estimation run on couples in which the man was aged 55–69 and in which the woman was born in 1949–50 to 1952–53 and are observed 2009Q2 to 2012Q2. Standard errors are clustered at the couple level and estimated by bootstrapping with 1,000 replications. Estimates were successfully produced on 989 replications of the multinomial probit. Prevalence column does not sum to 1 due to rounding.

The coefficient estimates in Table 4.6 suggest that increasing the female SPA reduced the number of couples in which neither partner was in paid work and increased the number in which both were working, while having no significant effect on the fraction of couples with just the wife or just the husband working. (If anything, the fraction of couples in which just the husband worked declined in response to the reform.)

One way of assessing whether this pattern of changes reflects complementary responses within couples is to compare the change in the prevalence of joint work behaviour shown in the second column of Table 4.6 to what one would expect to see if the responses of women and their husbands to this policy (presented in Tables 4.1 and 4.5) were independent of one another. If the responses were independent, based on the prevalence of joint employment behaviour shown in the last column of Table 4.6, we would expect to have seen a 5.9 percentage point decline in the fraction of couples where no one worked, and an increase in the prevalence of all the other groups shown in Table 4.6: by 1.7 percentage points, 0.5 percentage points, and 3.7 percentage points, respectively. In other words, comparing this to the second column of Table 4.6, we would instead see a pattern in which much more of the response comes from one or other partner in the couple (rather than both) responding. If partners' responses were actually substitutes for one another (that is, negatively correlated), we would expect to see an even larger increase in the prevalence of one-earner couples and a smaller increase in the prevalence of two-earner couples. These results suggest that complementarities of leisure within couples are important.

#### **e. Effect of increasing the state pension age on the public finances**

Our estimates of the labour supply effect of increasing the female state pension age can be used to inform a costing of how much an increase in the female state pension age might strengthen the public finances. In this subsection, we compare a simple costing of a one-year increase in the female state pension age from 60 to 61 based on no change in labour market behaviour and a costing that incorporates the increased numbers in paid work implied by the estimates earlier in this section.

On average, those women receiving the state pension aged between 60 and 64 receive just over £100 a week in state pension income. Given there are about 370,000 women aged 60,<sup>29</sup> removing this amount of state pension from them would save the exchequer £2.0 billion a year. Taking into account a reduction in income tax revenues from this state pension, reduced spending on means-tested retirement benefits, increased spending on working-age benefits (JSA and ESA), an increase in payroll taxes from those women aged 60 in paid work, and a fall in indirect taxes from the fall in net household incomes, the overall estimated strengthening in the public finances falls slightly to £1.9 billion a year.<sup>30</sup>

However, this figure does not allow for any additional tax revenue from individuals increasing their employment and earnings in response to the increase in the state pension age. Controlling for age, cohort, time and background variables in the same functional form as in Section 3, we use OLS to estimate the impact of increasing the female state pension age on the weekly earnings of 60-year-old women (those not in paid work are included, having earnings of zero) and find that increasing the state pension age increases the earnings of 60-year-old women by an average of £22.36 a week and that of their partners by an average of £24.02 a week. Under the assumption that this comes entirely from those entering (or staying in) the labour market as a result of the higher state pension age, this equates to average earnings of these women being £306 a week and average earnings of their partners being £571 a week. Our calculations based on these estimates suggest that the increase in earnings of women and their partners arising from a one-year increase in the female state pension age from 60 to 61 would increase receipts of income tax, National Insurance contributions and indirect taxes by £190 million a year. This is 10% of the saving calculated above that does not allow for any behavioural response and brings the total strengthening in the public finances from this policy up to an estimated £2.1

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<sup>29</sup> See Office for National Statistics, 2010 mid-year population estimates, <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-231847>.

<sup>30</sup> These figures are all based on calculations using the Department for Work and Pensions tabulation tool (<http://research.dwp.gov.uk/asd/index.php?page=tabtool>). The increases in JSA and ESA spending (of £36 million and £12 million) are taken directly from information on the amounts now received by women aged 60. We assume that workers only have a high enough income to pay income tax on their state pension if they have other income from employment. NICs revenues estimated using the LFS. Indirect taxes assumed to fall by 10% of the fall in net incomes.

billion a year (or 0.14% of national income). This is comparable to the saving that DWP estimated would be generated by a one-year increase in state pension ages for both men and women (from 65 to 66 in the mid-2020s) in the 2006 Pensions White Paper; at that time, it estimated this reform would save 0.3% of national income in 2030.<sup>31</sup>

## 5. Conclusion

Many countries have legislated to increase early or normal pension claiming ages over the last few decades, partly but not exclusively motivated by a desire to reduce the future cost of public pension promises. Ex ante simulation estimates of the impact of such reforms suggested quite large equilibrium effects in many countries (Fields and Mitchell, 1984; Gustman and Steinmeier, 1985; Rust and Phelan, 1997; Coile and Gruber, 2000). But ex post evaluations of reforms that have now been conducted suggest, in many cases, even larger (short-term) responses (for example, Börsch-Supan and Schnabel, 1999; Mastrobuoni, 2009; Coppola and Wilke, 2010).

In 1995, the UK government legislated to increase the earliest age at which women could claim a state pension from 60 to 65 between April 2010 and March 2020. This paper is the first to examine (ex post) the impact of this policy on women's economic activity at older ages and that of their partners, using data covering the period up to June 2012. Our results, which allow for a flexible specification of cohort effects, suggest that employment rates did increase significantly as a result of the change in state pension age – by 7.3 percentage points using our preferred specification. We find statistically significant rises in both full-time and part-time female employment as a result of the reform.

In addition to the impact on employment rates, we find the policy has also led to a 1.3 percentage point increase in the fraction of women who are unemployed and actively seeking work at age 60. These increases in employment and unemployment are offset by a reduction in the proportion reporting themselves to be retired. No significant differences were found in other economic activities (sick/disabled and looking after home/other).

We also find a significant effect of the policy on employment rates of affected women's partners, with men's employment rates being found to increase by 4.2 percentage points as a result of their female partners' state pension age increasing. This suggests that the policy of increasing the female state pension age has had a knock-on effect on men's employment rates. In principle this could reflect either complementarities in leisure or the fact that couples who make joint financial decisions decide to cushion the impact of the woman's higher state pension age

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<sup>31</sup> Source: Figure 9 of Department for Work and Pensions (2006).



through a combination of both the man and the woman working for longer, rather than adjusting solely on the female labour supply margin. Evidence from looking at the employment of both members of the couple suggests that the increase in the female state pension age has led to an increase in two-earner couples, a decrease in the fraction of couples where neither is in paid work and no significant change in the fraction of couples where only the husband or only the wife is in paid work. We interpret this as evidence of complementarities of leisure within couples, rather than couples using alternative margins (male and female labour supply) to respond to the policy change.

The effect on employment rates of women is not significantly different between a variety of subgroups – home owners and renters, singles and couples, and those likely to face different changes in marginal financial incentives to work from the tax and benefit system as a result of the reform. That the effect is not significantly larger for renters than for owners suggests that credit constraints may not be a significant factor in explaining why there was such a large increase in employment rates when the state pension age was increased. The lack of a larger response among those who are likely to have faced the largest fall in participation tax rate at the age of 60 as a result of the reform suggests that this greater incentive to remain in work provided by the tax and benefit system is not a driving factor behind the increases in employment rates.

Overall, we find a large impact of the increase in the state pension age on female labour market behaviour despite the UK system having no earnings test for receipt of state pension income. This, combined with the lack of any evidence suggesting the response is coming from those more likely to be credit constrained or those more likely now to face a lower participation tax rate, suggests that the impact of the increase in the female state pension age on labour market behaviour is coming from a combination of two possible routes: first, a ‘shock’, with many women failing to adjust to the increase in the female state pension age until they reach age 60; and, second, a ‘signal’, with the state pension age indicating when labour market exit might be appropriate.

There is mixed evidence from previous work about the importance of social norms around retirement ages. Lumsdaine, Stock and Wise (1996) found that there are excess peaks in retirement in the United States at age 65 (the Social Security Normal Retirement Age at the time), over and above those explained by the financial incentives generated by Social Security and Medicare, implying that there is a ‘social norm’ to retire at 65. Conversely, others have found no evidence to support the existence of such social norms – for example, Asch, Haider and Zissimopoulos (2005), who examined the retirement behaviour of civil service employees in the

US, who face different financial incentives to retire from the majority of the population who are covered by Social Security.

We find strong effects of the pension age reform on older women's labour market behaviour. However, we cannot here test between the two main competing hypotheses that could explain this (wealth shocks and social norms), nor can we categorically rule out other explanations, such as the importance of credit constraints. However, the English Longitudinal Study of Ageing (ELSA) is likely to offer valuable evidence on this in the future, when further waves of data have been collected. It should then be possible to examine these alternative hypotheses in more detail. Since ELSA asked respondents as long ago as 2006 what they thought their state pension age was, we will ultimately be able to examine whether behavioural responses are different among those who knew about the policy reform in advance and those who did not. We will also be able to distinguish more precisely between groups who are more or less likely to be credit constrained or to have faced larger or smaller wealth shocks by making use of the detailed information on wealth holdings (including state pension entitlements) available from ELSA. We could also test whether the effects vary across other characteristics of interest – such as health – that are observed in ELSA but not in the LFS. We will pursue this in future work.

Taken together, these results suggest that the increase in the female state pension age will have strengthened the UK's public finances not only by reducing payments to pensioners but also by increasing tax revenues from earned income among older women and their partners. Our estimates suggest that a one-year increase in the female state pension age from 60 to 61 led to 27,000 more women, and 8,300 more men, being in paid work. The overall saving to the exchequer (both from changes in spending and changes in tax revenues) from this one-year increase in the female state pension age is estimated to be £2.1 billion a year after taking the resulting increase in earnings into account. This is 10% higher than an estimate that does not take into account any change in labour market behaviour.

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## Appendix A

Table A.1 Number of women observed above and below state pension age

<i>Birth cohort</i>	<i>Age in years and quarters</i>															
	58 Q1	58 Q2	58 Q3	58 Q4	59 Q1	59 Q2	59 Q3	59 Q4	60 Q1	60 Q2	60 Q3	60 Q4	61 Q1	61 Q2	61 Q3	61 Q4
1949Q2								73	165	159	158	155	168	166	164	137
1949Q3							73	154	149	139	134	155	137	128	125	147
1949Q4						76	153	157	172	157	162	150	144	141	134	161
1950Q1					92	171	186	174	159	169	154	151	129	138	129	147
1950Q2				80	181	179	175	178	171	169	158	155	146	163	151	135
1950Q3			75	173	170	159	148	142	121	128	119	138	147	163	146	84
1950Q4		60	154	152	149	137	134	120	120	115	131	140	157	134	78	
1951Q1	72	145	137	137	139	138	121	123	123	126	150	152	154	76		
1951Q2	161	167	189	184	177	157	155	132	133	138	149	148	75			
1951Q3	139	129	133	131	121	125	110	112	128	144	141	82				
1951Q4	136	142	150	129	117	125	130	134	137	127	57					
1952Q1	158	153	137	151	129	122	142	150	145	82						
1952Q2	149	138	144	134	136	142	170	141	84							
1952Q3	141	130	114	126	137	142	126	63								
1952Q4	149	141	126	130	132	133	69									
1953Q1	117	132	129	144	132	84										

Notes: Dark shaded cells indicate women who are all over their state pension age. Light shaded cells indicate combinations of age and cohort where some women are above and some women are below the state pension age. Empty cells exist because cohorts are not observed at all ages in the period 2009Q2 to 2012Q2 which we use in our estimation. Number of women refers to number of observations in the LFS without data problems, and which are therefore used in estimation of impact of being aged under the state pension age.

Table A.2 Effect of state pension age on female employment: OLS regression results

	<i>Effect on female employment</i>	<i>Standard error</i>
<i>Under SPA</i>	0.075***	[0.019]
Cohabiting	0.063***	[0.024]
Single	-0.065**	[0.030]
Widowed	-0.047*	[0.028]
Divorced/Separated	0.019	[0.025]
Other HE	-0.069***	[0.018]
A level or equivalent	-0.034*	[0.019]
O level or equivalent	-0.065***	[0.017]
Other	-0.094***	[0.019]
No qualifications	-0.245***	[0.018]
Not white	-0.095***	[0.023]
Rents house	-0.172***	[0.013]
Partner's age (years and quarters)	-0.015	[0.013]
Partner's age squared	0.000	[0.000]
Partner's age: 60–64	-0.040**	[0.017]
Partner's age: 65–69	-0.094***	[0.029]
Partner's age: 70+	-0.073	[0.057]
Partner's education: other HE	0.069***	[0.023]
Partner's education: A level	0.070***	[0.018]
Partner's education: O level	0.076***	[0.023]
Partner's education: other	0.091***	[0.022]
Partner's education: no qualifications	0.058***	[0.022]

Notes: \*\*\* denotes that the effect is significantly different from zero at the 1% level, \*\* at the 5% level, \* at the 10% level.

Estimated by OLS with standard errors clustered at the individual level. This regression model uses women born in 1949–50 to 1952–53 from 2009Q2 to 2012Q2. Nineteen geographical area dummy variables, 12 year and quarter dummy variables, dummies for age in years and quarters, dummies for financial year of birth, and a constant also included in the model. Effects estimated relative to baseline of cohort 1949–50, age 60Q1, married, white, owns house, with a degree, and with a partner with a degree. Number of observations: 30,297.

Table A.3 Estimated difference between participation tax rate below and above the state pension age

Group	Difference between PTR if aged under SPA and if aged over SPA			Sample size in the FRS	Classification: effect of SPA increase on PTR at age 60
	Mean	25 <sup>th</sup> percentile	75 <sup>th</sup> percentile		
<i>Singles</i>					
– Mid educated, renters	–4.9	–13.9	0.0	114	Lower
– Low educated, renters	–4.0	–11.4	–0.0	279	Lower
– Low educated, owners	–2.0	–9.0	3.5	348	No change
– Mid educated, owners	0.4	–3.1	2.7	300	No change
– High educated, owners	1.5	–0.0	3.3	111	No change
– High educated, renters	–	–	–	15	Higher
<i>Couples</i>					
– Partner over 65, low educated, owners	–13.2	–19.0	–9.3	489	Lower
– Partner over 65, low educated, renters	–10.5	–16.1	–1.5	121	Lower
– Partner over 65, mid educated, renters	–9.5	–15.1	–2.0	54	Lower
– Partner over 65, mid educated, owners	–8.9	–15.0	–0.0	426	Lower
– Partner over 65, high educated, renters	–	–	–	4	Lower
– Partner over 65, high educated, owners	–3.0	–7.9	–0.0	135	Lower
– Partner under 65, high educated, renters	–	–	–	6	No change
– Partner under 65, high educated, owners	1.9	–0.0	3.5	221	No change
– Partner under 65, mid educated, owners	4.5	–0.0	7.3	588	Higher
– Partner under 65, low educated, owners	6.8	0.3	9.7	689	Higher
– Partner under 65, low educated, renters	6.9	–0.0	11.7	141	Higher
– Partner under 65, mid educated, renters	8.3	1.0	12.7	48	Higher

Notes: Authors' calculations based on data from the Family Resources Survey 2008–09 and 2009–10, using the IFS tax and benefit microsimulation model (TAXBEN). Statistics are not reported for sample sizes smaller than 30. Within singles and couples, groups are ordered by their estimated mean change in PTR at age 60 as a result of the SPA increase.

Table A.4 Effect of female state pension age on male employment: OLS regression results

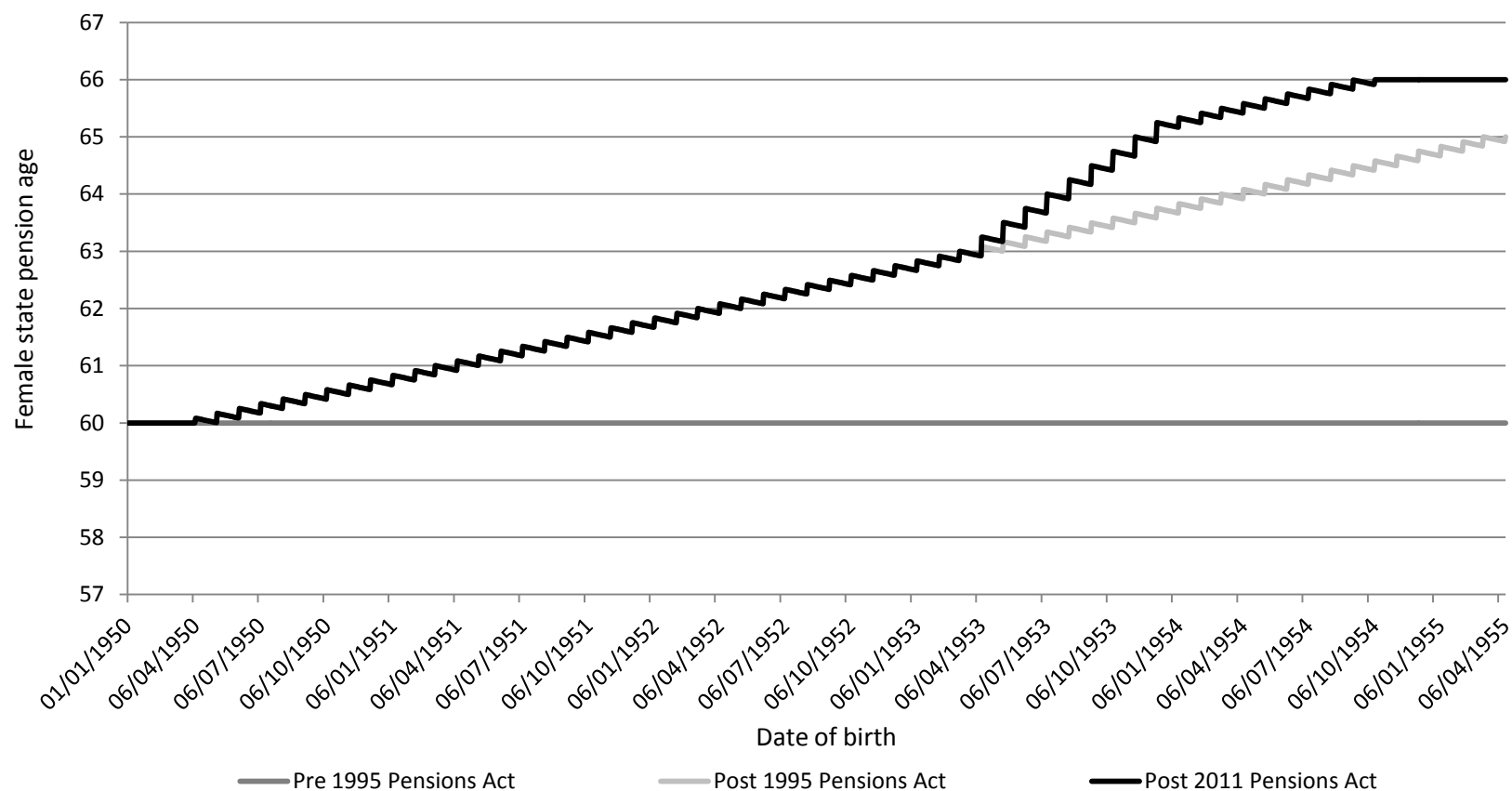
	<i>Effect on male employment</i>	<i>Standard error</i>
Partner under SPA	0.044*	[0.023]
Own age	-0.086	[0.076]
Own age squared	0.000	[0.001]
Is 65 or older	-0.126***	[0.029]
Is over female SPA	-0.016	[0.021]
Cohabiting	0.019	[0.030]
Other HE	-0.017	[0.024]
A level or equivalent	-0.019	[0.019]
O level or equivalent	-0.033	[0.024]
Other	0.031	[0.023]
No qualifications	-0.076***	[0.024]
Not white	-0.117***	[0.034]
Rents house	-0.160***	[0.020]
Partner's education: other HE	-0.001	[0.023]
Partner's education: A level or equivalent	0.040*	[0.024]
Partner's education: O level or equivalent	0.012	[0.022]
Partner's education: other	0.028	[0.024]
Partner's education: no qualifications	-0.011	[0.023]

Notes: \*\*\* denotes that the effect is significantly different from zero at the 1% level, \*\* at the 5% level, \* at the 10% level.

Estimated by OLS with standard errors clustered at the individual level. Regression model using men aged 55–69 with female partners born in 1949–50 to 1952–53 from 2009Q2 to 2012Q2. Nineteen geographical area dummy variables, 12 year and quarter dummy variables, dummies for partner's age in years and quarters, dummies for partner's financial year of birth, and constant also included in the model. Effects estimated relative to baseline of partner's cohort 1949–50, partner's age 60Q1, married, white, owns house, with a degree, and with a partner with a degree. Number of observations: 18,774.

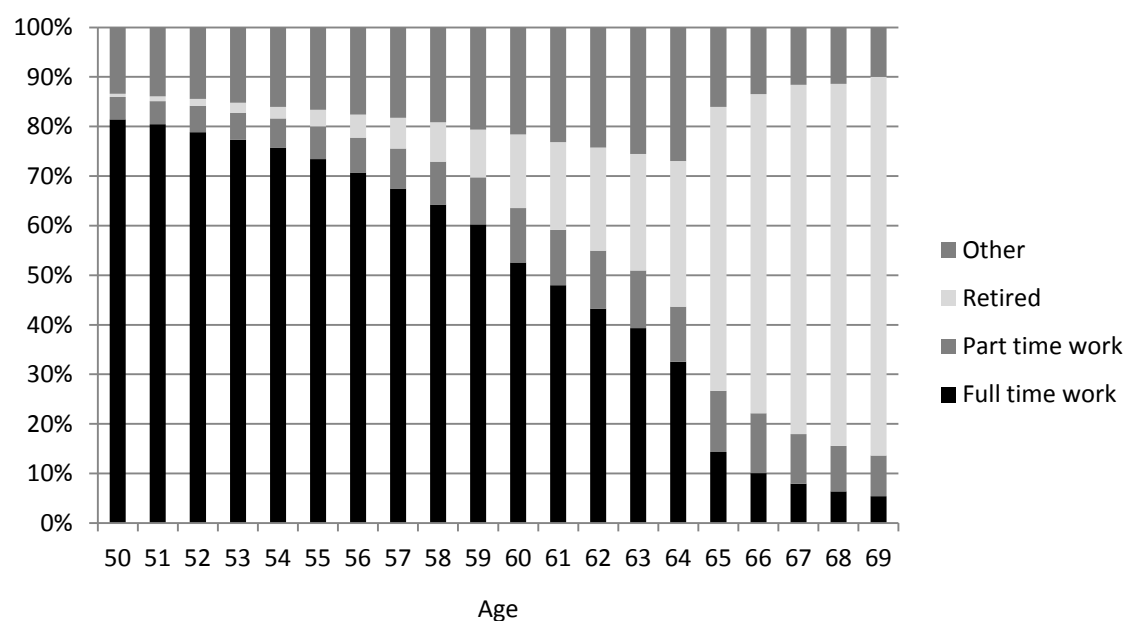


Figure A.1 Female state pension age under different legislation



Source: Pensions Act 1995, schedule 4 (<http://www.legislation.gov.uk/ukpga/1995/26/schedule/4/enacted>); Pensions Act 2007, schedule 3 (<http://www.legislation.gov.uk/ukpga/2007/22/schedule/3>); Pensions Act 2011, schedule 1 (<http://www.legislation.gov.uk/ukpga/2011/19/schedule/1/enacted>).

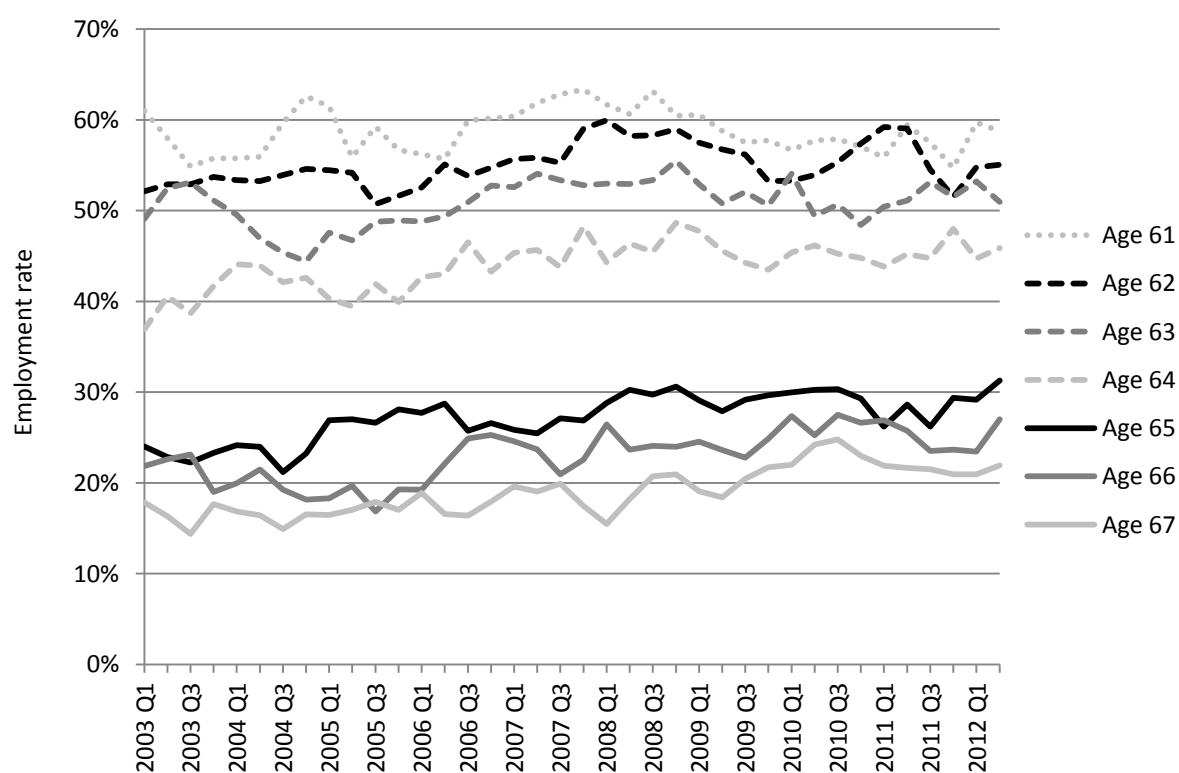
Figure A.2 Economic activity of men prior to female state pension age reform, by age



Notes: Averages over the period 2003Q1 to 2010Q1.

Source: Authors' calculations using the LFS. Based on 372,229 observations.

Figure A.3 Employment rates of older men, 2003–12, by single year of age



Source: Authors' calculations using the LFS, 2003 to 2012. Based on 160,114 observations.

## Appendix B: Effect of increasing the state pension age on employment rates before age 60

Raising the state pension age from 60 to 61 could potentially have an impact on women's labour supply and retirement before age 60. Our model, as laid out in equation (1), rules out any labour supply impact of the increase in the state pension age prior to age 60. Any response before age 60 will be subsumed within the cohort fixed effects included in the model and, as a result, the estimates we produce for the impact on employment above the old state pension age are over and above any increase that occurred at earlier ages. However, using a different methodology (that used by Mastrobuoni (2009)), we can estimate whether there has been any change in labour supply at other ages. In particular, we estimate whether there has been any change in employment rates of women between the ages of 55 and 59.<sup>32</sup> We first estimate the average retirement rates for each cohort of women at each age between 55 and 59 using the following equation:

$$y_i = \sum_{a=55Q1}^{59Q4} 1(A_i = a) \left\{ \alpha_a + \sum_{c \neq 1949-50} \beta_{a,c} 1(C_i = c) \right\} + \gamma' X_i + \varepsilon_i \quad (2)$$

Equation (2), which we estimate using OLS, includes a cohort-specific age (in year and quarter) effect  $\beta_{a,c}$ . The dependent variable is an indicator of not being in work (i.e. retirement). The vector of control variables ( $X_i$ ) contains an indicator of owning a house, a measure of highest educational qualification, an indicator of being married, regional dummies, and the regional unemployment rate of women aged 45 to 54 in the quarter of observation. The last of these variables is included in order to pick up any potentially confounding macroeconomic trends. We estimate this model for all women born in the financial years 1945–46 to 1952–53.

Using the results of this estimation, we can calculate the change in the average retirement age between cohorts, using women born in the 1949–50 financial year (i.e. the latest cohort to have a state pension age of 60) as the comparison group. In other words,  $\beta_{a,1949-50} = 0 \forall a$ . The change in average retirement age (that manifests between ages 55 and 59) can be calculated using the following equation:

$$\begin{aligned} \Delta c &= \sum_{a=55Q1}^{59Q4} 1(A_i = a) \{ \alpha_a + \beta_{a,c} 1(C_i = c) \} - \sum_{a=55Q1}^{59Q4} 1(A_i = a) \alpha_a \\ &= \beta_{55Q1,c} + \beta_{55Q2,c} + \dots + \beta_{59Q4,c} \end{aligned} \quad (3)$$

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<sup>32</sup> In principle, this methodology could be extended to examine employment rates after age 60 as well. However, we do not observe many of the cohorts of interest for very long beyond age 60.

The differences that we estimate in the average retirement age between each cohort and the 1949–50 cohort is graphed in Figure B.1.

Figure B.1 Difference in average retirement age between 1949–50 cohort and other cohorts



Notes: The difference in average retirement age shown is calculated based on differences in employment rates between the ages of 55 and 59, it excludes any differences in average retirement ages driven by employment rates before age 55 or after age 59. Source: Authors' calculations using the Labour Force Survey, various years.

Figure B.1 shows that there is a gradual increase in average retirement ages across cohort – both for those who were affected by the state pension age increase and those who were not. This is not surprising, given that female labour supply at older ages has been increasing in the UK over many decades. If there were an effect of increasing the state pension age on retirement between the ages of 55 and 59, we would expect average retirement ages to increase more sharply across cohorts affected by the reforms than across those who were not, since each cohort born after 1949–50 has an average state pension age which is higher than the previous cohort. Figure B.1 shows no clear evidence of the change in retirement ages getting steeper for cohorts after 1949; indeed, the 1950–51 and 1951–52 cohorts have very similar non-employment rates between ages 55 and 59 to the 1949–50 cohort.

# APPENDIX 11

# When the State Pension age will increase to 66

Equality impact assessment

January 2011

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# 1. Introduction

- 1.1. On 3 November 2011, the Government published its proposals for bringing forward the increase in the State Pension age to 66, in “*A sustainable State Pension: When the State Pension age will increase to 66*” (the White Paper).<sup>1</sup>
- 1.2. The Government proposes to increase the State Pension age to 66 for both men and women by April 2020, bringing forward the date from which it was due to reach 66 under legislation passed in 2007 by six years. At present, women’s State Pension age, which is gradually being increased to bring it into line with men’s, is not due to reach 65 until April 2020. To make the proposed change without increasing the gap in State Pension age between men and women, women’s State Pension age will first be increased to 65 more quickly between April 2016 (when it will be 63) and November 2018.<sup>2</sup> The increase to 66 will then be phased in between December 2018 and April 2020.
- 1.3. As a result of these changes, women born from 6 April 1953 to 5 April 1960 and men born from 6 December 1953 to 5 April 1960 will have a higher State Pension age than if no change to the current timetable was made.
- 1.4. These proposals are included in the Pensions Bill which was introduced into Parliament on 12 January 2011. The progress of the Bill can be followed on the Parliamentary website.<sup>3</sup> The Bill and supporting documents, including impact assessments of the main measures in the Bill, were published on 13 January and can be viewed on the DWP website<sup>4</sup>.
- 1.5. This assessment reproduces the Equality Impact Assessment published on 13 January as part of the overall impact assessment of the costs and benefits of the proposed change. The only changes that have been made are those needed to enable it to be read independently of the main impact assessment.

## Why bring the increase to 66 forward?

- 1.6. The current timetable for increasing the State Pension age from 65 to 68 between 2024 and 2046 was designed to reflect projected increases in average life expectancy. The decision to raise the State Pension age, taken by the previous Government, followed broad acceptance within and outside Parliament of the reality that rising longevity can no longer be ignored if the State Pension is to be both affordable in the long-term, and provide a decent foundation income in retirement.

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<sup>1</sup> Cm 7956. The White Paper can be found at [www.dwp.gov.uk/spa-66-review](http://www.dwp.gov.uk/spa-66-review)

<sup>2</sup> European Union Directive 79/7 requires Member States to implement equal treatment between men and women in social security matters. The current timetable for equalising the state pension age was set by the Pensions Act 1995. Any change to that timetable that either increased the existing gap between men and women or delayed the point at which the pension ages became equal is likely to breach the terms of the Directive.

<sup>3</sup> <http://services.parliament.uk/bills/2010-11/pensionshl.html>

<sup>4</sup> <http://www.dwp.gov.uk/policy/pensions-reform/> .



- 1.7. Since that timetable was set in 2007, the projections it was based on have been revised, adding a year and a half to the time people can, on average, expect to spend drawing their State Pension. Without corrective action, this will result in increased spending on the State Pension. While restoring stability in the public finances both in the immediate and longer term is a clear priority, this Government is also committed to reversing the historical decline in the value of the basic State Pension. Accordingly, the Government has guaranteed that it will be increased by the highest of the increase in average earnings or prices or 2.5 per cent, from April 2011.
- 1.8. Bringing forward the timing of the increase to 66 is a necessary adjustment to the current timetable to ensure we continue to share the extra cost of rising longevity fairly between those contributing to and those receiving the State Pension.
- 1.9. A more detailed account of the background and context for the proposed change is at Chapter One of the White Paper.

## **Scope of this assessment**

- 1.10. The Equality Act 2010 simplifies and strengthens the existing framework of anti-discrimination legislation. Under the Act, from April 2011 a new public sector equality duty will take effect, replacing the three current public sector duties covering race, disability and gender equality with a new duty providing protection against discrimination on the grounds of race, disability, gender, age, gender reassignment, sexual orientation, pregnancy and maternity, and religion and belief (the protected characteristics).
- 1.11. This assessment looks at the available evidence to determine the extent to which the effect of the proposed change differs between persons sharing a protected characteristic and persons who do not. In particular, it looks at:
  - the impact on the time a person may receive their State Pension;
  - the effect on a person's income in retirement; and
  - the likelihood of a person being able to adjust to the new State Pension age (for example, by working longer).
- 1.12. As a matter of good practice, the Department for Work and Pensions (DWP) aims to assess the impacts of its policy changes against the extended duties ahead of the legislative requirement coming into force, as far as this is possible. The assessment does not however look at sexual orientation or religion and belief, as we have insufficient evidence on which to base conclusions. Nor does it look at pregnancy and maternity as the proposed change is unlikely to affect anyone in that protected group.<sup>5</sup>

## **Evidence base**

- 1.13. This assessment is largely based on Office for National Statistics (ONS) data on life expectancy, evidence drawn from survey data, and DWP modelling.

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<sup>5</sup> Protection under the Equality Act applies to women who are pregnant or on maternity leave; or, if not in employment, for the period of six months after the birth.

1.14. As part of the Call for Evidence published on 24 June 2010,<sup>6</sup> we asked:

What evidence should the Government consider to ensure no group is disproportionately impacted by the level of the state pension age and any change to the timing of the State Pension age increase to 66?

1.15. This question was included to help ensure we considered as wide a range of evidence as possible in the Equality Impact Assessment. Many of the responses drew attention to evidence of differences in life expectancy and healthy life expectancy between different socio-economic groups. This issue is addressed in Chapter 2 of the White Paper.

1.16. Specific issues raised in relation to equality impacts included:

- the potential risk of treating men less favourably than women, if men's state pension age was increased to 66 earlier than women's;
- different patterns of labour market attachment at older ages between men and women;
- the potential for differential impacts on disabled people and people from certain ethnic minorities, who may be less likely to be able to work up to a higher State Pension age.

1.17. However, as acknowledged by the Equalities and Human Rights Commission, there is a lack of data available in some of the protected areas. This restricts the extent to which we are able to predict the impact of the proposed rise in State Pension age. This is particularly the case in relation to data on life expectancy – clearly important in analysing the impact of the proposed change – where the only protected characteristic for which projections are published is gender.

## 2. Gender impact

### Impact on time in receipt of the state pension

2.1. As explained in the opening paragraph, under the current timetable, before April 2020 women can start receiving their State Pension at a younger age than men. The proposed change brings forward the point at which men's and women's State Pension ages are due to be equalised at 65, from April 2020 to December 2018. This means that all men and women born on or after 6 December 1953 will have the same State Pension age.

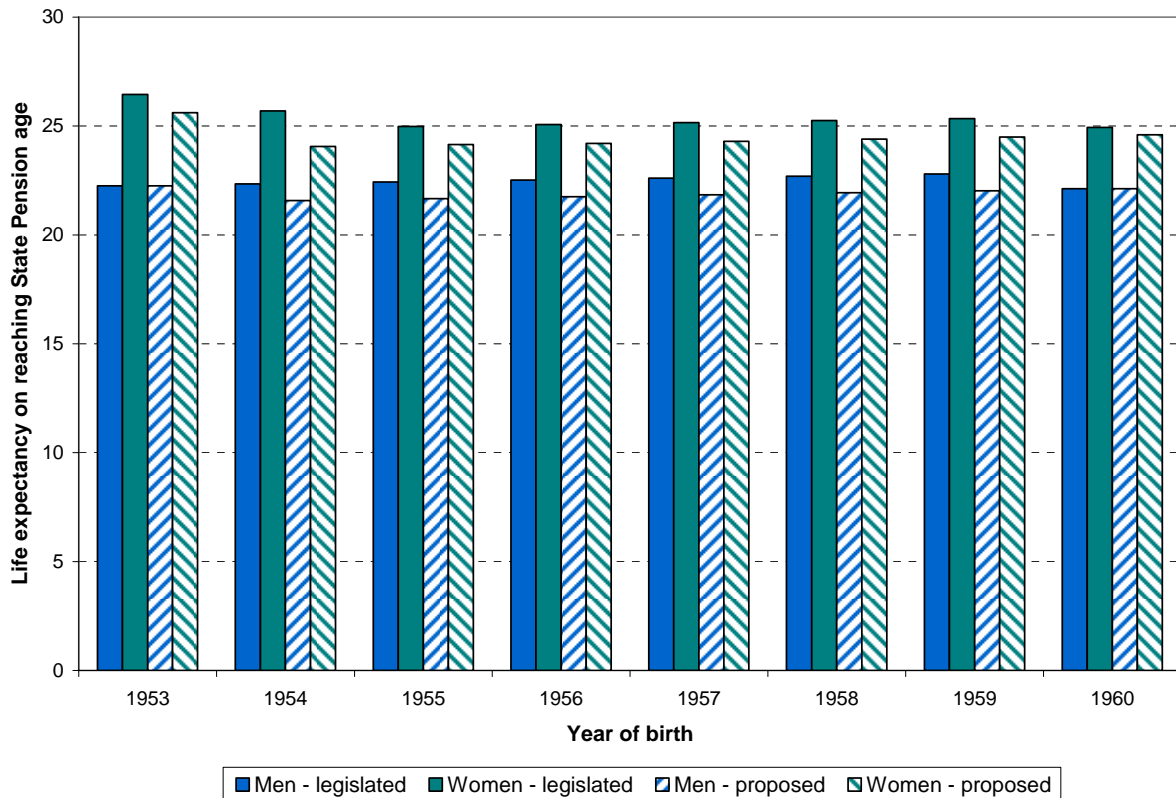
2.2. Bringing forward the timetable for equalisation, followed by the further rise to 66 between December 2018 and April 2020, means that while the increase in State Pension age would never exceed a year for men, some women would have their State Pension age increased by more than a year compared to the legislated

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<sup>6</sup> The call for evidence ran from 24 June to 6 August: the published document can be found at [www.dwp.gov.uk/spa-66-review](http://www.dwp.gov.uk/spa-66-review)

timetable. We estimate that around 300,000 women in Great Britain born between 6 December 1953 and 5 October 1954 will have their State Pension age increased by 18 months or longer: in the most extreme case, women born between 6 March and 5 April 1954 would have an increase of two years. However, because women tend to live longer than men, the proposed change will still mean women will be able to draw their State Pension for longer than men, on average.

**Figure 1:** Average life expectancy at legislated and proposed State Pension age



Source: ONS 2008-based principal projections; UK average mean cohort measure  
See Appendix for data table.

## Impact on lifetime pension income

2.3. This difference in life expectancy means that the proposed increase in State Pension age has a slightly different impact on total lifetime pension income for men and women, depending on their income level and whether they work up to their new State Pension age. To help understand this, we have modelled the impact using hypothetical examples of single individual male and female high, median and low earners. The summary results are shown in the Appendix (Table 2). For the purposes of the model, we have assumed that:

- the high and median earners have worked and saved into a private Defined Contribution scheme<sup>7</sup> from age 25;
- if they work on to their new State Pension age, they continue to add to their private pension pot and annuitise it on reaching that age;

<sup>7</sup> The modelling assumes a full career and saving 8 per cent of earnings in a non-contracted out DC scheme throughout. Under a DC scheme, the pension is determined by the contributions made and any return earned on the accumulated contributions, and by the expected length of retirement.

- the low earners have no private saving, and build up insufficient State Pension to exceed the threshold for Pension Credit;<sup>8</sup>
- all income groups will experience the projected average life expectancy for men and women at their respective State Pension ages.

- 2.4. Note that this analysis focuses on illustrating the impact on income in retirement. So, while as explained below, it indicates a reduction in post-retirement income, it does not take account of gains in working-life income through earnings (or working-age benefits) received in the period up to the new State Pension age that will either wholly or partially replace the income a person would have received from their private and / or state pensions.
- 2.5. Based on this model, men born between 1955 and 1959 would generally lose a slightly higher proportion of their lifetime pension income as a result of the increase in State Pension age than women in the same age group, because the increase of a year comprises a slightly higher proportion of a man's post-State Pension age lifetime than a woman's, on average. In most cases, this equates to a reduction of around 5 per cent in State Pension income compared to 4 per cent for women. When private pension saving is taken into account, the relative loss would still be marginally higher for men than women, but for both, the overall reduction (state plus private pension) would be between 3 per cent and 4 per cent.
- 2.6. For high and median earners, working on to the higher State Pension age of 66 would, based on this model, reduce the loss to around 2 per cent of lifetime pension income for both men and women. Men are able to close the gap with women mainly because they tend to earn more than their female equivalents and are therefore able to boost their retirement income by more through higher contribution rates to their private pension "pot". (And, having worked on and added to their pension pot, from the point at which they retire, both men and women would have a slightly higher annual income in retirement compared to retiring at 65.) For both men and women without private saving and dependent on Pension Credit, working on may not result in any improvement to post-retirement income. This is because any resultant gain in State Pension accruals (either by adding qualifying years if they had had fewer than the 30 required for a full basic State Pension, or by increasing their State Second Pension) would be offset by reduced Pension Credit entitlement.
- 2.7. If we compare men and women born in 1954, the relative loss in lifetime pension income is greater for women than men in the high and median income groups because they will experience a bigger increase in State Pension age than their male counterparts. However, working on would limit the overall reduction to around 4 per cent (again assuming continuing contributions to a private pension pot). However, the effect of an additional two years' saving would be to generate an extra 5 per cent total lifetime pension income for the period from age 66 onwards for a woman on median earnings. An equivalent man on median earnings would see an increase

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<sup>8</sup> Pension Credit is an income-related benefit. The standard minimum guarantee credit can be claimed by both men and women at women's State Pension age and provides an income (in combination with any other income from other sources) of £132.60 per week for a single person and £202.40 for a couple (rates from April 2010). The state pension can consist of a flat-rate basic pension and/ or additional State Pension (now known as State Second Pension) related to the level of a person's actual or credited earnings between set thresholds.

of 3 per cent extra total lifetime pension income from age 66 onwards (the result of working and saving for an additional year).

- 2.8. Of those born in 1954, men and women on low incomes – i.e. characterised by this model as those reliant on Pension Credit, with no private pension saving – would be most affected. As Pension Credit qualifying age rises in line with women's State Pension age, entitlement to Pension Credit for both men and women would start up to two years later than under current plans. As a consequence, women in this situation would lose up to around 8 per cent of the total lifetime pension income they would otherwise have received had their State Pension age been unchanged, while men would lose up to 9 per cent. If we also adjust to take account of the fact that people in the lowest income groups are likely to have lower than average life expectancy, this could equate to a loss of up to 10 per cent. It is difficult to estimate how many this could affect due to limitations on forecasting Pension Credit receipt. But a very indicative estimate, based on current patterns of receipt, suggests that around 11 per cent of women and 15 per cent of men reaching 64 in 2018 may be affected to some extent by an increase in Pension Credit qualifying age of more than a year (including men and women who are members of a couple) although the maximum possible increase of two years will only affect a small proportion of these.
- 2.9. This potential reduction needs however to be set in context. Life expectancy for all social groups, including those in the bottom socio-economic group, has improved significantly over the last decades. As an illustration, data from the ONS longitudinal study of life expectancy by socio-economic classes indicates that between 1992-96 and 2002-05, life expectancy at 65 for former male manual workers rose by 13.6 per cent<sup>9</sup>. Similarly, the generosity of state pensions for those on low incomes has also increased: Pension Credit for a single individual amounts to 22.1 per cent of average earnings (33.8 per cent for a couple). This compares to 18.8 per cent (29.2 per cent for a couple) of average earnings provided in 1992 by Income Support for a person aged 60-74.<sup>10</sup>
- 2.10. Because women tend to live longer than men, women would receive more State Pension income over their lifetime than a man with a comparable National Insurance (NI) contribution record. This also applies for those women whose pension age will be increased by two years compared to a man with a one-year increase.
- 2.11. Women historically have weaker NI contribution records than men and consequently lower State Pension outcomes. However, women reaching State Pension age from April 2010 onwards are expected to have higher State Pension entitlements as a result of number of changes made to the State Pension over the last 30 years, including those introduced by the Pensions Act 2007.<sup>11</sup> As a result of these changes, by late 2018 – when State Pension ages will be equalised at 65 under this

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<sup>9</sup> Period life expectancy data by socio-economic class. Manual worker groups are defined as socio-economic groups IIIM (skilled manual), IV (partly skilled) and V (unskilled). Non-manual worker groups are defined as socio-economic groups: I (professional), II (managerial & technical), IIIN (skilled non-manual).

<sup>10</sup> Source: DWP Annual Abstract of Statistics, 2009 edition, p. 37 table 2.9  
<http://research.dwp.gov.uk/asd/asd1/abstract/abstract2009.pdf>

<sup>11</sup> As well as legislating to increase the State Pension age to 68, the Pensions Act 2007 included measures to improve coverage by reducing the number of contribution years needed for a full basic State Pension to 30 and extending the existing arrangements for recognising caring responsibilities.

proposal, 16 months earlier than planned – around the same proportion of women as men (around 90 per cent) are expected to reach State Pension age with entitlement to a full basic State Pension.

- 2.12. Women also lag behind men in building up additional (i.e. earnings-related) State Pension. While changes made in 2002 to boost the accrual rate for low earners and enable carers to built up rights for the first time plus further reforms under the 2007 Act are also expected to boost women's additional State Pension accruals, they are not projected to catch up with men's until at least 2040. Equality in the amount of total State Pension received would, even under the existing timetable, therefore not be achieved until at least two decades after State Pension age equalisation.
- 2.13. However, even though women with similar levels of State Pension entitlement to men receive more State Pension income in retirement over their lifetimes, men in the high and median income groups would still have higher overall total lifetime retirement incomes than their female equivalents, because men tend to have higher rates of private pension provision.
- 2.14. Working longer, combined with the introduction of auto-enrolment, should enable more women to save for longer in a private pension scheme. Assuming that equalising the State Pension age will result in more women working to older ages (see paragraph 2.21, below) this should go some way towards addressing the current imbalance in retirement incomes between men and women.

## Likelihood of adjusting to the new State Pension age

- 2.15. In this section we look at differences between men's and women's employment rates at older ages, and the reasons for being out of the labour market. While the proportion of people aged 50 to State Pension age who are actively engaged in the labour market has increased in the last decade, it is still below that of the working-age population as a whole. As the table below shows, the employment rate differs between men and women: while men are more likely to be in employment than women in each age band, the proportion of men in employment drops off more steeply in the five years before pension age, whereas women are more likely than men to be in work in the five years immediately before and after State Pension age.

**Table 1:** Labour market activity as a percentage of population

	<b>Age 50-54</b> %	<b>Age 55-59</b> %	<b>Age 60-64</b> %	<b>Age 65-69</b> %	<b>Age 70+</b> %
<b>All</b>					
Employed	78.4	71.3	44.2	19.3	3.3
Unemployed	4.2	3.8	2.0	0.7	*
Inactive	17.4	24.9	53.8	80.0	96.6
All	100.0	100.0	100.0	100.0	100.0
<b>Men</b>					
Employed	81.4	76.7	54.9	23.8	4.8
Unemployed	5.8	5.3	3.2	1.2	*
Inactive	12.8	18.1	41.9	75.1	95.1
All	100.0	100.0	100.0	100.0	100.0

<b>Women</b>					
Employed	75.4	66.1	34.1	15.1	2.2
Unemployed	2.7	2.3	0.8	*	*
Inactive	21.9	31.5	65.1	84.5	97.7
All	100.0	100.0	100.0	100.0	100.0

Note: The unemployed rate is a proportion of the population not the International Labour Organisation unemployment rate

\* Not significant due to small sample size

Source: Labour Force Survey, Q1 2010

- 2.16. As Table 2 shows, up to age 60, ill-health or disability is the main reason given for being “inactive” – that is, neither working nor looking for work – for both men and women, with men more likely to be inactive for this reason than women. In the five years immediately before current State Pension age, however, retirement becomes the single biggest reason for inactivity among men; more than double that of women.
- 2.17. While the next-biggest reason for inactivity after ill health among men is retirement, a significantly higher proportion of women than men are inactive because of looking after family and home: 31.5 per cent of those aged 50 – 54, and 24.2 per cent of those aged 55 – 59, compared to, respectively, 13.4 per cent and 7 per cent of men.

**Table 2: Reason for inactivity, as a proportion of total inactive**

	<b>Age 50-54 %</b>	<b>Age 55-59 %</b>	<b>Age 60-64 %</b>	<b>Age 65-69 %</b>
<b>All</b>				
sick, injured or disabled	54.2	47.9	22.8	8.4
looking after family and home	24.9	18.1	6.2	2.4
retired and would like work	*	*	2.2	2.8
retired and does not want work	5.6	20.1	62.3	83.3
Does not need or want employment	5.2	6.2	2.5	1.4
others	9.7	6.9	4.0	1.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Men</b>				
sick, injured or disabled	65.6	55.8	38.8	10.3
looking after family and home	13.4	7.0	4.5	1.5
retired and would like work	*	*	2.8	3.4
retired and does not want work	5.9	22.8	44.5	81.3
Does not need or want employment	2.9	5.2	2.9	1.6
others	11.2	7.6	6.5	2.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Women</b>				
sick, injured or disabled	47.7	43.5	13.1	6.7
looking after family and home	31.5	24.2	7.2	3.2
retired and would like work	*	*	1.9	2.3

retired and does not want work	5.5	18.5	73.2	84.9
Does not need or want employment	6.6	6.8	2.2	1.3
others	8.8	6.6	2.5	1.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

- 2.18. In recent years, there has been some reduction in the proportion of people in the group aged 50 to State Pension age who are out of the labour market due to ill-health, although among men, the trend is more marked, with a decrease from 16.6 per cent in 1998 to 11.5 per cent in 2010<sup>12</sup>. The corresponding improvement for women is less strong, with a decrease of just over three percentage points, from 15.1 per cent to 12.0 per cent. And, as explained in Chapter 2 of the White Paper, both healthy and disability-free life expectancy at older ages is increasing, albeit more slowly than absolute life expectancy.
- 2.19. There has also been a steady downward trend in the proportion of women who cite caring for family or home as the reason they are not economically active, with a fall from 11.0 per cent in the first quarter of 1998 to 7.2 per cent in the first quarter of 2010. The Government is committed to extending flexible working arrangements to older workers, which should enable more people to combine paid work with managing their health needs and caring responsibilities, and further accentuate this downward trend.
- 2.20. Although the proportion of women aged 55 to 65 who are out of the labour market is currently 17.9 percentage points higher than the corresponding proportion of men (51.2 per cent compared to 33.3 per cent), by 2020 that gap is projected to have narrowed by ten percentage points as women's State Pension age gradually increases to 65. While speeding up the State Pension age equalisation timetable is not projected to increase dramatically the rate at which the gap shrinks, it is still expected to have a positive effect, narrowing the gap from 10.9 per cent to 9.2 per cent in 2016 and from 7.9 per cent to 7.7 per cent in 2020.<sup>13</sup>
- 2.21. While the average age for women to leave the labour market is currently 62.4 – i.e. around two years after State Pension age - this is still two years earlier than men (64.5).<sup>14</sup> Equalising the State Pension ages earlier, and bringing forward the planned increase to 66 is expected to result in an increase in the number of both men and women working at older ages, compared to the legislated increase (see Figure 2).

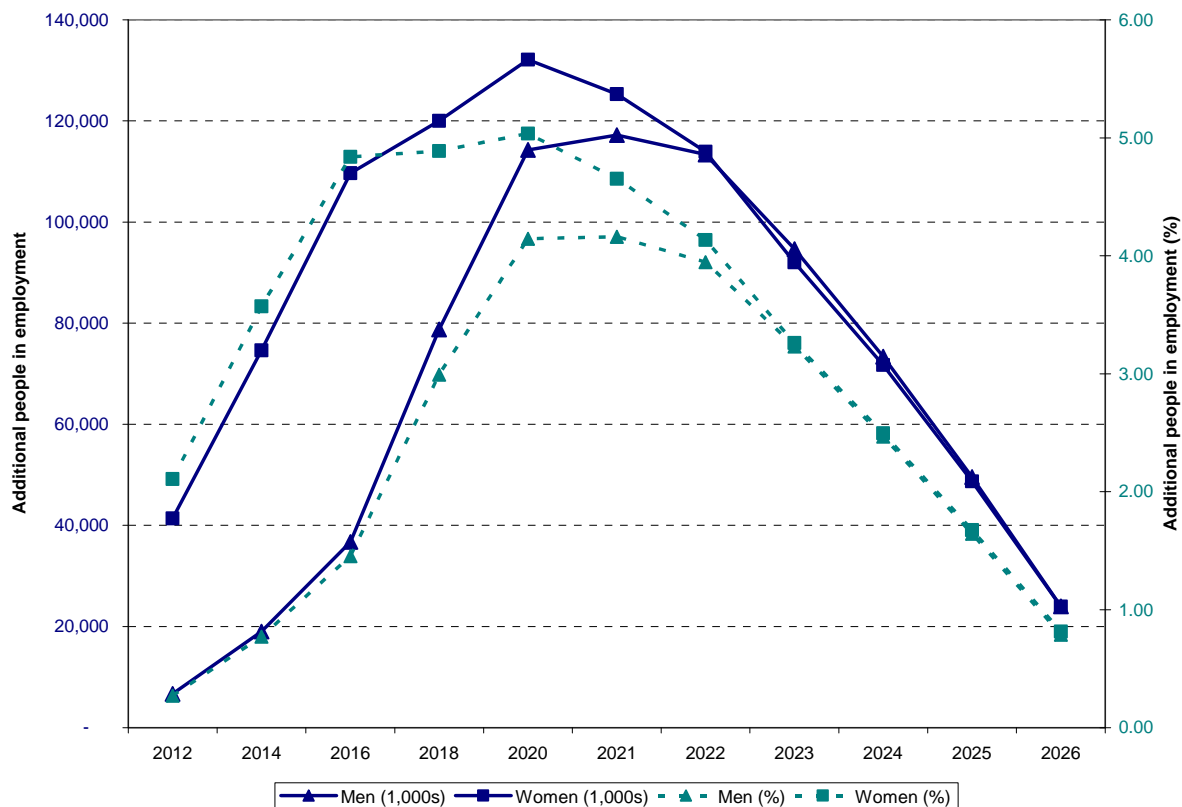
<sup>12</sup> Source: Labour Force Survey, Q1 data for each year

<sup>13</sup> Source: HMT cohort employment model, based on Labour Force Survey data.

<sup>14</sup> ONS Pension Trends Chapter 4, December 2009 based on Labour Force Survey data April-June 2009.



**Figure 2:** Estimated additional increase in employment rates compared to legislated timetable: men and women aged 55 to 65



Source: HMT cohort employment model  
See Appendix for data table.

2.22. The analysis in this section demonstrates that, although there are some positive trends, for a variety of reasons, older people are less likely to be in work than younger age groups, and older women are less likely to be employed outside the home than men. While these differences are in part explained by early retirement, for people not in work and without access to a private pension the proposed change is likely to mean they will need to rely on working-age benefits or a partner's income. However, this risk, which is likely to be stronger for women than men, already exists under the legislated timetable for increasing women's State Pension age to 65 and subsequently increasing it to 66 for men and women.

2.23. The Government is committed to removing barriers to employment for older people through measures such as extending flexible working and phasing out the Default Retirement Age. Those unable to work to the higher State Pension age will, as now, be able to receive working-age benefits.

## Summary – gender impact

2.24. This proposal will close the current gender gap in State Pension age more quickly and thereby reduce the advantage currently enjoyed by women over men as a result of a lower pension age and higher life expectancy. Women will, however, on average still receive their State Pension for longer than men. By late 2018 (when the State Pension ages will be equal under these proposals) over 90 per cent of both

women and men reaching State Pension age are likely to have built up a full basic State Pension.

- 2.25. The picture in relation to the impact on lifetime pension income is more complex, in part due to the effect of earlier equalisation. All other things being equal, in general men would lose a slightly higher proportion of their lifetime pension income than women as a result of increasing the State Pension age, because of lower average life expectancy. However, because of higher average earnings, men may be in a better position than women to offset part of this loss through higher additional contributions to a private (Defined Contribution) pension scheme. In contrast, the proportionate loss of lifetime pension income for women affected by the maximum increase of two years would generally be greater than for their male contemporaries, other than those men whose entitlement to Pension Credit would also be delayed by two years.
- 2.26. Overall, we conclude that while some aspects of the change will impact women more strongly than men, the impact is not disproportionate and is a consequence of closing the gender gap in State Pension age earlier than under current plans.

### 3. Gender reassignment impact

- 3.1. Legal recognition of a transsexual person's acquired gender can have implications for their State Pension entitlement. Currently, a transsexual woman born before 6 April 1955 will have a lower State Pension age in her acquired gender than in her birth gender; the opposite is the case for a transsexual man.
- 3.2. Under the proposed change, men and women born on or after 6 December 1953 will have the same State Pension age as a person of the opposite sex born on the same day. The proposed change will therefore bring forward the point from which the anomalies linked to unequal State Pension ages that affect transsexual people are removed.
- 3.3. More generally, we have no evidence to suggest that the proposed change would have a measurably differential impact on trans people compared to non-trans people.

### 4. Race impact

#### Impact on time in receipt of State Pension

- 4.1. Robust projections of life expectancy data by ethnicity are not available. This is principally because a person's ethnicity is not recorded on the death certificate. A number of attempts have been made to estimate life expectancy by ethnicity, for example by using self-reported limiting long-term illness as a predictor for mortality rates and / or data on small area geographical mortality rates combined with data on ethnic population distributions.<sup>15</sup> While these methods have limitations, they provide

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<sup>15</sup> For example, Rees, P. and Wohland, P. (2008) *Estimates of Ethnic Mortality in the UK* Working Paper, The School of Geography, The University of Leeds.

some evidence that life expectancy may vary according to a person's ethnic background.<sup>16</sup>

- 4.2. ONS analysis of the 2001 Census data for England and Wales shows distinct variations between different ethnic groups in self-reported rates of long-term illness or disability which restricted daily activities. After taking account of the different age structures of the groups, Pakistani and Bangladeshi men and women had the highest rates of disability. Rates were around 1.5 times higher than people of White British background. In contrast, Chinese men and women had the lowest rates.<sup>17</sup>
- 4.3. Analysis undertaken in 2007 of Labour Force Survey data 2002-5 of responses to the questions "*Do you have any health problems or disabilities that you expect will last for more than a year?*" and "*Do these health problems or disabilities, when taken singly or together, substantially limit your ability to carry out normal day to day activities?*" demonstrates similar findings in respect of the relative prevalence of disability among people aged 40 and over of Pakistani, Bangladeshi, Black African and White British ethnic background.<sup>18</sup>
- 4.4. While there are variations between ethnic groups in the prevalence of certain health conditions, there is no clear evidence that ethnicity itself plays a strong part in differences in life expectancy.<sup>19</sup> There is stronger evidence that variations are likely to be primarily associated with socio-economic status. There is evidence to suggest that people of Pakistani and Bangladeshi origin have lower levels of employment and income than other ethnic groups and are consequently more likely to be in manual and unskilled social classes.<sup>20 21</sup> By contrast, there is also evidence to suggest that some ethnic groups are more likely than the White British population to be in social classes with higher life expectancies so it is important to recognise that the picture is not uniform.
- 4.5. While we do not have robust life expectancy data based on ethnicity, we do know that life expectancy for all social classes and all local authority areas has increased in recent decades. We have therefore considered the evidence in relation to life expectancy by social class, as a means of looking at the potential impact of the proposed change on different ethnic groups.
- 4.6. In particular, DWP analysis of data extracted from the ONS Longitudinal Study on life expectancy by social classes in England and Wales suggest that had State Pension age increased to 66 in the period 2002-05 (the most recent date for which this data is available) men in the lower socio-economic groups would still on

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<sup>16</sup> *Ibid.* The estimates suggest that individuals from Pakistani and Bangladeshi ethnic backgrounds may have lower life expectancy on average than individuals from White British backgrounds whilst those from Chinese and Black African backgrounds may have higher life expectancy.

<sup>17</sup> ONS 2004: Focus on ethnicity and identity <http://www.statistics.gov.uk/focuson/ethnicity/>

<sup>18</sup> Salway, S., *et al.* (2007) Cited: Allmark, P. *et al* (2010) *Ethnic Minority customers of the Pension, Disability and Carers Service: an evidence synthesis* DWP Research Report 684, p.11

<sup>19</sup> Parliamentary Office of Science and Technology: Postnote *Ethnicity and Health* January 2007 No. 276.

<sup>20</sup> Estimates derived from 2001 census data show that in England and Wales around 40 per cent of people of White British origin are in manual social classes (classes IIIIM, IV & V) compared to 47 per cent of Pakistani and 51 per cent of Bangladeshi. However these are not national statistics and should be treated with extreme caution.

<sup>21</sup> Berthoud, R. (1998) *The Incomes of Ethnic Minorities*. York, Joseph Rowntree Foundation

average have spent no less time in receipt of State Pension than men in the same social classes reaching State Pension age at 65 in 1997-2001 (see Appendix, Table 3). If we make the same comparison over a ten-year period, the data suggest that men in all social classes retiring at 66 in 2002-05 would spend longer in receipt of State Pension than those retiring at age 65 in 1992-96.

- 4.7. If these trends continue, this suggests that the proposal to increase the State Pension age to 66 by 2020 may not reduce time spent in receipt of State Pension for men for any social group compared to those reaching State Pension age today. By extension, this may suggest that the proposed change would not have a disproportionate impact between ethnic groups in terms of time spent receiving the State Pension for men – assuming that socio-economic status is a reasonable substitute for ethnicity-based life expectancy estimates.
- 4.8. Similarly, the data suggest that if the State Pension age for women had been increased from 60 (actual State Pension age) in 1997-2001 to 61 in 2002-05, women from the manual classes who reached that age would spend, on average, no less time in receipt of State Pension had they retired in the later period than if they had retired in the earlier one.
- 4.9. A State Pension age increase of two years for women, on the other hand, would have reduced time spent in receipt for all social groups compared to those reaching State Pension age five years earlier. This reduction would however have been no greater for those in the least advantaged socio-economic group relative to those in the skilled manual and skilled non-manual groups. The same applies when the comparison is made over a ten-year period. This suggests that while there would be a negative impact on women in all social classes from the proposed increase in State Pension age to 66 by April 2020 (which, for some women would entail an increase of between 18 months and two years), it should not disproportionately affect women from any one ethnic group as compared to another in terms of reducing relative length of time in retirement – again, on the assumption that socio-economic status is a reasonable substitute for life expectancy differences between ethnic groups.

## **Impact on lifetime pension income**

- 4.10. Based on our modelling of how the proposed change will affect lifetime pension incomes of hypothetical single individuals (see paragraphs 2.3 to 2.8 and Appendix, Table 2), although this approach clearly has limitations, it is indicative of the relative impact of the change. In particular, it shows that people who rely mainly on the State Pension and Pension Credit in retirement will lose proportionately more than higher earners who carry on contributing to their private pension income.
- 4.11. Relating this to differences between ethnic groups, of current pensioners, people of Black or Black British origin have the lowest levels of non-State Pension and investment income (£46 per week), compared to White (£155), Asian/Asian British (£133) or Chinese/ Other (£120) and a higher proportion of those from that ethnic minority group are receiving income-related benefits (53 per cent compared to 31

per cent from White ethnic origin).<sup>22</sup> This is reflected to some extent in income distribution data: 40 per cent of pensioners of Pakistani and Bangladeshi origin and 29 per cent of Black and Black British are in the bottom fifth income group, compared to 14 per cent White.<sup>23</sup> (Note, however, that these data relate to all current pensioners and may not correspond to younger pensioners.)

- 4.12. For those who will experience a delay of a year in receipt of State Pension income, the difference between the low and higher income groups is between a proportionate loss of around 4 per cent of lifetime pension income compared to 2 per cent. We would not expect the impact of the increase to 66 under the legislated timetable to be significantly different. However, there is potentially a more marked difference in outcomes for those affected by an increase of more than a year.
- 4.13. At the extreme end, a person who would qualify for Pension Credit two years later than under the legislated timetable could see a reduction in lifetime pension income of up to 10 per cent. (Note, however, that only those born in a single month will experience this maximum delay; those born between 6 December 1953 and 5 October 1954 would qualify between 18 months and two years later than under current plans). Evidence on benefit receipt is inconclusive, due to lack of robust data which does not allow us to distinguish between different ethnic groups beyond very broad categories. But the available evidence relating to employment levels and health indicates that people from Bangladeshi and Pakistani origin in particular may be more likely to be dependent on Pension Credit; this suggests that there may be a stronger impact on these ethnic groups than on others.
- 4.14. Again, however, this impact needs to be seen within the overall picture of improvements in both the generosity of State Pensions (both means-tested and contributory) and the length of time people are likely to be receiving state pensions for, as a result of increased life expectancy.

## **Likelihood of adjusting to the new State Pension age**

- 4.15. The relative socio-economic status of people from different ethnic groups is reflected in the data on rates of labour market participation and receipt of certain benefits. Unfortunately, particularly when looking at the older age group who will be affected by the proposed change we are not able to make detailed comparisons, due to lack of data.
- 4.16. However, from the data that are available, it is clear that currently a person from a non-white ethnic group:
  - is more likely than a person from a white ethnic group to be in receipt of one of the main working-age benefits (Jobseeker's Allowance, Employment and Support Allowance, Incapacity Benefit or Income Support) prior to the point at which Pension Credit becomes available (17 per cent compared to 13 per cent);

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<sup>22</sup> Pensioner Income Series, 2008-09: data based on the average of three years of Family Resources Survey results from 2006/07, 2007/08 and 2008/09 uprated to 2008/09 prices.

<sup>23</sup> ONS Pension Trends Chapter 13, September 2010 from Households Below Average Incomes (DWP): estimate based on 3-year average 2006/07 – 2008/09.

- is twice as likely to be entitled to Pension Credit at the minimum age at which that benefit is payable.<sup>24</sup>

4.17. Looking at labour market activity rates, in the age group 50 to State Pension age:

- people from a non-white ethnic group are less likely to be in employment;
- people from an Asian ethnic background are significantly more likely to be out of the labour market due to sickness or disability or family responsibilities than people from any other ethnic background;
- people from a Black ethnic background are more likely to be unemployed than people from any other ethnic group.

**Table 3:** Breakdown of labour market status by ethnic group

	Age 50 to State Pension age			
	White %	Asian %	Black %	Other %
Employed	71.6	59.0	68.2	68.2
Unemployed	3.6	6.2	11.7	*
Inactive	24.8	34.8	20.0	28.0
<i>inactive - sick or disabled</i>	11.5	18.6	11.3	10.7
<i>inactive - looking after family and home</i>	3.7	11.4	*	7.9
<i>inactive - retired</i>	6.1	*	*	*
<i>inactive - others</i>	3.4	*	*	*
<b>All</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Labour Force Survey, Q1 2010

\* Not significant due to small sample size

- 4.18. There is some evidence that the gap in labour market participation may be narrowing. Data from the Labour Force Survey indicates that between the first quarter of 2002 and the first quarter of 2010 the employment rate for people of non-white ethnic origin increased by almost three times that of the white ethnic group (an increase of nearly 10 percentage points compared to 3.5), while the level of inactivity due to disability or ill-health fell by nearly 7 percentage points compared to 3.4 for the white ethnic group. These broad-brush data are of course only indicative of a positive trend, and mask significant differences in and between ethnic groups.
- 4.19. Overall, the evidence suggests that delaying the point at which the State Pension and Pension Credit become payable is likely to have a greater adverse impact on certain ethnic groups compared to others, as they are less likely to be working up to the new State Pension age. This impact is likely to be stronger for those affected by a delay in Pension Credit income of more than a year than for other groups.
- 4.20. However, this impact reflects the effect of existing labour market disadvantage, rather than the cause. The Government is committed to tackling the employment gap between ethnic minority groups and the overall working-age population. For example, the independent Ethnic Minority Advisory Group (EMAG) has been invited to look at four priority areas – covering the role of public sector procurement, encouraging entrepreneurship, female employment and education and skills – and produce recommendations. EMAG has established four task groups to take this work forward.

<sup>24</sup> Family Resources Survey and DWP modelling

- 4.21. The Government has also committed to introducing new arrangements for supporting people on out-of-work benefits, and aims to have the new Work Programme in place nationally by the summer of 2011. The Work Programme will be designed to provide tailored support to a wide range of customers facing obstacles to returning to work, from the long-term unemployed to those who may previously have been receiving incapacity benefits for many years, and should assist more people, including those from ethnic minorities, to gain employment.

## **Summary – race impact**

- 4.22. There is some evidence to suggest that the proposal may have a greater impact on certain ethnic minority groups due to underlying socio-economic factors. However, this evidence is not conclusive and needs to be treated with caution. Improvements in, for example, narrowing the employment gap between certain ethnic minorities and the general population will mitigate the impact.

## **5. Disability impact**

### **Impact on time spent receiving the State Pension**

- 5.1. Shorter life expectancy is linked to a number of health conditions that may cause disability, such as chronic heart disease, as evidenced by the availability of impaired life annuities which are calculated on the assumption that the person will draw it for a shorter time due to a pre-existing health condition. However, we are not aware of any data specifically relating to life expectancy trends based on disability status. We cannot therefore say what impact the proposed change would have on time spent in receipt of state pensions for a disabled person compared to a disabled person reaching State Pension age today, or whether this is greater, or the same, as the impact on a non-disabled person.

### **Impact on lifetime pension income**

- 5.2. The impact of the proposed increase in State Pension age on the lifetime pension incomes of disabled people is more complex to assess. Although disabled people may qualify for additional benefits such as Disability Living Allowance or Attendance Allowance which significantly increase their income, after adjusting to take account of the additional costs which a disabled person may have, the net income may be less than that of a non-disabled person.<sup>25</sup> Furthermore, not all disabled people are eligible for these benefits.<sup>26</sup> On average, as discussed above, disabled people have lower levels of private pension provision and are less likely to be in work in the period immediately preceding State Pension age.

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<sup>25</sup> Pensions Policy Institute (2008) *The underpensioned: disabled people and people from ethnic minorities*, p. 25

<sup>26</sup> Disability Living Allowance is payable where the ill-health or disability began before age 65. Attendance Allowance, which does not include extra help with mobility needs, is available where the condition began after age 65. Under the Pensions Act 2007, the age threshold was set to increase in line with state pension age from April 2024; under these proposals that will now be brought forward to December 2018 i.e. the point at which State Pension age will be higher than 65.

- 5.3. Taking this into account, it is likely that a higher proportion of disabled people than non-disabled people would fall into the lowest income group. Disabled people are more likely than non-disabled people to be dependent on working-age benefits in the period prior to State Pension age and in receipt of Pension Credit from the earliest point that benefit is available: while 30 per cent of disabled people aged 60 to 64 are estimated to be eligible for Pension Credit, only 13 per cent of non-disabled people are.<sup>27</sup>
- 5.4. As discussed at paragraphs 4.12 and 4.13, while an increase of a year is likely to reduce overall lifetime pension income by around 4 per cent for a person reliant on Pension Credit, this impact could be doubled for those who will experience a delay in Pension Credit eligibility of up to two years. For a disabled person whose disability is related to a condition that is likely to reduce life expectancy, the relative impact would be stronger still (although this needs to be seen in context: a person with a life-limiting health condition would spend less time in receipt of State Pension than a person without such a condition, irrespective of when the State Pension age was set).

## Likelihood of adjusting to the new State Pension age

- 5.5. Compared to the non-disabled population, disabled people are more likely to be in low-paid employment and have interrupted work records; they are also more likely to leave the labour market early.
- 5.6. There are about 2.3 million people aged between 50 and State Pension age who have a work-limiting illness or disability of whom only around 40 per cent are economically active (that is, employed or actively seeking work). Those without a work-limiting disability are more than twice as likely to be in work.

**Table 4:** Labour market activity for persons aged 50 to State Pension age (SPa) for those with and without a work limiting disability

1.	2. Labour market activity for persons aged 50 to SPa with a work-limiting disability 3. %	4. Labour market activity for persons without a work-limiting disability 5. %	6. Labour market activity for population aged 50 to SPa 7. %
8. Employed	9. 36.7	10. 82.5	11. 71.1
12. Unemployed	13. 3.8	14. 3.9	15. 3.8
16. Inactive: sick or disabled	17. 45.5	18. 0.6	19. 11.7
20. Inactive: Family and home	21. 4.8	22. 3.6	23. 3.9
24. Inactive: Retired	25. 6.0	26. 5.9	27. 6.0
28. Inactive: Other	29. 3.3	30. 3.5	31. 3.4
32.	33.	34.	35.

<sup>27</sup> Source: Family Resources Survey 2008/09; DWP modelling of entitlement to Pension Credit



36. Total:	37. 100	38. 100	39. 100
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Source: Labour Force Survey Q1 2010

- 5.7. The likelihood of being in work also varies significantly depending on the type of disability: for example, in 2007 only 21 per cent of people with mental health problems or learning disabilities were in employment compared to 65 per cent of people with diabetes.<sup>28</sup>
- 5.8. Although the prevalence of disability increases with age, the difference between those aged 60 to 64 and 65 to 69 is slight (37 per cent rising to 38 per cent)<sup>29</sup> so we do not consider that the proposed increase in State Pension age of a year for the majority of those affected is likely to significantly increase the proportion of disabled people who are not in work prior to pension age, even if there is no improvement in the rates of employment for disabled people.
- 5.9. While ill-health or disability is given as the reason for being out of the labour market for the majority of people aged 50 to State Pension age who are inactive, the trend in recent years has been positive with a decline from a high point of 16 per cent overall in the first quarter of 1998 to 11.7 per cent in the first quarter of 2010. However, the gap in employment rates between disabled and non-disabled people (as shown in Table 4) remains significant.
- 5.10. Measures to address this include the launch of a new programme to provide support for severely disabled people. The new programme, Work Choice, was introduced in October. It replaces WORKSTEP and Work Preparation and sits alongside the new Work Programme (see paragraph 4.21). Work Choice will help into work disabled people who face the most complex and long term barriers to employment and who may require high intensity support in the workplace.

## Summary – disability impact

- 5.11. The evidence indicates that this proposal is likely to have a stronger impact on some disabled people than non-disabled people in terms of the probability of adjusting to a higher State Pension age, due to relative labour market disadvantage. As a consequence, disabled people are more likely than non-disabled people to spend the additional period up to State Pension age on working-age benefits, although we have no evidence to indicate that the change will result in a higher proportion of disabled people claiming those benefits than are already claiming them prior to current State Pension age. Measures to support disabled people into work may mitigate this impact.
- 5.12. As disabled people are also more likely to be reliant on Pension Credit at minimum qualifying age than non-disabled people, there will be a proportionately greater impact for those born in 1954 whose entitlement will be delayed by more than a year, compared to the impact of a single year's increase. However, we consider this is justifiable in the wider context of the need to ensure that the state pensions

<sup>28</sup> Pensions Policy Institute (2008) *The underpensioned: disabled people and people from ethnic minorities*, p.15

<sup>29</sup> *Ibid*, p.12

system (including Pension Credit) is to be both affordable in the long-term, and provide a decent income in retirement.

## 6. Age equality impact

- 6.1. By definition, State Pension age gives rise to different treatment according to age, because people below that age are not eligible for a State Pension. Under the current legislation, people already have different State Pension ages, depending on when they were born: for example between 2010 and 2020, all women will have a State Pension age of a year higher than a woman born a year earlier. The effect of speeding up the rate at which women's State Pension age is to be equalised with men's and then increasing to 66 by 2020, is that for women born 6 April 1953 to 5 March 1955, the difference between their State Pension age and that of a woman a year younger will be between 1.25 years and – for those born 6th March to 5th April 1954 – three years.
- 6.2. Although the Government recognises that for those most affected, this is a significant increase, it also considers that raising the State Pension age to 66 by 2020 is justified, to prevent too great a gap building between the projected increases in life expectancy and the current State Pension age timetable. This in turn would result in an unfair cost being passed to younger generations.

## 7. Monitoring

- 7.1. A decision about when to implement an increase in the State Pension age must, in order to provide adequate notice, be taken several years in advance. This means that the original assessment of the probable impact will be formed on the basis of data that will almost certainly be revised before the change is implemented, but the need to give notice limits the extent to which new evidence can reasonably modify that decision. This is particularly the case in relation to projections of life expectancy which, since they are projections, are inherently uncertain; all we can say with confidence is that to date, every new set of projections indicates an increase in longevity compared to the previous set. Therefore, while regular review of the projections will inform decisions about future changes in the State Pension age, it is unlikely to affect this proposal.
- 7.2. This assessment also makes a number of assumptions about the potential impact of the proposed change based on current labour market data. We intend to keep this under review to enable a more refined assessment of the probable impact to be made nearer the time. Regular monitoring of outcomes under the new Work Programme will also be undertaken, which will provide further evidence relating to its effectiveness in assisting people – in this context, particularly people from ethnic minorities and disabled people – into work.

## 8. Conclusion

- 8.1. The proposed change will bring forward the date from which the State Pension age is 66 for men and women by six years to 6 April 2020; that is, the date from which under current legislation, the State Pension age would be equalised at 65.
- 8.2. This timetable has been chosen because the Government considers the available evidence on life expectancy demonstrates that the current timetable is too slow in reacting to increased longevity, and, in the light of the urgent need to stabilise the public finances both in the immediate and longer-term, it would be wrong to delay implementing the change to 66 until 2020.
- 8.3. Overall, we conclude that based on the available evidence, the proposed change to the current timetable will not have a disproportionate impact on any group compared to another. (We note, however, that due to lack of data we have been unable to form a view in relation to those sharing the protected characteristics of religion or belief or sexual orientation and have provided only a very limited assessment of the impact in relation to gender reassignment).
- 8.4. We recognise however that bringing forward the increase to 66 to 2020 will entail an increase in State Pension age of more than a year (at the most extreme case for women born between 6 March and 5 April 1954, two years) because they would otherwise have had a lower State Pension age than men under the current timetable for equalising the State Pension ages. This will also affect men in the same age group who would have qualified for Pension Credit, because the minimum qualifying age is aligned to women's State Pension age. As a consequence of this increase in Pension Credit qualifying age, the proposed change will have a stronger impact than the legislated timetable on certain ethnic groups and disabled people who are more likely than those who do not share those characteristics to be unemployed prior to State Pension age and reliant on Pension Credit at the earliest point it becomes available.
- 8.5. Taken in the wider context of improvements in longevity and State Pension provision, however, we do not consider this impact, although adverse, to be disproportionate.
- 8.6. The proposal, however, contributes to gender equality, by phasing out inequality in the State Pension age more quickly than planned. While women's State Pension entitlements have historically been below men's, as a result of a number of changes over time, including those introduced from April this year, that gap is narrowing. By November 2018, when the State Pension age will be equalised under this proposal, the proportion of women and men reaching State Pension age with a full basic State Pension will be around 90 per cent.

## 9. Contact details

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# Appendix - Tables

**Table 1: Data for Figure 1**

Life expectancy at legislated and proposed State Pension age, by year of birth

	1953	1954	1955	1956	1957	1958	1959	1960
Men – legislated	22.25	22.34	22.43	22.52	22.61	22.7	22.8	22.12
Women - legislated	26.45	25.7	24.98	25.07	25.16	25.25	25.34	24.93
Men – proposed	22.25	21.58	21.67	21.76	21.85	21.94	22.03	22.12
Women - proposed	25.62	24.06	24.15	24.2	24.3	24.4	24.5	24.6

Source: ONS 2008-based principal projections, mean cohort measure (UK)

**Table 2: Impact of proposed increase in State Pension age on lifetime pension income**

a) Full career, average earnings

Born in:	1953 %	1954 %	1955 %	1956 %	1957 %	1958 %	1959 %
<b>Men</b>							
Retire at old State Pension age	-	-4	-4	-3	-3	-3	-3
Retire at new State Pension age	-	-2	-2	-2	-2	-2	-2
<b>Women</b>							
Retire at old State Pension age	-3	-7	-3	-3	-3	-3	-3
Retire at new State Pension age	-2	-4	-2	-2	-2	-2	-2

b) Full career, high earnings

Born in:	1953 %	1954 %	1955 %	1956 %	1957 %	1958 %	1959 %
<b>Men</b>							
Retire at old State Pension age	-	-4	-4	-3	-3	-3	-3
Retire at new State Pension age	-	-2	-2	-2	-2	-2	-2
<b>Women</b>							
Retire at old State Pension age	-4	-7	-3	-3	-3	-3	-3
Retire at new State Pension age	-2	-3	-2	-2	-2	-2	-2

c) Person dependent on Pension Credit throughout retirement

Born in:	1953 %	1954 %	1955 %	1956 %	1957 %	1958 %	1959 %
<b>Men</b>							
Retire at old State Pension age	-4	-9	-5	-4	-4	-4	-4
Retire at new State Pension age	-4	-9	-5	-4	-4	-4	-4
<b>Women</b>							
Retire at old State Pension age	-4	-8	-4	-4	-4	-4	-4
Retire at new State Pension age	-4	-8	-4	-4	-4	-4	-4

The illustrative outcomes shown in tables a), b) and c) above are based on DWP modelling of the total state and private pension income received over the course of retirement by hypothetical single individuals born in each year between 1953 and 1959 who have average life expectancy when they reach State Pension age. The three income groups this model looks at are:

- A: Full career, average earnings: assumes person is in continuous employment since age 25 on average earnings for a man or woman and saving 8 per cent of earnings into a private Defined Contribution (DC) scheme throughout;
- B: Full career, high earnings: assumes person in continuous employment since age 25 on double average earnings and saving 8 per cent of earnings into a private DC scheme throughout;
- C: Interrupted working record; no private pension and dependent throughout retirement on the standard minimum Pension Credit guarantee.

The modelled individuals lose one year's worth of pension entitlement, except women born in 1954 and men dependent on Pension Credit born in 1954, who are modelled to lose two years under these proposals.

Individuals are modelled to react in two ways to the State Pension age rise – in the first they retire at the previous State Pension age and start drawing their private pension; while in the second, they work (and for the high and average earnings cases, continue to save) to the new State Pension age.

These stylised cases are designed to illustrate the maximum impact. In reality, most of those affected will not have the maximum delay in State Pension or Pension Credit age illustrated (for example, only those born 6 March to 5 April 1954 will in fact experience the maximum two-year delay).

The amount of State Pension income that individuals could actually lose as a result of a change in State Pension age varies significantly, depending on the delay they face as a result of the new timetable and on their individual entitlement. The latter would, in turn, depend on the amount of qualifying years of National Insurance they build up before reaching State Pension age, and also on their level of income. Similarly, the amount of Pension Credit income that individuals could actually lose as a result of a change in Pension Credit qualifying age also varies significantly, depending on the delay they face as a result of the new timetable and on their individual entitlement. The latter mainly depends on the gap between their weekly income from other sources and the Guarantee Credit minimum income threshold.

The estimated percentage loss in lifetime pension income depends crucially on assumed life expectancy. Any upward revision in life expectancy would reduce these losses.

**Table 3: Life expectancy (years) by social class – changes in recent years**

	Life expectancy at age	I	II	IIIN	IIIM	IV	V		Non-manual	Manual		All
<b>Male</b>												
1992-1996	65	17.1	15.7	15.4	14.3	14.0	12.6		15.8	14.0		14.6
1997-2001	65	18.3	17.1	16.7	15.2	14.1	13.3		17.1	14.7		15.6
2002-2005	66	17.4	17.3	16.6	15.5	15.0	13.3		17.1	15.2		15.9
<b>Female</b>												
1992-1996	60	25.6	23.9	23.4	22.1	21.4	20.6		23.7	21.5		22.2
1997-2001	60	24.8	24.3	24.1	22.3	21.9	21.0		24.2	21.9		22.8
2002-2005	61	25.5	24.5	23.3	22.0	22.1	20.8		24.0	21.9		22.7
2002-2005	62	24.5	23.7	22.5	21.1	21.3	19.9		23.1	21.0		21.8

Note: These are period life expectancy data drawn from ONS' Longitudinal Study of life expectancy by social class in England and Wales. Period life expectancy data may underestimate actual lifespans as they do not take account of projected improvements in age-specific mortality.

**Table 4: Data for Figure 4**

Additional impact on numbers in employment, compared to baseline (legislated timetable); men and women aged 55 to 65

	Men		Women	
	Number increase	Percentage increase	Number increase	Percentage increase
2012	6,693	0.27	41,400	2.11
2014	19,023	0.77	74,624	3.57
2016	36,743	1.45	109,648	4.84
2018	78,742	2.99	120,013	4.89
2020	114,246	4.14	132,115	5.04
2021	117,217	4.16	125,305	4.65
2022	113,384	3.94	113,936	4.13
2023	94,657	3.23	91,992	3.26
2024	73,404	2.47	71,736	2.50
2025	49,556	1.64	48,713	1.67
2026	24,007	0.79	23,932	0.81

Source: HMT employment model

# APPENDIX 12



**BW**

**Town and Country Planning Act 1990  
Planning and Compulsory Purchase Act 2004**

**Section 78 Appeal by Gladman Developments Ltd**

# Site to the North of Haygate Road Wellington, Telford

Proof of Evidence of  
James Donagh BA (Hons) MCD MIED  
Relating to Housing Need

Appeal Ref: APP/C3240/W/15/3025042  
LPA Ref: TWC/2013/1033

19 JANUARY 2016

**Town and Country Planning Act 1990 – Section 78**

**Town and Country Planning  
(Inquiries Procedure) (England) rules 2000 (As Amended)**

**Site to the North of Haygate Road  
Wellington, Telford**

**Proof of Evidence of James Donagh BA (Hons) MCD MIED  
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Ref: 23715/A5/JD/kf  
Date: 19 January 2016

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## **APPENDICES**

- JD1: Telford and Wrekin OAN Report, November 2015**
- JD2: Planning for housing in England; RTPI Research Report no.1, January 2014**
- JD3: What does the 2011 Census tell us about concealed families; ONS, February 2014**
- JD4: Planning for housing in England V2 Toolkit, Telford Results; RTPI, February 2014**
- JD5: Barker Review, A Decade On; Home Builders Federation, March 2014**

## **1.0 QUALIFICATIONS AND EXPERIENCE**

- 1.1 My name is James Donagh. I am a Member of the Institute of Economic Development ('IED') with an honours degree and a Master of Civic Design.
- 1.2 I am a Director at Barton Willmore in the Research Team leading on economic issues. Barton Willmore is the UK's leading independent Planning and Design Consultancy, with 11 UK Offices employing over 280 professionals nationwide in the field of town planning, masterplanning, architecture, and landscape planning.
- 1.3 I have 20 years professional experience in housing, planning and economic development. Possessing a sound working knowledge of development economics, demographic and economic forecasting, my skills include housing market analysis, economic analysis, impact assessment and demographic and economic modelling.
- 1.4 In accordance with the Planning Inspectorate's Procedural Guidance I hereby declare that:

**"The evidence which I have prepared and provide for this appeal reference APP/C3240/W/15/30240 in this Proof of Evidence is true and I confirm that the opinions expressed are my true and professional opinions."**

## 2.0 INTRODUCTION

- 2.1 My Proof of Evidence has been prepared following the submission of an appeal against Telford & Wrekin Council, submitted on behalf of Gladman Developments Ltd (“the Appellant”) in relation to an application for outline planning permission for the erection of 330 dwellings together with associated landscaping, public open space and associated works at Haygate Road, Wellington, Telford (“the Appeal Site”).
- 2.2 The content of my Proof specifically relates to overall housing need in Telford & Wrekin District. It summarises the results of an assessment of housing need for the authority, which is considered to represent a housing market area on its own. By following the methodology recommended by Planning Practice Guidance (PPG) for assessing overall housing need I demonstrate that, **objectively assessed, Telford & Wrekin has a need for 961 dwellings per annum** over the period 2011 to 2031.
- 2.3 The assessment complies with the National Planning Policy Framework (NPPF) and PPG and can be read in full in the accompanying Telford & Wrekin Objective Assessment of Housing Need report, October 2015’ (**JD1**).

### Proof Structure

- 2.4 The remainder of this Proof is divided into the following chapters.
- 2.5 Chapter 3, **The Objective Assessment of Housing Need**, summarises the relevant aspects of national planning policy, and then sets out the required standard for an objective assessment of housing need.
- 2.6 Chapter 4, **Relevant Appeal Decisions and Judgements**, summarises recent (post NPPF) key discussion points and conclusions that have addressed the objective assessment of housing need.
- 2.7 Chapter 5, **Telford & Wrekin Council Position**, reviews Telford & Wrekin Council’s housing need evidence base and presents sensitivity testing of the Council’s assumptions.
- 2.8 Chapter 6, **Objective Assessment of Need for Housing in Telford & Wrekin**, presents the key stages and analysis of the needs assessment, alongside a summary of the demographic, economic and market signals analysis.
- 2.9 Chapter 7 sets out the result of **Sensitivity Testing** the OAN.
- 2.10 Chapter 8 draws together the previous Chapter’s findings and presents overall **Conclusions**.

### **3.0 THE OBJECTIVE ASSESSMENT OF HOUSING DEVELOPMENT NEEDS**

- 3.1 In this Chapter, I summarise the planning policy rationale and practice guidance for the objective assessment of full housing need. The requirement for all Local Planning Authorities (LPAs) to objectively assess housing need is rooted in the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG).

#### **National Planning Policy Framework (NPPF, 27 March 2012)**

- 3.2 NPPF sets out the Government's planning policies for England and how these are expected to be applied. NPPF states that planning should proactively drive and support sustainable economic development to deliver the homes that the country needs, and that every effort should be made to objectively identify and then meet housing needs, taking account of market signals (paragraph 17).
- 3.3 In respect of delivering a wide choice of high quality homes, NPPF confirms the need for local authorities to boost significantly the supply of housing. To do so, it states that local authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area (paragraph 47).
- 3.4 With regard to plan-making, local planning authorities are directed to set out strategic priorities for their area in the Local Plan, including policies to deliver the homes and jobs needed in the area (paragraph 156).
- 3.5 Further, Local Plans are to be based on adequate, up to date and relevant evidence, integrating assessments of and strategies for housing and employment uses, taking full account of relevant market and economic signals (paragraph 158).
- 3.6 For plan-making purposes, local planning authorities are required to clearly understand housing needs in their area. To do so they should prepare a Strategic Housing Market Assessment (SHMA) that identifies the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period (paragraph 159).

#### **Planning Practice Guidance (PPG, 06 March 2014)**

- 3.7 PPG was issued as a web based resource on 6th March 2014. Guidance on the assessment of housing development needs (PPG ID: 2a) includes the SHMA requirement set out in NPPF and supersedes all previous published SHMA practice guidance (CLG, 2007).

- 3.8 The primary objective of the housing development needs assessment (the SHMA) is to identify the future quantity of housing needed, including a breakdown by type, tenure and need (PPG ID2a 002).
- 3.9 Housing need refers to the scale of housing likely to be needed in the housing market area over the plan period, should cater for the housing demand in the area and identify the scale of housing supply necessary to meet that demand (PPG ID2a 003).
- 3.10 The assessment of need is an objective assessment based on facts and unbiased evidence and constraints should not be applied (PPG ID2a 004).
- 3.11 Use of the PPG methodology for assessing housing need is strongly recommended, to ensure that the assessment is transparent (ID2a 005). The area assessed should be the housing market area (ID2a 008), reflecting the key functional linkages between places where people live and work (ID2a 010).

PPG methodology for assessing housing need

- 3.12 The full methodology is set out at ID 2a 014 to 029 (overall housing need at ID2a 015 to 020), and is introduced as an assessment that should be based predominately on secondary data (ID2a 014).

***Starting Point Estimate***

- 3.13 The methodology states that the starting point for assessing overall housing need should be the household projections published by the Department for Communities and Local Government, but that they are trends based and may require adjustment to reflect factors, such as unmet or suppressed need, not captured in past trends (ID2a 015).

**"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing." (2a-015) (Our emphasis)**

- 3.14 Whether an adjustment to the starting point estimate is required depends on the results of three discrete tests.



***Test 1 - Adjusting for Demographic Evidence***

- 3.15 Adjustments to household projection-based estimates of overall housing need should be made if justified on the basis of established sources of robust demographic evidence, such as the latest projections and population estimates published by ONS. Adjustments might include alternative/ updated components of change and household formation rates (2a-017).

***Test 2 - Adjusting for Likely Change in Job Numbers***

- 3.16 In addition to taking into account demographic evidence the methodology states that job trends and or forecasts should also be taken into account when assessing overall housing need. The implication is that housing numbers should be increased where this will enable labour force supply to match projected job growth (2a-018).

**“Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns ... and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.”**  
(2a-018)

***Test 3 - Adjusting for Market Signals***

- 3.17 The final part of the methodology regarding overall housing need is concerned with market signals and their implications for housing supply (2a-019:020).

**“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.”** (2a-019)

- 3.18 Assessment of market signals is a further test intended to inform whether the starting point estimate of overall housing need (the household projections) should be adjusted upwards. Particular attention is given to the issue of affordability (2a-020).

**“The more significant the affordability constraints ... and the stronger other indicators of high demand ... the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.”** (2a-020)

***Overall Housing Need***

- 3.19 An objective assessment of overall housing need is therefore a test of whether the household projection based starting point can be reconciled with a) the latest demographic evidence, b) the ability to accommodate projected job demand, c) the requirement to address worsening market signals. If it cannot be reconciled, then an adjustment should be made.
- 3.20 The extent of any adjustment should be based on the extent to which it passes each test. That is:
- It will at least equal the housing need number implied by the latest demographic evidence;
  - It will at least accommodate projected job demand; and,
  - On reasonable assumptions, it could be expected to improve affordability.
- 3.21 The approach used by Barton Willmore to objectively assess overall housing need follows the methodology set out in PPG 2a-014:20 and summarised above. The result is a 'policy off' assessment of housing need that takes no account of the impact of planned interventions strategies and policies.

***Assessing Affordable Housing Need***

- 3.22 The methodology for assessing affordable housing need is set out at 2a-022 to 029 and is largely unchanged from the methodology it supersedes (SHMA 2007). In summary, total affordable need is estimated by subtracting total available stock from total gross need. Whilst it has no bearing on the assessment of overall housing need, delivering the required number of affordable homes can be used to justify an increase in planned housing supply (2a-029).

**"The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments ... An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes."** (2a-029) (our emphasis)

- 3.23 The last assessment of affordable housing need in Telford & Wrekin was undertaken as part of the Telford and Wreking Strategic Housing Market Assessment (SHMA), February 2014 (**CD19**). This assessment does seek to follow the methodology set out in PPG.

## 4.0 RELEVANT APPEAL DECISIONS AND JUDGEMENTS

4.1 In this Section, I refer to a number of recent (post NPPF) decisions and judgements that have addressed objectively assessed housing need. I highlight key discussion points and conclusions as regards:

- The appropriateness of considering housing requirements at an Appeal;
- The approach to assessing need envisaged by NPPF;
- The assessment of housing need as distinct from the housing requirement policy; and
- The evidence that an assessment of need should take into account (demographic, employment and market signals).

4.2 In summary, **the decisions and judgements referenced advance the following points of relevance to this appeal:**

- Local planning authorities are required to boost significantly the supply of housing, informed by the full objectively assessed needs for market and affordable housing;
- It is appropriate to consider and assess housing need at Appeal, whether or not the assessment has been subject to examination through the local plan process;
- The objective assessment of housing need assessment should be unconstrained and policy off;
- The local plan process of setting a housing requirement consistent with the policies of NPPF flows from the full objective assessment of housing need but is an entirely separate exercise; and
- The full objective assessment of housing need should address employment projections and market signals.

4.3 In the remainder of this Section I outline the relevant material from each decision or judgement in support of the above conclusions.

### **The Stratford Judgement, July 18<sup>th</sup> 2013**

4.4 The Stratford Judgement<sup>1</sup> clarifies that both plan-making and decision-taking requires consideration of assessed housing need. On this matter of decision-taking, Mr Justice Hickinbottom concluded as follows:

**“Therefore, in summary, for the purposes of responding to the appeal, the Inspector was required to assess unmet housing need;**

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<sup>1</sup> Neutral Citation Number: [2013] EWHC 2074 (Admin)

**that required him to assess housing requirements, on the basis of the evidence before him; he concluded that the figure of 8,000 preferred by the Council was not sufficiently evidence-based and that, on all the evidence before him, the requirement for the period 2008-2028 was 11,000-12,000; and he had at least adequate reason for that assessment. For the reasons I have given, that analysis and conclusion are unimpeachable as a matter of law"**  
(Paragraph 36)

### **The Hunston Court of Appeal Judgement, December 12<sup>th</sup> 2013**

4.5 The Hunston Court of Appeal Judgement (**CD41**) addresses the interpretation of NPPF, and policies therein concerning housing development, in the absence of a Local Plan produced after and in accordance with NPPF.

4.6 On the subject of relying upon revoked regional strategy housing requirements as an adequate substitute for full objective assessment of housing need, Sir David Keene's discussion reads as follows:

**"... I am not persuaded that the inspector was entitled to use a housing requirement figure derived from a revoked plan, even as a proxy for what the local plan process may produce eventually."**  
(CD41, paragraph 25)

4.7 In respect of NPPF Paragraph 47 and the need for a Local Plan to meet 'the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework', the discussion then reads:

**"That qualification ... is not qualifying housing needs. It is qualifying the extent to which the Local Plan should go to meet those needs. The needs assessment, objectively arrived at, is not affected in advance of the production of the Local Plan, which will then set the requirement figure."** (CD41, paragraph 25)

4.8 The discussion invites one to think in terms of two distinct stages.

4.9 The first to arrive at the objectively assessed need for housing, taking no account of policy considerations or constraints.

4.10 The second to make housing policy, through the plan making process, when the requirement to meet full objectively assessed housing need is weighed against and qualified by other policies and constraints.

4.11 With regards to constraints, Sir David Keene is clear that they should not be applied to the assessment of need, because they are a matter for local plan process.

**"... it seems to me to have been mistaken to use a figure for housing requirements below the full objectively assessed needs figure until such time as the Local Plan process came up with a constrained figure."** (CD41, paragraph 26)

**"It follows that I agree with the Judge below that the Inspector erred by adopting such a constrained figure for housing need."** (CD41, paragraph 27)

- 4.12 The Judge also made clear that it was not possible for an Inspector in a Section 78 appeal to impose constraints on the OAN to arrive at a constrained housing requirement figure as might an Inspector in a Local Plan Examination. That is simply not possible in a Section 78 appeal, as it would involve a value judgement about the extent to which constraints might justify a reduction in the OAN to some (unquantified) lower figure.

**"Moreover, I accept Mr Stinchcombe QC's submissions for Hunston that it is not for an inspector on a Section 78 appeal to seek to carry out some sort of local plan process as part of determining the appeal, so as to arrive at a constrained housing requirement figure."** (CD41, paragraph 26)

- 4.13 One is therefore required to follow the guidance in the PPG on identifying the OAN, and not seek to reduce it because of constraints, such as the carrying capacity of the Special Areas for Conservation (SAC) and Special Protection Area (SPA) or the availability of Suitable Alternative Natural Green Space (SANGS). That reduction based on constraints can only be done through the Local Plan process.
- 4.14 I note that Mr Waters discusses some factual differences at play in the Hunston case in comparison to the case here.

### **Post Hunston Decisions and Judgments**

- 4.15 With the benefit of the Hunston Court of Appeal Judgement, a number of Section 78 appeal decisions have grappled with NPPF and the need to meet objectively assessed housing needs in full.

### ***The Offenham Decision, February 7<sup>th</sup> 2014***

- 4.16 The Offenham appeal<sup>2</sup> allowed the development of 50 dwellings, with 40% affordable. In setting out his reasons, the Offenham Inspector states that at the heart of national planning

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<sup>2</sup> Appeal Ref: APP/H1840/A/13/2203924

policy, the Government aims to boost significantly the supply of housing, as expressed in paragraph 47 of NPPF (Paragraph 11).

- 4.17 Furthermore, and notwithstanding the weight it could be given at the time, the Offenham Inspector contended that Hunston was supported by the then Draft National Planning Practice Guidance, since finalised in PPG.

**"... the Draft National Planning Practice Guidance (NPPG) states that household projections, which formed the basis of the RS assessment of housing need are trend based and could have been suppressed by factors such as historic under supply and worsening housing affordability." (Paragraph 23)**

- 4.18 The Offenham Inspector summed up the cumulative impact of Hunston, Draft National Planning Practice Guidance and RS revocations as follows:

**"The Hunston judgements, the Draft NPPG and the revocation of RS all change the strategic planning backdrop to this appeal and bring to the fore the need for local planning authorities to have a full understanding of housing needs in their area, as required in paragraph 159 of the Framework, and to meet it fully, as required in paragraph 47." (Paragraph 25)**

- 4.19 Finally, in concluding that that the Council is unable to robustly demonstrate a 5 year housing supply case, it is clear that the Offenham Inspector gave weight to market signals. Summing up one of his 5 reasons for finding the Council's 5 years' housing land supply unconvincing as follows:

**"... (iv) the evidence of current market signals in relation to housing under provision and inaffordability" (Paragraph 36)**

#### ***The Droitwich Decision, July 2<sup>nd</sup> 2014***

- 4.20 The Droitwich decision, recovered by the Secretary of State (**CD43**), allowed the development of land for up to 500 dwellings in Droitwich, Wychavon. With respect to whether the proposed development was necessary to meet the housing needs of the district bearing in mind the housing land supply position, the Secretary of State agreed with the Inspector's interpretation of the Hunston High Court judgement:

**"In my view it is concerned with a proper understanding of how to determine full objectively assessed need in circumstances where, as here, there is a policy vacuum. It requires the identification of a "policy off" figure. Policy is the "varnish" which the Court of Appeal refers to: the application of "varnish" is what happens in the forward planning process but is an exercise which cannot be assessed in the context of a s78 appeal. The Council's case that "unvarnished" means arriving at a figure which doesn't take into**

**account migration or economic considerations is neither consistent with the judgement, nor is it consistent with planning practice for deriving a figure for objectively assessed need to which constraint policies are then applied. Plainly the Council's approach is incorrect. Clearly, where the judgement refers to 'unvarnished' figures (paragraph 29) it means environmental or other policy constraints. There is nothing in the judgement which suggests that it is not perfectly proper to take into account migration, economic considerations, second homes and vacancies."** (CD43, paragraph 8.45)

- 4.21 It is quite clear, from the paragraph quoted above, that the Droitwich Inspector regards economic considerations as pertinent to the objective assessment of housing need, and that the Secretary of State agrees with him.

***The Fairford Decision, 22<sup>nd</sup> September 2014***

- 4.22 The Fairford decision<sup>3</sup>, allowed development of land for up to 120 dwellings in Fairford, Cotswold. The Inspector observes that Cotswold Council did not have an OAN and did not have a clear understanding of housing need. Specifically, the Inspector points to the fact that whilst regard is given to demographic projections, neither employment considerations nor market signals had been addressed, as they properly should have done in a PPG compliant assessment of need. The Inspector therefore concluded as follows:

**"The figures it [the Council] has produced for housing requirement do not represent the OAN for the District, and do not take account of employment considerations or market signals, as required by the PPG. Consequently, in the absence of an OAN I conclude that the Council is unable to demonstrate a five-year supply of deliverable housing sites."** (Paragraph 8.45) (my emphasis)

- 4.23 It is evident that the Fairford Inspector considers that 5 year land supply cannot be assessed without first having assessed need in line with PPG and that in the absence of a robust assessment of OAN, the LPA cannot demonstrate a 5 year supply because quantifying housing need is the first necessary step.

***The Stokesley Decision, 7th September 2015***

- 4.24 The Stokesley decision (**CD44**) allowed development of 226 dwellings in Hambelton. In the context of an out of date housing policy, the Inspector found it necessary to arrive at OAN for the district so that the five year housing requirement could be determined.

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<sup>3</sup> Appeal Ref: APP/F1610/A/14/2213318

- 4.25 To do so, the Inspector refers to the PPG and the stepped approach to assessing housing need that starts with the household projections, involves an assessment of likely change in job numbers and adjusting for market signals (CD44, page 2, paragraph 11).
- 4.26 It is evident that Stokesley Inspector recognised that housing need includes the number of homes necessary to meet job demand and that if demographic need does not supply enough homes to meet job demand, then it cannot be presented as full objectively assessed housing need (CD44, page 3, paragraph 12 to 17).
- 4.27 Of particular note is that in determining how many homes were required to meet job demand, the Inspector explicitly rules out changing (in this case reducing) the commuting ratio over the plan period (CD44, page 3, paragraph 16), because of the unknown effects recalling commuters might have. The Inspector also makes reference to the PAS Guidance<sup>4</sup> on OAN, which at paragraph 8.16 states that *"the expected shift in commuting should be believable, and acceptable to the other local authorities affected by it. Strategies of recalling commuters should not be adopted unilaterally; they require cross-boundary agreement in line with the Duty to Cooperate."* That exercise is beyond the scope of OAN.

#### ***The Coalville Decision, 5th January 2016***

- 4.28 The Coalville decision (**CD50**) allowed the development of up to 180 dwellings in Coalville, North West Leicestershire. One of the main issues identified by the Inspector was whether the Council could demonstrate a 5 year land supply and sufficient to meet the full objectively assessed need (FOAN) for housing.
- 4.29 In this case FOAN was disputed and so it was necessary for the Inspector to first consider and conclude how the assessment should be carried out and then reach a conclusion on full housing need, for the purposes of the appeal. The Inspector's conclusions on the approach to assessing need can be summarised as follows:
- 4.30 **First**, an existing SHMA is not FOAN if it does not adequately address economic forecasts, and whilst there is no set FOAN methodology, the methodology used must be robust. (CD50, page 6 paragraph 21 and 25).
- 4.31 **Second**, the PPG and PAS Guidance allow for adjustments to the household projection based estimate of housing need, i) to address suppressed need in the 2012-based household formation rates by reverting in part back to the 2008-based rates, where the relevant market

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<sup>4</sup> Objectively Assessed Need and Housing Targets, Technical Advice Note; Planning Advisory Service, July 2015



signals are shown to be worsening (CD50, page 6 and 7 paragraph 29), and; ii) to address atypical migration trends where they are observed by substituting the published 5 year migration trends based population projection with a 10 year migration trends based projection (CD50, page 7 paragraph 30).

- 4.32 **Third**, both the PPG and PAS allow economic forecasts to be taken into account (CD50, page 7 paragraph 31).
- 4.33 **Fourth**, Where worsening affordability is observed, then the adjustment made to reach FOAN must be capable of making a material impact on affordability (CD50, page 6 paragraph 25).

***The Solihull Judgement, June 12th 2014***

- 4.34 In Gallagher Homes and Lioncourt Homes versus Solihull Metropolitan Borough Council [2014] EWHC 1283 (admin) (**CD42** "Solihull Judgement"), Mr Justice Hickinbottom, in his discussion pertaining to Ground 1 (that the Council adopted a plan that was not supported by a figure for objectively assessed need), concludes as follows:

**"I respectfully agree with Sir David Keene (at [4] of Hunston): the drafting of paragraph 47 is less than clear to me, and the interpretive task is therefore far from easy. However a number of points are now, following Hunston, clear. Two relate to development control taking.**

- i) Although the first bullet point of paragraph 47 directly concerns plan making, it is implicit that a local planning authority must ensure that it meets the full objectively assessed needs for market and affordable housing in the housing market as far as is consistent with the policies set out in the NPPF, even when considering development control decisions**
- ii) Where there is no Local Plan, then the housing requirement for a local authority for the purposes of paragraph 47 is the full, objectively assessed need."** (CD42, paragraph 88)

- 4.35 Reflecting further on observations made by Sir David Keane in the Hunston Court of Appeal Judgement, Mr Justice Hickinbottom goes on to conclude that:

**" ... in the context of the first bullet point in paragraph 47, policy matters and other constraining factors qualify, not the full objectively assessed housing needs, but rather the extent to which the authority should meet those needs on the basis of other NPPF policies that may, significantly and demonstrably outweigh the benefits of such housing provision."** (CD42, paragraph 91)

- 4.36 A key point here is that that whilst household projections are a starting point in the assessment of housing need, they are not necessarily the same as the full objectively assessed need for

housing, a concept introduced by Mr Justice Hickinbottom at paragraph 37 of his Judgement. Mr Justice Hickinbottom expands on the significance of full objectively assessed need as follows:

**"Paragraph 47 requires full housing needs to be objectively assessed and then a distinct assessment made as to whether (and if so, to what extent) other policies dictate or justify constraint ... The balancing exercise required by paragraph 47 cannot be performed without being informed by the actual full housing need."**  
(CD42, paragraph 94)

- 4.37 Clearly, the full assessment of need is the starting point for policy formulation and decision taking until such time as a Local Plan is in place. A single household projection does not represent objectively assessed need for housing (CD42, paragraph 83 (ii)).

## 5.0 TELFORD & WREKIN COUNCIL POSITION - HOUSING NEED

5.1 In this Chapter I review the Telford & Wrekin Council's housing need evidence base. To that end I have reviewed the Telford and Wrekin Objectively Assessed Housing Need – Final Report, published in March 2015 (**CD22**), the Telford and Wrekin Strategic Housing Market Assessment published February 2014 (**CD19**) and the Telford and Wrekin Local Plan 2011-2031 consultation published April 2015 (**CD21**).

5.2 Through my review I demonstrate that:

- **497 dwellings per annum (2011-2031) should be regarded as Telford and Wrekin Council's current OAN position based on the March 2015 assessment despite the draft Local Plan containing a dwelling requirement for 15,555 dwellings over the plan period which equates to 778 dwellings per annum.**
- **Despite seeking to follow the methodology for assessing OAN as outlined by PPG, an OAN of 497 dwellings per annum is not considered to reflect the true level of objectively assessed need in Telford and Wrekin for two key reasons; firstly, it does not address suppressed household formation for younger residents and; secondly it will not meet economic growth in line with current economic forecasts. This gives rise to the need for an independent assessment by the appellant using the same basic building blocks, which I present in Section 6.**

***i) Telford and Wrekin Objectively Assessed Housing Need – Final Report (March 2015)***

5.3 The Telford and Wrekin OAN final report was published by Peter Brett Associates (PBA) in March 2015. This section critically reviews the OAN report in the context of the NPPF and PPG, and determines the extent to which it can be considered to represent a full OAN for Telford and Wrekin.

5.4 The PBA OAN Report (paragraph 1.1) aimed to address the following questions:

- How wide should Telford & Wrekin's functional housing market be drawn?
- How should the different national population and household projections covering the period up to 2031 be treated as part of the assessment method? What reasonable

adjustments might be made to the assumptions applied to national population and household projections to reflect local circumstances?

- How should recent economic effects of the recession on the projection of future household formation and local labour demand forecasts be treated? Is it reasonable to assume that there will be some return to past trends were the economy to [continue] to improve?
- What is the relationship between the projected need for housing and projected future labour supply?

#### **a) Housing Market Area definition**

- 5.5 The PPG clearly states the need for local authorities to work collaboratively when assessing housing needs, most importantly those local authorities within the relevant housing market area (HMA).
- 5.6 The OAN report (Chapter 2) considers the housing market area based on the Centre for Urban and Regional Studies (CURDS) definition. However, as this research is primarily based on 2001 Census data the report also looks at updated migration and commuting flows from the 2011 Census and concurs with the previous SHMA (February 2014) findings that Telford & Wrekin forms a separate housing market area on its own. Therefore the OAN report assesses housing need for the Borough in isolation.
- 5.7 The analysis undertaken by Barton Willmore and presented in Chapter 3 of **JD1**, also concurs that Telford and Wrekin Borough forms a separate housing market of its own.

#### **b) Objective assessment of housing need**

- 5.8 The OAN report follows the approach for objectively assessing housing need as set out in PPG and outlined in Chapter 2 of this report.

#### ***Demographic Starting Point***

- 5.9 The PPG recommends that the CLG Household Projections should be used as the starting point for assessing housing need. The PPG states the following in relation to the use of official data sources in an assessment:

**"The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers**

**may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office of National Statistics population estimates.”<sup>5</sup>**

- 5.10 The OAN report (Table 3.1) does take account of the most recent CLG 2012-based household projections which show growth of 446 households per annum over the plan period 2011-2031 (equivalent to 461 dwellings per annum once the report’s 3.1% allowance for vacancy and second homes has been applied).
- 5.11 However, at paragraph 3.6 the Report outlines a weakness with the 2012-based Sub National Population Projections (SNPP) which underpin the 2012-based household projections. That is that the 2012-based SNPP are based on migration trends observed over the period 2007-2012. This period coincides with an economic recession and is therefore not considered to represent a robust projection.
- 5.12 To correct this weakness, PBA have created two alternative population projections which they refer to as PBA trends (paragraph 3.8). Both alternative projections use a base year of 2013 and use the ONS 2013 Mid-Year Population Estimates as the starting population. The two scenarios are:
- PBA trends 2003-13 based on a 10-year migration trend from the period 2003-13;
  - PBA Trends 2008-13 based on a 5-year migration trend from the period 2008-2013 which is similar to the ONS SNPP but from a more recent 5-year period.
- 5.13 It is reported that the ONS 2012-based SNPP project growth of 583 people per annum over the period 2011-2031, which is correct. However, the PBA trends 2008-2013 projects higher growth of 785 people per annum and the PBA trends 2003-2013 projects higher growth still of 838 people per annum (Table 3.1, page 13). Barton Willmore has replicated the creation of a 10-year migration trend drawn from the period 2003-2013 and constraining to the 2011-2013 Mid-Year Population Estimates for consistency with the PBA work and analysis (presented in Chapter 5 of **JD1**) shows that Barton Willmore’s equivalent 10-year migration trend results in growth of 754 people per annum – lower than the equivalent scenario produced by PBA.
- 5.14 It is considered that the use of different forecasting models is the reason for the differences seen between the 2003-2013 produced by PBA and Barton Willmore. Barton Willmore use the

<sup>5</sup> Paragraph: 017 Reference ID: 2a-017-20140306, Planning Practice Guidance, 06 March 2014

POPGROUP and Derived Forecast demographic forecasting model maintained by Edge Analytics and used by over 100 organisations (both public and private). POPGROUP is specifically designed to be able to produce alternative migration scenarios in a way that replicates (to a degree) the ONS method. It is believed PBA use a forecasting model developed by John Hollis but specific details are not known.

- 5.15 The OAN report initially considered household formation based on the 'interim' 2011-based household formation rates but adjusted these by applying an indexed return after 2021 to the pre-recession trend (as termed by PBA in paragraph 3.8) of the CLG 2008-based rates. However, following publication of the CLG 2012-based household projections on 27 February 2015, PBA produced a new set of projections called PBA Trends Adjusted which applied the CLG 2012-based household representative rates (with no adjustments) to the PBA trends population projections described above.
- 5.16 Analysis undertaken by Barton Willmore (and presented in Chapter 6 of my Proof) has found that the CLG 2012-based household representative rates project lower household formation rates for those people aged 25-34 years than the 'interim' 2011-based household formation rates. PBA acknowledged that the 'interim' 2011-based rates were affected by the recession, hence the reason for applying the original adjustment assuming an indexed return to the 2008-based rates. For this reason it is unclear why PBA have decided not to make a similar adjustment to the 2012-based rates given they project lower rates than the 'interim' 2011-based rates.
- 5.17 Using the 2012-based household formation rates with no adjustments will continue to project suppressed household formation. PPG recommends that where rates may have been historically suppressed the rates may require adjustment (paragraph 15). Therefore in this instance an adjustment to the 2012-based rates is deemed necessary. Barton Willmore recommend a gradual return to the pre-recessionary 2008-based rates should be considered for the younger age groups. Using the 2008-based rates as a benchmark of unsuppressed household formation is considered appropriate and an approach also adopted by PBA before the publication of the 2012-based household formation rates.
- 5.18 The OAN report (paragraph 3.25) presents housing need based on demographic-need alone as 483 dwellings per annum based on the short term PBA Trends Adjusted 2008-2013 scenario, increasing to 497 dwellings per annum based on the long term PBA Trends Adjusted 2003-13 scenario. Both trends are presented as being comparable with growth shown in the 2012-based household projections of 446 households (or 461 dwellings per annum) with the differences being as a result of the alternative starting population age and gender profile.

- 5.19 Dwelling growth is calculated by PBA in the March 2015 OAN report by applying a 3.1% adjustment factor to the household number to account for vacancy and second homes based on 2011 Census data (paragraph 3.21).
- 5.20 The long term trend scenario is presented as being more robust because it is based on a longer reference period (paragraph 3.26). **For this reason the OAN is presented by PBA as being 497 dwellings per annum over the period 2011-2031** (paragraph 3.27).
- 5.21 The PBA Study also considers the demographic implications of providing 15,000 net new dwellings (750 per annum) over the period 2011-2031 (paragraphs 3.28 to 3.32). This is the number of dwellings Council officers' estimate is the Borough's supply capacity over the plan period and whilst it has no bearing on the OAN, it has been produced to help inform the Council's thinking on the policy target.

### ***Accounting for Economic Growth***

- 5.22 The PPG emphasises the need for plan makers to take employment trends into account when assessing overall housing needs. To this effect, it states that plan makers should consider past trends and forecasts of job growth when objectively assessing housing need, and explicitly reinforces that a 'failure to do so will mean that there would be an increase in unmet housing need'<sup>6</sup>.
- 5.23 In line with PPG, the PBA OAN Report considers if the demographically projected housing need would provide enough workers to support Telford and Wrekin's expected job growth.
- 5.24 PBA commissioned Experian to produce an employment forecast based on the preferred PBA Trends 2003-2013 population projection referred to as Experian's 'Trends Scenario'. The PBA report states that the population assumption is the only difference between Experian's 'Trends Scenario' and the standard Experian 'baseline forecast' dated December 2014 (paragraph 5.2).
- 5.25 Experian's standard baseline forecast (December 2014) shows growth of 810 jobs per annum in Telford and Wrekin over the period 2011-2031. The 'Trends Scenario' based on applying Experian's economic assumptions to the PBA Trends 2003-13 scenario shows growth of 852 jobs per annum.

<sup>6</sup> Reference ID: 2a-018-20140306, Planning Practice Guidance, 06 March 2014

- 5.26 The PBA OAN report concludes that the demographic-led need represented by the PBA Trends Adjusted 2003-13 will support a healthy economic future and therefore there is no requirement for a further adjustment to support economic growth (paragraph 5.21).
- 5.27 Barton Willmore have assessed the Council's job growth of 852 jobs per annum and within the context of past trends and economic forecasts (see Chapter 6 of **JD1** for more detail) consider 852 jobs per annum to be high. Barton Willmore's recommendation would be for a slightly lower, but yet more realistic job target of 690 jobs per annum to be used for the purposes of assessing OAN. This is based on an average of growth projected over the period 2011-2031 by Experian Economics September 2015 forecast (737 jobs per annum), Oxford Economics October 2015 forecast (441 jobs per annum) and Cambridge Econometrics (893 jobs per annum).
- 5.28 It is argued that economic forecasts produced by the three forecasting houses referred to above, already include a view on the future population and therefore it is logically inconsistent to then use these economic forecasts against a different population projection. This point is accepted. However, both Cambridge Econometrics and Oxford Economics have confirmed that their forecasts are demand based and not constrained by population (see JD1, Appendix 4 of this report). Furthermore, exploration of the economic outputs from Experian (published as Appendix D to the March 2015 PBA OAN report) has found that job demand figures are near identical to the projection of workplace jobs suggesting that for Telford and Wrekin, use of the Experian baseline forecasts is reasonable as an indication of future job demand.
- 5.29 Barton Willmore have modelled the housing need of 690 jobs per annum and the result is 961 dwellings per annum would be required. This is a significantly higher housing need than that indicated by the PBA assessment for a lower job growth target. Even if the lower end of the projected job growth range is taken (441 jobs per annum as projected by Oxford Economics) the associated dwelling need is 643 dwellings per annum if 2012-based household formation rates are applied, with the need rising to 774 dwellings per annum if a full return to the 2008-based rates by 2031 are applied for those aged 25-44 years, which again is still higher than the housing need projected by PBA for a much lower job growth target.
- 5.30 The results of Barton Willmore's modelling presents a very different picture of housing need compared to PBA's assessment. For example, the PBA work shows fewer dwellings are required for higher job growth. This suggests that there are marked differences in respect of the underlying economic assumptions (unemployment, commuting ratio and economic activity) which are outlined below.



Underlying economic modelling assumptions*Unemployment rates*

- 5.31 A comparison of the unemployment assumptions used in the Barton Willmore and PBA modelling work is shown in Table 5.1.

**Table 5.1: Comparison of unemployment assumptions for Telford and Wrekin**

	<b>Barton Willmore</b>	<b>PBA</b>
<b>2011</b>	9.1%	9.7%
<b>2012</b>	8.7%	8.6%
<b>2013</b>	8.2%	9.3%
<b>2014</b>	7.8%	7.3%
<b>2015</b>	7.3%	6.4%
<b>2016</b>	6.9%	5.8%
<b>2017</b>	6.4%	5.2%
<b>2018</b>	6.0%	4.5%
<b>2019</b>	5.5%	4.3%
<b>2020</b>	5.1%	4.3%
<b>2021</b>	4.6%	4.3%

Source: Barton Willmore and PBA

- 5.32 Table 5.1 illustrates that whilst PBA assume higher unemployment at the start of the projection period, the unemployment rate is modelled to fall more quickly by PBA reaching 4.3% by 2021 which is then held constant to 2031. In contrast Barton Willmore assume a more gradual reduction in unemployment reaching the pre-recession average by 2021 (4.6%) which is then held constant to 2031. PBA's use of a lower unemployment rate assumes that more labour can be drawn from the resident labour supply meaning that fewer homes will be needed to attract more workers.
- 5.33 The source of the PBA unemployment rates is not stated in the report. However, the unemployment rates used by Barton Willmore are taken from the Annual Population Survey (APS) model based estimates of unemployment which is considered a robust source as it is the only source that is regularly updated at a local level and provides consistent analysis back to 2004, allowing the calculation of a pre-recession average.

*Commuting rate*

- 5.34 Analysis of the commuting rate assumptions highlights that both Barton Willmore and PBA assume that Telford and Wrekin is a net importer of labour. However, PBA assumes that Telford and Wrekin relies more heavily on labour from outside of the district. Whilst Experian do not use a commuting ratio directly, analysis of the economic outputs for the preferred PBA

Trends 2003-13 scenario (Appendix D of the March 2015 OAN report) has identified that PBA/ Experian assumes that Telford and Wrekin relies more heavily on labour from outside of the district.

- 5.35 The ratio of resident based employment and workplace jobs generates a commuting ratio of 0.85 in 2011 which reduces to 0.82 by 2031. However, after taking account of double-jobbing (thereby basing the ratio on resident based employment and workplace based employment) the assumed commuting ratio is 0.88 in 2011. Whilst the ratio fluctuates ever so slightly over the projection period, the ratio remains at 0.88 by 2031. The latter approach assumes an increase in the number of double-jobbers for which there is no clear justification. On this basis, and to provide consistent comparison with Barton Willmore's approach, the assumed commuting ratio of 0.85 reducing to 0.82 by 2031 is considered to provide a consistent comparison with Barton Willmore's approach.
- 5.36 By assuming a decline in the commuting ratio from 0.85 to 0.82 over the projection period, PBA/ Experian are increasing the reliance on labour from outside of the district which has the effect of supporting additional job growth without any additional dwelling growth. Using the published economic outputs from Experian for the PBA Trends 2003-13 scenario, Barton Willmore estimate that the assumed decline in the commuting ratio is resulting in an additional 4,167 jobs being supported in Telford and Wrekin over the period 2011-2031. If the 2011 commuting rate is held constant within PBA/ Experian's analysis then it is estimated an additional 12,897 jobs could be supported in Telford and Wrekin over the period 2011-2031 (645 per annum), not 17,064 (853 per annum) as indicated in the March 2015 OAN report.
- 5.37 Furthermore, assuming a fall in the commuting ratio, as is the approach used by PBA/ Experian, will have an impact on neighbouring authorities or those authorities from which commuters to Telford and Wrekin originate. As the PAS guidance states:

**"The expected shift in commuting should be believable, and acceptable to the other local authorities affected by it. Strategies of recalling commuters should not be adopted unilaterally; they require cross-boundary agreement in line with the Duty to Cooperate."**<sup>7</sup>

- 5.38 In this instance it is considered the strategy of assuming a higher reliance on labour from outside of the borough should have the same cautions applied, in line with the approach adopted by the Stokesley Inspector, who also had regard to the PAS guidance (see my paragraph 4.27).

<sup>7</sup> Paragraph 8.16, Page 36, Objectively Assessed Need and Housing Targets: Technical Advice Note, July 2015, Prepared by PBA for the Planning Advisory Service

- 5.39 Barton Willmore's analysis of commuting flows based on 2011 Census data results in a commuting ratio of 0.94 which is held constant throughout the projection period (2011-2031). PBA's use of a lower commuting ratio (0.85 at the start of the projection period) means that housing need to support job growth will be lower based on PBA's assessment as it assumes that a greater proportion of the labour needed to support the job growth will come from outside of the district. As data from a census year is usually used as a benchmark to re-base various official data sets, it is considered that a commuting ratio from the 2011 Census is more reliable than one calculated independently by Experian.
- 5.40 Furthermore, Barton Willmore's approach of fixing the commuting ratio over the projection period rather than assuming a decline as used in the PBA/ Experian analysis is considered the more robust approach. In the context of the ratio from the 2001 Census (0.93) Barton Willmore's approach to hold constant the commuting ratio at 0.94 (from the 2011 Census) is considered reasonable.
- 5.41 If Barton Willmore's commuting rate assumption (0.94) is applied to PBA/ Experian's residence based employment estimate for the PBA Trend 2003-13 then it is estimated that only 10,361 jobs (518 per annum) could be supported over the period 2011-2031, not 17,064 jobs (853 per annum) as indicated by PBA/ Experian. 518 jobs per annum is below the level of growth projected by recent job demand forecasts, suggesting that on this basis the PBA Trend 2003-13 would not support economic growth in line with recent economic forecasts as required by PPG.

#### *Economic activity rates*

- 5.42 PBA have published economic activity rate assumptions as part of the economic outputs (Appendix D of the March 2015 OAN report). These are presented as a combined rate for males and females and for ages 16+, 16-64, 65+ years and working age. It is not clear whether more detailed rates were used in the modelling work and what the upper age limit is of the age ranges (if there is one). Barton Willmore use separate economic activity rates for males and females and by five year age group up to the age of 74 years. However, in order to aid comparison with the rates published by PBA, the Barton Willmore rates have been combined and are presented in Table 5.2 alongside the PBA rates.

**Table 5.2: Comparison of economic activity assumptions for Telford and Wrekin**

	<b>Barton Willmore</b>	<b>PBA</b>
	<b>2011</b>	<b>2011</b>
<b>Overall (16+)</b>	64.0%	61.5%
<b>16-64</b>	76.5%	73.5%
<b>65+</b>	8.6%	8.1%
	<b>2031</b>	<b>2031</b>
<b>Overall (16+)</b>	59.5%	60.8%
<b>16-64</b>	76.9%	75.7%
<b>65+</b>	12.6%	19.2%

Source: Barton Willmore/ PBA

- 5.43 Table 5.2 illustrates that in the base year (2011) and final year of the forecast (2031) Barton Willmore applies higher economic activity rate assumptions than PBA. However it is expected that the rates are not directly comparable because Barton Willmore's economic activity rates only extend to age 74 years, whereas PBA's may go beyond this age. If this is the case, then PBA's economic activity rates may be diluted because, for example, the number of people working beyond 74 years will be low – calculating a rate as a proportion of all people over the age of 65 years rather than 65-74 years will create a lower rate. However, due to the ageing population, a lower rate applied to all people over the age of 65 years will result in a higher number of economically active people than a higher rate applied to just those aged 65-74 years.
- 5.44 Sensitivity testing of the PBA/ Experian economic activity rate assumptions (which has involved applying the published PBA/ Experian economic activity rates to the PBA Trend 2003-13 population projection) has generated the same labour force projection as published by PBA/ Experian. This has confirmed that PBA/ Experian do apply the economic activity rates for 65+ year olds to all people over the age of 65 years.
- 5.45 As an additional test, Barton Willmore has considered the impact of applying the PBA/ Experian economic activity rate for 65+ year olds, to just the population aged 65-74 years. This results in growth of the overall labour force that is 3,024 fewer than when the economic activity rate for 65+ year olds is applied to all people over the age of 65 years (+4,378 compared to +7,402 over the period 2011-2031). This suggests that all of the 3,024 labour force difference in is attributed to growth in people over the age of 74 years. It is not considered reasonable to assume that 41% of all growth ( $=3,024/7,402 \times 100$ ) in the resident labour force will be aged 75 years and over. Put differently, is it reasonable to assume that 19.2% of all people aged 86 years, for example, will be working, which is the assumption made by PBA?
- 5.46 Given the inconsistencies between PBA and Barton Willmore with regards to the age groups, it is perhaps more important to consider the change in economic activity rates between 2011 and 2031 applied by each party. PBA project a fall in overall economic activity (16+) between 2011

and 2031 which is considered unlikely given that PBA project a growth in the economic activity rate for both 16-64 and 65+ year olds. The PBA rates assume a 137% increase in economic activity of 65+ year olds whereas Barton Willmore assume an 76% increase. Whilst increases to State Pension Age will see economic activity increase in those aged 65+, it is important not to over exaggerate the future labour supply from an ageing population as this is likely to be unachievable in reality.

- 5.47 The Barton Willmore approach to projecting economic activity rates is set out in more detail in **JD1** and summarised in Chapter 6 of this proof. I consider Barton Willmore’s approach to be robust and methodological.
- 5.48 Although the difference in economic assumptions may appear small, these indicators are highly sensitive and therefore a slight difference in assumption can lead to very different results of housing need. It is Barton Willmore’s opinion that the assumptions made by PBA in relation to commuting and economic activity are unreasonable for the reasons outlined above and for this reason Barton Willmore’s approach should be preferred, providing a more robust assessment of housing need.

### **c) Market Signals Adjustment**

- 5.49 PPG states that the housing need number suggested by household projections will require an upward adjustment if there is a worsening trend in any of the indicators including; land prices, house prices, rents, affordability, rate of development and overcrowding (paragraphs 19 and 20).
- 5.50 The Telford and Wrekin OAN report considers all of the market signals outlined in PPG.
- 5.51 Analysis of past housing delivery shows that housing delivery has consistently fallen short of the targets. However, lack of land supply is not presented as the reason for this shortfall, rather lack of demand and poor viability led to delayed development (paragraph 4.20).
- 5.52 It concludes that there is nothing in the market evidence to suggest that demographic projections based on recent 5-year or 10-year trends underestimate future housing need and should be adjusted upwards (paragraph 4.51).
- 5.53 Barton Willmore disagree with this assessment as our analysis of market signals (presented in Chapter 7 of this report) indicates a worsening trend with regards to overcrowding, concealed households and worsening affordability, and past housing delivery falling significantly below

target. On this basis, it is considered necessary to provide an uplift to address market signals issues in Telford and Wrekin.

#### **d) Affordable Housing Need Assessment**

- 5.54 The PBA report does not undertake a new assessment of the need for affordable housing but rather summarises the findings of the Telford and Wrekin SHMA (2014).
- 5.55 The Borough's total affordable housing need is estimated to be between 567 and 1,859 net new affordable units per annum, depending on whether the backlog of existing households in need is absorbed over five years or the 20-year plan period (paragraph 4.37).
- 5.56 The affordable need for net new dwellings alone is 1,237 dwellings per annum if the backlog is spread over five years and 445 dwellings per annum if it is spread over 20 years (paragraph 4.40).
- 5.57 This identified level of need is significantly higher than past delivery rates of affordable housing as presented in Table 5.3.

**Table 5.3: Historic affordable housing delivery in Telford and Wrekin**

<b>Year</b>	<b>Affordable completions</b>
2006/07	21
2007/08	73
2008/09	139
2009/10	184
2010/11	202
2011/12	275
2012/13	283

Source: Table 4.2, Telford and Wrekin OAN Final Report (March 2016)

- 5.58 The OAN report states that to pay for the lowest of the affordable needs (445 affordable dwellings per annum over 20 years) at the average ratio of delivery over the last five years (38% annual affordable delivery) total housing development would have to be 1,171 dwellings per annum (paragraph 4.47).
- 5.59 Even on this basis the level of affordable need is greater than the OAN for 497 dwellings per annum (2011-2031).
- 5.60 To help deliver some of this affordable housing the OAN report states that the Council should be looking for realistic opportunities to attract market demand and build housing over and

above the OAN calculated (paragraph 4.49). This additional demand could be overspill from the Greater Birmingham, Solihull and Black Country housing market.

***ii) Strategic Housing Market Assessment (February 2014)***

- 5.61 The February 2014 SHMA was published by 'Housing Vision' and replaced the previous SHMA published in 2008 by Nevin Leather Associates.
- 5.62 The NPPF requires all local planning authorities to produce a SHMA to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries (paragraph 159).
- 5.63 As mentioned above, the overall assessment of housing need for Telford and Wrekin as set out in the SHMA has now been superseded by the Telford and Wrekin Objectively Assessed Housing Need report (March 2015) produced by Peter Brett Associate. For this reason, only a brief review of what the SHMA reported is presented here with a particular focus on those parts which have not been updated by the PBA OAN report.

***Objective Assessment of Overall Housing Need***

- 5.64 The 2014 SHMA is not considered to provide a full objective assessment of overall housing need to comply with the NPPF and PPG requirements.
- 5.65 The SHMA failed to incorporate the most recent data sources (including the CLG 2011-based 'interim' household projections) that were available at the time of publication, and relied heavily on population projections which are out of step with those the preceded and succeeded them. Additionally, no sensitivity testing was carried out on this demographic forecasting.
- 5.66 There was no consideration of employment forecasts in the formulation of an overall housing requirement. This is contrary to the PPG requirement to take account of likely growth in labour demand in order to prevent increases in unmet housing need.
- 5.67 The SHMA does not provide a PPG compliant assessment of relevant market signals, specifically whether upward adjustment is required to household projections, despite reporting a significant shortfall in delivery between 2006 and 2013, annual affordable need in excess of the proposed draft Plan housing target, and a high affordability ratio.

### ***Affordable Housing Need Assessment***

- 5.68 The SHMA provides detailed assessment of affordable housing need, taking into account both forecasted newly-arising need backlog need.
- 5.69 The backlog element of the assessment is based primarily on data provided from Telford and Wrekin's housing register. This is considered to be the most robust approach, and as such, the backlog need identified is likely to be a realistic representation of need in Telford and Wrekin. In total, backlog need equates to an annual requirement for 1,722 affordable dwellings, 2011-2016.
- 5.70 In addition to backlog need, the SHMA identifies newly arising affordable housing need between 2011 and 2016 at 770 households per annum. After taking account of re-lets and re-sales the SHMA identifies an annual net affordable requirement for 1,608 affordable homes per annum over 5 years (8,040 in total). This is an increase from the previous 2008 SHMA which showed total affordable need for 1,240 new homes per annum over 5 years<sup>8</sup>.
- 5.71 The assessment also identifies the likely proportion of all future household growth 2011-31 that is deemed likely to require affordable housing. Of the 10,651 households the SHMA expects to form over the 20 year period, 47% are expected to require some form of affordable housing. It is unlikely that this proportion of affordable housing could be sustainably delivered by the market. When the backlog of need, which adds a further 8,040 to the overall housing requirement, is taken into account, just 27% of housing required would be market housing.

### ***Needs for all Types of Housing***

- 5.72 Both the NPPF and PPG set out the requirement to identify the need for certain types of housing and the needs of different community groups once an overall housing figure has been identified.
- 5.73 The 2014 SHMA does set out a detailed requirement of need by tenure and size and household type. However, this assessment is based on the SHMAs overall assessment of housing need which as mentioned above is not considered to comply with NPPF and PPG requirements and which has since been updated by the PBA OAN report (March 2015).

<sup>8</sup> Table 5.8, page 231, Telford & Wrekin Strategic Housing Market Assessment, February 2014



## **Telford & Wrekin Council – Local Plan 2011-2031 – Consultation (August 2015)**

- 5.74 In August 2015 the Council published the Telford & Wrekin Local Plan for consultation. This sets a vision for the Borough that includes:

**“...the provision of sufficient homes of the right type and quality in the right places to meet a growing and ageing population, the right businesses and jobs to provide employment, economic prosperity and education to deliver the skills required by growing business as well as the provision of services and facilities to meet our communities’ current and future needs”** (CD11, page 26, paragraph 2.42)

- 5.75 The aims and objectives of the Local Plan expand the vision and provide the basis for the spatial strategy and policies of the Plan.

- 5.76 Aim 1 of the Plan is to ‘promote prosperity and opportunity for everyone’. Although the Plan does not state a specific job target, Policy EC1 of the Plan states:

**“The Council anticipates a minimum of 110 hectares employment land to be required over the lifetime of the Local Plan for uses within the B Use Classes”** (CD11, page 45, policy EC1)

- 5.77 Aim 2 is to ‘meet local housing needs and aspirations’ with Policy HO1 of the Plan setting out a housing requirement for Telford & Wrekin Borough of 15,555 new dwellings between 2011 and 2031. The Plan goes on to say:

**“The housing requirement set out in Policy HO1 is higher than the objectively assessed needs identified in the PBA report, which identified an overall housing need of 9,940 dwellings up to 2031. The housing requirement is therefore not solely based on the overall housing need. It also allows for additional development of an appropriate scale, nature and location which will support delivery of the overall plan vision and growth strategy, including supporting the delivery of affordable housing”** (CD11, page 66, paragraph 5.4)

- 5.78 The draft Plan’s housing requirement for 15,555 dwellings over the plan period (778 dwellings per annum) is higher than the objectively assessed need (OAN) for 9,940 dwellings (497 dwellings per annum) over the period 2011-2031 as identified in the Telford & Wrekin Objectively Assessed Housing Need report (March 2015) undertaken by Peter Brett and Associates (PBA).

***Summary of Critique***

5.79 Having reviewed the March 2015 OAN report in detail, it is considered that the approach taken in carrying out this Objective Assessment of Housing Need is flawed, for the following reasons:

- Headship rates – it is considered that the approach taken regarding headship rates does not adequately account for the possibility that household formation for younger people could make a full return to pre-recession levels.
- Adjustments to support job growth – the OAN report concludes that an adjustment to support economic growth is not required but this judgement is reached through; a high reliance on labour from outside of the Borough; low unemployment rate assumptions; and a large reliance on increased economic activity of people aged 65+ years. All such assumptions are considered unreasonable and it is considered that an adjustment to the demographic OAN is required to support job growth in line with current forecasts.
- Market Signals – the Council does not consider there to be anything in the housing market evidence that warrants an adjustment to the demographic OAN, despite evidence of worsening trends.
- Affordable Housing - The 2014 SHMA identifies net affordable housing need of between 445 and 1,237 dwellings per annum depending on whether the backlog is cleared over 5 or 20 years. The 2015 OAN report acknowledges that this would require housing delivery in excess of 1,171 dwellings per annum at the average rate of delivery over the last 5 years. This is significantly higher than the OAN of 497 dwellings per annum, meaning that the affordable housing deficit will continue to grow. If the affordable housing deficit continues to grow, market signals (especially affordability and overcrowding) are likely to worsen further.

## **6.0 OBJECTIVE ASSESSMENT OF HOUSING NEED FOR TELFORD & WREKIN**

- 6.1 The assessment of housing need presented here is a summary of the analysis and conclusions for Telford and Wrekin presented in **JD1**.
- 6.2 As presented in Chapter 3, full objectively assessed housing need is that which addresses and meets in full the latest demographic based need, policy off projected labour demand and the need to improve affordability (where a problem is shown to exist).
- 6.3 **In this chapter I demonstrate that there is a need for 961 dwellings per annum to meet Telford and Wrekin's objectively assessed overall housing needs.**
- 6.4 It is considered that OAN of 961 dwellings per annum:
- will at least equal the housing need number implied by the latest demographic evidence;
  - will at least accommodate projected job demand; and,
  - on reasonable assumptions, can be expected to help improve affordability.
- 6.5 The level of housing need I identify after 2011 does not address past shortfall against delivery accumulated over preceding years. The housing need identified is newly arising need from 2011 onwards and in this respect does not address any backlog in need from earlier years.
- 6.6 The remainder of this section sets out each stage of the full objective assessment of housing need (FOAN) for Telford and Wrekin, before examining the need for affordable housing there.

### **Assessment of Telford and Wrekin Household Formation Rates**

- 6.7 For the purpose of assessing housing need, PPG advises that the household projection-based (starting point) household formation rates may require adjustment if they have been suppressed historically by under-supply and worsening affordability. That adjustment should be based on evidence of the extent to which household formation is or has been constrained (ID2a-015).
- 6.8 Prior to addressing the starting point estimate of need for Telford and Wrekin, I examine the available evidence, determine whether household formation has been suppressed within the district and conclude whether adjustment to the published household formation rates is necessary and what that adjustment should be.

- 6.9 Household representative (HR) rates are used by DCLG to convert household population growth projections into household growth projections. For the purposes of this exercise, HR rates are the same as the household formation rates referred to in PPG. The HR rate for any given point in time is an estimate of how likely it is, by gender and age group that each individual will 'represent' a household (formerly referred to as head of household).
- 6.10 Like the population projections, HR rate projections are trend-based, taking their bearings from Census data. At the time of writing, the 2012-based household projections provide the most up to date HR rate projections. However they are heavily caveated, particularly across the 25-44 age range, from which first time buyers emerge.
- 6.11 My detailed analysis (see figure 1) reveals deterioration in the 2012-based HR rate between 2001 and 2011 compared to the 2008-based HR rates which follow a forty year trend (1971 to 2001) and are taken to be the norm.
- 6.12 Comparative deterioration of the 2012-based rate is indicative of suppressed household formation. That suppression is projected forward and for the most part, the gap widens between the 2012-based HR rate and the 2008-based norm over time. Deviation from the 2008-based HR rates is most pronounced in the 25-34 age group and there is also significant deviation in the age group 35-44 years.
- 6.13 In deviating from the norm, the 2012-based HR rates are characteristic of the interim 2011-based HR rates that they have now replaced. Both effectively assume that the ability of the household population to form separate households would be constrained relative to the norm, most especially in the 25-44 age group.
- 6.14 Deterioration in the 2012-based HR rate relative to the long run trend must be viewed in the context of deteriorating affordability of housing, undersupply and the economic downturn since 2001. The 2012-based HR rate projections represent a departure from the norm because they are shaped by the bleak socio economic context and outlook of post-recession Britain, that preceded Census day (March 27th) 2011.
- 6.15 The 2011 Census recorded household numbers and sizes at a time of economic uncertainty and restraint for many families and revealed fewer households than expected, because exceptional circumstances were preventing household formation. Census 2011 data on households informs the 2012-based household projections and is responsible for the altered HR rate trend that they adopt.

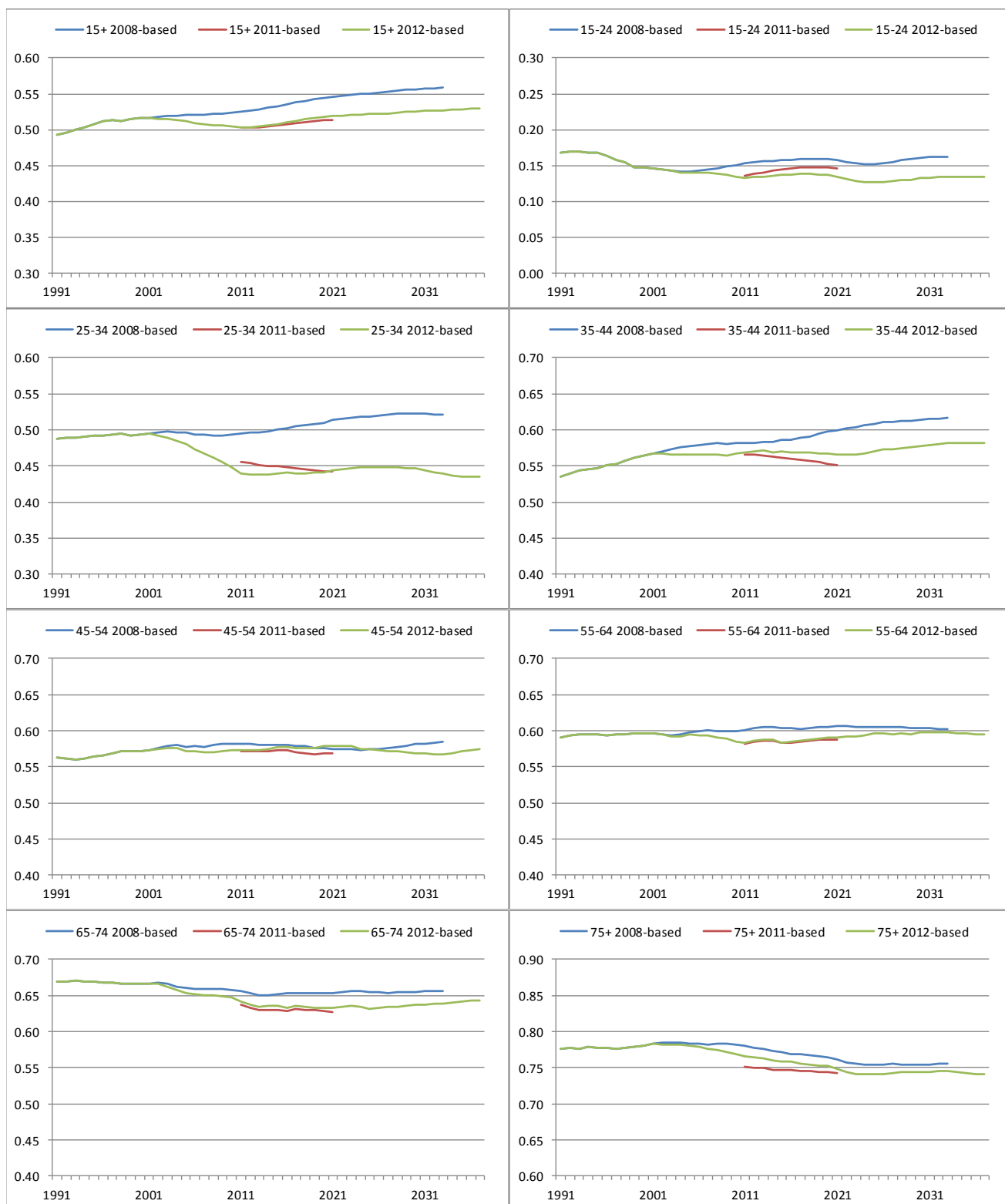
- 6.16 Evidence published by RTPI suggests that the position recorded by the 2011 Census is artificially low, a 'forced' change brought about by economic and affordability of housing constraints, rather than the result of a 'free choice' not to form households (**JD2**). RTPI research and the DCLG observe that most of the shortfall between actual and projected household numbers in 2011 is in the 25-34 and the 35-44 age groups.
- 6.17 One explanation for the shortfall is a 70% increase nationally in the number of concealed families since 2001. According to the 2011 Census there were 853 concealed families in Telford and Wrekin (1.7% of all families) which is a 100% increase from 426 concealed families (1.9% of all families) recorded in the 2001 Census.
- 6.18 A concealed family is a family living in a multi-family household, in addition to the primary family, such as a young couple living with parents (**JD3**). By definition, a family does not include an individual and therefore the figures quoted above exclude concealed individuals. In this respect the issue of concealment is expected to be higher than presented above.
- 6.19 Whereas some of the change in tendency to form households might be attributable to the fact that recent international migrants are observed to form larger households, the toolkit (**JD4**) shows that this is unlikely to be a significant factor in Telford and Wrekin, due to the relatively small average flow of international migrants into Telford and Wrekin over the last decade.
- 6.20 It is fair to conclude that the 2012-based HR rate projections embody suppressed demand or unmet housing need in Telford and Wrekin particularly for those aged 25-34 years. That being the case, they should not be relied upon as a basis for predicting household formation in the future, because to do so would lead to the under provision of housing, undermining the planning systems social role and the social dimension of sustainable development (NPPF, paragraph 7).
- 6.21 The fact of the matter is that housing supply needs to be boosted and housing growth maintained. Significantly increasing housing supply will help improve affordability and it is reasonable to assume that the constraints faced by 24-35 and 35-44 year olds in particular could be alleviated over the next 20 years provided that housing growth is maintained. As such a return to long run trend 2008-based HR rates, across the 25-44 age range by 2031 is merited and so applied in my FOAN.

## Analysis of Household Representative (HR) Rates

**Comparison of HR rates for persons aged 15+, by 10 year age band, 15 to 74 and for persons 75+** is presented in the panels below. The HR rates shown are taken from the DCLG 2008-based (blue line), interim 2011-based (red line) and 2012-based projections (green line). Although the position on a scale of 0 to 1 (0 to 100%) varies, the range on each left hand axis is the same (0.3 or 30%) so that like for like comparison can be made.

By way of explanation, a rate of 0.5 means that 50% of persons in that age group are said to represent a household, so that a hypothetical 100 persons is assumed to represent 50 households.

### Local Authority: Telford and Wrekin



## **Starting Point Estimate**

- 6.22 The CLG 2012-based household projections for Telford and Wrekin estimate overall need for 460 dwellings per annum over the period 2011-2031. This has been calculated by applying an adjustment of 2.97% for vacant and second homes to the base household figures (Source: CLG, CTB 2014 (Second Homes); CLG Live Table 125/615 (Vacant)). This accommodates population growth of 583 persons per annum and the formation of 447 net new households per annum over a 20 year period.
- 6.23 Once suppression adjusted assumptions of household formation are incorporated, the need for dwellings to be built in Telford and Wrekin increases to 580 per annum. It is this figure that I consider to be the starting point, upon which my OAN is built.

## **Adjustment for demographic evidence**

### ***Alternative migration trends***

- 6.24 The CLG 2012-based Household Projections are underpinned by the ONS 2012-based Sub National Population Projections. These population projections are based on short term (5 year) migration trends observed over the period 2007/08 to 2011/12. This period was characterised by a severe economic downturn and the resultant migration trend was depressed in a number of local authorities. For this reason it is sensible to observe trends over a longer period, including a number of years prior to the downturn, and formulate projections on that basis instead. A view which PBA also take.
- 6.25 The Mid-Year Population Estimates published annually by ONS, most recently the 2014 estimates published in June 2015, provide a detailed break-down of population and the components of change (migration and natural change) that determine population growth.
- 6.26 Helpfully, the detailed data is provided not just for 2014, but for each year from 2002 to 2014. As such it provides for analysis of long term (10 year) migration flows, by age and gender, as the basis for an alternative projection of population growth to the published 2012-based Sub National Population Projections.
- 6.27 That being the case, I have prepared an alternative demographic-led scenario based on migration trends observed between 2002/03 and 2012/13 to retain consistency with the time period on which the Council's alternative 10-year migration trend scenario has been drawn. My assessment follows the methodology applied by ONS in producing the Sub National Population Projections whereby an average of migration rates by age and gender are calculated

rather than an average of migration counts. This method is applied for internal migrants only (those moving from elsewhere within the UK). For international migrants (those moving from outside the UK) an average of counts over the ten year period has been taken due to the methodology of the POPGROUP demographic forecasting model used to undertake the assessment.

- 6.28 In summary, the 2012-based Sub National Population Projections result in population growth in Telford and Wrekin of 583 persons per annum over the period 2011 to 2031, whereas, if one assumes that long term annual average migration flows continue into the future, population growth increases to 754 persons per annum.
- 6.29 For clarity, the population change analysis summarised above is also presented in Table 6.1.

**Table 6.1: Demographic-based Population Change in Telford and Wrekin**

	<b>2012-based SNPP</b>	<b>Internal AMFs 2003 to 2013 based</b>
<b>Population 2011</b>	166,831	
<b>Population 2021</b>	173,596	175,329
<b>Population 2031</b>	178,486	181,918
<b>Total population change 2011-2031</b>	+11,655	+15,087
<b>Average annual population change, 2011 to 2031</b>	+583	+754

Source; ONS and Barton Willmore

Note: SNPP = Sub National Population Projection; AMFs = Average migration flows.

- 6.30 My long-term 10-year migration trend scenario projects lower population growth than PBA's alternative 10-year migration trend (838 people per annum over the period 2011 to 2031). However, as mentioned previously (paragraph 5.14), it is considered that my 10-year migration trend should be preferred due to my use of the POPGROUP forecasting model which is widely used and specifically designed to produce alternative migration trend scenarios in a way which replicates (to a degree) the ONS method.
- 6.31 Having modelled a plausible population projection it is then necessary to subtract the population not in households (the communal population) leaving the household population to which HR rates are then applied and household numbers arrived at.



- 6.32 The population not in households is calculated using the same assumptions and method used in the 2012-based household projections. That is by subtracting a fixed number of persons by age and gender up to the age of 74 and a fixed percentage by age and gender over the age of 74. The precise data is Census 2011-based and published at district, gender and 5 year age group level alongside the CLG household projections.
- 6.33 The combined impact of the most recent evidence of population change, deduction of the population not in households and then applying the 2012-based HR rates as published - save for a return to the 2008-based household formation by 2031 in the 25-44 age group - is presented in Table 6.2. This adjustment adds 68 dwellings per annum to the starting point estimate of overall housing need (580 dwellings per annum).

**Table 6.2: Demographic-based Housing Change in Telford and Wrekin**

	<b>CLG 2012-based Household Projections</b>	<b>Adjustment for suppressed need</b>	<b>Adjustment for internal AMFs 2003 -2013</b>
<b>Households (dwellings) 2011</b>	66,662 <b>(68,701)</b>		
<b>Households (dwellings) 2021</b>	71,574 <b>(73,763)</b>	72,796 <b>(75,022)</b>	73,410 <b>(75,655)</b>
<b>Households (dwellings) 2031</b>	75,598 <b>(77,909)</b>	77,923 <b>(80,306)</b>	79,242 <b>(81,665)</b>
<b>Total household (dwelling) change 2011 -2031</b>	+8,936 <b>(+9,209)</b>	+11,261 <b>(+11,606)</b>	+12,579 <b>(+12,964)</b>
<b>Average annual household (dwelling) change, 2011 to 2031</b>	+447 <b>(+460)</b>	+563 <b>(+580)</b>	+629 <b>(+648)</b>

Source; ONS and Barton Willmore Note: AMFs = Average migration flows.

- 6.34 In conclusion, **based on analysis of demographic evidence alone, there is overall need for 648 homes per annum in Telford and Wrekin over the period 2011 to 2031.**

#### ***Adjustment for likely change in job numbers***

- 6.35 To provide an informed forecast of job growth in Telford and Wrekin, workforce job forecasts have been obtained from three sources; Experian Economics (September 2015), Oxford Economics (October 2015), and Cambridge Econometrics (November 2015). Each of these sources provide a 'policy-off' forecast. The average annual job growth forecast by each dataset is set out in table 6.3.

**Table 6.3: Job Growth Forecasts for Telford and Wrekin, (per annum)**

	<b>Experian Economics</b>	<b>Cambridge Econometrics</b>	<b>Oxford Economics</b>	<b>Average</b>
Telford and Wrekin	737	893	441	690

- 6.36 Cambridge Econometrics and Oxford Economics have confirmed that their job growth forecasts are demand-led and not constrained by population. Furthermore, exploration of the economic outputs from Experian (published as Appendix D to the March 2015 OAN report) has found that job demand figures are near identical to the projection of workplace jobs suggesting that for Telford and Wrekin, use of the Experian baseline forecast is also reasonable as an indication of future job demand. For this reason, my approach of using these economic forecasts as future job demand in Telford and Wrekin is considered reasonable.
- 6.37 Given the differences in job growth forecast by each source, I have used an average figure for each authority. The average annual job growth is projected to be 690 net additional jobs per annum in Telford and Wrekin over the period 2011-2031.
- 6.38 In reaching the jobs-led level of housing need, my approach to projecting economic activity rates has followed the Kent County Council methodology (**JD1, Appendix 3**). This is a reasonable approach as it is the only contemporary research that we know of that seeks to predict what might happen to activity rates in the future, taking account of changes to the state pension age and trends in participation including working into old age. Economic activity rates have been calculated using 2011 Census data. Rates for 16 and 17 year olds have been calculated separately to model the impact of the extension of state education to 18 years of age by 2015. The expected impact of which is to slightly reduce economic activity of 16 and 17 year olds post 2015 (although account is taken of the fact that some will still have part-time jobs).
- 6.39 Economic activity rates for the remainder of the population are calculated by 5-year age group. Rates are projected to 2020 following the rate of change projected in the last set of national activity rate projections (2006). Post 2020 rates are held constant for all age groups falling between ages 18 to 49 years. For all age groups over 50 years, activity rates are increased to take account of the extension to State Pension Age and the effective abolition of age-related retirement.
- 6.40 For unemployment, it has been assumed that, over the first ten years of the plan, rates will gradually return to average pre-recession levels. Rates are then held constant at these reduced levels for the final ten years. The appropriate rates for Telford and Wrekin are shown in Table 6.4.

**Table 6.4: Unemployment Rates – Annual Population Survey**

	<b>2011</b>	<b>High (2004-14)</b>	<b>Low (2004-14)</b>	<b>Average (2004-14)</b>	<b>Pre-Recession Average (2004-07)</b>
<b>Telford and Wrekin</b>	<b>9.1%</b>	9.4%	3.8%	6.8%	<b>4.6%</b>
<b>West Midlands</b>	8.7%	9.4%	5.0%	7.4%	5.4%
<b>England</b>	7.7%	8.1%	4.7%	6.5%	5.1%

Source; ONS, Annual Population Survey Model-based Estimates of Unemployment

- 6.41 For commuting, ratios have been derived from the 2011 Census Travel to Work Statistics and held constant throughout the projection period. Telford and Wrekin's commuting ratio is 0.94 which assumes that the district is a net importer of labour. Given the analysis presented in paragraphs 5.39 and 5.40 this is considered a reliable data source and approach to modelling future commuting.

***Job change based estimate of need***

- 6.42 Table 6.5 (below) summarises the potential capacity of the demographic evidence based estimate of housing need, alongside that of the starting point 2012-based household projection, to meet job demand, showing any surpluses/deficits compared with the job change forecast.

**Table 6.5: Job Capacity of Telford and Wrekin's Demographic-based OAN, 2011-2031**

	<b>Population Growth</b>	<b>Jobs Supported*</b>	<b>Job Demand</b>	<b>Surplus/ Deficit</b>
<b>2012-based SNPP</b>	+11,655 (+583 pa)	+3,502 (+175pa)	13,800 (690 pa)	-10,298 (-515 pa)
<b>Internal AMFs 2004-2014 based</b>	+15,087 (+754 pa)	+6,018 (+301 pa)		-7,782 (-389 pa)

Source; ONS and Barton Willmore

\*Arrived at after adjusted for commuting, reduced unemployment and increased economic activity

- 6.43 Telford and Wrekin would fail to meet demand for workers. As such, it is likely that additional dwellings will be required to allow the labour supply to grow sufficiently across the borough.
- 6.44 Table 6.6 summarises the results of assessing the population growth and the associated household and dwelling growth required to supply a labour force of sufficient size to meet forecast job demand of 690 jobs per annum (2011-2031).

**Table 6.6: Jobs Change Evidence Based Housing Need in Telford and Wrekin (2011-2031)**

	Population Growth	Households	Dwellings
<b>Growth of 690 jobs per annum</b>	<b>30,663</b> (1,533 pa)	<b>18,651</b> (933 pa)	<b>19,221</b> (961 pa)

- 6.45 That being the case, on balance I conclude that **there is a need for 961 dwellings per annum to meet both demographic based and job change based need in Telford and Wrekin Borough.**

### **Adjustment for market signals**

- 6.46 The rate of housing delivery over the period 2006/07 to 2013/14 has fallen significantly below target. Between 2006/07 and 2012/13 housing delivery only reached 51% of target representing a shortfall of 4,270 dwellings over this period.
- 6.47 House prices in Telford and Wrekin are significantly higher than they were ten years ago. The affordability ratio is currently 5.7 meaning that a lower quartile priced house costs 5.7 times than lower quartile earnings. However, Telford and Wrekin remains more affordable than the country as a whole.
- 6.48 Proportions of concealed families have increased significantly in Telford and Wrekin (+100%) between 2001 and 2011, far greater than the national average increase (+71%). 12.5% of families where the family reference person is aged under 24 are concealed families in Telford and Wrekin providing a clear indication that household formation among younger people in particular is suppressed.
- 6.49 Analysis of market signals suggests that although less severe than the national average, several adverse market signals have been observed in Telford and Wrekin. This is likely to require an increase in housing supply to improve affordability and widen access to the private housing market. Failure to improve the affordability of house purchasing will inevitably cause increases in rents as demand for this tenure grows.
- 6.50 In light of the need to improve affordability and support a reduction in the number of concealed households, it will be necessary for future housing supply to significantly exceed delivery rates experienced in the recent past. That is because, as the Barker Review findings illustrate, only a significant increase in supply will have an appreciable impact on affordability in the medium term.

- 6.51 According to Barker, taking the year ending 2003 as the base year, reducing house price inflation to 1.1% from its 2.7% 20 year trend rate would price an additional 5,000 English households into the market by 2011. Such an outcome would only be achieved if 120,000 more (86%) additional homes were completed than there were housing starts in the base year. Whereas reducing house price inflation to 1.8% would only have such an effect by 2021 (**JD5**, page 7).
- 6.52 Evidently, it is reasonable to assume that reducing house price inflation to 1.1%, and meeting the benchmark 86% increase in supply through which it was to be achieved, could help to alleviate the affordability problem observed through market signals.
- 6.53 Further, it is clear that the Barker Review findings are of enduring relevance; albeit that more recent assessments find that Barker's '120,000 more starts' has not been achieved, implying that an increase greatly in excess of 86% would be required to reduce house price inflation to 1.1%.
- 6.54 First, in March 2014, the Home Builders Federation marked the fact that a decade has passed since the Barker Review was published with an assessment of what it would now take to reduce house price inflation to 1.1% (**JD5**, page 11). They found that the situation has deteriorated; implying that **housing starts would need to increase by 178% over the average number of starts recorded between 2003 and 2013**.
- 6.55 Second, Mark Carney, Governor of the Bank of England, referenced the Barker Review during a speech made on 12 June 2014<sup>9</sup>. He stated that '***the underlying dynamic of the housing market reflects a chronic shortage of supply***' and in that context referenced the Barker Review finding that '*260,000 homes a year would be necessary to contain real house price growth at 1% per annum*'. He then adds that '*far fewer have in fact been built in the years since... supply constraints are likely to put increasing pressure on prices in a now rapidly growing economy*'.

### ***Market signals based estimate of housing need***

- 6.56 Based on the evidence reviewed above, I now turn to the potential performance of my demographic and job change based overall estimate of need against the Barker Review benchmark; that to increase supply by 86% can be expected to help improve affordability. On the assumption that if it was delivered as new homes, it would contribute to increasing supply.

<sup>9</sup> Speech given by Mark Carney, Governor of the Bank of England At the Lord Mayor's Banquet for Bankers and Merchants of the City of London at the Mansion House, London 12 June 2014

- 6.57 The key questions then being; by how much would a housing requirement that reflected jobs led need increase supply and how does it measure up to the benchmark.
- 6.58 The job change based estimate of overall need for 961 dwellings per annum, translated into policy and delivered over the plan period, is around 72% higher than the average delivery rate achieved in the period 2006/07 to 2013/14.
- 6.59 It is clear that a level of housing supply equivalent to 961 dwellings per annum in Telford and Wrekin would approach (but not reach) the Barker Review benchmark of increasing supply by 86%. However, I conclude that **961 dwellings per annum could be expected to improve affordability over the long term** in Telford and Wrekin.

### **Telford and Wrekin Borough's full objectively assessed housing need**

- 6.60 As presented in Chapter 3, full housing need is that which addresses and meets in full the latest demographic based need, policy off projected labour demand and the need to improve affordability where a problem is shown to exist, as it does in Telford and Wrekin Borough.
- 6.61 For Telford and Wrekin, on the basis of the analysis presented in this chapter, that means **need in full for 961 dwellings per annum over the period 2011-2031**, subject to an exercise of constraints in order to arrive at the housing requirement in the Local Plan. Table 6.7, draws the results of the analysis together, showing the results of each key test 1) for demographic need, 2) for economic need, and 3) the need to improve affordability.

**Table 6.7: Full assessment of need for Telford and Wrekin**

	<b>CLG 2012-based Household Projections</b>	<b>Adjustment for suppressed need</b>	<b>Adjustment for AMF 2003-2013</b>	<b>Adjustment for job growth</b>
<b>Average annual dwelling change, 2011 to 2031</b> (total dwellings)	<b>+460</b> (9,209)	<b>+580</b> (11,606)	<b>+648</b> (12,964)	<b>+961</b> (19,221)
<b>Labour supply by 2031</b> (+/- projected need)	<b>-28</b> (-553)		<b>+96</b> (1,925)	<b>+480</b> (9,594)
<b>+/- Barker Review benchmark of completions</b> (+86%)	<b>-18%</b>	<b>+4%</b>	<b>+16%</b>	<b>+72%</b>
<b>Meets latest demographic need?</b>	<b>No</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>
<b>Meets projected job demand?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>Yes</b>
<b>Meets need to improve affordability across HMA?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>Yes</b>
<b>PASS/FAIL ALL OAN TESTS?</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>YES</b>

Source; ONS and Barton Willmore

- 6.62 According to the February 2014 SHMA (CD19) and March 2015 OAN Report (CD20), **Telford and Wrekin has an annual net need for between 445 and 1,237 new affordable homes** depending on if the backlog is cleared over 20 or 5 years. To pay for even the lowest of the affordable needs **the number of dwellings required to accommodate affordable need**, assuming that all new affordable housing is delivered at average rate over the last 5 years (38%) **equals 1,171 dwellings per annum.**
- 6.63 In light of the level of affordable need identified above, **there is a clear case for plan makers to set the housing requirement above 961 dwellings per annum in order to meet affordable need in full.**

## **7.0 OBJECTIVE ASSESSMENT OF NEED SENSITIVITY ANALYSIS**

- 7.1 Two sensitivity tests have been carried out. The first tests the impact of change to the unemployment rate projection used in the FOAN and the second tests the change to the household representative rate used. I deal now with each in turn.

### **Unemployment rate test**

- 7.2 In arriving at FOAN I have assumed that the unemployment rate will gradually return to its pre-recession average of 4.6% by 2021 and remain at that level, a fall of about 4.5 percentage points over the projection period. A reasonable alternative would be to take account of the latest unemployment estimate of 5.6% as at April 2014/March 2015 and assume it remains at that level over the period 2015 to 2031, a fall of 3.5 percentage points from the 2011 estimate.

### **Household formation rate test**

- 7.3 In order to address evidence of actual and projected suppressed household formation, my FOAN assumes a full return to rates of household formation projected by the 2008-based household representative rates for both males and females aged 25-44 years.
- 7.4 The effect of not doing so and assuming that the 2012-based rates apply throughout 2011 to 2031 has also been tested.

### **Sensitivity test results**

- 7.5 The effect of holding unemployment rates at the current (2015) rate from 2015 onwards has the effect of increasing my FOAN to 999 dwellings per annum. The difference of 38 dwellings per annum reflects the fact that levels of migration would have to increase in order to offset the loss of latent supply (labour supply from the resident unemployed).
- 7.6 Whereas assuming that the 2012-based HR rates for 25 to 44 year olds do not revert to the 2008-based rates would decrease my FOAN from 961 to 821. The difference of 30 dwellings per annum is effectively a measure of the level of suppression built into the 2012-based HR rates.



**Table 7.1: Sensitivity test summary (number of dwellings)**

	<b>2011-2031</b>	
	<b>Per Annum</b>	<b>Total</b>
<b>FOAN</b>	961	19,221
<b>TEST 1:</b> Current unemployment rates held constant	999	19,990
<b>TEST 2:</b> 2012-based HR rate as published	821	16,419
<b>TEST 1 and 2 combined</b>	<b>910</b>	<b>18,200</b>

- 7.7 It is not considered desirable to perpetuate the problem of suppressed housing need in Telford and Wrekin. It is reasonable to assume that a reduction in unemployment will contribute toward meeting job demand and that a fall in unemployment to the pre-recession average is realistic, albeit on the ambitious side. Accordingly the FOAN that Telford and Wrekin should plan for is 961 dwellings per annum or 19,221 in total 2011 to 2031.

## 8.0 SUMMARY AND CONCLUSION

### **The correct approach to assessing housing need**

8.1 In this Proof of Evidence, I have established the correct approach to assessing housing need, as laid down in PPG ID2a 015 to 020. In essence, the PPG compliant assessment of need is one that takes the latest household projections as a starting point estimate of overall need and then makes adjustments, as required, to arrive at the full objectively assessed and policy off housing need, so that it satisfies all of the following tests:

- At least equals the housing number implied by the latest demographic evidence;
- Will accommodate job demand; and
- On reasonable assumptions could be expected to improve affordability.

### **Shortcomings of the Council's assessment**

8.2 Having reviewed the March 2015 PBA OAN Report in detail, I consider that the approach taken in carrying out this Objective Assessment of Housing Need is flawed, for the following reasons:

8.3 Headship rates – the PBA OAN Report fails to consider whether an adjustment should be made to the 2012-based headship rates and instead adopts them uncritically, despite clear evidence that household formation for younger people is suppressed. The appropriate response should have been to make an upward adjustment to the demographic assessment of need, whereas PBA make no adjustment.

8.4 Adjustments to support job growth – the PBA OAN report concludes that no adjustment to the demographic evidence based assessment of need should be made to support employment growth. This judgement is flawed because it 1) assumes that reliance on labour from outside of the Borough will increase over the plan period; 2) relies upon low unemployment rate assumptions that may not be achieved; 3) assumes an unrealistic economic activity rate increase of people aged 65+ years. These assumptions are unrealistic and unreasonable, giving rise to an OAN that does not represent full housing need, because it cannot reasonably be expected to accommodate plan period forecast job demand.

8.5 Market Signals – the Council does not consider there to be anything in the housing market evidence that warrants an adjustment to the demographic OAN, despite evidence of worsening trends.

- 8.6 Affordable Housing - The 2014 SHMA identifies net affordable housing need of between 445 and 1,237 dwellings per annum depending on whether the backlog is cleared over 5 or 20 years. The 2015 OAN report acknowledges that this would require housing delivery in excess of 1,171 dwellings per annum at the average rate of delivery over the last 5 years. This is significantly higher than the OAN of 497 dwellings per annum, meaning that the affordable housing deficit will continue to grow. If the affordable housing deficit continues to grow, market signals (especially affordability and overcrowding) are likely to worsen further.

### **Telford & Wrekin's objectively assessed housing need**

- 8.7 At Table 8.1, I summarise the key components of the PPG compliant assessment of need for Telford and Wrekin Borough. **For Telford and Wrekin, need for 19,221 dwellings, or 961 dwellings per annum is identified (2011-2031).**
- 8.8 Growth of 961 dwellings per annum is sufficient to meet labour demand in line with the triangulated projected job growth from Experian Economics, Cambridge Econometrics and Oxford Economics.
- 8.9 This OAN is 109% higher than the level of need implied by the starting point projection and a 72% increase on past delivery. That is, sufficient to exert *some* downward pressure on house prices based on the Barker Review, which found that an 86% increase in house building would be required to bring house price inflation down to the European average of 1.1%.
- 8.10 In conclusion, the Councils OAN of 497 dwelling per annum is not FOAN because it would not accommodate job demand. To meet job demand in full, would necessitate increasing 497 dwellings to 961 dwellings per annum.

**Table 8.1: OAN for Telford and Wrekin, 2011-2031**

		<b>Telford and Wrekin</b>
<b>A</b>	CLG 2012-based SNHP (Households)	8,936
	Vacant/Second/Shared Homes Adjustment	2.97%
	<b>OAN STARTING POINT (Dwellings)</b>	<b>9,209 (460 dpa)</b>
<b>B</b>	Housing Need - Adjusted HFRs	11,606 (580 dpa)
	Adjustment to A	<b>+120 dpa</b>
<b>C</b>	Housing Need - Adjusted HFRs and Continuation of 10yr Net Migration Trends	12,964 (648 dpa)
	Adjustment to A+B	<b>+68 dpa</b>
<b>=</b>	<b>DEMOGRAPHIC-LED HOUSING NEED (A+B+C)</b>	<b>12,964 (648dpa)</b>
	Jobs supported by demographic-led OAN	6,018 (301 pa)
	Job Demand (Average of Experian Economics, Oxford Economics and Cambridge Econometrics)	13,800 (690 pa)
	Job Surplus/Deficit	-7,782 (-389 pa)
	<b>ECONOMIC-LED HOUSING NEED</b>	<b>19,221 (961dpa)</b>
	(Adjustment to Demographic-led)	<b>+313 dpa</b>
	Adverse Market Signals Observed?	Y
	Subtotal Dwellings per annum	961
	Average Delivery Rate 2001-2011	560
	Increase vs. Recent Performance (%)	72%
	Increase vs. Starting Point (%)	109%
	<b>Further Increase Recommended? (Y/N)</b>	<b>N</b>
	<b>FULL OBJECTIVELY ASSESSED HOUSING NEED</b>	<b>19,221 (961 dpa)</b>

## **9.0 INITIAL RESPONSE TO THE PROOF OF EVIDENCE OF CRISTINA HOWICK, SUBMITTED TO THE MUXTON APPEAL**

9.1 The Proof of Evidence by Cristina Howick of PBA (December 2015), submitted to the Muxton Appeal (APP/C3240/W/15/3010085) critiques the approach to objectively assessing housing need in Telford and Wrekin adopted by Barton Willmore (BW) and outlined in their 2014 'Briefing Note on the Council's OAN for Housing'. The areas of criticism relate to:

- A) The adjustment BW applies to household formation rates (HFRs)
  - Issue 1: An adjustment applied to both 25-34 and 35-44 year olds
  - Issue 2: An adjustment which applies a return to the 2008-based HFRs
- B) BW's assessment of need to support economic growth
  - Issue 3: Internally inconsistent
  - Issue 4: Economic analysis technically inadequate
- C) BW's conclusion that there are market signal issues in Telford and Wrekin

9.2 I provide an initial respond to each of these criticisms in turn.

### **A) Household Formation Rates**

9.3 In line with PPG on Housing and Economic Development Needs Assessments (HEDNA) published in March 2014, BW propose an adjustment to the HFRs underpinning the 2012-based household projections produced by the Department for Communities and Local Government (CLG). PPG states:

**"The household projection based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation which are not captured in past trends. For example, formation rates may have been suppressed historically by under delivery of housing."**<sup>10</sup>

9.4 PBA consider that an adjustment is not required to the 2012-based HFRs, citing reference to academic articles published by Professor Ludi Simpson<sup>11</sup>, Neil McDonald and Professor Christine Whitehead<sup>12</sup> which suggests that reduced household formation (as seen in the 2012-based series) is the result of fixed circumstantial changes related to policy and the economic environment that will not be reversed. This includes a 'sustained' increase' in younger people not leaving home.

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<sup>10</sup> ID 2a-015-20140306, PPG note on Housing and Economic Development Needs Assessments, March 2014

<sup>11</sup> L Simpson, Wither household projections? In Town and Country Planning, December 2014, Vol 83, CD26

<sup>12</sup> N McDonald and C Whitehead, New Estimates of housing requirements in England, 2012 to 2037, Town and Country Planning, Tomorrow Series Paper 17, CD27

- 9.5 Christine Whitehead, co-author of the research states in a related press release:

**"One of the biggest concerns is that couples aged between 25 and 34 – at the time when family formation is at its highest – are expected to be less well housed in 2031 than their counterparts in 2011."**<sup>13</sup>

- 9.6 The clear aim of the Government is to afford everyone the opportunity to establish their own home. To plan on the basis of using the 2012-based household formation rates will inevitably lead to a worsening of the current situation and a spiralling in the number of young adults forced into a position where they delay setting up their own home. This does not conform to NPPF's requirement to 'plan positively' (paragraph 182).

- 9.7 On this basis, BW consider an adjustment to the 2012-based HFRs is required.

*Further local evidence supporting the need for an adjustment to the 2012-based HFRs*

- 9.8 PBA state that there is no local evidence to justify an adjustment to the 2012-based HFRs. I disagree.

**Table 9.1: Housing delivery performance vs. target in Telford and Wrekin (dwellings per annum)**

	<b>Delivery Performance</b>	<b>Housing Target</b>	<b>Surplus/Deficit</b>
<b>2006/07</b>	452	1,330	-878
<b>2007/08</b>	363	1,330	-967
<b>2008/09</b>	462	1,330	-868
<b>2009/10</b>	483	1,330	-847
<b>2010/11</b>	551	1,330	-779
<b>2011/12</b>	720	700	+20
<b>2012/13</b>	607	700	--93
<b>2013/14</b>	842	700	+142
<b>Total</b>	<b>4,480</b>	<b>8,750</b>	<b>-4,270</b>

Source: Telford and Wrekin Annual Monitoring Report 2014 and housing targets from Telford and Wrekin OAN Final Report (March 2015) paragraph 4.8

- 9.9 Housing delivery in Telford and Wrekin has historically fallen below target as illustrated in Table 9.1 – an indication, according to PPG, that formation rates may have been suppressed historically.

<sup>13</sup> <http://www.tcpa.org.uk/resources.php?action=resource&id=1273>

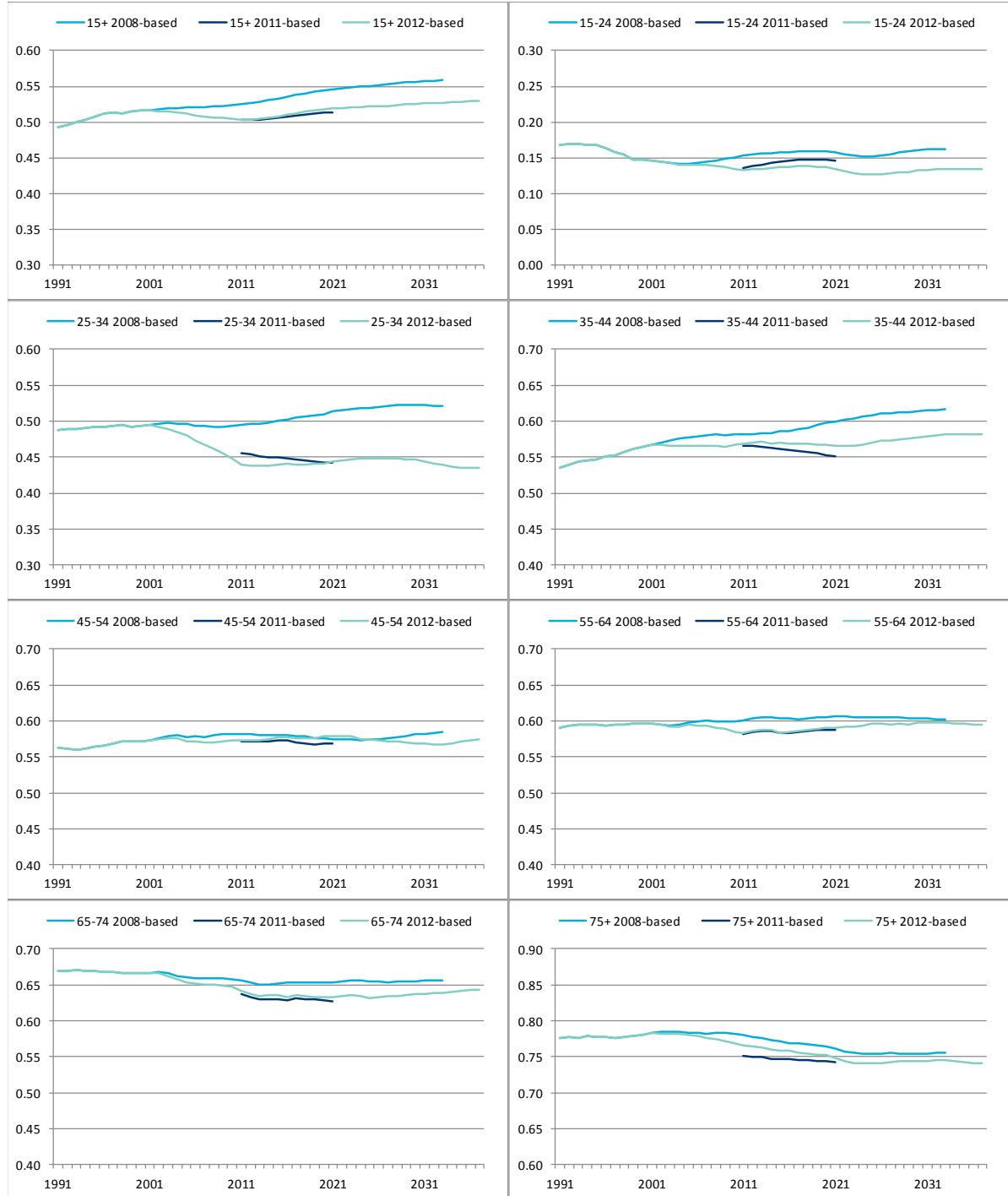
- 9.10 Between 2006/07 and 2013/14 housing delivery was 49% lower than target. On this basis, it is considered that formation rates may have been suppressed historically in Telford and Wrekin due to under delivery of housing.
- 9.11 A further indication of locally suppressed household formation is evident from analysis of the change in the number of concealed households. Between 2001 and 2011, the number of concealed households in Telford and Wrekin increased by 100% (from 426 in 2001 to 853 in 2011). This increase is significantly higher than the national average (71% increase) providing evidence that household suppression is significantly worse in Telford and Wrekin.

***Issue 1: An adjustment applied to both 25-34 and 35-44 year olds***

- 9.12 BW consider it necessary to apply an adjustment to both 25-34 and 35-44 year olds.
- 9.13 PBA have incorrectly interpreted the analysis presented by BW regarding the adjustment to HFRs for 35-44 year olds. PBA state BW say household formation is not suppressed for 35-44 year olds but it will be suppressed in the future<sup>14</sup>. This is not the case. Charts comparing 2008-, 2011- and 2012-based HFRs clearly show a gap between the 2008 and 2012-based HFRs in 2011 which widens over the period to 2031. For ease, these are replicated in Figure 9.1.

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<sup>14</sup> Paragraph 2.6, Proof of Evidence of Cristina Howick (PBA) for Land North of Muxton Lane, Muxton, Telford, Shropshire, December 2015

**Figure 9.1: Household Formation Rates – Telford and Wrekin**



***Issue 2: An adjustment which applies a return to the 2008-based HFRs***

9.14 PBA present Inspector's decisions in support of using the 2012-based HFRs without any adjustment. There are also a number of Inspector's decisions which have gone the opposite way and support an adjustment to the 2012-based rates in line with the adjustment applied by BW. For example:

- The Cornwall Inspector (May 2015) recognised that the 2012-based HFRs are more robust but nonetheless accepted that they may still embed some recessionary effect. He stated:

**"I accept that the 2012 HR used in the new household projections is much more robust than that used in the earlier 2011-based interim projection. There is now no basis to rely on the 2008 HR in full, as done in the SHMNA.**

**Nonetheless, the HR 2012 may still embed some recessionary effect. It would be inconsistent with the national policy for growth to project any such effect throughout the plan period. Accordingly, the projections developed as part of this further update should show both the HR 2008 and HR 2012 and the mid-point, blended approach"<sup>15</sup>.**

- The use of a blended approach, as applied by BW, was also supported by the Inspector for a S78 appeal in NW Leicestershire (Coalville) who stated:

**"Firstly, I accept that the PPG allows for an adjustment to the household projection-based estimate of housing need (PPG 2a-015). I consider an adjustment to this is justified because of (i) worsening affordability and (ii) the level of concealed households. There cannot be any reasonable disagreement that there has been worsening affordability. It is also appropriate to make an adjustment for concealed households, solely in the age group 25-44. The Appellant has used a blended approach which is entirely in accordance with the PPG, PAS23 and the Inspector's approach at Cornwall."<sup>16</sup>**

- The Inspector for the Cheltenham Examination in Public paid due regard to the evidence submitted by BW and requested the Council to undertake further work. In relation to HFRs the Inspector stated:

**"There should be a consideration of any suppression in HFRs that may be inherent in the 2012 DCLG projections, which may warrant adjustments to the OAHN. In particular sensitivity testing the following scenarios would be useful (commenting on any perceived weaknesses in each approach):**

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<sup>15</sup> Paragraphs 3.7 and 3.8, page 7, Inspector's preliminary findings, Cornwall Local Plan Strategic Policies – Examination, June 2015

<sup>16</sup> Paragraph 29, page 6, Appeal Decision for APP/G2435/W/15/3005052

- 1) Partial and full returns to 2008-based trends for 25 to 34 year olds**
- 2) Partial and full returns to 2008-based trends for 25 to 44 year olds**
- 3) Partial and full returns to 2008-based trends for all age groups”<sup>17</sup>**

**B) Housing need to support economic growth**

- 9.15 PBA incorrectly state that BW’s analysis of future job growth is the average of two local economic forecasts. BW have used three economic forecasts produced by three independent forecasting houses – Experian Economics, Oxford Economics and Cambridge Econometrics.

***Issue 3: BW approach to economic growth is internally inconsistent***

- 9.16 Setting this point aside, one of PBA’s criticisms is that it is logically incorrect to take job numbers produced by an economic forecasting model, and translate these numbers into resident population using BW’s own assumptions regarding commuting, unemployment and economic activity rates. According to PBA, the economic model already includes its own, different figures regarding commuting, unemployment and economic activity rates and therefore BW’s resulting calculation is logically inconsistent.
- 9.17 This point would be valid, if the economic forecasts had indeed been ‘constrained’ to a given population projection, for example the 2012-based SNPP.
- 9.18 However, both Oxford Economics and Cambridge Econometrics have advised that the economic forecasts produced by themselves are not constrained by population and therefore represent unconstrained future job demand<sup>18</sup>
- 9.19 Furthermore, exploration of the economic outputs from Experian (published as Appendix D to PBA’s March 2015 OAN report for Telford and Wrekin) reveals that Experian’s unconstrained baseline job demand forecast, which sits at the heart of the Experian projection model, is near identical to the projection of workplace jobs used by BW suggesting that for Telford and Wrekin, use of the Experian baseline job demand forecasts is reasonable as an indication of future unconstrained job demand.
- 9.20 The differences therefore lie solely in relation to the use of different economic assumptions relating to commuting, unemployment and economic activity rates.
- 9.21 PBA state that there is nothing wrong with questioning assumptions, and state:

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<sup>17</sup> Paragraph 26, page 5, Inspector’s request for additional evidence arising from Stage 1 hearings of the Cheltenham JCS Examination in Public, July 2015

<sup>18</sup> See Appendix 4 to BW’s OAN report, which contains emails from both Cambridge Econometrics and Oxford Economics

**"It may be that BW's assumptions are correct and the link factors used by Experian are wrong. But if so the corrected assumptions should be fed back into the economic forecasting model so that the calculation is internally consistent."**<sup>19</sup>

- 9.22 Given clarification from the economic forecasting houses that the job growth figures used by BW are not constrained by population and therefore provide an unconstrained indication of future job demand, the BW approach is not internally inconsistent and serves to offer a valid alternative to that presented by PBA.

***Issue 4: BW's economic analysis technically inadequate***

- 9.23 PBA's second criticism with BW's approach is that it is technically inadequate. The points raised by Ms Howick relate to those presented in a BW Briefing Note dated August 2015. This Briefing Note provided initial analysis only and has since been superseded by a more detailed full OAN report in December 2015. This December 2015 report is appended to my proof (Appendix JD1).
- 9.24 For this reason, many of the points raised by Ms. Howick are no longer relevant. For example:
- The use of two economic forecasts which show a huge discrepancy from which BW have taken an average. BW now use three economic forecasts from more up to date series which show greater consistency; Experian Economics September 2015 (737 jobs per annum 2011-2031), Oxford Economics October 2015 (441 jpa 2011-2031) and Cambridge Econometrics November 2015 (898 jpa 2011-2031). An average of the three forecasts equates to 690 jpa, 2011-2031.
  - The 2011 economic activity rates used by BW are sourced from the 2011 Census. An error was identified in the economic activity rates presented in the August 2015 briefing note which have since been corrected in the December 2015 report. Table 2 presents the correct comparison of BW rates alongside that used by Experian/ PBA.
  - Related to economic activity rates is Ms. Howick's criticism of BW's rates not taking account of the changing age structure. This point has been taken out of context and is incorrect. BW's economic activity rates are calculated independently and are then applied to the projected population, thus taking account of the changing age structure.

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<sup>19</sup> Paragraph 3.9, Proof of Evidence of Cristina Howick (PBA) for Land North of Muxton Lane, Muxton, Telford, Shropshire, December 2015

**Table 9.2: Comparison of economic activity assumptions for Telford and Wrekin**

	<b>Barton Willmore</b>	<b>PBA</b>
	<b>2011</b>	<b>2011</b>
<b>Overall (16+)</b>	69.5% *	61.5%
<b>16-64</b>	76.5%	73.5%
<b>65+</b>	14.8% ^	8.1%
	<b>2031</b>	<b>2031</b>
<b>Overall (16+)</b>	71.4% *	60.8%
<b>16-64</b>	77.3%	75.7%
<b>65+</b>	26.0% ^	19.2%

Source: Barton Willmore/ PBA

\* Barton Willmore's 16+ is actually 16-74 years and therefore may not be directly comparable with PBA

^ Barton Willmore's 65+ is actually 65-74 years and therefore may not be directly comparable with PBA

- 9.25 Ms. Howick also takes issue with BW's approach to maintaining a constant commuting rate assumption across the plan period. BW take the commuting ratio (0.94) from the 2011 Census (the most robust up to date source available) and hold this constant to 2031. In contrast, Experian/PBA assume a commute ratio of 0.85 in 2011 and project this to decline by 2031 (0.82). The source of the commuting ratio used by PBA/ Experian is not clear and the use of a lower rate assumes a greater proportion of labour from outside of the Borough. Furthermore, assuming a fall in the commuting ratio, as is the approach by PBA/ Experian, will have an impact on neighbouring authorities or those authorities from which commuters to Telford and Wrekin originate. As the PAS guidance states:

**"The expected shift in commuting should be believable, and acceptable to the other local authorities affected by it. Strategies of recalling commuters should not be adopted unilaterally; they require cross-boundary agreement in line with the Duty to Cooperate."** <sup>20</sup>

- 9.26 In this instance it is considered the strategy of assuming a higher reliance on labour from outside of the borough should have the same cautions applied.

### **C) Market Signals**

- 9.27 PBA conclude that there are no market signals issues within Telford and Wrekin and therefore disagree with BW's conclusion that there are market signals issues.
- 9.28 PPG requires appropriate comparison of market signals indicators and states:

<sup>20</sup> Paragraph 8.16, Page 36, Objectively Assessed Need and Housing Targets: Technical Advice Note, July 2015, Prepared by PBA for the Planning Advisory Service

**"This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections."**<sup>21</sup>

9.29 The evidence presented by BW in the December 2015 OAN report (Appendix JD1) does illustrate a worsening trend with regards to the number of concealed households, affordability and past housing delivery.

9.30 Furthermore, the evidence presented by Ms. Howick also points to the same conclusion, although Ms. Howick reaches a different conclusion as a result of only comparing absolute levels. If Ms. Howick were to look at rates of change (as required by PPG) then her evidence would also suggest an upward adjustment is required. For example:

- The data presented on concealed families by Ms. Howick (Table 4.2 of Ms. Howick's proof) shows an increase of 0.8 percentage points (pp) in the percentage of concealed families between 2001 and 2011. The equivalent for Shropshire is 0.5 pp, West Midlands 0.8 pp and England & Wales 0.6 pp. The increase experienced in Telford and Wrekin is higher than the county and national average and equivalent to the regional average.
- To expand this analysis further, Table 9.3 (below) presents the absolute number of concealed families in Telford and Wrekin and the percentage change between 2001 and 2011, alongside the same comparator areas used by Ms. Howick. The percentage change in concealed families is noticeably higher in Telford and Wrekin (100%) compared to the county (68%), regional (61%) and national (70%) average.

**Table 9.3: Concealed families in 2001 and 2011**

	2001	2011	2001-2011 Change	
			Number	%
Telford and Wrekin	426	853	427	100.2
Shropshire	676	1,135	459	67.9
West Midlands	21,435	34,461	13,026	60.8
England & Wales	169,765	289,295	119,530	70.4

Source: 2001 Census Standard Table 11, 2011 Census Table DC1110EW

<sup>21</sup> Paragraph ID 2a-020-20140306, PPG, Housing and Economic Development Needs Assessments, March 2014

- Ms. Howick concludes that Telford and Wrekin is more affordable than Shropshire, West Midlands and England based on an analysis of affordability ratios between 1997 and 2013. Whilst it is true that Telford and Wrekin's affordability ratio is lower (denoting it is more affordable) than the other three comparator areas, Ms. Howick does not consider the rate of change in the affordability ratio. BW has considered the rate of change and Table 4 (below) clearly illustrates that the affordability ratio in Telford and Wrekin has increased at a faster rate (75%) compared to Shropshire (63%) and the West Midlands (71%).

**Table 9.4: Analysis of Lower Quartile Affordability Ratio Change 1997-2013**

	<b>Absolute change</b>	<b>Percentage change</b>
Telford and Wrekin	2.4	75%
Shropshire	2.8	63%
West Midlands	2.5	71%
England	2.9	81%

Source: 2001 Census Standard Table 11, 2011 Census Table DC1110EW

- 9.31 Ms. Howick criticises BW's interpretation of past delivery. There are two different contexts in which to interpret past delivery, however, Ms. Howick only refers to one – citing reference to PPG (paragraph 015) which Ms. Howick interprets as meaning an adjustment to the household projections if there has been a failure to meet demand or need. BW disagree as paragraph 15 also explicitly states that the household projection estimate of need may require adjustment if there has been an historic under-supply of housing that may have suppressed household formation and worsened affordability.
- 9.32 The second context is set out in PPG (paragraph 019) which refers to the rate of development as one of the six market signals indicators. In this context PPG states:

**"Supply indicators may include the flow of new permissions expressed as a number of units per year relative to the planned number and the flow of actual completions per year relative to the planned number. A meaningful period should be used to measure supply. If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan"**

- 9.33 On this basis, PPG is referring to the failure to meet planned supply. BW's comparison of past completions against Telford and Wrekin Borough's annual targets (according to the Annual Monitoring Report) is in accordance with PPG. In this instance the under-supply of 48% against

target indicates a market signals issue which according to PPG requires an upward adjustment to the level of housing need identified by the household projections.

# APPENDIX 13



**GDL 2/A**

**BW**

**Town and Country Planning Act 1990  
Planning and Compulsory Purchase Act 2004**

**Section 78 Appeal by Gladman Developments Ltd**

## Site to the North of Haygate Road Wellington, Telford

Proof of Evidence **APPENDICES** of  
James Donagh BA (Hons) MCD MIED  
Relating to Housing Need

Appeal Ref: APP/C3240/W/15/3025042  
LPA Ref: TWC/2013/1033

19 JANUARY 2016

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**APPENDIX**  
**JD1**

**Telford and Wrekin OAN Report, November 2015**

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# **TELFORD AND WREKIN**

## **OBJECTIVE ASSESSMENT OF HOUSING NEED**

**DECEMBER 2015**

**TELFORD AND WREKIN**  
**OBJECTIVE ASSESSMENT OF HOUSING NEED**

<b>Project Ref:</b>	23715/A5/DM	23715/A5/DM
<b>Status:</b>	Draft	Final
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## EXECUTIVE SUMMARY

- i. This Objective Assessment of Housing Need (OAN) for Telford and Wrekin has been prepared by Barton Willmore LLP on behalf of Gladman Developments Limited. The study complies with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) requirements regarding the full Objective Assessment of Overall Housing Need (OAN).
- ii. According to research from the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University, Telford and Wrekin is the only Local Authority which falls within the Telford Strategic Housing Market Area (HMA) on a 'best fit' basis. Analysis of commuting and migration flow data from the 2011 Census confirms that Telford and Wrekin Unitary Authority area should be considered an HMA in its own right.

### Local Plan Housing Policy and Housing Need Evidence Base

- iii. Telford and Wrekin Council are currently progressing with a new Local Plan. In August 2015 the Telford & Wrekin Local Plan 2011-2031 was published for consultation. The Plan contains a dwelling requirement for 15,555 dwellings over the plan period which equates to 778 dwellings per annum. This level of growth is above the objectively assessed need (OAN) for 9,940 dwellings (497 dwellings per annum) over the period 2011-2031 as identified in the Telford & Wrekin Objectively Assessed Housing Need report (March 2015) undertaken by Peter Brett and Associates (PBA).
- iv. The March 2015 OAN report seeks to follow the guidance outlined in NPPF and PPG for assessing overall housing need. The report takes account of the most recent Central Government population and household projections (2012-based) but outlines that the ONS Sub National Population Projections (SNPP) are not a prudent basis on which to plan given they are based on migration trends captured over a recessionary period. For this reason alternative demographic-led scenarios are presented and an OAN for Telford and Wrekin of 9,940 dwellings (497 dwellings per annum) over the period 2011-2031 is proposed based on the PBA Trends long-term (2003-2013) scenario with CLG 2012-based household representative rates applied.
- v. Whilst Barton Willmore agree with the use of an alternative long-term migration trend in Telford and Wrekin, we do not consider it appropriate to use the 2012-based household formation rates without any adjustment due to the level of suppression inherent in the rates particularly for 25-44 year olds. This view has recently been supported by the Inspector for the Cornwall Local Plan Examination who acknowledged that the 2012 household formation rates still embed

some recessionary effect and that it would be inconsistent with the national policy for growth to project such effect across the plan period<sup>1</sup>.

- vi. The PBA OAN report considered the level of economic growth that could be supported by the proposed demographic-led OAN and found that 497 dwellings per annum could support 852 jobs per annum. In this context the Council's evidence suggests that the demographic-led OAN will support a healthy economic future and no further upward revision was proposed.
- vii. Barton Willmore consider growth of 852 jobs per annum high in light of past employment trends and economic forecasts. Growth of 690 jobs per annum is considered more realistic based on an average of growth projected by Experian Economics (737 jobs per annum – Sept 2015) and Oxford Economics (441 jobs per annum – Oct 2015) and Cambridge Econometrics (893 jobs per annum – Nov 2015) over the period 2011-2031.
- viii. Barton Willmore have modelled the housing need of 690 jobs per annum and the result is 961 dwellings per annum would be required. This is a significantly higher housing need than that indicated by the PBA assessment for a lower job growth target. Even if the lower end of the projected job growth range is taken (441 jobs per annum as projected by Oxford Economics) the associated dwelling need is 643 dwellings per annum if 2012-based household formation rates are applied, with the need rising to 774 dwellings per annum if a full return to the 2008-based rates by 2031 are applied for those aged 25-44 years, which again is still higher than the housing need projected by PBA for a much lower job growth target.
- ix. Based on this analysis it is considered that the housing and job growth figures presented in the March 2015 OAN report are not in balance and that if economic growth is to be supported in line with economic forecasts then an upward revision is required to the demographic-led assessment of need.
- x. All market signals set out in the PPG have been considered in the OAN report and it concludes that no upward adjustment is required to alleviate any worsening trends. Barton Willmore's analysis of market signals has identified that there is a worsening trend with regards to overcrowding, concealed households and affordability although levels in Telford and Wrekin are still not as high as the national average. However, past housing delivery has significantly fallen below target with a 51% shortfall between 2006/07 and 2012/13. In light of this analysis Barton Willmore consider an adjustment to address market signals issues is required.

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<sup>1</sup> Paragraph 3.8, page 7, Inspector's preliminary findings, Cornwall Local Plan Strategic Policies – Examination, June 2015

- xi. In conclusion, it is evident that PBA have sought to follow the prescribed methodological steps for assessing OAN as set out in PPG. However PBA's assessment of need for 497 dwellings per annum falls is considered to fall short of FOAN. Barton Willmore's assessment of FOAN for Telford and Wrekin is outlined below.

### **Barton Willmore Assessment of Overall Housing Need**

- xii. Barton Willmore's assessment makes use of PopGroup demographic forecasting model to estimate future housing need within Telford and Wrekin, taking into account key demographic and economic data inputs including (but not limited to) headship rates, migration trends, employment forecasts and economic activity rates.
- xiii. The narrative below, which should be read alongside the results presented in Table 1 summarises the resulting assessment of housing need.

### ***Demographic Evidence Based Housing Need***

- xiv. The most recent ONS SNPP series (2012-based) shows population growth of 585 persons per annum over the plan period which is higher than the previous full projection series (2008-based).
- xv. Further analysis of the most recent 2012-based ONS Sub National Population Projections (SNPP) indicates that it is constrained due to it being based on an under-estimation at the national level of net international migration; 165,000 people per annum projected between 2012 and 2037 compared with 330,000 in the year ending March 2015.
- xvi. Analysis of trends in net migration within Telford and Wrekin over the plan period also provides evidence of atypical net migration behaviour during the recession. The ONS 2012-based SNPP draws on data from the 5 years prior to the beginning of the series (i.e. 2007-2012) and over this time net migration averaged -148 net migrants per annum, meaning there was an outflow of people from Telford and Wrekin.
- xvii. In comparison, a more recent 5-year trend (2008-2013) shows a smaller outflow of migrants from Telford and Wrekin at -106 net migrants per annum, whilst the 10-year trend (2003-2013) shows even fewer still at -50 net migrants per annum. It is therefore considered necessary to make an adjustment for migration trends, incorporating longer term trends in migration flows to reduce the effect of the recession.

- xviii. The 2012-based SNPP underpin the 2012-based Sub National Household Projections (SNHP) and therefore the 2012-based SNHP are also considered to be an underestimate of household growth. The 2012-based SNHP show growth of 447 households per annum which is lower than the growth shown by the 2008-based SNHP (485 households per annum).
- xix. Analysis of the Household Formation Rates (HFRs) underpinning the CLG SNHP provides clear evidence of suppression in household formation in the 2012-based series – particularly in the 25-34 and 35-44 age groups – when compared against the previous full series (2008-based). It has therefore been considered necessary to make a further adjustment to the OAN starting point (CLG 2012-based SNHP, as set out in PPG) to account for this suppression.
- xx. The OAN starting point is therefore 460 dwellings per annum which is the growth shown by the CLG 2012-based SNHP. However, the demographic evidence signals that two adjustments to the starting point estimate of need are necessary (alternative migration trends and household formation assumptions). The result of making the required adjustments is to increase demographic need by 188 dwellings per annum. As such, 648 dwellings per annum between 2011 and 2031 are required in Telford and Wrekin to support demographic-led need. This reflects an increase of 41% above the OAN starting point.

### ***Employment Change Evidence Based Housing Need***

- xxi. The Council's evidence considers whether the proposed level of OAN would support economic growth by commissioning Experian to produce an employment forecast using the population projection based on their preferred demographic scenario (PBA trends 2003-13). The Council's evidence suggests that 852 jobs per annum could be supported by an additional 497 dwellings per annum. No other employment forecasts are considered.
- xxii. Employment forecasts produced by Experian Economics (Sept 2015), Oxford Economics (October 2015) and Cambridge Econometrics (November 2015) have been considered by Barton Willmore, which show growth of 737, 441 and 893 jobs per annum respectively over the period 2011-2031. An average of these three forecasts has been considered (690 jobs per annum) to reflect policy-off employment forecasts in-line with PPG recommendations. Modelling work undertaken by Barton Willmore has found that to support growth of 690 jobs in Telford and Wrekin there is a need for 961 dwellings per annum.
- xxiii. The extent to which the demographic-led OAN would support economic growth has also been considered in-line with PPG recommendations. After making plausible assumptions about economic activity and unemployment rate change we find that 648 dwellings per annum would support only 301 jobs per annum in Telford and Wrekin over the period 2011-2031. This level

of economic growth is not in-line with growth suggested by recent employment forecasts by Experian Economics and Oxford Economics and therefore a further adjustment should be made to the demographic-led OAN in order to support economic growth in Telford and Wrekin.

### ***Market Signals***

- xxiv. Analysis of market signals has been undertaken by Barton and Willmore and reveals that whilst affordability has worsened over recent years, Telford and Wrekin is still more affordable than the regional and national average. Likewise, overcrowding and the number of concealed households has worsened in Telford and Wrekin but is less severe than the national average.
- xxv. However, Telford and Wrekin has persistently failed to meet its annual housing targets by a significant margin, such that the shortfall since 2006 stands at 4,270 dwellings or 51% of the cumulative target.
- xxvi. The recommended OAN to support both demographic and economic-led need in Telford and Wrekin is 961 dwellings per annum. This represents a 72% uplift on past delivery performance which is considered sufficient to moderate house price inflation and in turn improve affordability. Accordingly, despite the exceptionally poor past rate of housing delivery, no further uplift to 961 dwellings per annum is recommended to address market signals issues as it is considered that the adjustment made to household formation rates will begin to improve market conditions. By way of comparison only, the Regional Strategy (RS) housing requirement from 2006-2016 was an average of 1,000 dwellings per annum and therefore 961 dwellings per annum represents a reduction from the previous RS requirements.

### ***Affordable Housing Need***

- xxvii. Barton Willmore have not undertaken an assessment of affordable housing need but have considered the findings presented in the PBA OAN March 2015 report. The Council's evidence estimates net new affordable housing need in the Borough to be between 445 and 1,237 units per annum depending on if the backlog is cleared over five or 20 years. Regardless of which, both quantities are significantly higher than the historic level of affordable housing delivery in Telford and Wrekin since 2006/07 which reached a peak in 2012/13 at 283 units. The OAN report states that to even meet the lowest of the affordable needs (445 dwellings per annum) at the average ratio of delivery over the last five years (38% annual affordable delivery) total housing development would have to be 1,171 dwellings per annum. This is significantly higher than the full OAN proposed in the March 2015 report for 497 dwellings per annum (2011-2031).

xxviii. The very substantial level of net affordable need in Telford and Wrekin indicates that the district needs to boost the supply of housing to significantly higher levels than have been delivered in the past. It is considered that Barton Willmore's OAN of 961 dwellings per annum (2011-2031), which represents a 72% uplift on past housing delivery, will begin to address the high level of affordable need in Telford and Wrekin.

***Telford and Wrekin FOAN***

xxix. Based on an assessment of up to date demographic, economic and market signals evidence, FOAN for Telford and Wrekin is assessed to be 961 dwellings per annum. This OAN would:

- Accommodate the housing need number implied by the latest demographic evidence;
- Meet projected job demand; and
- On reasonable assumptions, improve affordability.

xxx. As such, it is considered that the OAN represents the full, objectively assessed level of housing need for Telford and Wrekin.

**Table 1: Summary – OAN for Telford and Wrekin**

		<b>Telford and Wrekin</b>
<b>A</b>	CLG 2012-based SNHP (Households)	8,936
	Vacant/Second/Shared Homes Adjustment	2.97%
	<b>OAN STARTING POINT (Dwellings)</b>	<b>9,209</b> <b>(460 dpa)</b>
<b>B</b>	Housing Need - Adjusted HFRs	11,606 (580 dpa)
	Adjustment to A	<b>+ 120 dpa</b>
<b>C</b>	Housing Need - Adjusted HFRs and Continuation of 10yr Net Migration Trends	12,964 (648 dpa)
	Adjustment to A+B	<b>+ 68 dpa</b>
<b>=</b>	<b>DEMOGRAPHIC-LED HOUSING NEED</b> <b>(A+B+C)</b>	<b>12,964</b> <b>(648 dpa)</b>
	Jobs supported by demographic-led OAN	6,018 (301 pa)
	Job Demand (Average of Experian Economics, Oxford Economics and Cambridge Econometrics)	13,800 (690 pa)
	Job Surplus/Deficit	-7,782 (-389 pa)
	<b>ECONOMIC-LED HOUSING NEED</b>	<b>19,221</b> <b>(961 dpa)</b>
	(Adjustment to Demographic-led)	<b>+ 313 dpa</b>
	Adverse Market Signals Observed?	Y
	Subtotal Dwellings per annum	961
	Average Delivery Rate 2001-2011	560
	Increase vs. Recent Performance (%)	72%
	Increase vs. Starting Point (%)	109%
	<b>Further Increase Recommended? (Y/N)</b>	<b>N</b>
	<b>FULL OBJECTIVELY ASSESSED HOUSING NEED</b>	<b>19,221</b> <b>(961 dpa)</b>

Source: ONS/CLG, Barton Willmore Modelling (Appendix 1)





## 1.0 INTRODUCTION

- 1.1 This study has been prepared by Barton Willmore LLP on behalf of Gladman Developments Limited. It is intended to provide an in-depth understanding of the market dynamics and future needs for housing in Telford and Wrekin Unitary Authority. The study has been prepared in accordance with National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG), and the key output is a full, objective assessment of housing need (OAN).

### Housing Needs Assessments to Date

- 1.2 This study is a comprehensive update of a previous study prepared by Barton Willmore in August 2014. In the interim, a major new data release has occurred (ONS 2012-based Household Projections), as well as new housing evidence being produced by Telford and Wrekin Council. As a consequence, it was considered most appropriate to issue a stand-alone update rather than an addendum.

### Report Structure

- 1.3 The report is structured as follows:
- 1.4 Chapter 2, **National Policy Context and Methodology**, introduces the relevant aspects of national planning policy and guidance, demonstrating how this study meets the required standard for an OAN. The chapter also sets out the methodological approach taken in carrying out the required analysis.
- 1.5 Chapter 3, **Assessment Area Definition**, provides the rationale behind analysing the selected authorities, and, more specifically, how published research into HMA boundary definitions has been translated into a functional study area and confirmed through independent analysis of key data sources.
- 1.6 Chapter 4, **Local Policy Context and Evidence Base Review**, critically evaluates the housing evidence base documents for Local Planning Authorities (LPAs) within the HMA defined in the previous chapter. In addition to this, key information (including housing targets, affordable housing quotas and economic growth aspirations) from adopted/emerging planning policy is summarised.
- 1.7 Chapter 5, **Demographic Context and Demographic-led Housing Need**, reviews official data sources relating to population and household change, including population/household projections, household formation rates and migration trends. This analysis provides key inputs into the modelling process, which in turn underpins the OAN. The final part of the chapter

summarises the first demographic modelling stages, and establishes the 'Starting Point' estimate of housing need as well as necessary demographic adjustments.

- 1.8 Chapter 6, **Economic Context and Economic-led Housing Need**, puts the labour force capacity arising from the demographic-led position established in the previous chapter into context by reviewing independent and official trends and forecasts of employment growth for the HMA. Where necessary, further modelling work is carried out to determine the number of homes needed to supply a labour force of sufficient size to meet anticipated demand.
- 1.9 Chapter 7, **Market Signals**, provides detailed analysis of how the housing market functions locally, including a review of existing housing stock characteristics and analysis of key market signals (as set out in PPG). The chapter then considers the level of housing supply response needed to positively address any market signals issues, and provides a recommendation of and justification for any uplift to the OAN (again, as required by PPG).
- 1.10 Chapter 8, **Objective Assessment of Housing Need**, summarises the evidence, analysis and modelling provided in the preceding chapters and confirms the full OAN for the HMA. This chapter also considers the OAN in the context of affordable housing need, and establishes the extent to which affordable need could be met by the OAN.

## 2.0 NATIONAL POLICY CONTEXT AND METHODOLOGY

- 2.1 The requirement for all Local Planning Authorities (LPAs) to base their housing targets on objective assessments of need is rooted in national planning policy – specifically the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG).

### **National Planning Policy Framework (NPPF, 27 March 2012)**

- 2.2 NPPF sets out the Government's planning policies for England and how these are expected to be applied. NPPF states that planning should proactively drive and support sustainable economic development to deliver the homes that the country needs, and that every effort should be made to objectively identify and then meet housing needs, taking account of market signals (paragraph 17).
- 2.3 In respect of delivering a wide choice of high quality homes, NPPF confirms the need for local authorities to boost significantly the supply of housing. To do so, it states that local authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area (paragraph 47).
- 2.4 With regard to plan-making, local planning authorities are directed to set out strategic priorities for their area in the Local Plan, including policies to deliver the homes and jobs needed in the area (paragraph 156).
- 2.5 Further, Local Plans are to be based on adequate, up to date and relevant evidence, integrating assessments of and strategies for housing and employment uses, taking full account of relevant market and economic signals (paragraph 158).
- 2.6 For plan-making purposes, local planning authorities are required to clearly understand housing needs in their area. To do so they should prepare a Strategic Housing Market Assessment (SHMA) that identifies the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period (paragraph 159).

### **Planning Practice Guidance (PPG, 06 March 2014)**

- 2.7 PPG was issued as a web based resource on 6th March 2014, following the publication of 'beta' guidance in 2013. Guidance on the assessment of housing development needs (PPG ID2a) includes the SHMA requirement set out in NPPF and supersedes all previous published SHMA practice guidance (CLG, 2007).

- 2.8 The primary objective of the housing development needs assessment (the SHMA) is to identify the future quantity of housing needed, including a breakdown by type, tenure and need (PPG ID2a 002).
- 2.9 Housing need refers to the scale of housing likely to be needed in the housing market area over the plan period, should cater for the housing demand in the area and identify the scale of housing supply necessary to meet that demand (PPG ID2a 003).
- 2.10 The assessment of need is an objective assessment based on facts and unbiased evidence and constraints should not be applied (PPG ID2a 004).
- 2.11 Use of the PPG methodology for assessing housing need is strongly recommended, to ensure that the assessment is transparent (ID2a 005). The area assessed should be the housing market area (ID2a 008), reflecting the key functional linkages between places where people live and work (ID2a 010).

***PPG methodology for assessing housing need***

- 2.12 The full methodology is set out at ID 2a 014 to 029 (overall housing need at ID2a 015 to 020), and is introduced as an assessment that should be based predominately on secondary data (ID2a 014).

***i) Starting point estimate of need***

- 2.13 The methodology states that the starting point for assessing overall housing need should be the household projections published by the Department for Communities and Local Government, but that they are trends based and may require adjustment to reflect factors, such as unmet or suppressed need, not captured in past trends (ID2a 015).

**“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing.” (2a-015) (Our emphasis)**

***ii) Adjusting for demographic evidence***

- 2.14 The PPG methodology advises that adjustments to household projection-based estimates of overall housing need should be made on the basis established sources of robust evidence, such as ONS estimates (2a-017).

*iii) Adjusting for likely change in job numbers*

- 2.15 In addition to taking into account demographic evidence the methodology states that job trends and or forecasts should also be taken into account when assessing overall housing need. The implication is that housing numbers should be increased where this will enable labour force supply to match projected job growth (2a-018).

**“Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns ... and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.”**  
(2a-018)

*iv) Adjusting for market signals*

- 2.16 The final part of the methodology regarding overall housing need is concerned with market signals and their implications for housing supply (2a-019:020).

**“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.”** (2a-019)

- 2.17 Assessment of market signals is a further test intended to inform whether the starting point estimate of overall housing need (the household projections) should be adjusted upwards. Particular attention is given to the issue of affordability (2a-020).

**“The more significant the affordability constraints ... and the stronger other indicators of high demand ... the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.”** (2a-020)

*v) Overall housing need*

- 2.18 An objective assessment of overall housing need can be summarised as a test of whether the household projection based starting point can be reconciled with a) the latest demographic evidence, b) the ability to accommodate projected job demand, c) the requirement to address worsening market signals. If it cannot be reconciled, then an adjustment should be made.
- 2.19 The extent of any adjustment should be based on the extent to which it passes each test. That is,

- It will at least equal the housing need number implied by the latest demographic evidence,
- It will at least accommodate projected job demand; and,
- On reasonable assumptions, it could be expected to improve affordability.

2.20 The approach used by Barton Willmore to objectively assess overall housing need follows the methodology set out in PPG 2a-014:20 and summarised above. The result is a policy off assessment of housing need that takes no account of the impact of planned interventions strategies and policies.

**vi) *Affordable housing need assessment***

2.21 The methodology for assessing affordable housing need is set out at 2a-022 to 029 and is largely unchanged from the methodology it supersedes (SHMA 2007). In summary, total affordable need is estimated by subtracting total available stock from total gross need. Whilst it has no bearing on the assessment of overall housing need, delivering the required number of affordable homes can be used to justify an increase in planned housing supply (2a-029).

**“The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments ... An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”** (2a-029) (our emphasis)

**Barton Willmore Methodological Approach**

2.22 Barton Willmore's approach to OAN follows the approach set out in PPG, and is therefore methodologically robust.

***Stage One – Define the Housing Market Area Boundary***

2.23 Before any assessment can be carried out, the limits of the HMA must be defined. This is vital to ensure that the OAN reflects the social and economic dynamics of the area, and informs discussions on distribution should a particular LPA within the HMA face insurmountable challenges in accommodating its own demand for housing.

2.24 As a starting point, research from the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University is consulted, and compared against ONS Travel to Work Areas (most recently produced in 2007 from 2001 Census data – update due in 2015) and HMA definitions applied within recent LPA evidence base studies. These definitions are then tested

using commuting and migration flow data (plus data on house prices) to determine which is most appropriate for the purpose of assessing housing need, taking account of guidance set out at PPG ID: 2a-009 to 013. The HMA area as defined and used by the LPAs has also been considered within this assessment.

### ***Stage Two – Identify and Adjust Demographic Starting Point***

- 2.25 The CLG 2012-based Household Projections (released in February 2015) act as the starting point for assessing housing need (as established in PPG ID: 2a-015). However, these projections alone do not constitute OAN – in line with PPG guidance, Barton Willmore consider several adjustments are required to the household projections based on further evidence that indicates past demographic and household trends have been affected by past under delivery of housing and the economic recession.
- 2.26 The first adjustment considered necessary is to account for suppressed household formation inherent in the 2012-based household formation rates. The problem of suppression arises because although formation rate projections are based on a long run trend which takes its bearings from Census points since 1961/71, that trend is distorted by the results of the 2011 Census, taken at a time when formation was greatly constrained by economic factors (supply, affordability and the aftermath of recession).
- 2.27 Analysis presented in Chapter 5 of this report shows that the 2012-based household formation rates are lower than the previous ‘interim’ 2011-based and 2008-based rates for those people aged 25-34 years of age. Lower rates indicate suppressed household formation. A recent Town and Country Planning paper<sup>2</sup> suggests that lower household formation is as a result of the ‘policy and economic environment’ and therefore refers to this as fixed circumstances that will not be reversed. This includes a ‘sustained increase’ in younger people not leaving home, which could be related to the introduction of student fees from 1998 and the increase in ‘precarious employment’. All of which have resulted in worsening affordability and lower headship rates for younger households. The clear aim of the Government is to afford everyone the opportunity to establish their own home. Co-author of the research, Christine Whitehead stated in a related press release:

**“One of the biggest concerns is that couples aged between 25 and 34 – at the time when family formation is at its highest – are expected to be less well housed in 2031 than their counterparts in 2011.”<sup>3</sup>**

<sup>2</sup> T&CP Tomorrow Series Paper 17: New Estimates of Housing Requirements in England, 2012- to 2037, Neil McDonald and Christine Whitehead

<sup>3</sup> <http://www.tcpa.org.uk/resources.php?action=resource&id=1273>

- 2.28 To plan on the basis of using the 2012-based household formation rates will inevitably lead to a worsening of the current situation and a spiralling in the number of young adults forced into a position where they delay setting up their own home. This does not conform to NPPF's requirement to 'plan positively' (paragraph 182).
- 2.29 An adjustment to the 2012-based household formation rates is therefore considered necessary. The extent of the adjustment is a matter of judgement but our approach is to return to the household formation rates assumed in the last pre-recession household projections series, in this case the 2008-based series. In our judgement the local 2008-based household formation rates continue to be a relevant benchmark of unsuppressed household formation. Whilst some consider the 2008-based rates to be evidence of the optimism before the economic downturn<sup>4</sup>, given that in Telford and Wrekin the 2008-based household formation rates are not out of shape for all other age groups and therefore in this instance the 2008-based rates are a relevant benchmark.
- 2.30 The second adjustment considered necessary is to test alternative assumptions of net migration. The 'starting point' estimate (the CLG 2012-based household projections) are underpinned by the ONS 2012-based Sub National Population Projections (SNPP). The 2012-based SNPP draw migration trends from the period 2007-2012 which again may have been distorted by the recession effecting the movement of people between places. For this reason, longer term trends, typically drawn from a 10-year period, can provide a more robust guide of likely migration patterns in the future.

### ***Stage Three – Assess Labour Force Capacity***

- 2.31 To identify the extent to which forecast labour demand will be accommodated by the OAN following the approach described above, a comparison is made between the size of the workforce arising from the adjusted demographic-led modelling and job creation forecasts, taking into account 'policy-off' job growth trends forecasts and potential changes in unemployment and economic activity rates over the plan period. The ratio of residents in employment and workforce jobs (the commuting ratio) is also an important input into this process.
- 2.32 If the size of the arising workforce is less than the forecast number of jobs, it is likely that a further uplift in the dwelling target would be required. Should this occur, additional jobs-led modelling is carried out to identify the population growth (and therefore number of dwellings) required to supply sufficient labour capacity.

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<sup>4</sup> Making Sense of the New English Household projections, Simpson and McDonald, Page 181, Town & Country Planning, April 2015



***Stage Four - Assess Market Signals***

- 2.33 Housing costs in all parts of the country are less affordable now than 20 years ago, largely due to a significant decline in the number of homes being built. The extent to which this breakdown between the supply of and demand for housing occurs within the subject HMA is observed through an analysis of Market Signals.
- 2.34 Several key Market Signals are assessed including House Prices, Private Rents, Affordability, Concealed and Overcrowded Households and Completion Rates. As stipulated at PPG ID: 2a-020, a worsening trend in any of these indicators requires a boost to the planned level of housing supply.

***Stage Five – Bringing the Evidence Together***

- 2.35 Overall housing need is identified by distilling the analyses discussed above into a single OAN for the period 2011-2031. This figure, by definition, does not take into account policy considerations which may place constraints on supply or limit the deliverability of housing. Housing need figures are provided for the relevant individual LPAs, but distribution of the overall HMA OAN will in practice be subject to agreements between LPAs being made, including any constraints in particular areas.

***Stage Six – Affordable Housing Need***

- 2.36 The extent to which the OAN arrived at through the previous stages would meet affordable need is also assessed. Where the local authority SHMA has provided a recent and detailed account of affordable need which draws on primary research, this is used as the basis for much of the analysis.

**Chapter Summary**

- 2.37 The approach of national policy and guidance clearly states the importance of objectivity and transparency in the assessment of housing requirements. This study has been prepared in accordance with this approach, and uses data and methodologies (where possible) which can be traced and replicated. The ultimate output of this study is a clear, unambiguous recommendation for housing development which is supported by a robust evidence base and sound assumptions.

### 3.0 ASSESSMENT AREA DEFINITION

3.1 As established in the previous chapter, LPAs are required to assess need within their wider HMAs, rather than simply within their own boundaries.

3.2 In defining 'What is a housing market area?', the Planning Practice Guidance states:

**"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. 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."**<sup>5</sup>

3.3 However, there is no single definition of where the boundaries for each HMA fall.

#### **Independent Definitions**

3.4 As a starting point, two sources of information are taken into consideration – one academic led (funded by CLG) and one from the ONS.

#### ***CURDS/NHPAU – The Geography of Housing Markets in England***

3.5 Research carried out by leading academics from the Centre for Urban & Regional Development Studies (CURDS) at Newcastle University acts as a good starting point for defining a HMA. The research was funded by the National Housing and Planning Advisory Unit at CLG, and focuses on creating a robust set of HMA definitions with a tiered structure:

- The upper tier (Strategic) covers the whole country, providing appropriate areas for modelling and analysis relating to strategic housing policy. Strategic HMAs are defined by long distance commuting flows and the long term spatial framework within which housing markets operate. The researchers also state that the Strategic tier is particularly useful for modelling affordability.
- The lower tier (Local) applies primarily to heavily urbanised regions, splitting the Strategic HMA boundaries into smaller areas for detailed monitoring of the balance of housing supply and demand.

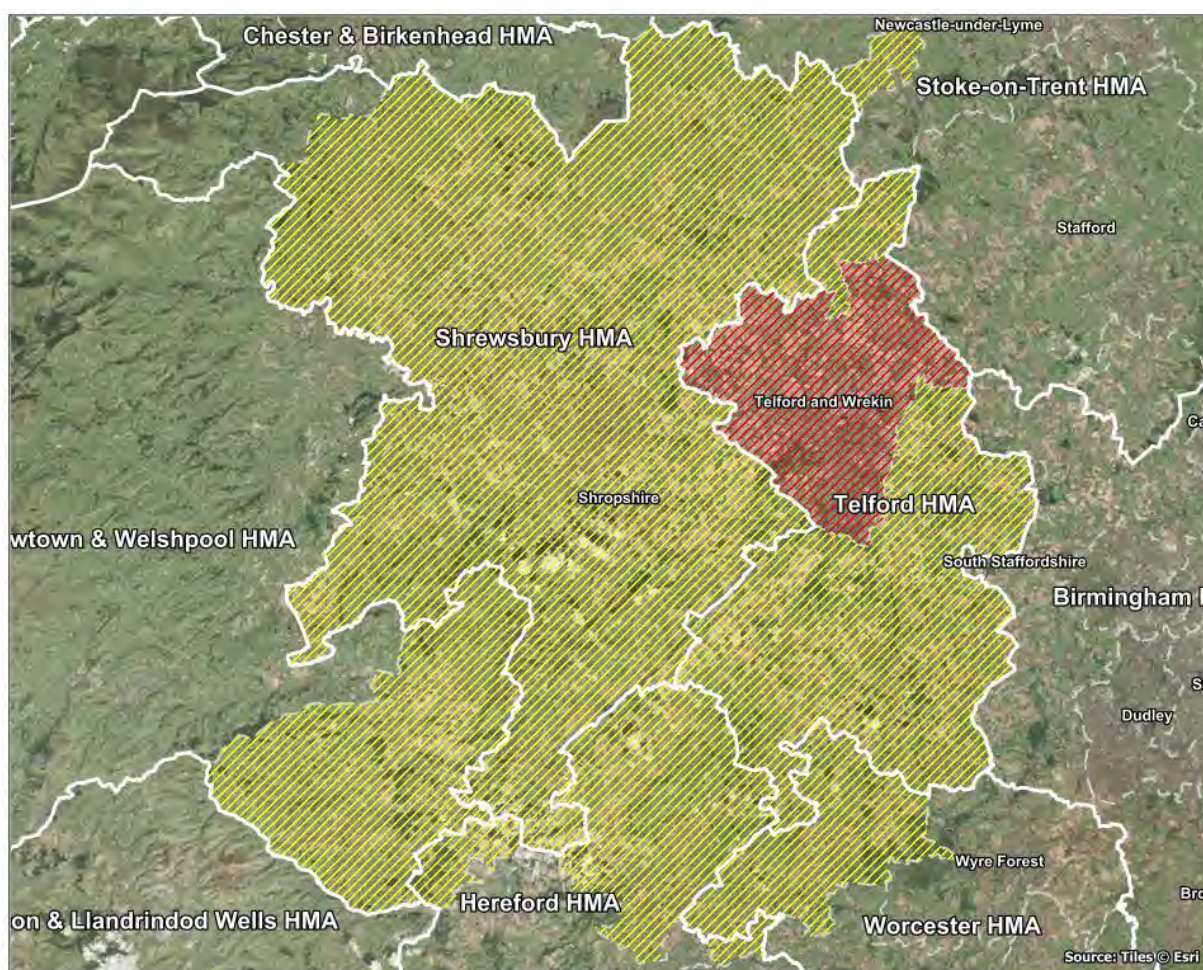
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<sup>5</sup> Paragraph: 010 Reference ID: 2a-011-20140306, Planning Practice Guidance, 06 March 2014

3.6 These sets of HMAs are termed 'gold standard' because their boundaries are defined to the maximum possible level of detail. They are built up from c.9000 wards using detailed migration and commuting statistics, which were made available to the CURDS researchers from the 2001 Census (it is currently unclear whether or not this exercise will be repeated based on the recently-released Census 2011 flow data). Given that this study is primarily concerned with informing strategic housing policy, the Strategic HMA definitions represent the most logical and appropriate option.

3.7 Figure 3.1 below shows the Gold Standard Strategic HMA boundaries in the area surrounding Telford and Wrekin.

**Figure 3.1: Strategic Housing Market Area Boundaries – Gold Standard**



Source: ONS, CURDS/CLG. Contains data from ONS (© Crown Copyright) and Esri (© Esri)

3.8 Following local government reorganisation in 2009, Telford and Wrekin is the only local planning authority which falls within the Telford HMA on a 'best fit' basis. The large unitary authority of Shropshire, incorporating the former districts of Bridgnorth (which was considered to be part of the Telford HMA on a 'best fit' basis when the research was originally published),

North Shropshire, Oswestry, Shrewsbury & Atcham and South Shropshire, now largely falls within the Shrewsbury HMA.

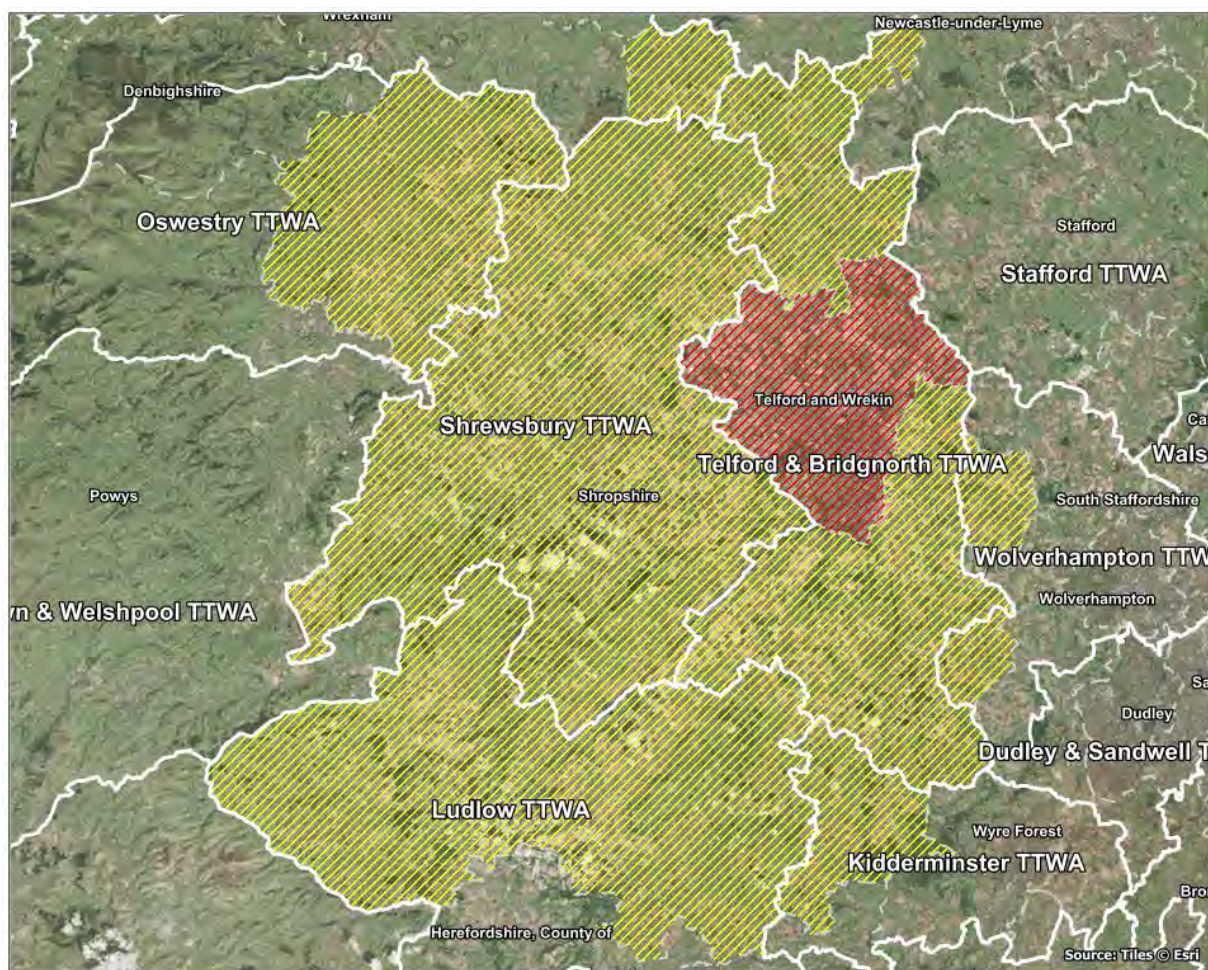
### ***ONS – Travel to Work Areas***

- 3.9 Travel to Work Areas (TTWAs), last produced by ONS in 2007, also provide a useful point of reference when determining the correct HMA definition. Although TTWAs do not take housing market factors into account, they do reflect the ways in which people travel between home and work, and are therefore a good indicator of the Functional Economic Market Area (FEMA), which must be taken into consideration when assessing the need for employment land.
- 3.10 Travel to work areas are the result of an iterative process, which aims to identify discrete and statistically robust geographical regions within which a large proportion of the resident labour force is contained (i.e. people living and working in the same TTWA). The containment thresholds applied within the 2007 research ranged from 66.7% (for larger areas) to 75%+ for smaller areas<sup>6</sup>.
- 3.11 Figure 3.2 below shows the limits of the various TTWAs in the area surrounding Telford and Wrekin.

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<sup>6</sup> ONS, 'Introduction to 2001-based Travel to Work Areas', p.2



**Figure 3.2: Travel to Work Areas**

Source: ONS. Contains data from ONS (© Crown Copyright) and Esri (© Esri)

- 3.12 On this basis, Telford and Wrekin falls entirely within the Telford & Bridgnorth TTWA. The remainder of the TTWA falls within Shropshire UA.

### Local Authority Definitions

- 3.13 The definitions applied by LPAs in their policy and evidence base documents can also provide useful insight into local political dynamics.
- 3.14 The most up-to-date evidence produced by the council relating to HMA definitions is contained within the 2015 Telford & Wrekin Objectively Assessed Housing Need report by Peter Brett Associates. The analysis contained within this report indicates that Telford and Wrekin forms a self-contained HMA.

## Definition Testing

3.15 The evidence considered above suggests two possible HMA definitions:

- Telford and Wrekin in isolation
- Telford and Wrekin plus Shropshire as a HMA

3.16 These definitions are tested below.

### *Travel to Work Flow Containment*

3.17 The first aspect assessed is the containment of Travel to Work flows. Flow data from the 2011 Census is used to estimate the proportion of workers who live and work within the various HMA definitions. In line with the containment thresholds applied during the determination of the TTWAs, retention of at least 67-75% of the workforce is considered an appropriate benchmark.

**Table 3.1: Travel to Work Flow Containment**

		Place of Work		
		Telford and Wrekin	Shropshire	Other
<b>Residence</b>	<b>Telford and Wrekin</b>	<b>73%</b>	12%	15%
	<b>Shropshire</b>	9%	<b>70%</b>	20%

Source: ONS, Census 2011

**Bold denotes threshold met or surpassed**

3.18 In isolation, both Telford and Wrekin and Shropshire fall within the TTWA threshold of 66-75%, suggesting that they can be considered to represent discrete HMAs.

### *Household Move Containment*

3.19 The second aspect considered is the containment of household moves. The analysis is again derived from Census 2011 flow data, this time from the table providing the origins and destinations of people who had moved home in the 12 months leading up to census day (27 March 2011). Unlike commuting flows, PPG provides a useful guideline for household move containment of 70%.

3.20 Although the majority of people tend to move only short distances, certain age groups such as 18-24s (moving to and from university) and over 50s (urban to rural, retirement) can distort

the picture. Migration flows for those aged 25-44 are therefore used to limit distorting influences.

**Table 3.2: Household Move Containment**

		Destination		
		Telford and Wrekin	Shropshire	Other
Origin	Telford and Wrekin	<b>71%</b>	10%	19%
	Shropshire	5%	69%	26%

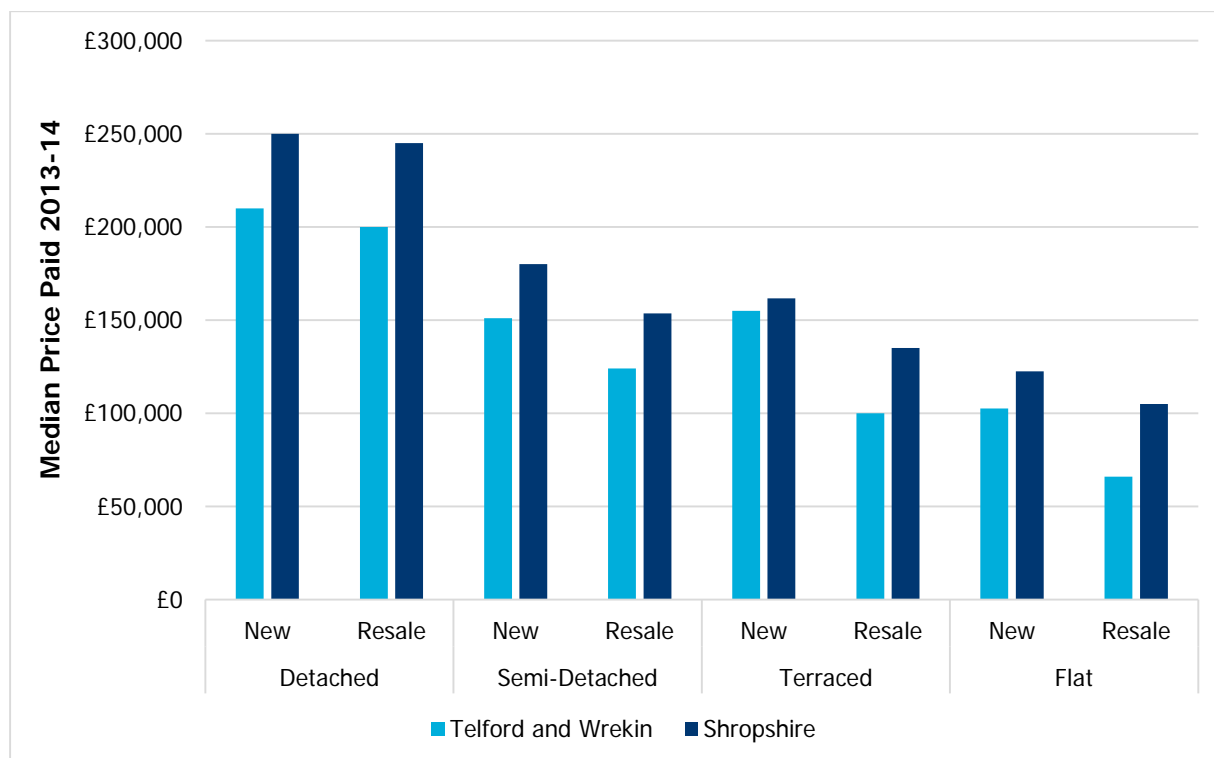
Source: ONS, Census 2011

**Bold denotes threshold met or surpassed**

- 3.21 Telford and Wrekin surpasses the 70% threshold set out in PPG, and Shropshire falls just 1% below it. On this basis, both LPAs can reasonably be considered to represent separate HMAs.

### *House Price Variance*

- 3.22 The final aspect taken into account is house price variance. As stated within PPG, areas which have clearly different price levels to surrounding areas are unlikely to be considered to belong to the same housing market. This analysis has been carried out using land registry price paid data for the full calendar years of 2013 and 2014. Figure 3.3 below shows the median prices paid for different types of property in the two LPAs. A distinction is made between new build properties (i.e. being sold for the first time) and resale properties.

**Figure 3.3: Median House Prices by property type, 2013-14**

Source: Land Registry, Price Paid Data for 2013 and 2014

- 3.23 Based on this analysis, house prices in Shropshire appear to be significantly higher than in Telford and Wrekin. New houses (detached and semi-detached) achieve a 19% premium in Shropshire, whilst resale properties achieve a premium of around 23%.
- 3.24 Shropshire is clearly a substantially more expensive place to buy property than Telford and Wrekin. This serves as further evidence of the two LPAs being separate.

### Recommended Definition

- 3.25 Although there is evidence that Telford and Wrekin and Shropshire have some functional relationships with one another, it is clear that the two LPAs can reasonably be considered to be largely discrete entities. Telford and Wrekin retains 73% of its employed labour force (within the containment range used by ONS when defining TTWAs), and 71% of people aged 25-44 who had moved house in the year prior to Census day 2011 remained in the LPA.
- 3.26 It is therefore considered reasonable to assess the need for housing in Telford and Wrekin only – in line with the latest housing evidence produced by the Council.



## 4.0 LOCAL POLICY CONTEXT AND EVIDENCE BASE REVIEW

- 4.1 This chapter provides an outline of the local authority policy and evidence base documents for Telford and Wrekin in order to determine whether the housing need has been objectively assessed in line with PPG recommendations.

### **Adopted/ Emerging Local Plans and Core Strategies**

*i) **Shaping Places Local Plan 2011 – 2031: Strategy and Options Document (June 2013)***

- 4.2 In June 2013 (prior to the publication of the SHMA and subsequent OAN report) Telford and Wrekin Council consulted on its 'Shaping Places' Strategy and Options Local Plan.

- 4.3 Three options for housing growth, 2011-2031, were put forward:

- **Housing Completion Led: 13,640 dwellings (682 dwellings per annum);**
- **Planned Growth: 17,800 dwellings (890 dwellings per annum);**
- **Hub for Growth & Business: 26,500 dwellings (1,325 dwellings per annum).**

- 4.4 Of these three options, the Council's preferred housing target was for growth of 26,500 dwellings, 2011-2031.

- 4.5 The rationale for the 'Hub for Growth & Business' housing target is set out as follows:

**"It is derived from an assessment of local land capacity at the local level carried out by the Council, which would support the potential development opportunities and delivery of future growth to underpin Telford and Wrekin's role in the sub-region. The delivery of this level of development would allow the Council to plan effectively for the future of the borough, by supporting services, regenerating communities and delivering new investment and jobs. It would place the borough in a position to respond quickly to future changes in economic outlook, and create greater certainty and choice for the market."**<sup>7</sup>

- 4.6 Although it is commendable that the Council has sought to pursue the most ambitious of the three housing targets it has set out, the supporting evidence does not comply with PPG requirements for an unconstrained objective assessment of overall housing need (which should be based on demographic trends, economic forecasts, market signals, and affordable housing need).

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<sup>7</sup> Paragraph 4.1.5, Page 22, Shaping Places Strategy and Options, Telford & Wrekin Council, June 2013

- 4.7 The document further sets out the Council's growth ambition, stating that:

**"By 2031 Telford and Wrekin will have grown to serve a population of over 200,000. Development will realise the borough as an outstanding destination for living, working and visiting that its residents are proud of and combines the best of town and countryside."**<sup>8</sup>

- 4.8 In order for the population of Telford and Wrekin to grow to more than 200,000, population growth in excess of all recent ONS population projections would be required. It should be recognised, though, that the ONS projections are based on past migration trends, which will have been influenced by past completions; in this instance, past completion rates have been significantly below target (see Chapter 8), and future growth forecasts are therefore likely to be suppressed as a result.

- 4.9 The document also confirms the Council's ambitions to boost employment over the course of the plan period:

**"To provide a sufficient quantity and range of good quality homes that are well designed, affordable and sustainable.... Locate new housing to support services, education and employment opportunities.... Increase the number of jobs over the Plan period."**<sup>9</sup>  
(Our emphasis)

- 4.10 Finally, the document acknowledged the importance of the relationship between housing and employment. Paragraph 5.0.4 states:

**"It is important for the economic prosperity of the borough that all options regarding the distribution of new homes is directed at increasing employment and the opportunities associated with it..."**<sup>10</sup> (Our emphasis)

- 4.11 It is therefore surprising that the subsequent February 2014 SHMA (described later in this chapter) did not take account of economic growth in its assessment of housing need.

- 4.12 In respect of affordable housing provision, Option 6 of the draft Plan suggests the following thresholds:

**"Set separate affordable housing targets for Telford, Newport and the rural area. These would apply to qualifying sites at levels**

<sup>8</sup> Paragraph 3.1.1, Page 18, Shaping Places Strategy and Options, Telford & Wrekin Council, June 2013

<sup>9</sup> Paragraph 3.2 & 3.3, Page 18, Shaping Places Strategy and Options, Telford & Wrekin Council, June 2013

<sup>10</sup> Paragraph 5.0.4, Page 28, Shaping Places Strategy and Options, Telford & Wrekin Council, June 2013

**advised by local viability evidence (currently 20% in Telford, 35% in Newport and 40% in the rural area)."**<sup>11</sup>

***ii) Shaping Places Local Plan 2011 – 2031: Proposed Housing and Employment Sites Document (May 2014)***

4.13 The Proposed Housing and Employment Sites document was published for consultation in May 2014, setting out sites which are proposed for future development within Telford and Wrekin in the context of the overall housing target proposed over the Plan period (2011-2031). The consultation results will inform the selection of the preferred sites which will be included in the emerging draft Local Plan.

4.14 In the context of housing provision, the document sets out the Council's preferred proposed housing requirement for the emerging Local Plan over the plan period (2011-2031) as follows:

**"We suggest a plan target of approximately 20,000 new homes. With 11,885 homes committed as a result of planning permissions, we need around 8,115 new homes to deliver the target."**<sup>12</sup> (Our emphasis)

4.15 It is important to note how the level of overall housing provision set out in the document is lower than 26,500 dwellings originally outlined in the Strategy and Options document (2013). The Council felt that this revised target was necessary to:

**"Protect our unique selling point of green spaces whilst suggesting managed sustainable growth"**<sup>13</sup>

4.16 The explanation for this target again appears to be based on land availability and capacity, rather than a full objective assessment of overall housing need based on a proportionate evidence base.

**"The housing target will be met by homes already committed through existing planning permissions, sites with resolution to permit and sites in an adopted development plan, together with homes built on sites proposed in the Proposed Housing and Employment Sites document. Committed sites, once developed, will provide 11,885 new homes. Proposed sites have the potential to provide approximately 9,986 new homes. This represents 23% more homes than need to be delivered from proposed sites to achieve the housing target. This additional percentage has been included to allow for discussions on site suitability during the consultation process and provide some flexibility over the choice of sites to be taken forward to the draft plan stage. Following**

<sup>11</sup> Option 6, Page 66, Shaping Places Strategy and Options, Telford & Wrekin Council, June 2013

<sup>12</sup> Paragraph 2.3, Page 2, Telford & Wrekin Council - Proposed Housing and Employment Sites, May 2014

<sup>13</sup> Paragraph 2.4, Page 2, Telford & Wrekin Council - Proposed Housing and Employment Sites, May 2014

**consultation, the selection of sites will be refined to take into account comments received as well as the most recent household projections anticipated to be released by the Office for National Statistics later in 2014.”<sup>14</sup>**

- 4.17 The technical report fails to refer to demographic and economic projections/forecasts, market signals, or affordable housing provision.

***iii) Telford & Wrekin Council – Local Plan 2011-2031 – Consultation (August 2015)***

- 4.18 In August 2015 the Council published the Telford & Wrekin Local Plan for consultation. This sets a vision for the Borough that includes:

**“....the provision of sufficient homes of the right type and quality in the right places to meet a growing and ageing population, the right businesses and jobs to provide employment, economic prosperity and education to deliver the skills required by growing business as well as the provision of services and facilities to meet our communities’ current and future needs’<sup>15</sup>**

- 4.19 The aims and objectives of the Local Plan expand the vision and provide the basis for the spatial strategy and policies of the Plan.
- 4.20 Aim 1 of the Plan is to ‘promote prosperity and opportunity for everyone’. Although the Plan does not state a specific job target, Policy EC1 of the Plan states:

**“The Council anticipates a minimum of 110 hectares employment land to be required over the lifetime of the Local Plan for uses within the B Use Classes”<sup>16</sup>**

- 4.21 Aim 2 is to ‘meet local housing needs and aspirations’ with Policy HO1 of the Plan setting out a housing requirement for Telford & Wrekin Borough of 15,555 new dwellings between 2011 and 2031. The Plan goes on to say:

**“The housing requirement set out in Policy HO1 is higher than the objectively assessed needs identified in the PBA report, which identified an overall housing need of 9,940 dwellings up to 2031. The housing requirement is therefore not solely based on the overall housing need. It also allows for additional development of an appropriate scale, nature and location which will support delivery of the overall plan vision and growth strategy, including supporting the delivery of affordable housing”<sup>17</sup>**

<sup>14</sup> Page 2-3, Telford & Wrekin Council - Proposed Housing and Employment Site Selection: Supplementary Technical Report, May 2014

<sup>15</sup> Paragraph 2.42, Page 26, Telford and Wrekin Local Plan 2011-2031, Consultation, August 2015

<sup>16</sup> Policy EC1, Page 45, Telford and Wrekin Local Plan 2011-2031, Consultation, August 2015

<sup>17</sup> Paragraph 5.4, Page 66, Telford and Wrekin Local Plan 2011-2031, Consultation, August 2015

- 4.22 This section now goes on to review the evidence base underpinning the housing needs assessment.

### **Housing Evidence Base**

- 4.23 The main piece of evidence underpinning the Council's housing needs assessment is the recently published (March 2015) Telford and Wrekin Objectively Assessed Housing Need Report by Peter Brett Associates (PBA). The PBA OAN report updates the overall housing need assessment for Telford and Wrekin presented in the Strategic Housing Market Assessment published in February 2014. However, the SHMA still provides the most recent assessment of affordable housing need and the needs of different community groups. For this reason, both documents are outlined below in order to determine whether the housing need for Telford and Wrekin has been objectively assessed in line with NPPF and PPG requirements.

#### ***iv) Strategic Housing Market Assessment (February 2014)***

- 4.24 The February 2014 SHMA was published by 'Housing Vision' and replaced the previous SHMA published in 2008 by Nevin Leather Associates.
- 4.25 The NPPF requires all local planning authorities to produce a SHMA to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries (paragraph 159).
- 4.26 As mentioned above, the overall assessment of housing need for Telford and Wrekin as set out in the SHMA has now been superseded by the Telford and Wrekin Objectively Assessed Housing Need report (March 2015) produced by Peter Brett Associate. For this reason, only a brief review of what the SHMA reported is presented here with a particular focus on those parts which have not been updated by the PBA OAN report.

#### ***Objective Assessment of Overall Housing Need***

- 4.27 The 2014 SHMA is not considered to provide a full objective assessment of overall housing needed to comply with the NPPF and PPG requirements.
- 4.28 The SHMA failed to incorporate the most recent data sources (including the CLG 2011-based 'interim' household projections) that were available at the time of publication, and relied heavily on population projections which are out of step with those the preceded and succeeded them. Additionally, no sensitivity testing was carried out on this demographic forecasting.

- 4.29 There was no consideration of employment forecasts in the formulation of an overall housing requirement. This is contrary to the PPG requirement to take account of likely growth in labour demand in order to prevent increases in unmet housing need.
- 4.30 The SHMA does not provide a PPG compliant assessment of relevant market signals, specifically whether upward adjustment is required to household projections, despite reporting a significant shortfall in delivery between 2006 and 2013, annual affordable need in excess of the proposed draft Plan housing target, and a high affordability ratio.

### ***Affordable Housing Need Assessment***

- 4.31 The SHMA provides detailed assessment of affordable housing need, taking into account both forecasted newly-arising need backlog need.
- 4.32 The backlog element of the assessment is based primarily on data provided from Telford and Wrekin's housing register. This is considered to be the most robust approach, and as such, the backlog need identified is likely to be a realistic representation of need in Telford and Wrekin. In total, backlog need equates to an annual requirement for 1,722 affordable dwellings, 2011-2016.
- 4.33 In addition to backlog need, the SHMA identifies newly arising affordable housing need between 2011 and 2016 at 770 households per annum. After taking account of re-lets and re-sales the SHMA identifies an annual net affordable requirement for 1,608 affordable homes per annum over 5 years (8,040 in total). This is an increase from the previous 2008 SHMA which showed total affordable need for 1,240 new homes per annum over 5 years<sup>18</sup>.
- 4.34 The assessment also identifies the likely proportion of all future household growth 2011-31 that is deemed likely to require affordable housing. Of the 10,651 households the SHMA expects to form over the 20 year period, 47% are expected to require some form of affordable housing. It is unlikely that this proportion of affordable housing could be sustainably delivered by the market. When the backlog of need, which adds a further 8,040 to the overall housing requirement, is taken into account, just 27% of housing required would be market housing.

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<sup>18</sup> Table 5.8, page 231, Telford & Wrekin Strategic Housing Market Assessment, February 2014

### ***Needs for all Types of Housing***

4.35 Both the NPPF and PPG set out the requirement to identify the need for certain types of housing and the needs of different community groups once an overall housing figure has been identified.

4.36 The 2014 SHMA does set out a detailed requirement of need by tenure and size and household type. However, this assessment is based on the SHMA's overall assessment of housing need which as mentioned above is not considered to comply with NPPF and PPG requirements and which has since been updated by the PBA OAN report (March 2015).

#### ***v) Telford and Wrekin Objectively Assessed Housing Need – Final Report (March 2015)***

4.37 The Telford and Wrekin OAN final report was published by Peter Brett Associates (PBA) in March 2015. This section critically reviews the OAN report in the context of the NPPF and PPG, and determines the extent to which it can be considered to represent a full OAN for Telford and Wrekin.

4.38 The PBA OAN Report aimed to address the following questions (paragraph 1.1):

- How wide should Telford & Wrekin's functional housing market be drawn?
- How should the different national population and household projections covering the period up to 2031 be treated as part of the assessment method? What reasonable adjustments might be made to the assumptions applied to national population and household projections to reflect local circumstances?
- How should recent economic effects of the recession on the projection of future household formation and local labour demand forecasts be treated? Is it reasonable to assume that there will be some return to past trends were the economy to [continue] to improve?
- What is the relationship between the projected need for housing and projected future labour supply?

#### **a) Housing Market Area definition**

4.39 The PPG clearly states the need for local authorities to work collaboratively when assessing housing needs, most importantly those local authorities within the relevant housing market area (HMA).

4.40 The OAN report (Chapter 2) considers the housing market area based on the Centre for Urban and Regional Studies (CURDS) definition. However, as this research is primarily based on 2001 Census data the report also looks at updated migration and commuting flows from the 2011 Census and concurs with the previous SHMA (February 2014) findings that Telford & Wrekin forms a separate housing market area on its own. Therefore the OAN report assesses housing need for the Borough in isolation.

4.41 The analysis undertaken by Barton Willmore and presented in Chapter 3 of this report, also concurs that Telford and Wrekin Borough forms a separate housing market of its own.

**b) Objective assessment of housing need**

4.42 The OAN report follows the approach for objectively assessing housing need as set out in PPG and outlined in Chapter 2 of this report.

***Demographic Starting Point***

4.43 The PPG recommends that the CLG Household Projections should be used as the starting point for assessing housing need. The PPG states the following in relation to the use of official data sources in an assessment:

**"The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office of National Statistics population estimates."**<sup>19</sup>

4.44 The OAN report (Table 3.1) does take account of the most recent CLG 2012-based household projections which show growth of 446 households per annum over the plan period 2011-2031 (equivalent to 461 dwellings per annum once the report's 3.1% allowance for vacancy and second homes has been applied).

4.45 However, at paragraph 3.6 the Report outlines a weakness with the 2012-based Sub National Population Projections (SNPP) which underpin the 2012-based household projections. That is that the 2012-based SNPP are based on migration trends observed over the period 2007-2012.

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<sup>19</sup> Paragraph: 017 Reference ID: 2a-017-20140306, Planning Practice Guidance, 06 March 2014



This period coincides with an economic recession and is therefore not considered to represent a robust projection.

4.46 To correct this weakness, PBA have created two alternative population projections which they refer to as PBA trends (paragraph 3.8). Both alternative projections use a base year of 2013 and use the ONS 2013 Mid-Year Population Estimates as the starting population. The two scenarios are:

- PBA trends 2003-13 based on a 10-year migration trend from the period 2003-13;
- PBA Trends 2008-13 based on a 5-year migration trend from the period 2008-2013 which is similar to the ONS SNPP but from a more recent 5-year period.

4.47 It is reported that the ONS 2012-based SNPP project growth of 583 people per annum over the period 2011-2031, which is correct. However, the PBA trends 2008-2013 projects higher growth of 785 people per annum and the PBA trends 2003-2013 projects higher growth still of 838 people per annum (Table 3.1, page 13). Barton Willmore has replicated the creation of a 10-year migration trend drawn from the period 2003-2013 and constraining to the 2011-2013 Mid-Year Population Estimates for consistency with the PBA work and analysis (presented in Chapter 5 of this report) shows that Barton Willmore's equivalent 10-year migration trend results in growth of 754 people per annum – lower than the equivalent scenario produced by PBA.

4.48 It is considered that the use of different forecasting models is the reason for the differences seen between the 2003-2013 produced by PBA and Barton Willmore. Barton Willmore use the POPGROUP and Derived Forecast demographic forecasting model maintained by Edge Analytics and used by over 100 organisations (both public and private). POPGROUP is specifically designed to be able to produce alternative migration scenarios in a way that replicates (to a degree) the ONS method. It is believed PBA use a forecasting model developed by John Hollis but specific details are not known.

4.49 The OAN report initially considered household formation based on the 'interim' 2011-based household formation rates but adjusted these by applying an indexed return after 2021 to the pre-recession trend (as termed by PBA in paragraph 3.8) of the CLG 2008-based rates. However, following publication of the CLG 2012-based household projections on 27 February 2015, PBA produced a new set of projections called PBA Trends Adjusted which applied the CLG 2012-based household representative rates (with no adjustments) to the PBA trends population projections described above.

- 4.50 Analysis by Barton Willmore (presented in Chapter 5 of this report) has found that the CLG 2012-based household representative rates project lower household formation rates for those people aged 25-34 years than the 'interim' 2011-based household formation rates. PBA acknowledged that the 'interim' 2011-based rates were affected by the recession, hence the reason for applying the original adjustment assuming an indexed return to the 2008-based rates. For this reason it is unclear why PBA have decided not to make a similar adjustment to the 2012-based rates given they project lower rates than the 'interim' 2011-based rates.
- 4.51 Using the 2012-based household formation rates with no adjustment will continue to project suppressed household formation. PPG recommends that where rates may have been historically suppressed the rates may require adjustment (paragraph 15). Therefore in this instance an adjustment to the 2012-based rates is deemed necessary. Barton Willmore recommend a gradual return to the pre-recessionary 2008-based rates should be considered for the younger age groups. Using the 2008-based rates as a benchmark of unsuppressed household formation is considered appropriate and an approach also adopted by PBA before the publication of the 2012-based household formation rates.
- 4.52 The OAN report (paragraph 3.25) presents housing need based on demographic-need alone as 483 dwellings per annum based on the short term PBA Trends Adjusted 2008-2013 scenario, increasing to 497 dwellings per annum based on the long term PBA Trends Adjusted 2003-13 scenario. Both trends are presented as being comparable with growth shown in the 2012-based household projections of 446 households (or 461 dwellings per annum) with the differences being as a result of the alternative starting population age and gender profile.
- 4.53 Dwelling growth is calculated by PBA by applying a 3.1% adjustment factor to the household number to account for vacancy and second homes based on 2011 Census data (paragraph 3.21).
- 4.54 The long term trend scenario is presented as being more robust because it is based on a longer reference period (paragraph 3.26). **For this reason the OAN is presented by PBA as being 497 dwellings per annum over the period 2011-2031** (paragraph 3.27).
- 4.55 The PBA Study also considers the demographic implications of providing 15,000 net new dwellings (750 per annum) over the period 2011-2031 (paragraphs 3.28 to 3.32). This is the number of dwellings Council officers' estimate is the Borough's supply capacity over the plan period and whilst it has no bearing on the OAN, it has been produced to help inform the Council's thinking on the policy target.

### *Accounting for Economic Growth*

- 4.56 The PPG emphasises the need for plan makers to take employment trends into account when assessing overall housing needs. To this effect, it states that plan makers should consider past trends and forecasts of job growth when objectively assessing housing need, and explicitly reinforces that a 'failure to do so will mean that there would be an increase in unmet housing need'<sup>20</sup>.
- 4.57 In line with PPG, the PBA OAN Report considers if the demographically projected housing need would provide enough workers to support Telford and Wrekin's expected job growth.
- 4.58 PBA commissioned Experian to produce an employment forecast based on the preferred PBA Trends 2003-2013 population projection referred to as Experian's 'Trends Scenario'. The PBA report states that the population assumption is the only difference between Experian's 'Trends Scenario' and the standard Experian 'baseline forecast' dated December 2014 (paragraph 5.2).
- 4.59 Experian's standard baseline forecast (December 2014) shows growth of 810 jobs per annum in Telford and Wrekin over the period 2011-2031. The 'Trends Scenario' based on applying Experian's economic assumptions to the PBA Trends 2003-13 scenario shows growth of 852 jobs per annum.
- 4.60 The PBA OAN report concludes that the demographic-led need represented by the PBA Trends Adjusted 2003-13 will support a healthy economic future and therefore there is no requirement for a further adjustment to support economic growth (paragraph 5.21).
- 4.61 Barton Willmore have assessed the Council's job growth of 852 jobs per annum and within the context of past trends and economic forecasts (see Chapter 6 of this report for more detail) consider 852 jobs per annum to be high. Barton Willmore's recommendation would be for a slightly lower, but yet more realistic job target of 690 jobs per annum to be used for the purposes of assessing OAN. This is based on an average of growth projected over the period 2011-2031 by Experian Economics September 2015 forecast (737 jobs per annum), Oxford Economics October 2015 forecast (441 jobs per annum) and Cambridge Econometrics (893 jobs per annum).
- 4.62 It is argued that economic forecasts produced by the three forecasting houses referred to above, already include a view on the future population and therefore it is logically inconsistent to then use these economic forecasts against a different population projection. This point is accepted. However, both Cambridge Econometrics and Oxford Economics have confirmed that

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<sup>20</sup> Reference ID: 2a-018-20140306, Planning Practice Guidance, 06 March 2014

their forecasts are demand based and not constrained by population (see Appendix 4 of this report). Furthermore, exploration of the economic outputs from Experian (published as Appendix D to the March 2015 OAN report) reveals that the *unconstrained* job demand forecast that sits at the heart of Experian's analysis is near identical to the *constrained* projection of workplace jobs suggesting that for Telford and Wrekin, use of the Experian baseline job demand forecast is reasonable as an indication of future job demand.

- 4.63 Barton Willmore have modelled the housing need of 690 jobs per annum and the result is 961 dwellings per annum would be required. This is a significantly higher housing need than that indicated by the PBA assessment for a lower job growth target. Even if the lower end of the projected job growth range is taken (441 jobs per annum as projected by Oxford Economics) the associated dwelling need is 643 dwellings per annum if 2012-based household formation rates are applied, with the need rising to 774 dwellings per annum if a full return to the 2008-based rates by 2031 are applied for those aged 25-44 years, which again is still higher than the housing need projected by PBA for a much lower job growth target.
- 4.64 The results of Barton Willmore's modelling presents a very different picture of housing need compared to PBA's assessment. For example, the PBA work shows fewer dwellings are required for higher job growth. This suggests that there are marked differences in respect of the underlying economic assumptions (unemployment, commuting ratio and economic activity) which are outlined below.

#### Underlying economic modelling assumptions

##### *Unemployment rates*

- 4.65 A comparison of the unemployment assumptions used in the Barton Willmore and PBA modelling work is shown in Table 4.1.

**Table 4.1: Comparison of unemployment assumptions for Telford and Wrekin**

	<b>Barton Willmore</b>	<b>PBA</b>
<b>2011</b>	9.1%	9.7%
<b>2012</b>	8.7%	8.6%
<b>2013</b>	8.2%	9.3%
<b>2014</b>	7.8%	7.3%
<b>2015</b>	7.3%	6.4%
<b>2016</b>	6.9%	5.8%
<b>2017</b>	6.4%	5.2%
<b>2018</b>	6.0%	4.5%
<b>2019</b>	5.5%	4.3%
<b>2020</b>	5.1%	4.3%
<b>2021</b>	4.6%	4.3%

Source: Barton Willmore and PBA

- 4.66 Table 4.1 illustrates that whilst PBA assume higher unemployment at the start of the projection period, the unemployment rate is modelled to fall more quickly by PBA reaching 4.3% by 2021 which is then held constant to 2031. In contrast Barton Willmore assume a more gradual reduction in unemployment reaching the pre-recession average by 2021 (4.6%) which is then held constant to 2031. PBA's use of a lower unemployment rate assumes that more labour can be drawn from the resident labour supply meaning that fewer homes will be needed to attract more workers.
- 4.67 The source of the PBA unemployment rates is not stated in the report. However, the unemployment rates used by Barton Willmore are taken from the Annual Population Survey (APS) model based estimates of unemployment which is considered a robust source as it is the only source that is regularly updated at a local level and provides consistent analysis back to 2004, allowing the calculation of a pre-recession average.

#### *Commuting rate*

- 4.68 Analysis of the commuting rate assumptions highlights that both Barton Willmore and PBA assume that Telford and Wrekin is a net importer of labour. Whilst Experian do not use a commuting ratio directly, analysis of the economic outputs for the preferred PBA Trends 2003-13 scenario (Appendix D of the March 2015 OAN report) has identified that PBA/ Experian assumes that Telford and Wrekin relies more heavily on labour from outside of the district.
- 4.69 The ratio of resident based employment and workplace jobs generates a commuting ratio of 0.85 in 2011 which reduces to 0.82 by 2031. However, after taking account of double-jobbing (thereby basing the ratio on resident based employment and workplace based employment) the assumed commuting ratio is 0.88 in 2011. Whilst the ratio fluctuates ever so slightly over the projection period, the ratio remains at 0.88 by 2031. The latter approach assumes an increase in the number of double-jobbers for which there is no clear justification. On this basis, and to provide consistent comparison with Barton Willmore's approach, the assumed commuting ratio of 0.85 reducing to 0.82 by 2031 is considered to provide a consistent comparison with Barton Willmore's approach.
- 4.70 Barton Willmore's analysis of commuting flows based on 2011 Census data results in a commuting ratio of 0.94 which is held constant throughout the projection period (2011-2031). As data from a census year is usually used as a benchmark to re-base various official data sets, it is considered that a commuting ratio from the 2011 Census is more reliable than one calculated independently by Experian.
- 4.71 Furthermore, Barton Willmore's approach of fixing the commuting ratio over the projection period rather than assuming a decline as used in the PBA/ Experian analysis is considered the

more robust approach. In the context of the ratio from the 2001 Census (0.93) Barton Willmore's approach to hold constant the commuting ratio at 0.94 (from the 2011 Census) is considered reasonable. Assuming a fall in the commuting ratio, as is the approach by PBA/Experian, will have an impact on neighbouring authorities or those authorities from which commuters to Telford and Wrekin originate. As the PAS guidance states:

**"The expected shift in commuting should be believable, and acceptable to the other local authorities affected by it. Strategies of recalling commuters should not be adopted unilaterally; they require cross-boundary agreement in line with the Duty to Cooperate."**<sup>21</sup>

- 4.72 In this instance it is considered the strategy of assuming a higher reliance on labour from outside of the borough should have the same cautions applied.
- 4.73 PBA's use of a lower commuting ratio (0.85 at the start of the projection period compared to 0.94 as used by Barton Willmore) means that housing need to support job growth will be lower based on PBA's assessment as it assumes that a greater proportion of the labour needed to support the job growth will come from outside of the district.

#### *Economic activity rates*

- 4.74 PBA have published economic activity rate assumptions as part of the economic outputs (Appendix D of the March 2015 OAN report). These are presented as a combined rate for males and females and for ages 16+, 16-64, 65+ years and working age. It is not clear whether more detailed rates were used in the modelling work and what the upper age limit is of the age ranges (if there is one). Barton Willmore use separate economic activity rates for males and females and by five year age group up to the age of 74 years. However, in order to aid comparison with the rates published by PBA, the Barton Willmore rates have been combined and are presented in Table 4.2 alongside the PBA rates.

<sup>21</sup> Paragraph 8.16, Page 36, Objectively Assessed Need and Housing Targets: Technical Advice Note, July 2015, Prepared by PBA for the Planning Advisory Service

**Table 4.2: Comparison of economic activity assumptions for Telford and Wrekin**

	<b>Barton Willmore</b>	<b>PBA</b>
	<b>2011</b>	<b>2011</b>
<b>Overall (16+)</b>	69.5%*	61.5%
<b>16-64</b>	76.5%	73.5%
<b>65+</b>	14.8%^	8.1%
	<b>2031</b>	<b>2031</b>
<b>Overall (16+)</b>	71.4%*	60.8%
<b>16-64</b>	77.3%	75.7%
<b>65+</b>	26.0%^	19.2%

Source: Barton Willmore/ PBA

\* Barton Willmore's 16+ is actually 16-74 years and therefore may not be directly comparable with PBA

^ Barton Willmore's 65+ is actually 65-74 years and therefore may not be directly comparable with PBA

- 4.75 Table 4.2 illustrates that in the base year (2011) and final year of the forecast (2031) Barton Willmore applies higher economic activity rate assumptions than PBA. However, it is expected that the rates are not directly comparable because Barton Willmore's economic activity rates only extend to age 74 years, whereas PBA's may go beyond this age. If this is the case, then PBA's economic activity rates may be diluted because, for example, the number of people working beyond 74 years will be low – calculating a rate as a proportion of all people over the age of 65 years rather than 65-74 years will create a lower rate. However, due to the ageing population, a lower rate applied to all people over the age of 65 years will result in a higher number of economically active people than a higher rate applied to just those aged 65-74 years.
- 4.76 Given the likely inconsistencies between PBA and Barton Willmore with regards to the age groups, it is perhaps more important to consider the change in economic activity rates between 2011 and 2031 applied by each party. PBA project a fall in overall economic activity (16+) between 2011 and 2031 which is considered unlikely given that PBA project a growth in the economic activity rate for both 16-64 and 65+ year olds. The PBA rates assume a 137% increase in economic activity of 65+ year olds whereas Barton Willmore assume a 76% increase. Whilst increases to State Pension Age will see economic activity increase in those aged 65+, it is important not to over exaggerate the future labour supply from an ageing population as this is likely to be unachievable in reality. For example, is it reasonable to assume that 19.2% of all people aged 86 years will be working as is the assumption believed to be made by PBA?
- 4.77 The Barton Willmore approach to projecting economic activity rates is set out in more detail in Chapter 6 of this report. Barton Willmore consider their approach to be robust and methodological.

- 4.78 Although the difference in economic assumptions may appear small, these indicators are highly sensitive and therefore a slight difference in assumption can lead to very different results of housing need. It is Barton Willmore's opinion that the assumptions made by PBA in relation to commuting and economic activity are unreasonable for the reasons outlined above and for this reason Barton Willmore's approach provides a more robust assessment of housing need.

**c) Market Signals Adjustment**

- 4.79 PPG states that the housing need number suggested by household projections will require an upward adjustment if there is a worsening trend in any of the indicators including; land prices, house prices, rents, affordability, rate of development and overcrowding (paragraphs 19 and 20).
- 4.80 The Telford and Wrekin OAN report considers all of the market signals outlined in PPG.
- 4.81 Analysis of past housing delivery shows that housing delivery has consistently fallen short of the targets. However, lack of land supply is not presented as the reason for this shortfall, rather lack of demand and poor viability led to delayed development (paragraph 4.20).
- 4.82 It concludes that there is nothing in the market evidence to suggest that demographic projections based on recent 5-year or 10-year trends underestimate future housing need and should be adjusted upwards (paragraph 4.51).
- 4.83 Barton Willmore disagree with this assessment as our analysis of market signals (presented in Chapter 7 of this report) indicates a worsening trend with regards to overcrowding, concealed households and worsening affordability, and past housing delivery falling significantly below target. On this basis, it is considered necessary to provide an uplift to address market signals issues in Telford and Wrekin.

**d) Affordable Housing Need Assessment**

- 4.84 The PBA report does not undertake a new assessment of the need for affordable housing but rather summarises the findings of the Telford and Wrekin SHMA (2014).
- 4.85 The Borough's total affordable housing need is estimated to be between 567 and 1,859 net new affordable units per annum, depending on whether the backlog of existing households in need is absorbed over five years or the 20-year plan period (paragraph 4.37).



- 4.86 The affordable need for net new dwellings alone is 1,237 dwellings per annum if the backlog is spread over five years and 445 dwellings per annum if it is spread over 20 years (paragraph 4.40).
- 4.87 This identified level of need is significantly higher than past delivery rates of affordable housing as presented in Table 4.3.

**Table 4.3: Historic affordable housing delivery in Telford and Wrekin**

Year	Affordable completions
2006/07	21
2007/08	73
2008/09	139
2009/10	184
2010/11	202
2011/12	275
2012/13	283

Source: Table 4.2, Telford and Wrekin OAN Final Report (March 2010)

- 4.88 The OAN report states that to pay for the lowest of the affordable needs (445 affordable dwellings per annum over 20 years) at the average rate of delivery over the last five years (38% annual affordable delivery) total housing development would have to be 1,171 dwellings per annum (paragraph 4.47).
- 4.89 Even on this basis the level of affordable need is greater than the OAN for 497 dwellings per annum (2011-2031).
- 4.90 To help deliver some of this affordable housing the OAN report states that the Council should be looking for realistic opportunities to attract market demand and build housing over and above the OAN calculated (paragraph 4.49). This additional demand could be overspill from the Greater Birmingham, Solihull and Black Country housing market.

### Chapter Summary

- 4.91 The most recent Strategic Housing Market Assessment (SHMA) for Telford and Wrekin was published in February 2014. Although the SHMA provides a significant amount of detail on the local housing market and need for affordable housing, it is considered that the SHMA does not provide a full objective assessment of housing need as required by the PPG.

- 4.92 However, the recently published Telford & Wrekin Objectively Assessed Housing Need report (March 2015) does seek to follow the guidance outlined in NPPF and PPG for assessing overall housing need.
- 4.93 Account has been taken of the most recent CLG 2012-based household projections which show growth of 446 household per annum over the period 2011-2031 (461 dwellings per annum once the Council's household to dwelling adjustment of 3.1% is applied to represent vacancy and second homes).
- 4.94 However, PBA correctly identify that the CLG 2012-based household projections are underpinned by the ONS 2012-based Sub National Population Projections (SNPP) which are based on migration trends observed over the recessionary period 2007-2012. For this reason PBA present two alternative population projections, one of which is based on a long-term migration trend over the period 2003-13 and the other based on a short-term migration trend over the period 2008-13. Both take account of the 2013 Mid-Year Population Estimates as published by ONS.
- 4.95 **The OAN presented is for 497 dwellings per annum over the period 2011-2031 based on the PBA Trends long-term (2003-2013) scenario with CLG 2012-based household representative rates applied.**
- 4.96 PBA do not propose any amendment to the CLG 2012-based household representative rates. However, Barton Willmore's analysis of the 2012-based household representative rates has found that the 2012-based rates continue to suppress household formation in the younger age groups, particularly those aged 25-44 years, as did the previous 'interim' 2011-based household representative rates. Prior to the release of the 2012-based rates, PBA's approach was to adjust the 'interim' 2011-based rates to address the issue of suppression by assuming a return to the trend as projected in the 2008-based rates after 2021. Given, the 2012-based rates continue to show suppression in the younger age groups as did the 'interim' 2011-based rates, it is unclear why PBA chose to apply an adjustment to the 2011-based rates but not the 2012-based rates? Barton Willmore consider it appropriate to test a return to the 2008-based rates for those aged 25-44 years and which is reported on in Chapter 5 of this report. For this reason, the OAN of 497 dwellings per annum presented by PBA can be considered a minimum in the context of alternative household formation assumptions.
- 4.97 The March 2015 OAN report has given consideration to the level of economic growth that can be supported by the demographic-led OAN and concludes that 497 dwellings per annum could support 852 jobs per annum. In this context the Council's evidence suggests that their demographic-led OAN will support a healthy economic future. Barton Willmore do not agree

that 497 dwellings could support growth of 852 jobs per annum. Barton Willmore's modelling has found that to support growth of just 690 jobs per annum 961 dwellings per annum would be required between 2011 and 2031 – therefore a higher level of dwelling growth for a lower number of jobs. Our analysis has found that the March 2015 OAN report assumes a very high reliance on labour from outside of the borough and high labour market participation of people aged 65+ years which in Barton Willmore's opinion is unreasonable.

- 4.98 All market signals set out in the PPG have been considered in the Council's OAN report and concludes that no upward adjustment is required to alleviate any worsening trends. Barton Willmore's analysis of market signals has shown that several adverse market signals have been observed in Telford and Wrekin including an increase in the number of concealed families and overcrowding, a worsening of affordability and past housing delivery which has significantly fallen below target. See Chapter 7 of this report for more detail. In light of this, it is considered that an upward adjustment for market signals is required.
- 4.99 The latest assessment of affordable housing need and needs of different community groups is contained in the 2014 SHMA and summarised in the updated PBA OAN report (March 2015). Net new affordable housing need is presented as being 1,237 dwellings per annum if the backlog is cleared over 5 years and 445 dwellings per annum if cleared over 20 years. Both quantities are significantly higher than the historic level of affordable housing delivery in Telford and Wrekin since 2006/07 which reached a peak in 2012/13 at 283 units. The OAN report states that to even meet the lowest of the affordable needs (445 dwellings per annum) at the average ratio of delivery over the last five years (38% annual affordable delivery) total housing development would have to be 1,171 dwellings per annum. This is significantly higher than the full OAN proposed in the March 2015 report for 497 dwellings per annum (2011-2031).

## 5.0 DEMOGRAPHIC CONTEXT AND DEMOGRAPHIC-LED HOUSING NEED

- 5.1 Demographic projections and estimates from ONS and CLG underpin much of the OAN, providing information on population change, age structure, household formation, fertility/mortality and migration.
- 5.2 This chapter begins with an overview of the population profile in the base year (2011), according to the 2011 Census. Next, a summary of the most recent population and household projections from ONS/CLG is provided, with comparisons made against other recent series. Key modelling inputs are then discussed, drawing on the population/household projections plus ONS mid-year population estimates.
- 5.3 The final part of the chapter summarises the results of the initial demographic-led modelling, setting out the starting point (as described in PPG) plus any required adjustments.
- 5.4 A concise summary of modelling inputs can be found in Appendix 1, whilst detailed model output tables can be found in Appendix 2 (including outputs for scenarios discussed in later chapters).

### Population Profile – 2011 Census

- 5.5 Table 5.1 below shows the total population of Telford and Wrekin, the West Midlands region and England according to the 2011 Census. Population density (number of people per hectare) and the proportion of people living in areas classed as urban are also shown.

**Table 5.1: Population – 2011 Census**

	Population (usual residents)	Population Density (people per hectare)	% of population in Urban Areas
<b>Telford and Wrekin</b>	166,641	5.7	93.3%
<b>West Midlands</b>	5,601,847	4.3	84.9%
<b>England</b>	53,012,456	4.1	82.4%

Source: ONS, Census 2011

- 5.6 Around 166,600 people were living in Telford and Wrekin Borough at the time of the 2011 Census. The majority of these people (93%) were living in urban areas. Telford and Wrekin is more populated than the West Midlands region with a population density of 5.7 people per hectare (compared with 4.3 regionally).
- 5.7 Table 5.2 below shows the number of dwellings and households within Telford and Wrekin on Census day.

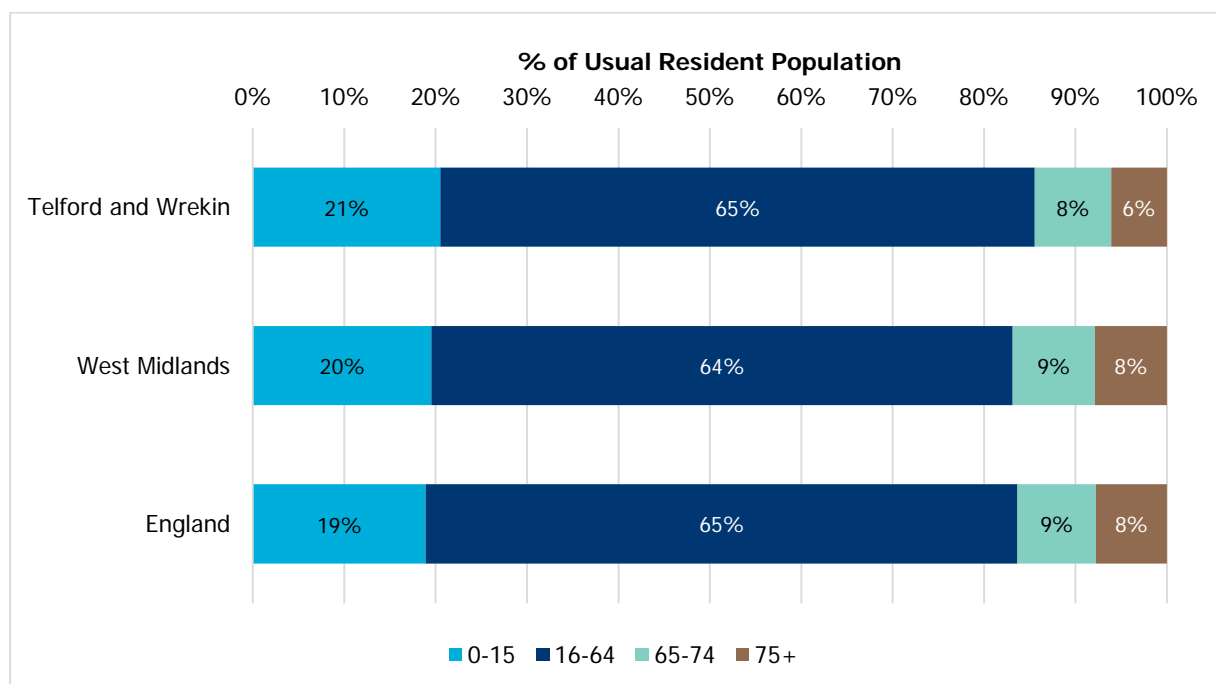
**Table 5.2: Dwellings and Households – 2011 Census**

	Total Dwellings	Household Spaces - Occupied	Household Spaces - No Usual Residents
<b>Telford and Wrekin</b>	68,714	66,608	2,122
<b>West Midlands</b>	2,376,728	2,294,909	86,008
<b>England</b>	22,976,066	22,063,368	980,729

Source: ONS, Census 2011

5.8 The number of dwellings in Telford and Wrekin totalled 68,700 according to the 2011 Census, the vast majority of which were occupied by a single household. Across Telford and Wrekin around 2,100 household spaces with no usual residents were recorded. These households tend to be either vacant or only occupied for part of the year (such as holiday homes) and in Telford and Wrekin around 3% of household spaces had no usual residents – lower than the regional and national average.

5.9 Figure 5.1 below summarises the age structure of Telford and Wrekin according to the 2011 Census.

**Figure 5.1: Age Structure – 2011 Census**

Source: ONS, Census 2011

5.10 Telford and Wrekin has a younger population profile than the regional and national average with more 16-64 year olds and fewer 65+ year olds. However, this is expected given Telford and Wrekin is predominantly more urban. The median age Telford and Wrekin was 38 years compared to 39 years for the national and regional average.

## Population and Household Projections

- 5.11 The average annual levels of population growth for Telford and Wrekin from the four most recent ONS Sub-National Population Projection (SNPP) series are summarised in table 5.3 below, from the 2006-based to the most recent 2012-based (published in May 2014).

**Table 5.3: ONS SNPP series – 2006-based to 2012-based (average growth per annum 2011-31)**

	2012-based series	2011-based (interim) series*	2008-based series	2006-based series
<b>Telford and Wrekin</b>	585	980	550	875

Source: ONS, SNPP Series 2006-2012

\*2011-based series runs to 2021 only and therefore average growth per annum based on the period 2011-2021

- 5.12 The most recent series (2012-based) shows projected growth of 585 persons per annum over the period 2011-2031 for Telford and Wrekin. This is lower than the previous 'interim' 2011-based SNPP but slightly higher than growth suggested by the 2008-based series. The 'interim' 2011-based SNPP were known to over project the population because despite being the first projection series to take account of the 2011 Census population profile, the underlying trends for fertility, mortality and migration were not updated to take account of 2011 Census findings and therefore outdated trends were applied to an updated population profile resulting in an unnaturally high population projection for Telford and Wrekin.
- 5.13 It is important to note that the most recent 2012-based SNPP are underpinned by national projections which projected significantly lower international migration (165,000 people per annum) than suggested by the most recent quarterly migration statistics report from the ONS (318,000 net migration to the UK in the year ending December 2014). This is likely to suppress the projections significantly. As a result, it is necessary to analyse longer term trends in net migration for the Borough to assess the extent to which the 2012-based SNPP are constrained locally by the under-estimation of net migration nationally.
- 5.14 For each major release of ONS SNPP, CLG produces an accompanying Sub-National Household Projection (SNHP). Table 5.4 below summarises the annualised change in households from the 2006-based to the 2012-based series for Telford and Wrekin.

**Table 5.4: CLG SNHP series – 2006-based to 2012-based (average growth per annum 2011-31)**

	2012-based series	2011-based (interim) series*	2008-based series	2006-based series
<b>Telford and Wrekin</b>	447	517	485	669

Source: CLG, SNHP Series 2006-2012.

\*2011-based series runs to 2021 only and therefore average growth per annum based on the period 2011-2021

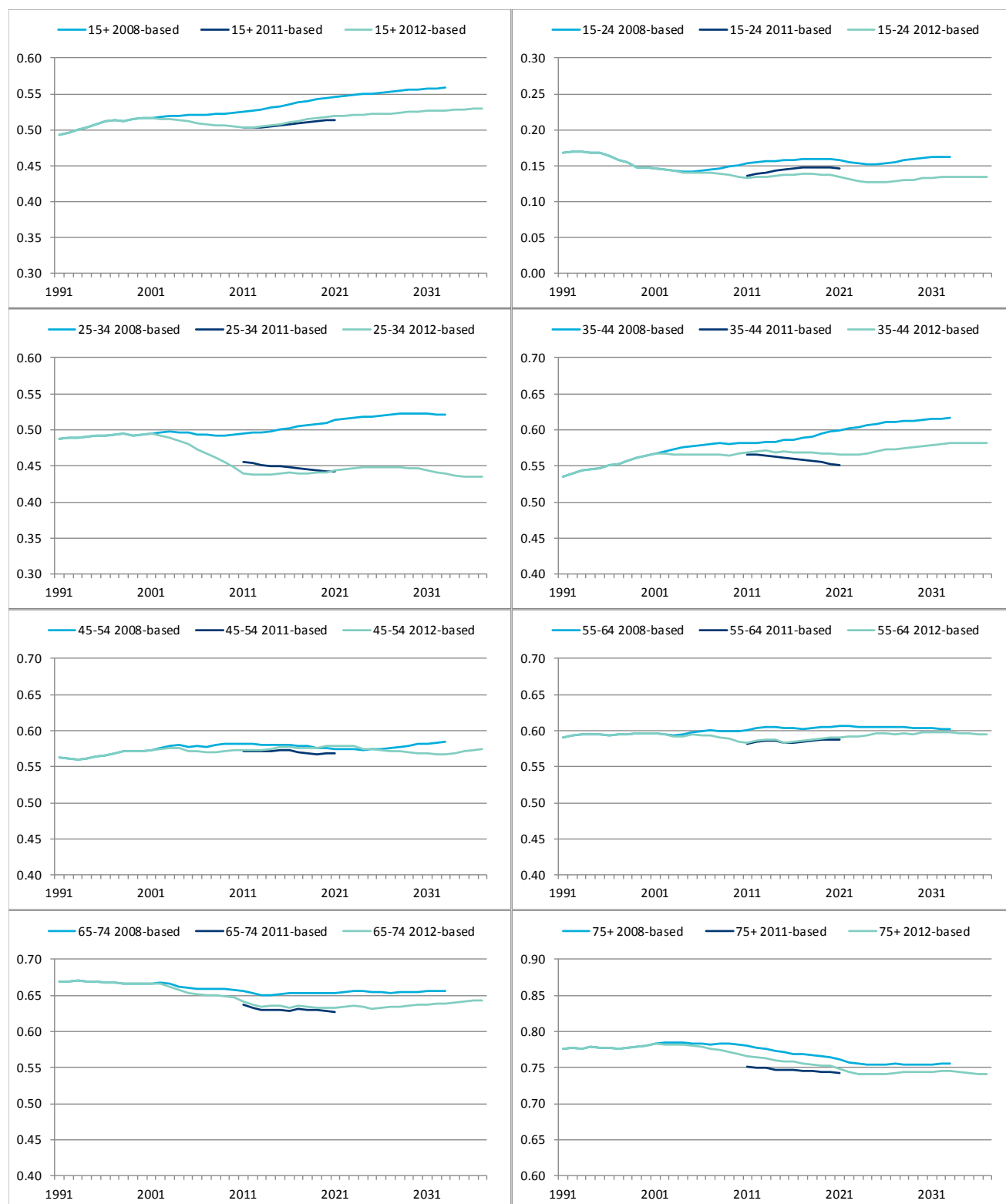
- 5.15 The 2012-based SNHP show the lowest household growth for Telford and Wrekin of all four of the projection series with growth of 447 households per annum. Whereas the 2008-based SNPP showed lower population growth than compared to the 2012-based SNPP, the 2008-based SNHP project forward higher household growth than the 2012-based series. This highlights differences with regards to household formation assumptions that is discussed below.
- 5.16 The 2012-based household projection series represents the starting point for OAN. To identify full OAN, a number of tests need to be carried out (and if necessary, adjustments made). Factors influencing demographic adjustments are summarised below.

### **Household Formation**

- 5.17 The CLG SNHP are underpinned by household formation rates (HFRs), which determine the likelihood that a person of a given age and gender is the head of a household. These HFRs are crucial in translating the official population projections into a number of households for each year.
- 5.18 The detailed HFR data for the 2012-based CLG SNHP show that the levels of household formation in younger age groups follow a similar trend to that projected by the previous 2011-based (interim) SNHP. These interim projections were underpinned by demographic trends over a period dominated by severe recession, rapidly worsening affordability and reduced mortgage lending – all of which served to restrict household formation, particularly in younger age groups.
- 5.19 The ONS has recently determined that 'concealed families' – a family living in a multi-family household in addition to the primary family, such as a young couple living with parents – have risen by 70% between the 2001 and 2011 Census, numbering 289,000 households (1.8% of all households) in 2011. The most common concealed family were couples living with no children in the family (128,000 or 44% of the total), and this supports the trend of lower household formation in the 25-34 age group in particular.

- 5.20 An adjustment to the CLG 2012-based SNHP is therefore considered necessary to ensure that atypical household formation behaviour observed in recent years is not unduly projected forward. To plan on the basis of the 2012-based HFRs will inevitably lead to a worsening of the current situation and a spiralling in the number of young adults forced into a position where they delay setting up their own home. This does not conform to the NPPF's requirement to 'plan positively' (paragraph 182)
- 5.21 Where suppression is evident, applying a return to the rates projected by the 2008-based SNPP (in the worst-affected age groups) is considered to be a reasonable response. In our judgement, the 2008-based HFRs continue to provide a relevant benchmark of unsuppressed household formation in Telford and Wrekin given that the 2008-based rates are not out of shape for the majority of age groups. Furthermore, the approach of returning to the 2008-based HFRs was an approach adopted by PBA prior to the release of the 2012-based household projections.
- 5.22 Comparison of HFRs for Telford and Wrekin for persons aged 15+, by 10 year age band 15 to 74 and for persons 75+ is presented in Figure 5.2 below. The HFRs shown are taken from the DCLG 2008-based, interim 2011-based and 2012-based projections.
- 5.23 Although the position on a scale of 0 to 1 (0 to 100%) varies, the range on each left hand axis is the same (0.2 or 20%) so that like for like comparison can be made.
- 5.24 By way of explanation, a rate of 0.5 means that 50% of persons in that age group are said to represent a household, so that a hypothetical 100 persons is assumed to represent 50 households.



**Figure 5.2: Household Formation Rates – Telford and Wrekin (summarised)**

Source: CLG, Household Projections

5.25 The charts above show suppression in all age groups (demonstrated by the line for 2012-based SNHP falling invariably below the line for 2008-based SNHP). In effect, the trend for declining household sizes has slowed significantly - particularly in the 25-34 and 35-44 age groups

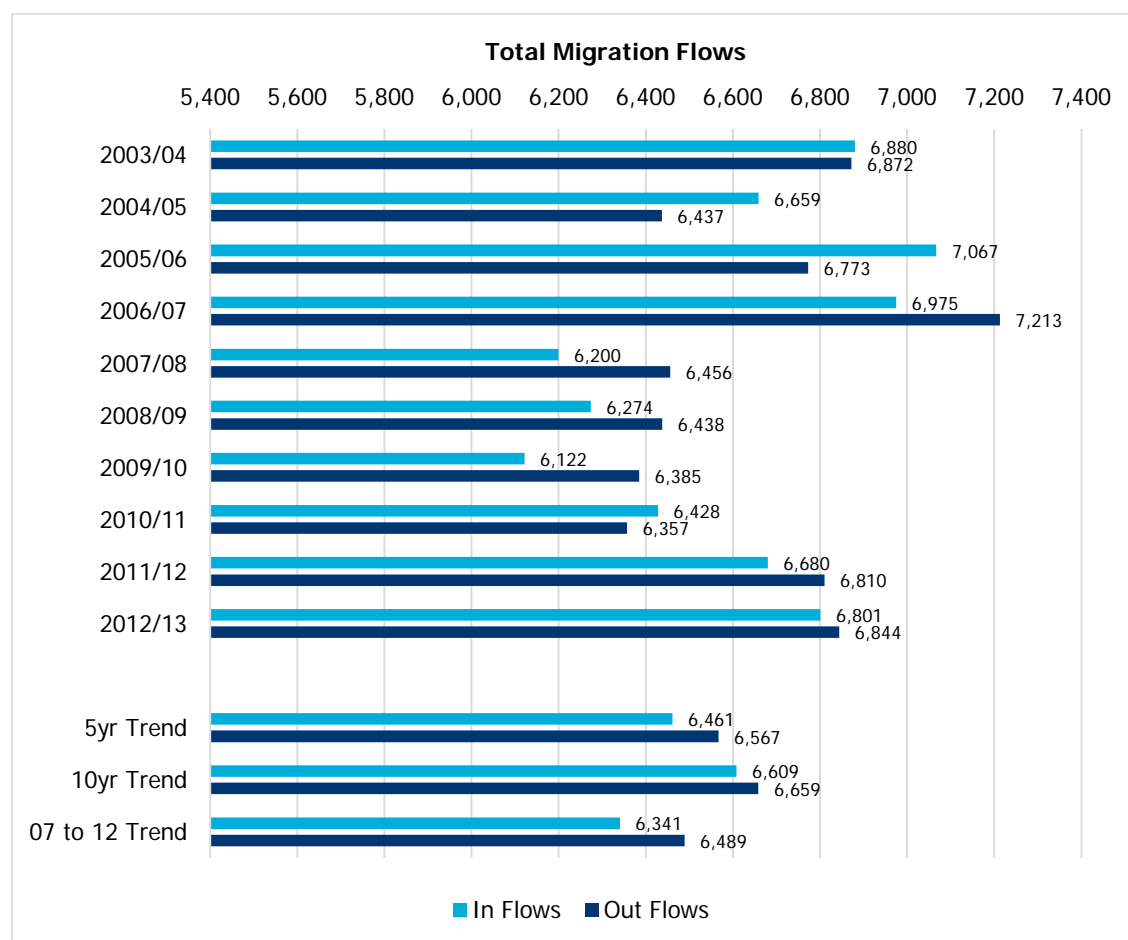
(second row of charts). This is likely to be caused by worsening affordability and tighter mortgage lending during the recession – effectively meaning that greater numbers of people had to live in larger households (such as with parents) than would have been the case had the pre-recession trend continued.

- 5.26 Planning for housing on the basis of a continuation of these suppressed HFRs is not supported by PPG which recommends adjustments to HFRs to reflect factors not captured in past trends (ID 2a-015). Furthermore, planning on the basis of the 2012 HFRs is not considered to be in accordance with the principles of positive planning, and would likely place significant pressure on housing supply as the economy improves.

### Migration Flows

- 5.27 The economic downturn has also led to atypical net migration patterns in some areas, and it is therefore considered prudent to take longer term trends into account. Figure 5.3 below summarises total in- and out-migration flows for Telford and Wrekin Borough between 2003/4 and 2012/13, based on detailed data from the ONS Mid-Year Population Estimates.

**Figure 5.3: In- and Out-Migration Flows – Telford and Wrekin**



Source: ONS, Mid-Year Population Estimates

- 5.28 Net migration flows for Telford and Wrekin decreased significantly during the recession. In the 5-year period 2007-2012, which is the period from which the ONS 2012-based SNPP trends are drawn, net migration averaged -148 net migrants per annum which means there was an outflow of people from Telford and Wrekin. A more recent 5-year trend drawn from the period 2008-2013 generates an average of -106 net migrants per annum, whilst the 10-year trend (2003-2013) shows an even lower outflow at -50 migrants per annum.
- 5.29 The analysis of migration trends set out above indicates that a continuation of long term (10-year) trends in net migration could require an uplift in the number of homes planned for, as it is likely that population growth would exceed the level indicated by ONS 2012-based SNPP. New homes are still required even though historically net migration has been negative in Telford and Wrekin. This is because the existing population of Telford and Wrekin will naturally be expanding through increased births. As children grow up over the plan period they will at some point require a home and there will be a natural dissolution of households through separations/ divorce.

### **OAN Starting Point and Demographic Adjustments**

- 5.30 Having assessed the base year population profile, reviewed the most recent official population and household projections and analysed household formation and net migration behaviour, it is possible to arrive at an estimate of demographic-led housing need.

#### ***Starting Point***

- 5.31 As stated in PPG, the starting point of OAN is the CLG 2012-based SNHP. In order to convert the official projections into a housing need figure, it is first necessary to adjust for vacant, second and shared homes. This reveals the total number of dwellings that would need to be built to accommodate the basic projection. Table 5.5 below summarises the adjustments applied for Telford and Wrekin.

**Table 5.5: Households-to-Dwellings adjustment factors**

	Second Homes	+	Vacant	-	Shared	=	Adjustment
<b>Telford and Wrekin</b>	0.19%		2.79%		0.01%		2.97%

Source: ONS, 2011 Census KS401EW (Shared); CLG, CTB 2014 (Second Homes); CLG Live Table 125/615 2013 (Vacant)

- 5.32 The OAN starting point for Telford and Wrekin can therefore be summarised as follows:

**Table 5.6: OAN Starting Point – 2011-31**

	Population Growth	Households	Dwellings
<b>Telford and Wrekin</b>	11,655 (583 pa)	8,936 (447 pa)	9,209 (460 pa)

Source: ONS, CLG, Barton Willmore calculations. Note that figures may not match exactly those noted in the context section above, due to the use detailed unrounded data supplied for modelling purposes.

### *Demographic Adjustments*

- 5.33 As discussed previously in this chapter, it is necessary to consider the implications of applying alternative demographic assumptions, particularly surrounding Household Formation Rates and Net Migration Flows. These implications have been tested by producing alternative demographic projections through the POPGROUP demographic forecasting system. POPGROUP is the industry standard tool for carrying out such analysis, and is widely used by public and private sector researchers and demographers.
- 5.34 Details of key modelling assumptions can be found in Appendix 1, including base year population, fertility, mortality and migration assumptions. Assumptions relating to the economic activity and the labour force are also summarised, and discussed in greater detail in Chapter 6.
- 5.35 The first adjustment made is to account for the suppression in HFRs discussed previously in this chapter. This adjustment must be made first, as it is of relevance to each subsequent adjustment made throughout the assessment process.
- 5.36 Using the POPGROUP and Derived Forecast demographic forecasting model, the adjusted HFRs are applied to the ONS 2012-based SNPP by age and gender. Table 5.7 below summarises the impact of assuming a gradual full return to the 2008-based HFRs for those people aged 25-44 years over the plan period (i.e. reaching the actual 2008-based rate in 2031). For all other age groups the 2012-based HFRs as published by CLG are applied.

**Table 5.7: Demographic-led Scenario – HFR Adjustment**

	Population Growth	Households	Dwellings
<b>Telford and Wrekin</b>	11,655 (583 pa)	11,261 (563 pa)	11,606 (580 pa)

Source: ONS/CLG; Barton Willmore modelling

- 5.37 The result of applying this HFR adjustment is an increase in the number of households forming from the same base population growth. The overall housing need figure for Telford and Wrekin increases by 120 dwellings per annum above the need indicated by the starting point estimate so that total demographic-led need with a HFR adjustment is 580 dwellings per annum over the period 2011-2031.

- 5.38 The second adjustment made is to account for atypical net migration patterns underpinning the ONS 2012-based SNPP. Table 5.8 below summarises the impact of a continuation of Long Term trends (based on the 10-year period 2003-2013) in migration flows on population, households and housing need (dwellings). This scenario constrains to the ONS Mid-Year Population Estimates up to 2013 in line with the approach adopted by PBA and also incorporates the HFR adjustment described above.

**Table 5.8: Demographic-led Scenario – HFR and Net Migration Adjustments**

	Population Growth	Households	Dwellings
<b>Telford and Wrekin</b>	15,087 (754 pa)	12,579 (629 pa)	12,964 (648 pa)

Source: ONS/CLG; Barton Willmore modelling

- 5.39 The result of projecting forward the long term trend in migration flows is an increase in population growth, and therefore an increase in housing need. For Telford and Wrekin population growth would increase by 171 people per annum, resulting in a need for 68 additional dwellings per annum over the period 2011-2031 above that indicated by the ONS 2012-based SNPP with adjusted HFRs.
- 5.40 It is considered necessary to make both of these demographic adjustments to the starting point to ensure that the demographic-led assessment of housing need is representative of realistic growth prospects.

### Chapter Summary – Demographic-led Housing Need

- 5.41 Telford and Wrekin is an urban authority and as such the age profile is slightly younger than the regional and national average.
- 5.42 The most recent ONS SNPP series (2012-based) shows higher population growth over the plan period than the previous full projection series (2008-based). However, the equivalent 2012-based SNHP shows lower household growth than the 2008-based SNHP.
- 5.43 Analysis of the Household Formation Rates (HFRs) underpinning the CLG SNHP provides clear evidence of suppression in household formation in the 2012-based series – particularly in the 25-34 and 35-44 age groups – when compared against the previous full series (2008-based). It has therefore been considered necessary to make an adjustment to the OAN starting point (CLG 2012-based SNHP, as set out in PPG) to account for this suppression.
- 5.44 Analysis of trends in net migration within Telford and Wrekin over the plan period also provides evidence of atypical net migration behaviour during the recession. Given that the ONS 2012-

based SNPP draws on data from the 5 years prior to the beginning of the series (i.e. 2007-2012), it was considered necessary to make a further adjustment, incorporating longer term trends in migration flows to reduce the effect of the recession. Trends from the 10 year period 2003-2013 have been used to retain consistency with the 10-year migration trend presented in the March 2015 OAN report by PBA.

- 5.45 Having determined the OAN starting point and made two necessary adjustments, the demographic-led need for housing within Telford and Wrekin has been estimated at 648 dwellings per annum 2011-31. This reflects an increase of 41% above the OAN starting point compared to the PBA assessment.
- 5.46 Table 5.9 below summarises the demographic-led assessment of housing need for Telford and Wrekin.

**Table 5.9: Summary – Demographic-led Housing Need**

		<b>Telford and Wrekin</b>
<b>A</b>	CLG 2012-based SNHP (Households)	8,936
	Vacant/Second/Shared Homes Adjustment	2.97%
	<b>OAN STARTING POINT (Dwellings)</b>	<b>9,209</b> <b>(460 dpa)</b>
<b>B</b>	Housing Need - Adjusted HFRs	11,606 (580 dpa)
	Adjustment to A	<b>+ 120 dpa</b>
<b>C</b>	Housing Need - Adjusted HFRs and Continuation of 10yr Migration Trends	12,964 (648 dpa)
	Adjustment to A+B	<b>+68 dpa</b>
<b>=</b>	<b>DEMOGRAPHIC-LED HOUSING NEED</b> <b>(A+B+C)</b>	<b>12,964</b> <b>(648 dpa)</b>

Source: ONS/CLG, Barton Willmore Modelling

- 5.47 Establishing demographic-led housing need is, however, only part of OAN. The extent to which the level of population and housing growth would support policy-off employment forecasts and respond to adverse market signals is analysed in the following chapters.

## 6.0 ECONOMIC CONTEXT AND ECONOMIC-LED HOUSING NEED

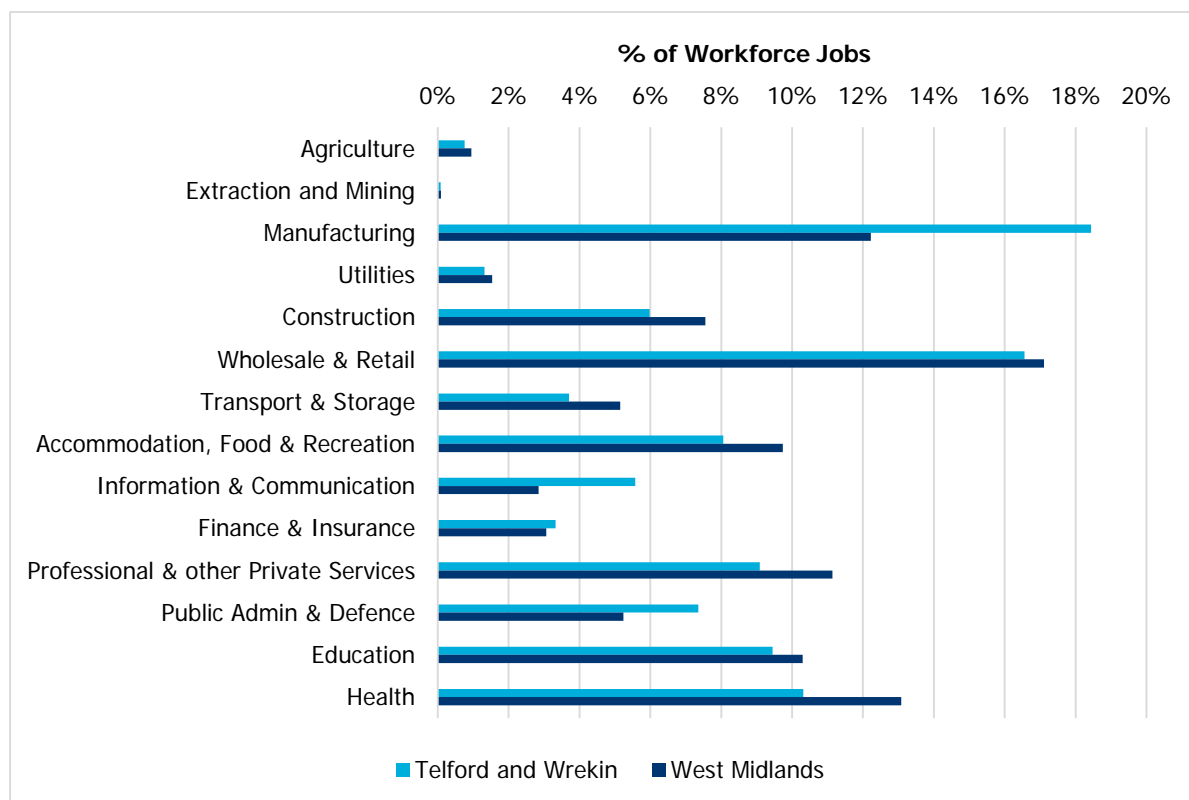
- 6.1 Economic growth and housing provision are inextricably linked; if insufficient housing is provided to accommodate workers, economic growth is put at risk. It is therefore vital that employment growth is balanced with housing provision.
- 6.2 This chapter begins with a brief overview of the economic profile of Telford and Wrekin - highlighting the key industry sectors, identifying commuting relationships and determining base year unemployment and economic activity rates. Next, the likely change in number of jobs over the plan period is determined, drawing on econometric forecasts and trends from a number of independent sources. Finally, the number of homes required to balance with forecast employment growth is estimated, taking into account reductions in the unemployment rate and increases in economic activity associated with people working further into old age.

### Economic Profile

#### *Employment by Industry*

- 6.3 Figure 6.1 below summarises the profile of employment by industrial class for Telford and Wrekin according to the 2011 Census. A regional benchmark is also shown for comparison.

**Figure 6.1: Employment by Industry, Census 2011**



Source: ONS, Census 2011 (Workplace Statistics)

- 6.4 The industries employing the most people within Telford and Wrekin are Manufacturing and Wholesale & Retail. Employment in Education and Health is also significant, but below regional average. Employment in Information & Communications and Public Admin & Defence is significant higher than regional average.

### *Commuting Balance*

- 6.5 Table 6.1 below summarises the commuting ratio (the number of residents in employment per workforce job) for Telford and Wrekin.

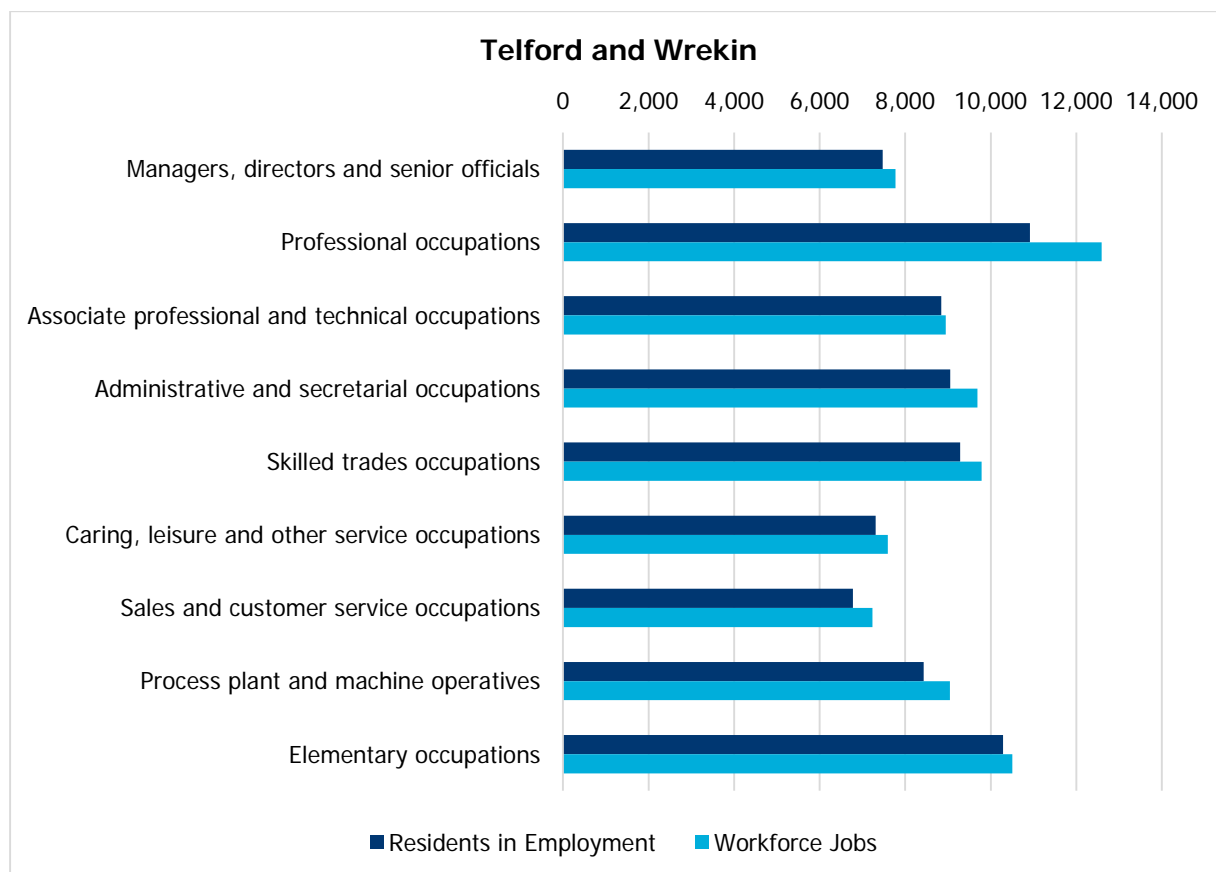
**Table 6.1: Commuting Ratios, Census 2011**

	<b>Residents in Employment</b>	<b>Workforce Jobs</b>	<b>Ratio</b>
<b>Telford and Wrekin</b>	78,624	83,506	0.94

Source: ONS, Census 2011 (Origin-Destination Tables); Analysis includes home workers, workers with no fixed place of work (assumed to work within home LPA), workers with workplaces overseas and offshore workers.

- 6.6 Telford and Wrekin is a net importer of labour and to an extent is reliant on labour from nearby authorities including Shropshire, Stafford, South Staffordshire and Wolverhampton. Assuming that these commuting relationships continue unchanged, it is likely that some housing development in these authorities will be in support of economic growth in Telford and Wrekin.
- 6.7 Figures 6.2 and 6.3 below show the commuting balance by occupational class (based on the SOC2007 specification and derived from the 2011 Census) for Telford and Wrekin.



**Figure 6.2: Commuting Balance by Occupation**

Source: ONS, Census 2011

- 6.8 Although there is a net deficit of Residents in Employment (relative to jobs) in all occupational classes (as summarised by the commuting ratio of 0.94), the biggest deficit is in Professional Occupations (net inflow of approximately 1,700 workers) – potentially an indicator of professionals choosing to work but not live in Telford.

### ***Economic Activity and Unemployment***

- 6.9 Table 6.2 below summarises Economic Activity rates from the 2011 Census by age gender.

**Table 6.2: Economic Activity Rates – 2011 Census**

	Male	Female
<b>Age 16</b>	26.2%	25.7%
<b>Age 17</b>	49.4%	52.3%
<b>Age 18 to 24</b>	74.7%	68.7%
<b>Age 25 to 29</b>	91.5%	75.2%
<b>Age 30 to 34</b>	91.4%	76.9%
<b>Age 35 to 39</b>	90.8%	78.6%
<b>Age 40 to 44</b>	90.6%	81.3%
<b>Age 45 to 49</b>	89.9%	83.2%
<b>Age 50 to 54</b>	87.7%	78.4%
<b>Age 55 to 59</b>	81.4%	67.6%
<b>Age 60 to 64</b>	59.7%	35.2%
<b>Age 65 to 69</b>	22.9%	15.5%
<b>Age 70 to 74</b>	11.7%	6.2%

Source: ONS, Census 2011

- 6.10 It is anticipated that these economic activity rates will change over time, as the state pension age increases and people continue to work further into old age. This is discussed in more detail later in this chapter.
- 6.11 Table 6.3 below summarises unemployment rates for Telford and Wrekin, based on data from the Annual Population Survey model-based estimates of unemployment.

**Table 6.3: Unemployment Rates – Annual Population Survey**

	2011	High (2004-14)	Low (2004-14)	Average (2004-14)	Pre-Recession Average (2004-07)
<b>Telford and Wrekin</b>	9.1%	9.4%	3.8%	6.8%	4.6%
<b>West Midlands</b>	8.7%	9.4%	5.0%	7.4%	5.4%
<b>England</b>	7.7%	8.1%	4.7%	6.5%	5.1%

Source: ONS, Annual Population Survey Model-based Estimates of Unemployment

- 6.12 Unemployment rates in Telford and Wrekin in 2011 (9.1%) were above the typical levels seen prior to the recession (4.6%), but below peak levels seen during the recession (9.4%). Unemployment rates in Telford and Wrekin were generally higher than the national average during the recession but lower pre-recession.
- 6.13 As with economic activity, it is necessary to consider how unemployment might reduce over time when determining economic-led housing need.

## Employment Growth Prospects

- 6.14 PPG requires economic growth to be considered in the context of past trends and/ or economic forecasts. Past trends in job growth and future job growth for Telford and Wrekin have been considered using latest economic forecasts from Cambridge Econometrics (Nov 2015), Oxford Economics (October 2015) and Experian Economics (September 2015). The results are presented in Table 6.4.

**Table 6.4: Historic and projected job growth (per annum) in Telford and Wrekin**

	1997-2011	2011-2031
Cambridge Econometrics	347	893
Oxford Economics	132	441
Experian Economics	-97	737
<b>Average of three forecasts</b>	<b>127</b>	<b>690</b>

- 6.15 It is argued that economic forecasts produced by the three forecasting houses referred to above, already include a view on the future population and therefore it is logically inconsistent to then use these economic forecasts against a different population projection. This point is accepted. However, both Cambridge Econometrics and Oxford Economics have confirmed that their forecasts are demand based and not constrained by population (see Appendix 4 of this report). Furthermore, exploration of the economic outputs from Experian (published as Appendix D to the March 2015 OAN report) reveals that Experian's *unconstrained* baseline job demand forecast, which sits at the heart of the Experian projection model, is near identical to the projection of workplace jobs suggesting that for Telford and Wrekin, use of the Experian baseline job demand forecasts is reasonable as an indication of future job demand.
- 6.16 Due to the fluctuation between economic forecasts, it is recommended that the most robust approach would be to take a simple average of the expected future job growth from the three independent employment forecasts. This equates to 690 jobs per annum over the period 2011-2031.

## Balancing Jobs and Homes

- 6.17 Having established key base year information from the 2011 Census, and having formed a robust view on future employment prospects for Telford and Wrekin, it is now possible to determine whether or not an uplift to the demographic-led assessment of housing need (set out in the previous chapter) is required to ensure that sufficient homes will be built to support economic growth.

- 6.18 As part of the modelling process it is necessary to estimate potential increases in economic activity and/or decreases in unemployment, as this latent supply of labour has the potential to accommodate some of the forecast employment growth.
- 6.19 The Barton Willmore approach to modelling economic activity rates has followed the Kent County Council methodology<sup>22</sup>. See Appendix 3 for the full report. This is a reasonable approach as it is the only contemporary research that we know of that seeks to predict what might happen to activity rates in the future, taking account of changes to the state pension age and trends in participation including working into old age.
- 6.20 Economic activity rates have been calculated using 2011 Census data. Rates for 16 and 17 year olds have been calculated separately to model the impact of the extension of state education to 18 years of age by 2015. The expected impact of which is to slightly reduce economic activity of 16 and 17 year olds post 2015 (although account is taken of the fact that some will still have part-time jobs). Economic activity rates for the remainder of the population are calculated by 5-year age group. Rates are projected to 2020 following the rate of change projected in the last set of national activity rate projections (2006). Post 2020 rates are held constant for all ages up to the age of 49 years. Thereafter rates are increased to take account of the extension to State Pension Age and the effective abolition of age-related retirement.
- 6.21 For unemployment, it has been assumed that rates will gradually return to average pre-recession levels as shown in Table 6.3 over the first ten years of the plan period. Rates are then held constant at these reduced levels for the final ten years.
- 6.22 Table 6.5 below summarises the potential capacity of the demographic-led housing need scenario (including HFR and Migration adjustments) to supply labour, along with any surpluses/deficits compared with the employment forecast.

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<sup>22</sup> Kent County Council, Business Intelligence Report, Activity Rate Forecasts to 2036 (November 2014)

**Table 6.5: Labour Capacity – Demographic-led Scenario**

Growth 2011-2031	Telford and Wrekin
Population	15,087 (754 pa)
Households	12,579 (629 pa)
Dwellings	12,964 (648 pa)
Jobs supported*	6,018 (301 pa)
Job demand	13,800 (690 pa)
Job surplus/ deficit	-389 pa

Source: ONS/CLG, Barton Willmore Modelling.

\*Adjusted for commuting, reduced unemployment and increased economic activity

- 6.23 The number of jobs that could be supported by the long term (2003-2013) migration trend scenario is 301 jobs per annum. This would result in a deficit of 389 jobs per annum against the growth suggested by current economic forecasts (690 jobs per annum). Therefore additional dwellings will be required to allow the labour supply to grow in-line to support job growth suggested by current economic forecasts.
- 6.24 Table 6.6 below summarises the number of dwellings required in Telford and Wrekin to provide the resident workforce (after taking account of unemployment, commuting and economic activity) to support growth of 690 jobs per annum over the period 2011-2031. This scenario represents economic-led housing need. Note that the HFR adjustments discussed in Chapter 5 have also been applied here. Detailed model output tables can be found in Appendix 2.

**Table 6.6: Economic-led Housing Need**

Growth 2011-2031	Telford and Wrekin
Population	30,663 (1,533 pa)
Households	18,651 (933pa)
Dwellings	19,221 (961 pa)
Jobs supported*	13,800 (690 pa)
Job demand	13,800 (690 pa)
Job surplus/ deficit	0 pa

Source: ONS/CLG, Barton Willmore modelling

- 6.25 The economic-led scenario for Telford and Wrekin requires growth of 961 dwellings per annum to support growth of 690 jobs per annum over the period 2011-2031. Housing need is therefore 313 additional dwellings per annum higher than the demographic-led scenario with HFR and migration adjustments (961 dpa vs 648 dpa).

**Chapter Summary - Economic-led Housing Need**

- 6.26 Telford and Wrekin is particularly reliant on employment in Manufacturing and Wholesale & Retail. Employment in Telford and Wrekin follows a similar pattern to the West Midlands region as a whole but with a greater reliance on Manufacturing compared to the regional average.
- 6.27 Telford and Wrekin is a net importer of labour and therefore there are more workforce jobs in the area than there are residents in employment in the same area. For the purpose of this OAN, it has been assumed that commuting patterns will remain unchanged from the 2011 Census.
- 6.28 Unemployment rates in Telford and Wrekin were generally higher than the national average during the recession but lower pre-recession. For the purpose of this OAN, it has been assumed that unemployment rates will fall gradually until reaching the pre-recession average level in 2021 (and held constant thereafter). For economic activity rates, adjustments have been made in line with a paper by Kent County Council (see Appendix 3), which takes into account changes in the state pension age, the introduction of compulsory education until the age of 18, and general increases in activity associated with people working longer into old age.
- 6.29 Future job growth has been based the average of three independent and well-respected sources of employment forecasts: Cambridge Econometrics (November 2015), Oxford Economics (October 2015) and Experian Economics (September 2015). This totals 13,800 jobs (690 jobs per annum) over the period 2011-2031 for Telford and Wrekin.
- 6.30 Analysis of the labour supply arising from the demographic-led housing need assessment (set out in Chapter 5) indicates that a greater increase in available labour would be needed to accommodate forecast employment demand. This results in an increased need for housing in Telford and Wrekin.
- 6.31 Table 6.7 below summarises the economic-led assessment of housing need.

**Table 6.7: Summary – Economic-led Housing Need**

		<b>Telford and Wrekin</b>
<b>A</b>	CLG 2012-based SNHP (Households)	8,936
	Vacant/Second/Shared Homes Adjustment	2.97%
	<b>OAN STARTING POINT (Dwellings)</b>	<b>9,209</b> <b>(460 dpa)</b>
<b>B</b>	Housing Need - Adjusted HFRs	11,606 (580 dpa)
	Adjustment to A	<b>+ 120 dpa</b>
<b>C</b>	Housing Need - Adjusted HFRs and Continuation of 10yr Net Migration Trends	12,964 (648 dpa)
	Adjustment to A+B	<b>+ 68 dpa</b>
<b>=</b>	<b>DEMOGRAPHIC-LED HOUSING NEED</b> <b>(A+B+C)</b>	<b>12,964</b> <b>(648 dpa)</b>
<b>D</b>	Jobs Supported by Demographic-led Scenario (C)	6,018 (301 pa)
	Job Demand (average of CE, OE & Experian)	13,800 (690 pa)
	Labour Surplus/Deficit	-7,782 (-389 pa)
<b>=</b>	<b>ECONOMIC-LED HOUSING NEED</b>	<b>19,221</b> <b>(961 dpa)</b>
	(Adjustment to Demographic-led)	<b>+ 313 dpa</b>

Source: ONS/CLG, Barton Willmore Modelling

6.32 See Appendix 2 for the full modelling outputs for this economic-led housing need figure.

## 7.0 MARKET SIGNALS

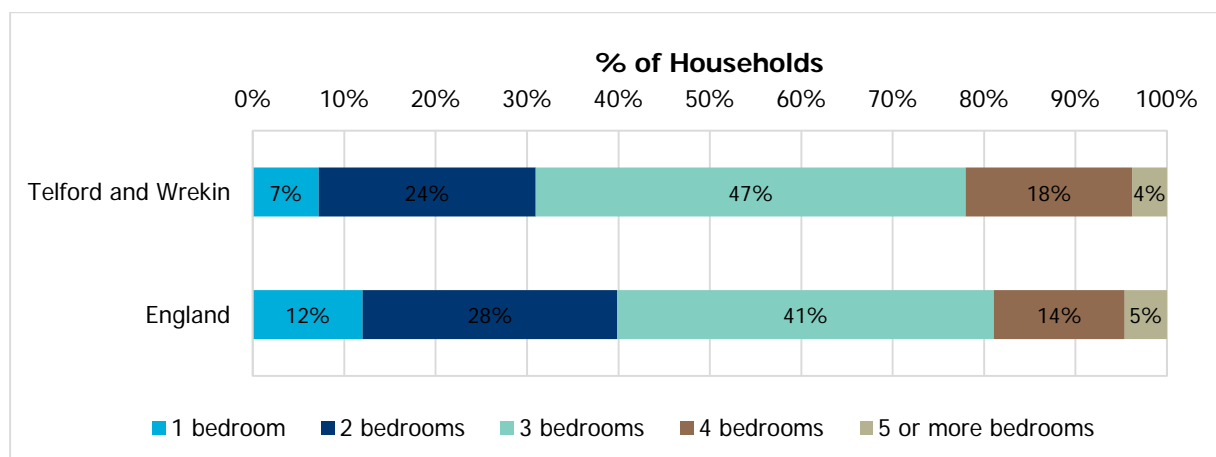
7.1 This chapter analyses in detail the key housing market characteristics and trends relating to the HMA, and identifies the extent to which the supply of dwellings over recent years has kept pace with demand. The findings of this analysis inform the extent to which the OAN may need to be adjusted to take into account market dysfunction observed through analysis of market signals.

### Housing Market Profile

#### *Number of Bedrooms*

7.2 Figure 7.1 below shows the size profile of dwellings occupied by Telford and Wrekin households, according the 2011 Census.

**Figure 7.1: Number of Bedrooms – 2011 Census**



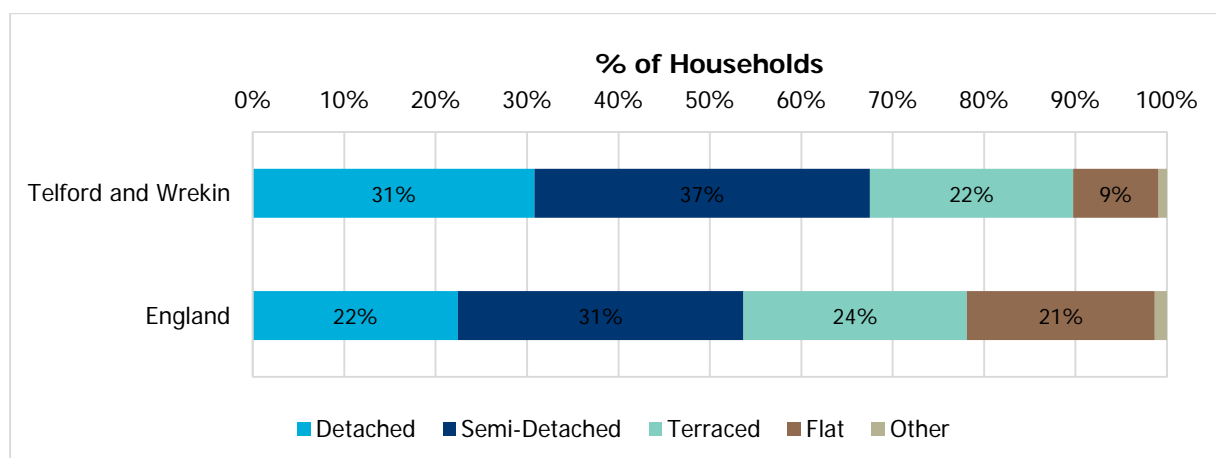
Source: ONS, Census 2011

7.3 Dwellings within Telford and Wrekin tend to be slightly larger than national average. This suggests that there may be a shortage of properties suitable for younger people, which in turn may have a negative impact on household formation.

#### *Property Type*

7.4 Figure 7.2 below shows the profile of dwelling types occupied by Telford and Wrekin households, compared against the average for England.



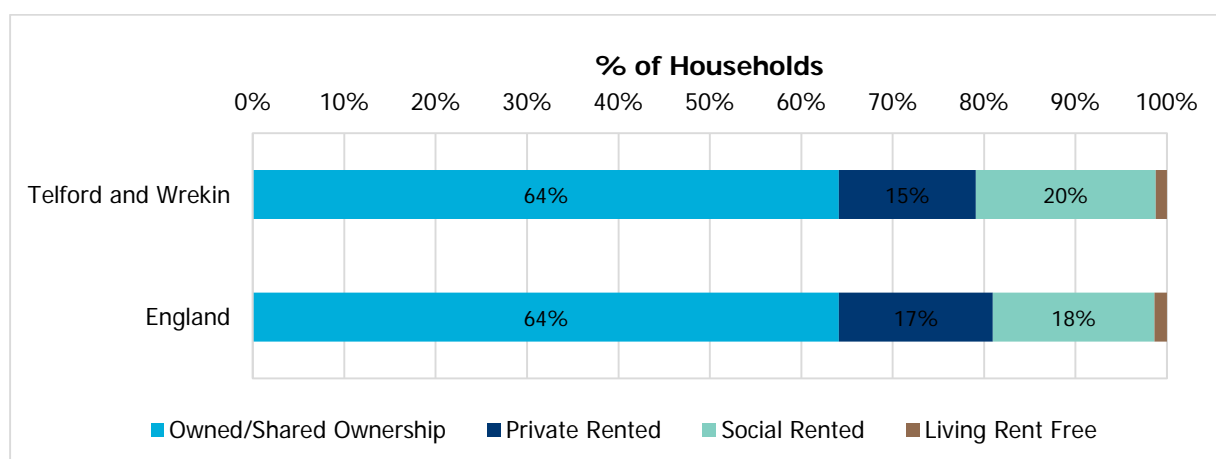
**Figure 7.2: Type of Dwelling – 2011 Census**

Source: ONS, Census 2011

- 7.5 Detached and Semi-Detached homes form a significantly larger proportion of total stock than national average. Again, this indicates that there could be shortages of smaller and therefore cheaper accommodation on the market.

### *Tenure*

- 7.6 Figure 7.3 below shows the profile of tenure, again compared against national average.

**Figure 7.3: Household Tenure – 2011 Census**

Source: ONS, Census 2011

- 7.7 The Tenure profile in Telford and Wrekin very closely matches the national average profile, with 64% of households being owner occupiers.

### **Market Signals**

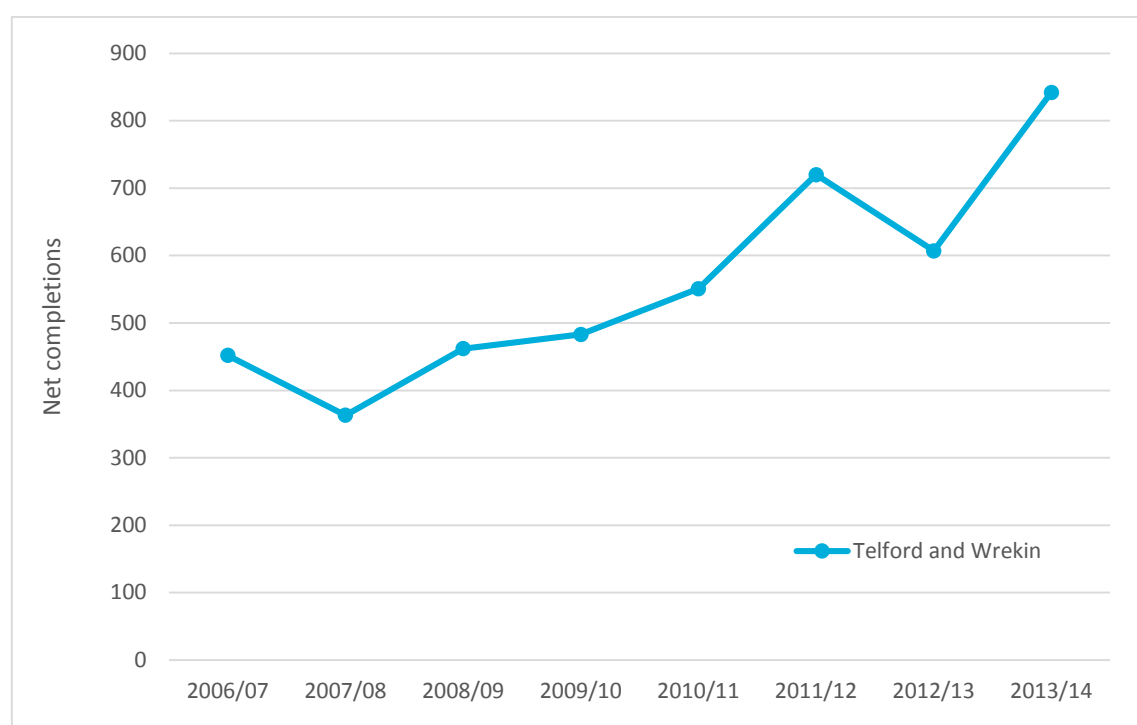
- 7.8 The problems arising from historic under-delivery of housing across the country can be observed locally through analysis of market signals. Five key market signals have been taken

into consideration – Rate of Development, House Prices, Affordability, Residential Rents and Overcrowding.

### *Rate of Development*

- 7.9 The first indicator taken into account is Rate of Development. Local Authorities which have permitted their dwelling stock to grow significantly over an extended period of time should, in theory, see house prices rise more slowly than those authorities which have seen smaller increases in dwelling stock. Figure 7.4 below summarises net housing completions within Telford and Wrekin for the period 2006/07 to 2013/14, as reported in the Annual Monitoring Report.

**Figure 7.4: Net Completions 2006-14**



Source: Telford and Wrekin Annual Monitoring Report 2014

- 7.10 Between 2006/07 and 2013/14 there were 4,480 net housing completions in Telford and Wrekin which only accounted for 51% of the targets set. Housing delivery has consistently fallen short of the annual housing targets as is shown in Table 7.1 and this shortfall in housing provision will have contributed to pressure on the local housing market influencing household suppression (as demonstrated in Chapter 5 of this report).

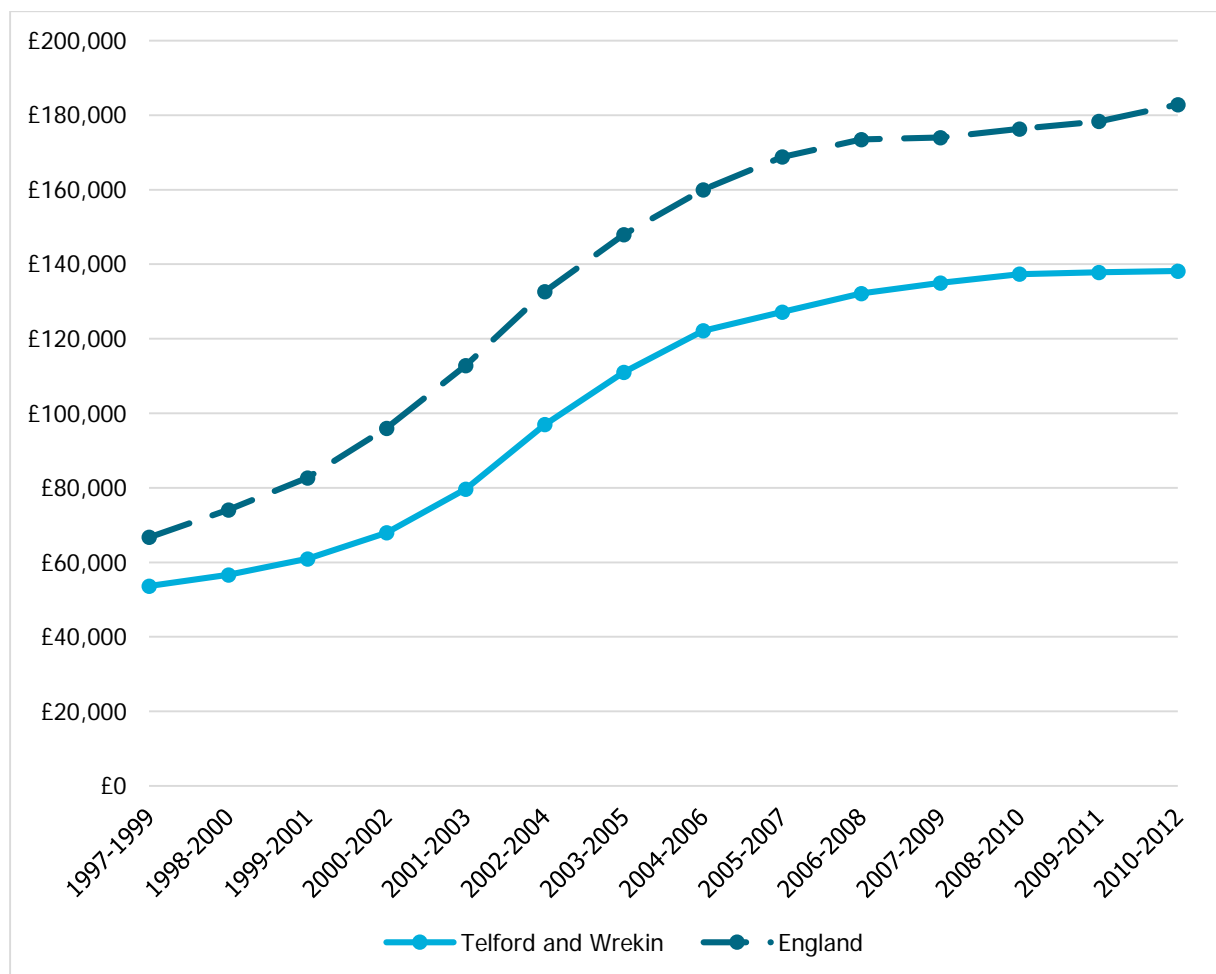
**Table 7.1: Delivery Performance vs. Target – Dwellings per Annum**

	<b>Delivery Performance</b>	<b>Housing Target</b>	<b>Surplus/Deficit</b>
<b>2006/07</b>	452	1,330	-878
<b>2007/08</b>	363	1,330	-967
<b>2008/09</b>	462	1,330	-868
<b>2009/10</b>	483	1,330	-847
<b>2010/11</b>	551	1,330	-779
<b>2011/12</b>	720	700	+20
<b>2012/13</b>	607	700	--93
<b>2013/14</b>	842	700	+142
<b>Total</b>	<b>4,480</b>	<b>8,750</b>	<b>-4,270</b>

Source: Telford and Wrekin Annual Monitoring Report 2014 and housing targets from Telford and Wrekin OAN Final Report (March 2015) paragraph 4.8

### *House Prices*

- 7.11 The second indicator taken into account is house price. House prices are influenced by a wide variety of factors and can vary significantly within a district; the median house price has been used to limit the influence of extreme high and low values.
- 7.12 Figure 7.5 below shows the change in median house price within Telford and Wrekin over the period 1997-2012, according to data from the Land Registry (published by CLG in Live Table 586).

**Figure 7.5: Median House Prices 1997-2012 (3yr rolling average)**

Source: Land Registry via CLG Live Table 586

7.13 Median house prices in Telford and Wrekin have remained at levels significantly lower than national average over the period analysed.

7.14 Table 7.2 below analyses change in median house prices since 1997, both in absolute and percentage terms. An index of the change against national average is provided, where 100 = the national average rate of change.

**Table 7.2: Analysis of Median House Price Change 1997-2012**

	Absolute Change 1997-2012	Index (England=100)	Percentage Change 1997-2012	Index (England=100)
Telford and Wrekin	£87,050	70	171%	83
<b>England</b>	£123,500	100	206%	100

Source: Land Registry via CLG Live Table 586

7.15 In both absolute and percentage terms, house prices in Telford and Wrekin have increased at a slower rate than national average.

7.16 Table 7.3 below shows the same analysis for Lower Quartile-priced homes.

**Table 7.3: Analysis of Lower Quartile House Price Change 1997-2012**

	Absolute Change 1997-2012	Index (England=100)	Percentage Change 1997-2012	Index (England=100)
Telford and Wrekin	£67,875	84	183%	99
<b>England</b>	£81,048	100	184%	100

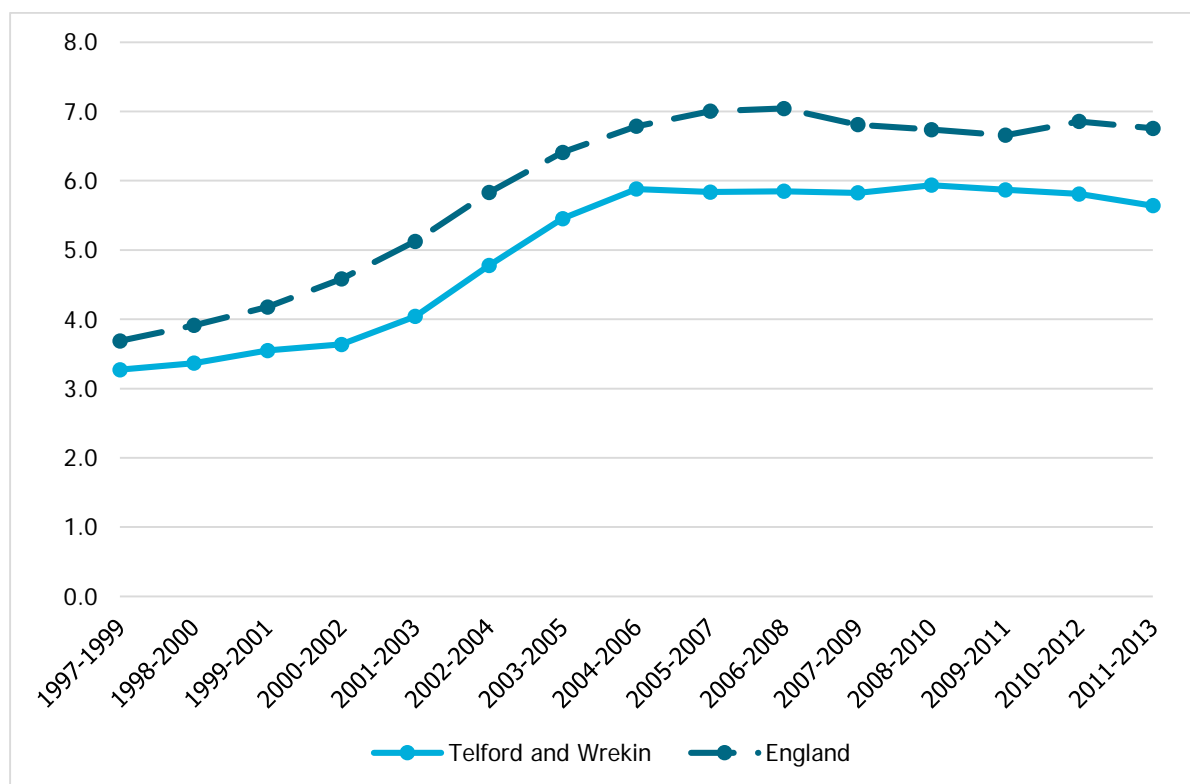
Source: Land Registry via CLG Live Table 586

7.17 Although the rate of increase for Lower Quartile homes is also below the national average rate, it is much closer (almost matching the rate in percentage terms).

### ***Affordability***

7.18 The third indicator taken into account is affordability, assessed using the ratio between lower quartile house prices and lower quartile earnings. Figure 7.6 below tracks the Lower Quartile affordability ratio 1997-2013, retrieved from CLG Live Table 576, which in turn is derived from Land Registry price data and income data from the Annual Survey of Hours and Earnings (ASHE).

**Figure 7.6: Affordability Ratio 1997-2013 (3yr rolling averages)**



Source: Land Registry/ASHE, via CLG Live Table 576

7.19 The Lower quartile affordability ratio is perhaps the most important market signals indicator, as it captures the difficulties faced by first time buyers and others searching at the cheaper end of the market in particular. The analysis shows that Telford and Wrekin is more affordable than national average. However, the ratio of lower quartile prices to earnings has increased significantly since the late 1990s, meaning that many will still be unable to afford to buy in Telford.

7.20 Table 7.4 analyses change in ratio between 1997 and 2013.

**Table 7.4: Analysis of Lower Quartile Affordability Ratio Change 1997-2013**

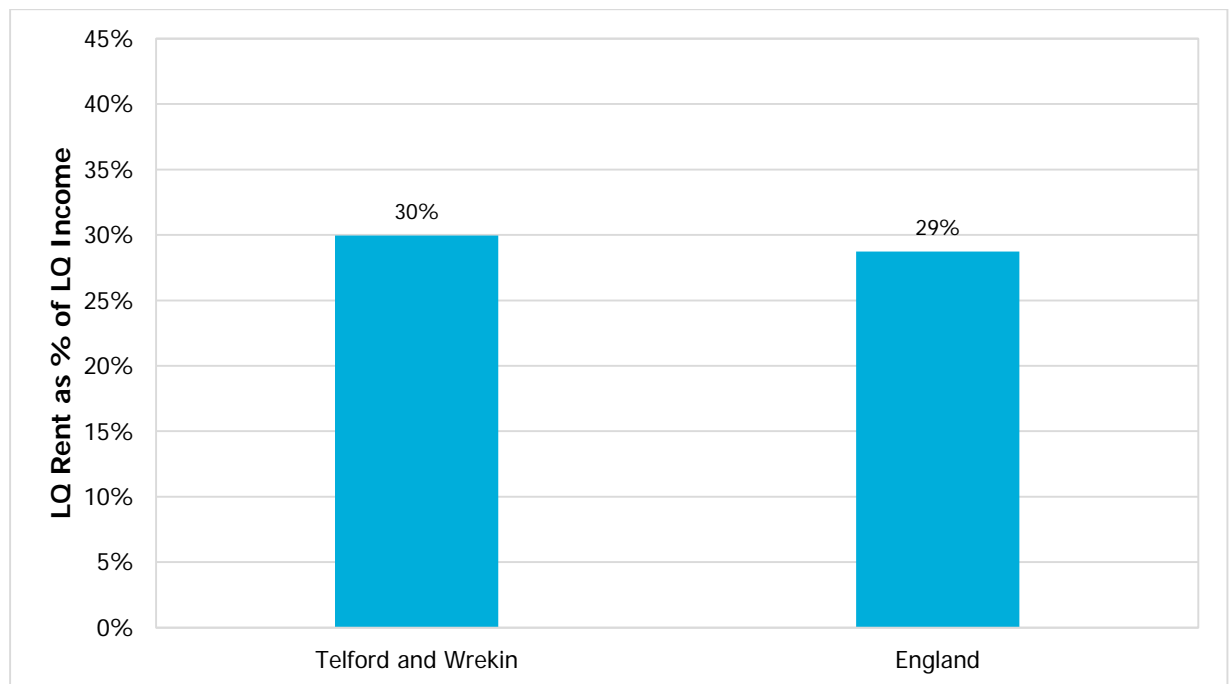
	<b>Absolute Change 1997-2013</b>	<b>Index (England=100)</b>	<b>Percentage Change 1997-2013</b>	<b>Index (England=100)</b>
Telford and Wrekin	2.5	77	79%	88
<b>England</b>	3.2	100	90%	100

Source: Land Registry via CLG Live Table 586

7.21 As with house prices, the rate of change (in absolute terms) is lower than national average. However, the sharp increase in ratio since the late 1990s should not be ignored, and efforts will still need to be made to ensure that as many people are able to access the private housing market as possible.

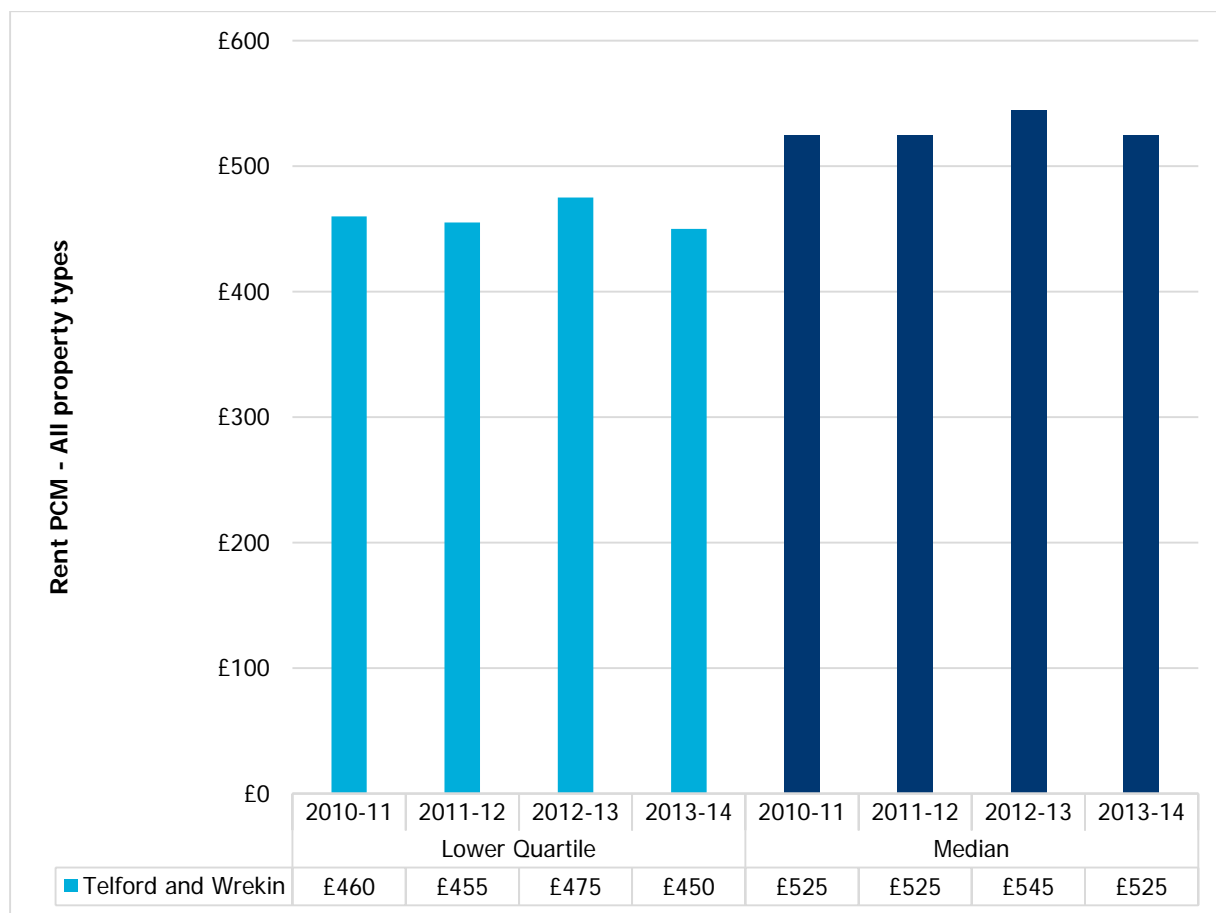
### ***Private Rents***

7.22 The fourth indicator taken into account is residential rent payable in the private sector. Figure 7.7 below shows the ratio between Lower Quartile personal income and Lower Quartile private rent, both annualised.

**Figure 7.7: LQ Rents as % of LQ Earnings – 2013/14**

Source: Valuation Office Agency, CLG, ASHE

- 7.23 Renting in Telford and Wrekin is approximately as affordable as the national average, with a lower quartile-priced property costing around 30% of income. This remains above the 25% threshold often used in affordable housing need assessments, suggesting that renting in Telford is relatively expensive. Figure 7.8 below shows lower quartile and median private rents since 2010/11 – the earliest year for which consistent data is available.

**Figure 7.8: Private Residential Rents, Per Calendar Month**

Source: Valuation Office Agency

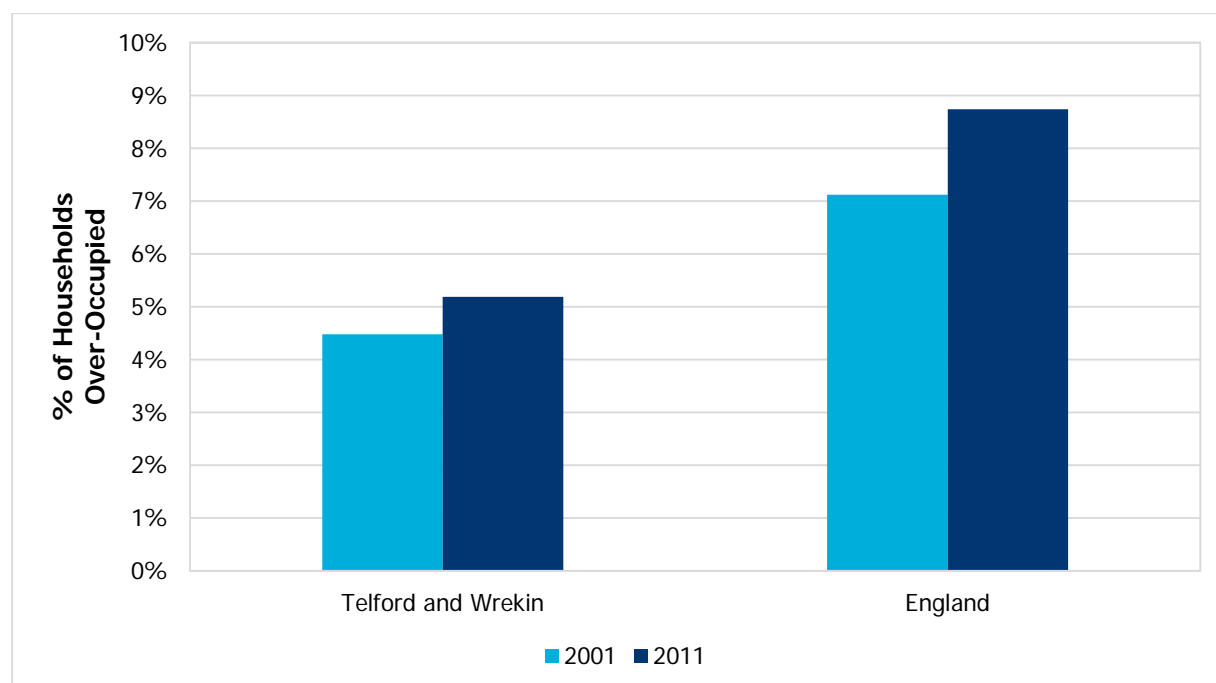
7.24 Private rents have remained relatively static since 2010-11.

### ***Overcrowding***

7.25 The final indicator is Overcrowding, taking into account the proportion of households which are over-occupied (i.e. having fewer rooms than required for the number of usual residents) and Concealed households (multiple households living in a single dwelling).

7.26 Figure 7.9 below compares the proportion of households classified as over occupied in the 2011 census compared against the 2001 census, based on the room standard.



**Figure 7.9: Over-occupation, 2001 vs. 2011**

Source: ONS, Census 2001/11

- 7.27 Telford and Wrekin has experienced an increase in over-occupation between Census years. However, the issue remains less significant than the national average.
- 7.28 The second aspect of overcrowding taken into account is Concealed Families. One dwelling typically houses a single family. Concealed families occur when multiple families occupy the same dwelling, often due to affordability issues, although in some cases there are strong cultural traditions of extended families living together in the same dwelling.
- 7.29 Within Telford and Wrekin the number of concealed households increased by 100% (from 426 in 2001 to 853 in 2011). This is significantly higher than the 71% increase experienced nationally. Table 7.6 summarises the proportion of concealed families within Telford and Wrekin by age of the family reference person.

**Table 7.6: Concealed Families by age of Family Reference Person (FRP) – Census 2001/11**

	Concealed - FRP Under 25 (2011)	Concealed - FRP 25-34 (2011)	Concealed - All Ages (2011)	Concealed - All Ages (2001)
<b>Telford and Wrekin</b>	12.5%	3.3%	1.7%	0.9%
<b>England</b>	12.8%	4.0%	1.9%	1.2%

Source: ONS, Census 2001/11

- 7.30 In 2011, concealed households represented 1.7% of all households in Telford and Wrekin. However, the proportion of concealed households increases to 12.5% where the family reference person is under the age of 25 years. This is a reflection of the difficulties faced by young people in being able to afford their own homes.
- 7.31 In addition to concealed families, there are many concealed individuals who would like to form their own household but have not been able to due to the recession. Whilst it is not possible to derive the number of these individuals from the Census, research by Bramley et al. (2010) suggests that single adults account for around half of concealed households<sup>23</sup>.

### *Summary of Market Signals*

- 7.32 The market signals issues within Telford and Wrekin can be summarised as follows:
- **Delivery performance:** Has significantly been below target. Between 2006/07 and 2012/13 housing delivery only reached 51% of target representing a shortfall of 4,270 dwellings over this period;
  - **House prices:** Prices have risen significantly, but by less (and at a slower rate) than the national average;
  - **Affordability:** Housing is now significantly less affordable than in the late 1990s, which has caused some suppression in household formation. The affordability ratio is currently 5.7 meaning that a lower quartile priced house costs 5.7 times more than lower quartile earnings. Telford and Wrekin, however, remains more affordable than the national average;
  - **Private Rents:** Rents are relatively unaffordable which puts further pressure on the market. Rents have remained relatively static in recent years;
  - **Overcrowding and Concealed Families:** A 100% increase in the number of concealed families between censuses higher than the national average of 71% but with similar levels overall to the national average. Overcrowding has also worsened, but is less severe than national average;
- 7.33 Although perhaps less severe than national average, several adverse market signals have been observed in Telford and Wrekin, which, according to PPG, should be met with an appropriate boost in housing supply.

<sup>23</sup> Bramley et al. (2010), Estimating housing need, Department for Communities and Local Government

## Implications for OAN

- 7.34 There is no clear guidance from Government on how much of an uplift to OAN should be applied to account for adverse market signals. On the issue, PPG states that:

**“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.”** (PPG ID: 2a-019)

- 7.35 On the basis of several adverse market signals being observed in Telford and Wrekin, an uplift over and above the OAN starting point is deemed necessary. In the absence of guidance on what is considered an appropriate adjustment, Barton Willmore has considered the subtotal OAN (in this instance the starting point, plus adjustments for HFRs and Migration, plus adjustment to accommodate employment growth) compared with the starting point alone. The results are summarised in Table 7.7.

**Table 7.7: Subtotal OAN vs. Starting Point**

	Starting Point (dpa)	Subtotal OAN	Uplift (%)
<b>Telford and Wrekin</b>	460 dpa	961 dpa	109%

Source: ONS/CLG, Barton Willmore modelling

- 7.36 For Telford and Wrekin the subtotal OAN represents a 109% uplift above the starting point.
- 7.37 As an additional test, the subtotal OAN has also been considered against recent delivery performance. Table 7.8 summarises this analysis.

**Table 7.8: Subtotal OAN vs. Past Delivery Performance**

	Delivery Performance (dpa)*	Subtotal OAN	Uplift (%)
<b>Telford and Wrekin</b>	560 dpa	961 dpa	72%

Source: ONS/CLG, Barton Willmore modelling

\* Average completions over the period 2006/07 – 2013/14

- 7.38 On this basis, the OAN represents an accelerated rate of growth compared against recent delivery performance. As a result, it has potential to create downward pressure on house prices within Telford and Wrekin, which in turn will begin to address affordability issues. The Barker Review of Housing Supply, for example, indicated that an 86% increase in house building would be required to bring house price inflation down to the European average (1.1%):

**“Achieving the desired improvement in the housing market would, it was asserted, require an additional 120,000 housing starts per year on top of the 140,000 in 2002/3, taking the annual total to 260,000. According to the Review’s modelling, this scenario would see between 5,000 and 15,000 newly formed households priced into the market in each year between 2011 and 2021.”<sup>24</sup>**

- 7.39 In light of the fact that 961 dwellings per annum falls within 20% of the Barker Review benchmark that need should exceed past supply by 86%, and so can still be expected to help improve affordability, no further uplift is recommended.

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<sup>24</sup> Home Builders Federation (2014), ‘Barker Review – a decade on’, p.7

## 8.0 OBJECTIVE ASSESSMENT OF HOUSING NEED

- 8.1 This final chapter draws together the evidence presented on housing need to determine the full OAN for Telford and Wrekin. Table 8.1 below summarises the steps taken towards reaching a recommendation for OAN.

**Table 8.1: Summary - Objective Assessment of Housing Need**

		<b>Telford and Wrekin</b>
<b>A</b>	CLG 2012-based SNHP (Households)	8,936
	Vacant/Second/Shared Homes Adjustment	2.97%
	<b>OAN STARTING POINT (Dwellings)</b>	<b>9,209</b> <b>(460 dpa)</b>
<b>B</b>	Housing Need - Adjusted HFRs	11,606 (580 dpa)
	Adjustment to A	<b>+ 120 dpa</b>
<b>C</b>	Housing Need - Adjusted HFRs and Continuation of 10yr Net Migration Trends	12,964 (648 dpa)
	Adjustment to A+B	<b>+ 68 dpa</b>
<b>=</b>	<b>DEMOGRAPHIC-LED HOUSING NEED</b> <b>(A+B+C)</b>	<b>12,964</b> <b>(648dpa)</b>
	Jobs supported by demographic-led OAN	6,018 (301 pa)
	Job Demand (Average of Experian Economics, Oxford Economics and Cambridge Econometrics)	13,800 (690 pa)
	Job Surplus/Deficit	-7,782 (-389 pa)
	<b>ECONOMIC-LED HOUSING NEED</b>	<b>19,221</b> <b>(961dpa)</b>
	(Adjustment to Demographic-led)	<b>+ 313 dpa</b>
	Adverse Market Signals Observed?	Y
	Subtotal Dwellings per annum	961
	Average Delivery Rate 2001-2011	560
	Increase vs. Recent Performance (%)	72%
	Increase vs. Starting Point (%)	109%
	<b>Further Increase Recommended? (Y/N)</b>	<b>N</b>
	<b>FULL OBJECTIVELY ASSESSED HOUSING NEED</b>	<b>19,221</b> <b>(961 dpa)</b>

Source: ONS/CLG, Barton Willmore Modelling

- 8.2 The starting point, derived from the CLG 2012-based SNHP (with adjustments for vacant, second and shared homes) indicates a need for 460 net additional dwellings per annum in Telford and Wrekin.
- 8.3 Two adjustments were then made to the starting point to account for weaknesses in the population projections and Household Formation Rates (HFRs) underpinning the 2012-based

SNHP. Applying improved Household Formation Rates (HFRs) results in an increase of housing need to 580 dpa – an increase of 120 dpa. Adjusting the migration assumptions to reflect long term trends (as opposed to the recessionary short term trends underpinning the official population and household projections) results in an increase in housing need for Telford and Wrekin to 648 dpa.

- 8.4 **Based on demographic evidence alone, there is a need for 648 dpa in Telford and Wrekin over the period 2011-2031.**
- 8.5 Analysis of labour supply and demand revealed that there is likely to be a shortfall in the number of workers available to take up jobs in Telford and Wrekin as suggested by latest forecasts by Experian Economics, Oxford Economics and Cambridge Econometrics. As a result, it has been determined that **961 dpa would be required in Telford and Wrekin to supply sufficient labour to support an additional 690 jobs per annum** (assuming commuting patterns remain as observed in 2011).
- 8.6 Analysis of market signals indicated that housing completions in Telford and Wrekin have consistently fallen short of the annual targets. In the absence of any official guidance on how an appropriate response to market signals issues should be calculated, the subtotal OAN (taking account of the starting point, demographic adjustments and economic-led uplift) was compared against past delivery performance and the OAN starting point. This comparison indicated a 72% uplift (560 dwellings per annum recent delivery performance vs. 961 dwellings per annum subtotal OAN). On this basis the OAN represents an accelerated rate of growth compared to past delivery and it is considered prudent not to recommend a further uplift.
- 8.7 Bringing the evidence together, it is concluded that **the full OAN for Telford and Wrekin totals 961 dwellings per annum 2011-31**. Given that no significant uplift has been made in response to the adverse market signals observed, this OAN should be considered a minimum.

### **Relationship with Affordable Housing Need**

- 8.8 As stated within NPPF, LPAs are required to ensure their local plans meet OAN for both market and affordable housing. The *Satnam v Warrington BC* High Court Judgment discussed in Chapter 4 provides useful guidance on the proper exercise that needs to be undertaken to assess affordable need:

**“(a) having identified OAN for affordable housing, that should then be considered in the context of its likely delivery as a proportion of mixed market/affordable housing development; an increase in the total housing figures included in the local plan**

**should be considered where it could help deliver the required number of affordable homes;**

**(b) the Local Plan should then meet the OAN for affordable housing, subject only to the constraints referred to in NPPG, paragraphs 14 and 47.”<sup>25</sup>**

- 8.9 The most recent evidence produced by the Council on affordable housing need was provided in the 2014 SHMA (no new analysis was carried out as part of the 2015 OAN report from PBA).
- 8.10 The SHMA presents net new affordable need as being 445 dwellings per annum if the backlog is cleared over 20 years and 1,237 dwellings per annum if it is cleared over five years. Historic affordable housing delivery in Telford and Wrekin has been significantly below even the lowest of these levels (as shown in Table 4.3 of this report) with the peak of affordable housing delivery only reaching 283 units in 2012/13.
- 8.11 Assuming affordable housing is delivered at the average rate over the last 5 years (38%) even to meet the minimum level of affordable need (445 dwellings per annum) a total of 1,171 dwellings will be required. This level of housing need is 135% higher than PBA’s OAN of 497 dwellings per annum but only 22% higher than Barton Willmore’s OAN of 961 dwellings per annum.
- 8.12 In order to ensure that the backlog of affordable need is cleared and newly arising need is met in full, the council should plan for no fewer than the 961 dwellings per annum established within this report.

## **Conclusion**

- 8.13 The council's evidence relating to objectively assessed housing need is considered not to be representative of likely change over the Telford and Wrekin plan period. This report has set out an alternative OAN, closely following the methodology described by PPG. Adjustments made to official projections are justified and in keeping with the principles of positive planning.
- 8.14 The Barton Willmore assessment concludes that no fewer than 19,221 net additional dwellings need to be built within Telford and Wrekin over the period 2011-31 – an average of 961 per annum.
- 8.15 The Telford and Wrekin Local Plan 2011-2031, that has recently been consulted on, plans for 15,555 dwellings over the plan period (equivalent to 778 dwellings per annum) and represents an uplift from the level of OAN established in the PBA March 2015 report. The Council have

<sup>25</sup> Satnam Millennium Limited vs. Warrington Borough Council, Judgment, dated 19<sup>th</sup> February 2015

considered it appropriate to set the planned level of development above the identified need in order to support the social and economic objectives of the plan and deliver the affordable housing need in the Borough<sup>26</sup>.

- 8.16 The Council's approach suggests that the OAN identified by PBA is not sufficient. The alternative OAN of 961 dwellings per annum (2011-2031) as set out in this report is considered a more realistic assessment of need. However, adverse and worsening market signals and a very substantial level of net affordable housing need provide further evidence that Telford and Wrekin need to consider boosting the supply of housing to levels significantly higher. OAN of 961 dwellings per annum (2011-2031) should therefore be considered an absolute minimum, and planning for even greater numbers of dwellings will have a positive effect on reducing affordable need, widening access to the private housing market and improving Telford and Wrekin's economic competitiveness.

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<sup>26</sup> Paragraphs 5.63 and 5.64, Telford and Wrekin Council Local Plan 2011-2031, Technical Paper Housing Growth July 2015



## **APPENDIX 1:**

### **POPGROUP MODELLING INPUT ASSUMPTIONS**



**POPGROUP modelling input assumptions: Telford and Wrekin forecasts**

<b>Variable</b>	<b>Data set</b>	<b>Source</b>
Base population	Population Estimates by single year of age and gender	2011 Mid-Year Population Estimates, Office for National Statistics (ONS). Also constrained to 2012 and 2013 MYPE.
Fertility rate	Age specific fertility rates	ONS 2012-based Sub National Population Projections
Mortality rate	Age standardised mortality ratios by gender	ONS 2012-based Sub National Population Projections
Standard Migrant profile	Age and gender specific migration rates for Telford and Wrekin broken down by in-migrants from overseas, in migrants from elsewhere within the UK, out-migrants to overseas, out-migrants to elsewhere in the UK	ONS 2012-based Sub National Population Projections
Alternative Migrant profile/ trends	Age and gender specific migration rates for Telford and Wrekin broken down by in-migrants from overseas, in migrants from elsewhere within the UK, out-migrants to overseas, out-migrants to elsewhere in the UK	ONS Mid-Year Population Estimates 2002/03-2012/13 detailed components of change
Communal establishment population	Age and gender counts of people living in communal establishments. For ages 75+ proportions rather than counts are used to reflect the ageing population.	CLG 2012-based household projections

Household representative rates	Household representative rates by age and gender	CLG 2012-based household projections (Stage One) with a full return to 2008-based rates by 2031 for those aged 25-44 years
Vacancy/ Sharing/ Second home rate	Proportion of dwellings vacant, shared and second homes. Combined rate specific for Telford and Wrekin (3.0%)	2011 Census (ONS) and 2014 Council Tax Base (CLG)
Commuting ratio	Ratio based on residents in employment divided by workplace jobs specific for Telford and Wrekin (0.94)	2011 Census Travel to Work Statistics (Table WU01UK), ONS
Unemployment rate	APS model-based 2011 estimates falling to average rate between 2004 and 2007 by 2021 and then held constant. Rate for Telford and Wrekin 9.1% falling to 4.6%	Annual Population Survey (APS), ONS
Economic activity rates	Economic activity rates by age and gender are applied to the resident population to calculate resident labour force	2011 Census (ONS) and projected following Kent County Council (KCC) November 2014 methodology to take account of changes in retirement age

## **APPENDIX 2:**

### **POPGROUP MODELLING OUTPUTS**



## Demographic-led assessment of need based on Long Term Migration Trend (2003-2013) with adjusted household formation rates

### Components of Population Change

### Telford & Wrekin UA

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Summary of population change</b>																				
Natural change	+869	+831	+907	+897	+887	+879	+855	+832	+808	+779	+753	+722	+693	+662	+635	+607	+578	+553	+525	+499
Net migration	-18	-61	-16	-10	-15	-4	+16	+9	+22	+30	+42	+41	+39	+34	+31	+43	+36	+31	+29	+36
Net change	+851	+770	+891	+887	+872	+875	+871	+842	+830	+809	+795	+763	+731	+697	+666	+650	+614	+584	+554	+535
Crude Birth Rate /000	13.16	13.05	13.12	13.07	12.98	12.86	12.73	12.64	12.51	12.38	12.25	12.14	12.03	11.94	11.86	11.79	11.73	11.68	11.64	11.60
Crude Death Rate /000	7.96	8.11	7.75	7.79	7.79	7.74	7.78	7.83	7.87	7.92	7.97	8.05	8.13	8.22	8.30	8.40	8.52	8.62	8.74	8.86
Crude Net Migration Rate /000	-0.11	-0.36	-0.10	-0.06	-0.09	-0.02	0.09	0.05	0.13	0.17	0.24	0.23	0.22	0.19	0.17	0.24	0.20	0.17	0.16	0.20

### Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,468	11,458	11,432	11,334	11,232	11,178	11,185	11,164	11,129	11,085	11,037	10,989	10,937	10,888	10,844	10,806	10,775	10,751	10,733	10,721
5-10	12,033	12,398	12,696	13,026	13,322	13,596	13,690	13,645	13,654	13,643	13,562	13,469	13,412	13,418	13,393	13,353	13,305	13,254	13,202	13,147	13,095
11-15	10,793	10,598	10,276	10,048	10,068	9,984	10,194	10,511	10,804	11,018	11,275	11,419	11,455	11,441	11,432	11,366	11,289	11,243	11,256	11,243	11,218
16-17	4,658	4,529	4,523	4,483	4,227	4,219	4,172	3,972	3,927	4,026	4,151	4,295	4,480	4,529	4,533	4,612	4,685	4,663	4,565	4,521	4,548
18-59Female, 64Male	98,411	98,286	98,297	98,255	98,335	98,386	98,302	98,345	98,150	97,835	97,606	97,505	97,279	97,117	97,007	96,823	96,648	96,474	96,306	96,137	95,900
60/65 -74	19,274	19,903	20,342	20,866	21,290	21,669	21,946	22,152	22,359	22,681	22,878	22,707	22,859	23,080	23,369	23,767	24,129	24,624	25,020	25,423	25,857
75-84	7,537	7,778	8,093	8,359	8,655	8,890	9,234	9,628	10,067	10,421	10,841	11,556	12,045	12,501	12,849	13,170	13,453	13,587	13,768	13,915	14,000
85+	2,699	2,722	2,767	2,875	2,999	3,125	3,262	3,411	3,565	3,769	3,932	4,135	4,368	4,595	4,843	5,045	5,317	5,624	5,961	6,263	6,580
Total	166,831	167,682	168,452	169,343	170,231	171,102	171,977	172,848	173,690	174,520	175,329	176,124	176,887	177,618	178,315	178,981	179,631	180,245	180,829	181,383	181,918
Households																					
Number of Households	66,662	67,280	67,891	68,620	69,325	70,020	70,734	71,390	72,071	72,748	73,410	74,052	74,653	75,255	75,850	76,462	77,056	77,604	78,156	78,709	79,242
Change in Households over previous year		+618	+611	+729	+705	+695	+714	+655	+682	+677	+661	+642	+601	+602	+595	+612	+594	+548	+552	+553	+533
Number of Dwellings	68,701	69,337	69,967	70,718	71,445	72,161	72,897	73,573	74,275	74,973	75,655	76,316	76,936	77,556	78,169	78,800	79,412	79,977	80,546	81,116	81,665
Change in Dwellings over previous year		+636	+630	+751	+727	+716	+736	+676	+702	+698	+682	+661	+619	+621	+613	+631	+612	+565	+569	+570	+549
Economically active																					
Number of Economically active	84,884	85,022	85,240	85,128	85,401	84,939	85,118	85,381	85,491	85,576	85,700	85,770	85,833	85,924	86,056	86,179	86,327	86,472	86,605	86,720	86,809
Change in Economically active over previous year		+138	+218	-112	+273	-461	+179	+263	+110	+85	+124	+70	+63	+91	+132	+124	+147	+146	+133	+115	+89
Number of Jobs	82,084	82,625	83,245	83,543	84,220	84,171	84,756	85,426	85,946	86,441	86,977	87,048	87,112	87,204	87,337	87,463	87,612	87,760	87,895	88,012	88,102
Change in Jobs over previous year		+541	+620	+298	+676	-48	+585	+671	+519	+495	+536	+71	+64	+92	+134	+126	+149	+148	+135	+117	+90

## Economic-led assessment of need based on creation of 690 jobs per annum with adjusted household formation rates

### Components of Population Change

### Telford & Wrekin UA

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Summary of population change</b>																				
Natural change	+866	+837	+914	+921	+913	+933	+913	+890	+871	+847	+823	+812	+802	+790	+777	+762	+744	+730	+712	+697
Net migration	+25	-20	+719	+85	+1,298	+240	+125	+398	+411	+348	+1,132	+1,155	+1,117	+1,025	+1,017	+970	+983	+989	+1,043	+1,051
Net change	+891	+816	+1,633	+1,006	+2,211	+1,172	+1,037	+1,288	+1,282	+1,195	+1,956	+1,967	+1,920	+1,815	+1,794	+1,732	+1,727	+1,719	+1,755	+1,748
Crude Birth Rate /000	13.14	13.10	13.16	13.19	13.05	13.07	12.95	12.84	12.73	12.61	12.46	12.41	12.37	12.33	12.29	12.26	12.23	12.20	12.18	12.17
Crude Death Rate /000	7.96	8.12	7.76	7.79	7.76	7.71	7.74	7.79	7.82	7.87	7.90	7.95	8.01	8.09	8.16	8.24	8.34	8.42	8.53	8.63
Crude Net Migration Rate /000	0.15	-0.12	4.25	0.50	7.53	1.38	0.71	2.26	2.31	1.95	6.28	6.33	6.06	5.51	5.41	5.11	5.14	5.12	5.35	5.34

### Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,384	11,363	11,379	11,307	11,315	11,371	11,415	11,443	11,451	11,447	11,480	11,525	11,574	11,625	11,685	11,751	11,820	11,891	11,969	12,051
5-10	12,033	12,352	12,672	13,084	13,397	13,759	13,835	13,836	13,882	13,907	13,870	13,878	13,976	14,085	14,159	14,215	14,263	14,306	14,355	14,411	14,473
11-15	10,793	10,527	10,175	9,973	10,025	10,026	10,280	10,619	10,968	11,230	11,521	11,738	11,806	11,855	11,900	11,904	11,895	11,974	12,069	12,139	12,193
16-17	4,658	4,525	4,530	4,481	4,209	4,209	4,152	3,963	3,942	4,068	4,220	4,384	4,584	4,676	4,733	4,833	4,920	4,877	4,805	4,832	4,891
18-59Female, 64Male	98,411	98,492	98,570	99,021	99,104	100,063	100,083	100,124	100,101	100,006	99,935	100,551	101,078	101,632	102,167	102,631	103,080	103,493	103,944	104,385	104,813
60/65 -74	19,274	19,904	20,362	20,982	21,463	21,948	22,286	22,512	22,777	23,123	23,357	23,265	23,471	23,740	24,100	24,601	25,057	25,685	26,195	26,724	27,282
75-84	7,537	7,800	8,053	8,333	8,636	8,888	9,240	9,674	10,169	10,578	11,037	11,822	12,398	12,949	13,369	13,754	14,096	14,283	14,510	14,713	14,854
85+	2,699	2,738	2,814	2,919	3,036	3,180	3,312	3,456	3,605	3,805	3,977	4,199	4,447	4,695	4,966	5,191	5,484	5,835	6,222	6,574	6,938
Total	166,831	167,722	168,539	170,172	171,178	173,388	174,560	175,598	176,886	178,168	179,362	181,318	183,285	185,205	187,020	188,814	190,546	192,273	193,992	195,746	197,494
Economically active																					
Number of Economically active	84,884	85,176	85,465	85,751	86,034	86,315	86,593	86,868	87,141	87,411	87,679	88,358	89,038	89,718	90,398	91,078	91,758	92,438	93,118	93,797	94,477
Change in Economically active over previous yee		+292	+289	+286	+283	+281	+278	+275	+273	+270	+268	+680	+680	+680	+680	+680	+680	+680	+680	+680	+680
Number of Jobs	82,084	82,774	83,464	84,154	84,844	85,534	86,224	86,914	87,604	88,294	88,984	89,674	90,364	91,054	91,744	92,434	93,124	93,814	94,504	95,194	95,884
Change in Jobs over previous year		+690	+690	+690	+690	+690	+690	+690	+690	+690	+690	+690	+690	+690	+690	+690	+690	+690	+690	+690	+690
Households																					
Number of Households	66,662	67,358	68,007	68,961	69,709	70,851	71,699	72,443	73,286	74,138	74,950	76,019	77,077	78,136	79,165	80,217	81,240	82,236	83,249	84,287	85,313
Change in Households over previous year		+696	+649	+954	+748	+1,142	+848	+744	+843	+852	+812	+1,069	+1,058	+1,059	+1,030	+1,052	+1,023	+997	+1,012	+1,038	+1,026
Number of Dwellings	68,701	69,418	70,087	71,070	71,841	73,018	73,891	74,658	75,527	76,405	77,242	78,344	79,434	80,525	81,586	82,670	83,724	84,751	85,794	86,864	87,922
Change in Dwellings over previous year		+717	+669	+983	+771	+1,177	+873	+767	+869	+878	+836	+1,102	+1,090	+1,091	+1,061	+1,084	+1,054	+1,027	+1,043	+1,070	+1,058



**APPENDIX 3:**

**KENT COUNTY COUNCIL REPORT**

**ECONOMIC ACTIVITY RATE PROJECTIONS TO 2036**

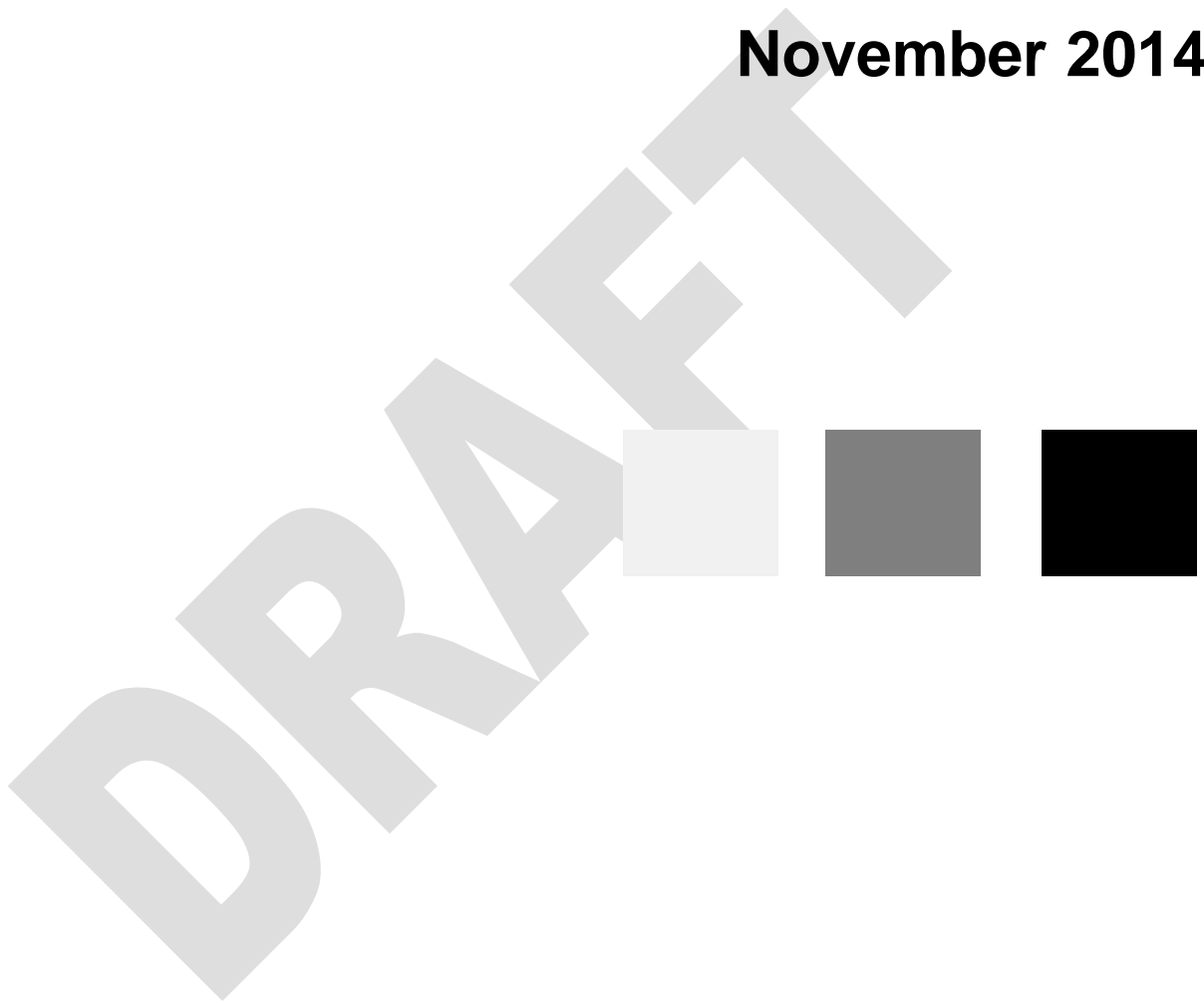
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# Business Intelligence Report

## Activity Rate Forecasts to 2036

November 2014



## Introduction

The last set of national activity rate projections was published by the Office for National Statistics in January 2006 (“Projections of the UK labour force, 2006-2020”). Since then, there has been no official guidance on how future economic activity might change.

Changes to legislation, specifically the equalisation of male and female State Pension Age (SPA) and the subsequent gradual extension of SPA will have an effect on future economic activity, as will the phasing-in of the extension of compulsory education to 18 by 2015.

Activity rates are an important part of our population forecasting activity. They measure, for a given age and gender band, the proportion of the population who are likely to be economically active (i.e. potentially available for work). This is usually referred to as the resident workforce.

This paper sets out our current thinking about future activity rates, incorporating data from the 2011 Census, the impact of the proposed changes to SPA and the extension of compulsory education.

This paper will then present a set of activity rate assumptions, by age and gender to 2036, for use in the next round of corporate forecasts.

## Findings

Detailed data from the 2011 Census is now available (economic activity by single year of age), which enables us to produce activity rates for the optimum number of age bands.

Critically, we now have activity rates for the 16 and 17 year olds (to accurately assess the impact of the extension of state education to 18 years of age by 2015). We also have activity rates for the 65 to 69 age band (to enable an accurate assessment of the gradual extension of state pension age).

We have compared Kent data from the 2011 Census to our current forecast of activity rates at 2011, which were based on applying growth rates from the ONS forecast (2006) to 2001 Census activity rates. This comparison shows:

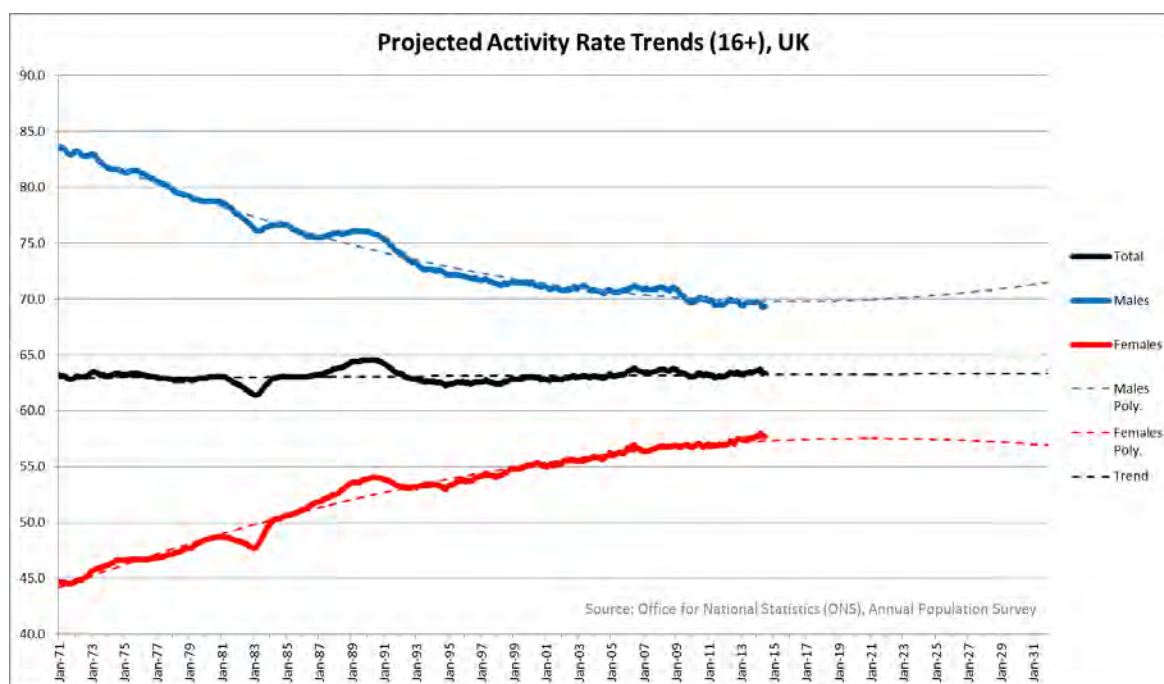
- All female activity rates at 2011 have shown higher growth than previously forecast, with the exception of the 45 to 49 age band which showed a marginally lower rate than was previously forecast.
- The most likely reasons for the apparent widespread increases in females activity rates at 2011 are;
  - A general underestimate of the increase in economic activity among females in the ONS (2006) forecasts.
  - A recession-driven outcome of increased female economic activity, in order to supplement the family income.
  - Increases in activity rates for females specifically in the 60 to 64 age group are in response to the standardisation of the State Pension Age to 65 for both men and women.

Given these findings, there are a number of questions about the impact of the 2011 Census on potential revisions to activity rate forecasts.

## Questions

- Given the widespread increase in female activity rates, should these be seen as recession-driven response or a permanent shift that will extend into the future? The previous forecast presents a significant underestimate of the level of female economic activity indicated by the 2011 Census. **Our initial assumption is that this represents a permanent shift in the labour market, with the majority of female activity rate age bands continuing to increase from the 2011 Census position.**
- We now have data for the 65 to 69 age band, enabling a more accurate estimate of the proportion of people staying economically active for longer, in line with changes in SPA (either because of *choosing* to stay in employment longer or *having* to stay in employment longer due to pension shortfalls). **However, this is still the most difficult age band for which to make accurate predictions about future change.**
- Has *actual* retirement age changed? Recent evidence from the ONS suggests that the average age of people leaving the labour market (taken as a proxy for actual retirement age), has increased between 2004 and 2010. For men, it rose from 63.8 years to 64.6 years and for women from 61.2 years to 62.3 years. **This implies a greater level of coincidence between actual retirement age and State Pension Age than was previously observed.**
- What about future changes to SPA? The issue of the continued extension of SPA to 68 in the mid-2030's and to 69 in the late 2040's raises some fundamental questions about changes in attitude to work and retirement age. **Health issues should also be considered alongside assumptions about working longer. Yes, we are living longer but this is not the same as living longer, healthier lives that will automatically lead to substantially higher levels of economic activity in old age.**

One thing is certain - and that is that activity rates cannot continue on a straight-line trajectory indefinitely, and it would be naive to think that this would be the case. There is likely to be some form of natural decay curve, beyond which activity rates will not rise (or fall). The difficulty is determining where that level might be and when it might occur.



The Annual Population Survey (APS) provides a useful historic time-series of male, female and total activity rates going back as far as January 1971. A trend derived from this data indicates that the growth in female rates and the decline in male rates have slowed down in recent years. This projection would indicate that shortly, this will level out. However, this does not accommodate the proposed changes to legislation.

It is unlikely, that in the foreseeable future, overall activity rates for males and females will merge, despite the standardisation of State Pension Age (SPA).

There is potentially some scope for activity rates to increase in the future – particularly among the older age bands, in response to the extension of State Pension Age and the effective abolition of age-related retirement. However, it is unlikely that this will result in huge changes in the level of economic activity in future years.

It is important to remember that despite the narrowing gap between the two, SPA is not retirement age – and that some people may choose to retire (and therefore become economically inactive) at any time (but more usually, within the period 5 years preceding SPA).

It is also important to remember that even if activity rates are held constant for some age bands, if the population increases so will the number of economically active people. So caution needs to be taken in increasing activity rates too aggressively.

Those factors influencing activity rates include:

- The overall economy – during the recession employers cut back on recruitment, which had a damaging effect on young trying to enter the labour market for the first time. Some young people may opt for continued full-time education, if employment opportunities are scarce, which will reduce activity rates. Also, the availability of suitable jobs / the level of discouragement among older workers in particular, who may leave the labour market (become economically inactive) through lack of opportunity.
- Local labour market – the availability of employment opportunities, particularly for young people to enter the labour market and at the other end, the provision of suitable jobs for those in the older age bands, who may wish to work up to or beyond State Pension Age. Recent research by the ONS reveals that men and women carry out different types of work after their SPA. For men, the most common jobs include: managers, directors and senior officials; professional occupations; and the skilled trades. For women, the most common jobs were elementary occupations (such as cleaners), administrative positions and work within the professional occupations.
- Legislation – e.g. the extension of State Pension Age and the abolition of an age-related retirement age – thereby encouraging the older age groups to work longer and, at the same time, allowing for those who want to work beyond the State Pension Age, to do so. Also, the extension of school age; in 2013 those aged 17 were encouraged to stay in full-time education and by 2015 it will be compulsory to stay in full-time education until the age of 18.
- Wealth – the level of pension provision/savings and possible pension shortfalls, together with the extension of private/company pension schemes, in line with the extension of SPA, which may force people to remain economically active for longer than they may have intended.
- Health – a double-edged sword, where longer, healthier lives leads to the potential for longer working lives and increased economic activity - but also, where ill-health leads to early retirement and therefore a decrease in economic activity.
- Education – especially the availability, cost and take-up of full-time higher education (university), which will affect activity rates in the younger age bands (generally, up to the age of 24).



## Actions/assumptions for future activity rate growth

Given all the considerations and questions in the early part of this paper, a broad approach has emerged and this section sets out the assumptions used to produce KCC's 2014 Activity Rate projections:

### Males

Age band	Assumptions
16	Activity rates have been calculated using the 2011 Census data and projected forward using the original ONS 2006 forecast growth rates, to 2013. A residual activity rate is then applied based 2011 Census data for those aged 16 who were part-time employees. This rate is then held constant to 2036.
17	Activity rates have been calculated using the 2011 Census data and projected forward using the original ONS 2006 forecast growth rates, to 2015. A residual activity rate is then applied based 2011 Census data for those aged 17 who were part-time employees. This rate is then held constant to 2036.
18-24	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.
25-29	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.
30-34	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.
35-39	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.
40-44	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.
45-49	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.
50-54	The activity rate projection for this age band applies the same growth rates from the 2006 ONS forecast to the 2011 Census activity rates, to 2020. These are rolled forward one year to 2021. Rates for 2031 are then calculated on the basis of half the growth 2011-2021, with the intervening years calculated as a straight-line interpolation. Post-2031 rates are then held constant.

55-59	The activity rate projection for this age band applies the same growth rates from the 2006 ONS forecast to the 2011 Census activity rates, to 2020. These are rolled forward one year to 2021. Rates for 2031 are then calculated on the basis of half the growth 2011-2021, with the intervening years calculated as a straight-line interpolation. Post-2031 rates are then held constant.
60-64	The 2006 ONS forecast matches the 2011 Census figure but future growth has been increased from the previous forecast to allow for changing attitudes to working longer, reflecting the extension of State Pension Age. A 2021 rate has been set at half the growth that took place between 2001 and 2011. At 2031 the rate is set at half the rate of growth between 2021 and 2011.
65-69	This is very much a "best guess" of the effect of the extension of State Pension Age on activity rates in the 65-69 age band, setting rates at 2021 on the basis of the same level of growth experienced between 2001 and 2011. The same level of growth is applied to the 2031 rates. Intervening years are calculated on the basis of a straight-line interpolation and post-2031 rates are held constant.
70-74	Future activity rate growth in this age band has been increased from the previous forecast to allow for changing attitudes to working longer, reflecting the abolition of an age-related retirement age. A 2021 rate has been set at half the growth that took place between 2001 and 2011. At 2031 the rate is set at half the rate of growth between 2021 and 2011. Intervening years are calculated on the basis of a straight-line interpolation and post-2031 rates are held constant.

## Females

Age band	Assumptions
16	Activity rates have been calculated using the 2011 Census data and projected forward using the original ONS 2006 forecast growth rates, to 2013. A residual activity rate is then applied based 2011 Census data for those aged 16 who were part-time employees. This rate is then held constant to 2036.
17	Activity rates have been calculated using the 2011 Census data and projected forward using the original ONS 2006 forecast growth rates, to 2015. A residual activity rate is then applied based 2011 Census data for those aged 17 who were part-time employees. This rate is then held constant to 2036.
18-24	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.
25-29	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.

30-34	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.
35-39	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.
40-44	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.
45-49	Growth rates from the 2006 ONS forecast are applied to the 2011 Census activity rate for this age band, to 2020. Post-2020 rates are then held constant.
50-54	The activity rate projection for this age band applies the same growth rates from the 2006 ONS forecast to the 2011 Census activity rates, to 2020. These are rolled forward one year to 2021. Rates for 2031 are then calculated on the basis of half the growth 2011-2021, with the intervening years calculated as a straight-line interpolation. Post-2031 rates are then held constant.
55-59	The activity rate projection for this age band applies the same growth rates from the 2006 ONS forecast to the 2011 Census activity rates, to 2020. These are rolled forward one year to 2021. Rates for 2031 are then calculated on the basis of half the growth 2011-2021, with the intervening years calculated as a straight-line interpolation. Post-2031 rates are then held constant.
60-64*	The 2006 ONS forecast matches the 2011 Census figure but future growth has been increased from the previous forecast to allow for changing attitudes to working longer, reflecting the extension of State Pension Age. A 2021 rate has been set at half the growth that took place between 2001 and 2011. At 2031 the rate is set at half the rate of growth between 2021 and 2011.
65-69	This is very much a "best guess" of the effect of the extension of State Pension Age on activity rates in the 65-69 age band, setting rates at 2021 on the basis of the same level of growth experienced between 2001 and 2011. The same level of growth is applied to the 2031 rates. Intervening years are calculated on the basis of a straight-line interpolation and post-2031 rates are held constant.
70-74	Future activity rate growth in this age band has been increased from the previous forecast to allow for changing attitudes to working longer, reflecting the abolition of an age-related retirement age. A 2021 rate has been set at half the growth that took place between 2001 and 2011. At 2031 the rate is set at half the rate of growth between 2021 and 2011. Intervening years are calculated on the basis of a straight-line interpolation and post-2031 rates are held constant.

Note: it was necessary to cap forecast female activity rates in this age band to 65%, so that calculations based on previous growth did not reach unrealistic levels.

### State Pension Age revisions

Changes to the SPA have already started, with the equalisation of male and female to 65 becoming effective by November 2018. This will move to 66 by October 2020 and gradually to 67 over the period 2026-2028. Following the Chancellor's Autumn Statement in November 2013, it will be increased further, to 68 by the mid 2030's and to 69 by late 2040's.

The increase in SPA to 69 may be outside the range of our current forecasts but a continued increase in SPA beyond the horizon year our forecasts is still likely to impact on attitudes to retirement of those *within* our forecasts – and will create, to some extent, an acceptance or resignation to the idea of working longer.

## Conclusions

Potentially, a way forward has emerged that allows the development of some broad assumptions about future activity rates - but this still carries a level of uncertainty. There are many issues that have compounded this uncertainty:

- Lack of guidance from ONS, on future national activity rates
- The potential impact of the recession on the results of economic activity in the 2011 Census (and therefore the assumptions made about future years)
- Government changes to State Pension Age (SPA)
- How attitudes to “effective retirement age” have changed – and may change again - in relation to the extension of SPA
- Whether the health of those approaching retirement age may change in the future, allowing more people to work longer
- Potential pension shortfalls, resulting in some people having to work longer

It is not possible to measure or model each of these changes and their potential effects on activity rates, so some bold assumptions have had to be made that attempt to capture all these changes in one go.

As with all forecasts undertaken by Research and Evaluation, they are based in good faith and use the latest information available at the time. They are also subject to change, as new information becomes available and form part of our annual cycle of corporate population forecast updates.

The following pages set out the latest KCC activity rate forecasts for both males and females, by age band.

## Male Activity Rates, KCC Area

KCC Activity rate projection (Nov 2014)

KCC Area

Year	Males												
	16	17	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74
2001	0.34	0.59	0.81	0.92	0.93	0.92	0.92	0.91	0.87	0.79	0.56	0.17	0.08
2002	0.32	0.57	0.81	0.93	0.92	0.93	0.92	0.92	0.87	0.80	0.56	0.19	0.08
2003	0.32	0.57	0.79	0.91	0.93	0.93	0.92	0.92	0.88	0.81	0.60	0.22	0.11
2004	0.30	0.54	0.79	0.91	0.92	0.93	0.92	0.91	0.88	0.81	0.61	0.23	0.10
2005	0.28	0.52	0.78	0.92	0.92	0.93	0.91	0.92	0.89	0.82	0.61	0.25	0.11
2006	0.28	0.51	0.79	0.92	0.93	0.93	0.92	0.91	0.88	0.81	0.61	0.24	0.11
2007	0.27	0.50	0.79	0.92	0.93	0.93	0.92	0.92	0.89	0.82	0.61	0.24	0.11
2008	0.26	0.49	0.79	0.92	0.93	0.93	0.92	0.92	0.89	0.82	0.62	0.25	0.12
2009	0.25	0.47	0.79	0.92	0.93	0.93	0.92	0.92	0.89	0.82	0.62	0.26	0.12
2010	0.24	0.46	0.78	0.92	0.93	0.93	0.92	0.92	0.89	0.83	0.63	0.27	0.13
2011	0.23	0.45	0.78	0.92	0.93	0.93	0.92	0.92	0.89	0.83	0.63	0.28	0.13
2012	0.23	0.44	0.78	0.92	0.93	0.93	0.92	0.92	0.90	0.83	0.64	0.29	0.13
2013	0.22	0.43	0.78	0.92	0.93	0.93	0.92	0.91	0.90	0.83	0.64	0.30	0.14
2014	0.05	0.43	0.78	0.92	0.93	0.93	0.92	0.91	0.90	0.83	0.65	0.31	0.14
2015	0.05	0.42	0.78	0.92	0.92	0.93	0.92	0.91	0.90	0.84	0.65	0.32	0.14
2016	0.05	0.09	0.78	0.92	0.92	0.93	0.92	0.91	0.90	0.84	0.65	0.34	0.15
2017	0.05	0.09	0.77	0.91	0.92	0.92	0.92	0.91	0.90	0.84	0.66	0.35	0.15
2018	0.05	0.09	0.77	0.91	0.92	0.92	0.92	0.91	0.90	0.84	0.66	0.36	0.15
2019	0.05	0.09	0.77	0.91	0.92	0.92	0.92	0.91	0.90	0.84	0.67	0.37	0.15
2020	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.90	0.84	0.67	0.38	0.16
2021	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.90	0.85	0.68	0.40	0.16
2022	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.90	0.85	0.68	0.41	0.16
2023	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.90	0.85	0.68	0.42	0.16
2024	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.85	0.69	0.43	0.16
2025	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.85	0.69	0.44	0.16
2026	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.85	0.69	0.45	0.17
2027	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.85	0.69	0.47	0.17
2028	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.85	0.70	0.48	0.17
2029	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.85	0.70	0.49	0.17
2030	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.85	0.70	0.50	0.17
2031	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.86	0.70	0.51	0.17
2032	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.86	0.70	0.51	0.17
2033	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.86	0.70	0.51	0.17
2034	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.86	0.70	0.51	0.17
2035	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.86	0.70	0.51	0.17
2036	0.05	0.09	0.77	0.91	0.92	0.92	0.91	0.91	0.91	0.86	0.70	0.51	0.17

Prepared by: Research & Evaluation, Kent County Council

An explanation of the colour coding:

Example	Colour	Purpose
0.5000	Black	Actual data (Census points)
0.5000	Light Blue	Figures based on ONS (2006) growth rates but rebased to coincide with 2011 Census
0.5000	Dark Red	Estimated "part-time" activity rate, following changes to compulsory education
0.5000	Orange	ONS (2006) growth rate 2019-2020, applied to 2020 to give a 2021 figure.
0.5000	Blue	Figure held constant
0.5000	Red	Figure based on half the rate of growth as the previous 10 years
0.5000	Purple	Figure based on the same rate of growth as the previous 10 years
0.5000	Green	Figures calculated as a straight-line interpolation between two points

## Female Activity Rates, KCC Area

KCC Activity rate projection (Nov 2014)

KCC Area

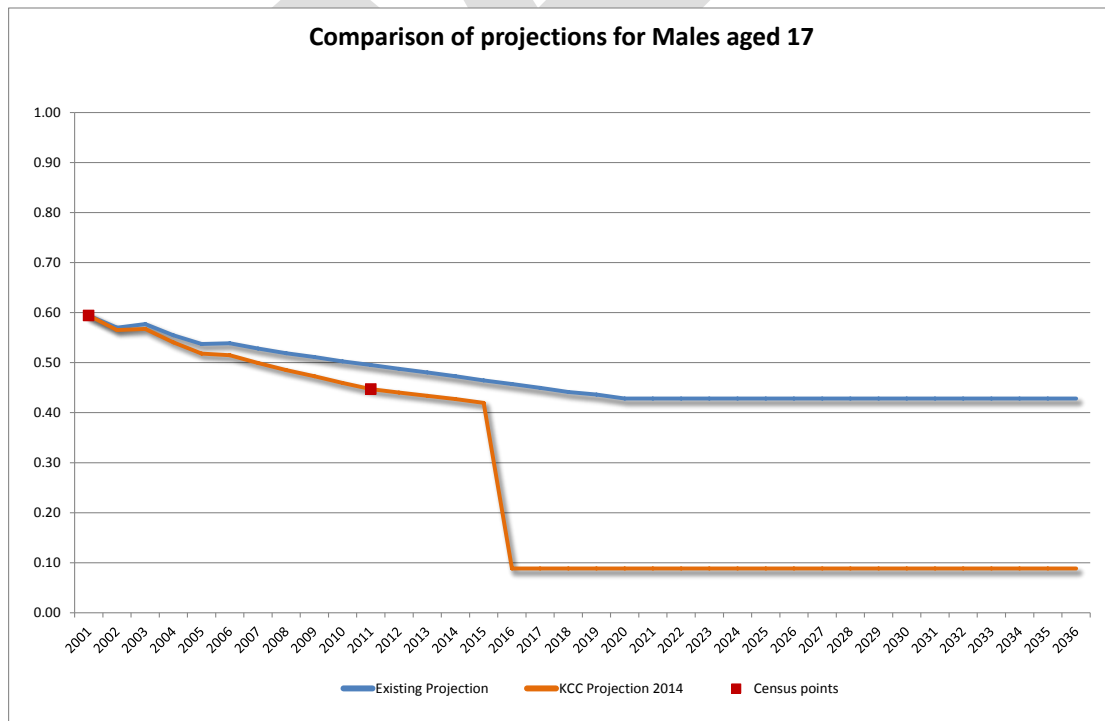
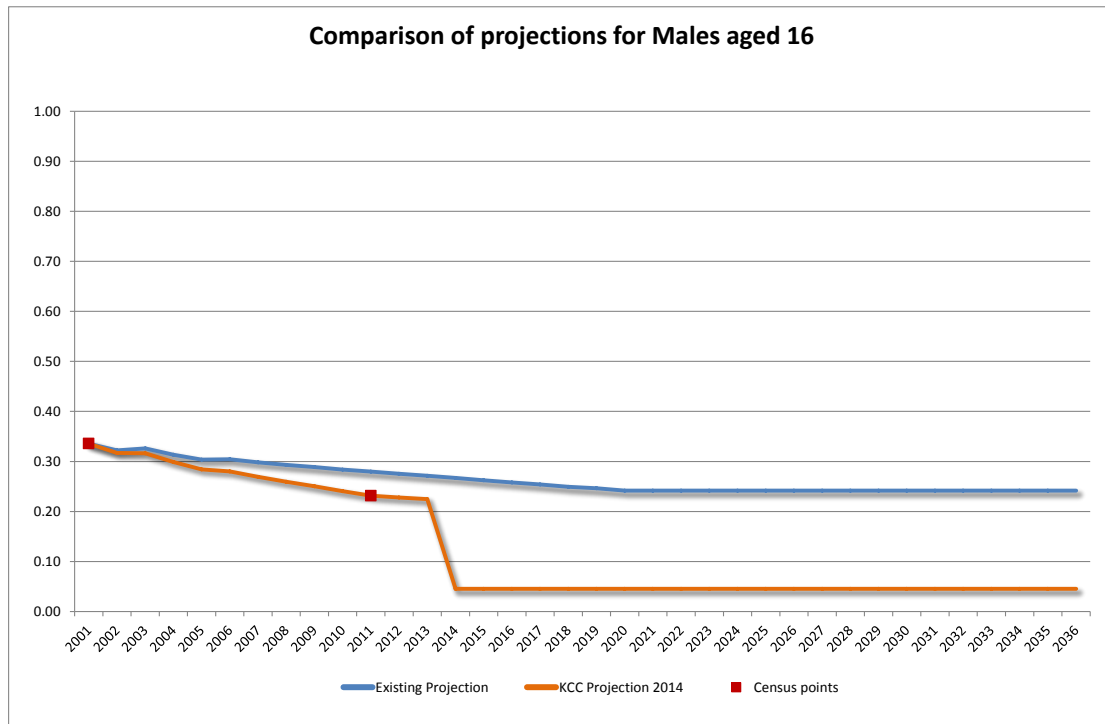
Year	Females												
	16	17	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74
2001	0.38	0.57	0.70	0.74	0.70	0.72	0.77	0.79	0.74	0.60	0.28	0.10	0.04
2002	0.37	0.56	0.71	0.76	0.70	0.72	0.77	0.79	0.75	0.61	0.29	0.13	0.05
2003	0.37	0.57	0.70	0.75	0.70	0.73	0.77	0.80	0.76	0.65	0.29	0.14	0.05
2004	0.35	0.55	0.71	0.75	0.72	0.73	0.78	0.80	0.77	0.65	0.32	0.14	0.06
2005	0.34	0.53	0.69	0.76	0.74	0.73	0.79	0.81	0.77	0.66	0.34	0.15	0.07
2006	0.33	0.53	0.70	0.77	0.74	0.74	0.79	0.81	0.77	0.67	0.34	0.15	0.06
2007	0.32	0.52	0.70	0.77	0.75	0.75	0.79	0.81	0.78	0.68	0.35	0.16	0.07
2008	0.31	0.51	0.71	0.78	0.76	0.76	0.80	0.82	0.79	0.69	0.36	0.17	0.07
2009	0.30	0.50	0.71	0.78	0.77	0.76	0.80	0.82	0.79	0.70	0.37	0.17	0.08
2010	0.29	0.50	0.71	0.79	0.77	0.77	0.81	0.82	0.80	0.71	0.38	0.18	0.08
2011	0.28	0.49	0.71	0.79	0.78	0.78	0.81	0.83	0.81	0.72	0.40	0.19	0.08
2012	0.27	0.48	0.71	0.80	0.78	0.78	0.81	0.83	0.81	0.72	0.42	0.20	0.08
2013	0.27	0.48	0.71	0.80	0.79	0.78	0.81	0.83	0.82	0.73	0.43	0.21	0.09
2014	0.07	0.47	0.71	0.80	0.79	0.78	0.81	0.83	0.82	0.74	0.45	0.22	0.09
2015	0.07	0.47	0.71	0.80	0.79	0.78	0.81	0.83	0.82	0.74	0.46	0.23	0.09
2016	0.07	0.13	0.71	0.80	0.79	0.78	0.81	0.83	0.83	0.75	0.48	0.24	0.09
2017	0.07	0.13	0.71	0.80	0.79	0.78	0.81	0.83	0.83	0.76	0.49	0.24	0.09
2018	0.07	0.13	0.71	0.80	0.79	0.78	0.81	0.83	0.84	0.77	0.51	0.25	0.10
2019	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.84	0.77	0.52	0.26	0.10
2020	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.84	0.78	0.53	0.27	0.10
2021	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.79	0.55	0.28	0.10
2022	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.79	0.56	0.29	0.10
2023	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.79	0.56	0.30	0.11
2024	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.80	0.57	0.31	0.11
2025	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.80	0.58	0.32	0.11
2026	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.80	0.59	0.33	0.11
2027	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.81	0.59	0.34	0.11
2028	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.81	0.60	0.35	0.11
2029	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.81	0.60	0.36	0.11
2030	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.82	0.60	0.37	0.11
2031	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.82	0.60	0.38	0.11
2032	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.82	0.60	0.38	0.11
2033	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.82	0.60	0.38	0.11
2034	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.82	0.60	0.38	0.11
2035	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.82	0.60	0.38	0.11
2036	0.07	0.13	0.71	0.81	0.80	0.78	0.81	0.83	0.85	0.82	0.60	0.38	0.11

Prepared by: Research & Evaluation, Kent County Council

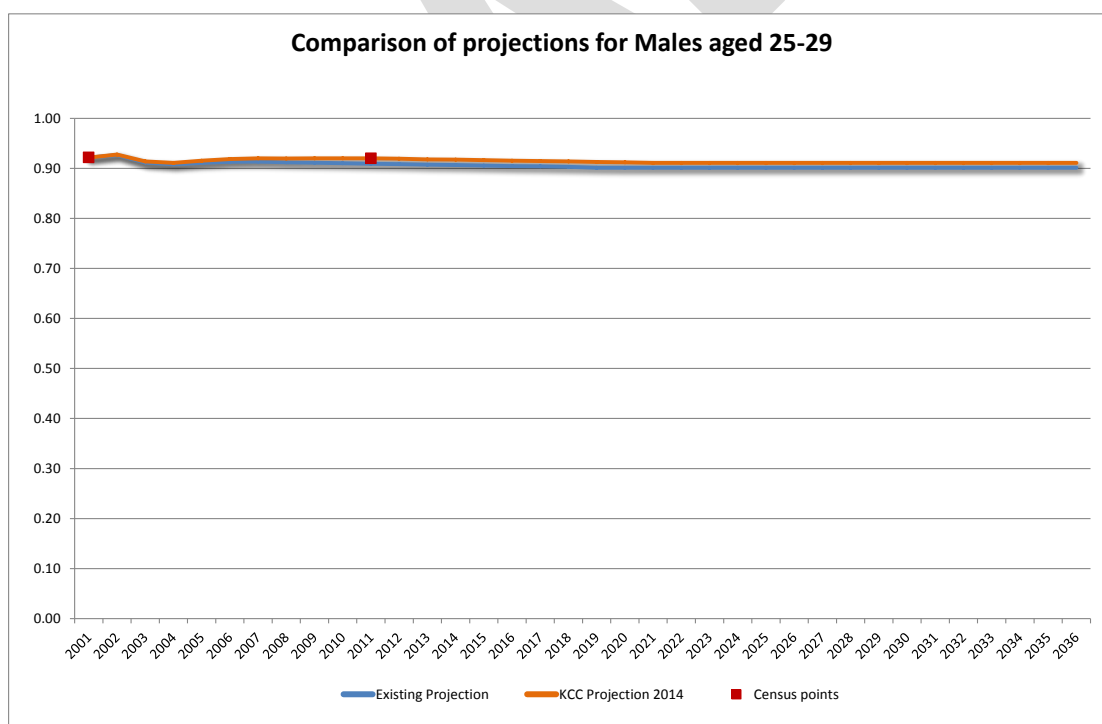
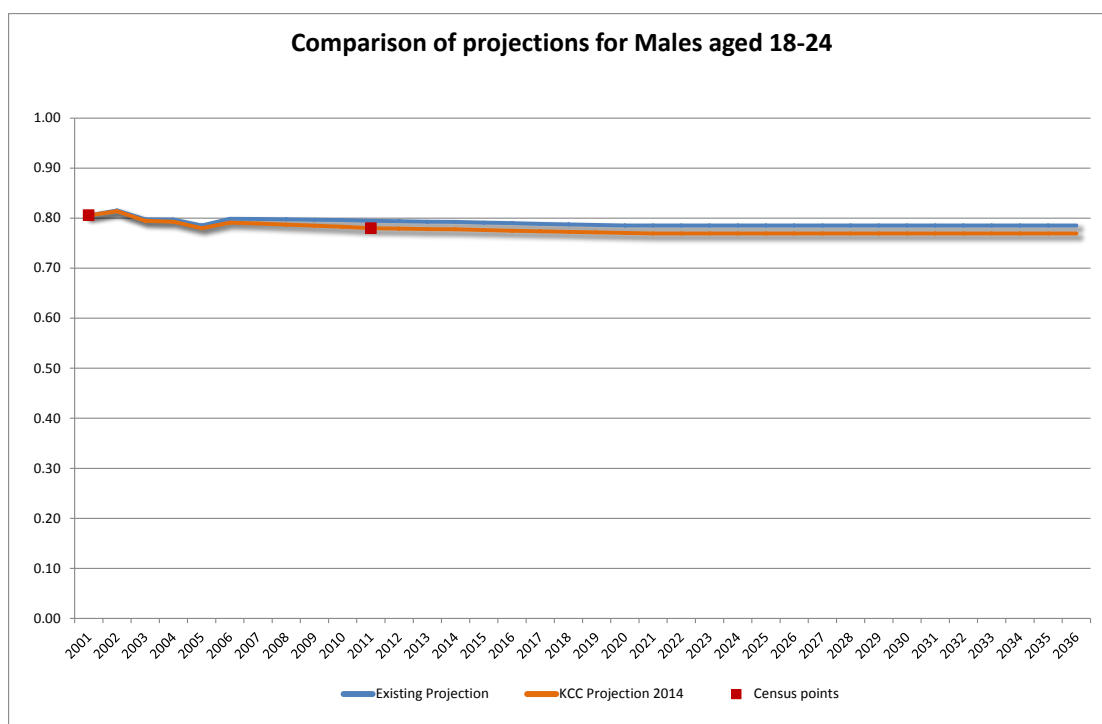
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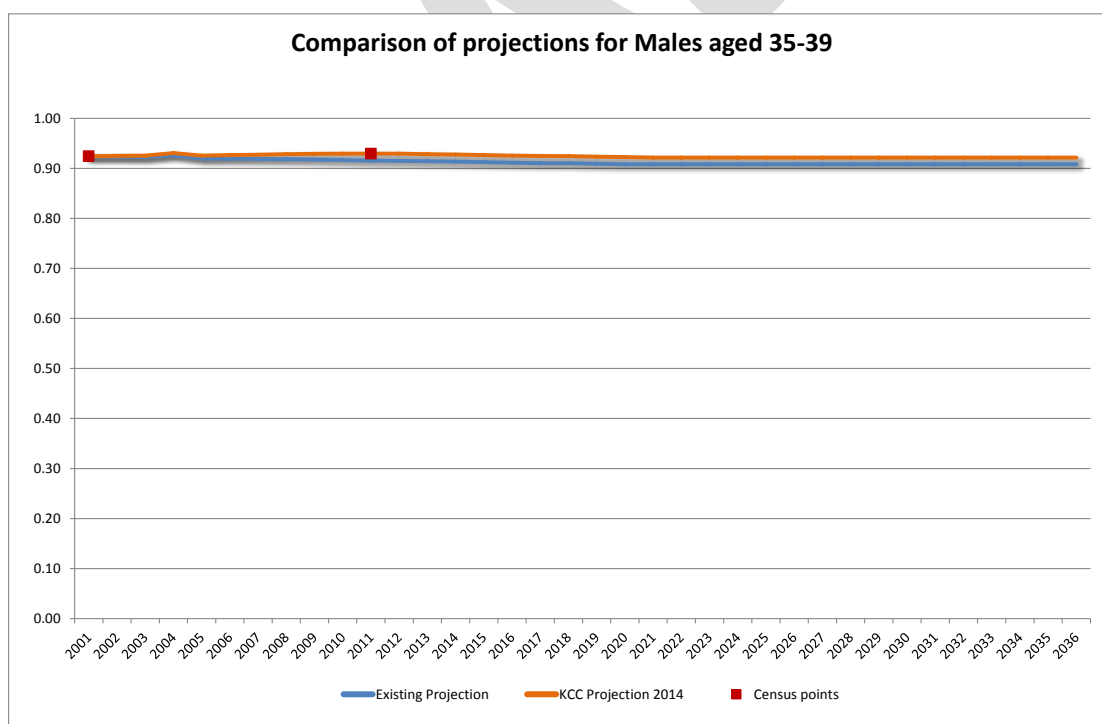
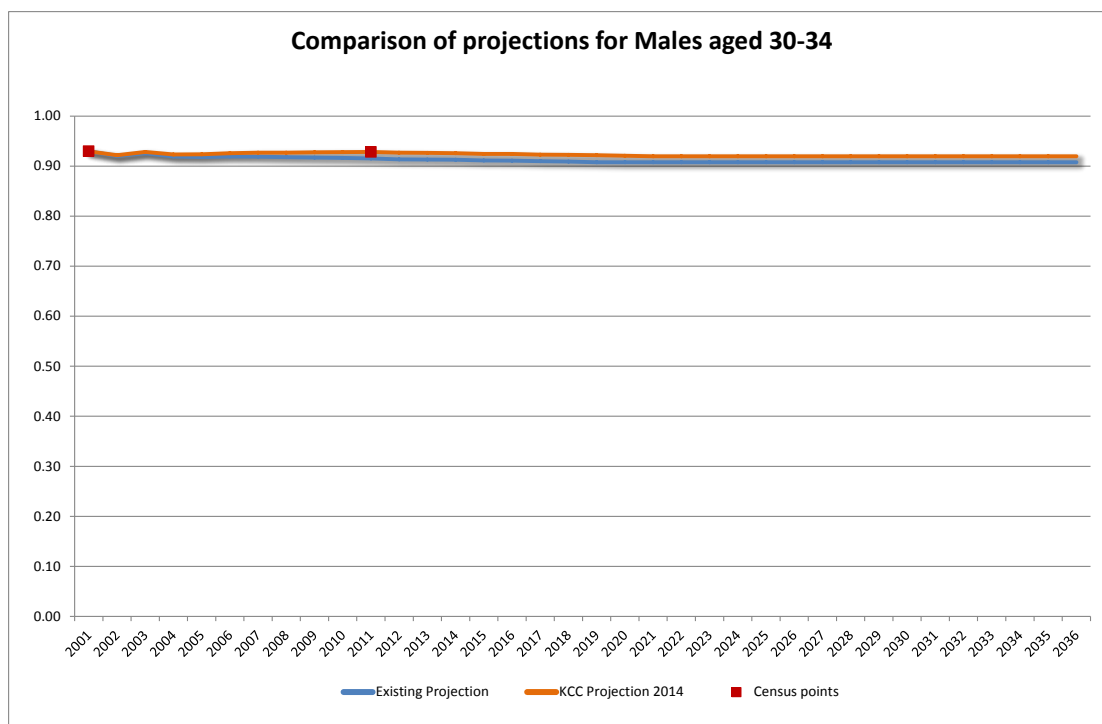
Example	Colour	Purpose
0.5000	Black	Actual data (Census points)
0.5000	Light Blue	Figures based on ONS (2006) growth rates but rebased to coincide with 2011 Census
0.5000	Dark Red	Estimated "part-time" activity rate, following changes to compulsory education
0.5000	Orange	ONS (2006) growth rate 2019-2020, applied to 2020 to give a 2021 figure.
0.5000	Blue	Figure held constant
0.5000	Red	Figure based on half the rate of growth as the previous 10 years
0.5000	Purple	Figure based on the same rate of growth as the previous 10 years
0.5000	Green	Figures calculated as a straight-line interpolation between two points

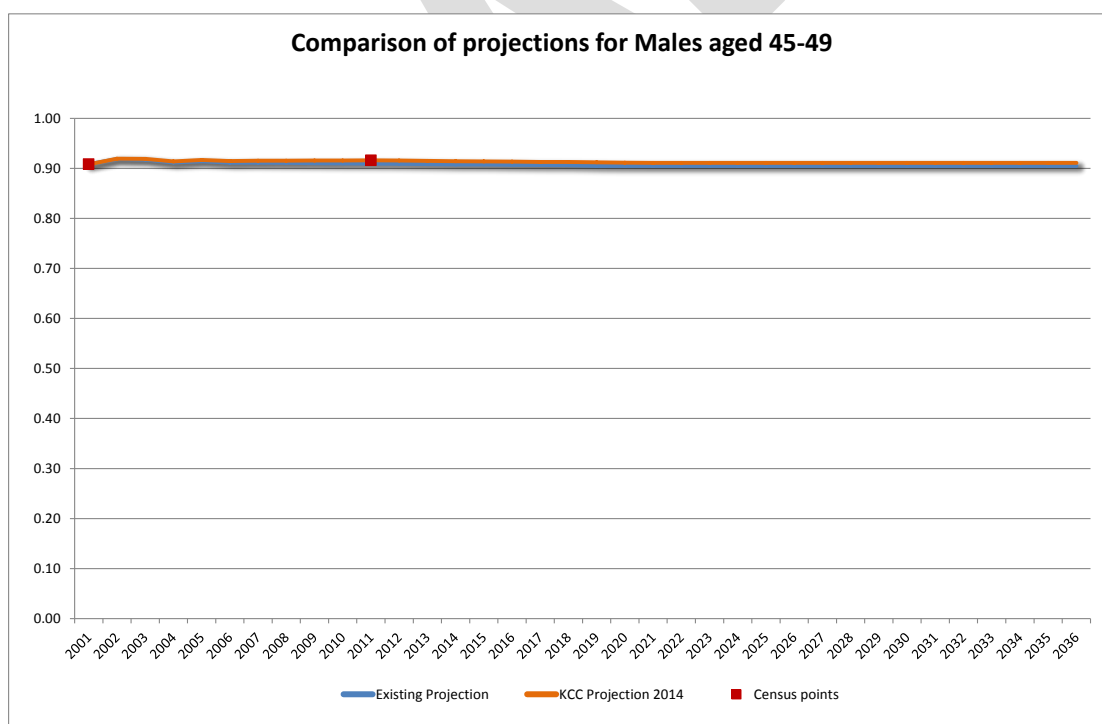
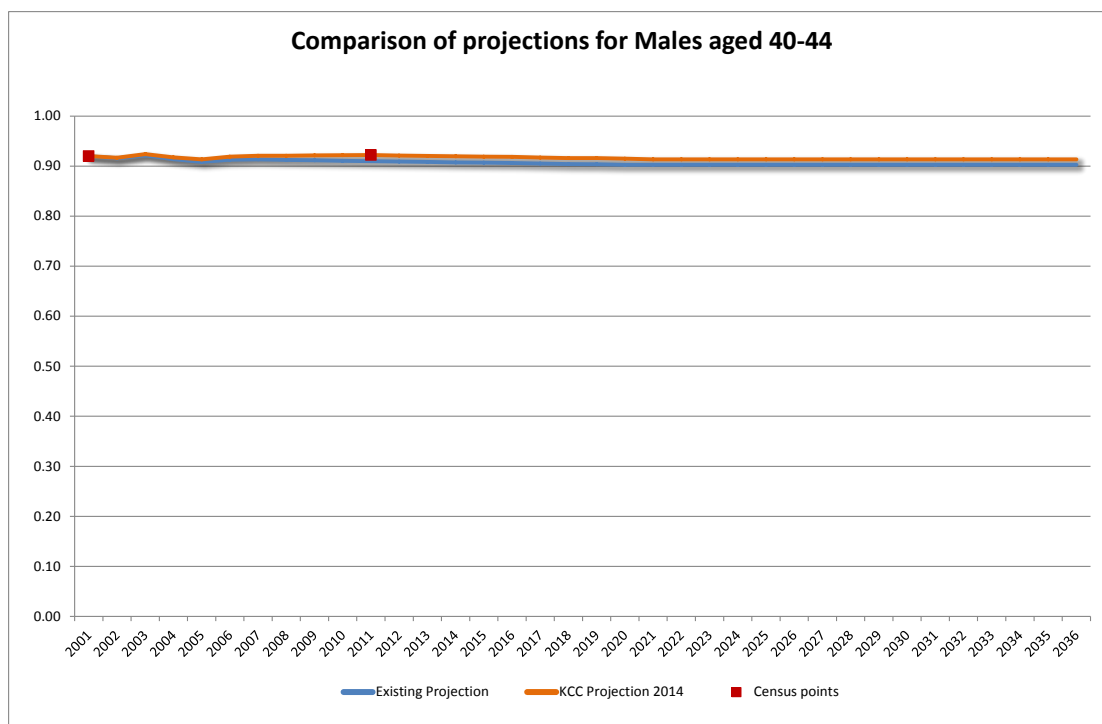
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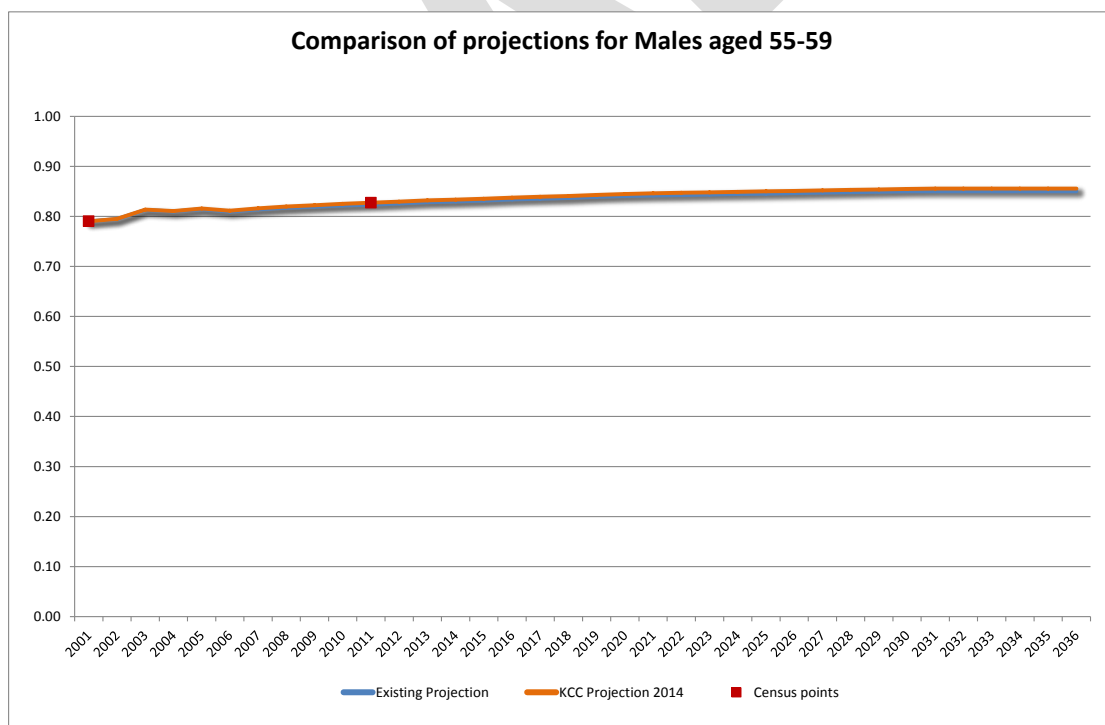
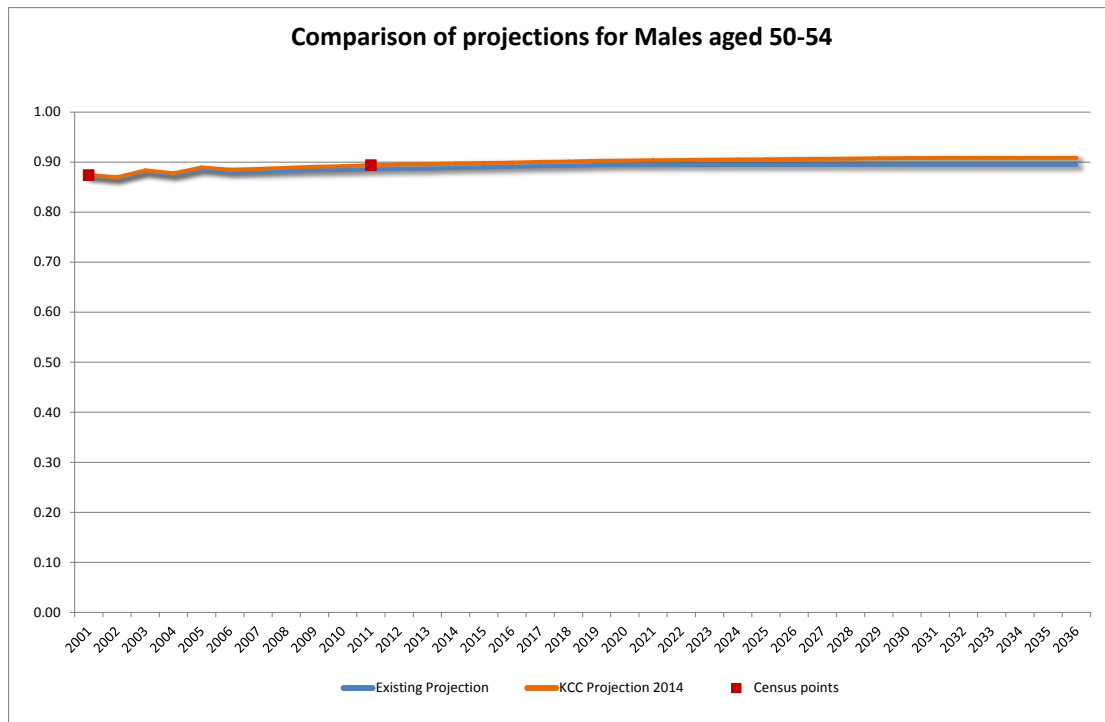


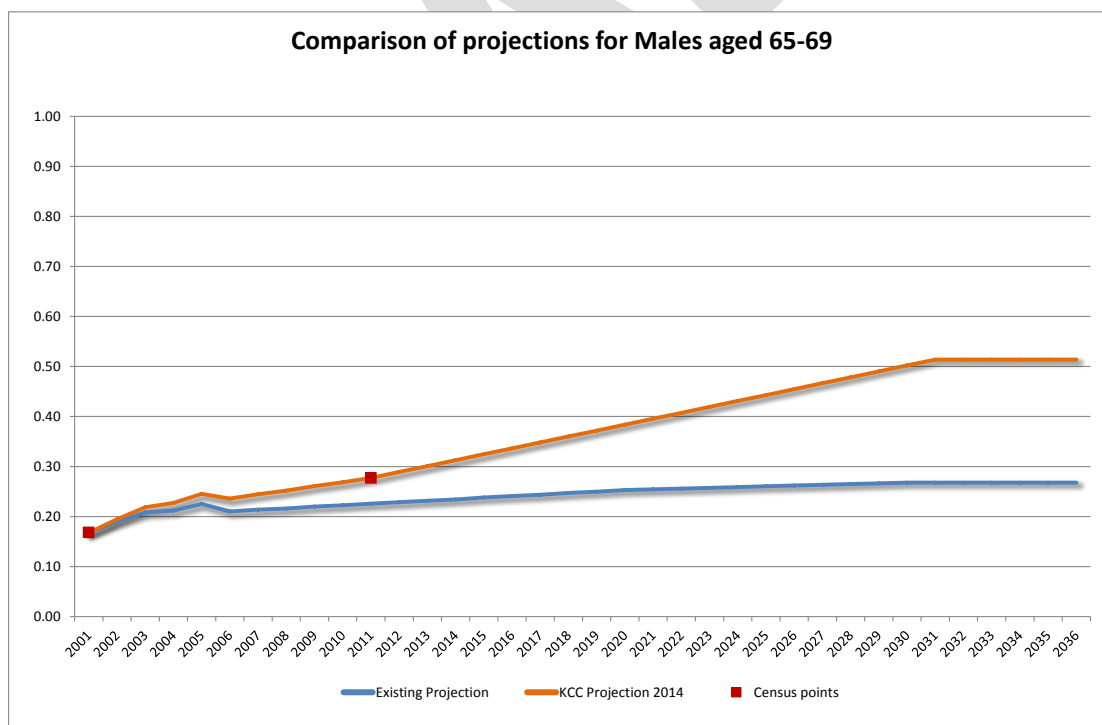
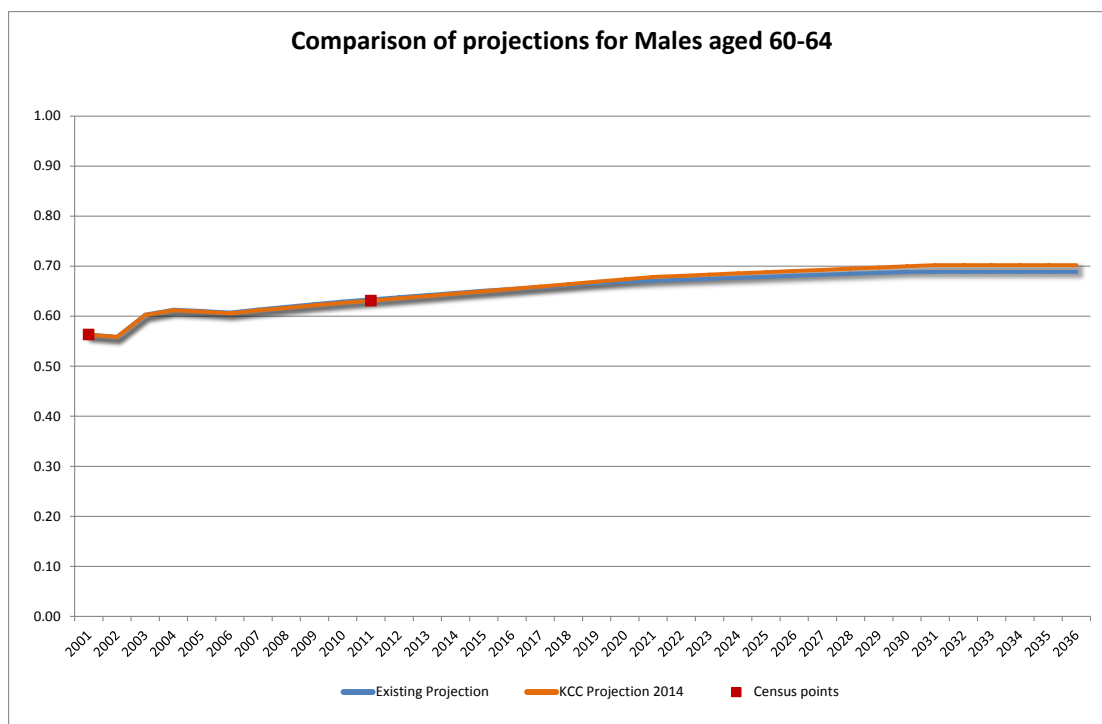


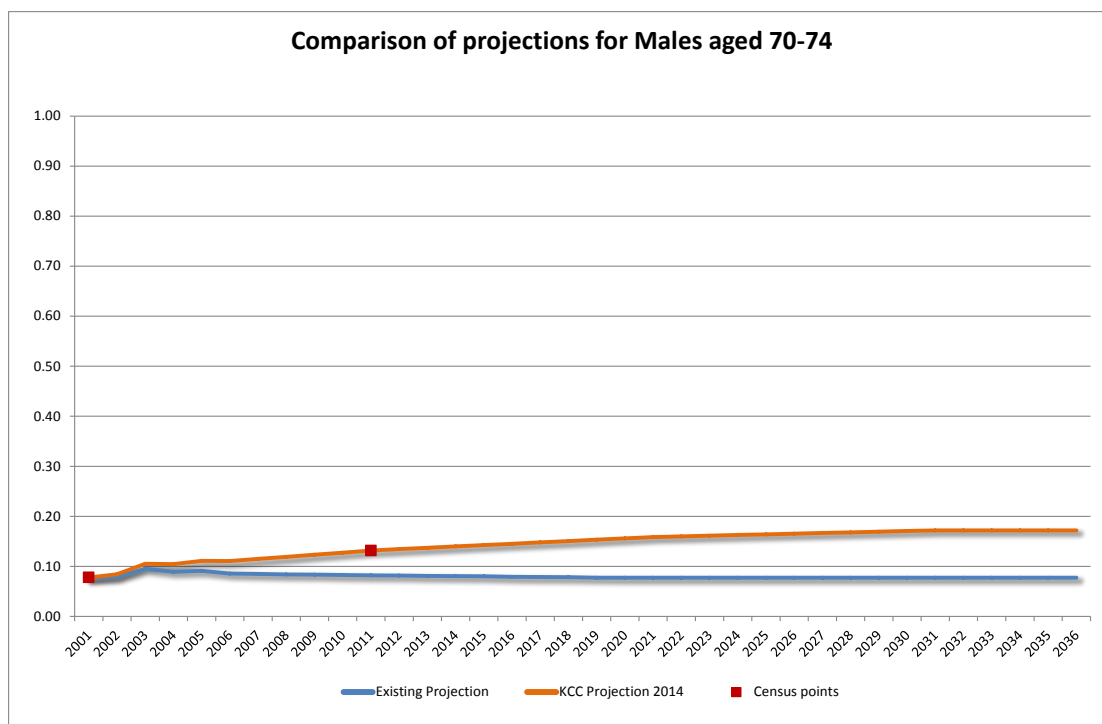




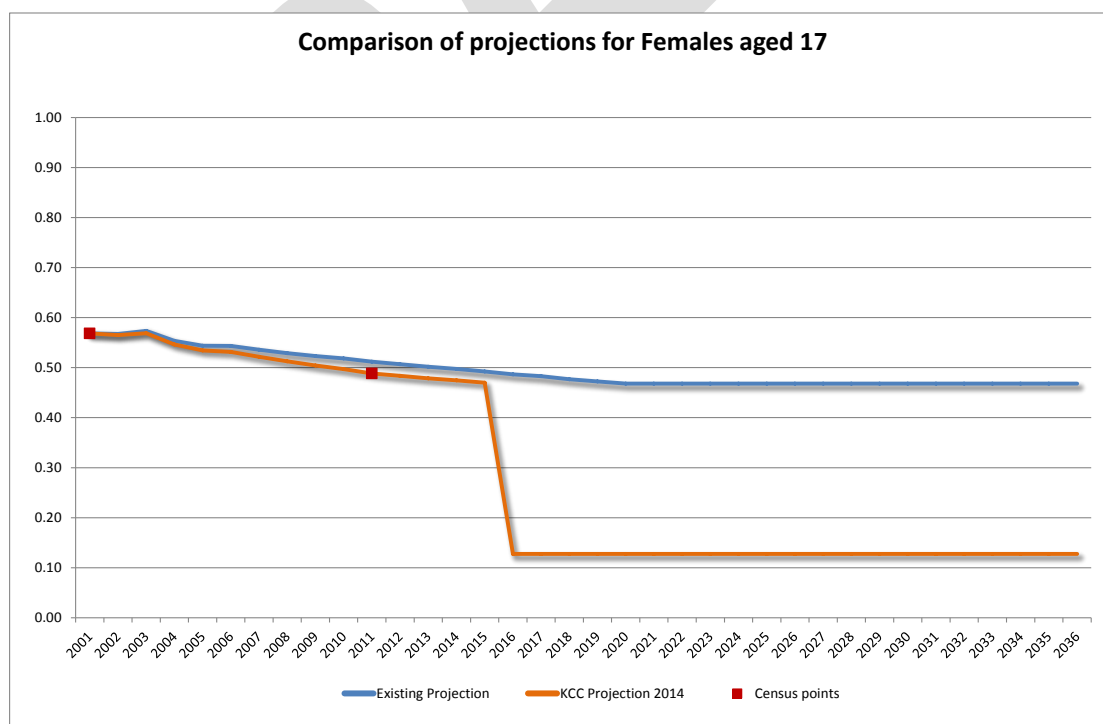
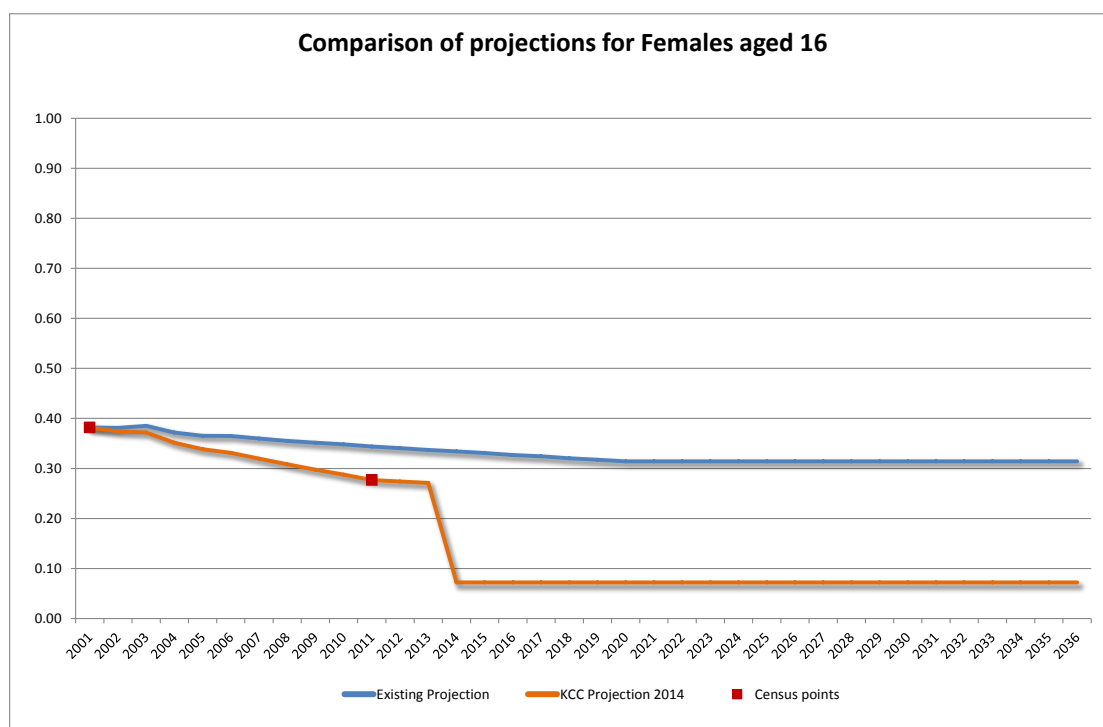


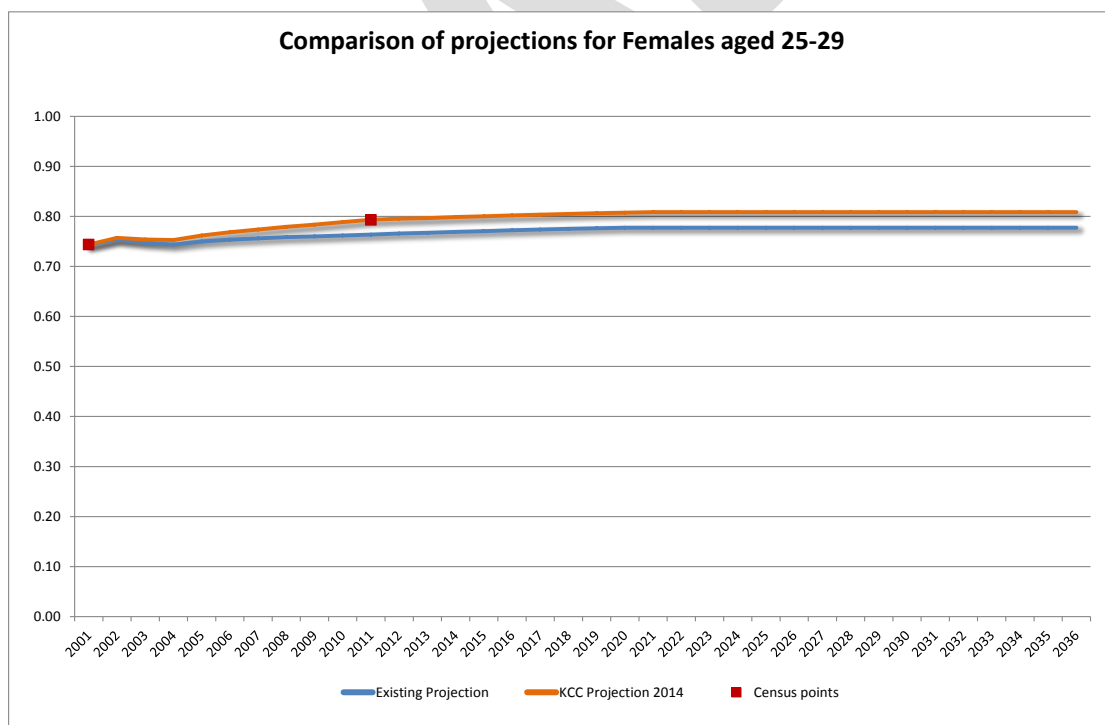
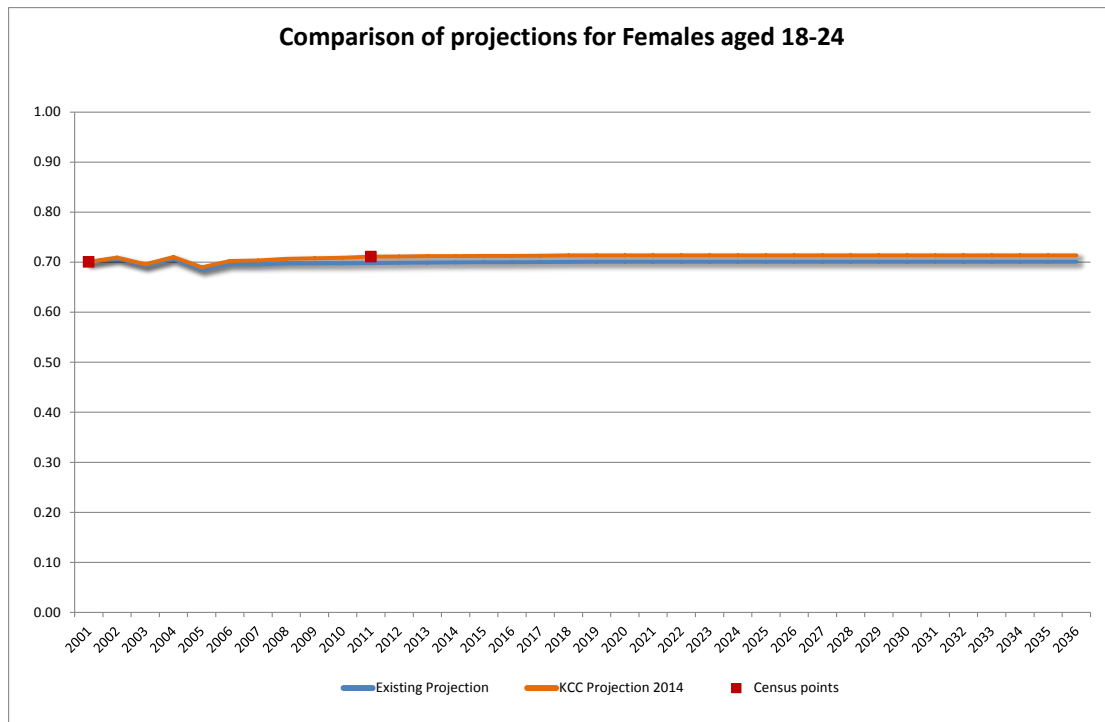




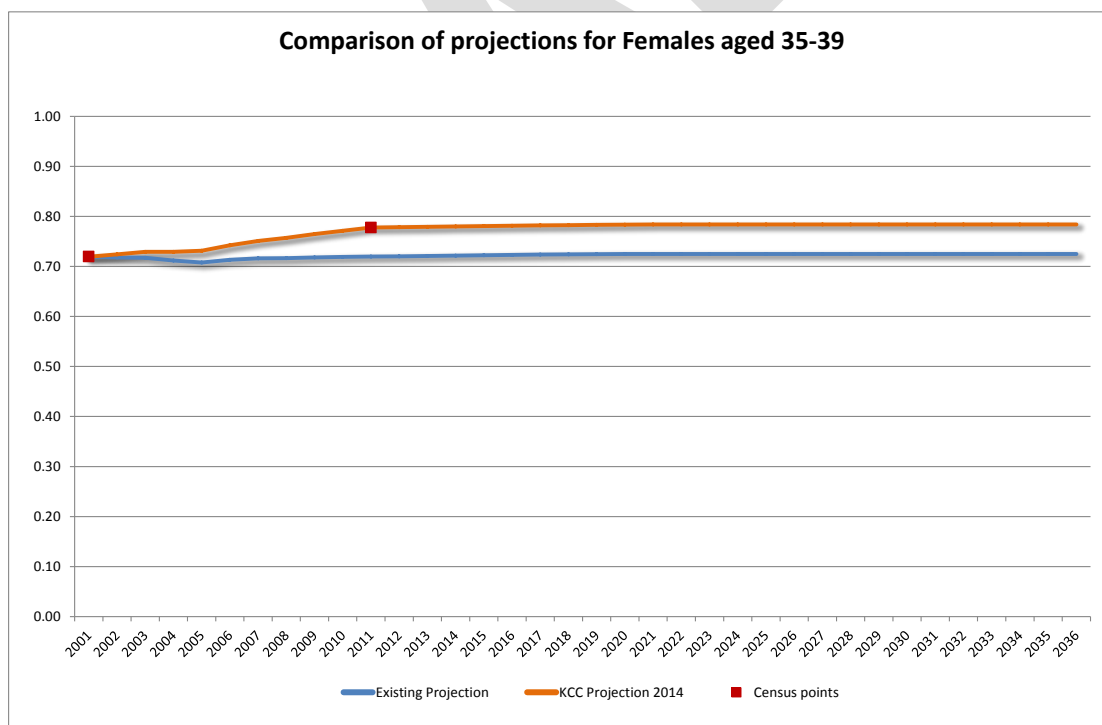
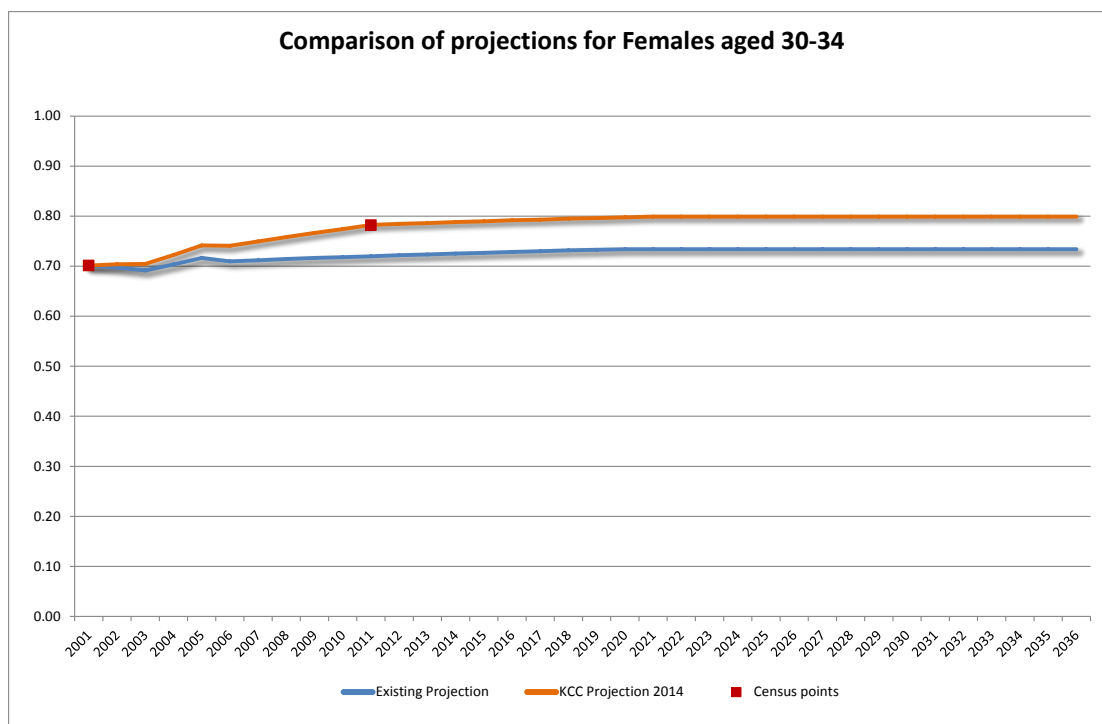


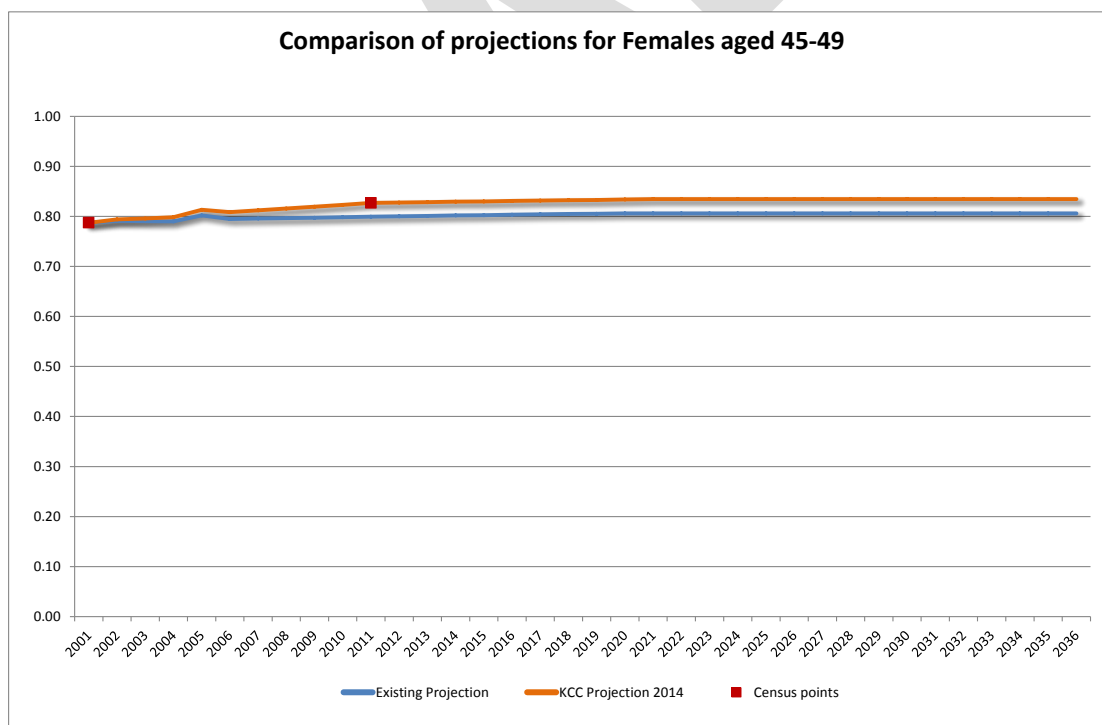
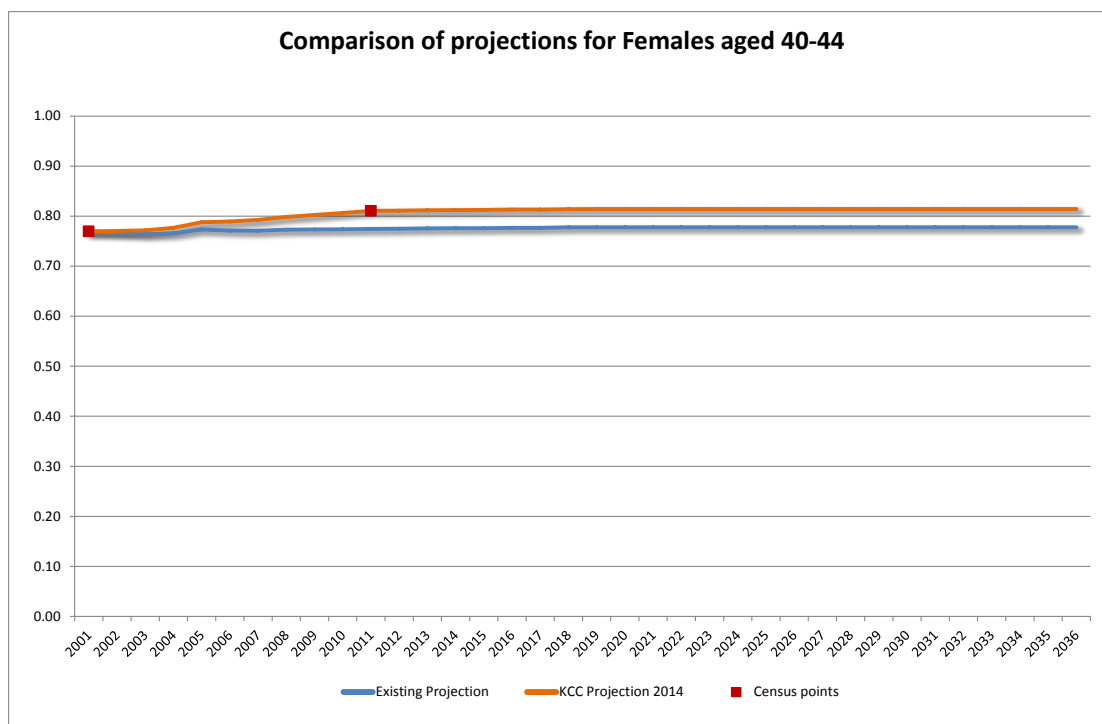
## Individual age band charts – Females

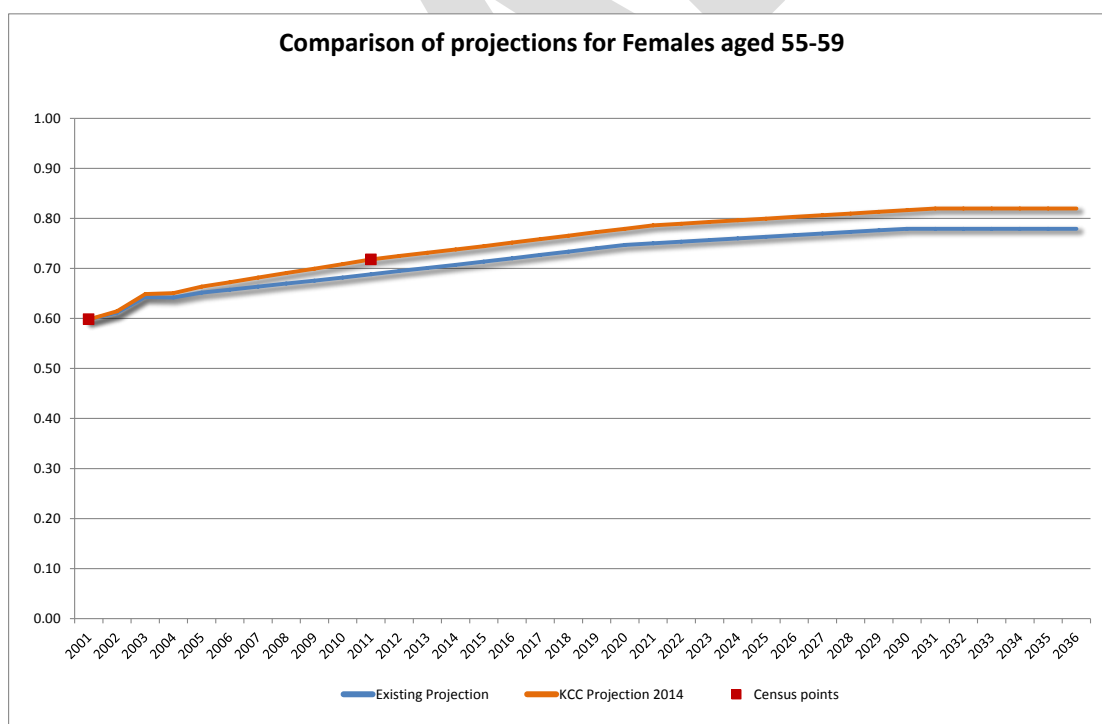
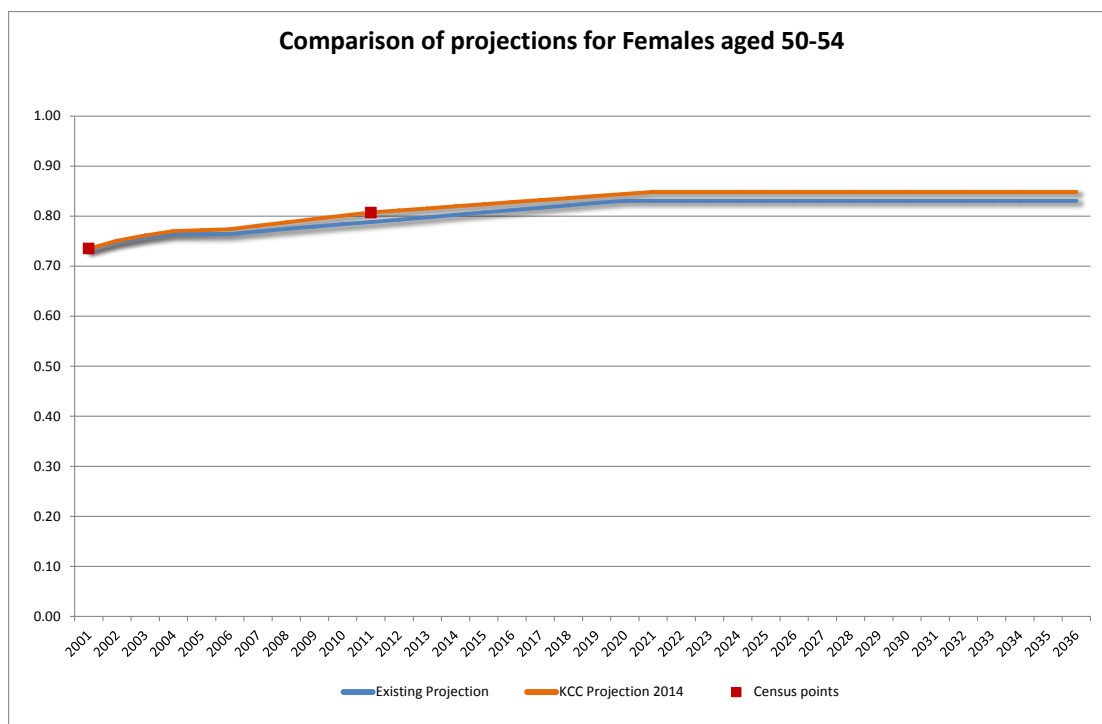


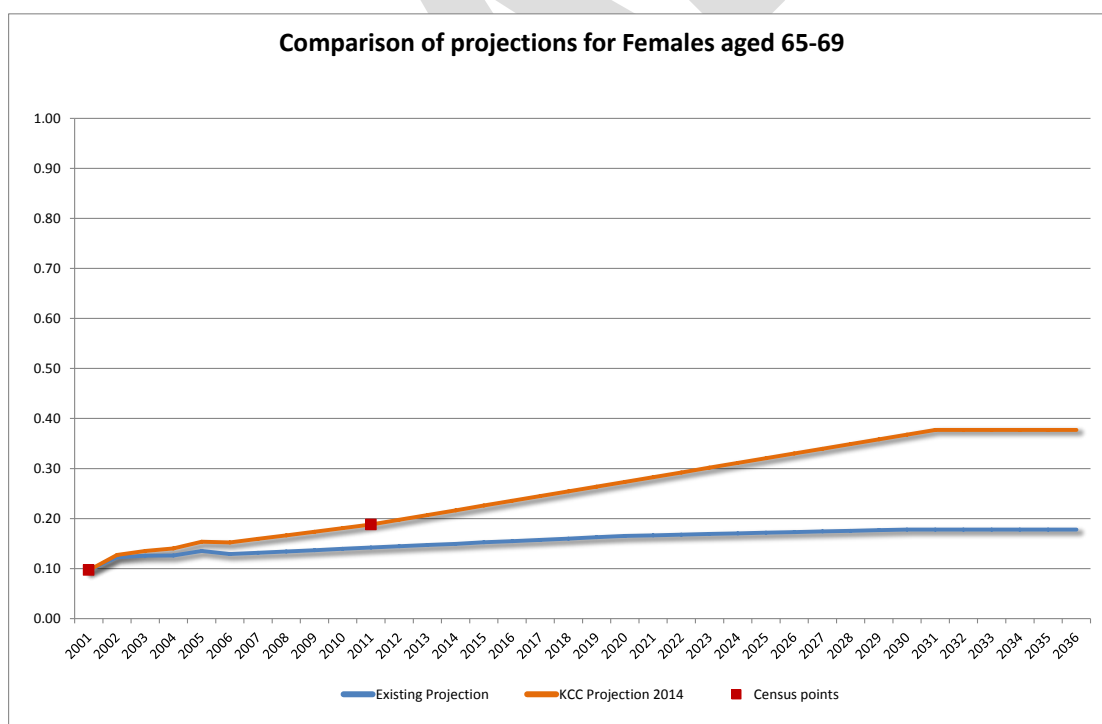
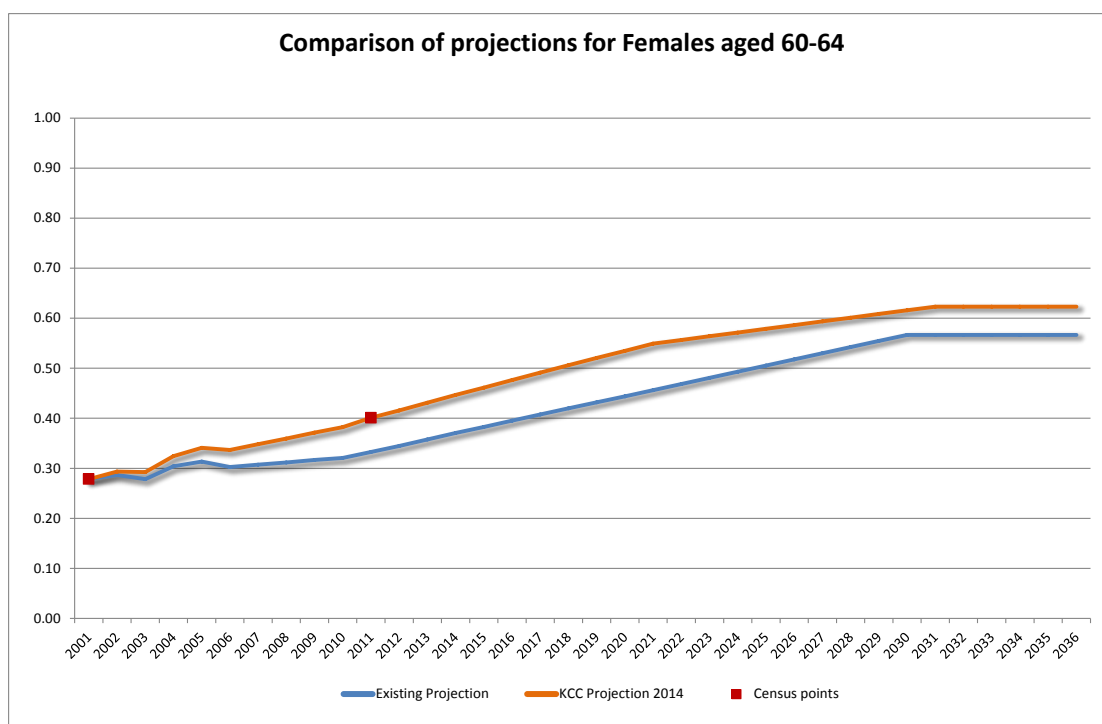


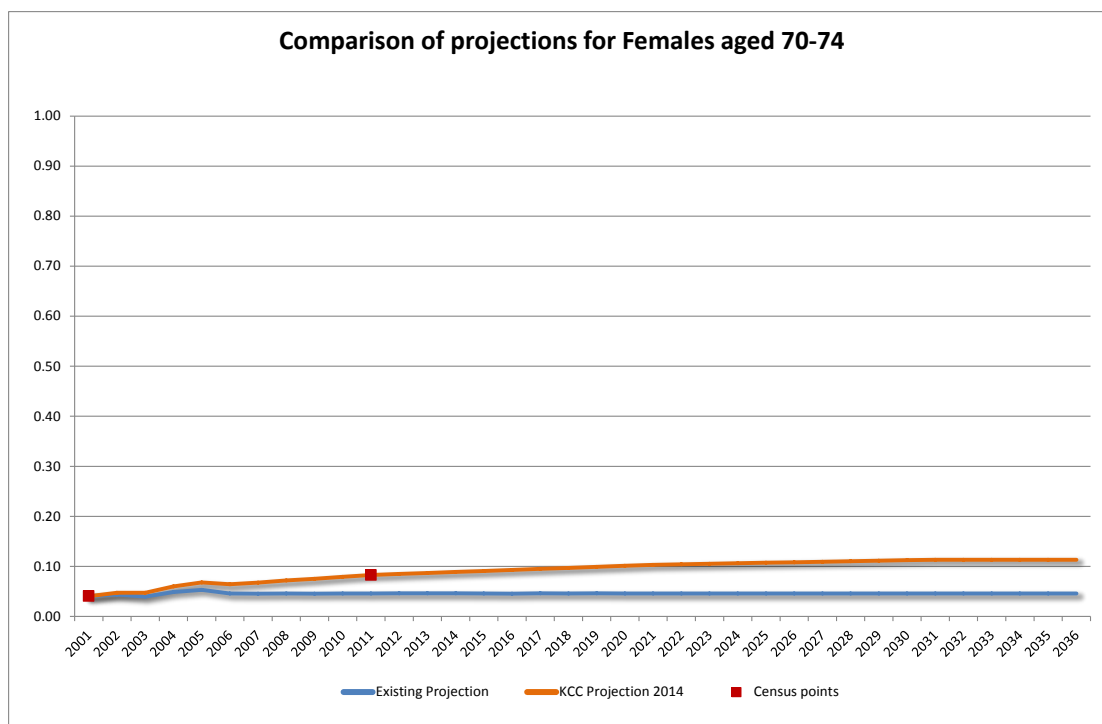












**References:****Pension Trends, Chapter 4: The Labour Market and Retirement (16 February 2012)**

Office for National Statistics

<http://www.ons.gov.uk/ons/rel/pensions/pension-trends/chapter-4--the-labour-market-and-retirement--2013-edition/index.html>

**“Raising the State Pension Age: Are we ready?” (September 2002)**

Pensions Policy Institute

[http://www.pensionspolicyinstitute.org.uk/uploadeddocuments/PPI\\_SPA\\_Report\\_Sept\\_02.pdf](http://www.pensionspolicyinstitute.org.uk/uploadeddocuments/PPI_SPA_Report_Sept_02.pdf)

**“Average age of retirement rises as people work longer” (February 2012)**

Office for National Statistics, News Release

[http://www.ons.gov.uk/ons/dcp29904\\_256641.pdf](http://www.ons.gov.uk/ons/dcp29904_256641.pdf)

**“Older workers in the labour market” (June 2012)**

Office for National Statistics

<http://www.ons.gov.uk/ons/rel/lmac/older-workers-in-the-labour-market/2012/older-workers-in-the-labour-market.html>

**“Projections of the UK labour force, 2006-2020” (January 2006)**

Office for National Statistics

*This document is no longer available from the ONS website but can be found here:*

[http://www.stopstanstedexpansion.com/documents/SSE10\\_Appendix\\_14.pdf](http://www.stopstanstedexpansion.com/documents/SSE10_Appendix_14.pdf)

**“The demographic implications of changes to state pension age” (2011)**

Greater London Authority Intelligence Unit

<http://www.london.gov.uk/sites/default/files/glai-20111215-baljit-bains.pdf>

**Women working in their sixties: why have employment rates been rising? (April 2013)**

Institute for Fiscal Studies (IFS)

<http://www.ifs.org.uk/publications/6662>

DRAFT





## **APPENDIX 4:**

### **EMAILS FROM CAMBRIDGE ECONOMETRICS AND OXFORD ECONOMICS REGARDING THE BASIS OF THEIR ECONOMIC FORECASTS**

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## Email from Oxford Economics

**From:** Nicole Penfold [mailto:N.Penfold@gladman.co.uk]

**Sent:** 02 December 2015 11:42

**To:** James Donagh <James.Donagh@bartonwillmore.co.uk>; Simon Macklen <Simon.Macklen@bartonwillmore.co.uk>; Dan Usher <dan.usher@bartonwillmore.co.uk>; Debbie Mayes <Debbie.Mayes@bartonwillmore.co.uk>

**Subject:** FW: OE unconstrained employment forecasts

All

Please see response below from Oxford Economics.

Thanks

Nicole

**From:** Kerry Houston [<mailto:khouston@oxfordeconomics.com>]

**Sent:** 02 December 2015 11:35

**To:** Nicole Penfold

**Cc:** Caroline Franklin

**Subject:** RE: OE unconstrained employment forecasts

Hi Nicole,

Caroline has forwarded me your query.

Our forecasts are demand based and are not constrained by population. We produce our own forecast of population which differs from the Official Projections. WE use the natural increase assumptions from the official projections but we have our own view on migration (the model assumes that people will move to where the jobs are). I've attached a short note which summarises our approach.

Also the 2014 National Population Projections have recently been released. We are working to incorporate these assumptions into our suite of forecast models. The UK migration forecast in the latest projections are much closer to our view in the short/medium term.

I hope this is helpful.

Best wishes,  
Kerry

**From:** Nicole Penfold  
**Sent:** 01 December 2015 14:13  
**To:** George Armitage ([garmitage@oxfordeconomics.com](mailto:garmitage@oxfordeconomics.com))  
**Cc:** Phill Bamford  
**Subject:** OE unconstrained employment forecasts



Good Afternoon George

I was wondering if you could assist me with something.

Attached is an example from Experian of the jobs demand output they can provide which is not constrained by population.

Our understanding is that the OE forecasts (similarly to the normal Experian forecasts) are constrained to the 2012 SNPP. I was therefore wondering whether you are able to supply a similar set of unconstrained economic forecasts? If so, would it be possible for you to provide these for Telford and Wrekin as an example.

Kind Regards,

Nicole

Nicole Penfold - Policy Planner | [n.penfold@gladman.co.uk](mailto:n.penfold@gladman.co.uk) | DDI: 01260 288 849 | M: 07507 662 233

Gladman Developments | Gladman House | Alexandria Way | Congleton | Cheshire | CW12 1LB  
T: 01260 288 800 | F: 01260 288 801  
[www.gladman.co.uk/land](http://www.gladman.co.uk/land)

**Email from Cambridge Econometrics**

**From:** Shyamoli Patel [<mailto:sp@camecon.com>]  
**Sent:** 14 September 2015 12:03  
**To:** Dan Usher <[dan.usher@bartonwillmore.co.uk](mailto:dan.usher@bartonwillmore.co.uk)>  
**Cc:** Anthony Barker <[ab@camecon.com](mailto:ab@camecon.com)>; Mike May-Gillings <[mmg@camecon.com](mailto:mmg@camecon.com)>; Simon Macklen <[Simon.Macklen@bartonwillmore.co.uk](mailto:Simon.Macklen@bartonwillmore.co.uk)>; James Donagh <[James.Donagh@bartonwillmore.co.uk](mailto:James.Donagh@bartonwillmore.co.uk)>  
**Subject:** RE: Query

Hi Dan,

I can confirm that our employment projections aren't constrained by the ONS population projections. I've outlined our methodology below, which I hope you find useful.

CE's employment projections are baseline economic projections based on historical growth in the local area relative to the region or UK (depending on which area it has the strongest relationship with), on an industry-by-industry basis. They assume that those relationships continue into the future. Thus, if an industry in the local area outperformed the industry in the region (or UK) as a whole in the past, then it will be assumed to do so in the future. Similarly, if it underperformed the region (or UK) in the past then it will be assumed to underperform the region (or UK) in the future.

They further assume that economic growth in the local area is not constrained by supply-side factors, such as population and the supply of labour. Therefore, no explicit assumptions for population, activity rates and unemployment rates are made in the projections. They assume that there will be enough labour (either locally or through commuting) with the right skills to fill the jobs. If, in reality, the labour supply is not there to meet projected growth in employment, growth could be slower.

I hope that helps.

Kind regards,  
Shyamoli

**From:** Dan Usher [<mailto:dan.usher@bartonwillmore.co.uk>]  
**Sent:** 14 September 2015 11:32  
**To:** Shyamoli Patel <[sp@camecon.com](mailto:sp@camecon.com)>  
**Cc:** Anthony Barker <[ab@camecon.com](mailto:ab@camecon.com)>; Mike May-Gillings <[mmg@camecon.com](mailto:mmg@camecon.com)>; Simon Macklen <[Simon.Macklen@bartonwillmore.co.uk](mailto:Simon.Macklen@bartonwillmore.co.uk)>; James Donagh <[James.Donagh@bartonwillmore.co.uk](mailto:James.Donagh@bartonwillmore.co.uk)>  
**Subject:** Query

Hi Shyamoli,

We are currently responding to a Planning Inspector's pre-hearing question which we would like your view on.

The question is as follows:

As argued by the Council, is the jobs led model used in the SHMA too circular and thus flawed to justify a housing requirement (HOU1, 3.80-3.89)?

In short, the SHMA being referred to recommends an uplift from the CLG household projections (and their population projections), to increase the population and labour force, to fill a job growth target. This is based on a model such as Chelmer or PopGroup.

However, the Council suggest this approach is flawed and is a 'circular argument', whereby the forecasts (such as yours for example) are based on sub national population projections from ONS, thereby meaning a higher population than ONS projections is not required.

"In order to predict future employment change many authorities rely on econometric forecasts, either standard or bespoke to reflect alternative macroeconomic expectations or policy aspirations. This is often deeply flawed because population is both an input and an output to the process. The jobs-led demographic modelling uses the expected future population (usually taken from CLG projections) as an input, and also produces future population as an output which is then used to calculate future housing need. Importantly however the input population already assumes a given amount of housing development and the guidance suggests that at best the process is logically circular, but generally the model is internally inconsistent, because the population that is output does not equal the population that is input. It is a 'self-defeating prophecy'."

In respect of the job forecast you sent me last week, can you let me know if the view put forward by the Council is correct, i.e. is your job forecast constrained to the ONS population projection? Thanks

Regards

***Dan Usher***

Research Associate

Planning . Design . Delivery  
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**APPENDIX**  
**JD2**

**Planning for housing in England; RTPi Research Report no.1,  
January 2014**

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**RTPI**

mediation of space · making of place

# **Planning for housing in England: Understanding recent changes in household formation rates and their implications for planning for housing in England**

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*Neil McDonald*

*Peter Williams*

*Cambridge Centre for Housing  
and Planning Research  
University of Cambridge*

**RTPI Research Report no.1  
January 2014**

# PLANNING FOR HOUSING IN ENGLAND: UNDERSTANDING RECENT CHANGES IN HOUSEHOLD FORMATION RATES AND THEIR IMPLICATIONS FOR PLANNING FOR HOUSING IN ENGLAND

## Executive Summary

### Introduction

The 2011 census raises big issues for planners. In particular, average household size had not fallen as expected between the censuses but stayed constant. It seems likely that the 2011 census results – and so official household projections by DCLG for England – were influenced by both the economic downturn and the effects of a long period of poor housing affordability. In turn, this suggests that planning on the basis of these projections could lead to an under-provision of housing in some areas. In the light of this, should planners assume that household size will remain stable or resume, at least in part, the previous, falling trend? For some authorities that choice could affect the number of homes required by 30% or more.

This report, from research conducted for the RTPi by the University of Cambridge, suggests how planners and others might respond.

### Who should read this?

This report should be of interest to anyone with an involvement in planning for housing – or any other area in which the level of provision is influenced by the likely change in the number and type of households. It seeks to explain both what has happened and how the latest official projections can be used as a starting point for considering the likely rate of household growth at the local authority level.

It should be noted that this report relates only to England; different approaches to projecting household numbers are used in the other parts of the UK.

### Key messages for policy and practice

1. The Department for Communities and Local Government's (DCLG) 2011 based household projections (published in April 2013) are the latest official household projections for England and take account of the 2011 census results. As suggested in planning guidance, they are the starting point estimates for looking at household growth and housing requirements.
2. Producing projections at a time when established trends have changed significantly is challenging. Those using the projections should be aware of their inevitable limitations and use them appropriately.
3. The key issue is whether the trends that have been projected forward in the latest projections are likely to continue unchanged.
4. There are two reasons why those trends may not continue unchanged:
  - Increased international migration in the first decade of this century may have been responsible for a significant proportion of the changes to previous trends in household formation patterns. The further increases in international migration that would be needed for this factor to continue to apply

are perhaps unlikely. (A continuation of recent rates of international migration should not have a further effect on household formation rates.)

- It seems likely that the 2011 census results were influenced by both the economic downturn and the effects of a long period of poor housing affordability. If conditions in the housing market and the economy more generally improve there may be a return towards previous trends.
5. Both of these factors suggest that planning on the basis of the latest projections could lead to an under-provision of housing.
  6. It should also be recognised that the latest projections are interim projections produced before the full census results were available. In some areas this meant that trends from previous projections had to be used. This may have affected the estimation of population flows between local authorities, in some cases producing population growth projections that are either higher or lower than is likely.
  7. In using the projections as a starting point for considering likely levels of household growth at the local authority level the following issues should be taken into account:
    - **To what extent has the pattern of household formation in the area been affected by an increase in international migrants?** The volume international migration varies considerably from area to area – and with it the likely impact that increased international migration may have had on household formation patterns.
    - **The extent to which household formation patterns have departed from previous trends.** This can be investigated by comparing household formation rates in the latest projections with those which underpin the 2008-based projections. For some age groups in some authorities the latest projections suggest that household formation rates will continue to fall. Authorities will wish to consider whether this is a prudent basis on which to plan.
    - **Whether there have been significant changes in the projected net flow to or from other local authorities.** Where this is the case it may be a consequence of the use in the interim projections of flow rates from earlier projections. In such cases it might be appropriate to adjust the projected flows.
  8. Authorities need to consider their own specific situation carefully in the light of what the latest projections suggest for their area. They should ensure that their plan is robust to the potential range of outcomes and review that plan regularly to see if changes are needed.

This report is based on research conducted for the RTPi by Neil McDonald and Peter Williams at the University of Cambridge, funded through the RTPi's Small Projects Impact Research (SPIRe) scheme.

## The issue

The 2011 census showed that there had been substantial changes in the patterns of household formation in England in the first decade of the century. There were significant departures from previous long term trends and sizeable differences between what the census found and what had been envisaged in the most recent previous official projections, the Department for Communities and Local Government's (DCLG's) 2008-based household projections.<sup>1</sup> In particular, the average household size in England did not fall between the 2001 and 2011 censuses despite a growing older population.

At the local authority level there were both substantial changes in the patterns of household formation and significant differences between one authority and another. In some authorities the average household size fell between the 2001 and 2011 censuses whilst in others it rose.

The changes have major implications for those planning for housing. If what has happened over the last ten years is indicative of a new long term trend then for most authorities housing requirements are likely to be lower than suggested by DCLG's 2008-based household projections – as the latest 2011-based DCLG projections suggest. If, however, the 2011 census results are just a short term departure from previous trends then housing requirements are likely to be closer to or even higher than the 2008-based projections. For some authorities the difference between the two scenarios could be 30% or more.

This report seeks to explain the changes in household formation patterns and discusses whether those changes are likely to be short or long term. It then explores how the DCLG's latest household projections, which reflect the 2011 census (the 2011-based interim household projections<sup>2</sup>), can be used as a starting point for assessing housing requirements at the local authority level.

## How the patterns of household formation changed in the first decade of this century

2011 census found 450,000 (0.86%) more people in England than projected in the Office for National Statistics' (ONS)<sup>3</sup> 2010-based population projections.

There were significant variations from region to region, with the biggest proportional difference between the projections and the census being in London. However, in all regions other than the North East, more people were found in the census than the projections has suggested. Chart 1 shows the regional variations.

In contrast, the census found 290,000 (1.3%) fewer households in England than projected in DCLG's 2008-based population projections. DCLG analysis suggests that, if a correction is made for the higher population found in the census, this difference becomes 375,000 (DCLG 2013, page 14, Table 6).

<sup>1</sup> Department for Communities and Local Government. (2010) *Household Projections, 2008 to 2033, England*. <https://www.gov.uk/government/publications/household-projections-2008-to-2033-in-england>

<sup>2</sup> Department for Communities and Local Government. (2013) *Household interim projections, 2011 to 2021, England*. <https://www.gov.uk/government/publications/household-interim-projections-2011-to-2021-in-england>

<sup>3</sup> Office for National Statistics. (2012) *2010-based subnational population projections for England* <http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/2010-based-projections/stb-2010-based-snpp.html>

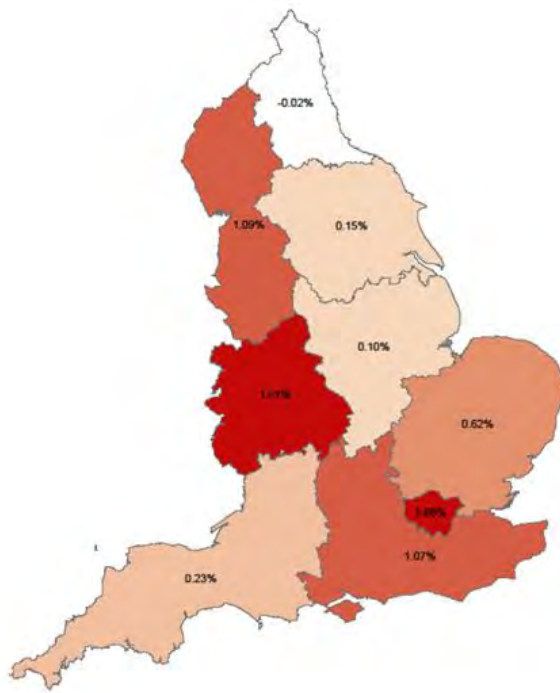
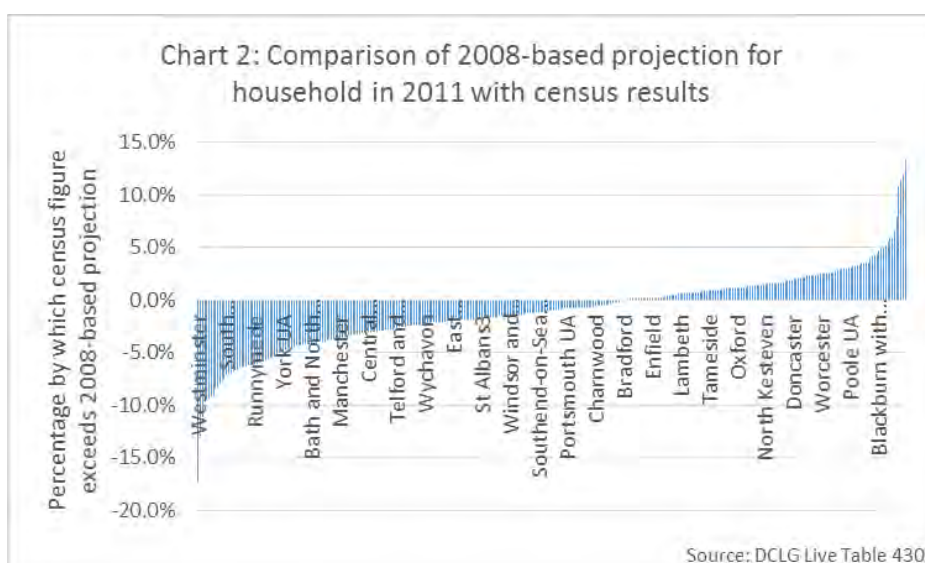


Chart 1: Percentage by which 2011 census population estimate exceeded 2010-based population projection. Source: ONS

As with the population figures, there is considerable variation between the regions and individual authorities. Chart 2 compares the 2008-based household projection for English local authorities in 2011 with the 2011 census results. The variation is from 17% fewer households in the census and 13% more,<sup>4</sup> compared with the 1.3% fewer households found in England as a whole.

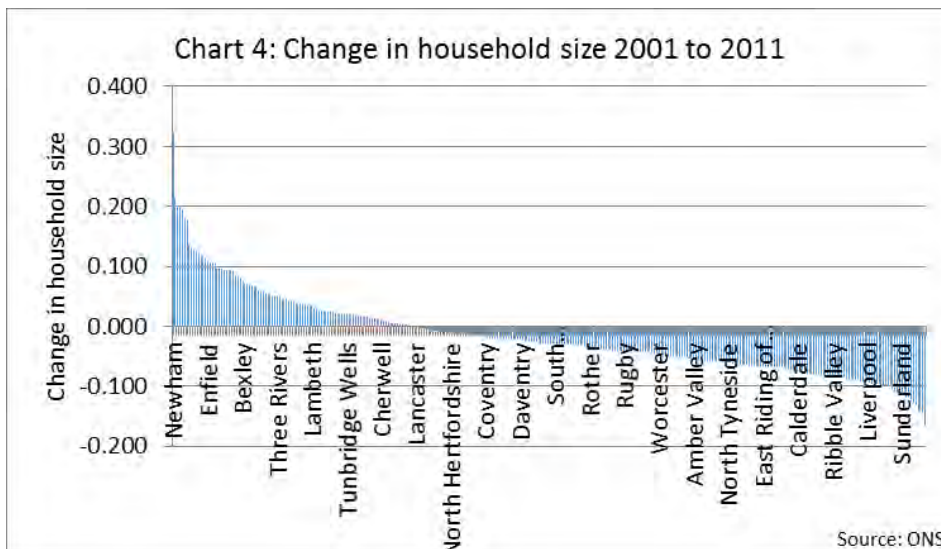
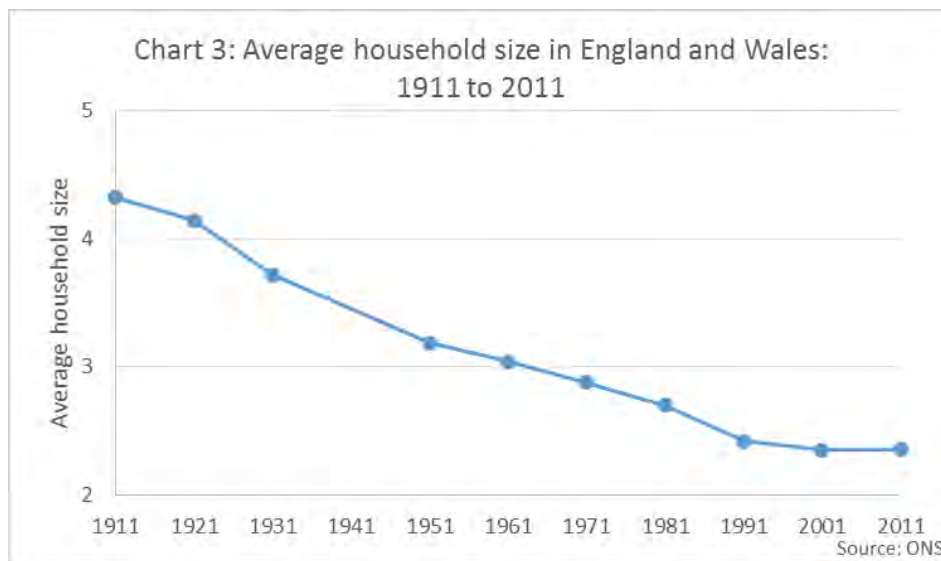
Finding more people but fewer households than expected implies that the average household size was larger than anticipated. In fact, average household size in 2011 was almost exactly the same as in 2001, the first time for at least 100 years it had not fallen between censuses (see Chart 3).

At the local authority level there was considerable variation in the change in household size, with around a third of authorities seeing some growth in household size between the 2001 and 2011 censuses and most of the remainder a fall (see Chart 4).



Source: DCLG Live Table 430

<sup>4</sup> This range excludes the City of London which is often anomalous. In the City the census found 41% fewer households than suggested by the 2008-based projections.



It might be thought that these changes are relatively small. For example, the difference between projected and actual household numbers in England at 375,000 is only 1.7% of the total number of households. However, this shortfall means that the growth in the number of households between 2001 and 2011 was 20% slower than had been projected. As it is the change in the number of households that is important when planning for housing, these changes are highly significant

#### What caused the changes in household formation patterns?

Two reasons have been suggested for the changes in household formation rates:

- **Increased international migration.** New migrants to the UK tend to live in larger households than those who have been born here or have lived here longer. As a consequence, the more recent migrants there are in the population then, all other things being equal, the larger the average household size will be. Research by Alan Holmans at the University of Cambridge (in *New Estimates*



of *Housing Demand and Need in England*<sup>5</sup>, 2011) has suggested that over half of the difference between the projected and actual numbers of households in 2011 can be explained by this cause.

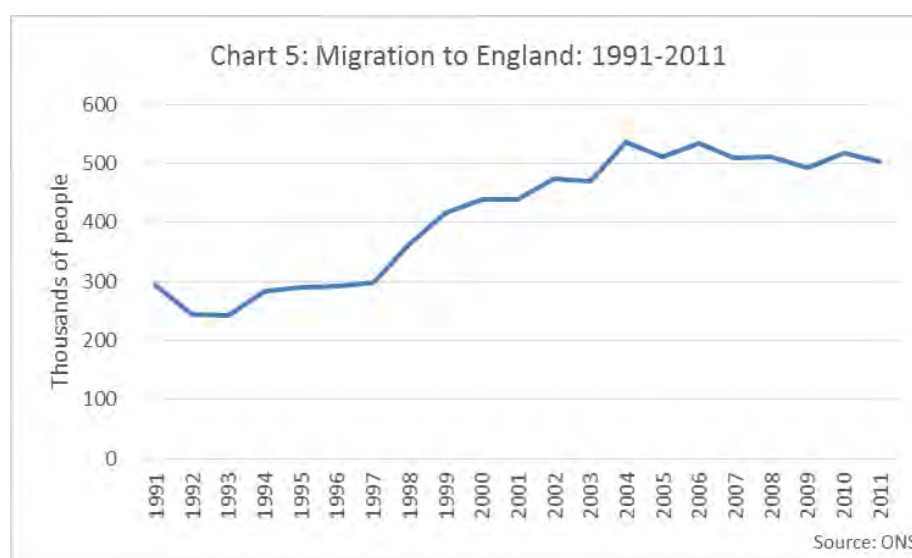
- **Changes to household formation patterns** amongst the rest of the population, including adult children living longer with their parents and more young adults living in shared accommodation.

The next two sections of the report discuss these factors in turn.

### Impact of increased international migration

There is evidence<sup>6</sup> that, age for age, recent migrants to the UK tend to have lower household formation rates than those who were born here or have been here longer and that after an initial period their household formation patterns tend to mirror the rest of the population.

In the years between the 2001 and 2011 censuses the inflow of migrants to the UK was substantially greater than it had been in the previous decade (see Chart 5). As a result of the increased inflow there will have been considerably more recent migrants in the population in 2011 than in 2001. This factor was not allowed for in the 2008-based projections and as a result those projections overestimated household formation rates and underestimated average household size. Alan Holmans estimates (Holmans 2013) that this accounts for 200,000 of the 375,000 difference between the 2008-based projection for the number of households in England and the census figure, leaving 175,000 to be explained.



### Changes to household formation patterns

The fact that there were fewer households than expected in 2011 means that household formation rates (which measure the tendency of groups of people to form households) were lower than expected. To understand why this happened (insofar as it is not fully explained by increased international inflows) it is helpful to look in more detail at household formation patterns, starting with the age breakdown. Chart 6 compares the 2008-based projections for household formation rates in 2011 with the census-based figures.

<sup>5</sup> Holmans, A. (2013), *New estimates of housing demand and need in England, 2011 to 2031*, London, TCPA. <http://www.tcpa.org.uk/pages/new-estimates-of-housing-demand-and-need-in-england-2011-to-2031.html>

<sup>6</sup> Holmans, A with Whitehead, C. (2006) *More Households to be Housed – Where is the Increased in Households Coming From?* London, TCPA. <http://www.cchpr.landecon.cam.ac.uk/projects/detail.asp?ProjectID=90>

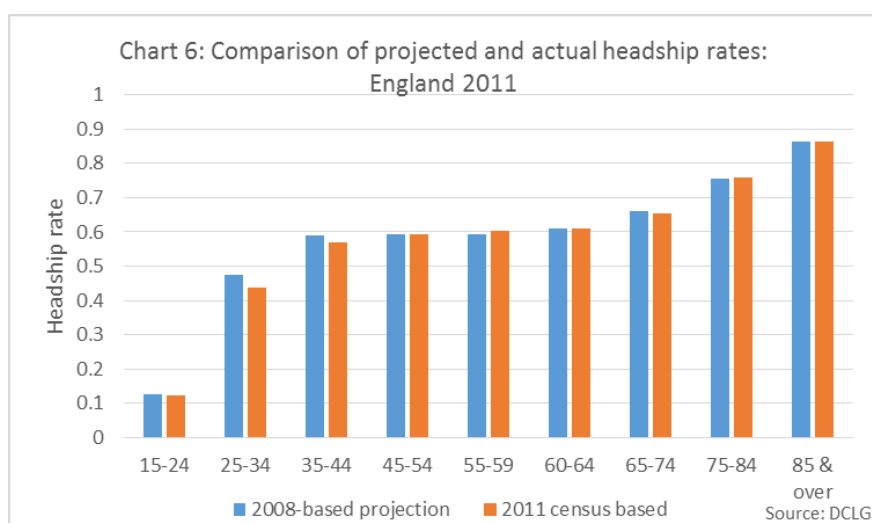
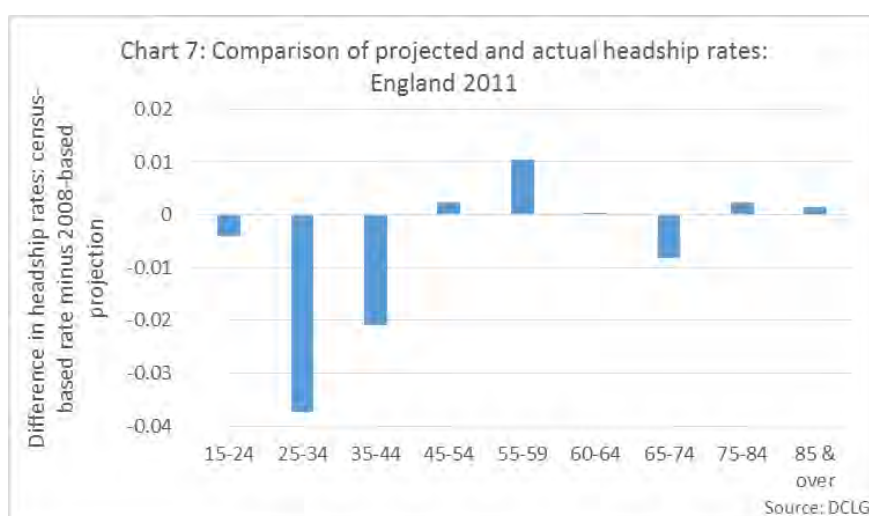


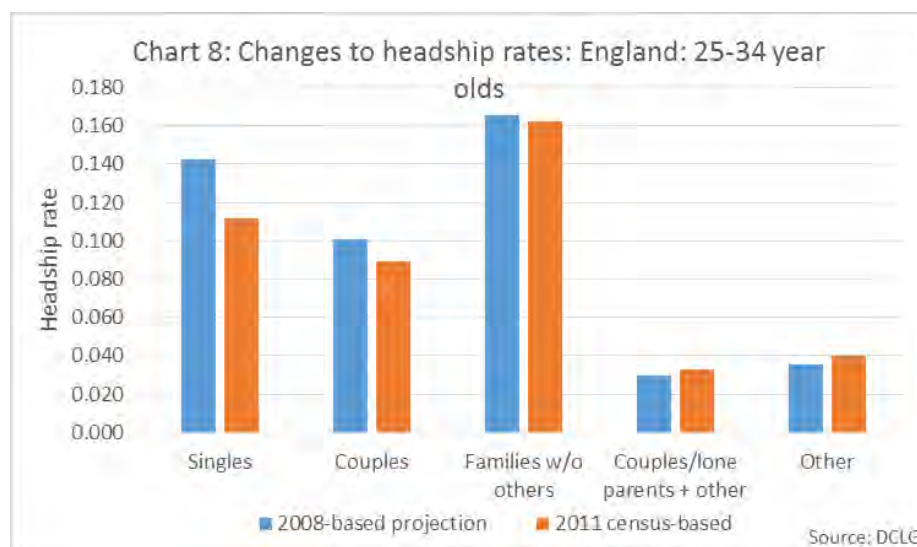
Chart 7 shows the differences between the projections and the actual figures, making the relative size of the differences much easier to see.

It is clear from Chart 7 that the big differences are in the 25-34 and 35-44 age groups. These therefore merit further investigation.



DCLG prepare their household projections using 17 household types and it is possible to compare the 2008-based projected household formation rates with the 2011 census-based figures for each of these. However, it is easier to see what is happening if households are grouped into 5 broad types, as in Chart 8 which shows those household types for 25-34 year olds in England.





As can be seen from the chart, the biggest reduction in this age group is in single person households, suggesting that fewer people in this age group are setting up home on their own than had previously been projected. There is also a reduction in the number of couples living on their own, suggesting that couple formation has been delayed compared with what had been expected.

The question is, 'What has happened to those who were projected to set up single person and couple households but have not done so?'

The increase in 'Other' households provides a clue. 'Other' includes people living in shared accommodation and sharing facilities i.e. those living in shared flats and houses as many do when they first leave the parental home as this is much cheaper option than renting a flat on your own. The headship rate data is consistent with more people in this age group living in such accommodation. This could be the result of either more people moving to shared houses or flats rather than individual accommodation or people spending longer in shared accommodation before 'moving up' to a house or flat on their own.

The increase in 'Other' households is not big enough to account for all of the single and couple households that have not formed. That can only be part of the explanation.

A clue to what else has happened can be found by looking at the age groups that contain the parents of 25-35 year olds. Chart 9 compares the 2008-based projected headship rates for 55-59 year olds in 2011 with the rates derived from the census.

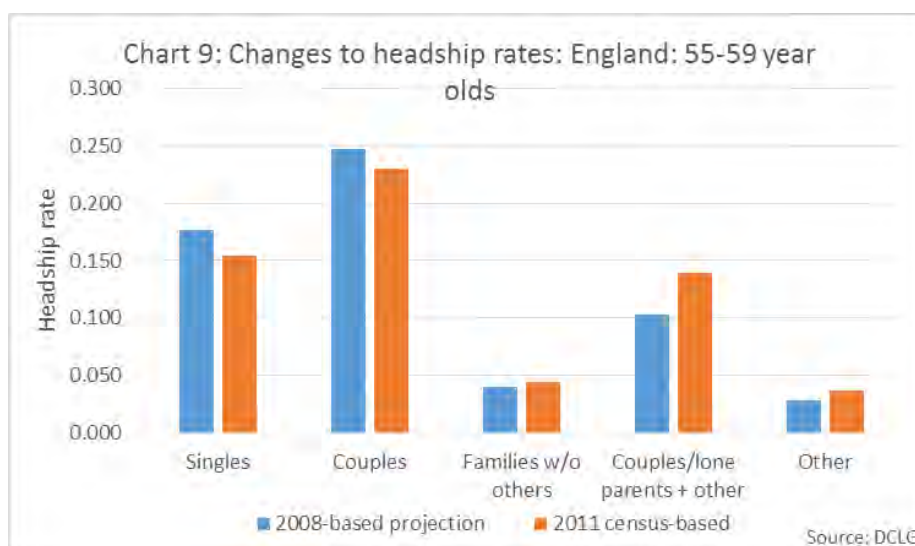
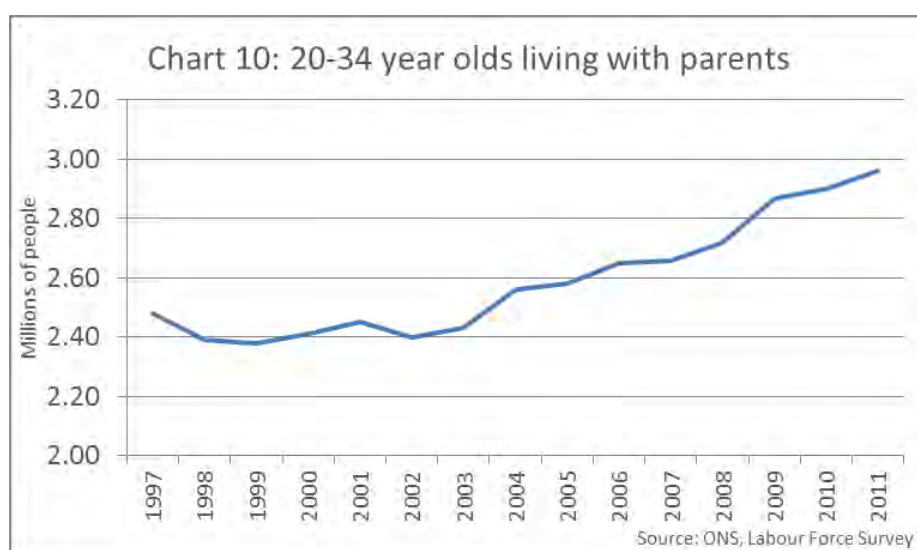


Chart 9 shows that there has been a sizeable increase in couples and lone parents living with other adults – which would include grown-up children living with one or both of their parents.

There is separate evidence<sup>7</sup> from the Labour Force Survey (LFS) that suggests that in 2011 there were ½ million more 20-34 year olds living with their parents than in 2001, an increase of 21% (see Chart 10).



In view of this evidence it seems reasonable to conclude that a major factor in the change in household formation rates is young adults either living in the parental home for longer or living in shared accommodation rather than in separate accommodation.

It should be noted that this is not the full story: there have been other changes in other age groups. For example, the reduction in single person households is not confined to younger adults: across all age groups there were nearly a million fewer one person households than expected. The full picture will only become clear when the detailed census data becomes available.

<sup>7</sup> Young Adults Living With Parents in the UK, 2011, ONS, 29 May 2012, <http://www.ons.gov.uk/ons/rel/family-demography/young-adults-living-with-parents/2011/young-adults-rpt.html>

### **Are these changes a short-term departure from previous trends or the beginning of new, long term trends?**

The 'recent international migrant' effect and the changes to the household formation patterns of the rest of the population need to be considered separately.

The 'recent international migrant' effect was due to there being more recent migrants in the population in 2011 than had been the case in the years from which the household formation rate trends had been projected forward – the decade before the 2001 census and earlier. If there is no further increase in international migration (which seems a reasonable assumption given Government policies to reduce migration), there should be no increase in the number of recent migrants in the population as the previous decade's recent migrants will either have left or become established residents living in similar household sizes as the rest of the population. With no increase in the number of migrants living in larger households, there should be no further impact on average household size.

If on the other hand there is a reduction in the inflow of international migrants this will have an impact on both the projected population growth and average household formation rates. In that case household formation rates would need to be adjusted to reflect the different mix of recent migrants and longer term residents.

It should be noted that, if more than half of the apparent reduction in household formation rates has been due to increased international migration, the change in household formation patterns for the bulk of the population has been smaller than might otherwise have been surmised.

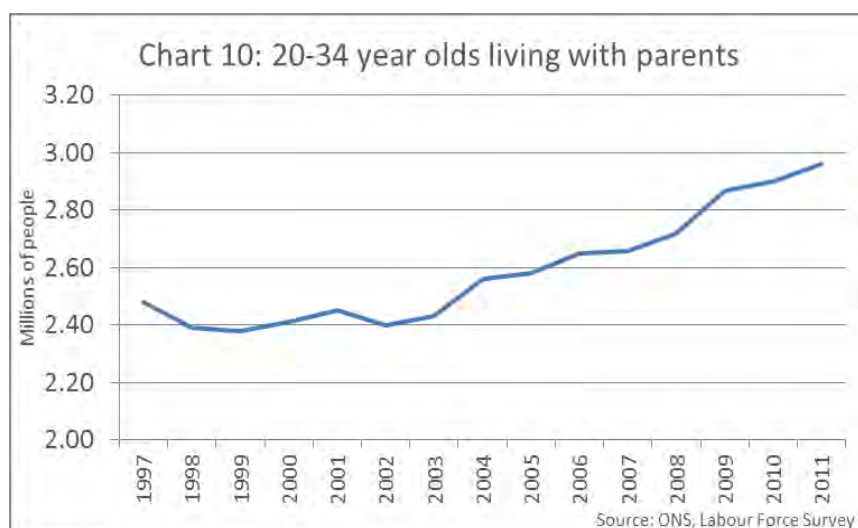
The available evidence on what has caused the changes in household formation patterns in the rest of the population suggests that the changes are likely to have been 'forced' changes rather than changes that are 'free choices'. For example, more young adults living with parents are likely to be the result of young adults not being able to afford to set up home on their own – a choice forced by a combination of economic circumstances and the cost of housing – rather than a free choice driven by a desire of young people to see more of their parents.

Insofar as the changes are 'forced' it is generally reasonable to expect that they will reverse if and when conditions improve. The question then becomes, 'What conditions would need to improve for this to happen?'

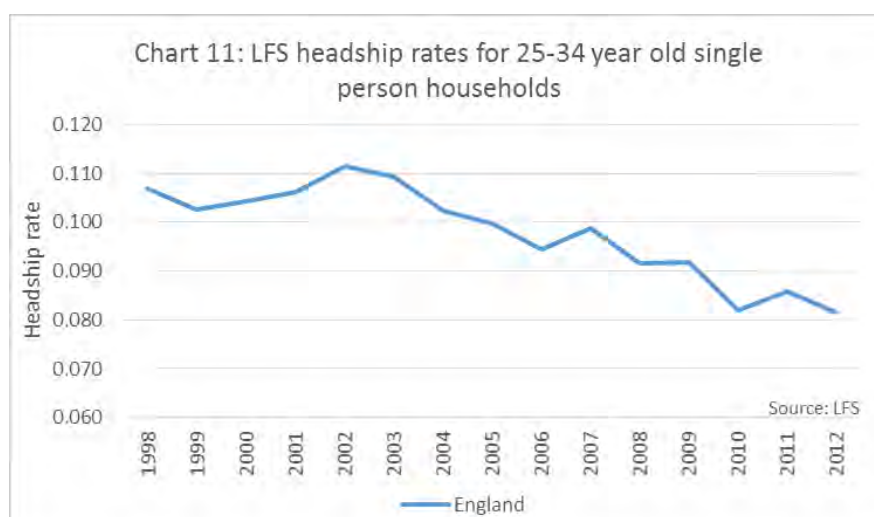
There is evidence that the changes that have occurred were underway before the credit crunch (Whitehead and Williams, 2012).<sup>8</sup> This is supported by the evidence on the growth in the number of adult children living with parents (Chart 10) which suggest that those changes were underway well before 2007-08. There is additional evidence from the Labour Force Survey (LFS) showing that household formation rates for 25-34 year olds were also falling before 2007-08 (see Chart 11).

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<sup>8</sup> Whitehead, C and Williams, P (2011) Causes and consequences? Exploring the shape and direction of the housing system in the UK post the financial crisis, *Housing Studies*, 26,8, pp.1157-1170.



This all suggests that, whilst a return to stronger economic growth and more ready access to mortgage finance will be an important factor, it will not be sufficient on its own, at least in some parts of the country.



It should be noted here that it is by no means inevitable that the availability of mortgage finance will return to the position that existed before 2007. Given the changes in the regulatory regime, the general view is that a degree of structural change has been 'hard wired' into the way that market operates (Wilcox, 2013)<sup>9</sup> and that this will have an impact upon access to mortgages and thus to home ownership. However, it is not clear at this stage what the scale of those impacts will be: will they deny 10% of would-be buyers or 20%? Given recent government measures it is going to take some time for this to be clear.

The other key factor is likely to be the affordability of housing – the relationship between the cost of housing and earnings. This depends both on the rate at which earnings grow and on what happens to house prices. Without substantial improvements in the supply of housing, the prospects for improved affordability, or even the prevention of a further deterioration, are not good in the short term.

<sup>9</sup> Wilcox, S (2013) Rebalancing the housing and mortgage markets – critical issues, a report for the Intermediary Mortgage Lenders Association, June.

## Projecting future household growth in uncertain times

A situation in which there have been significant changes to previous trends and there is uncertainty as to whether those changes are temporary or indicative of a new long term trend presents real challenges for those seeking to project future household numbers. The approach adopted by those who compiled the 2011-based Interim household projections was based on a '2-point' method, the two points being derived from the 2001 and 2011 censuses. This gives considerable weight to the direction of travel between the two census dates, in effect, assuming that that direction of travel will continue until at least 2021.

The implications of this vary considerably from area to area and it should be considered on an authority by authority basis whether the resulting local area projection is the most appropriate basis for planning: the projection should not be adopted uncritically. Instead the projections should be used as a starting point, providing as they do a mutually consistent set of local authority projections based on the 2011 census figures for population and households. If it is concluded that the assumptions made in the projections are not the most appropriate basis for planning it is possible to make adjustments to them and produce revised projections. This would, of course, have implications for surrounding areas and those implications need to be carefully considered, ideally in consultation with the local authorities concerned.

The next section looks at what the latest household projections suggest and then considers how the way in which they have been compiled has affected the numbers they produce. That then provides a basis for reviewing the figures for any individual authority, enabling a considered view to be taken on what an appropriate basis for planning might be.

## The latest DCLG household projections

The latest DCLG household projections (DCLG 2013) suggest that the number of households in England will grow at an average of 221,000 households a year between 2011 and 2021. This is 10% slower than suggested by the 2008-based household projections, which suggest a growth rate of 245,000 households a year over that period.

At the local level there is considerable variation around the national figure. There are 41 authorities for which the average household growth rate it is more than 20% faster and 137 for which it is more than 20% slower. Chart 14 plots the changes in household growth rates at the local authority level. Some adjoining local authorities have very different changes in household growth rates.

The latest DCLG household projections have, been produced by applying projected household formation rates derived from the 2011 census results to the ONS's 2011-based interim population projections.<sup>10</sup> To understand those household projections and the considerations that need to be borne in mind in using them it is therefore necessary to look first at the 2011-based population projections and then at the household formation rates that have been applied to them to produce the household projections.

<sup>10</sup> Office for National Statistics (2012) *Statistical bulletin: Interim 2011-based subnational population projections for England*. <http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/Interim-2011-based/stb-2011-based-snpp.html>



% by which 2011-based projection is higher than 2008-based figure

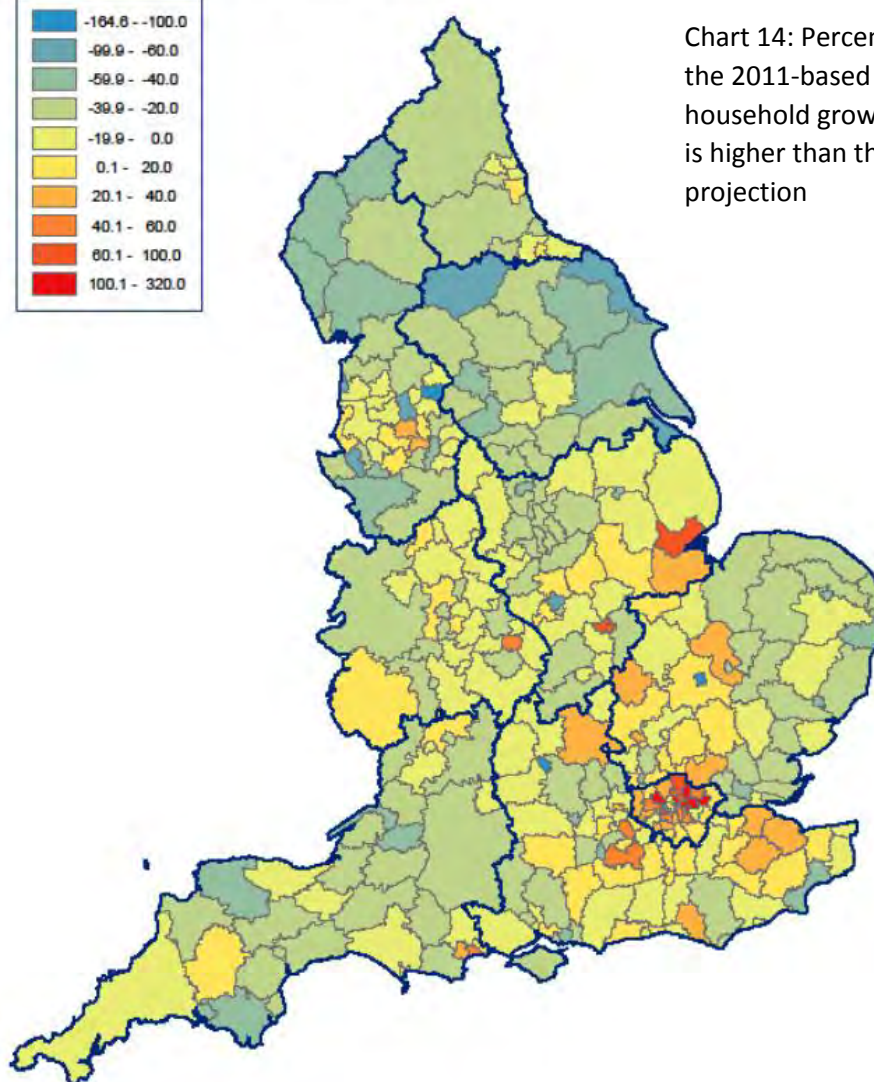
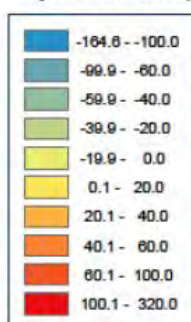


Chart 14: Percentage by which the 2011-based projected household growth for 2011-21 is higher than the 2008-based projection

### The ONS's 2011-based Interim population projections

The latest ONS population projections are very clearly labelled as 'interim' projections reflecting the fact that they were produced relatively quickly following the 2011 census and before the full results from the census were available. This meant that they had to use some trends from the 2010-based population projections. This was not ideal and in some areas, as the ONS themselves acknowledge (ONS 2010, pages 3 and 4), it has resulted in inaccuracies.

The area in which the use of trends from the 2010-based population projections has had the biggest impact is probably fertility rates. In some areas the 2011 census revealed more women of child bearing age than anticipated in the 2010-based projections. This meant that fertility rates in these areas will have been over-estimated as the number of children born will have been produced from a larger group of potential mothers than previously thought, with the result that the number of births per women will have been lower than it was thought to be. The net result of using unadjusted fertility rates is that too many births will have been projected in some areas. However this will not have a significant impact on household numbers as children do not form households.

Of much greater consequence for the local authority area household projections is the similar effect on migration rates, on which ONS comments as follows:

Differences in the age structure at local authority level have also resulted in changes to projected levels of internal migration, that is, people moving their area of residence from one local authority to another within England. This is because migration rates based on historic trend data are applied to the new population base. Where the size and structure of the new population base in a local authority is very different from the 2010-based projections for 2011, particularly at ages most likely to migrate, the applied migration rate may over or underestimate the number of people moving from an area (ONS 2012, page 4, fifth paragraph).

The significance of this could be substantial for some local authorities as for many authorities net migration from the rest of the UK is the largest driver of population growth. That net figure is often a small difference between the gross 'in' and 'out' flows. That means that if there is a small percentage error in the projected gross flows there could be a large percentage impact on the estimated rate of population growth, and hence the number of households.

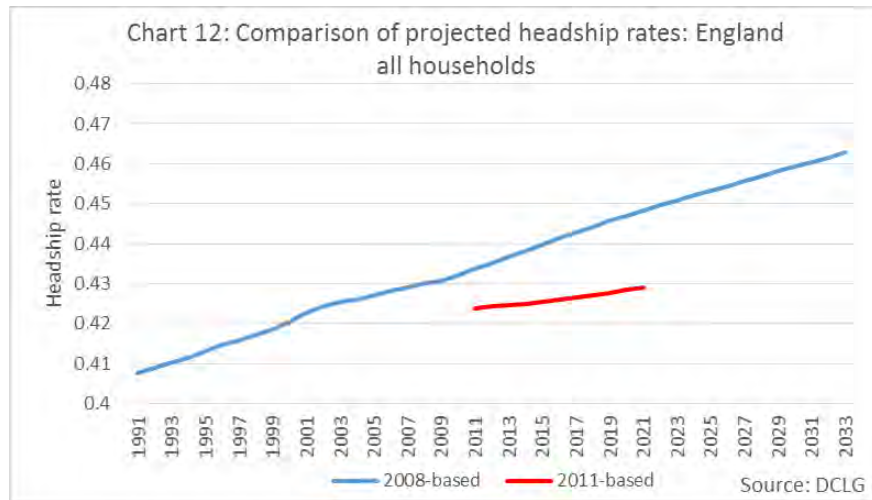
It should also be noted that there are two other changes between the 2008-based and 2011-based projections which have caused the local authority level numbers to change significantly:

- **Increased international migration.** Between the 2008-based and 2011-based projections the assumed net level of international migration was increased from 157,000 to 188,000 people a year.
- **Improvements in the methodology used to identify which local authorities migrant end up in.** This has long been a difficult area but a new methodology has now been introduced under the ONS's Migration Statistics Improvement Programme (MISP). Previously the International Passenger Survey (IPS) was used to allocate migrants first to regions and then to smaller geographies, with the final allocation to local authorities being based on modelling. Under the MISP administrative data is used to distribute the national totals to local authorities. For example, national insurance data is used to distribute migrant workers; and data from the Higher Education Statistics Agency to distribute students. This should result in more reliable figures.

### Household formation trends in the latest DCLG projections

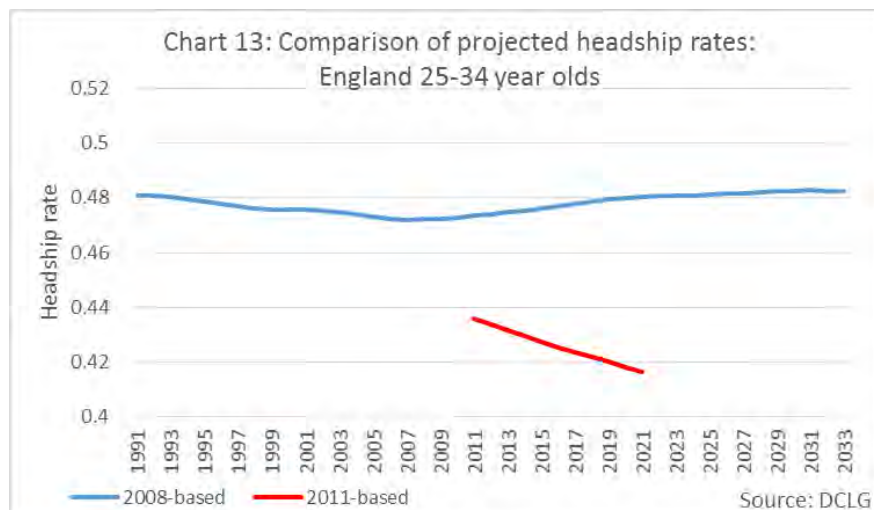
As already noted, the starting point for the 2011-based projection is the 2011 census results, which indicated household formation rates significantly lower than the 2008-based projection. The projected forward trend reflects the fact that the 2011 census data point is not as high relative to earlier data points as envisaged in previous projections. This has resulted in the projected headship rates being significantly lower than in the 2008-based projection and diverging from them.

The overall position can be illustrated by Chart 12 which compares the overall household formation rates projected in the 2008-based projections and the latest, 2011-based interim projections. The 2008-based projections can be taken to represent the previous long-term trend.



As already discussed, over half of the difference between the 2008-based projection and the census results appears to have been due to the 'recent international migrant' effect. This is unlikely to have a continuing effect depressing the overall household formation rate, unless there is a further increase in the inflow of international migrants. The projections do not make allowance for the 'one off' impact which the 'recent international migrant' is likely to have had. If this were taken into account the forward trend line would diverge from the 2008-based projection at a slower rate. This would suggest a faster growth in household numbers than in the official 2011-based projection.

The 2011-based projection also does not make any allowance for a potential return towards the previous trend. Indeed, it assumes a growing divergence from that trend. This is perhaps brought out most starkly by the comparison of the headship rates for 25-34 year olds in Chart 13.





As can be seen from the direction of the red line, the 2011-based projection envisages that a smaller and smaller proportion of 25-34 year olds set up households, not just that the proportion remains at the 2011 level. This seems unlikely in current conditions. Users of these projections should consider whether that is an appropriate assumption, based, of course, on the comparable data for the local authorities concerned. It is relatively straightforward to construct alternative scenario assuming, for example, that there is no further fall in household formation rates from the 2011 level or that there is a partial return towards the previous trend.

An indication of the size of the impact made by the lower household formation rates in the 2011-based household projections is the way in which they turn a projection of faster population growth into a slower household growth estimate. ONS's 2011-based population projections for England suggest the population will grow 19% faster in the period 2011-21 than was suggested by the 2008-based projections. However, when the latest household projections apply their lower projected household formation rates, this faster growth in population becomes a household growth rate that is 10% slower than the 2008-based projections.

### **Using the latest DCLG projections**

In view of the above analysis of factors which have affected the 2011-based household projection it is suggested that the following steps are followed in using the projections to estimate housing requirements:

**Understand how the latest projections compare with the 2008-based projections.** This is an obvious step if the latest projections suggest household growth rates that are either significantly higher or lower than the earlier projections. However, it can also be worthwhile even if the headline annual household growth figure is little different from the 2008-based number as this may be the result of a number of factors cancelling each other out.

It is also possible that, whilst the total number may not have changed, the composition of the population may have different. In particular:

- Changes to international flows may be due to the assumption that net international migration will be higher than assumed in the 2008-based projections or the result of the redistribution of migrants between local authorities as a consequence of the Migration Statistic Improvement Programme. In either case there would need to be a very good reason to change the suggested figures.
- Large changes to net migration flows within the UK should be investigated. They may be affected by the use of flow rates from the 2010-based population projections, in some cases causing unrealistic increases or decrease in the projected net flows. The projected flows should be compared with past flows and a view taken on whether they are a reasonable basis for planning.

**Consider whether the headship rate trends in the latest projections are a prudent basis for planning.** Comparing the headship rates in the latest projections with the 2008-based projections should provide an insight into how the new trends compare with the previous long term trends. Trends which assume that household formation rates for some groups will continue to fall should be looked at particularly closely. The extent to which the patterns of household formation may have been affected by an increase in international migration should, in particular, be considered. The implications of assuming that, for example, headship rates do not continue to fall in any age group could usefully be tested as an alternative scenario.

**Extend the projections beyond 2021 to the end of the plan period, considering the impact of alternative scenarios which reflect a range of different assumptions.** The latest projections only cover the period 2011

to 2021, presumably because of the compromises that have had to be made to produce them so quickly after the census. It is possible to extend these although that should be done with care. A simple extrapolation of numbers will not pick up the changes that are likely to occur as the population ages. A more sophisticated extension of the projections will simply tell you what would happen if the trends assumed were to continue, which may not be the most likely outcome. Extended projections should therefore be produced for a range of different scenarios.

**Estimate what the range of potential outcomes is.** No one can say whether or not household formation patterns will return toward previous trends or, if so, how quickly. Similarly there are inevitable uncertainties attached to both international migration and flows to and from the rest of the UK. Estimating how much difference a plausible range of assumptions might make should provide a useful indication of how much flexibility should be planned for as well as helping to guide the choice of a central planning assumption.

**Produce plans that are flexible enough to accommodate the potential range of outcomes.**

**Monitor what actually happens and be ready to adjust the plan.**

### **How could Government help?**

Freely available official population and household projections for local authority areas which are refreshed every two years are major assets, but assets whose potential is far from fully exploited. More help is needed to enable to enable planners and other professionals to use them intelligently and confidently.

The changes which occurred between the 2008 and 2011-based household projections illustrate that we live in times of significant change in which uncertainty is inevitable and needs to be managed. The statistical bulletins and releases which accompany the projections make it clear that they are projections, not forecasts, and that they only tell you what is likely to happen if the trends on which they are based continue – which they may not, particularly in today's environment. Two steps could help practitioners understand what this means in practice for a particular authority.

- **Publishing in a simple and accessible form the past and projected data for the key drivers of change** – births, deaths, flows in from and out to the rest of the UK and flows in from and out to the rest of world. This data exists and can be accessed on the ONS website for those with sufficient patience and persistence. Presenting simple tables and charts showing for each driver of change what has happen in each local authority for the last ten years and what is projected to happen in the future would enable users to see in a concrete form what is driving the projections for their area and take an informed view on how realistic the projections are. For the 2011-based projections such a presentation would have enabled users to identify cases in which what is projected to happen does not seem to fit with what has happened and investigate accordingly. It would also help in spotting cases in which an exceptional event like a one-off urban extension or the closure of a major factory may have distorted the past trend, suggesting that the projection needs to be adjusted if it is to provide a reliable guide to what is likely to happen.
- **Preparing sensitivity analysis at the local authority level.** ONS and DCLG already produce projections for variant scenarios at the national level giving users some indication of, for example, the impact which increased international migration might have on the number of households. Something similar could be produced at the local authority level, perhaps through an interactive tool. This would enable users to see what the implications for their authority would be of, say, higher births rates or a return to the household formation rates envisaged in the 2008-based projections. Armed with that understanding local authorities and others would be much better placed to gauge the range of uncertainty the need to plan for.

## Conclusion

This is a difficult time to plan for housing. Over the last 10 years household formation patterns have departed significantly from the previous long term trends and there is considerable uncertainty as to what will happen over the next 20 years. Authorities need to consider their own specific situation carefully, taking the latest DCLG projections as their starting point and using the guidance above to identify the potential range of outcomes. Plans should be robust to that range of outcomes. They should then be reviewed regularly and adjustments made if need be.



**RTPI**

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## About the research

This report is based on research conducted for the RTPI by Neil McDonald and Peter Williams at the University of Cambridge, funded through the RTPI's Small Projects Impact Research (SPIRe) scheme.

## Further information

The report is available on the RTPI website at: [www.rtpi.org.uk/spire](http://www.rtpi.org.uk/spire)

## About the RTPI

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You are also welcome to email us at: [research@rtpi.org.uk](mailto:research@rtpi.org.uk)

## **APPENDIX**

### **JD3**

**What does the 2011 Census tell us about concealed families;  
ONS, February 2014**

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# What does the 2011 Census tell us about concealed families living in multi-family households in England and Wales?

Coverage: **England and Wales**

Date: **06 February 2014**

Geographical Areas: **Country, Local Authority, Region**

Theme: **People and Places**

Theme: **Population**

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## Foreword

This analysis presents a summary of concealed families in England and Wales using 2011 Census data. A concealed family is one living in a multi-family household in addition to the primary family, such as a young couple living with parents. Each family is assigned a Family Reference Person (FRP). Where there is more than one FRP in the household, the Household Reference Person (HRP) is chosen from the FRPs based on economic activity and then age, and finally order on the census form. The HRP is normally therefore the oldest full-time worker in most households and identifies the primary family in the household. Analyses of concealed family types and change over time are reported at the national, regional and local levels.

## Key points

- There were 289,000 concealed families in 2011; this was 1.8 per cent of all families in households. In 2001 this was 170,000 (1.2 per cent).
- Concealed families increased at ten times the rate of unconcealed families between 2001 and 2011 (70 per cent increase in concealed families compared with a 6.6 per cent increase in unconcealed families).
- 44 per cent (128,000) of concealed families in 2011 were couples with no children living in the family; this was the most common concealed family type.
- In Brent and Newham, more than one in 10 couples with no children living as part of the family were concealed in multi-family households.

- Concealed families were younger than unconcealed families; over half of concealed families had a Family Reference Person (FRP), that is the oldest full-time worker in most families, aged under 35 in 2011. This compared with less than 20 per cent of unconcealed families.
- Lone parent families that included dependent children were the family type most frequently concealed; 4.3 per cent of all lone parent families with dependent children were concealed in 2011.
- Lone parents with dependent children were the youngest concealed family type; the FRPs of concealed lone parent families with dependent children were four times more likely to be aged 25 or under in 2011 than the FRPs of concealed couple families including dependent children.

## Introduction

This short story analyses the characteristics of concealed families living in multi-family households in England and Wales. This is the second in a series of analyses produced by ONS on [families and households](#)<sup>1,2</sup> using 2011 Census data.

Statistics on concealed families are often used as an indicator of housing demand; concealed households were used in the Department for Communities and Local Government (CLG) 2010 report '[Estimating housing need](#)'. Users of concealed family statistics will include those interested in future household formation, house building, planning and development and those who want to improve their understanding of families and households in England and Wales such as:

- policy makers
- MPs
- local government
- journalists
- charities
- businesses
- students
- researchers and academics
- members of the public

The 2011 Census defined a concealed family as a couple or single parent family, living in a multi-family household, where the Family Reference Person (FRP)<sup>3</sup> is not the Household Reference Person (HRP)<sup>4</sup>. Each family living in a household includes a FRP identified on the basis of economic activity and age characteristics (lone parents are automatically the FRP). In a one-family household the FRP is also the HRP. In households where there is more than one family, the HRP is selected from the FRPs based on economic activity, age and then order on the census form.



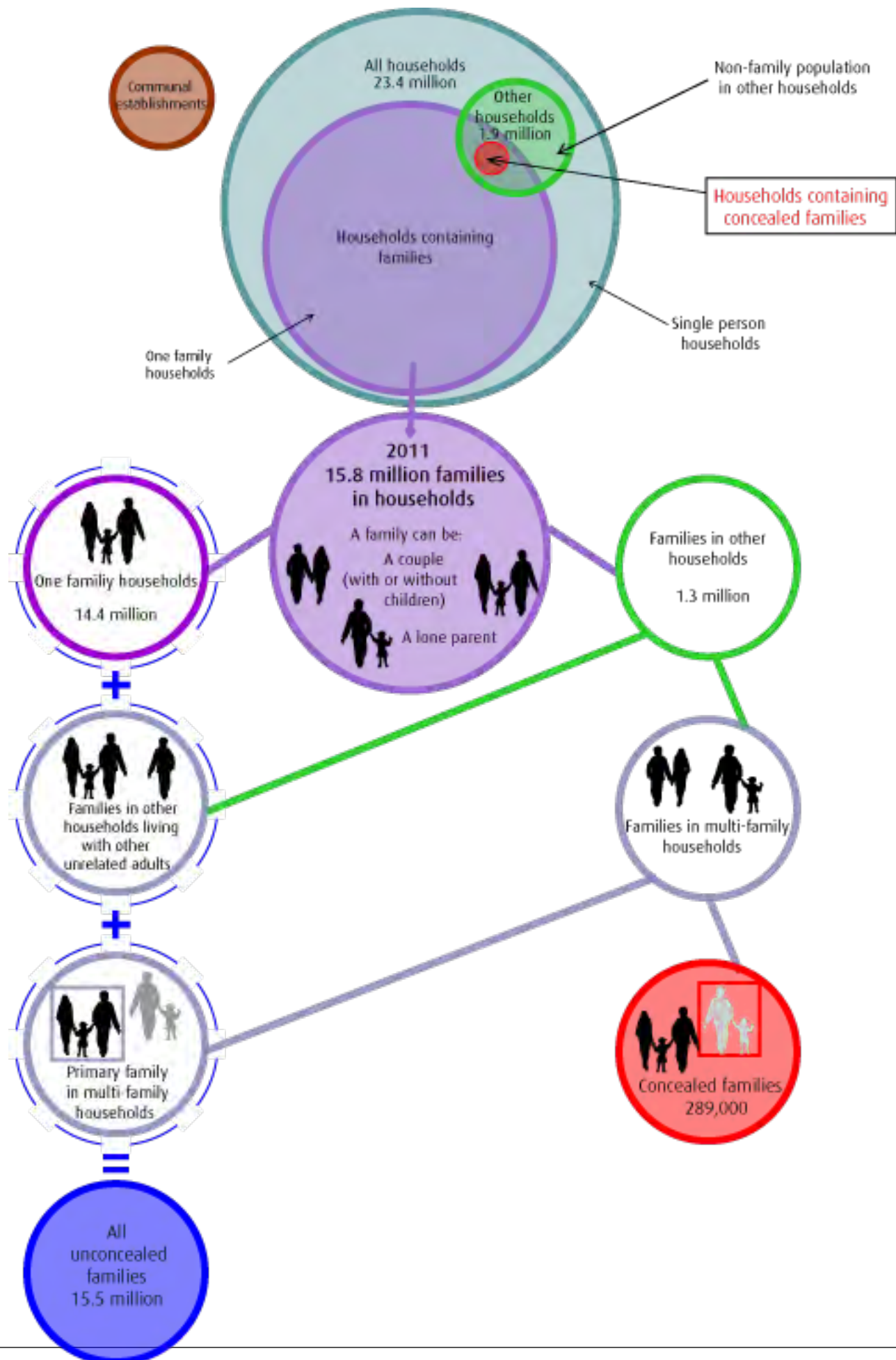
Concealed families will include:

- young adults living with a partner and/or child/children in the same household as their parents
- older couples living with an adult child and their family
- unrelated families sharing a household

A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of [young adults living with parents](#).

Figure 1 summarises the relationship between family and household definitions in the 2011 Census of England and Wales. There were 15.8 million families in households in England and Wales in 2011; the majority (14.4 million or 92 per cent) of these were living in one family households, with the remaining 1.3 million families (8.3 per cent)<sup>5</sup> living in 'other households' (figures 1 and 2). There were 1.9 million 'other households' identified in the 2011 Census: these included households of more than one family, households comprised of unrelated adults sharing and those including one family and other unrelated adults.

**Figure 1: Concealed families definition diagram**



Source: 2011 Census, Office for National Statistics

Notes:

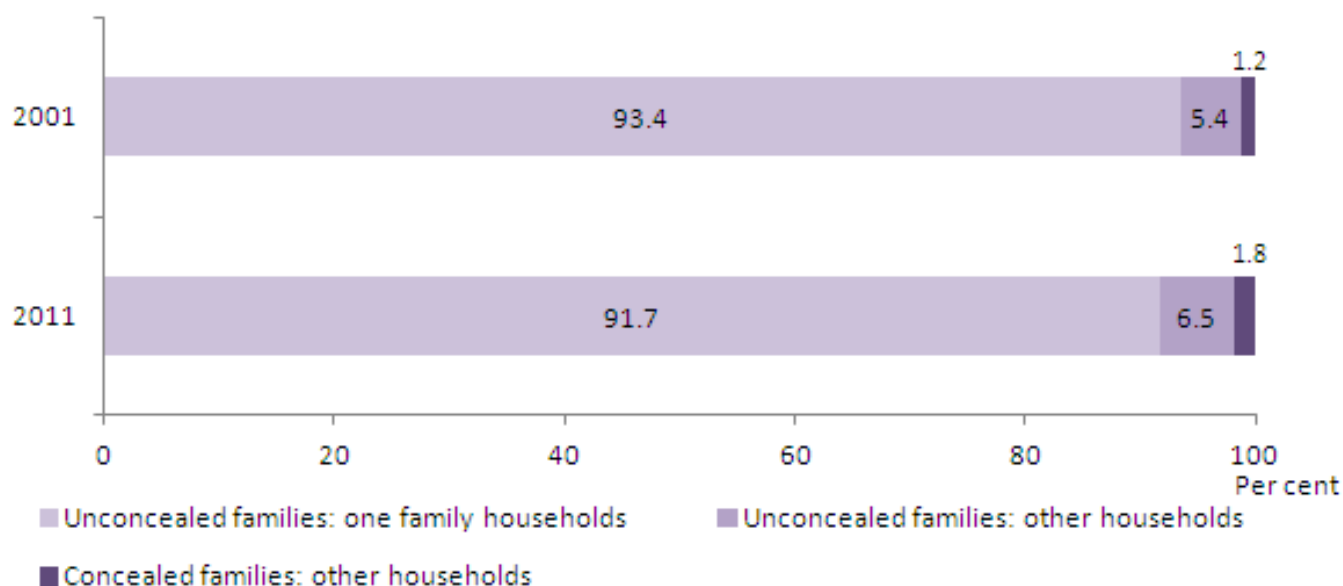
1. It is not possible to identify the number of households containing families or of multi-family households from currently published 2011 Census tables. The majority of families were living in households of one family only. The remaining families were living in other households. Other households are categorised by the age and type of residents and not by the family relationships within the household. Therefore, it is not possible to identify the number of 'other households' containing families.

2. Numbers may not sum due to rounding.

3. 2011 Census tables LC1110EW and KS105EW were used to produce figure 1.

The proportion of families living in 'other households' was greater than in 2001, when 6.6 per cent of the 14.7 million families in England and Wales were living in 'other households' (93 per cent were living in one family households).

**Figure 2: Families in households by living arrangements 2001 and 2011**



Source: Census - Office for National Statistics

Notes:

1. 2011 Census tables LC1110EW and KS105EW and 2001 Tables UV65 and CS011 were used to produce figure 2.

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(27 Kb)

Concealed families are only found in those 'other households' consisting of two or more families (multi-family households). There were 289,000 concealed families in 2011; 1.8 per cent of all families in households (22 per cent of families in 'other households'). This is an increase from 170,000 concealed families in 2001 (1.2 per cent of all families; 18 per cent of families in 'other households').

Concealed families increased at a much greater rate between 2001 and 2011 (70 per cent increase) compared with unconcealed families (6.6 per cent increase). Family concealment proportions are likely to relate to a number of factors including: housing availability and cost in relation to employment and earnings, and cultural differences in living arrangements and familial ties.

The ONS report '[Families and Households, 2013](#)' (using data from the Labour Force Survey (LFS)) identified multi-family households as the fastest growing household type in the UK, increasing by 39 per cent from 206,000 households in 2003 to 286,000 households in 2013. However, multi-family households still represented only one per cent of all households in 2013. This estimate of 286,000 multi-family households in the UK in 2013 is consistent with the estimate of 289,000 concealed families in England and Wales in the 2011 Census, suggesting that the majority of concealed families were likely to be living in two family households in 2011.

## Notes for introduction

<sup>1</sup> A family is defined as a group of people who are either:

- a married, same-sex civil partnership, or cohabiting couple, with or without child(ren),
- a lone parent with child(ren),
- a married, same-sex civil partnership, or cohabiting couple with grandchild(ren) but with no children present from the intervening generation, or
- a single grandparent with grandchild(ren) but no children present from the intervening generation.

Children in couple families need not belong to both members of the couple. For single or couple grandparents with grandchildren present, the children of the grandparent(s) may also be present if they are not parents or grandparents of the youngest generation present.

<sup>2</sup> A household is defined as:

- one person living alone, or
- a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area.

This includes:

- sheltered accommodation units in an establishment where 50 per cent or more have their own kitchens (irrespective of whether there are other communal facilities), and
- all people living in caravans on any type of site that is their usual residence. This will include anyone who has no other usual residence elsewhere in the UK.

A household must contain at least one person whose place of usual residence is at the address. A group of short-term residents living together is not classified as a household, and neither is a group of people at an address where only visitors are staying.

<sup>3</sup> The Family Reference Person (FRP) is identified by criteria based on the family make up. In a lone parent family it is taken to be the lone parent. In a couple family, the FRP is chosen from the two people in the couple on the basis of their economic activity (in the priority order: full-time job, part-time job, unemployed, retired, other). If both people have the same economic activity, the FRP is identified as the elder of the two or, if they are the same age, the first member of the couple on the form.

<sup>4</sup> The concept of a Household Reference Person (HRP) was introduced in the 2001 Census (in common with other government surveys in 2001/2) to replace the traditional concept of the 'head of the household'. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

For a person living alone, it follows that this person is the HRP. If a household contains only one family (with or without ungrouped individuals, for example unrelated lodgers) then the HRP is the same as the Family Reference Person (FRP). For families in which there is generational divide between family members that cannot be determined (Other related family, for example adult siblings sharing a household), there is no FRP. Members of these families are treated the same as ungrouped individuals.

If there is more than one family in a household the HRP is chosen from among the FRPs using the same criteria used to choose the FRP. This means the HRP will be selected from the FRPs on the basis of their economic activity, in the priority order:

- Economically active, employed, full-time, non-student
- Economically active, employed, full-time, student
- Economically active, employed, part-time, non-student
- Economically active, employed, part-time, student
- Economically active, unemployed, non-student
- Economically active, unemployed, student
- Economically inactive, retired
- Economically inactive, other

If some or all FRPs have the same economic activity, the HRP is the eldest of the FRPs. If some or all are the same age, the HRP is the first of the FRPs from the order in which they were listed on the questionnaire. If a household is made up entirely of any combination of ungrouped individuals and other related families, the HRP is chosen from among all people in the household, using the same criteria used to choose between FRPs. Students at their non term-time address and short-term migrants cannot be the HRP.

<sup>5</sup> Some numbers and percentages throughout this report may not sum due to rounding.

## Geographical distribution

Table 1 shows that there is considerable regional variation in the proportion of families concealed. London had the highest rate of concealed families in 2011: 3.3 per cent of all families in London, while the North East had the lowest proportion at 1.3 per cent. Concealed family proportions may be related to the ethnicity of the local population and also to the relative cost and availability of housing. These two regions also had the highest and lowest proportions of families concealed in 2001 at 2.0 per cent and 0.8 per cent respectively. All regions have experienced an increase in the proportion of concealed families between 2001 and 2011, with London increasing the most, by 1.4<sup>1</sup> percentage points.

**Table 1: Concealed family proportions by region, 2011 and 2001**

	2001 Census			2011 Census		
	All families (Thousands)	Concealed families (Thousands)	Per cent concealed	All families (Thousands)	Concealed families (Thousands)	Per cent concealed
<b>England and Wales</b>	<b>14,682</b>	<b>170</b>	<b>1.2</b>	<b>15,764</b>	<b>289</b>	<b>1.8</b>
North East	722	6	0.8	748	9	1.3
North West	1,899	21	1.1	1,986	32	1.6
Yorkshire and The Humber	1,421	16	1.1	1,503	25	1.7
East Midlands	1,214	12	1.0	1,313	20	1.6
West Midlands	1,505	21	1.4	1,588	34	2.2
East	1,565	13	0.9	1,696	25	1.5
London	1,816	35	2.0	2,064	69	3.3
South East	2,279	23	1.0	2,458	39	1.6
South West	1,426	13	0.9	1,528	21	1.4
Wales	836	9	1.0	879	13	1.5

**Table source:** Office for National Statistics

**Table notes:**

1. Figures rounded to the nearest thousand.
2. 2011 Census table LC1110EW and 2001 tables S007 and M511a were used to produce table 1.

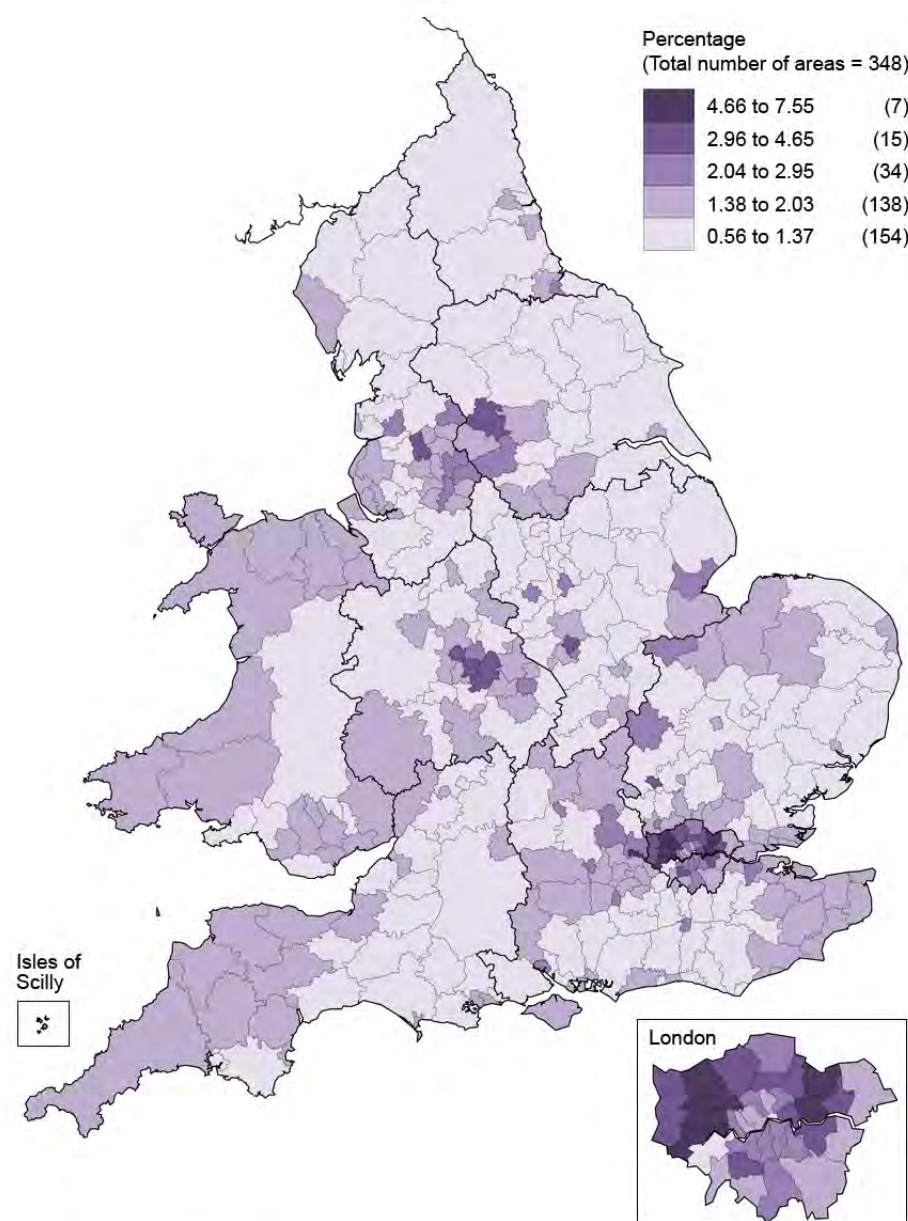
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Map 1 shows the geographical distribution of concealed families in 2011 at the local authority (LA) level. It is clear that urban areas within Greater London, Slough, Birmingham, Leicester and the North West including Bradford and Blackburn with Darwen had the highest rates of concealed families; these areas therefore also had higher proportions of multi-family households. Higher proportions of concealed families were also recorded in the South West (Cornwall and Devon), Kent, West Wales and Northern East Anglia.



## Map 1: Percentage of families that were concealed families in 2011 by local authority in England and Wales



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Contains Ordnance Survey data © Crown copyright and database right 2014

Source: Census - Office for National Statistics

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Table 2 shows the 20 LAs with the highest proportions of concealed families in 2011. Twelve of the top 20 areas were within Greater London; Newham had the highest proportion of concealed families at 7.5 per cent of all families within the area. Outside London, the LA with the highest proportion of concealed families was Slough, ranking third at 5.6 per cent. Merthyr Tydfil was the highest ranking



LA within Wales, with 2.0 per cent of families concealed (ranked 58th within England and Wales). By contrast, the lowest level for all LAs in England and Wales was in Rutland<sup>2</sup>, where just 0.6 per cent of families were concealed.

Concealed family proportions may relate to cultural differences in familial ties between ethnic groups. Within England and Wales, 'other households' are more than twice as likely to have a HRP of non-white or mixed ethnic group (24 per cent) compared with all households (11 per cent).

The ten LAs with the highest proportions of concealed families shown in table 2 also have the highest proportions of the population identifying with a non-white ethnic group; high proportions of the population of these areas identified as Indian, Pakistani or Bangladeshi. The high proportions of concealed families in these areas may be a result of closer familial ties in Asian cultures. An ONS report on [ethnicity in the 2011 Census](#) is available.

**Table 2: Twenty local authorities with the greatest percentage of concealed families, 2011**

Rank	Local Authority	All families (Thousands)	Concealed families (Thousands)	Per cent concealed
1	Newham	70	5	7.5
2	Brent	77	5	7.0
3	Slough	37	2	5.6
4	Ealing	85	5	5.4
5	Harrow	65	3	5.1
6	Redbridge	74	4	5.1
7	Hounslow	67	3	5.1
8	Waltham Forest	65	3	4.6
9	Leicester	82	4	4.5
10	Tower Hamlets	54	2	4.3
11	Luton	53	2	4.2
12	Bradford	141	6	4.0
13	Birmingham	271	11	3.9
14	Sandwell	86	3	3.6
15	Hillingdon	73	3	3.5
16	Haringey	62	2	3.3
17	Barking and Dagenham	49	2	3.3
18	Blackburn with Darwen	40	1	3.2

Rank	Local Authority	All families (Thousands)	Concealed families (Thousands)	Per cent concealed
19	Greenwich	65	2	3.2
20	Wolverhampton	69	2	3.2

**Table source:** Office for National Statistics

**Table notes:**

1. Figures rounded to the nearest thousand
2. 2011 Census table LC1110EW was used to produce table 2.

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**Notes**

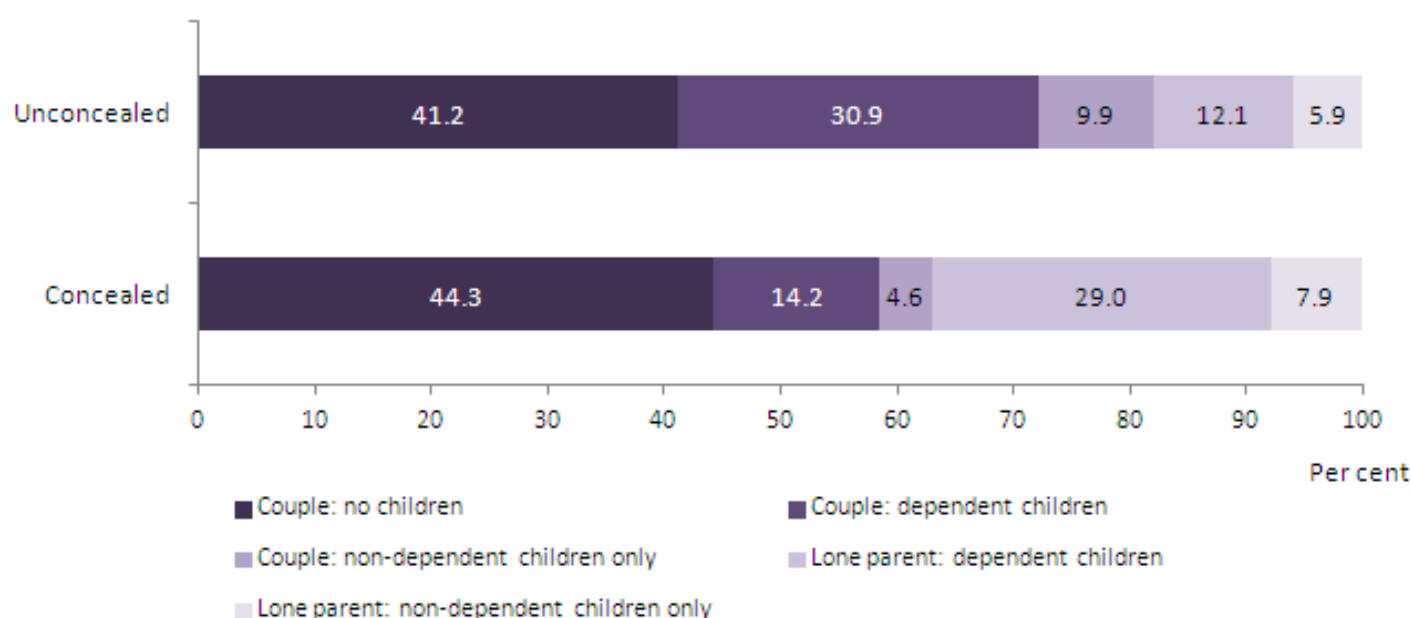
1. Some numbers and percentages throughout this report may not sum due to rounding.
2. The City of London was excluded owing to small overall population size.

**Concealed family types**

In 2011, the majority of all families were couple families (82 per cent, 12.9 million). This included 41 per cent (6.5 million) with no children living in the family, 31 per cent (4.8 million) with dependent<sup>1</sup> children, and 10 per cent (1.5 million) with non-dependent children only. Unconcealed families showed the same distribution.

While the majority of concealed families were also couple families, they accounted for a smaller proportion (63 per cent, 182,000) compared to all families; the concealed couple families proportion comprised 44 per cent (128,000) living with no children, 14 per cent (41,000) with dependent children and 4.6 per cent (13,000) with non-dependent children only (figure 3). A higher proportion of concealed couple families (seven in ten families) had no children living in the family, compared to unconcealed couple families (five in ten families).

Lone parent families accounted for twice the proportion (37 per cent) of concealed families compared with unconcealed families (18 per cent). Concealed lone parent families included 29 per cent (84,000) with dependent children and 7.9 per cent (23,000) with non-dependent children only. Almost eight in ten concealed lone parent families included dependent children, while this group accounted for seven in ten unconcealed lone parent families.

**Figure 3: Concealed and unconcealed families by type, 2011**

Source: Census - Office for National Statistics

**Notes:**

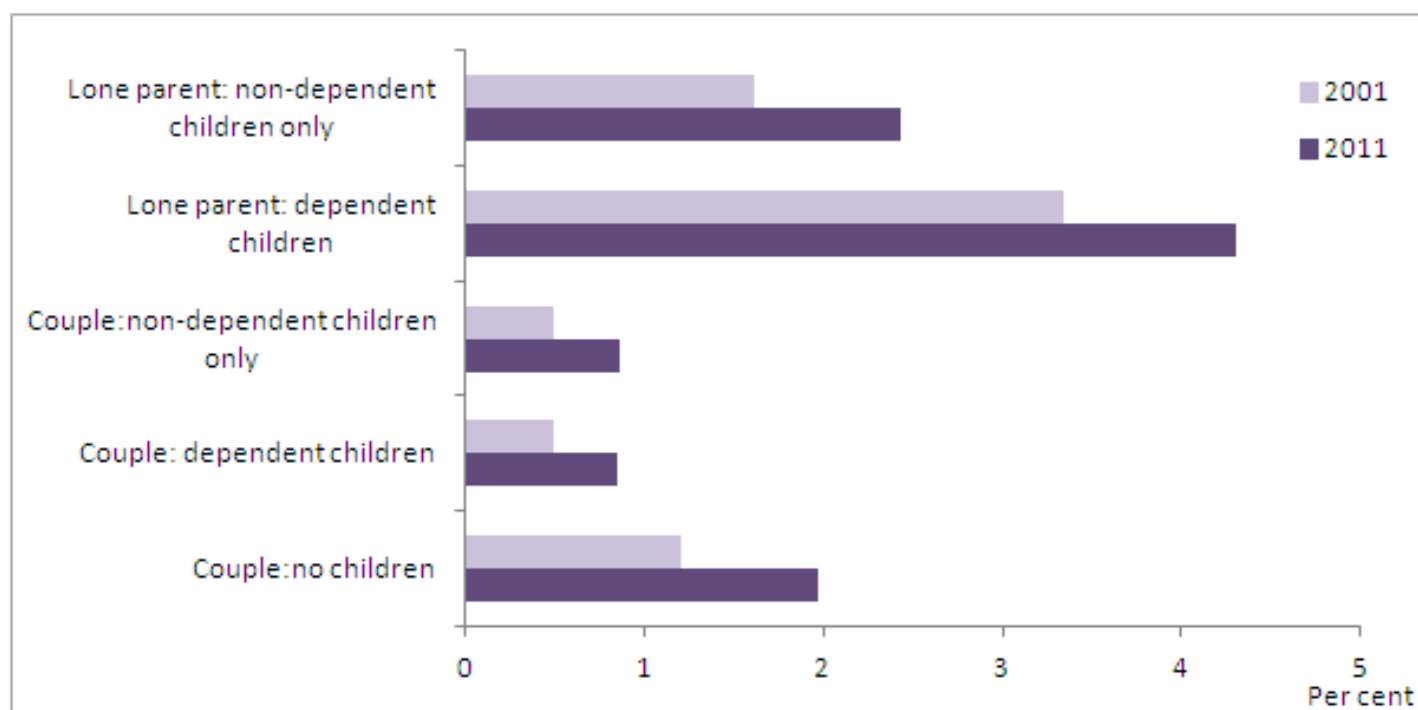
1. 2011 Census table LC1110EW was used to produce figure 3.

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The much greater proportion of concealed families accounted for by lone parent families is reflected in the concealment percentages for each family type in 2001 and 2011 (figure 4). Lone parent families that included dependent children were the family type most likely to be concealed in both 2001 (3.3 per cent) and 2011 (4.3 per cent). Couple families that included children (dependent or non-dependent) were the family types least likely to be concealed with less than one per cent of each family type concealed in both 2001 and 2011.

**Figure 4: Percentage of families concealed by family type 2011 and 2001**

Source: Census - Office for National Statistics

**Notes:**

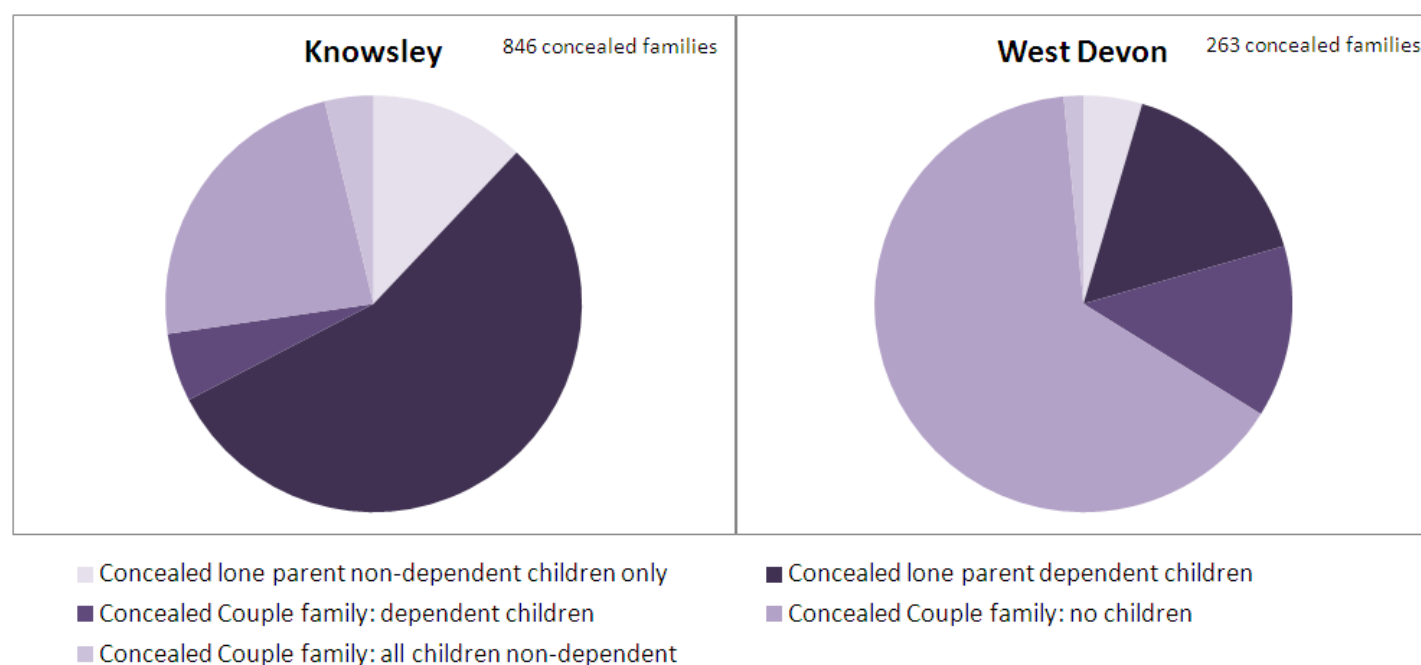
1. 2011 Census table LC1110EW and 2001 table CAS011 was used to produce figure 4.

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The reasons for families living in multi-family households will vary by area, and therefore the types of concealed families will differ; the highest proportions of concealed families who were lone parents with dependent<sup>1</sup> children was in Knowsley (Merseyside) where this category accounted for the majority (55 per cent) of all concealed families; the lowest proportion of concealed families accounted for by this category (13 per cent) was in Harrow.

Figure 5 shows the concealed family types within Knowsley and West Devon, the LAs with the highest proportion of lone parents with dependent children (55 per cent) and couples with no children (65 per cent) respectively; 44 per cent of concealed families with no children in West Devon had an FRP of age 65 or over. The types of family concealed may relate to demographic and cultural differences between local populations in addition to economic influences such as the cost of housing locally. The [census comparator tool](#) shows that the age structure of Knowsley is younger than that of West Devon, with the population aged 65 or over accounting for 16 per cent and 23 per cent respectively. Both areas had low proportions of other households with a non-white HRP (3.1 per cent and 2.2 per cent respectively) compared to England and Wales as a whole (24 per cent).

**Figure 5: Concealed families by type in Knowsley and West Devon, 2011**

Source: Census - Office for National Statistics

#### Notes:

1. 2011 Census table LC1110EW was used to produce Figure 5.

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#### Notes

1. Dependent children are those aged under 16 living with at least one parent, and those aged 16 to 18 in full-time education (excluding those who have a spouse, partner or child living in the household). Non-dependent children are those aged over 18 living with at least one parent, and those aged 16 to 18 and not in full-time education (excluding those who have a spouse, partner or child living in the household).

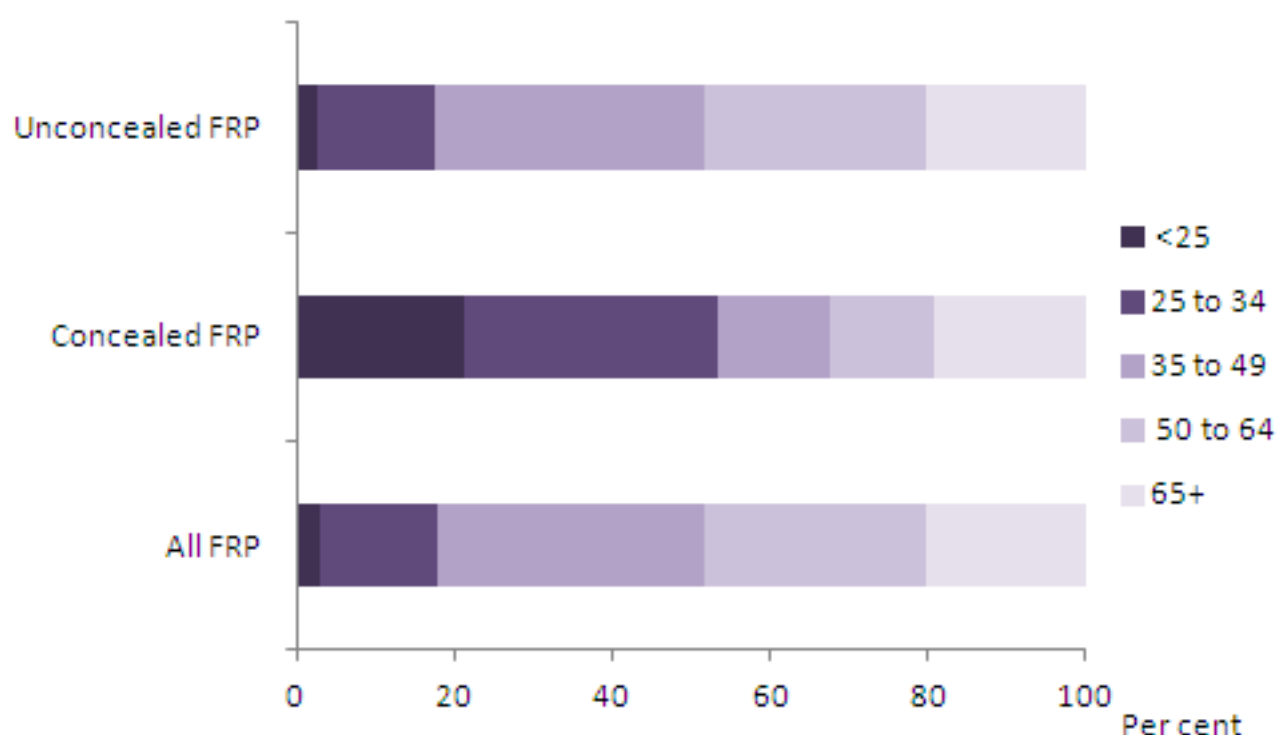
### Age of Family Reference Person (FRP)

Of the 15.8 million families in England and Wales, less than 20 per cent had a FRP aged under 35 in 2011; 3.1 per cent (483,000) had a FRP aged under 25. Figure 6 shows the proportions of unconcealed families (totalling 15.5 million) and concealed families (totalling 289,000) by FRP age groups. The FRPs of concealed families had a much younger age profile than those of unconcealed families. This will, however, be partly related to the use of age as a criterion in determining the HRP and therefore which family is concealed; in a two family household where both FRPs are working full time, the concealed family will be the family with the younger FRP.

Over half (54 per cent) of all concealed FRPs were aged under 35 including 21 per cent aged under 25, while the majority (63 per cent) of unconcealed FRPs were aged 35-64 in 2011. This suggests that concealed families were more likely to be younger parents/couples living with their parents in multi-generational households. The younger age of concealed FRPs may also relate to the [age profile](#) of some ethnic groups.

Almost half (48 per cent) of all unconcealed FRPs were aged 50 or over in 2011, compared to around one in three concealed FRPs; proportions of families with a FRP aged 65 or over were similar for both concealed and unconcealed families at around one in five families.

**Figure 6: Age distribution of FRP by family type, England and Wales 2011**



Source: Census - Office for National Statistics

**Notes:**

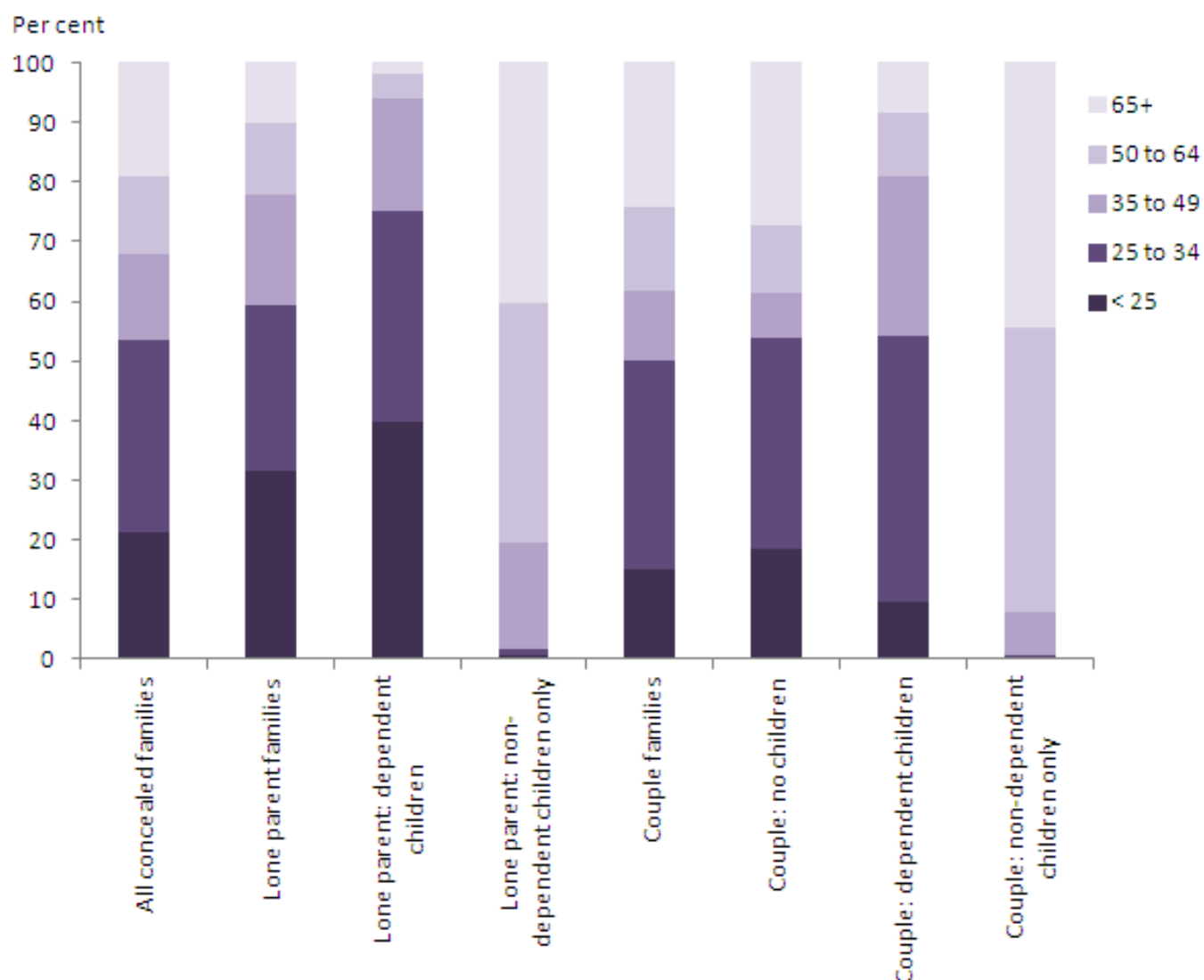
1. 2011 Census table LC1110EW was used to produce figure 6.

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Figure 7 provides further detail on the age distribution for concealed family FRPs by family type. While overall the proportion of concealed families with a FRP aged under 25 is more than six times that of unconcealed families, this varies considerably by concealed family type. The youngest FRP age distribution is seen for lone parent families with dependent children; 40 per cent were aged under 25. The oldest FRP age distribution of any concealed family type is for couple families with non-dependent children only; more than 90 per cent were aged 50 or over.

**Figure 7: FRP age distribution of concealed families by family type, 2011**

Source: Census - Office for National Statistics

**Notes:**

1. Totals for each column shown above are rounded to the nearest thousand.
2. 2011 Census table LC1110EW was used to produce figure 7.

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## Concealed lone parent families

Of the 15.8 million families in England and Wales in 2011, 2.9 million (18 per cent) were lone parent families. These included lone parent families with dependent children and those with non-dependent children only. This was an increase in both number and percentage from 2001 when 2.4 million families (16 per cent) were lone parents.

Of the 2.9 million lone parent families in England and Wales, 2.5 million (86 per cent) were living in one family households. The remaining 405,000 lone parent families (14 per cent) were living in 'other households'. Just over a quarter (26 per cent, 107,000) of these were concealed families living in multi-family households<sup>1</sup>.

The remaining unconcealed lone parent families in 'other households' included those living in multi-family households where the lone parent is the HRP. These will include: a lone parent living with two children where one child also has a partner living in the household, and those living with other adults (related or unrelated), such as a lone parent with a lodger.

Lone parent families were the family type most likely to be concealed in 2011, at 3.7 per cent of all lone parent families; the proportion of lone parent families who were concealed has also increased from 2.8 per cent in 2001. However, the proportion of concealed families who were lone parents fell from 39 per cent in 2001 to 37 per cent in 2011. This is a result of greater proportional increases in concealed couple families (76 per cent increase) compared with concealed lone parent families (62 per cent increase).

In 2011, lone parent families with dependent or non-dependent children<sup>2</sup> accounted for 37 per cent of all concealed families; this was more than twice the proportion of unconcealed families who were lone parents (18 per cent). This was also the case in 2001.

Concealed lone parent families were more likely to include dependent children than unconcealed lone parent families. The majority (79 per cent) of concealed lone parent families included dependent children (the remaining 21 per cent including non-dependent children only). Of the 2.5 million one family lone parent households, the proportion that included dependent children was 67 per cent; the proportion of all unconcealed lone parent families that included dependent children was also 67 per cent (the majority of these were one family households).

Lone parent families with dependent children were more likely to be concealed (4.3 per cent) than those with non-dependent children only (2.4 per cent) in 2011 (see figure 4). Table 3 shows the twenty local authorities (LAs) with the highest proportions of concealed lone parent families with dependent children in England and Wales. The highest concealment percentages for this family type were in Newham and Bradford (8.1 per cent and 8.0 per cent respectively), at more than twice the percentage for England and Wales (3.7 per cent). Merthyr Tydfil was the LA with the highest proportion in Wales (6.4 per cent), ranking eleventh within England and Wales. The LA with the lowest rate in England and Wales was Norwich, with 2.0 per cent of lone parent families with dependent children concealed in 2011.



**Table 3: Twenty local authorities with the highest proportions of concealed lone parent families with dependent children, 2011**

Rank	Local Authority	Lone parents with dependent children (Thousands)	Concealed lone parents: dependent children (Thousands)	Per cent concealed
1	Newham	14.6	1.2	8.1
2	Bradford	19.5	1.6	8.0
3	Castle Point	2.5	0.2	7.6
4	Luton	7.8	0.6	7.1
5	Sandwell	13.5	0.9	6.9
6	Oadby and Wigston	1.4	0.1	6.8
7	Slough	5.7	0.4	6.7
8	South Bucks	1.4	0.1	6.7
9	Redbridge	10.5	0.7	6.6
10	Tower Hamlets	9.2	0.6	6.4
11	Merthyr Tydfil	2.9	0.2	6.4
12	Brent	13.0	0.8	6.3
13	Boston	2.1	0.1	6.3
14	Birmingham	51.1	3.2	6.2
15	Oldham	9.8	0.6	6.1
16	Hounslow	9.7	0.6	6.1
17	Rochford	1.9	0.1	6.0
18	Harrow	7.1	0.4	6.0
19	Walsall	10.2	0.6	5.8
20	Dudley	10.3	0.6	5.8

**Table source:** Office for National Statistics

**Table notes:**

1. Figures rounded to the nearest thousand.
2. Isles of Scilly excluded from top 20 table owing to small overall population size.
3. 2011 Census tables LC1110EW and DC1115EW were used to produce table 3.

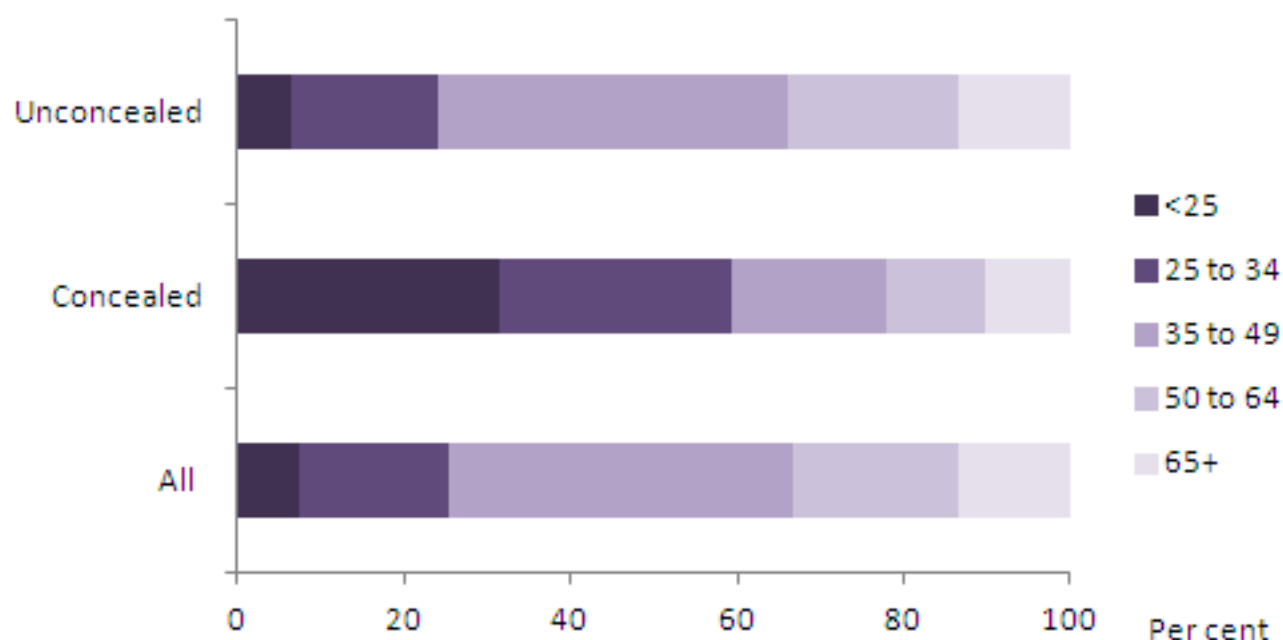
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Concealed lone parents were much younger than unconcealed, with 31 per cent of concealed lone parents under the age of 25 (figure 8); this was more than four times the proportion of unconcealed lone parents (6.5 per cent). This is because concealed lone parents are more likely to be young adults, and therefore more likely to be living with their parents.

**Figure 8: Distribution of concealed and unconcealed lone parent families by FRP age**



Source: Census - Office for National Statistics

### Notes:

- 2011 Census tables LC1110EW and DC1115EW were used to produce figure 8.

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## Notes

1. An example of a multi-family household including a concealed lone parent family is a household including a couple living with their child and grandchild; this would be an 'other household' with one couple family (unconcealed) and one lone parent family (concealed).
2. Dependent children are those aged under 16 living with at least one parent, and those aged 16 to 18 in full-time education (excluding those who have a spouse, partner or child living in the household). Non-dependent children are those aged over 18 living with at least one parent, and those aged 16 to 18 and not in full-time education (excluding those who have a spouse, partner or child living in the household).

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## Background notes

1. Univariate 2011 Census data are available via the [Neighbourhood Statistics](#) website. Relevant table numbers are provided in all download files within this publication. Multivariate data are available via the [Nomis](#) website.
2. Further information on future releases is available online in the [2011 Census Prospectus](#).
3. ONS has ensured that the data collected meet users' needs via an extensive [2011 Census outputs consultation](#) process in order to ensure that the 2011 Census outputs will be of increased use in the planning of housing, education, health and transport services in future years.
4. ONS is responsible for carrying out the census in England and Wales. Simultaneous but separate censuses took place in Scotland and Northern Ireland. These were run by the National

Records of Scotland (NRS) and the Northern Ireland Statistics and Research Agency (NISRA) respectively.

5. A person's place of usual residence is in most cases the address at which they stay the majority of the time. For many people this will be their permanent or family home. If a member of the services did not have a permanent or family address at which they are usually resident, they were recorded as usually resident at their base address.
6. All key terms used in this publication are explained in the [2011 Census glossary](#). Information on the [2011 Census geography products for England and Wales](#) is also available.
7. All census population estimates were extensively quality assured, using other national and local sources of information for comparison and review by a series of quality assurance panels. An extensive range of [quality assurance, evaluation and methodology](#) papers were published alongside the first release in July 2012 and have been updated in this release, including a [Quality and Methodology \(QMI\) document](#).
8. The census developed the coverage assessment and adjustment methodology to address the problem of undercounting. It was used for both usual residents and short-term residents. The coverage assessment and adjustment methodology involved the use of standard statistical techniques, similar to those used by many other countries, for measuring the level of undercount in the census and providing an assessment of characteristics of individuals and households. ONS adjusted the 2011 Census counts to include estimates of people and households not counted
9. The 2011 Census achieved its overall target response rate of 94 per cent of the usually resident population of England and Wales, and over 80 per cent in all local and unitary authorities. The population estimate for England and Wales of 56.1 million is estimated with 95 per cent confidence to be accurate to within +/- 85,000 (0.15 per cent).
10. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)

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This document is also available on our website at [www.ons.gov.uk](http://www.ons.gov.uk).

## **APPENDIX**

### **JD4**

**Planning for housing in England V2 Toolkit,  
Telford Results; RTPI, February 2014**

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## Understanding the latest DCLG household projections

### Introduction

This tool is designed to enable you to:

- find out how the household projections for any given English local authority have changed between the Department for Communities and Local Government's 2008-based projections and the 2011-based interim projections released in April 2013.
- explore three key factors which are particularly important to understanding the latest projections and how they should be used. The factors are changing household formation trends; increased international migration; and, how the flows between authorities have been estimated. The role they play is discussed more fully in the RTPi report, 'Planning for housing in England: Understanding recent changes in household formation rates and their implications for planning for housing in England' - see <http://www.rtpi.org.uk/spire>.

It should be emphasised that the purpose of the tool is to enable you to identify the issues that may warrant more detailed investigation rather than to provide a definitive view on how the latest projections should be used for any particular authority.

### How to use the tool

The first step is to select the authority you are interested in from the drop down list that appears when you click on the yellow box below.

Select a local authority

Telford and Wrekin UA

All charts and tables are then automatically adjusted to give the data relevant to the authority chosen. The data shown in the charts appears in tables to the right of the charts.

### How the new and old projections compare

The tables and charts below give the basic data from the 2008 and 2011-based population and household projections. Typically the 2011-based projections show faster population growth from a higher starting point and the 2011-based household projections show slower household growth from a lower starting point. However, there is considerable variation from authority to authority.

	Average annual growth 2011-21		2011 growth as % increase on 2008	
	Population	Households	Population	Households
2008-based projection	580	534	69%	-3%
2011-based projection	980	517		

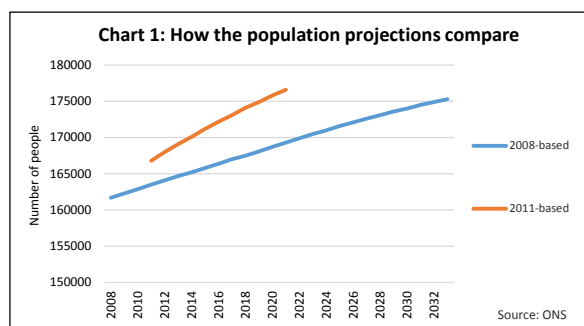


Table 1: Population projections						
	2011	2016	2021	2026	2031	
2008-based	163500	166400	169300	172100	174500	
2011-based	166800	172200	176600			

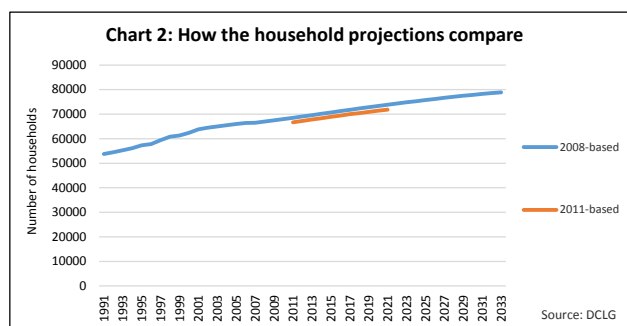


Table 2: Household projections									
	1991	1996	2001	2006	2011	2016	2021	2026	2031
2008-based	53783	57835	63819	66431	68543	71242	73885	76221	78245
2011-based					66684	69440	71855		

The differences between the 2008-based and 2011-based projections reflect early results from the 2011 census, although in some important areas trends from earlier projections have had to be used because the data to update them was not available.

## Changing household formation patterns

Perhaps the most surprising difference is the difference between the population and household projections where, for many authorities, the 2001-based projections suggest faster population growth but either slower household growth or household growth that has increased by much less than the population growth. This is due to significant changes in household formation patterns compared with what was anticipated in the earlier projections.

Charts 3 and 4 illustrate how household formation patterns have changed for the selected authority. Chart 3 shows the overall headship rate i.e. the number of households divided by the number of people living in households - a measure of the tendency to form households. For most authorities the tendency to form households was lower in 2011 than the 2008-projections had suggested and is projected to grow slower than in the latest projections. Chart 4 shows the headships rates for 25-34 year olds, the age group that has been most affected by the changing household formation patterns revealed by the 2011 census. For the vast majority of authorities the latest projections not only suggest that the tendency of this age group to form households was lower than previously expected in 2011 but that it will also fall over the period to 2021.

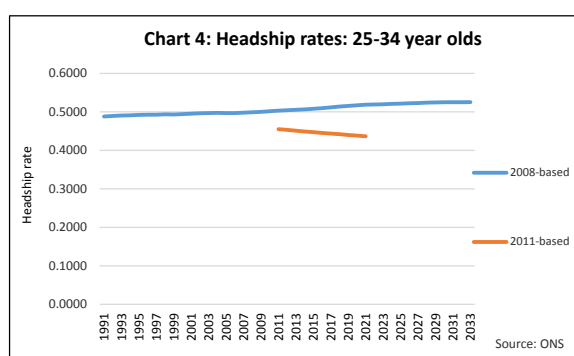
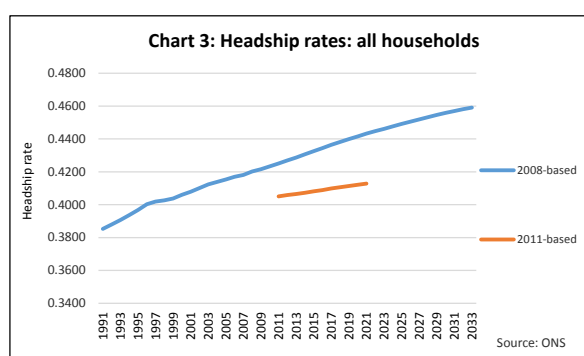


Table 3: Headship rates compared: all households									
	1991	1996	2001	2006	2011	2016	2021	2026	2031
2008-based	0.385	0.400	0.408	0.417	0.425	0.434	0.443	0.451	0.457
2011-based					0.405	0.409	0.413		

Table 4: Headship rates compared: 25-34 year olds									
	1991	1996	2001	2006	2011	2016	2021	2026	2031
2008-based	0.488	0.493	0.495	0.497	0.503	0.510	0.519	0.522	0.525
2011-based					0.455	0.445	0.437		

A key question facing those using the new projections is whether these trends in household formation rates are likely to continue. The RTPI report, 'Planning for housing in England: Understanding recent changes in household formation rates and their implications for planning for housing in England' (<http://www.rtpi.org.uk/spire>) discusses two reasons for this change:

- increased international migration, which tends to increase average household size as recent migrants tend to live in larger households than the rest of the population.
- a range of changes to how people have been living, including more adult children staying on with parents or sharing homes rather than living on their own.

## International migration

The international migration factor is more likely to have affected authorities with relatively large inflows of migrants. The table below give the average annual international migration flow into the chosen authority as a proportion of the total population in that period. The England average is about 1% so figures significantly above this might be thought large. In those cases it is likely to be worth exploring how international migration flows have changed over the last 20-30 years and the impact this may have had on the projections.

Average annual international migration 2001-11 as percentage of total population	0.47%
--	-------



### Making a judgement household formation rates

Ultimately a judgement needs to be made as to whether it would be prudent to plan on the basis of the projected changes in headships rates, which for most authorities envisage that the tendency of 25-34 year olds to form households will fall. If they do not fall as envisaged the result could be an under provision of housing. To inform this judgement it may be useful to estimate the consequences of assuming either that there is no further fall in headship rates or that headship rates move at least partially back towards the previous long term trend. This can give an indication of the range of outcomes that might occur.

### Projected flows between local authorities

The latest DCLG projections are based as far as was possible on the 2011 census results and as such provide the best available starting point for considering how household numbers and types might change in the future. However, in some areas it was necessary to use trend data from previous projections as the data needed to update those trends was not available from the 2011 census. This may have caused population changes to be either over or under-estimated in some areas. The most significant area for household growth is the projections of population flows between local authorities. For many authorities these flows are a major factor in population growth and small errors in the projected flows can have significant implications for the projected population growth. The following chart enable you to compare the projected flows in the 2008 and 2011-based projections with each other and the past flows. Where there are significant disparities these should be investigated.

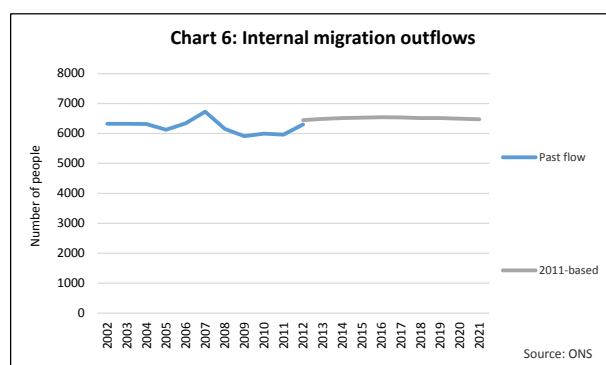
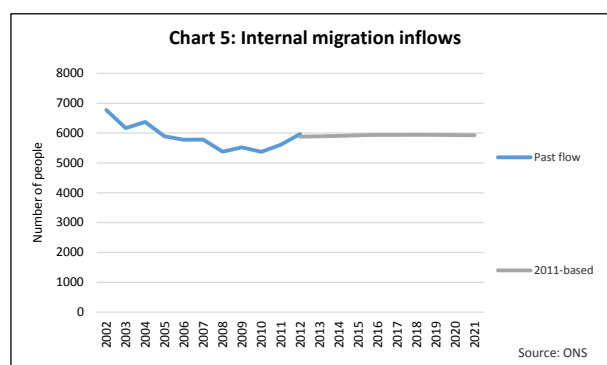


Table 5: Past and projected internal migration inflows

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Past flow	6774	6167	6372	5893	5773	5783	5379	5522	5371	5612	5969									
2011-based											5880	5894	5903	5923	5939	5941	5942	5939	5931	5924

Table 6: Past and projected internal migration outflows

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Past flow	6324	6325	6319	6125	6334	6728	6150	5910	5996	5961	6300									
2011-based											6446	6488	6515	6529	6543	6536	6518	6518	6496	6475

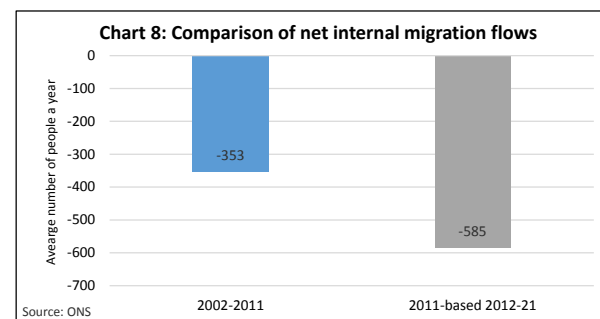
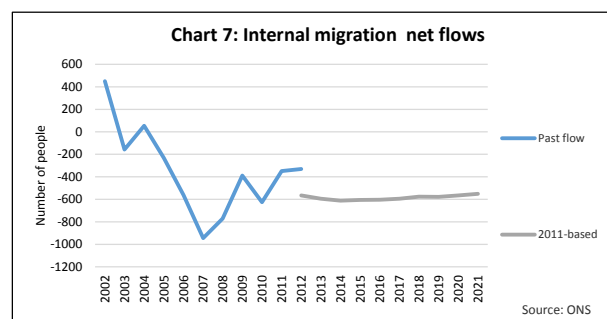


Table 7: Past and projected internal migration net flows

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Past flow	450	-158	53	-232	-561	-945	-771	-388	-625	-349	-331									
2011-based											-566	-594	-612	-606	-604	-594	-576	-579	-565	-551

Table 8: Average annual internal migration flows compared			
	In	Out	Net
2002-2011	5865	6217	-353
2011-based 2012-21	5922	6506	-585

### **Author**

This tool was prepared by Neil McDonald, a Visiting Fellow at the Cambridge Centre for Housing and Planning Research and previously Chief Executive of the National Housing and Planning Advice Unit

### **Disclaimer**

These spreadsheets seek to enable users to access ONS and DCLG data and projections easily and effectively. Every effort has been made to ensure that the ONS and DCLG data and projections are accurately reflected. Nevertheless it is possible for errors to creep into a complex spreadsheet such as this or for the spreadsheet to be inadvertently corrupted by the user. It is therefore recommended that users should check with the source data and the qualifications and caveats made by ONS and DCLG on their websites before placing reliance on the information contained in these spreadsheets. No liability can be accepted for errors.

**APPENDIX**  
**JD5**

**Barker Review, A Decade On;  
Home Builders Federation, March 2014**

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# Barker Review

*a decade on*

March 2014

## Introduction

The decade that has passed since Kate Barker conducted her Review of Housing Supply for the Government has seen a worsening in all indicators of housing affordability and the associated prospects for aspirational would-be homeowners. Despite the best efforts and intentions of successive ministers, the 10 years since the Review has ultimately been a lost decade in terms of addressing the shortcomings of the housing market. There can be no doubt that the housing crisis facing the country in 2014 is far greater than that discussed by Barker in 2004.

The Barker Review did have a major impact on the policy environment and framework for housing supply. In policy terms it was certainly the most significant report of the first decade of the new millennium, and probably the most significant review since the 1977 Housing Policy Green Paper, and it triggered a range of planning reforms and responses from the industry. However, its impact was undoubtedly overshadowed by the global financial chaos that followed in the years afterwards.

It is testament to the quality of Kate Barker's analysis and the soundness of her recommendations that almost 30 of the 36 recommendations were subsequently implemented by the Government or by industry, especially when considering that several recommendations not carried through by the Government that commissioned the review have subsequently been adopted – in some form – by the Government which came to power in 2010. Some other recommendations were soon after the publication of the report rendered irrelevant by changes to the structures or delivery mechanisms, such as the consistent reform of the English regional government system or the abolition of Public Service Agreements (PSAs).

The severe global recession that followed the implementation of these many reforms inevitably meant that they were extremely unlikely to bring about any sustained increase in house building rates. Indeed, the industry was near decimated by the recession that took hold in 2007-8. However, with what we know now, it is also very hard to see how the reforms of the 2004 system, even without the financial crisis, would alone have delivered the step-change in house building that was required in 2004 and is even more desperately needed in 2014.

One of the most valuable analyses conducted for the Barker Review was the consideration of affordability levels, the various possible objectives and the likely number of housing starts required to achieve each of these ambitions. These ranged from the government's plans at the time to reduce housing inflation to 2.4%, thereby merely reducing the rate at which households were being priced out, up to the most ambitious objective of 'improving the housing market'. A retrospective view of these targets and the actual level of housing supply delivered over the last decade, discussed below, paints a bleak picture. Whether it is because of the limits of the measures recommended and adopted, the impact of the economic turbulence that was to come or, most likely, a combination of the two factors with others thrown in, the crisis in housing supply has drastically worsened in the 10 years since Barker authored the Review of Housing Supply.

Meeting Barker's most optimistic objective of improving the housing market and pricing many more households back into the marketplace would have required an estimated 260,000 private housing starts per year. In 2014 we are now 1.45 million homes short of where we would have been had this been achieved, and the effect of this on housing affordability is nowadays the subject of daily

discussion, media reporting and concern for millions of mainly young people for whom the dream of home ownership is increasingly out of reach and for whom private renting is also very expensive. Even against the most modest of the objectives, the country is now 450,000 homes short of where it should be, with little prospect that the cumulative shortfall will be reduced any time soon. Meanwhile the middle of the three house price targets, to 'reduce the long-term trend' in house price inflation has been missed by just under a million homes and counting. To put this into stark context, that is the same number of homes in the Birmingham primary urban area (the City of Birmingham and surrounding local authority areas).

Barker's research was based on the fact that there would be around 179,000 households formed in each year in the years after 2004. The gravity of the situation today can be summed up by the latest projections of household formation which are now more than 40,000 households per year higher than the evidence used to inform her Review. By applying an equivalent proportional increase to the objectives set out in the Barker Review, we can now estimate that the most modest objective, that would merely see fewer households priced out each year, i.e. slowing down the rapid decline in affordability but not reversing it, would now require a sustained house building rate of 200,000 private housing starts per year. Meanwhile the target of 'improving the housing market' has never been further out of reach, likely requiring an average of 320,000 private housing starts per year.

For every year that these requirements are not matched by the granting of planning permissions and the laying of foundations, the country's affordability crisis deepens and prospects for future generations grow even gloomier.

Policy measures such as the Help to Buy Equity Loan, introduced in April 2013, have, in a very short space of time, proven to be incredibly powerful in boosting supply of new homes by ensuring that those households who would in the past have been able to obtain and service a mortgage are once again able to do so, but the longer term challenge is one of planning. As the economy recovers, some form of normality is restored and the country begins to seriously address the social and economic disaster that has quickly built up in this lost decade, the key challenge now is to address the long-term supply of permissioned land.

## Summary

### By 2004 the housing crisis was already building...

It is 10 years since the then Chancellor and Deputy Prime Minister commissioned the economist, Kate Barker, to conduct a review of housing supply and make recommendations to improve the functioning of the housing market

The review examined three scenarios for real house price trends ranging from slowing the rate at which households were being priced out to a long-term reduction of house price inflation:

**2.4% per annum**; the then government's target aimed at slowing the rate at which households were being priced out of the market. Private house building would have had to increase to 160,000 starts per year in order to achieve this  
**1.8% per annum**; to reduce the long-term trend. Private house building would have had to increase to 200,000 starts per year in order to achieve this  
**1.1% per annum**; the EU average at the time, it was considered that achieving this would 'improve the housing market'. Private house building should increase to 260,000 starts per year in order to achieve this

### Failure to implement development-friendly policies and the impact of the financial crisis has resulted in a lost decade...

Even against the most modest of these housing targets, which was met once, in 2005/6, the average annual shortfall has been 45,000 homes

Measured against the objective of improving the housing market, the average number of starts over the decade has been 145,000 per year down on the target figure of 260,000

Measured against the middle of Barker's three price inflation targets, **the shortfall of homes over the decade now stands at an estimated 953,000 homes**. This is on top of a backlog that was already large (estimated at between 93,000 and 146,000) – and growing – in 2004.

To put this into perspective, this is equivalent to:

The number of homes in Birmingham and surrounding areas<sup>1</sup>

Half of the Social Housing Waiting List in 2012/13<sup>2</sup>

The number of households in Latvia<sup>3</sup>

Even if the number of starts rose to 210,000 per year overnight, assessed against the middle objective of 'reducing the long-term rate of inflation', the country would be four and a half years behind where it was in 2004

<sup>1</sup> *Cities Outlook 2014*, Centre for Cities data on housing stock, based on information from 2012 for 64 'Primary Urban Areas'. Figures for the Birmingham urban area drawn from data from the local authority areas of Birmingham, Wolverhampton, Solihull, Walsall and Dudley

<sup>2</sup> DCLG Live Table 600

<sup>3</sup> UN Demographics Yearbook



The building of 953,000 homes would require around 0.17% of the available land in England.<sup>4</sup> Approximately 10% of England is classified as urban, with 1.1% used for domestic buildings

A decade on we are 1.45 million homes short of where Kate Barker projected would have brought about an improved housing market.

**But the situation now is even worse...**

Barker's research was based on an annual household formation rate of 179,000 for the period to 2011, and while this was largely borne out, the ONS now provisionally projects that 221,000 households will form in each year between 2011 and 2021

Applying the same proportional increase to the objectives and targets examined by Barker in 2004 presents a very gloomy picture for housing affordability in the future

A basic estimate would suggest that in order to achieve the very modest objective of slowing the increase in the affordability gap so that fewer new households are priced out of the market, 200,000 private housing starts are now required each year – a figure last achieved in 1972-73.

'Improving the housing market', would now require 320,000 private housing starts per year over a sustained period, a figure achieved in England in only four years since World War II.

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<sup>4</sup> Based on average density of new development in 2011, *Land Use Change Statistics in England 2011*, DCLG (19 December 2013)

## Background to the review in 2004

The Barker Review of Housing Supply, authored by economist, Kate Barker, was published on 17<sup>th</sup> March 2004. It had been commissioned a year earlier by the then Chancellor, Gordon Brown, and Deputy Prime Minister, John Prescott. Barker was commissioned to examine the operation of the housing market and address land and planning issues that contribute to market volatility and a lack of supply. The immediate background was the failure of housing completions to rise in the 1990s in response to the improved economic and demographic conditions, so that by 2001 completions had fallen to their lowest peace-time level since 1924; even lower than the trough experienced during the early 1990s recession.

Specifically, the remit included:

*'issues affecting housing supply in the UK, including competition, the capacity and finance of the house building industry, new technology possible fiscal instruments, the interaction of these factors with the planning system, and sustainable development objectives'.<sup>5</sup>*

In her Foreword to the resulting report, written as an open letter to the then Chancellor of the Exchequer and Deputy Prime Minister, the report's author noted that 'housing provision is often controversial and provokes strong reactions'. Barker also warned that 'a weak supply of housing contributes to macroeconomic instability and hinders labour market flexibility, constraining economic growth.'

The report considered a range of prospective objectives for housing completions based around reducing the real house price trend to varying rates around 2% per annum and then proposed 36 recommendations, exploring the role of planning, infrastructure, utilities as well as public land and customer satisfaction with new build homes.

Kate Barker was under no illusions about the scale of the task and the range of actors needed to play their part:

*'Delivering an adequate supply of housing requires action by all players: Government; the housebuilding industry; social housing providers; communities and local authorities.'<sup>6</sup>*

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<sup>5</sup> Budget Policy Note PN1: *Building a Britain of Economic Strength and Social Justice*, 9 April 2003

<sup>6</sup> Barker Review: Final Report, page 12

## Objectives and housing supply requirements

A better functioning housing market, it was argued, would require a reduction in the trend rate of real house price growth from the 2.7% that was seen in the 20 years before 2004.

Looking at 2002/3 and taking the gross 140,000 private sector starts in that year as a baseline, the Barker Review modelled three scenarios for reducing the trend rate in England, ranging from the pre-existing government plans for reducing the rate to 2.4% to (the then European average trend of) 1.1% in order to 'improve the housing market'.

Scenario	Real price trend	Additional private sector houses required p.a.	Average no. newly formed households priced into the market p.a.		Additional social sector houses required to 2011 p.a.
			2011	2021	
<b>Government plans</b>	2.4%	20,000	-5,000	-7,000	n/a
<b>Reducing the long-term trend</b>	1.8%	70,000	Nil	5,000	17,000
<b>'Improving the housing market'</b>	1.1%	120,000	5,000	15,000	21,000

(The Barker Review of Housing Supply)

Broadly, the three scenarios plotted by Barker range can be categorised as:

'Government plans': Slowing down the rate of increase in the affordability gap by increasing house building by 20,000 per annum on top of 2002-3 figures.

'Reducing the long-term trend': Halt the increase in the affordability gap and slowly make the market more affordable over a 20 year period by building an additional 70,000 homes per annum on top of 2002-3 figures.

'Improving the housing market': Begin the turnaround in affordability slippage within five years and make the market much more affordable over the long-term by building an additional 120,000 homes per annum on top of 2002-3 figures.

Achieving the desired improvement in the housing market would, it was asserted, require an additional 120,000 housing starts per year on top of the 140,000 in 2002/3, taking the annual total to 260,000. According to the Review's modelling, this scenario would see between 5,000 and 15,000 newly formed households priced into the market in each year between 2011 and 2021.

Even a more modest long-term reduction which would halt the deterioration in affordability levels and begin to price in newly formed households towards the end of the 2011-2021 period would have required 210,000 private sector housing starts per annum and 17,000 additional affordable homes per year.

### Assumptions

The modelling for the Barker Review was based on assumptions for household formation rates and household size projections that were available in 2004. The figures estimated that an annual net increase in households of 179,000 p.a. in each year between 2002 and 2011.

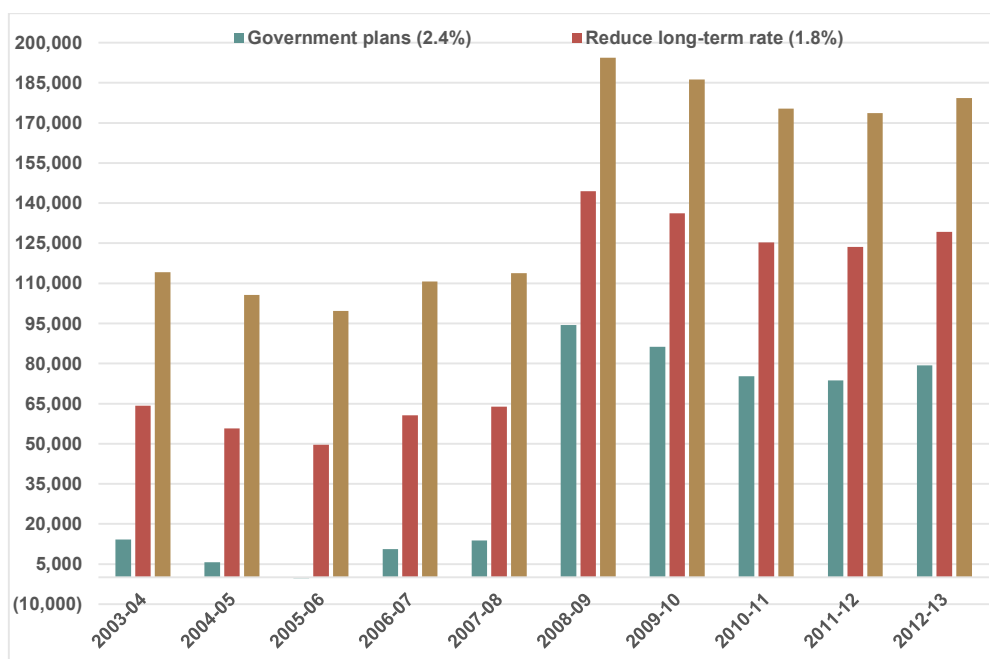
According to the Office for National Statistics (ONS) these estimates were broadly borne out by the formation rate recognised at the 2011 Census, though it is impossible to accurately measure the impact that housing undersupply in the years up to 2007, and the financial crisis and resulting tightening of the mortgage market in more recent years has had on actual household formation.

Recent figures from the ONS show that the number of people aged 20-34 living with their parents has increase by 790,000, to 3.35 million since the publication of the Barker Review, greatly accelerating a trend that had been in existence before 2004 but to nowhere near the same level. Indeed, since the beginning of the credit crunch the average annual increase in young adults residing with their parents has been 3.9% per annum compared with 1.4% per annum in the six years up to 2007.<sup>7</sup> In addition the rate of home ownership has fallen very sharply amongst households, and especially among those aged under 35.

## House building rates since 2004

As we have seen, the Barker Review's central objective was to provide recommendations on interventions and reforms with the aim of achieving between 210,000 and 260,000 new homes per year to 2021. In the 10 years since 2003, the lower target of 160,000 private starts per year has been achieved on just one occasion (2005-06). Even in 2005-06, the number of starts was 50,000 short of 'reducing the long-term trend' in real house price inflation and 100,000 short of the number required to improve the housing market, as defined by Kate Barker.

## Shortfall of housing starts against model scenarios, 2003-2013 (England)



The chart above shows the annual gap between actual private housing starts and the projections targeted by Barker under each of the three scenarios. On

<sup>7</sup> <http://www.ons.gov.uk/ons/rel/family-demography/young-adults-living-with-parents/2013/sty-young-adults.html>

average, over the decade and taking in both economically vibrant and depressed periods, the shortfall in the required number of starts compared with actual starts was:

- 45,000 homes per year short of the objective of slowing the rate at which housing was becoming unaffordable
- 95,000 homes per year short of the objective of halting the long-term trend and slowly making the market more affordable
- 145,000 homes per year short of the objective of improving the housing market

The failure to achieve the required build rate has been exacerbated by the recession which led to a single year fall of more than 55% in the number of private housing starts as mortgage finance seized up and confidence plummeted. By 2013 the cumulative shortfall against the level of output estimated to reduce the long-term real house price growth to between 1.1% and 1.8% had reached between 950,000 and 1.45 million, roughly four to seven years of the required supply. The table below illustrates this. Even the most modest objective of the

Year	Starts	Shortfall against Barker's modelled scenarios					
		Government plans to reduce to 2.4% trend (160,000 starts)		Reduce long-term rate (1.8% trend) (210,000 starts)		Improve the housing market (1.1% trend) (260,000 starts)	
		Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2003-04	145,800	14,200	14,200	64,200	64,200	114,200	114,200
2004-05	154,310	5,690	19,890	55,690	119,890	105,690	219,890
2005-06	160,320	(320)	19,570	49,680	169,570	99,680	319,570
2006-07	149,350	10,650	30,220	60,650	230,220	110,650	430,220
2007-08	146,160	13,840	44,060	63,840	294,060	113,840	544,060
2008-09	65,560	94,440	138,500	144,440	438,500	194,440	738,500
2009-10	73,770	86,230	224,730	136,230	574,730	186,230	924,730
2010-11	84,710	75,290	300,020	125,290	700,020	175,290	1,100,020
2011-12	86,350	73,650	373,670	123,650	823,670	173,650	1,273,670
2012-13	80,710	79,290	452,960	129,290	952,960	179,290	1,452,960

three – effectively to slow the rate of increase in affordability gap – was achieved just once, while the best that has been achieved against the target of actively improving the market saw a shortfall of 100,000 homes.

A decade on therefore from publication of a major government-commissioned report to address the pre-existing housing shortage, the country is now around half a million more homes short of where the pre-existing plans had projected we would be at prior to the Review taking place. Set against the objective of improving the housing market, the shortfall in the number of new homes over the 2004-2014 period represents the combined housing stock of Manchester, Liverpool and Bristol combined<sup>8</sup>, or of the number of households in the Republic of Ireland.<sup>9</sup>

<sup>8</sup> *Cities Outlook 2014*, Centre for Cities data on housing stock, based on information from 2012

<sup>9</sup> *Private households by Household Type, Measurement, Country and Year*, UNECE Statistical Division 2011

Even against the middle of Barker's three target scenarios, the country is now 953,000 homes short of a housing stock required to reduce the long-term rate of house price inflation and price households back into the market. This is the same number of homes as can be found in Birmingham and its surrounding area.

The 10 years that have passed since the Barker Review was published have seen the crisis intensify; in practice, despite the best of intentions, it has clearly proved a lost decade. The table below shows the extent to which the country has fallen behind in correcting market and regulatory failure in the housing market. Should supply factors be addressed to such an extent that 160,000 private starts could be achieved, in order to address the cumulative shortfall, 2.8 years' worth of supply would be needed overnight to address the backlog and effectively start again at the 'square one' that Barker began from. Even if this rose to 210,000, an additional 2.2 years' worth of the same supply would be necessary to reinstate the kind of conditions seen in 2004.

Scenario	Cumulative shortfall	Years of supply at given annual build rates (total private homes p.a.)			
		80,000 starts (2012-13)	160,000 starts	210,000 starts	260,000 starts
Government plans	453,000	5.7	2.8	2.2	1.7
Reduce long-term rate	953,000	11.9	6.0	4.5	3.7
'Improve the market'	1,453,000	18.2	9.1	6.9	5.6

## Recent research on household formation and its impact on Barker's suggested objectives

Official statistics released in April 2013 projected an increase in household formation of 221,000 households per year between 2011 and 2021.<sup>10</sup>

This represents a 42,000 increase on the annual household formation rates experienced in the decade 2001-2011, a 23.5% rise. If accurate, the decade 2011-21 will see the biggest increase in household numbers of any decade since. The table below applies this increased demand to the house building rates put forward by Barker to provide an estimate of the housing starts required to meet the three objectives offered in her report.

	Required housing starts	
	2004 estimate	2013 estimate
Government's plans: slowing the increase in affordability gap	160,000	200,000
Reducing the long-term trend in house price inflation	210,000	260,000
Improving the housing market	260,000	320,000

<sup>10</sup>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/190229/Stats\\_Release\\_2011FINALDRAFTv3.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190229/Stats_Release_2011FINALDRAFTv3.pdf)

The cumulative shortfall in housing starts and completions over the last decade and the interconnected demographic pressures mean that each of the objectives discussed in Barker's final report would require a substantial increase in housing output compared with what was suggested in 2004.

The 2004 target figure for this objective was 260,000 – this is now the same amount that would be estimated to be required in each year in order to achieve the less ambitious objective of 'reducing the long-term trend in house price growth'.

Indeed, even the most modest objective discussed in the 2004; reducing trend house price inflation to 2.4% p.a. could now require 200,000 private starts in each year over a sustained period, a level of overall house building only achieved once in the last 35 years – way back in 1972-73.

## Annex A - Barker Review recommendations

Kate Barker made 36 recommendations to Government, regional and local bodies and the house building industry. Not all were taken forward and many others have since been overtaken by broader reforms such as the abolition of regional government and regional planning.

**Recommendation 1:** Government should establish a market affordability goal. This goal should be incorporated into the PSA framework to reflect housing as a national priority.

**Status:** Introduced in full by 2008

Public Service Agreements (PSAs) were introduced by the previous Labour Government with departments set targets according to their own policy objectives. In 2008 the framework was reformed to introduce 30 cross-governmental PSAs underpinned by 'Departmental Strategic Objectives'.

By the time that PSAs were abolished by the Coalition Government, a PSA had been introduced aimed at increasing housing supply:

*PSA 20: Increase long term housing supply and affordability*

In autumn 2009, the government had assessed performance against this target as demonstrating 'strong progress'.

**Recommendation 2:** Local authorities should use their powers to charge more for second homes to improve efficiency of the use of stock

**Status:** Introduced in part in 2004 and in full in 2013

In 2003 Council Tax rules previously meant that second homes and long-term vacant properties qualified for a discount of 50%. The then Government then gave local authorities the discretion to reduce the discount to as low as 10%.

The current government has since given authorities the power to charge second home owners full rate Council Tax. This measure, introduced as part of the wide-ranging Local Government Finance Act 2012, came into effect in April 2013.

**Recommendation 3:** Further research should be undertaken to improve the evidence base for housing policies, for example on the relationship between housing, economic growth and deprivation at a micro level.

**Status:** Introduced in full in 2006.

The National Housing and Planning Advice Unit (NHPAU) was established in 2006 with the aim of advising the government on the impact on affordability of planned housing provision, and it produced a range of valuable research reports. The NHPAU was abolished in June 2010. We have no comparable source of research and evidence.

The Spatial Economics Research Centre (SERC), based at the London School of Economics (LSE), was established in 2008 and brings together researchers from across the country to extend understanding as to why some regions, cities and communities prosper while others do not. A major strand of the Centre's work is on housing and land markets. The centre is funded through grants from the Economic and Social Research Council, Department for Business, Innovation and Skills (BIS), the Welsh Assembly Government and (between 2008 and 2011) the Department for Communities and Local



Government. SERC's work has, in recent times, focused considerably on housing costs and price volatility and how supply constraints contribute to these factors.

**Recommendation 4:** Government should establish a review of the housing market to report in no more than three years' time. The purpose of this review would be:

- to measure Government's progress in implementing the recommendations set out in this Report; and
- to assess progress towards achieving a more flexible housing market and to identify any further obstacles.

**Status:** Not introduced

In its official response the Government reported that it would 'continue to monitor progress in achieving a more flexible housing market'. No formal review took place.

**Recommendation 5:** Each region, through the Regional Planning Body, should set its own target to improve market affordability.

**Status:** Not formally introduced; Government Office Regions abolished in 2011; Local Plans, introduced through the National Planning Policy Framework in 2012, are required to 'take account of... affordability

**Recommendation 6:** The Regional Planning Bodies and Regional Housing Boards should be merged to create single bodies responsible for managing regional housing markets, delivering the region's affordability target and advising on distributing resources for social housing. These Regional Planning and Housing Bodies (RPHBs) would continue to be responsible for the Regional Spatial Strategy (RSS) and the integration of housing with other regional functions.

**Status:** Regional Planning Bodies and Regional Housing Boards were merged in 2006 and abolished in 2011

**Recommendation 7:** Government should set out technical guidance, accompanying a revised Planning Policy Guidance 3 (Housing), on determining the scale and allocation of housing provision at the regional level to ensure that methodologies reflect a full consideration of the economic, social and environmental costs and benefits of housing at the regional and local level.

**Status:** Introduced in 2006

The National Housing and Planning Advice Unit (NHPAU) was established in 2006 and asked to develop a single methodology. The NHPAU was abolished in June 2010 and regional planning was abolished in 2011.

**Recommendation 8:** Government should set out guidance on the composition of Regional Planning and Housing Bodies.

**Status:** Not introduced. Government Office Regions were abolished in 2011

**Recommendation 9:** Local plans should be more realistic in their initial allocation of land, and more flexible at bringing forward additional land for development. When allocating land sufficient to meet their targets for additional dwellings, local authorities should allow for the proportion of sites that prove undevelopable, often as a result of site-specific problems. In drawing up their plans, local authorities should identify their own historic shortfall and allocate an equivalent amount of land to fill this implementation gap.

**Status:** Introduced in 2006

Planning Policy Statement 3 (PPS 3), published in 2006, instructed local authorities to establish a five year supply of land for residential development in accordance with the needs of the area. This was underpinned by a Departmental Strategic Objective for 90% of authorities to have a five year land supply by 2011. A survey in 2010 found that just over 60% of councils had identified a five year supply.

The National Planning Policy Framework, published in 2012, superseded previous planning guidance and policy statements. It said that local authorities should identify and update annually a 'supply of specific deliverable sites' for five years' worth of housing supply with an additional 5% buffer. In local authority areas in which there has been a record of persistent under-delivery of housing, planning authorities should increase the buffer to 20% 'to provide a realistic prospect of achieving the planned supply'.<sup>11</sup>

**Recommendation 10:** Planning guidance should be amended to advise regional and local planning authorities on assessing the value of land to society. This would enable planners to take account of the relative values that society places on different types of land use when allocating land in local development frameworks, recognising the inevitable difficulties with interpretation of this data. The general principle of containing urban sprawl through greenbelt designation should be preserved. However, planning authorities should show greater flexibility in using their existing powers to change greenbelt designations where this would avoid perverse environmental impacts elsewhere. Any change in the designation of greenbelt land should require a strong evidence base, taking full account of the value that society attaches to different types of land use in an area.

**Status:** Introduced in 2006

Planning Policy Statement 3 (PPS 3) highlighted how Sustainability Appraisals could prove effective in considering the economic, social and environmental costs and benefits of development options. The NPPF reiterated that changes to Green Belt boundaries should be the result of transparent a transparent review of a Local Plan and only be altered in 'exceptional circumstances'.

**Recommendation 11:** Housing developments differ in their nature. It is not appropriate to apply the same development control process to all developments. The Government should introduce two additional routes for developers to choose between, when applying for planning permission:

- Outline only route – applicants would put forward an outline application which contained more detail than is currently required. Local councillors would grant outline permission, but the granting of outline permission would mark the end of both the formal consultation process and of councillors' involvement. Any outstanding issues or reserved matters would be dealt with by planning officers.
- Design code route – applicants would put forward a proposal for development supported by a design code. Local councillors would satisfy themselves that the code had been drawn up in accordance with planning guidance on both design and community consultation and, if so, would adopt a Local Development Order (LDO) to cover the identified site. This would automatically waive the need for permission to be granted. Planning officers would then monitor to ensure that the conditions set out in the code were met.

<sup>11</sup> *National Planning Policy Framework*, Paragraph 47

**Status:** Not formally introduced

Whilst some Local Planning Authorities trialled design code led development and results were generally good with swifter approval processes, such practice is by no means widespread.

**Recommendation 12:** Government should take a rigorous approach to revising PPG3. Future revisions should be grounded in an evidence base and should be subject to scrutiny from a panel of housing and planning stakeholders, including the development industry. Restrictions on development should have an identifiable and evidenced benefit that outweighs their costs.

**Status:** Adopted

PPS3 was published in 2006, subsequently replaced by the NPPF in 2012. The first draft of the NPPF was produced with the input of a practitioners group which included developers and planning professionals.

The NPPF's presumption in favour of sustainable development addresses the need to evidence and identify any restrictions on development.

**Recommendation 13:** Government should allow Regional Spatial Strategies to deviate from PPG 3 where there is clear evidence to support a different approach within the region. While the agreement of the Secretary of State should be essential, it should only be possible for Government to reject an application to deviate on the grounds that the evidence is not strong enough.

**Status:** Introduced in 2006 through PPS3, regional planning abolished in 2011.

**Recommendation 14:** PPG3 should be revised to require local planning authorities to be realistic in considering whether sites are available, suitable and viable. Any site which is not available, suitable and viable should be disregarded for the purposes of the sequential test.

**Status:** Introduced in 2006 through PPS3. These principles were strengthened as part of the NPPF.

**Recommendation 15:** Government should assess whether consideration of appeals levels in the distribution of Planning Delivery Grant could help correct the potential perverse incentive for local planning authorities to reject planning applications in order to meet their performance targets. In future, the PDG should take greater account of outcomes, as well as processes.

**Status:** Introduced in 2005; the grant was replaced in 2008 by the joint Housing and Planning Delivery Grant in 2008 and in 2011 by the New Homes Bonus

In 2005 the Government introduced a measure of abatement into the PDG for authorities whose performance on defending appeals was poor. It was replaced in 2007/8 by the Housing and Planning Delivery Grant (HPDG) which introduced an element of performance-related grant for net housing additions.

In 2011 the new Coalition Government replaced HPDG with the New Homes Bonus which, it was argued, is more simple and transparent. The effectiveness of New Homes Bonus as a pro-development incentive is currently being evaluated by DCLG. In the 2013 Autumn Statement Treasury proposed withholding NHB from sites won on appeal.

**Recommendation 16:** In order to allow local planning authorities to focus on key development decisions, resources need to be released or strengthened. This could be achieved in a number of ways:

- a) Government should review the scope to increase the range of permitted development rights for householder applications, whereby certain types of development are allowed to proceed without planning permission.
- b) In the meantime, local authorities should bear in mind their power to vary these rights, once the Planning Bill has become law, through establishing Local Development Orders.
- c) Government should also consider increasing planning fees if additional resources are necessary.
- d) When dealing with large-scale developments, local planning authorities should follow existing best practice and form dedicated project teams, bringing together key public sector stakeholders.
- e) Where it is not practicable for authorities to develop the capacity necessary to manage large-scale developments, they should have access to additional planning and legal expertise or resources. This could be achieved through the Planning Advisory Service developing a team of 'trouble-shooters'.

#### Status

- a) Permitted development rights were increased in 2008 through an amendment to the Town and Country Planning Act 1990. A further major expansion of householders rights took place in 2013.
  - b) The Planning and Compulsory Purchase Act 2004 which took effect from 2006 included provisions on Local Development Orders
  - c) Planning fees were increased by an average of 39% in 2005. Fees have increased several times since then including a one-off average annual increase of 15% in 2011/12. In 2010 the Government consulted on local fee setting but decided against taking this measure forward
  - d) In 2008 the Government published guidance on Planning Performance Agreements in conjunction with the Advisory Team on Large Applications (ATLAS)
  - e) ATLAS was created as an arm of the Planning Advisory Service using additional funding to English Partnerships
- More generally, local planning authorities are seriously under-resourced and house builders encounter protracted delays as a result. No measures are currently in place to boost LPA resources or manpower.

**Recommendation 17:** Central government funding settlements for local authorities should be made more forward looking. The Government should include in its calculations of Formula Spending Shares a variable to reflect expected housing growth in an area, drawing on housing targets set by the reformed regional planning process.

**Status:** Introduced in 2005

In July 2005 the Government announced that the move to three year settlements would include the use of projections of changes in populations and the council tax base

**Recommendation 18:** Building on the broadly positive response to its Local Authority Business Growth Incentive proposal, the Government should consider ways of incentivising local authorities to meet housing growth targets. One way would be to disregard, for a period of possibly up to three years, some or all of the council tax receipts generated by new housing from the calculation of a local authority's grant allocation. This additional revenue should not be ring-fenced.

**Status:** Introduced in part in 2011

In its formal response to the Barker Review recommendations the then Government cited the Planning Delivery Grant as the means of achieving a strong incentive for housing growth. In 2011, the Coalition Government replaced the reformed PDG with the New

Homes Bonus which provided a payment to local authorities for each net addition to the local housing stock based on the national average Council Tax bill.

**Recommendation 19:** All Government Departments and agencies should assess the demands implied by the Government's housing targets in their spatial planning and funding decisions. Departments' contributions to meeting ODPM's housing targets should be recognised within their own priorities, including Public Service Agreements.

**Status:** Not introduced

In the 10 years since the Barker Review there have been numerous announcements and targets have been set for releasing the surplus public sector land that is owned by Whitehall departments. Looking beyond surplus land, a lack of integration across Whitehall has hampered the delivery of sites all over the country. In particular, the failure to provide necessary infrastructure improvements has held back development in many cases.

**Recommendation 20:** To minimise delays to development, infrastructure providers, such as the Highways Agency and water companies, should be involved from an early stage in developing both the regional spatial strategy and the local development plan.

**Status:** Introduced in 2005

The Highways Agency (HA) became a major statutory consultee in the development of Regional Spatial Strategies. Under the new regime, the HA must report to the DCLG on its performance in responding to planning applications. In its most recent report the HA reported that 99.6% of responses were within 21 days of receiving the application. At the Autumn Statement in December 2013, the Government announced that it would consult on proposals 'to reduce the number of applications where unnecessary statutory consultations occur and pilot a single point of contact for cases where conflicting advice is provided by key statutory consultees.'<sup>12</sup>

**Recommendation 21:** English Partnerships (EP) should have a lead role in delivering development through partnering with public and private sector bodies in assembling complex sites, masterplanning, remediating land and developing supporting infrastructure. At the same time, Government should provide greater certainty as to the principles by which EP would, or would not, intervene, so as to avoid crowding out private sector activity, or stunting the development of new markets. Devolved administrations may wish to assess the roles of their own housing and regeneration agencies in the context of this Review's recommendations.

**Status:** Introduced

English Partnerships took on a more strategic role in bringing forward development on surplus public sector land and brownfield prior to its merger with the Housing Corporation and functions of the Department for Communities and Local Government in 2008. The new unified housing and regeneration agency, the Homes and Communities Agency (HCA) became operational in December 2008 and has gradually adopted a larger role in the assembly and disposal of public sector land. It is now responsible for disposal of almost all central government departments' surplus land.

<sup>12</sup> *Autumn Statement 2013*, page 103

**Recommendation 22:** A Community Infrastructure Fund (CIF) of £100-200 million should be established within ODPM. Regions should be encouraged to submit bids for support towards the up-front costs of medium-sized utilities and transport infrastructure schemes, which would bring forward otherwise unviable development. Bids for support towards gap funding schemes, such as the ringmaster approach for transport infrastructure, should be particularly welcome. In these instances, Government should seek to operate clawback mechanisms where this is practicable.

**Status:** Introduced in 2005

The Government announced at the 2004 Spending Review that a new £200 million Community Infrastructure Fund would become operational in 2005. Two rounds of funding were made before the new Government established a Local Infrastructure Fund at the Autumn Statement 2012. Initially worth £474 million, the Chancellor increased the Government's commitment at the 2013 Autumn Statement to extend the initiative to £1bn aimed at unlocking 250,000 homes over six years.

The Community Infrastructure Levy, introduced in 2011, gave local authorities the power to levy a charge on new developments in their area in order to raise money for infrastructure funding.

**Recommendation 23:** Central and regional government should be more strategic in its use of area-based special purpose vehicles to deliver housing development. Where problems of land acquisition, servicing and infrastructure provision are identified through the regional planning process, Government should engage with English Partnerships to identify the most appropriate vehicle for delivering development. Greater use should be made of both UDCs and New Towns, taking advantage of their ability to deliver both additional housing and the infrastructure necessary to support it.

New guidance on the circumstances to which different vehicles are most suited, and on using compulsory purchase powers, should be included in the proposed delivering development toolkit.

**Status:** Not formally adopted.

Since the Barker Review was published two active Urban Development Corporations (UDCs) have concluded their activities in Thurrock and in London Thames Gateway (covering 'London Riverside' and Lower Lea Valley). West Northamptonshire UDC is due to be wound down in April 2014. The London Legacy Development Corporation, is a Mayoral Development Corporation for the Olympic Park in Stratford set up using new powers bestowed upon the Mayor in the Localism Act 2011.

In advance of the 2014 Budget, the Chancellor, George Osborne, announced that the Government will establish a UDC to overcome the barriers to development in the planned 'Ebbsfleet Garden City'.

The Planning and Compulsory Purchase Act 2004 provided clarification on the use of compulsory purchase powers and the Planning Act 2008 was further intended to speed up the planning process for major infrastructure projects.

**Recommendation 24:** Section 106 should be reformed to increase the certainty surrounding the process and to reduce negotiation costs for both local authorities and developers. If the Government accepts the recommendations outlined in Chapter 4 concerning the capture of development gains:

- Section 106 should be 'scaled back' to the aim of direct impact mitigation and should not allow local authorities to extract development gain over and above this, except as indicated below. ODPM should issue guidance, or new legislation, to this end.
- Section 106 should retain its current affordable and/or social housing requirements as set out in Circular 6/98, and other specific regional guidance.
- Local authorities should receive a direct share of the development gain generated by the Planning-gain Supplement in their area, to compensate for a reduced Section 106. Local authorities should be free to spend this money as they see fit. This share should at least broadly equal estimates of the amount local authorities are currently able to extract from Section 106 agreements.

If the Government decides to maintain the current fiscal framework as it is, then it should press ahead with the Section 106 reforms, on which it has recently consulted, that aim to introduce an optional planning charge in place of a negotiated agreement. However, this would be second best and leaves open the possibility of prolonged and costly Section 106 negotiations for large developments.

**Status:** Introduced in a form in 2011

At the end of 2005 the Government consulted on the introduction of a Planning Gain Supplement as recommended by Barker. The Planning Gain Supplement (Preparations) Act 2007 allowed for preliminary preparations but the lack of widespread support, the industry's inability to design a workable PGS, and the worsening economic environment meant that PGS was not implemented.

By October 2007 the Government announced that it now favoured a levy on development to secure contributions from developers. The Community Infrastructure Levy (CIL) was legislated for through the Planning Act 2008. This was followed by implementing regulations in April 2010. Its future was thrown into doubt as the Conservatives, the lead partner in the new Coalition Government had previously stated that it would scrap CIL. By November 2010 the new Government indicated that it would press ahead with a reformed CIL. CIL was therefore finally confirmed in law at the passage of the Localism Act 2011.

**Recommendation 25:** Government should consider the extension of the contaminated land tax credit and grant scheme to land that has lain derelict for a certain period of time. This should be done on the basis that extra public money levered into the market through such a scheme would encourage genuine new investment in brownfield remediation, and not simply subsidise development that would take place in any case.

**Status:** Not introduced

The Government consulted on an extension of the tax credit but announced at the Budget 2006 that extending it to long-term derelict land was not possible to do in a cost effective way. The Treasury instead reiterated its commitment to redeveloping brownfield land.

**Recommendation 26:** Government should use tax measures to extract some of the windfall gain that accrues to landowners from the sale of their land for residential development. Government should impose a Planning-gain Supplement on the granting of planning permission so that landowner development gains form a larger part of the benefits of development.

**Status:** Not introduced

This was considered as part of the consideration of the introduction of a Planning Gain Supplement that was not taken forward after 2007.



**Recommendation 27:** The provision of social housing should be increased. At least 17,000 additional houses are required each year compared with current provision to keep up with demographic trends. Addressing the backlog of housing need would raise this to 23,000 per annum (assuming substitution from sub-market to market housing, as market affordability improves). Based upon current costs of provision, additional investment building up to £1.2 to £1.6 billion per annum would be needed to support this expansion, not all of which will be from Government.

**Status:** Adopted

Government expenditure on affordable housing increased during the period 2004-2009. The Coalition Government introduced a new Affordable Rent product in 2011 and the majority of the latest Affordable Housing Programme is available through this product. The 2015-18 programme aims to increase the supply of new affordable homes in England by making a contribution to the delivery of 165,000 in the three year period through investment of £1.7 billion.

**Recommendation 28:** Government should continue to explore the scope to achieve both greater RSL efficiency and higher funding through debt finance, to increase the level of housing through the most cost effective means.

Various reforms to housing association financing have taken place over the last decade. In recent years, following the reduction in public grant available and the drying up of traditional long-term bank finance, Registered Providers have increasingly explored options such as retail bonds. Places for People was the first to launch such a bond in 2012 with its 10 year inflation linked bond. In October 2013, the housing association A2Dominion followed suit.

**Recommendation 29:** Government should explore moving to an alternative scheme to Right to Buy and Right to Acquire, which is provided at lower cost and enables greater recycling of revenues to increase the social housing stock.

**Status:** Introduced in part in 2012

The current government introduced an increase in Right to Buy discounts for council tenants in 2012. This increased the discount cap to £75,000, accompanied by a new measure to ensure that each home sold is replaced by another new home for affordable rent.

**Recommendation 30:** Government should deliver its proposals to promote greater interaction between institutional investors and the residential property market, through the introduction of tax transparent property investment vehicles.

**Status:** Introduced in part

Over the last 10 years successive governments have considered the potential of institutional investment in the private rented sector. A discussion paper on the creation of Real Estate Investment Trusts (REITs) was published in 2005. The most recent and significant contribution to this debate was Sir Adrian Montague's report in August 2012. *The Review of the Barriers to Institutional Investment in Private Rented Homes* made a series of recommendations. This led to the 2012 Autumn Statement announcement of £200m equity finance for the building of private-sector rented housing, subsequently increased to £1bn because of the level of interest. The Treasury also announced a £10bn loan guarantee fund for Affordable Housing and private rented housing.



**Recommendation 31:** Planning Policy Guidance 3 (Housing) should require local planning authorities to have regard to the impact on competition when allocating sites in their Local Development Frameworks. For example, if there is a choice between allocating a number of small sites or a single large site for development, competition considerations would favour a larger number of smaller sites.

When granting planning permission on large sites, local planning authorities should discuss build out rates. To encourage faster build-out, planning authorities should use their discretion in setting time limits on planning permissions and seek to agree an expected build out rate, as a condition of planning permission. If the rate of build-out has not increased appreciably by 2007, subject to conditions in the housing market, Government should review all available policy options to address this issue.

**Status:** Not introduced

**Recommendation 32:** The housebuilding industry must demonstrate increased levels of customer satisfaction:

- The House Builders Federation should develop a strategy to increase the proportion of house buyers who would recommend their housebuilder from 46 per cent to at least 75 per cent by 2007. Over the same period, levels of customer satisfaction with service quality should rise from 65 per cent to at least 85 per cent.
- The House Builders Federation should develop a code of conduct by the end of 2004 for new house sales in full compliance with the framework provided by the Office of Fair Trading's Consumer Codes Approval Scheme. The code of conduct should require fair contracts complying with the Unfair Terms in Consumer Contracts Regulations 1999.

If progress is unsatisfactory, or if consumer satisfaction levels do not rise substantially in the next three years, the Office of Fair Trading should conduct a wide-ranging review of whether the market for new housing is working well for consumers.

**Status:** Introduced in full in 2006

The Home Builders Federation introduced a Customer Satisfaction Survey in 2005 and the first results were published in 2006. The survey is undertaken by NHBC and has subsequently been extended to cover the whole industry, not just HBF members. Industry results are published annually, as are customer satisfaction Star Ratings for HBF member companies. Since its inception the Customer Satisfaction Survey has shown year on year improvements in customer satisfaction rates, so that in the latest results (covering 2012-13), 90% of home buyers said they would recommend their home builder to a friend and the same proportion were satisfied with the overall quality of their home.

The industry developed a Code of Conduct which was formally introduced in 1<sup>st</sup> April 2010.

Although the industry introduced a customer satisfaction survey and Code of Conduct, the OFT carried out a market study of the home building industry. The final report was published in 2008.

**Recommendation 33:** The House Builders Federation, in conjunction with NHBC, ConstructionSkills and other interested parties, should develop a strategy to address barriers to modern methods of construction. This strategy should be developed to fit alongside existing initiatives, working closely with Government to identify further measures that can be taken. A range of approaches should be explored, in particular actions by industry, and changes to NHBC policy and practice, as well as representations to Government on areas such as changes to building regulations.

**Status:** HBF led a project to follow up on this Recommendation, involving all the key parties. It produced a report which analysed the issues and concluded in essence that the barriers to greater uptake first and foremost stemmed from the lack of a sufficient assured

volume of housing supply (largely due to planning-related constraints) which meant that the potential economies and scale of MMC could not be achieved in practice. There were also recommendations on a range of other issues, including skills.

**Recommendation 34:** CITB-ConstructionSkills and the House Builders Federation should work together to develop a strategy for substantially increasing the take-up of apprenticeships from the current level of three apprentices per 100 workers, to bring the UK to the levels of leading international comparators, such as the Netherlands and Germany. The development of this strategy should also explore whether the appropriate number and range of courses exist, and whether housebuilders are investing sufficiently in their own workforce training, as well as addressing the skills needed for modern methods of construction. In the short term, Government should consider increasing support for skills in the construction sector, alongside any increases in the training levy. If skills constraints are not adequately addressed by March 2007, Government should conduct a review of the effectiveness and impact of CITB-ConstructionSkills in the housebuilding industry.

**Status:** Introduced in part but affected by the recession

HBF investigated these issues in the months after the Barker Review and commissioned Professor Michael Ball to report on whether the house building industry would have the capability to expand its skilled workforce to meet the objective of building more than 200,000 homes per year. Professor Ball's report, *The Labour Needs of Extra Housing Output*, published in 2005, estimated that each new dwelling creates 1.5 direct house building jobs, meaning that an output level of 250,000 homes per year would require a workforce of 375,000

HBF launched several initiatives with its Major Home Builders Group to run new apprenticeship pilots and adopted the Qualifying the Workforce (QtW) Initiative, amongst others. The QtW scheme has proven very successful and is still in operation.

Apprenticeship schemes and employment in the industry generally were very badly affected by the recession but the turnaround over the 12 months means that the industry is looking once again to rapidly expand its workforce and HBF is currently working with partners and members on the development of a new skills strategy

**Recommendation 35:** The industry should work together with CABI to agree a code of best practice in the external design of new houses. Where planners and housebuilders disagree on specific design issues, they should seek arbitration, possibly through CABI, to resolve these matters.

**Status:** Introduced between 2003 and 2007

HBF worked with CABI and Design for Homes to develop the Building for Life Guide (now the Building for Life 12 Guide)<sup>13</sup> as an industry standard, endorsed by government, for well-designed homes and neighbourhoods. Its focus is much wider than on external design of individual dwellings, covering transport links and connections with existing neighbourhoods, way-finding and amenity space as well as character and context. Building for Life 12 demonstrates the favoured approach of an industry-owned means of promoting good urban design.

The genesis of Building for Life predates the Barker Review but the recommendations in 2004 led to an acceleration in adopting its principles and Building for Life was used as the basis for the first national audit of housing design quality during the period 2004 to 2007. It is now the accepted standard for central government, many local authorities and housing associations.

<sup>13</sup> <http://www.designcouncil.org.uk/knowledge-resources/building-life-12>

**Recommendation 36:** The House Builders Federation, in consultation with its members, should draw up a best practice guide for voluntary compensation schemes to directly compensate those immediately affected by the transitional effects associated with development. This might include cash payments to individual households.

**Status:** Not introduced

Industry and government were cautious about implementing and the recommendation was not therefore taken forward. In January 2013 the Government announced that local communities would directly receive between 15 and 25% of CIL revenues collected by local authorities. In a proposal put forward in the National Infrastructure Plan in December 2013, the Government said it would develop a pilot that sees a share of the “development benefits” passed directly to individual households.



## About HBF

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's members account for around 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national, household names through regionally based businesses to small local companies.

## Contact us

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home building  
industry”*

# APPENDIX 14

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# **OBJECTIVE ASSESSMENT OF HOUSING NEED (OAHN)**

**TELFORD AND WREKIN**

**SEPTEMBER 2016**



**OBJECTIVE ASSESSMENT OF HOUSING NEED**  
**TELFORD AND WREKIN**

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## EXECUTIVE SUMMARY

- i. This Objective Assessment of Housing Need (OAHN) for Telford and Wrekin has been prepared by Barton Willmore LLP on behalf of Gladman Developments Limited. The study complies with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) requirements regarding the full Objective Assessment of Overall Housing Need (OAHN).
- ii. The assessment contained within this report provides an update to a previous Barton Willmore OAHN assessment published in March 2016. This September 2016 update has been produced to take account of:
  - the ONS 2014-based SNPP (published 25 May 2016);
  - the accompanying CLG 2014-based household projections (published 12 July 2016);
  - the ONS 2014 and 2015 Mid-Year Population Estimates which also allow for an updated 10-year migration trend;
  - new approaches to sensitivity testing an adjustment to household formation rates;
  - a new approach to projecting economic activity;
  - an update to market signals, in particular affordability;
  - the Council's March 2016 affordable housing needs assessment; and
  - to consider OAHN for Telford and Wrekin under the proposed Local Plans Expert (LPEG) recommendation for assessing housing need.

### Local Plan Housing Policy and Housing Need Evidence Base

- iii. Telford and Wrekin Council submitted the Local Plan for examination in June 2016. The submitted Plan contains a dwelling requirement for 15,555 dwellings over the plan period (2011-2031) which equates to 778 dwellings per annum. This level of growth is above the objectively assessed housing need (OAHN) for 9,940 dwellings (497 dwellings per annum) over the same period as identified in the Telford & Wrekin Objectively Assessed Housing Need report (March 2015) undertaken by Peter Brett and Associates (PBA).
- iv. The March 2015 OAHN report seeks to follow the guidance outlined in NPPF and PPG for assessing overall housing need. The report takes account of the 2012-based Sub National Population Projections (SNPP) published by the Office for National Statistics (ONS) and the accompanying 2012-based household projections published by the Department for Communities and Local Government (CLG) as the starting point estimate, which were the latest available at the time of the assessment. However, since the publication of the March 2015 OAHN report the 2014-based SNPP and accompanying household projections have been published, which provide a new starting point estimate of housing need.

- v. The March 2015 OAHN report identifies that the 2012-based SNPP are not a prudent population projection on which to plan given they are based on migration trends captured over a recessionary period. For this reason alternative demographic-led scenarios are presented and an OAHN for Telford and Wrekin of 9,940 dwellings (497 dwellings per annum) over the period 2011-2031 is proposed based on the PBA Trends long-term (2003-2013) scenario with CLG 2012-based household representative rates applied.
- vi. Barton Willmore agree with the use of an alternative long-term migration trend in Telford and Wrekin. However, Barton Willmore has concerns with the PBA trend 2003-2013 because Barton Willmore's equivalent trend produces lower population growth than that projected by the PBA 2003-2013 trend. Barton Willmore's 2003-2013 trend projects comparable population growth to the recently published 2014-based SNPP (25 May 2016) which is not surprising given average net migration from the period 2009-2014 which underpins the 2014-based SNPP is also comparable to average net migration from the period 2003-2013.
- vii. Nonetheless, a 2003-2013 trend is considered to provide an underestimate of population growth for Telford and Wrekin in light of more recent demographic evidence published after the March 2015 OAHN assessment, namely the 2014 and 2015 Mid-Year Population Estimates which estimate a higher population than projected for these years by the 2003-2013 trend. On this basis Barton Willmore believes account should be taken of the most recent 10-year migration trend (2005-2015).
- viii. The Council's OAHN of 497 dwellings per annum is derived by applying unadjusted 2012-based household formation rates. Barton Willmore do not consider it appropriate to use the 2012-based household formation rates without any adjustment due to the level of suppression inherent in the rates particularly for 25-44 year olds. This view has recently been supported by the Inspector for the Cornwall Local Plan Examination who acknowledged that the 2012 household formation rates still embed some recessionary effect and that it would be inconsistent with the national policy for growth to project such effect across the plan period<sup>1</sup>. The more recently published 2014-based household formation rates project a similar level of household suppression for 25-44 year olds and therefore Barton Willmore also consider an adjustment to the 2014-based household formation rates is required.
- ix. The PBA OAHN report considered the level of economic growth that could be supported by the proposed demographic-led OAHN and found that 497 dwellings per annum could support 852 jobs per annum. In this context the Council's evidence suggests that the demographic-led OAHN will support a healthy economic future and no further upward revision was proposed.

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<sup>1</sup> Paragraph 3.8, page 7, Inspector's preliminary findings, Cornwall Local Plan Strategic Policies – Examination, June 2015

- x. Barton Willmore consider growth of 852 jobs per annum high in light of past employment trends and economic forecasts. Growth of 693 jobs per annum is considered more realistic based on an average of growth projected by Experian Economics (710 jobs per annum – Sept 2016), Oxford Economics (418 jobs per annum – July 2016) and Cambridge Econometrics (951 jobs per annum – Nov 2015) over the period 2011-2031.
- xi. Barton Willmore have modelled the housing need associated with 693 jobs per annum and the result is between 826 and 891 dwellings per annum. This is a significantly higher housing need than that indicated by the PBA assessment for a lower job growth target. Even if the lower end of the projected job growth range is taken (418 jobs per annum as projected by Oxford Economics) the associated dwelling need is 565 dwellings per annum if 2014-based household formation rates are applied, which again is still higher than the housing need projected by PBA for a much lower job growth target.
- xii. Based on this analysis it is considered that the housing and job growth figures presented in the March 2015 OAHN report are not in balance and that if economic growth is to be supported in line with economic forecasts then an upward revision is required to the demographic-led assessment of need.
- xiii. All market signals set out in the PPG have been considered in the OAHN report and it concludes that no upward adjustment is required to alleviate any worsening trends. Barton Willmore disagree with the conclusion that there are no market signals issues within Telford and Wrekin. Barton Willmore's analysis has identified that there is a worsening trend with regards to overcrowding, concealed households, affordability and past housing delivery. PPG states that a worsening trend in any of the market signals indicators requires an upward adjustment to planned housing numbers compared to ones based solely on household projections (ID2a-020).
- xiv. This view is further supported by the LPEG methodology, which under the current recommendation proposes a 10% uplift to the demographic OAHN in Telford and Wrekin on the basis of the three-year average of the median affordability ratio
- xv. In conclusion, it is evident that PBA have sought to follow the prescribed methodological steps for assessing OAHN as set out in PPG. However PBA's assessment of need for 497 dwellings per annum falls is considered to fall short of FOAHN. Barton Willmore's assessment of FOAHN for Telford and Wrekin is outlined below.

### **Barton Willmore Assessment of Overall Housing Need**

- xvi. Barton Willmore's assessment makes use of the PopGroup demographic forecasting model to estimate future housing need within Telford and Wrekin, taking into account key demographic

and economic data inputs including (but not limited to) headship rates, migration trends, employment forecasts and economic activity rates.

- xvii. The narrative below, which should be read alongside the results presented in Table 1 summarises the resulting assessment of housing need.

***Demographic Evidence Based Housing Need***

- xviii. **The current starting point estimate of housing need is the 2014-based household projections published by CLG (12 July 2016). These project growth of 487 households per annum (2011-2031) which equates to 502 dwellings per annum** once an allowance of 3.03% has been applied to take account of vacancy and second homes.
- xix. PPG permits adjustments to the starting point estimate in relation to the underlying demographic projections and household formation rates (ID2a-015 and 017) to address for example, suppressed household formation and migration trends.
- xx. Analysis of Household Formation Rates (HFRs) underpinning the 2014-based household projections provides clear evidence of suppression in household formation particularly for those aged 25-44 years of age – when compared against the more positive pre-recessionary 2008-based rates. Barton Willmore therefore consider it necessary to make an adjustment to the 2014-based HFRs to address the issue of suppressed household formation for 25-44 year olds.
- xxi. In the absence of any specific guidance, Barton Willmore has sensitivity tested the application of three different HFR adjustments. The effect of which is to **increase the starting point estimate to between 557 and 615 dwellings per annum (2011-2031)**.
- xxii. The most recent ONS SNPP series (2014-based) shows population growth of 702 persons per annum over the plan period which is higher than the previous 2012-based SNPP (590 persons per annum).
- xxiii. However, further analysis of historic migration trends for Telford and Wrekin provides evidence that net migration to Telford and Wrekin significantly decreased during the recession. Whilst the 2014-based SNPP are less affected by the recession than the previous 2012-based SNPP, the period which underpins the 2014-based SNPP (2009-2014) remains characterised by a net outflow of migration (-58 people per annum).
- xxiv. Furthermore, the 2014-based SNPP are constrained to the 2014-based National Population Projections which assume net international migration of 185,000 people per annum across England. However, the latest quarterly net international migration estimates suggest that net

international migration totalled 327,000 people per annum in the year ending March 2016 – significantly higher than the assumption underpinning the 2014-based SNPP.

- xxv. On this basis it seems appropriate to consider a longer 10-year trend for Telford and Wrekin which incorporates a period of both economic recession and buoyancy. The 10-year period 2003-2013 estimated average net outward migration of -50 people per annum. A 10-year migration trend drawn from the most recent 10-year period (2005-2015) indicates positive inward migration of 46 net migrants per annum and therefore Barton Willmore consider this to provide the most appropriate population projection on which to assess demographic OAHN for Telford and Wrekin.
- xxvi. The demographic evidence therefore signals that two adjustments to the starting point estimate of need are necessary (household formation assumptions and alternative migration trends). The result of making the required adjustments is to increase **demographic OAHN for Telford and Wrekin to between 621 and 680 dwellings per annum between 2011 and 2031**. This reflects an increase of between 24% and 35% above the OAHN starting point.

### ***Employment Change Evidence Based Housing Need***

- xxvii. The Council's evidence considers whether the proposed level of OAHN would support economic growth by commissioning Experian to produce an employment forecast using the population projection based on their preferred demographic scenario (PBA trends 2003-13). The Council's evidence suggests that 852 jobs per annum could be supported by an additional 497 dwellings per annum. No other employment forecasts are considered.
- xxviii. Employment forecasts produced by Experian Economics (Sept 2016), Oxford Economics (July 2016) and Cambridge Econometrics (November 2015) have been considered by Barton Willmore. An average of these three forecasts has been considered over the period 2011-2031 (693 jobs per annum) to reflect policy-off employment forecasts in-line with PPG recommendations.
- xxix. The extent to which the demographic OAHN would support economic growth has been considered in-line with PPG recommendations. We find that Barton Willmore's 10-year migration trend (2005-2015) would only support growth of 406 jobs per annum in Telford and Wrekin over the period 2011-2031 which is significantly lower than the projected job demand (693 jobs per annum). For this reason, a further adjustment should be made to the demographic OAHN in order to support economic growth in Telford and Wrekin.



- xxx. Modelling work undertaken by Barton Willmore has found that to support growth of 693 jobs in Telford and Wrekin there is a need for between 826 and 891 dwellings per annum depending on which household formation rate adjustment is applied.
- xxxi. On this basis, **Barton Willmore consider economic OAHN for Telford and Wrekin to be between 826 and 891 dwellings per annum (2011-2031) in order to support growth of 693 jobs per annum.**

### ***Market Signals***

- xxxii. Analysis of market signals has been undertaken by Barton Willmore and several adverse market signals have been observed in Telford and Wrekin including a worsening of affordability, which has been influenced by increasing house prices/ rents and a significant shortfall of supply. Likewise, overcrowding and the number of concealed households has worsened in Telford and Wrekin. Although perhaps less severe than the national average, market signals issues in Telford and Wrekin are more severe than the regional average, which, according to PPG, should be met with an appropriate boost in housing supply
- xxxiii. Telford and Wrekin has persistently failed to meet its annual housing targets by a significant margin, such that the shortfall since 2006/07 stands at 3,896 dwellings or 59% of the cumulative target.
- xxxiv. In light of Inspector's decisions in relation to market signals uplift ranging between 10% and 20% and given that OAHN for Telford and Wrekin represents an uplift of between 65% and 77% from the starting point estimate, it is considered appropriate not to recommend a further uplift to the proposed OAHN to address market signals. It is considered that OAHN of between 826 and 891 dwellings per annum represents a significantly accelerated rate of growth compared against recent delivery performance. As a result, it has potential to create downward pressure on house prices within Telford and Wrekin, which in turn will begin to address market signals issues

### ***Affordable Housing Need***

- xxxv. Barton Willmore have not undertaken an assessment of affordable housing need but have considered the findings of the Council's most recent assessment of affordable housing need. The Telford and Wrekin Strategic Housing Market Assessment (SHMA) was published in March 2016 identified net affordable housing need of 665 dwellings per annum.

- xxxvi. Policy H05 of the submitted Local Plan contains affordable housing targets of between 25% and 35%. If affordable housing units are to be delivered according to the lowest of these thresholds (25%), then the total housing requirement would be 2,660 dwellings per annum over a 5-year period. This is significantly higher than the full OAHN proposed in the March 2015 report for 497 dwellings per annum (2011-2031).
- xxxvii. Although Barton Willmore's OAHN range of between 826 and 891 dwellings per annum (2011-2031) also falls short of meeting affordable housing need in full, the Inspector's judgment in *ELM Park v Kings Lynn and West Norfolk BC*, affordable need does not need to be met in full by the OAHN. However, the level of net affordable need in Telford and Wrekin indicates that the district needs to boost the supply of housing to significantly higher levels than have been delivered in the past. It is considered that Barton Willmore's OAHN of between 826 and 891 dwellings per annum (2011-2031), which represents between a 34% and 44% uplift on past housing delivery, will begin to address the high level of affordable need in Telford and Wrekin.

### ***Telford and Wrekin FOAHN***

- xxxviii. Based on an assessment of up to date demographic, economic and market signals evidence, full OAHN for Telford and Wrekin is assessed to be between 826 and 891 dwellings per annum (2011-2031). This OAHN would:
- Accommodate the housing need number implied by the latest demographic evidence;
  - Meet projected job demand; and
  - On reasonable assumptions, improve affordability.
- xxxix. As such, it is considered that the OAHN represents the full, objectively assessed level of housing need for Telford and Wrekin as currently required by PPG.

**Table 1: Summary – OAHN for Telford and Wrekin (2011-2031)**

		Blended HFR 100%	Blended HFR 50%	HFR Sensitivity 2001
<b>A</b>	CLG 2014-based SNHP (Households)	<b>9,730 (487 pa)</b>		
	Vacant/Second Homes Adjustment	3.03%		
	<b>OAHN STARTING POINT (Dwellings)</b>	<b>10,034 (502 dpa)</b>		
<b>B</b>	Starting point with adjusted HFRs (Dwellings)	12,292 (615 pa)	11,147 (557 pa)	11,642 (582 pa)
	Adjustment to A	<b>+113 dpa</b>	<b>+55 dpa</b>	<b>+80 dpa</b>
<b>C</b>	10yr Migration Trend (2005-2015) with adjusted HFRs (Dwellings)	13,606 (680 pa)	12,422 (621 pa)	12,941 (647 pa)
	Adjustment to A+B	<b>+178 dpa</b>	<b>+119 dpa</b>	<b>+145 dpa</b>
<b>=</b>	<b>DEMOGRAPHIC OAHN (A+B+C)</b>	<b>13,606 (680 dpa)</b>	<b>12,422 (621 dpa)</b>	<b>12,941 (647 dpa)</b>
<b>D</b>	Jobs Supported by Demographic OAHN (C)	8,116 (406 pa)		
	Job Demand (average of CE, OE & Experian)	13,860 (693 pa)		
	Labour Surplus/Deficit	-5,774 (-287 pa)		
<b>=</b>	<b>ECONOMIC-LED HOUSING NEED</b>	<b>17,827 (891 dpa)</b>	<b>16,522 (826 dpa)</b>	<b>17,104 (855 dpa)</b>
	(Adjustment to Demographic OAHN)	<b>+211 dpa</b>	<b>+205 dpa</b>	<b>+208 dpa</b>
	Adverse Market Signals Observed?	Yes		
	Average Delivery Rate 2006 – 2015	617		
	Subtotal Dwellings per annum	891	826	855
	Increase vs. Recent Performance (%)	44%	34%	39%
	Increase vs. Starting Point (%)	77%	65%	70%
	<b>Further Increase Recommended? (Y/N)</b>	<b>No</b>		
	<b>FULL OBJECTIVELY ASSESSED HOUSING NEED</b>	<b>17,827 (891 dpa)</b>	<b>16,522 (826 dpa)</b>	<b>17,104 (855 dpa)</b>

Source: ONS/CLG, Barton Willmore Modelling (Appendix 1)

- xi. Under the LPEG recommendations for assessing housing need, OAHN for Telford and Wrekin would be 752 dwellings per annum (2011-2031). This is lower than full OAHN identified by Barton Willmore based on the current PPG methodology due to the LPEG methodology excluding the consideration of economic growth from the OAHN calculation. However, the LPEG does still require consideration to be given to economic growth when setting the overall housing requirement. In this context, it is considered that Barton Willmore's OAHN of between 826 and 891 dwellings per annum does provide an indication of Telford and Wrekin's future housing requirement over the period 2011-2031.

## 1.0 INTRODUCTION

- 1.1 This study has been prepared by Barton Willmore LLP on behalf of Gladman Developments Limited. It is intended to provide an in-depth understanding of the market dynamics and future needs for housing in Telford and Wrekin Unitary Authority. The study has been prepared in accordance with National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG), and the key output is a full, objective assessment of housing need (OAHN).

### **Barton Willmore Housing Needs Assessments to Date**

- 1.2 In August 2014, Barton Willmore undertook a housing needs assessment for Telford and Wrekin on behalf of Gladman Developments Limited. The August 2014 study identified that the population increase for Telford and Wrekin projected by the ONS 2012-based Sub National Population Projections (SNPP) would not support economic growth in line with Experian Economics June 2014 projection for growth of 577 jobs per annum (2011-2031). OAHN of 845 dwellings per annum (2011-2031) was identified to support this level of economic growth
- 1.3 In March 2016, Barton Willmore provided a comprehensive update to the August 2014 study in order to take account of the release of the CLG 2012-based household projections (published 27 February 2015) as well as new housing evidence produced by Telford and Wrekin Council. The March 2016 OAHN assessment identified OAHN of 961 dwellings per annum (2011-2031) in order to support growth of 690 jobs per annum over the same period, which was the average level of projected job growth based on the most recent forecasts (at the time) from Experian Economics, Oxford Economics and Cambridge Econometrics.
- 1.4 This September 2016 OAHN study provides the most recent assessment of OAHN for Telford and Wrekin and has been produced to take account of:
- the ONS 2014-based SNPP (published 25 May 2016);
  - the accompanying CLG 2014-based household projections (published 12 July 2016);
  - the ONS 2014 and 2015 Mid-Year Population Estimates which also allow for an updated 10-year migration trend;
  - new approaches to sensitivity testing an adjustment to household formation rates;
  - a new approach to projecting economic activity;
  - an update to market signals, in particular affordability;
  - the Council's March 2016 affordable housing needs assessment.
- 1.5 In addition, this report also considers OAHN for Telford and Wrekin following the Local Plans Expert Group (LPEG) recommended methodology. Currently the LPEG methodology is just a

proposal and holds no official status but has been included to illustrate OAHN for Telford and Wrekin if it is to become official guidance.

## **Report Structure**

- 1.6 The report is structured as follows:
- 1.7 Chapter 2, **National Policy Context and Methodology**, introduces the relevant aspects of national planning policy and guidance, demonstrating how this study meets the required standard for an OAHN. The chapter also sets out the methodological approach taken in carrying out the required analysis.
- 1.8 Chapter 3, **Assessment Area Definition**, provides the rationale behind analysing the selected authorities, and, more specifically, how published research into HMA boundary definitions has been translated into a functional study area and confirmed through independent analysis of key data sources.
- 1.9 Chapter 4, **Local Policy Context and Evidence Base Review**, critically evaluates the housing evidence base documents for Local Planning Authorities (LPAs) within the HMA defined in the previous chapter. In addition to this, key information (including housing targets, affordable housing quotas and economic growth aspirations) from adopted/emerging planning policy is summarised.
- 1.10 Chapter 5, **Demographic Context and Demographic-led Housing Need**, reviews official data sources relating to population and household change, including population/household projections, household formation rates and migration trends. This analysis provides key inputs into the modelling process, which in turn underpins the OAHN. The final part of the chapter summarises the first demographic modelling stages, and establishes the 'Starting Point' estimate of housing need as well as necessary demographic adjustments.
- 1.11 Chapter 6, **Economic Context and Economic-led Housing Need**, puts the labour force capacity arising from the demographic-led position established in the previous chapter into context by reviewing independent and official trends and forecasts of employment growth for the HMA. Where necessary, further modelling work is carried out to determine the number of homes needed to supply a labour force of sufficient size to meet anticipated demand.
- 1.12 Chapter 7, **Market Signals**, provides detailed analysis of how the housing market functions locally, including a review of existing housing stock characteristics and analysis of key market signals (as set out in PPG). The chapter then considers the level of housing supply response

needed to positively address any market signals issues, and provides a recommendation of and justification for any uplift to the OAHN (again, as required by PPG).

- 1.13 Chapter 8, **Objective Assessment of Housing Need**, summarises the evidence, analysis and modelling provided in the preceding chapters and confirms the full OAHN for the HMA. This chapter also considers the OAHN in the context of affordable housing need, and establishes the extent to which affordable need could be met by the OAHN.



## **2.0 NATIONAL POLICY CONTEXT AND METHODOLOGY**

- 2.1 The requirement for all Local Planning Authorities (LPAs) to base their housing targets on objective assessments of need is rooted in national planning policy – specifically the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG).

### **National Planning Policy Framework (NPPF, 27 March 2012)**

- 2.2 NPPF sets out the Government's planning policies for England and how these are expected to be applied. NPPF states that planning should proactively drive and support sustainable economic development to deliver the homes that the country needs, and that every effort should be made to objectively identify and then meet housing needs, taking account of market signals (paragraph 17).
- 2.3 In respect of delivering a wide choice of high quality homes, NPPF confirms the need for local authorities to boost significantly the supply of housing. To do so, it states that local authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area (paragraph 47).
- 2.4 With regard to plan-making, local planning authorities are directed to set out strategic priorities for their area in the Local Plan, including policies to deliver the homes and jobs needed in the area (paragraph 156).
- 2.5 Further, Local Plans are to be based on adequate, up to date and relevant evidence, integrating assessments of and strategies for housing and employment uses, taking full account of relevant market and economic signals (paragraph 158).
- 2.6 For plan-making purposes, local planning authorities are required to clearly understand housing needs in their area. To do so they should prepare a Strategic Housing Market Assessment (SHMA) that identifies the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period (paragraph 159).

### **Planning Practice Guidance (PPG, 06 March 2014)**

- 2.7 PPG was issued as a web based resource on 6th March 2014, following the publication of 'beta' guidance in 2013. Guidance on the assessment of housing development needs (PPG ID2a) includes the SHMA requirement set out in NPPF and supersedes all previous published SHMA practice guidance (CLG, 2007).



- 2.8 The primary objective of the housing development needs assessment (the SHMA) is to identify the future quantity of housing needed, including a breakdown by type, tenure and need (PPG ID2a 002).
- 2.9 Housing need refers to the scale of housing likely to be needed in the housing market area over the plan period, which should cater for the housing demand in the area and identify the scale of housing supply necessary to meet that demand (PPG ID2a 003).
- 2.10 The assessment of need is an objective assessment based on facts and unbiased evidence and constraints should not be applied (PPG ID2a 004).
- 2.11 Use of the PPG methodology for assessing housing need is strongly recommended, to ensure that the assessment is transparent (ID2a 005). The area assessed should be the housing market area (ID2a 008), reflecting the key functional linkages between places where people live and work (ID2a 010).

***PPG methodology for assessing housing need***

- 2.12 The full methodology is set out at ID 2a 014 to 029 (overall housing need at ID2a 015 to 020), and is introduced as an assessment that should be based predominately on secondary data (ID2a 014).

***i) Starting point estimate of need***

- 2.13 The methodology states that the starting point for assessing overall housing need should be the household projections published by the Department for Communities and Local Government, but that they are trends based and may require adjustment to reflect factors, such as unmet or suppressed need, not captured in past trends (ID2a 015).

**"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing." (2a-015) (Our emphasis)**

***ii) Adjusting for demographic evidence***

- 2.14 The PPG methodology advises that adjustments to household projection-based estimates of overall housing need should be made on the basis established sources of robust evidence, such as ONS estimates (2a-017).

*iii) Adjusting for likely change in job numbers*

- 2.15 In addition to taking into account demographic evidence the methodology states that job trends and or forecasts should also be taken into account when assessing overall housing need. The implication is that housing numbers should be increased where this will enable labour force supply to match projected job growth (2a-018).

**"Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns ... and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems."**  
(2a-018)

*iv) Adjusting for market signals*

- 2.16 The final part of the methodology regarding overall housing need is concerned with market signals and their implications for housing supply (2a-019:020).

**"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings."** (2a-019)

- 2.17 Assessment of market signals is a further test intended to inform whether the starting point estimate of overall housing need (the household projections) should be adjusted upwards. Particular attention is given to the issue of affordability (2a-020).

**"The more significant the affordability constraints ... and the stronger other indicators of high demand ... the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be."** (2a-020)

*v) Overall housing need*

- 2.18 An objective assessment of overall housing need can be summarised as a test of whether the household projection based starting point can be reconciled with a) the latest demographic evidence, b) the ability to accommodate projected job demand, c) the requirement to address worsening market signals. If it cannot be reconciled, then an adjustment should be made.
- 2.19 The extent of any adjustment should be based on the extent to which it passes each test. That is,

- It will at least equal the housing need number implied by the latest demographic evidence,
- It will at least accommodate projected job demand; and,
- On reasonable assumptions, it could be expected to improve affordability.

2.20 The approach used by Barton Willmore to objectively assess overall housing need follows the methodology set out in PPG 2a-014:20 and summarised above. The result is a policy off assessment of housing need that takes no account of the impact of planned interventions strategies and policies.

***vi) Affordable housing need assessment***

2.21 The methodology for assessing affordable housing need is set out at 2a-022 to 029 and is largely unchanged from the methodology it supersedes (SHMA 2007). In summary, total affordable need is estimated by subtracting total available stock from total gross need. Whilst it has no bearing on the assessment of overall housing need, delivering the required number of affordable homes can be used to justify an increase in planned housing supply (2a-029).

**“The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments ... An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”** (2a-029) (our emphasis)

**Barton Willmore Methodological Approach**

2.22 Barton Willmore's approach to OAHN follows the approach set out in PPG, and is therefore methodologically robust.

***Stage One – Define the Housing Market Area Boundary***

2.23 Before any assessment can be carried out, the limits of the HMA must be defined. This is vital to ensure that the OAHN reflects the social and economic dynamics of the area, and informs discussions on distribution should a particular LPA within the HMA face insurmountable challenges in accommodating its own demand for housing.

2.24 As a starting point, research from the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University is consulted, and compared against ONS Travel to Work Areas (most recently produced in 2007 from 2001 Census data – update due in 2015) and HMA definitions applied within recent LPA evidence base studies. These definitions are then tested

using commuting and migration flow data (plus data on house prices) to determine which is most appropriate for the purpose of assessing housing need, taking account of guidance set out at PPG ID: 2a-009 to 013. The HMA area as defined and used by the LPAs has also been considered within this assessment.

### ***Stage Two – Identify and Adjust Demographic Starting Point***

- 2.25 The CLG 2014-based Household Projections (released 12 July 2016) act as the starting point for assessing housing need (as established in PPG ID: 2a-015). However, these projections alone do not constitute OAHN – in line with PPG guidance, Barton Willmore consider several adjustments are required to the household projections based on further evidence that indicates past demographic and household trends have been affected by past under delivery of housing and the economic recession.
- 2.26 The first adjustment considered necessary is to account for suppressed household formation inherent in the 2014-based household formation rates. The problem of suppression arises because although formation rate projections are based on a long run trend which takes its bearings from Census points since 1961/71, that trend is distorted by the results of the 2011 Census, taken at a time when formation was greatly constrained by economic factors (supply, affordability and the aftermath of recession).
- 2.27 A recent Town and Country Planning paper<sup>2</sup> suggests that lower household formation is as a result of the ‘policy and economic environment’ and therefore refers to this as fixed circumstances that will not be reversed. This includes a ‘sustained increase’ in younger people not leaving home, which could be related to the introduction of student fees from 1998 and the increase in ‘precarious employment’. All of which have resulted in worsening affordability and lower headship rates for younger households. The clear aim of the Government is to afford everyone the opportunity to establish their own home. Co-author of the research, Christine Whitehead stated in a related press release:

**“One of the biggest concerns is that couples aged between 25 and 34 – at the time when family formation is at its highest – are expected to be less well housed in 2031 than their counterparts in 2011.”<sup>3</sup>**

- 2.28 To plan on the basis of using the 2014-based household formation rates will inevitably lead to a worsening of the current situation and a spiralling in the number of young adults forced into a position where they delay setting up their own home. This does not conform to NPPF’s

<sup>2</sup> T&CP Tomorrow Series Paper 17: New Estimates of Housing Requirements in England, 2012- to 2037, Neil McDonald and Christine Whitehead

<sup>3</sup> <http://www.tcpcpa.org.uk/resources.php?action=resource&id=1273>

requirement to 'plan positively' (paragraph 182) and 'significantly boost' housing supply (paragraph 47).

- 2.29 If there is evidence of the 2014-based household formation rates suppressing household formation for 25-44 year olds, then an adjustment to the 2014-based household formation rates is considered necessary and is suggested by paragraph ID2a-15 of the PPG. The extent of the adjustment is a matter of judgement and for this reason we sensitivity test three difference approaches to adjusting household formation rates for people aged 25-44 years (presented in Chapter 5 of this report).
- 2.30 The second adjustment considered necessary is to test alternative assumptions of net migration. The 'starting point' estimate (the CLG 2014-based household projections) are underpinned by the ONS 2014-based Sub National Population Projections (SNPP). The 2014-based SNPP draw migration trends from the period 2009-2014 which again may have been distorted by the recession effecting the movement of people between places. For this reason, longer term trends, typically drawn from a 10-year period which incorporates a period of economic recession and buoyancy, may provide a more robust guide of likely migration patterns in the future.

### ***Stage Three – Assess Labour Force Capacity***

- 2.31 To identify the extent to which forecast labour demand will be accommodated by the OAHN following the approach described above, a comparison is made between the size of the workforce arising from the adjusted demographic-led modelling and job creation forecasts, taking into account 'policy-off' job growth trends forecasts and potential changes in unemployment and economic activity rates over the plan period. The ratio of residents in employment and workforce jobs (the commuting ratio) is also an important input into this process.
- 2.32 If the size of the arising workforce is less than the forecast number of jobs, it is likely that a further uplift in the dwelling target would be required. Should this occur, additional jobs-led modelling is carried out to identify the population growth (and therefore number of dwellings) required to supply sufficient labour capacity.

### ***Stage Four - Assess Market Signals***

- 2.33 Housing costs in all parts of the country are less affordable now than 20 years ago, largely due to a significant decline in the number of homes being built. The extent to which this breakdown between the supply of and demand for housing occurs within the subject HMA is observed through an analysis of Market Signals.

- 2.34 Several key Market Signals are assessed including House Prices, Private Rents, Affordability, Concealed and Overcrowded Households and Completion Rates. As stipulated at PPG ID: 2a-020, a worsening trend in any of these indicators requires a boost to the planned level of housing supply.

### ***Stage Five – Bringing the Evidence Together***

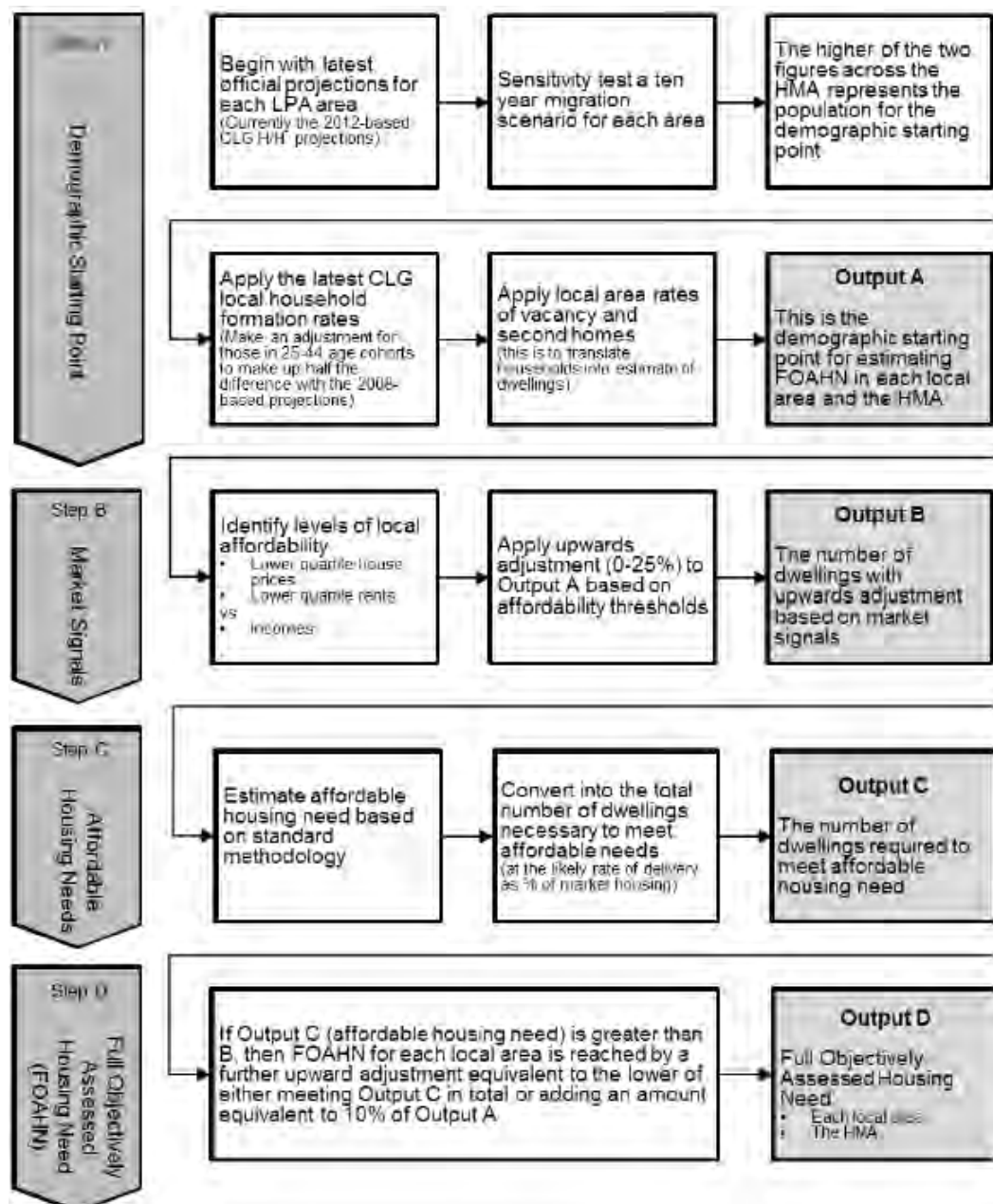
- 2.35 Overall housing need is identified by distilling the analyses discussed above into a single OAHN for the period 2011-2031. This figure, by definition, does not take into account policy considerations which may place constraints on supply or limit the deliverability of housing. Housing need figures are provided for the relevant individual LPAs, but distribution of the overall HMA OAHN will in practice be subject to agreements between LPAs being made, including any constraints in particular areas.

### ***Stage Six – Affordable Housing Need***

- 2.36 The extent to which the OAHN arrived at through the previous stages would meet affordable need is also assessed. Where the local authority SHMA has provided a recent and detailed account of affordable need which draws on primary research, this is used as the basis for much of the analysis.

### **Local Plans Expert Group (LPEG) - Report to the Communities Secretary and to the Minister of Housing and Planning (March 2016)**

- 2.37 The LPEG was established by the now former Communities Secretary (Greg Clark) and the Minister for Housing and Planning (Brandon Lewis), in September 2015, with a remit to consider how local plan making can be made more efficient and effective.
- 2.38 In short, the LPEG identified two main problems for local authorities:
- There is no pre-set determination of the boundaries of Housing Market Areas;
  - There is no definitive guidance on the way in which to prepare a SHMA, leading to significant disagreement and uncertainty over housing numbers, which then affects every stage of the plan making progress.
- 2.39 The LPEG report therefore makes a series of recommended changes to the current Housing and Economic Development Needs Assessment (HEDNA) section of PPG in order to establish OAHN. The recommended methodology is summarised as follows:



Source: Page 22, Local Plans Expert Group Appendices, March 2016

The LPEG recommendations are currently being considered by the Communities and Local Government Select Committee, and it is important to emphasise how they do not, at the present time, hold any weight in the determination of OAHN. However for completeness and for information purposes only, we have included a calculation of OAHN based on the recommendations of LPEG (see Appendix 1).

## Chapter Summary

- 2.40 The approach of national policy and guidance clearly states the importance of objectivity and transparency in the assessment of housing requirements. This study has been prepared in accordance with this approach, and uses data and methodologies (where possible) which can be traced and replicated. The ultimate output of this study is a clear, unambiguous

recommendation for housing development which is supported by a robust evidence base and sound assumptions.





### 3.0 ASSESSMENT AREA DEFINITION

3.1 As established in the previous chapter, LPAs are required to assess need within their wider HMAs, rather than simply within their own boundaries.

3.2 In defining 'What is a housing market area?', the Planning Practice Guidance states:

**"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. 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."**<sup>4</sup>

3.3 However, there is no single definition of where the boundaries for each HMA fall.

#### Independent Definitions

3.4 As a starting point, two sources of information are taken into consideration – one academic led (funded by CLG) and one from the ONS.

#### *CURDS/NHPAU – The Geography of Housing Markets in England*

3.5 Research carried out by leading academics from the Centre for Urban & Regional Development Studies (CURDS) at Newcastle University acts as a good starting point for defining a HMA. The research was funded by the National Housing and Planning Advisory Unit at CLG, and focuses on creating a robust set of HMA definitions with a tiered structure:

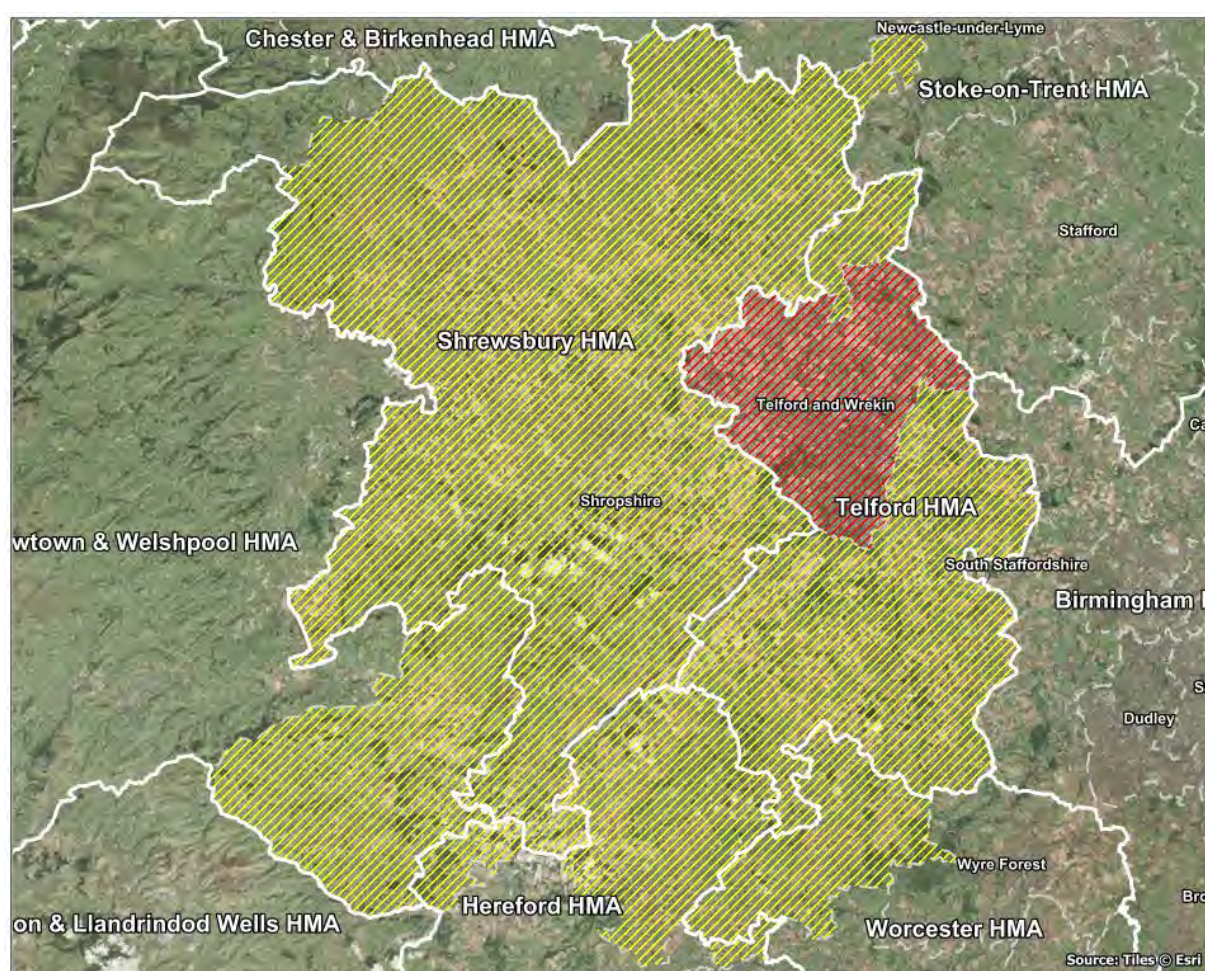
- The upper tier (Strategic) covers the whole country, providing appropriate areas for modelling and analysis relating to strategic housing policy. Strategic HMAs are defined by long distance commuting flows and the long term spatial framework within which housing markets operate. The researchers also state that the Strategic tier is particularly useful for modelling affordability.
- The lower tier (Local) applies primarily to heavily urbanised regions, splitting the Strategic HMA boundaries into smaller areas for detailed monitoring of the balance of housing supply and demand.

<sup>4</sup> Paragraph: 010 Reference ID: 2a-011-20140306, Planning Practice Guidance, 06 March 2014

3.6 These sets of HMAs are termed 'gold standard' because their boundaries are defined to the maximum possible level of detail. They are built up from c.9000 wards using detailed migration and commuting statistics, which were made available to the CURDS researchers from the 2001 Census (it is currently unclear whether or not this exercise will be repeated based on the recently-released Census 2011 flow data). Given that this study is primarily concerned with informing strategic housing policy, the Strategic HMA definitions represent the most logical and appropriate option.

3.7 Figure 3.1 below shows the Gold Standard Strategic HMA boundaries in the area surrounding Telford and Wrekin.

**Figure 3.1: Strategic Housing Market Area Boundaries – Gold Standard**



Source: ONS, CURDS/CLG. Contains data from ONS (© Crown Copyright) and Esri (© Esri)

3.8 Following local government reorganisation in 2009, Telford and Wrekin is the only local planning authority which falls within the Telford HMA on a 'best fit' basis. The large unitary authority of Shropshire, incorporating the former districts of Bridgnorth (which was considered to be part on the Telford HMA on a 'best fit' basis when the research was originally published),

North Shropshire, Oswestry, Shrewsbury & Atcham and South Shropshire, now largely falls within the Shrewsbury HMA.

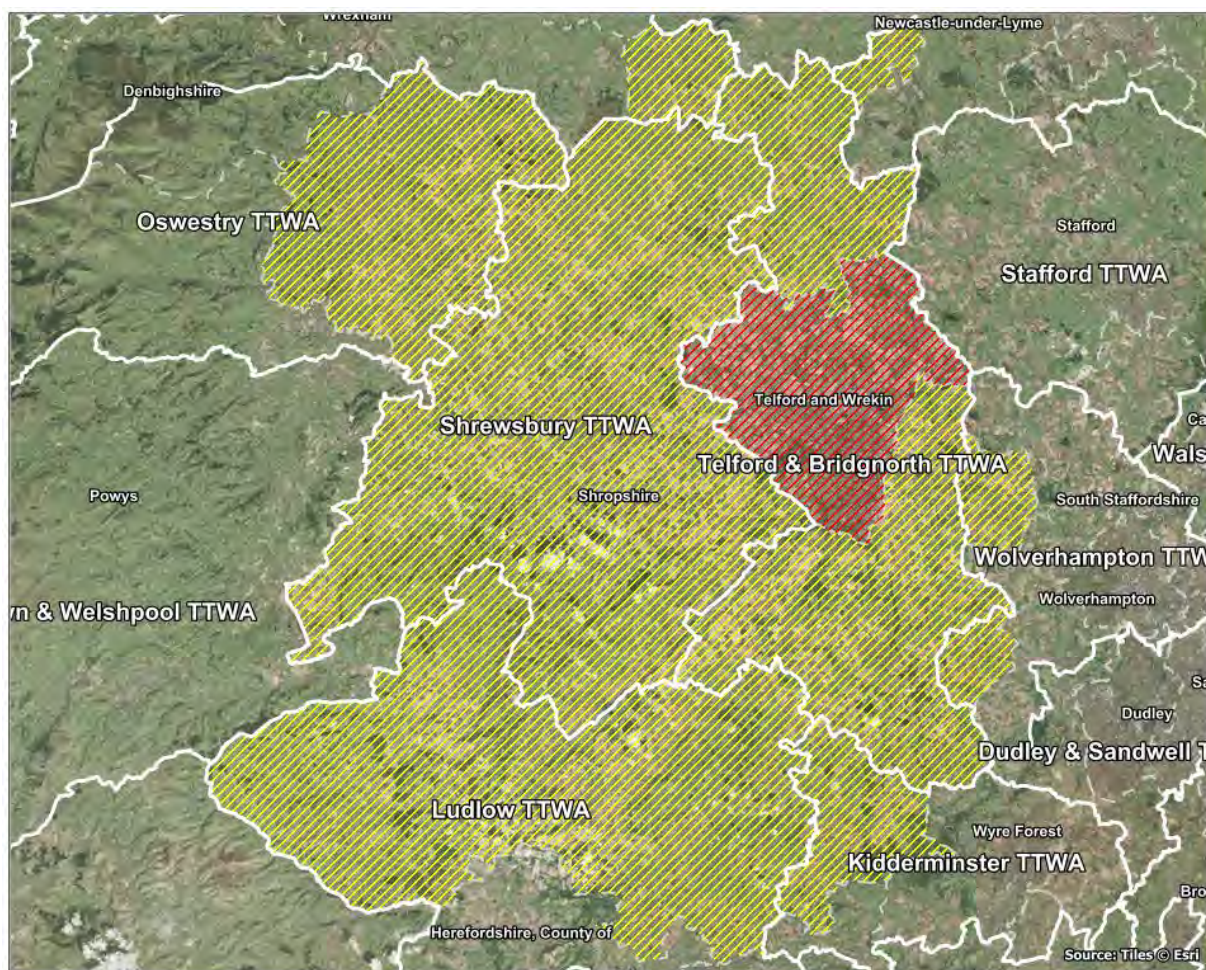
***ONS – Travel to Work Areas***

- 3.9 Travel to Work Areas (TTWAs), last produced by ONS in 2007, also provide a useful point of reference when determining the correct HMA definition. Although TTWAs do not take housing market factors into account, they do reflect the ways in which people travel between home and work, and are therefore a good indicator of the Functional Economic Market Area (FEMA), which must be taken into consideration when assessing the need for employment land.
- 3.10 Travel to work areas are the result of an iterative process, which aims to identify discrete and statistically robust geographical regions within which a large proportion of the resident labour force is contained (i.e. people living and working in the same TTWA). The containment thresholds applied within the 2007 research ranged from 66.7% (for larger areas) to 75%+ for smaller areas<sup>5</sup>.
- 3.11 Figure 3.2 below shows the limits of the various TTWAs in the area surrounding Telford and Wrekin.

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<sup>5</sup> ONS, 'Introduction to 2001-based Travel to Work Areas', p.2



**Figure 3.2: Travel to Work Areas**

Source: ONS. Contains data from ONS (© Crown Copyright) and Esri (© Esri)

- 3.12 On this basis, Telford and Wrekin falls entirely within the Telford & Bridgnorth TTWA. The remainder of the TTWA falls within Shropshire UA.

### Local Authority Definitions

- 3.13 The definitions applied by LPAs in their policy and evidence base documents can also provide useful insight into local political dynamics.
- 3.14 The most up-to-date evidence produced by the council relating to HMA definitions is contained within the 2015 Telford & Wrekin Objectively Assessed Housing Need report by Peter Brett Associates. The analysis contained within this report indicates that Telford and Wrekin forms a self-contained HMA.

### Definition Testing

3.15 The evidence considered above suggests two possible HMA definitions:

- Telford and Wrekin in isolation
- Telford and Wrekin plus Shropshire as a HMA

3.16 These definitions are tested below.

#### *Travel to Work Flow Containment*

3.17 The first aspect assessed is the containment of Travel to Work flows. Flow data from the 2011 Census is used to estimate the proportion of workers who live and work within the various HMA definitions. In line with the containment thresholds applied during the determination of the TTWAs, retention of at least 67-75% of the workforce is considered an appropriate benchmark.

**Table 3.1: Travel to Work Flow Containment**

		Place of Work		
		Telford and Wrekin	Shropshire	Other
Usual Residence	Telford and Wrekin	60,088	8,185	10,351
	Shropshire	11,105	117,370	23,834
	Other	12,313	21,089	-

Source: ONS, Census 2011

3.18 In isolation, both Telford and Wrekin and Shropshire fall within the TTWA threshold of 66-75%, suggesting that they can be considered to represent discrete HMAs.

#### *Household Move Containment*

3.19 The second aspect considered is the containment of household moves. The analysis is again derived from Census 2011 flow data, this time from the table providing the origins and destinations of people who had moved home in the 12 months leading up to census day (27 March 2011). Unlike commuting flows, PPG provides a useful guideline for household move containment of 70%.

- 3.20 Although the majority of people tend to move only short distances, certain age groups such as 18-24s (moving to and from university) and over 50s (urban to rural, retirement) can distort the picture. Migration flows for those aged 25-44 are therefore used to limit distorting influences.

**Table 3.2: Household Move Containment**

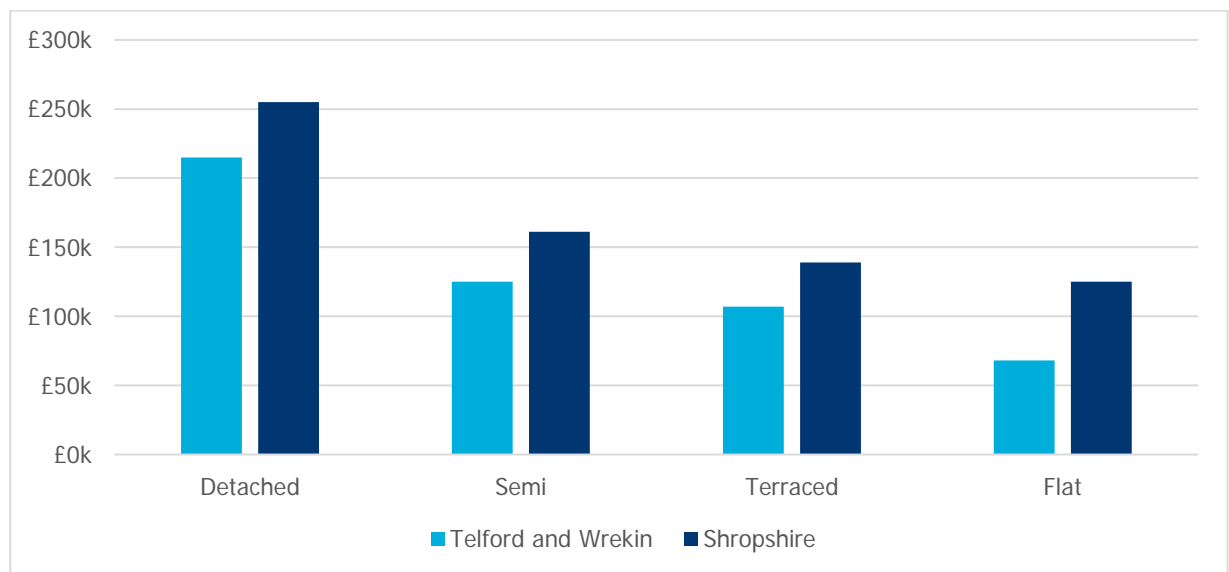
		Previous Residence		
		Telford and Wrekin	Shropshire	Other
Current Residence	Telford and Wrekin	12,563	1,343	4,101
	Shropshire	1,459	18,608	10,343
	Other	4,302	9,950	-

Source: ONS, Census 2011

- 3.21 Telford and Wrekin surpasses the 70% threshold set out in PPG, and Shropshire falls just 1% below it. On this basis, both LPAs can reasonably be considered to represent separate HMAs.

### *House Price Variance*

- 3.22 The final aspect taken into account is house price variance. As stated within PPG, areas which have clearly different price levels to surrounding areas are unlikely to be considered to belong to the same housing market. This analysis has been carried out using land registry price paid data for the full calendar year of 2015. Figure 3.3 below shows the median prices paid for different types of property in the two LPAs.

**Figure 3.3: Median House Prices by property type, 2015**

Source: Land Registry

- 3.23 Based on this analysis, house prices in Shropshire appear to be significantly higher than in Telford and Wrekin. Detached house prices are on average 19% higher in Shropshire compared to Telford and Wrekin, whereas flats are on average 84% higher in Shropshire.
- 3.24 Shropshire is clearly a substantially more expensive place to buy property than Telford and Wrekin. This serves as further evidence of the two LPAs being separate.

### **Recommended Definition**

- 3.25 Although there is evidence that Telford and Wrekin and Shropshire have some functional relationships with one another, it is clear that the two LPAs can reasonably be considered to be largely discrete entities. Telford and Wrekin retains 73% of its employed labour force (within the containment range used by ONS when defining TTWAs), and 71% of people aged 25-44 who had moved house in the year prior to Census day 2011 remained in the LPA.
- 3.26 It is therefore considered reasonable to assess the need for housing in Telford and Wrekin only – in line with the latest housing evidence produced by the Council.





## 4.0 LOCAL POLICY CONTEXT AND EVIDENCE BASE REVIEW

- 4.1 This chapter provides an outline of the local authority policy and evidence base documents for Telford and Wrekin in order to determine whether the housing need has been objectively assessed in line with PPG recommendations.

### Adopted/ Emerging Local Plans and Core Strategies

#### *i) Shaping Places Local Plan 2011 – 2031: Strategy and Options Document (June 2013)*

- 4.2 In June 2013 (prior to the publication of the SHMA and subsequent OAHN report) Telford and Wrekin Council consulted on its 'Shaping Places' Strategy and Options Local Plan.

- 4.3 Three options for housing growth, 2011-2031, were put forward:

- **Housing Completion Led: 13,640 dwellings (682 dwellings per annum);**
- **Planned Growth: 17,800 dwellings (890 dwellings per annum);**
- **Hub for Growth & Business: 26,500 dwellings (1,325 dwellings per annum).**

- 4.4 Of these three options, the Council's preferred housing target was for growth of 26,500 dwellings, 2011-2031.

- 4.5 The rationale for the 'Hub for Growth & Business' housing target is set out as follows:

**"It is derived from an assessment of local land capacity at the local level carried out by the Council, which would support the potential development opportunities and delivery of future growth to underpin Telford and Wrekin's role in the sub-region. The delivery of this level of development would allow the Council to plan effectively for the future of the borough, by supporting services, regenerating communities and delivering new investment and jobs. It would place the borough in a position to respond quickly to future changes in economic outlook, and create greater certainty and choice for the market."**<sup>6</sup>

- 4.6 Although it is commendable that the Council has sought to pursue the most ambitious of the three housing targets it has set out, the supporting evidence does not comply with PPG requirements for an unconstrained objective assessment of overall housing need (which should be based on demographic trends, economic forecasts, market signals, and affordable housing need).

<sup>6</sup> Paragraph 4.1.5, Page 22, Shaping Places Strategy and Options, Telford & Wrekin Council, June 2013

4.7 The document further sets out the Council's growth ambition, stating that:

**"By 2031 Telford and Wrekin will have grown to serve a population of over 200,000. Development will realise the borough as an outstanding destination for living, working and visiting that its residents are proud of and combines the best of town and countryside."**<sup>7</sup>

4.8 In order for the population of Telford and Wrekin to grow to more than 200,000, population growth in excess of all recent ONS population projections would be required. It should be recognised, though, that the ONS projections are based on past migration trends, which will have been influenced by past completions; in this instance, past completion rates have been significantly below target (see Chapter 8), and future growth forecasts are therefore likely to be suppressed as a result.

4.9 The document also confirms the Council's ambitions to boost employment over the course of the plan period:

**"To provide a sufficient quantity and range of good quality homes that are well designed, affordable and sustainable.... Locate new housing to support services, education and employment opportunities.... Increase the number of jobs over the Plan period."**<sup>8</sup>  
(Our emphasis)

4.10 Finally, the document acknowledged the importance of the relationship between housing and employment. Paragraph 5.0.4 states:

**"It is important for the economic prosperity of the borough that all options regarding the distribution of new homes is directed at increasing employment and the opportunities associated with it..."**<sup>9</sup> (Our emphasis)

4.11 It is therefore surprising that the subsequent February 2014 SHMA (described later in this chapter) did not take account of economic growth in its assessment of housing need.

4.12 In respect of affordable housing provision, Option 6 of the draft Plan suggests the following thresholds:

**"Set separate affordable housing targets for Telford, Newport and the rural area. These would apply to qualifying sites at levels**

<sup>7</sup> Paragraph 3.1.1, Page 18, Shaping Places Strategy and Options, Telford & Wrekin Council, June 2013

<sup>8</sup> Paragraph 3.2 & 3.3, Page 18, Shaping Places Strategy and Options, Telford & Wrekin Council, June 2013

<sup>9</sup> Paragraph 5.0.4, Page 28, Shaping Places Strategy and Options, Telford & Wrekin Council, June 2013

**advised by local viability evidence (currently 20% in Telford, 35% in Newport and 40% in the rural area)."**<sup>10</sup>

***ii) Shaping Places Local Plan 2011 – 2031: Proposed Housing and Employment Sites Document (May 2014)***

4.13 The Proposed Housing and Employment Sites document was published for consultation in May 2014, setting out sites which are proposed for future development within Telford and Wrekin in the context of the overall housing target proposed over the Plan period (2011-2031). The consultation results will inform the selection of the preferred sites which will be included in the emerging draft Local Plan.

4.14 In the context of housing provision, the document sets out the Council's preferred proposed housing requirement for the emerging Local Plan over the plan period (2011-2031) as follows:

**"We suggest a plan target of approximately 20,000 new homes. With 11,885 homes committed as a result of planning permissions, we need around 8,115 new homes to deliver the target."**<sup>11</sup> (Our emphasis)

4.15 It is important to note how the level of overall housing provision set out in the document is lower than 26,500 dwellings originally outlined in the Strategy and Options document (2013). The Council felt that this revised target was necessary to:

**"Protect our unique selling point of green spaces whilst suggesting managed sustainable growth"**<sup>12</sup>

4.16 The explanation for this target again appears to be based on land availability and capacity, rather than a full objective assessment of overall housing need based on a proportionate evidence base.

**"The housing target will be met by homes already committed through existing planning permissions, sites with resolution to permit and sites in an adopted development plan, together with homes built on sites proposed in the Proposed Housing and Employment Sites document. Committed sites, once developed, will provide 11,885 new homes. Proposed sites have the potential to provide approximately 9,986 new homes. This represents 23% more homes than need to be delivered from proposed sites to achieve the housing target. This additional percentage has been included to allow for discussions on site suitability during the consultation process and provide some flexibility over the choice of**

<sup>10</sup> Option 6, Page 66, Shaping Places Strategy and Options, Telford & Wrekin Council, June 2013

<sup>11</sup> Paragraph 2.3, Page 2, Telford & Wrekin Council - Proposed Housing and Employment Sites, May 2014

<sup>12</sup> Paragraph 2.4, Page 2, Telford & Wrekin Council - Proposed Housing and Employment Sites, May 2014

**sites to be taken forward to the draft plan stage. Following consultation, the selection of sites will be refined to take into account comments received as well as the most recent household projections anticipated to be released by the Office for National Statistics later in 2014.”<sup>13</sup>**

- 4.17 The technical report fails to refer to demographic and economic projections/forecasts, market signals, or affordable housing provision.

**iii) Telford & Wrekin Local Plan 2011-2031 – Submission Version (June 2016)**

- 4.18 In January 2016 the Council published the Telford & Wrekin Local Plan Publication Version for consultation and in June 2016 submitted the Local Plan to the Planning Inspectorate for examination. The submitted Plan sets a vision for the Borough that includes:

**“...the provision of sufficient homes of the right type and quality in the right places to meet a growing and ageing population, the right businesses and jobs to provide employment, economic prosperity and education to deliver the skills required by growing business as well as the provision of services and facilities to meet our communities’ current and future needs’<sup>14</sup>**

- 4.19 The aims and objectives of the Local Plan expand the vision and provide the basis for the spatial strategy and policies of the Plan.
- 4.20 Aim 1 of the Plan is to ‘promote prosperity and opportunity for everyone’. Although the Plan does not state a specific job target, Policy EC1 of the Plan states:

**“It is anticipated a minimum addition of 76 hectares of employment land will be required to be delivered over the lifetime of the Local Plan.”<sup>15</sup>**

- 4.21 Aim 2 is to ‘meet local housing needs and aspirations’ with Policy HO1 of the Plan setting out a housing requirement for Telford & Wrekin Borough of 15,555 net new dwellings between 2011 and 2031. The Plan goes on to say:

**“The housing requirement set out in Policy HO1 is higher than the objectively assessed needs identified in the *Telford & Wrekin Objectively Assessed Housing Need* report by Peter Brett Associates (March 2015), which identified an overall housing need of 9,940 dwellings up to 2031. The housing requirement is therefore not solely based on the overall housing need. It also allows for additional development of an appropriate scale, nature and location**

<sup>13</sup> Page 2-3, Telford & Wrekin Council - Proposed Housing and Employment Site Selection: Supplementary Technical Report, May 2014

<sup>14</sup> Paragraph 2.2.4, Page 26, Telford & Wrekin Local Plan 2011-2031 – Publication Version, January 2016

<sup>15</sup> Policy EC1, Page 43, Telford & Wrekin Local Plan 2011-2031 – Publication Version, January 2016

**which will support delivery of the overall plan vision and growth strategy, including supporting the delivery of affordable housing”<sup>16</sup>**

- 4.22 Policy H05 of the submitted Local Plan sets affordable housing thresholds and percentages for all proposals which comprise of 11 dwellings or more, or where gross floorspace is greater than 1,000 square metres. Such schemes within Telford are required to provide 25% affordable housing, with a 35% target applied to all other areas.
- 4.23 This section now goes on to review the evidence base underpinning the housing needs assessment.

### **Housing Evidence Base**

- 4.24 The main piece of evidence underpinning the Council’s housing needs assessment is the Telford and Wrekin Objectively Assessed Housing Need (OAHN) Report by Peter Brett Associates (PBA) published in March 2015. The PBA OAHN report updates the overall housing need assessment for Telford and Wrekin presented in the February 2014 Strategic Housing Market Assessment (SHMA). However, the PBA OAHN report relied on the February 2014 SHMA’s assessment of affordable housing need.
- 4.25 In March 2016, Telford and Wrekin Council published an updated SHMA (undertaken by Arc4). However, the SHMA does not provide a new assessment of OAHN and instead presents the work undertaken by PBA in March 2015. The March 2016 SHMA does however, provide a new assessment of affordable housing need.
- 4.26 These two main evidence documents are reviewed below in order to determine whether the housing need for Telford and Wrekin has been objectively assessed in line with NPPF and PPG requirements.

#### ***iv) Telford and Wrekin Objectively Assessed Housing Need – Final Report (March 2015)***

- 4.27 The Telford and Wrekin OAHN final report was published by Peter Brett Associates (PBA) in March 2015. This section critically reviews the OAHN report in the context of the NPPF and PPG, and determines the extent to which it can be considered to represent a full OAHN for Telford and Wrekin.
- 4.28 The PBA OAHN Report aimed to address the following questions (paragraph 1.1):

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<sup>16</sup> Paragraph 5.1.1.4, Page 66, Telford & Wrekin Local Plan 2011-2031 – Publication Version, January 2016

- How wide should Telford & Wrekin's functional housing market be drawn?
- How should the different national population and household projections covering the period up to 2031 be treated as part of the assessment method? What reasonable adjustments might be made to the assumptions applied to national population and household projections to reflect local circumstances?
- How should recent economic effects of the recession on the projection of future household formation and local labour demand forecasts be treated? Is it reasonable to assume that there will be some return to past trends were the economy to [continue] to improve?
- What is the relationship between the projected need for housing and projected future labour supply?

**a) Housing Market Area definition**

- 4.29 The PPG clearly states the need for local authorities to work collaboratively when assessing housing needs, most importantly those local authorities within the relevant housing market area (HMA).
- 4.30 The OAHN report (Chapter 2) considers the housing market area based on the Centre for Urban and Regional Studies (CURDS) definition. However, as this research is primarily based on 2001 Census data the report also looks at updated migration and commuting flows from the 2011 Census and concurs with the previous SHMA (February 2014) findings that Telford & Wrekin forms a separate housing market area on its own. Therefore the OAHN report assesses housing need for the Borough in isolation.
- 4.31 The analysis undertaken by Barton Willmore and presented in Chapter 3 of this report, also concurs that Telford and Wrekin Borough forms a separate housing market of its own.

**b) Objective assessment of housing need**

- 4.32 The OAHN report follows the approach for objectively assessing housing need as set out in PPG and outlined in Chapter 2 of this report.

### *Demographic Starting Point*

- 4.33 The PPG recommends that the CLG Household Projections should be used as the starting point for assessing housing need. The PPG states the following in relation to the use of official data sources in an assessment:

**“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office of National Statistics population estimates.”<sup>17</sup>**

- 4.34 The OAHN report (Table 3.1) takes account of the CLG 2012-based household projections which were the latest household projections available at the time the OAHN report was produced. The 2012-based household projections project growth of 446 households per annum over the plan period 2011-2031 (equivalent to 461 dwellings per annum once the report’s 3.1% allowance for vacancy and second homes has been applied).

### *Adjustments to the starting point*

- 4.35 However, at paragraph 3.6 the Report outlines a weakness with the 2012-based Sub National Population Projections (SNPP) which underpin the 2012-based household projections. That is that the 2012-based SNPP are based on migration trends observed over the period 2007-2012. This period coincides with an economic recession and is therefore not considered to represent a robust projection.
- 4.36 To correct this weakness, PBA have created two alternative population projections which they refer to as PBA trends (paragraph 3.8). Both alternative projections use a base year of 2013 and use the ONS 2013 Mid-Year Population Estimates (MYPE) as the starting population. The two scenarios are:
- PBA trends 2003-13 based on a 10-year migration trend from the period 2003-13;
  - PBA Trends 2008-13 based on a 5-year migration trend from the period 2008-2013 which is similar to the ONS SNPP but from a more recent 5-year period.

<sup>17</sup> Paragraph: 017 Reference ID: 2a-017-20140306, Planning Practice Guidance, 06 March 2014



- 4.37 It is reported that the ONS 2012-based SNPP project growth of 583 people per annum over the period 2011-2031, which is correct. However, the PBA trends 2008-2013 projects higher growth of 785 people per annum and the PBA trends 2003-2013 projects higher growth still of 838 people per annum (Table 3.1, page 13).
- 4.38 Barton Willmore support the consideration of longer term migration trends for the reasons PBA cite. However, Barton Willmore has replicated the creation of a 10-year migration trend drawn from the period 2003-2013 and constraining to the 2011-2013 MYPEs for consistency with the PBA work and analysis (presented in Chapter 5 of this report) and Barton Willmore's equivalent 10-year migration trend results in growth of 699 people per annum – lower than the equivalent scenario produced by PBA.
- 4.39 Barton Willmore's 2003-2013 trend projects comparable population growth to the 2014-based SNPP which were published on 25 May 2016 after the publication of the Council's March 2015 OAHN report. The 2014-based SNPP project growth of 702 persons per annum which is comparable to growth of 699 persons per annum projected by Barton Willmore's 2003-2013 trend. This is expected given net migration from the period 2003-2013 averages -50 people per annum, and net migration from the period 2009-2014 (which underpins the 2014-based SNPP) averages -58 persons per annum.
- 4.40 It is considered that the use of different forecasting models is the reason for the differences seen between the 2003-2013 trends produced by PBA and Barton Willmore. Barton Willmore use the POPGROUP and Derived Forecast demographic forecasting model maintained by Edge Analytics and used by over 100 organisations (both public and private). POPGROUP is specifically designed to be able to produce alternative migration scenarios in a way that replicates (to a degree) the ONS method. It is believed PBA use a forecasting model developed by John Hollis but specific details are not known.
- 4.41 Nonetheless, since the publication of the PBA report in March 2015, the ONS have published the 2014 and 2015 MYPEs. These estimate the population of Telford and Wrekin to be 169,440 people in 2014 and 171,159 people in 2015 – higher than the level of population growth projected for these years by the PBA trends 2003-2013 scenario. This indicates that Telford and Wrekin's population is growing at a faster rate than projected by the 2003-2013 trend (both PBA and Barton Willmore's 2003-2013 trend), therefore suggesting the use of a migration trend from this period is not suitable. This issue is explored in more detail in Chapter 5 of this report.
- 4.42 The March 2015 OAHN report initially considered household formation based on the 'interim' 2011-based household formation rates but adjusted these by applying an indexed return after

2021 to the pre-recession trend (as termed by PBA in paragraph 3.8) of the CLG 2008-based rates. However, following publication of the CLG 2012-based household projections on 27 February 2015, PBA produced a new set of projections called PBA Trends Adjusted which applied the CLG 2012-based household formation rates (with no adjustments) to the PBA trends population projections described above.

- 4.43 Analysis by Barton Willmore (presented in Chapter 5 of this report) has found that the CLG 2012-based household formation rates project lower household formation rates for those people aged 25-34 years than the 'interim' 2011-based household formation rates. PBA acknowledged that the 'interim' 2011-based rates were affected by the recession, hence the reason for applying the original adjustment assuming an indexed return to the 2008-based rates. For this reason it is unclear why PBA have decided not to make a similar adjustment to the 2012-based rates given they project lower rates than the 'interim' 2011-based rates.
- 4.44 Using the 2012-based household formation rates with no adjustment will continue to project suppressed household formation. PPG recommends that where rates may have been historically suppressed the rates may require adjustment (paragraph 15). Therefore in this instance an adjustment to the 2012-based rates is deemed necessary. Using the 2008-based rates as a benchmark of unsuppressed household formation is considered appropriate and an approach also adopted by PBA before the publication of the 2012-based household formation rates.
- 4.45 The OAHN report (paragraph 3.25) presents housing need based on demographic-need alone as 483 dwellings per annum based on the short term PBA Trends Adjusted 2008-2013 scenario, increasing to 497 dwellings per annum based on the long term PBA Trends Adjusted 2003-13 scenario. Both trends are presented as being comparable with growth shown in the 2012-based household projections of 446 households (or 461 dwellings per annum) with the differences being as a result of the alternative starting population age and gender profile.
- 4.46 Dwelling growth is calculated by PBA by applying a 3.1% adjustment factor to the household number to account for vacancy and second homes based on 2011 Census data (paragraph 3.21).
- 4.47 The long term trend scenario is presented in the March 2015 report as being more robust because it is based on a longer reference period (paragraph 3.26). **For this reason the OAHN is presented by PBA as being 497 dwellings per annum over the period 2011-2031** (paragraph 3.27).

- 4.48 The PBA Study also considers the demographic implications of providing 15,000 net new dwellings (750 per annum) over the period 2011-2031 (paragraphs 3.28 to 3.32). This is the number of dwellings Council officers' estimate is the Borough's supply capacity over the plan period and whilst it has no bearing on the OAHN, it has been produced to help inform the Council's thinking on the housing policy target.

### ***Accounting for Economic Growth***

- 4.49 The PPG emphasises the need for plan makers to take employment trends into account when assessing overall housing needs. To this effect, it states that plan makers should consider past trends and forecasts of job growth when objectively assessing housing need, and explicitly reinforces that a 'failure to do so will mean that there would be an increase in unmet housing need'<sup>18</sup>.
- 4.50 In line with PPG, the PBA OAHN Report considers if the demographically projected housing need would provide enough workers to support Telford and Wrekin's expected job growth.
- 4.51 PBA commissioned Experian to produce an employment forecast based on the preferred PBA Trends 2003-2013 population projection referred to as Experian's 'Trends Scenario'. The PBA report states that the population assumption is the only difference between Experian's 'Trends Scenario' and the standard Experian 'baseline forecast' dated December 2014 (paragraph 5.2).
- 4.52 Experian's standard baseline forecast (December 2014) shows growth of 810 jobs per annum in Telford and Wrekin over the period 2011-2031. The 'Trends Scenario' based on applying Experian's economic assumptions to the PBA Trends 2003-13 scenario shows growth of 852 jobs per annum.
- 4.53 The PBA OAHN report concludes that the demographic-led need represented by the PBA Trends Adjusted 2003-13 will support a healthy economic future and therefore there is no requirement for a further adjustment to support economic growth (paragraph 5.21).
- 4.54 Barton Willmore have assessed the Council's job growth of 852 jobs per annum and within the context of past trends and economic forecasts (see Chapter 6 of this report for more detail) consider 852 jobs per annum to be high. Barton Willmore's recommendation would be for a slightly lower, but yet more realistic job target of 693 jobs per annum to be used for the purposes of assessing OAHN. This is based on an average of growth projected over the period 2011-2031 by Experian Economics September 2016 forecast (710 jobs per annum), Oxford

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<sup>18</sup> Reference ID: 2a-018-20140306, Planning Practice Guidance, 06 March 2014

Economics July 2016 forecast (418 jobs per annum) and Cambridge Econometrics November 2015 projection (951 jobs per annum).

- 4.55 It is argued that economic forecasts produced by the three forecasting houses referred to above, already include a view on the future population and therefore it is logically inconsistent to then use these economic forecasts against a different population projection. However, both Cambridge Econometrics and Oxford Economics have confirmed that their forecasts are demand based and not constrained by population (see Appendix 4 of this report). Furthermore, exploration of the economic outputs from Experian (published as Appendix D to the March 2015 OAHN report) reveals that the *unconstrained* job demand forecast that sits at the heart of Experian's analysis is near identical to the *constrained* projection of workplace jobs suggesting that for Telford and Wrekin, use of the Experian baseline job demand forecast is reasonable as an indication of future job demand.
- 4.56 Barton Willmore have modelled the housing need of 693 jobs per annum and the result is between 826 and 891 dwellings per annum would be required depending on which adjustment to addressing suppressed household formation for younger people is applied. This is a significantly higher housing need than that indicated by the PBA assessment for a lower job growth target. Even if the lower end of the projected job growth range is taken (418 jobs per annum as projected by Oxford Economics) the associated dwelling need is 565 dwellings per annum if 2014-based household formation rates are applied, which again is still higher than the housing need projected by PBA for a much lower job growth target.
- 4.57 The results of Barton Willmore's modelling presents a very different picture of housing need compared to PBA's assessment. For example, the PBA work shows fewer dwellings are required for higher job growth. This suggests that there are marked differences in respect of the underlying economic assumptions (unemployment, commuting ratio and economic activity) which are outlined below.

*Underlying economic modelling assumptions*

*Unemployment rates*

- 4.58 A comparison of the unemployment assumptions used in the Barton Willmore and PBA modelling work is shown in Table 4.1.

**Table 4.1: Comparison of unemployment assumptions for Telford and Wrekin**

	<b>Barton Willmore</b>	<b>PBA</b>
<b>2011</b>	9.1%	9.7%
<b>2012</b>	8.7%	8.6%
<b>2013</b>	8.2%	9.3%
<b>2014</b>	7.8%	7.3%
<b>2015</b>	7.3%	6.4%
<b>2016</b>	6.9%	5.8%
<b>2017</b>	6.4%	5.2%
<b>2018</b>	6.0%	4.5%
<b>2019</b>	5.5%	4.3%
<b>2020</b>	5.1%	4.3%
<b>2021</b>	4.6%	4.3%

Source: Barton Willmore and PBA

- 4.59 Table 4.1 illustrates that whilst PBA assume higher unemployment at the start of the projection period, the unemployment rate is modelled to fall more quickly by PBA reaching 4.3% by 2021 which is then held constant to 2031. In contrast Barton Willmore assume a more gradual reduction in unemployment reaching the pre-recession average by 2021 (4.6%) which is then held constant to 2031. PBA's use of a lower unemployment rate assumes that more labour can be drawn from the resident labour supply meaning that fewer homes will be needed to attract more workers.
- 4.60 The source of the PBA unemployment rates is not stated in the report. However, the unemployment rates used by Barton Willmore are taken from the Annual Population Survey (APS) model based estimates of unemployment which is considered a robust source as it is the only source that is regularly updated at a local level and provides consistent analysis back to 2004, allowing the calculation of a pre-recession average.

#### *Commuting rate*

- 4.61 Analysis of the commuting rate assumptions highlights that both Barton Willmore and PBA assume that Telford and Wrekin is a net importer of labour. Whilst Experian do not use a commuting ratio directly, analysis of the economic outputs for the preferred PBA Trends 2003-13 scenario (Appendix D of the March 2015 OAHN report) has identified that PBA/ Experian assumes that Telford and Wrekin relies more heavily on labour from outside of the district.
- 4.62 The ratio of resident based employment and workplace jobs generates a commuting ratio of 0.85 in 2011 which reduces to 0.82 by 2031. However, after taking account of double-jobbing (thereby basing the ratio on resident based employment and workplace based employment) the assumed commuting ratio is 0.88 in 2011. Whilst the ratio fluctuates ever so slightly over the projection period, the ratio remains at 0.88 by 2031. The latter approach assumes an

increase in the number of double-jobbers for which there is no clear justification. On this basis, and to provide consistent comparison with Barton Willmore's approach, the assumed commuting ratio of 0.85 reducing to 0.82 by 2031 is considered to provide a consistent comparison with Barton Willmore's approach.

- 4.63 Barton Willmore's analysis of commuting flows based on 2011 Census data results in a commuting ratio of 0.94 which is held constant throughout the projection period (2011-2031). As data from a census year is usually used as a benchmark to re-base various official data sets, it is considered that a commuting ratio from the 2011 Census is more reliable than one calculated independently by Experian.
- 4.64 Furthermore, Barton Willmore's approach of fixing the commuting ratio over the projection period rather than assuming a decline as used in the PBA/ Experian analysis is considered the more robust approach. In the context of the ratio from the 2001 Census (0.93) Barton Willmore's approach to hold constant the commuting ratio at 0.94 (from the 2011 Census) is considered reasonable. Assuming a fall in the commuting ratio, as is the approach by PBA/ Experian, will have an impact on neighbouring authorities or those authorities from which commuters to Telford and Wrekin originate. As the PAS guidance states:

**"The expected shift in commuting should be believable, and acceptable to the other local authorities affected by it. Strategies of recalling commuters should not be adopted unilaterally; they require cross-boundary agreement in line with the Duty to Cooperate."**<sup>19</sup>

- 4.65 In this instance it is considered the strategy of assuming a higher reliance on labour from outside of the borough should have the same cautions applied.
- 4.66 PBA's use of a lower commuting ratio (0.85 at the start of the projection period compared to 0.94 as used by Barton Willmore) means that housing need to support job growth will be lower based on PBA's assessment as it assumes that a greater proportion of the labour needed to support the job growth will come from outside of the district.

#### *Economic activity rates*

- 4.67 PBA have published economic activity rate assumptions as part of the economic outputs (Appendix D of the March 2015 OAHN report). These are presented as a combined rate for males and females and for ages 16+, 16-64, 65+ years and working age. It is not clear whether more detailed rates were used in the modelling work and what the upper age limit is of the age ranges (if there is one). Barton Willmore use separate economic activity rates for males

<sup>19</sup> Paragraph 8.16, Page 36, Objectively Assessed Need and Housing Targets: Technical Advice Note, July 2015, Prepared by PBA for the Planning Advisory Service

and females and by five year age group up to the age of 89 years. However, in order to aid comparison with the rates published by PBA, the Barton Willmore rates have been combined and are presented in Table 4.2 alongside the PBA rates.

**Table 4.2: Comparison of economic activity assumptions for Telford and Wrekin**

	<b>Barton Willmore</b>	<b>PBA</b>
	<b>2011</b>	<b>2011</b>
<b>Overall (16+)</b>	64.6%*	61.5%
<b>16-64</b>	76.5%	73.5%
<b>65+</b>	9.9%^	8.1%
	<b>2031</b>	<b>2031</b>
<b>Overall (16+)</b>	60.6%*	60.8%
<b>16-64</b>	77.3%	75.7%
<b>65+</b>	14.5%^	19.2%

Source: Barton Willmore/ PBA

\* Barton Willmore's 16+ is actually 16-89 years and therefore may not be directly comparable with PBA

^ Barton Willmore's 65+ is actually 65-89 years and therefore may not be directly comparable with PBA

- 4.68 Table 4.2 indicates that there is a difference in the baseline assumptions (year 2011) used by both parties. Barton Willmore's 2011 rates are taken from the 2011 Census which is comprehensive data source that provides a complete picture of the UK population. The 2011 rates used in PBA's assessment are those used by Experian and are taken from the Annual Population Survey (APS). At the time of the Council's assessment the APS survey had not been rebased to the 2011 Census and are therefore the 2011 rates used by PBA are considered outdated. Census data for the year 2011 is also more robust than annual surveys which are based on only a sample of the population.
- 4.69 It is also expected that the economic activity rates presented in Table 4.2 are not directly comparable because Barton Willmore's economic activity rates only extend to age 89 years, whereas PBA's may go beyond this age. If this is the case, then PBA's economic activity rates may be diluted because, for example, the number of people working beyond 89 years will be low – calculating a rate as a proportion of all people over the age of 65 years rather than 65-89 years will create a lower rate. However, due to the ageing population, a lower rate applied to all people over the age of 65 years will result in a higher number of economically active people than a higher rate applied to just those aged 65-89 years.
- 4.70 Given the likely inconsistencies between PBA and Barton Willmore with regards to the age groups, it is perhaps more important to consider the change in economic activity rates between 2011 and 2031 applied by each party. The PBA rates assume a 137% increase in economic activity of 65+ year olds whereas Barton Willmore assume a 46% increase. Whilst increases to State Pension Age will see economic activity increase in those aged 65+, it is important not

to over exaggerate the future labour supply from an ageing population as is this is likely to be unachievable in reality.

- 4.71 The Barton Willmore approach to projecting economic activity rates is set out in more detail in Chapter 6 of this report. Barton Willmore consider their approach to be robust and methodological.
- 4.72 Although the difference in economic assumptions may appear small, these indicators are highly sensitive and therefore a slight difference in assumption can lead to very different results of housing need. It is Barton Willmore's opinion that the assumptions made by PBA in relation to commuting and economic activity are unreasonable for the reasons outlined above and for this reason Barton Willmore's approach provides a more robust assessment of housing need.

### **c) Market Signals Adjustment**

- 4.73 PPG states that the housing need number suggested by household projections will require an upward adjustment if there is a worsening trend in any of the indicators including; land prices, house prices, rents, affordability, rate of development and overcrowding (paragraphs 19 and 20).
- 4.74 The Telford and Wrekin OAHN report considers all of the market signals outlined in PPG.
- 4.75 Analysis of past housing delivery shows that housing delivery has consistently fallen short of the targets. However, lack of land supply is not presented as the reason for this shortfall, rather lack of demand and poor viability led to delayed development (paragraph 4.20).
- 4.76 It concludes that there is nothing in the market evidence to suggest that demographic projections based on recent 5-year or 10-year trends underestimate future housing need and should be adjusted upwards (paragraph 4.51).
- 4.77 Barton Willmore disagree with this assessment as our analysis of market signals (presented in Chapter 7 of this report) indicates a worsening trend with regards to overcrowding, concealed households, worsening affordability, and past housing delivery falling significantly below target. On this basis, it is considered necessary to provide an uplift to address market signals issues in Telford and Wrekin.
- 4.78 This view is further supported by the LPEG methodology, which under the current recommendation proposes a 10% uplift to the demographic OAHN in Telford and Wrekin on the basis of the three-year average of the median affordability ratio.



**d) Affordable Housing Need Assessment**

- 4.79 The March 2015 PBA report does not undertake a new assessment of the need for affordable housing but rather summarises the findings of the Telford and Wrekin SHMA (2014).
- 4.80 The Borough's total affordable housing need is estimated to be between 567 and 1,859 net new affordable units per annum, depending on whether the backlog of existing households in need is absorbed over five years or the 20-year plan period (paragraph 4.37).
- 4.81 The affordable need for net new dwellings alone is 1,237 dwellings per annum if the backlog is spread over five years and 445 dwellings per annum if it is spread over 20 years (paragraph 4.40).
- 4.82 This identified level of need is significantly higher than past delivery rates of affordable housing as presented in Table 4.3.

**Table 4.3: Historic affordable housing delivery in Telford and Wrekin**

<b>Year</b>	<b>Affordable completions</b>
2006/07	21
2007/08	73
2008/09	139
2009/10	184
2010/11	202
2011/12	275
2012/13	211
2013/14	319
2014/15	427

Source: Table 2.3, Telford and Wrekin Annual Monitoring Report 2015

- 4.83 The OAHN report states that to pay for the lowest of the affordable needs (445 affordable dwellings per annum over 20 years) at the average rate of delivery over the last five years (38% annual affordable delivery) total housing development would have to be 1,171 dwellings per annum (paragraph 4.47).
- 4.84 Even on this basis the level of affordable need is greater than the OAHN for 497 dwellings per annum (2011-2031).
- 4.85 To help deliver some of this affordable housing the OAHN report states that the Council should be looking for realistic opportunities to attract market demand and build housing over and

above the OAHN calculated (paragraph 4.49). This additional demand could be overspill from the Greater Birmingham, Solihull and Black Country housing market.

- 4.86 Since the publication of the March 2015 OAHN report, a new assessment of affordable housing need has been undertaken within the March 2016 SHMA. This is discussed below.

**v) *Strategic Housing Market Assessment (March 2016)***

- 4.87 The March 2016 SHMA was published by Arc4 and replaced the previous SHMA published in 2014 by Housing Vision.
- 4.88 The NPPF requires all local planning authorities to produce a SHMA to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries (paragraph 159).
- 4.89 The March 2016 SHMA seeks to present all of the required components of a SHMA. However, the March 2016 SHMA has not undertaken its own OAHN assessment and instead presents the work carried out by PBA in the March 2015 OAHN report<sup>20</sup>. For this reason, the March 2016 SHMA also presents OAHN for Telford and Wrekin as being 497 dwellings per annum (2011-2031).

***Affordable Housing Need Assessment***

- 4.90 The 2016 SHMA provides an assessment of affordable housing need using the needs assessment model advocated by the CLG. The SHMA identifies net affordable housing need of 665 dwellings per annum.
- 4.91 Appendix D of the 2016 SHMA presents the detailed components of the assessment. Total backlog need is based primarily on data provided from Telford and Wrekin's housing register also taking account of affordable housing stock currently available on the assumption that the housing register is complete. This is considered to be a robust approach, and as such, the backlog need identified is likely to be a realistic representation of need in Telford and Wrekin. In total, backlog need equates to 3,878 dwellings. This relates to an annual requirement of 776 dwellings, assuming backlog is cleared over five years.
- 4.92 In addition to backlog need, the SHMA identifies newly arising affordable housing need as being 447 households per annum<sup>21</sup>. However, later in the assessment new arising need is

<sup>20</sup> Paragraph 6.2, page 69, Telford and Wrekin Strategic Housing Market Assessment, March 2016, Arc4

<sup>21</sup> Paragraph D.20, page 117, Appendix D, Telford and Wrekin Strategic Housing Market Assessment, March 2016, Arc4

presented as being 442 households per annum<sup>22</sup> and it is this lower figure which has been taken forward in the overall calculations of affordable housing need. Total annual affordable housing need is presented as being 1,217 dwellings per annum, although if the higher newly arising need figure is taken this would equate to total affordable need of 1,223 dwellings per annum.

4.93 After taking account of future supply (552 units per annum), the SHMA identifies an annual net affordable requirement for 665 affordable homes per annum over the 5-year period 2015-2020 (3,325 in total)<sup>23</sup>. This is a significant decrease in affordable housing need from the previous 2014 SHMA which showed total affordable need for 1,859 new homes per annum over 5 years.

4.94 The 2016 SHMA concludes by stating:

**"The Telford and Wrekin new Local Plan sets out a Housing Requirement of 15,555 dwellings up to 2031. This is considerably higher than the OAN figure of 9,940 and reflects the growth ambitions of the Council and supports the delivery of affordable housing."**<sup>24</sup>

4.95 Policy HO5 of the submitted Local Plan contains affordable housing targets of between 25% and 35%. If 665 affordable housing units are to be delivered according to the lowest of these thresholds (25%), then the total housing requirement would be 2,660 dwellings per annum over a 5-year period. This is significantly higher than the annual housing requirement set out in the local plan (778 dwellings per annum) and therefore it can be concluded that the higher housing requirement of the Local Plan would not meet affordable housing need in full.

### Chapter Summary

4.96 The most recent assessment of OAHN for Telford and Wrekin was undertaken in March 2015 by Peter Brett Associates (PBA) and presented in the Telford & Wrekin Objectively Assessed Housing Need report. This report does seek to follow the guidance outlined in NPPF and PPG for assessing overall housing need.

4.97 Account has been taken of the CLG 2012-based household projections which were the latest available projections at the time of the assessment and which project growth of 446 household per annum over the period 2011-2031 (461 dwellings per annum once the Council's household to dwelling adjustment of 3.1% is applied to represent vacancy and second homes).

<sup>22</sup> Paragraph D.41, page 121, Appendix D, Telford and Wrekin Strategic Housing Market Assessment, March 2016, Arc4

<sup>23</sup> Table D6, page 121, Appendix D, Telford and Wrekin Strategic Housing Market Assessment, March 2016, Arc4

<sup>24</sup> Paragraph 8.18, page 87, Telford and Wrekin Strategic Housing Market Assessment, March 2016, Arc4

4.98 However, PBA correctly identify that the CLG 2012-based household projections are underpinned by the ONS 2012-based Sub National Population Projections (SNPP) which are based on migration trends observed over the recessionary period 2007-2012. For this reason PBA present two alternative population projections, one of which is based on a long-term migration trend over the period 2003-13 and the other based on a short-term migration trend over the period 2008-13. Both take account of the 2013 Mid-Year Population Estimates as published by ONS.

4.99 **The OAHN presented is for 497 dwellings per annum over the period 2011-2031 based on the PBA Trends long-term (2003-2013) scenario with CLG 2012-based household representative rates applied.**

4.100 However, Barton Willmore consider that OAHN of 497 dwellings per annum represents an underestimate of housing need in Telford and Wrekin for the following reasons:

*Migration trends*

- Whilst Barton Willmore support the use of a 10-year migration trend as it provides a more stable period on which to assess population growth, the level of growth projected by the PBA trend 2003-2013 is questionable. Barton Willmore's equivalent 2003-2013 migration trend scenario (presented in Chapter 5 of this report) generates lower population growth than the PBA equivalent;
- Further doubt with the PBA 2003-2013 trend arises in light of the 2014-based SNPP which projects comparable growth to Barton Willmore's 2003-2013 migration trend which is expected given average net migration from the period which underpins the 2014-based SNPP (2009-2014) is similar to that from the period 2003-2013;
- Nonetheless, population growth projected by the 2003-2013 migration trend is considered to provide an underestimate of population growth for Telford and Wrekin in light of more recent demographic evidence published after the March 2015 OAHN assessment, namely the 2014 and 2015 Mid-Year Population Estimates which estimate a higher population than projected for these years by the 2003-2013 trend. On this basis Barton Willmore believes account should be taken of the most recent 10-year migration trend (2005-2015) and this is analysed in more detail in Chapter 5 of this report;

*Household formation rates*

- PBA do not propose any amendment to the CLG 2012-based household formation rates. However, Barton Willmore's analysis of the 2012-based household formation rates has found that the 2012-based rates continue to suppress household formation in the

younger age groups, particularly those aged 25-44 years, as did the previous 'interim' 2011-based household representative rates;

- Prior to the release of the 2012-based rates, PBA's approach was to adjust the 'interim' 2011-based rates to address the issue of suppression by assuming a return to the trend as projected in the 2008-based rates after 2021. Given, the 2012-based rates continue to show suppression in the younger age groups as did the 'interim' 2011-based rates, it is unclear why PBA chose to apply an adjustment to the 2011-based rates but not the 2012-based rates?;
- Barton Willmore consider it appropriate to apply an adjustment to address household suppression inherent in the 2012-based rates for 25-44 year olds. Chapter 5 of this report explores this issue in more detail;

#### *Adjustments to support economic growth*

- The March 2015 OAHN report has given consideration to the level of economic growth that can be supported by the demographic-led OAHN and concludes that 497 dwellings per annum could support 852 jobs per annum. In this context the Council's evidence suggests that their demographic-led OAHN will support a healthy economic future. Barton Willmore do not agree that 497 dwellings could support growth of 852 jobs per annum. Barton Willmore's modelling has found that to support growth of just 693 jobs per annum between 826 and 891 dwellings per annum would be required between 2011 and 2031 – therefore a higher level of dwelling growth for a lower number of jobs. Our analysis has found that the March 2015 OAHN report assumes a very high reliance on labour from outside of the borough and high labour market participation of people aged 65+ years which in Barton Willmore's opinion is unreasonable.

#### *Market signals adjustment*

- All market signals set out in the PPG have been considered in the Council's OAHN report and concludes that no upward adjustment is required to alleviate any worsening trends. Barton Willmore's analysis of market signals has shown that several adverse market signals have been observed in Telford and Wrekin including an increase in the number of concealed families and overcrowding, a worsening of affordability and past housing delivery which has significantly fallen below target. See Chapter 7 of this report for more detail. In light of this, it is considered that an upward adjustment for market signals is required.

#### *Affordable housing need*

- The March 2015 OAHN report presents net affordable need as being 1,237 dwellings per annum if the backlog is cleared over 5 years and 445 dwellings per annum if cleared over 20 years. Both quantities are significantly higher than the historic level of affordable housing delivery in Telford and Wrekin since 2006/07 which reached a peak in 2012/13 at 283 units. The OAHN report states that to even meet the lowest of the affordable needs (445 dwellings per annum) at the average ratio of delivery over the last five years (38% annual affordable delivery) total housing development would have to be 1,171 dwellings per annum. This is significantly higher than the full OAHN proposed in the March 2015 report for 497 dwellings per annum (2011-2031);
- The March 2016 SHMA provides a more recent assessment of affordable housing need for Telford and Wrekin. Net affordable housing need is presented as being 665 dwellings per annum, which is significantly lower than the previous assessment. Nonetheless, OAHN of 497 dwellings per annum would still not meet affordable housing need in full.

4.101 The following chapters of this report address the concerns raised with the Council's evidence base in order to arrive at an alternative OAHN for Telford and Wrekin over the period 2011-2031.



## 5.0 DEMOGRAPHIC CONTEXT AND DEMOGRAPHIC OAHN

- 5.1 Demographic projections and estimates from the Office for National Statistics (ONS) and Department for Communities and Local Government (CLG) underpin much of the OAHN, providing information on population change, age structure, household formation, fertility/mortality and migration.
- 5.2 This chapter begins with an overview of the population profile in the base year (2011), according to the 2011 Census. Next, a summary of the most recent population and household projections from ONS/CLG is provided, with comparisons made against other recent series. Key modelling inputs are then discussed, drawing on the population/household projections plus ONS mid-year population estimates.
- 5.3 The final part of the chapter summarises the results of the initial demographic-led modelling, setting out the starting point (as described in PPG) plus any required adjustments.
- 5.4 A concise summary of modelling inputs can be found in Appendix 2, whilst detailed model output tables can be found in Appendix 3 (including outputs for scenarios discussed in later chapters).

### i) Existing Population Profile

- 5.5 Table 5.1 below shows the total population of Telford and Wrekin, the West Midlands region and England according to the 2011 Census. Population density (number of people per hectare) and the proportion of people living in areas classed as urban are also shown.

**Table 5.1: Population – 2011 Census**

	Population (usual residents)	Population Density (people per hectare)	% of population in Urban Areas
<b>Telford and Wrekin</b>	166,641	5.7	93.3%
<b>West Midlands</b>	5,601,847	4.3	84.9%
<b>England</b>	53,012,456	4.1	82.4%

Source: ONS, Census 2011

- 5.6 Around 166,600 people were living in Telford and Wrekin Borough at the time of the 2011 Census. The majority of these people (93%) were living in urban areas. Telford and Wrekin is more populated than the West Midlands region with a population density of 5.7 people per hectare (compared with 4.3 regionally).



- 5.7 Table 5.2 below shows the number of dwellings and households within Telford and Wrekin on Census day.

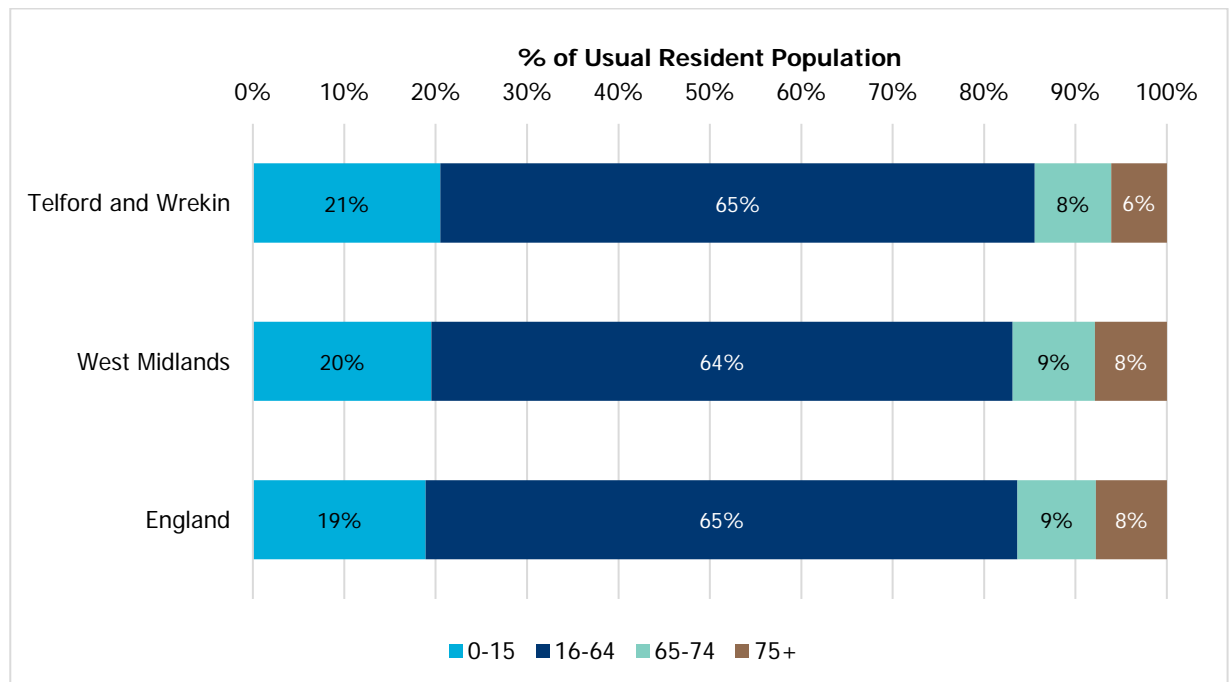
**Table 5.2: Dwellings and Households – 2011 Census**

	Total Dwellings	Household Spaces - Occupied	Household Spaces - No Usual Residents
<b>Telford and Wrekin</b>	68,714	66,608	2,122
<b>West Midlands</b>	2,376,728	2,294,909	86,008
<b>England</b>	22,976,066	22,063,368	980,729

Source: ONS, Census 2011

- 5.8 The number of dwellings in Telford and Wrekin totalled 68,700 according to the 2011 Census, the vast majority of which were occupied by a single household. Across Telford and Wrekin around 2,100 household spaces with no usual residents were recorded. These households tend to be either vacant or only occupied for part of the year (such as holiday homes) and in Telford and Wrekin around 3% of household spaces had no usual residents – lower than the regional and national average.
- 5.9 Figure 5.1 below summarises the age structure of Telford and Wrekin according to the 2011 Census.

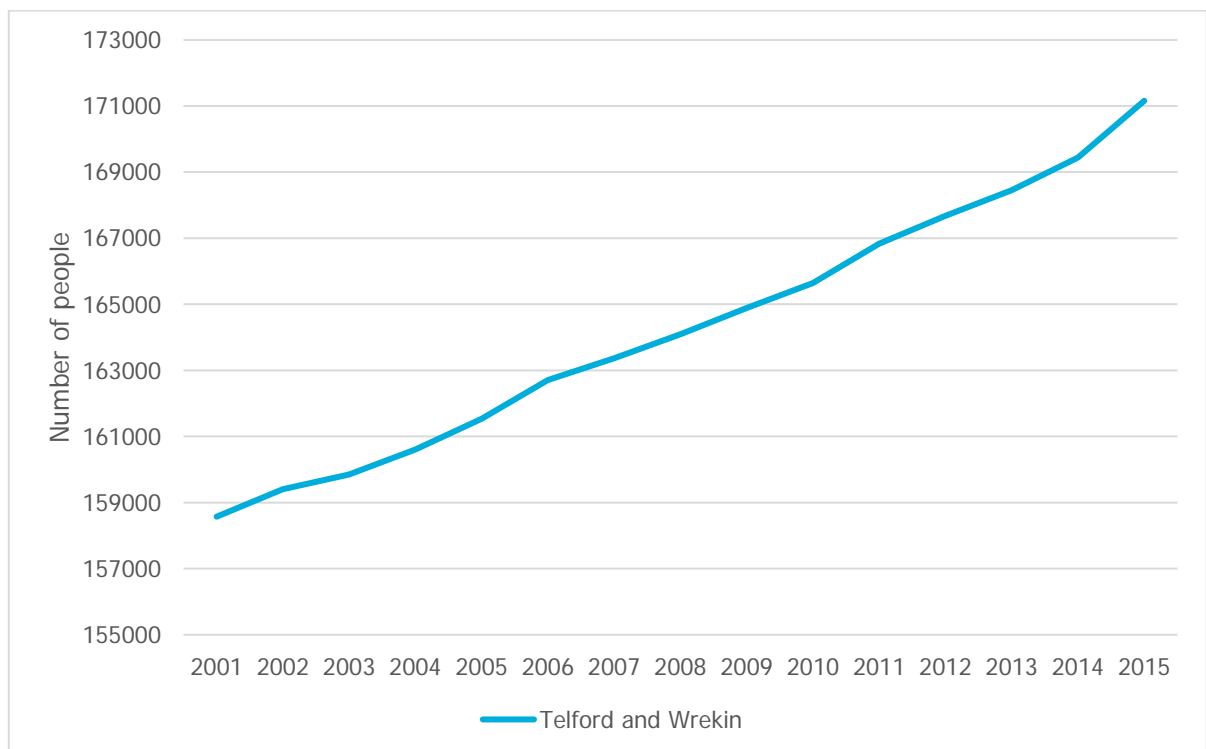
**Figure 5.1: Age Structure – 2011 Census**



Source: ONS, Census 2011

- 5.10 Telford and Wrekin has a younger population profile than the regional and national average with more 16-64 year olds and fewer 65+ year olds. However, this is expected given Telford and Wrekin is predominantly more urban. The median age Telford and Wrekin was 38 years compared to 39 years for the national and regional average.
- 5.11 Since 2011, the population of Telford and Wrekin has increased by an additional 4,328 people (+2.6%) resulting in a total population estimate of 171,200 people according to the 2015 Mid-Year Population Estimates (MYPE).

**Figure 5.2: Mid-Year Population Estimates (2011-2015)**



Source: Office for National Statistics

## **ii) Office for National Statistics (ONS) Population Projections**

- 5.12 The Office for National Statistics produces population projections for all local authority areas in England. These are referred to as the Sub National Population Projections (SNPP) and are published by the ONS usually every two years.
- 5.13 The ONS SNPP are trend-based projections. That is, they project forward past demographic trends in births, deaths and migration. They do not take account of any future changes to government policy which may affect these past trends.

- 5.14 Table 5.3 sets out the official ONS SNPP in chronological order from the 2008-based series to the most recent 2014-based SNPP (25 May 2016). The 'interim' 2011-based SNPP and 2012-based SNPP take account of findings from the 2011 Census of the population.

**Table 5.3: ONS SNPP series – Telford and Wrekin**

Series	2011	2021	2031	2011-2021 (per annum)	2011-2031 (per annum)
2014-based	166,800	174,800	180,900	8,000 (800)	14,100 (710)
2012-based	166,800	173,600	178,500	6,800 (680)	11,700 (590)
2011-based (interim)	166,800	176,600		9,800 (980)	
2008-based	163,500	169,300	174,500	5,800 (580)	11,000 (550)

Source: ONS. Note figures have been individually rounded to the nearest one hundred (per annum figures to the nearest ten) and may not sum.

- 5.15 Telford and Wrekin's projected population has increased with each release of the ONS SNPP, with the exception of the 'interim' 2011-based series which were known to over project the population because despite being the first projection series to take account of the 2011 Census population profile, the underlying trends for fertility, mortality and migration were not updated to take account of 2011 Census findings and therefore outdated trends were applied to an updated population profile resulting in an unnaturally high population projection for Telford and Wrekin.
- 5.16 Under the most recent 2014-based SNPP, Telford and Wrekin's population is projected to increase by an additional 710 people per annum over the Local Plan period (2011-2031). This is higher than growth of 590 people per annum projected by the previous 2012-based SNPP.
- 5.17 The latest 2014-based SNPP, like the 2012-based SNPP before them, represent an important dataset in determining future population growth, and associated demands on housing. There are, however, two fundamental issues which cast doubt on the reliability of both the 2014 and the previous 2012-based projections:
- They are based upon recent five year trends in population change which have been heavily influenced by the recent recession. The extent to which the projections are representative of longer term population change over a series of economic cycles is questionable;

- The 2014-based ONS SNPP reflect the 2014-based national projections in assuming net international migration of 185,000 people per annum across England. However, as a consequence of the recently revised international migration estimates, both the 2014-based national and SNPP are considered to significantly underestimate net international migration trends. The latest quarterly net international migration estimates<sup>25</sup> suggest that net international migration totalled 327,000 people per annum in the year ending March 2016. The 10-year trend is approximately 250,000 people per annum.

5.18 It is therefore necessary to consider in more detail the migration trends underpinning the 2014-based SNPP and how these compare to trends drawn from a longer period (which incorporate a period prior to the recession and the recession itself) and a more recent period.

### ***Migration Flows***

5.19 The economic downturn has led to atypical net migration patterns in some areas. The difficulties in using data which covers the recession are well documented in the PAS Technical advice note – Objectively Assessed Need and Housing Targets produced by PBA in July 2015. Paragraph 6.23 of the advisory note states that:

**“The base period used in the latest official projections, 2007-2012, is especially problematic. The period covers all of the last recession, in which migration was severely suppressed as many households were unable to move due to falling incomes and tight credit. Therefore the official projections may underestimate future migration – so that they show too little population growth for the more prosperous parts of the country, which have been recipients of net migration in the past. If so, by the same token the projections will also overestimate population growth for areas with a history of net out migration.”**

5.20 To cancel out fluctuations in migration trends, the PAS Guidance suggests sensitivity testing a longer trend.

**“In assessing housing need it is generally advisable to test alternative scenarios based on a longer reference period, probably starting with the 2001 Census (further back in history may be unreliable). Other things being equal, a 10-15 year base period should provide more stable and more robust projections than the ONS’ five years. But sometimes other things will not be equal, because the early years of this long period included untypical one-off events as described earlier. If so, a shorter base period despite its disadvantages could be preferable.”** <sup>26</sup>

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<sup>25</sup> Office for National Statistics, Migration Statistics Quarterly Report: August 2016

<sup>26</sup> Paragraph 6.24, Planning Advisory Service (PAS) Objectively Assessed Need and Housing Targets Technical Advice Note, produced by Peter Brett Associates, July 2015

5.21 Table 5.4 summarises the key components of population change for Telford and Wrekin between 2001/2 and 2014/15, based on detailed data from the ONS Mid-Year Population Estimates.

**Table 5.4: ONS components of population change for Telford and Wrekin**

	Natural change	Net Migration	Other changes		Total change
			Total	Of which UPC	
2001/02	541	265	22	20	828
2002/03	519	-57	-15	11	447
2003/04	720	8	27	7	755
2004/05	665	222	45	10	932
2005/06	854	294	27	27	1,175
2006/07	857	-238	39	47	658
2007/08	890	-256	87	93	721
2008/09	886	-164	78	108	800
2009/10	899	-263	116	136	752
2010/11	940	71	179	153	1,190
2011/12	936	-130	45	0	851
2012/13	797	-43	16	0	770
2013/14	824	73	91	0	988
2014/15	583	1,113	23	0	1,719
<b>Total 2001-15</b>	<b>10,911</b>	<b>895</b>	<b>780</b>	<b>612</b>	<b>12,586</b>
<b>Average 2001/15</b>	<b>779</b>	<b>64</b>	<b>56</b>	<b>44</b>	<b>899</b>
<b>Average 2007/12</b>	<b>910</b>	<b>-148</b>	<b>101</b>	<b>98</b>	<b>863</b>
<b>Average 2009/14</b>	<b>879</b>	<b>-58</b>	<b>89</b>	<b>58</b>	<b>910</b>
<b>Average 2010/15</b>	<b>816</b>	<b>217</b>	<b>71</b>	<b>31</b>	<b>1,104</b>
<b>Average 2003/13</b>	<b>844</b>	<b>-50</b>	<b>66</b>	<b>58</b>	<b>860</b>
<b>Average 2005/15</b>	<b>847</b>	<b>46</b>	<b>70</b>	<b>56</b>	<b>962</b>

Source: ONS

5.22 It is evident from Table 5.4 that net migration flows for Telford and Wrekin decreased significantly during the recession. In the 5-year period 2007-2012, which is the period from which the ONS 2012-based SNPP trends are drawn, net migration averaged -148 net migrants per annum which means there was an outflow of people from Telford and Wrekin. A more recent 5-year trend drawn from the period 2009-2014 which underpins the 2014-based SNPP generates an average of -58 net migrants per annum. The periods which underpin both the 2012 and 2014-based SNPP are therefore characterised by a trend of net outward migration. However, to a lesser extent over the period 2009-2014 which explains why the 2014-based SNPP project higher population growth than the 2012-based SNPP.

5.23 Given migration trends for Telford and Wrekin appear to have been affected by the economic recession, it seems appropriate to consider a longer 10-year trend for Telford and Wrekin which

incorporates a period of both economic recession and buoyancy. The Council's housing needs evidence was underpinned by a 10-year migration trend taken from the period 2003-2013. Table 5.4 indicates migration over this period averaged -50 migrants per annum. However, a long term trend drawn from the most recent 10-year period (2005-2015) indicates positive inward migration of 46 net migrants per annum.

- 5.24 The analysis of migration trends set out above indicates that the continuation of long term (10-year) trends in net migration could require an uplift in the number of homes planned for, as it is likely that population growth would exceed the level indicated by both the ONS 2012 and 2014-based SNPP.
- 5.25 New homes are still required even though historically net migration has been negative in Telford and Wrekin. This is because the existing population of Telford and Wrekin will naturally be expanding through increased births. As children grow up over the plan period they will at some point require a home and there will be a natural dissolution of households through separations/ divorce.
- 5.26 The aforementioned PAS Technical advice note also recognises the problem of Unattributable Population Change (UPC) in relation to migration data. UPC is a discrepancy in population statistics that arose between 2001 and 2011 Censuses. The UPC is likely to be the result of miscounted population in one or both of the Censuses, and possibly also due to unrecorded migration between the Censuses.
- 5.27 The level of UPC in Telford and Wrekin is illustrated in Table 5.4. For Telford and Wrekin, UPC was a marginal positive figure, equating to approximately 600 people over 10 years, which means there was underestimation of the population between 2001 and 2011 and the mid-year population estimates for the last decade have therefore been revised upwards.
- 5.28 ONS decided not to readjust its 2012 or 2014-based SNPP to take account of UPC because it did not introduce any bias in the trend data. Furthermore, the ONS considered that UPC was unlikely to be seen in continuing subnational trends because:
- **“it is unclear what proportion of the UPC is due to sampling error in the 2001 Census,**
  - **adjustments made to population estimates following the 2001 Census, sampling error in the 2011 Census and/or error in the intercensal components (mainly migration)**
  - **if it is caused by either the 2001 Census or 2011 Census, then the components of population change will be unaffected**
  - **if it is caused by international migration, it is likely that the biggest impacts will be seen earlier in the decade between 2001 and 2011 and will have less of an impact in the later**

**years when improvements were introduced to migration estimates”<sup>27</sup>**

- 5.29 Barton Willmore’s approach is to also exclude UPC, whether positive or negative.
- 5.30 Notwithstanding this position, it is considered that UPC in Telford and Wrekin is positive, and if any of this can be attributed to in-migration, it would suggest that the 2014-based SNPP, and therefore the existing starting point estimate of OAHN could provide an underestimate.

***Working age population***

- 5.31 The 2014-based SNPP projects the working age population (16-74 years) to grow at a much slower rate than the population as a whole as is shown in Table 5.5. Given the extension of State Pension Age, there will be an increasing number of people working beyond the age of 64 years and therefore it is also important to consider the projected growth of the 65-74 year old population.

**Table 5.5: Working Age Population Change in Telford and Wrekin, 2011-2031**

Age Group	2012-based SNPP	2014-based SNPP
16-64	-4,900 (-4.5%)	-2,600 (-2.4%)
65-74	6,000 (42.2%)	5,900 (41.8%)
<b>Total (16-74 years)</b>	<b>1,000 (0.9%)</b>	<b>3,300 (2.7%)</b>
<b>Total (all ages)</b>	<b>11,700 (7.0%)</b>	<b>14,000 (8.4%)</b>

Source: Office for National Statistics

- 5.32 It is evident from Table 5.5 that for Telford and Wrekin, the 2014-based SNPP project the working age population (aged 16-74 years) to increase by an additional 3,300 people over the 20-year period 2011-2031. However, all of this increase is accounted for by an increase in the working age population aged 65-74 years, as the population aged 16-64 years is projected to decline by -2,600 people over this period. The ability of the 2014-based ONS SNPP to support job growth of any magnitude in Telford and Wrekin is therefore questionable. The pattern of projected working age population growth was similar for the 2012-based SNPP.
- 5.33 Although it is important to consider growth in the population aged 65-74 years, it would be wholly unrealistic to expect the majority of this age group to remain economically active, particularly given the relative affluence of the area and people in this age group being able to

<sup>27</sup> Page 7, ONS Quality and Methodology Information: Subnational population projections, 10 September 2015

retire and be financially secure. Economic activity rates are considered in more detail in Chapter 6 of this report.

- 5.34 For each major release of SNPP, CLG produces an accompanying set of Sub-National Household Projections (SNHP) by applying household formation rates (the likelihood that a person of a given age and gender will become the notional head of household) to the ONS SNPP. The next section considers the four most recent series of CLG household projections.

### iii) Communities and Local Government (CLG) Household Projections

- 5.35 According to PPG, CLG household projections should provide the 'starting point' estimate of overall housing need (ID 2a-015). Table 5.6 sets out the official CLG household projections for Telford and Wrekin in chronological order from the 2008-based series to the most recent 2014-based series (published 12 July 2016).

**Table 5.6: CLG Household Projection series – Telford and Wrekin**

Series	2011	2021	2031	2011-2021 (per annum)	2011-2031 (per annum)
2014-based	66,700	72,000	76,400	5,300 (530)	9,700 (490)
2012-based	66,700	71,600	75,600	4,900 (490)	8,900 (450)
2011-based (interim)	66,700	71,900		5,200 (520)	
2008-based	68,500	73,900	78,200	5,300 (530)	9,700 (490)

Source: (CLG) Communities and Local Government. All figures have been individually rounded to the nearest hundred and may not sum. Per annum figures rounded to the nearest ten.

- 5.36 The 2014-based household projections project growth of **490 households per annum** over the period 2011-31. As with the SNPP, the level of household growth projected by the 2014-based household projections is higher than projected by any previous series but this is expected given the household projections are underpinned by the SNPP.
- 5.37 According to PPG growth of 490 households per annum is the '**starting point**' estimate of overall housing need. It is clear that the underlying population projections are having a key impact on the household projections. However, it is also important to give consideration to the underlying household formation rates because these are also playing a role. For example, there was a 20% increase in the projected annual growth of the population, yet only a 9% increase in the projected annual household growth between the 2012 and 2014-based series



for Telford and Wrekin. The next section provides an in depth analysis of the household formation rates underpinning each of the household projections series in order to determine whether they require any adjustment as indicated by PPG (ID2a-015 and 017).

### *Household formation rates*

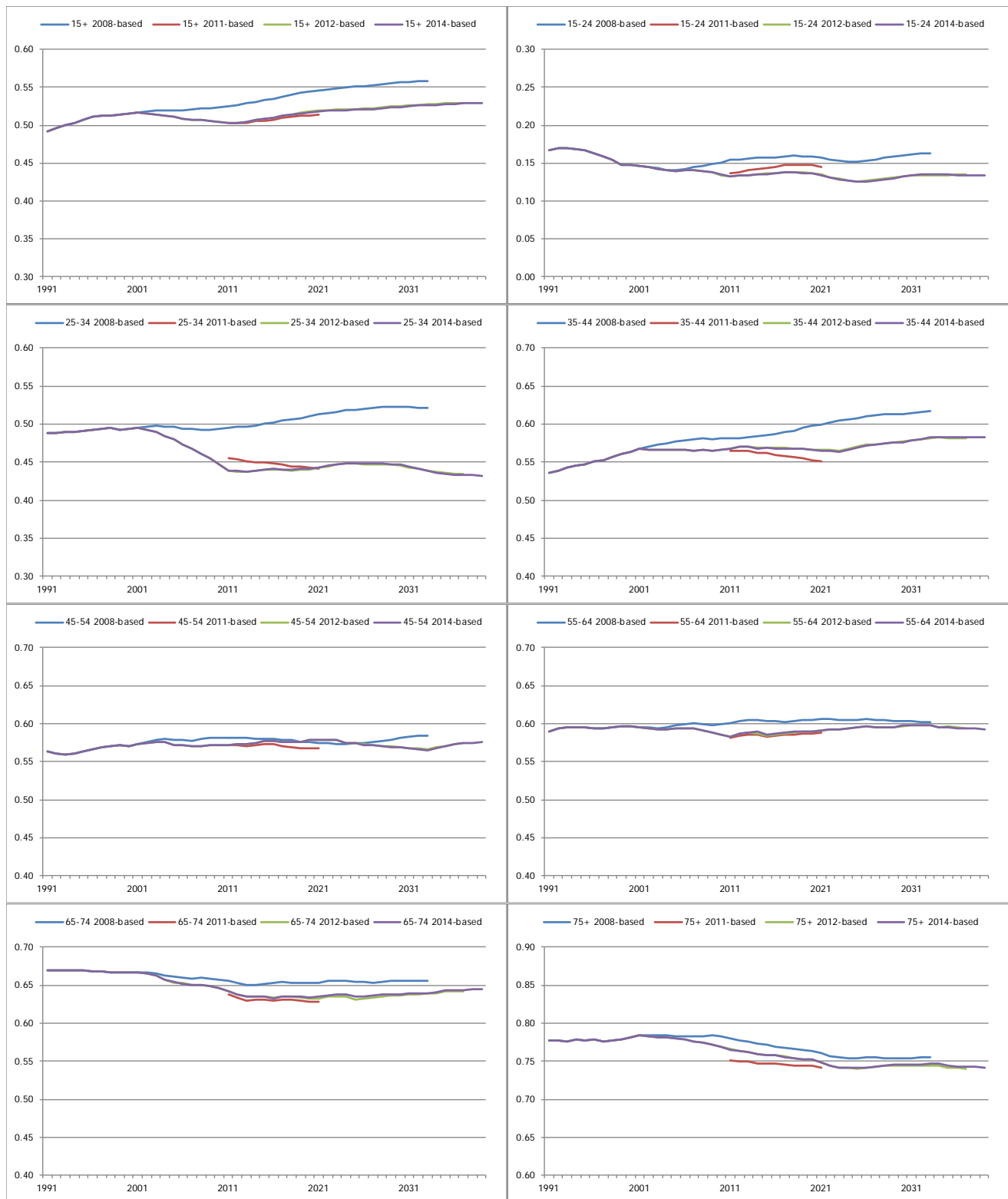
- 5.38 With each release of household projections, the CLG publish the underlying assumptions related to household formation. Household Formation Rates (HFRs) by age and gender for Telford and Wrekin are presented in Figure 5.3 to provide a comparison of the HFRs used to derive the last four series of CLG household projections.
- 5.39 The 2014-based HFRs are near identical to the 2012-based HFRs which have been acknowledged by Local Plan Inspectors as incorporating recessionary trends in household formation in comparison to the more positive 2008-based HFRs.
- 5.40 Figure 5.3 illustrates that whilst the 2014-based HFRs begin to alleviate suppression in household formation overall, for the younger age groups (in particular those aged 25-34 and 35-44 years) the gap between the 2014-based and 2008-based HFRs is increasing. The trend for declining household formation in this age group is likely to be caused in part by worsening affordability.
- 5.41 Planning for housing on the basis of a continuation of these suppressed HFRs is not supported by PPG which recommends adjustments to HFRs to reflect factors not captured in past trends (ID 2a-015). Furthermore, planning on the basis of the 2014-based HFRs is not considered to be in accordance with the principles of positive planning, and would likely place significant pressure on housing supply as the economy improves. Recent Planning Inspectorate decisions concur with this view.<sup>28</sup>
- 5.42 The PPG therefore states the following in respect of household formation rates:

**“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing.”**<sup>29</sup> (our emphasis)

<sup>28</sup> Paragraph 3.8, page 7, Cornwall Local Plan Strategic Policies – Examination: Preliminary findings following the hearings in May 2015; and Paragraph 29, page 6, Appeal Decision APP/G2435/W/15/3005052

<sup>29</sup> Paragraph: 015 Reference ID: 2a-015-20140306, Planning Practice Guidance, 06 March 2014

**Figure 5.3: Household Formation Rates, Telford and Wrekin**

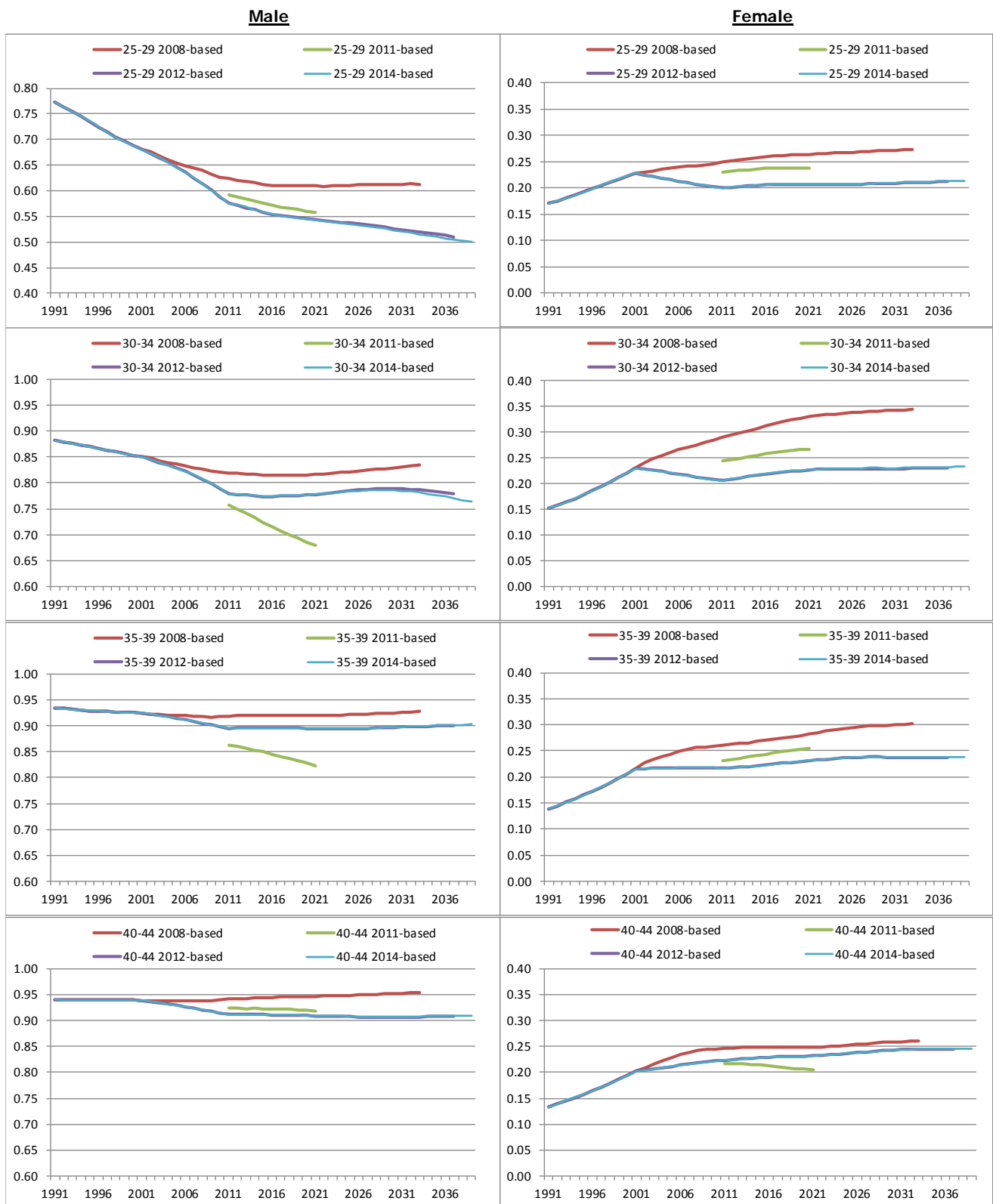


- 5.43 Given the recommendation set out in PPG concerning the adjustment of household formation rates, Barton Willmore considers that a more positive approach to HFRs is required in the 25-34 and 35-44 year old age groups, to improve affordability and make it possible for younger people to form their own households. This would comply with the National Planning Policy Framework's (NPPF) clear policy to 'boost significantly' the supply of housing, 'promote economic growth' and 'positively prepare' Local Plans. Planning on the basis of the 2014-based formation rates across all age groups would only serve to compound the suppression identified above, over an 18-year plan period.
- 5.44 Barton Willmore have undertaken sensitivity analysis to consider the effect of three different approaches to adjustment HFRs.
- The '**Blended HFR 100%**' adjustment gradually returns the 2014 HFRs for 25-34 and 35-44 year olds back to the 2008-based rate by 2033 and then follows the 2014 projected rate of change. All other age groups would remain at the 2014-based projected rates. This approach has been supported by the Inspector for a s78 appeal in Coalville, North West Leicestershire.<sup>30</sup>
  - The '**Blended HFRs 50%**' is similar to the 'Blended HFR 100%' approach, in that 2014 rates for 25-44 year olds are returned to the 2008 rates. However, under this sensitivity the 2008 rates are reduced so that by 2033 they recover half of the difference between the 2008 and 2014 rates (rather than 100% in the alternative approach). This 'partial return' is the approach which has been recommended by the LPEG in their proposed changes to the OAHN methodology in the PPG.
  - The '**HFR Sensitivity – 2001**' gradually returns the 2014 HFRs for males and females aged 25-44 years back to the 2001 rates by 2031, only where the 2014 HFRs are projected to decline below the 2001 rates. All other age groups remain at the 2014-based rates.
- 5.45 Figure 5.4 illustrates that the 'HFR Sensitivity – 2001' adjustment for Telford and Wrekin requires an adjustment to the male rates for those aged 25-44 years and also the female rates for those aged 25-29 years only – to amend the female rates for the other age groups would suppress household formation further than already projected in the 2014-based rates.

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<sup>30</sup> Paragraph 29, Appeal decision Land South of Greenhill Road, Coalville, Leicestershire, 5 January 2016

**Figure 5.4: Household formation rates for males and females aged 25-44 years in Telford and Wrekin**



5.46 Applying either of the three HFR adjustments would increase household formation assumptions beyond that projected by the 2014-based household projection and would therefore necessitate

a higher figure than the 490 households per annum (2011-2031), which according to PPG is the 'starting point' estimate of housing need in Telford and Wrekin.

#### iv) OAHN Starting Point and Demographic Adjustments

- 5.47 Having assessed the base year population profile, reviewed the most recent official population and household projections and analysed household formation and net migration behaviour, it is possible to arrive at an estimate of demographic-led housing need.

##### *Starting Point*

- 5.48 As stated in PPG, the starting point estimate of OAHN is the most recent CLG household projection, which is currently the 2014-based series (published 12 July 2016). The 2014-based series projects growth of 490 households per annum (2011-2031).
- 5.49 In order to convert the official projections into a housing need figure, it is necessary to adjust for vacant and second homes. This reveals the total number of dwellings that would need to be built to accommodate the basic projection. Table 5.7 below summarises the adjustments applied for Telford and Wrekin.

**Table 5.7: Households-to-Dwellings adjustment factors**

	Second Homes	+	Vacant	=	Adjustment
<b>Telford and Wrekin</b>	0.26%		2.77%		3.03%

Source: CLG, CTB 2015 (Second Homes); CLG Live Table 125/615 2015 (Vacant)

- 5.50 The OAHN starting point for Telford and Wrekin can therefore be summarised as follows:

**Table 5.8: OAHN Starting Point – 2011-31**

	Population Growth	Households	Dwellings
<b>Telford and Wrekin</b>	14,049 (702 pa)	9,730 (487 pa)	10,034 (502 pa)

Source: ONS, CLG, Barton Willmore calculations. Note that figures may not match exactly those noted in the context section above, due to the use detailed unrounded data supplied for modelling purposes.

##### *Demographic Adjustments*

- 5.51 As discussed previously in this chapter, it is necessary to consider the implications of applying alternative demographic assumptions, particularly surrounding Household Formation Rates and Net Migration Flows. These implications have been tested by producing alternative

demographic projections through the POPGROUP demographic forecasting system. POPGROUP is the industry standard tool for carrying out such analysis, and is widely used by public and private sector researchers and demographers.

- 5.52 Details of key modelling assumptions can be found in Appendix 2, including base year population, fertility, mortality and migration assumptions. Assumptions relating to the economic activity and the labour force are also summarised, and discussed in greater detail in Chapter 6.
- 5.53 The first adjustment made is to account for the suppression in HFRs discussed previously in this chapter. This adjustment must be made first, as it is of relevance to each subsequent adjustment made throughout the assessment process.
- 5.54 Using the POPGROUP and Derived Forecast demographic forecasting model, the adjusted HFRs are applied to the ONS 2014-based SNPP by age and gender. Table 5.9 presents the effect on the starting point of applying the three alternative HFRs assumptions.

**Table 5.9: 2014-based SNPP for Telford and Wrekin with HFR sensitivities (2011-2031)**

	Population Growth	Household Growth	Dwelling Growth
<b>Blended HFR 100%</b>	14,049 (702 pa)	11,920 (596 pa)	12,292 (615 pa)
<b>Blended HFR 50%</b>		10,809 (540 pa)	11,147 (557 pa)
<b>HFR Sensitivity - 2001</b>		11,289 (564 pa)	11,642 (582 pa)

Source: ONS/CLG; Barton Willmore modelling

- 5.55 The result of applying a HFR adjustment is to increase the number of households forming from the same base population growth (the 2014-based SNPP). The overall housing need figure for Telford and Wrekin increases from 502 dwellings per annum to between 557 and 615 dwellings per annum (2011-2031) depending on which of the HFR adjustments is applied. This is an increase from the starting point estimate, of between 11% and 23%.
- 5.56 The second adjustment made is to account for atypical net migration patterns underpinning the ONS 2014-based SNPP. Table 5.10 below summarises the impact of a continuation of long term 10-year trends taken from the period 2003-2013 (to provide consistency with the Council's evidence base) and also the most recent 10-year period 2005-2015.
- 5.57 The alternative migration trends have been modelled by assuming a constant count of international migrants but rates for internal migrants taken from the respective 10-year period. These Long Term Migration (LTM) scenarios constrain to the ONS Mid-Year Population

Estimates up to the final year from which the trend is taken and also incorporate the HFR adjustments described above.

**Table 5.10: Long Term Migration Trend scenarios for Telford and Wrekin with HFR adjustments (2011-2031)**

	Population Growth	Household Growth	Dwelling Growth
LTM Trend (2003-2013)			
2014 HFRs	13,984 (699 pa)	9,787 (489 pa)	10,093 (505 pa)
Blended HFR 100%		12,030 (601 pa)	12,405 (620 pa)
Blended HFR 50%		10,892 (545 pa)	11,232 (562 pa)
HFR Sensitivity - 2001		11,390 (570 pa)	11,746 (587 pa)
LTM Trend (2005-2015)			
2014 HFRs	16,701 (835 pa)	10,982 (547 pa)	11,273 (564 pa)
Blended HFR 100%		13,194 (660 pa)	13,606 (680 pa)
Blended HFR 50%		12,046 (602 pa)	12,422 (621 pa)
HFR Sensitivity - 2001		12,549 (627 pa)	12,941 (647 pa)

Source: ONS/CLG; Barton Willmore modelling

- 5.58 The LTM trend from 2003-2013 projects comparable population growth to the 2014-based SNPP (growth of 699 persons per annum compared to growth of 702 persons per annum projected by the 2014-based SNPP). This was expected because analysis of historic migration trends presented earlier in this report (Table 5.4) identified that average net migration from the period 2003-2013 is comparable to average net migration over the period 2009-2014 (the period which underpins the 2014-based SNPP).
- 5.59 The LTM trend from 2005-2015 projects higher population growth than the 2014-based SNPP and therefore an increase in housing need. Under this scenario, Telford and Wrekin's population would increase by an additional 835 persons per annum (an additional 133 people per annum above the 2014-based SNPP), resulting in a need for between 621 and 680 dwellings per annum compared to between 557 and 615 dwellings per annum according to the 2014-based SNPP.
- 5.60 Given migration to Telford and Wrekin was suppressed by the recession, Barton Willmore consider it is necessary to assess demographic OAHN on the basis of a LTM trend which incorporates a period of both economic recession and buoyancy. In the context of the NPPF's requirement to 'plan positively' and 'boost significantly the supply of housing', Barton Willmore believe it is appropriate to assess demographic OAHN on the LTM trend taken from the most recent 10-year period (2005-2015).

**v) Chapter Summary – Demographic OAHN**

5.61 In summary, this section has considered official ONS and CLG projections for Telford and Wrekin which PPG acknowledges should provide the 'starting point' estimate of housing need. The analysis has given consideration as to whether any adjustments are necessary to the 'starting point' estimate of need (the CLG 2014-based household projection) to address indicators that may have been affected by past trends.

5.64 The main points to note are as follows, Table 5.11 then summarises Barton Willmore's assessment of demographic OAHN for Telford and Wrekin:

- The 'starting point estimate' of overall housing need for Telford and Wrekin is 487 households per annum over the period 2011-2031, equating to **502 dwellings per annum** once an allowance of 3.03% has been applied to take account of vacancy and second homes;
- However, growth of 502 dwellings per annum could represent a significant underestimate due to the recessionary based 2014-based household formation rates the projections are underpinned by;
- Barton Willmore consider an adjustment to the 2014-based HFRs are required. The results of the three household formation rate sensitivities suggest an increase in housing need above the 'starting point' estimate ranging **between 557 to 615 dwellings per annum (2011-2031)**;
- Barton Willmore's 'Blended HFRs 100%' approach (which assumes a full return to the 2008-based rates for 25-44 year olds by 2033) increases housing need by 113 dwellings per annum above the 'starting point' estimate equating to a total need for 615 dwellings per annum (2011-2031). The approach to HFRs recommended by the LPEG (50% Blended 25-44) would require 557 dwellings per annum.
- However, Barton Willmore also consider that an adjustment to the 2014-based SNPP is required to address suppressed migration trends. Barton Willmore has considered two LTM trends, one of which is underpinned by migration trends from the period 2003-2013 (the same period the Council's LTM trend is drawn from) and the other from the most recent 10-year period (2005-2015);
- The LTM trend 2003-13 projects comparable population growth to the 2014-based SNPP which are considered to be underpinned by conservative estimates of international



migration. For this reason, Barton Willmore consider the LTM trend 2005-2015 to provide a more appropriate projection of future population growth for Telford and Wrekin on which to assess demographic OAHN;

**Table 5.11: Summary of Demographic OAHN for Telford and Wrekin (2011-2031)**

		Blended HFR 100%	Blended HFR 50%	HFR Sensitivity 2001
<b>A</b>	CLG 2014-based SNHP (Households)	<b>9,730 (487 pa)</b>		
	Vacant/Second Homes Adjustment	3.03%		
	<b>OAHN STARTING POINT (Dwellings)</b>	<b>10,034 (502 dpa)</b>		
<b>B</b>	Starting point with adjusted HFRs (Dwellings)	12,292 (615 pa)	11,147 (557 pa)	11,642 (582 pa)
	Adjustment to A	<b>+113 dpa</b>	<b>+55 dpa</b>	<b>+80 dpa</b>
<b>C</b>	10yr Migration Trend (2005-2015) with adjusted HFRs (Dwellings)	13,606 (680 pa)	12,422 (621 pa)	12,941 (647 pa)
	Adjustment to A+B	<b>+178 dpa</b>	<b>+119 dpa</b>	<b>+145 dpa</b>
<b>=</b>	<b>DEMOGRAPHIC OAHN (A+B+C)</b>	<b>13,606 (680 pa)</b>	<b>12,422 (621 pa)</b>	<b>12,941 (647 pa)</b>

Source: ONS/CLG, Barton Willmore Modelling

- 5.66 Having determined the OAHN starting point and made necessary adjustments for suppressed household formation and migration trends, demographic OAHN for Telford and Wrekin has been estimated at **between 621 and 680 dwellings per annum 2011-31** based on a LTM trend (2005-2015) with adjustments applied to address suppressed household formation for younger people aged 25-44 years.
- 5.67 Establishing demographic OAHN is, however, only the PPGs first step in assessing full OAHN. The extent to which the demographic-level of population and housing growth would support policy-off employment forecasts and respond to adverse market signals is analysed in the following chapters.

## 6.0 ECONOMIC CONTEXT AND ECONOMIC OAHN

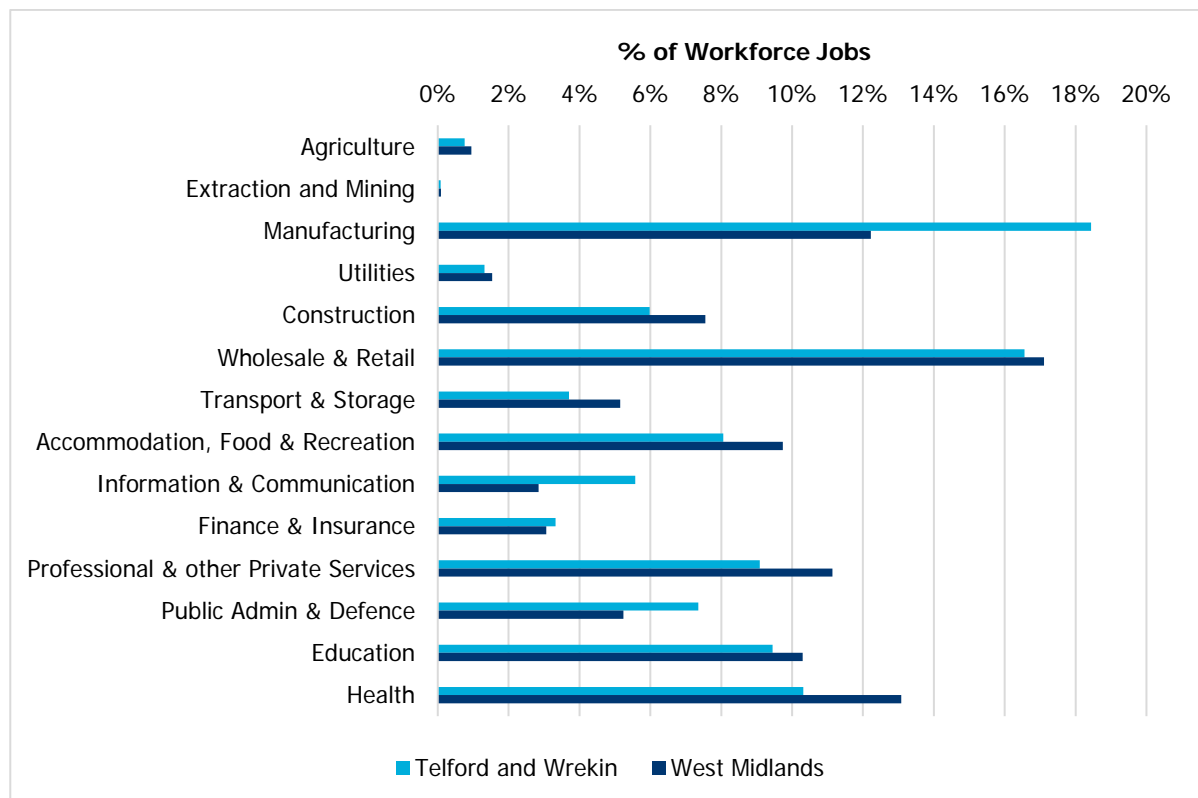
- 6.1 Economic growth and housing provision are inextricably linked; if insufficient housing is provided to accommodate workers, economic growth is put at risk. It is therefore vital that employment growth is balanced with housing provision.
- 6.2 This chapter begins with a brief overview of the economic profile of Telford and Wrekin - highlighting the key industry sectors, identifying commuting relationships and determining base year unemployment and economic activity rates. Next, the likely change in number of jobs over the plan period is determined, drawing on econometric forecasts and trends from a number of independent sources. Finally, the number of homes required to balance with forecast employment growth is estimated, taking into account reductions in the unemployment rate and increases in economic activity associated with people working further into old age.

### i) Economic Profile

#### *Employment by Industry*

- 6.3 Figure 6.1 below summarises the profile of employment by industrial class for Telford and Wrekin according to the 2011 Census. A regional benchmark is also shown for comparison.

**Figure 6.1: Employment by Industry, Census 2011**



Source: ONS, Census 2011 (Workplace Statistics)

- 6.4 The industries employing the most people within Telford and Wrekin are Manufacturing and Wholesale & Retail. Employment in Education and Health is also significant, but below regional average. Employment in Information & Communications and Public Admin & Defence is significant higher than regional average.

### *Commuting Balance*

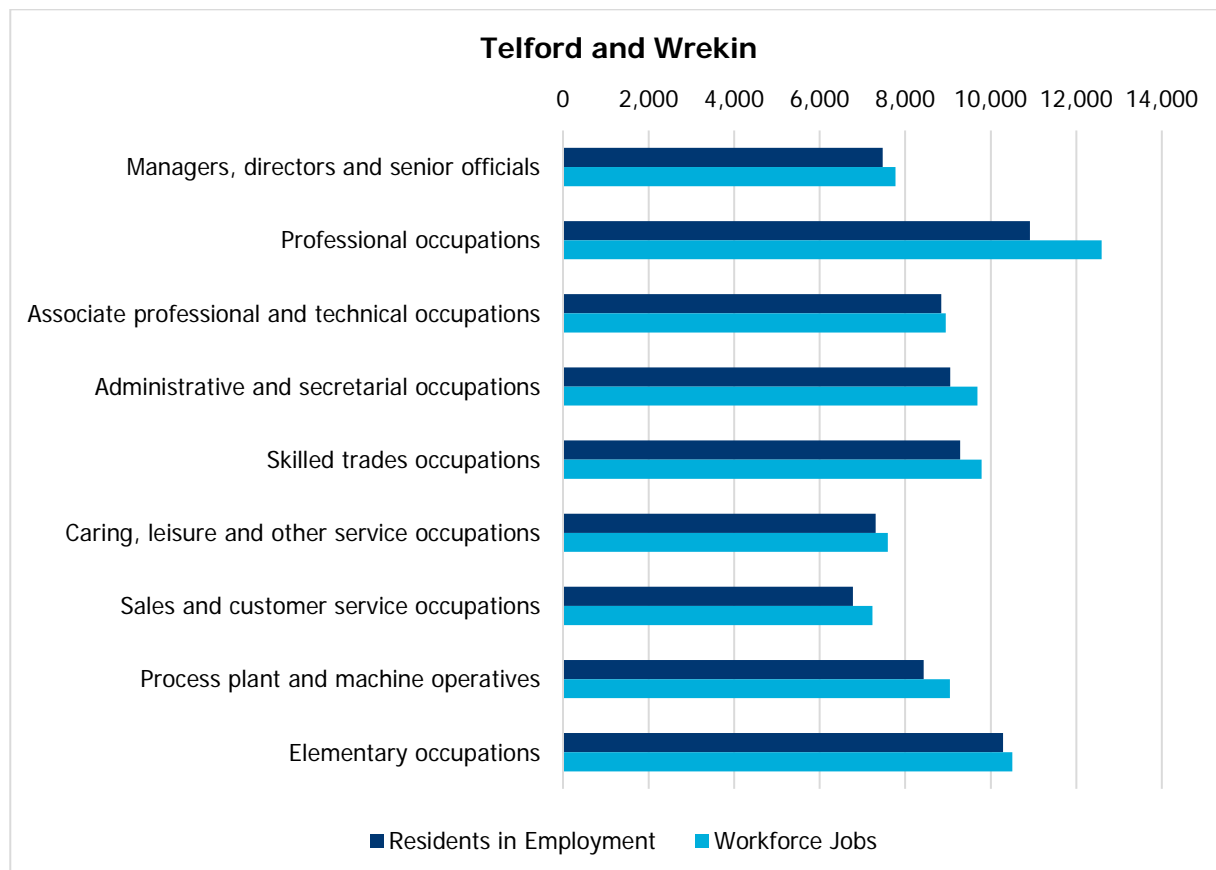
- 6.5 Table 6.1 below summarises the commuting ratio (the number of residents in employment per workforce job) for Telford and Wrekin.

**Table 6.1: Commuting Ratios, Census 2011**

	<b>Residents in Employment</b>	<b>Workforce Jobs</b>	<b>Ratio</b>
<b>Telford and Wrekin</b>	78,624	83,506	0.94

Source: ONS, Census 2011 (Origin-Destination Tables); Analysis includes home workers, workers with no fixed place of work (assumed to work within home LPA), workers with workplaces overseas and offshore workers.

- 6.6 Telford and Wrekin is a net importer of labour and to an extent is reliant on labour from nearby authorities including Shropshire, Stafford, South Staffordshire and Wolverhampton. Assuming that these commuting relationships continue unchanged, it is likely that some housing development in these authorities will be in support of economic growth in Telford and Wrekin.
- 6.7 Figure 6.2 below shows the commuting balance by occupational class (based on the SOC2007 specification and derived from the 2011 Census) for Telford and Wrekin.
- 6.8 Although there is a net deficit of Residents in Employment (relative to jobs) in all occupational classes (as summarised by the commuting ratio of 0.94), the biggest deficit is in Professional Occupations (net inflow of approximately 1,700 workers) – potentially an indicator of professionals choosing to work but not live in Telford.

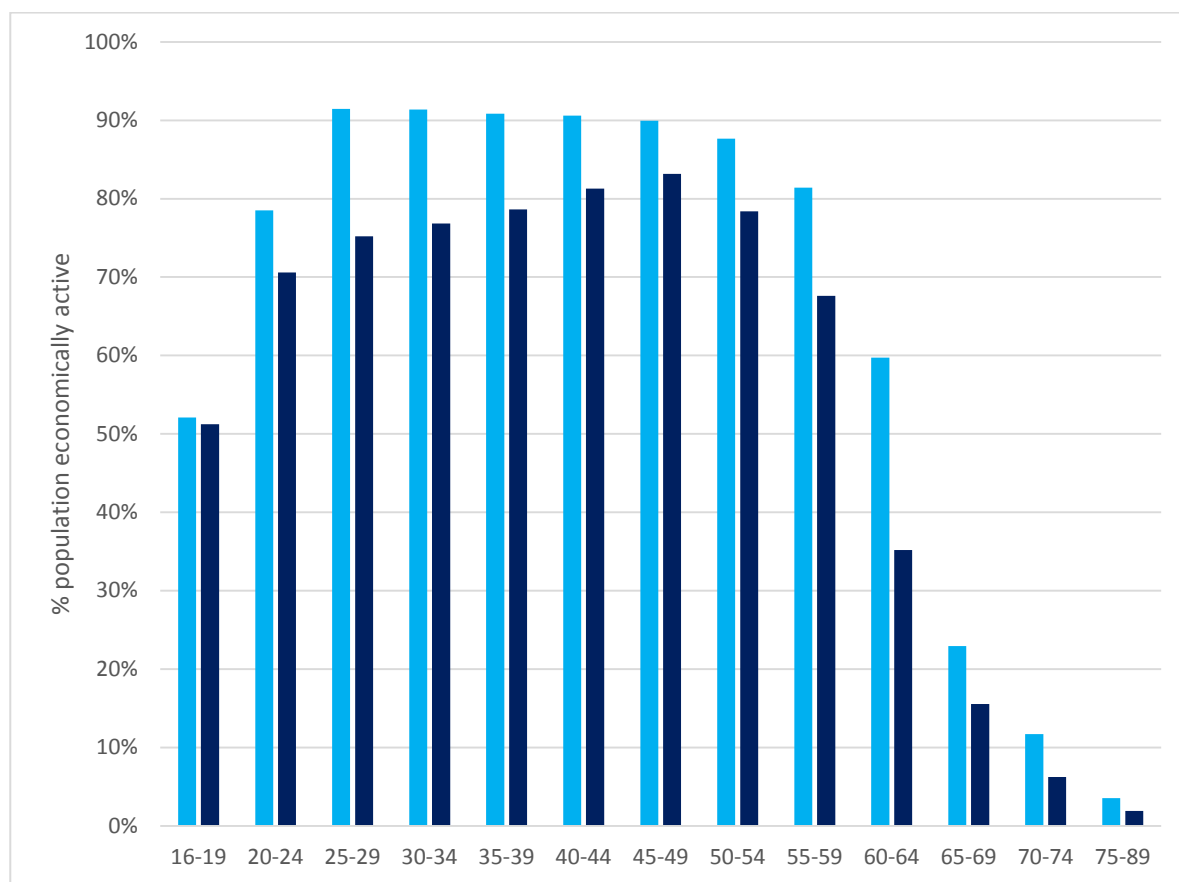
**Figure 6.2: Commuting Balance by Occupation**

Source: ONS, Census 2011

***Economic Activity and Unemployment***

- 6.9 According to the 2011 Census, there were 84,900 economically active people (69.5%) aged 16-74 years within Telford and Wrekin. However, the proportion varies by gender with 75.2% of males and 63.8% of females aged 16-74 years being economically active. Figure 6.3 presents economic activity rates from the 2011 Census by age and gender for Telford and Wrekin.

**Figure 6.3: Economic activity rates by age and gender for Telford and Wrekin (2011 Census)**



Source: ONS, Census 2011

- 6.10 It is anticipated that these economic activity rates will change over time, as the state pension age increases and people continue to work further into old age. This is discussed in more detail later in this chapter.
- 6.11 The economically active population provides an indication of the resident labour supply. However, not all of the economically active population will be in employment – a proportion will be unemployed.
- 6.12 Table 6.2 below summarises unemployment rates for Telford and Wrekin, based on data from the Annual Population Survey model-based estimates of unemployment.

**Table 6.2: Unemployment Rates – Annual Population Survey**

	2011	High (2004-14)	Low (2004-14)	Average (2004-14)	Pre-Recession Average (2004-07)
<b>Telford and Wrekin</b>	9.1%	9.4%	3.8%	6.8%	4.6%
<b>West Midlands</b>	8.7%	9.4%	5.0%	7.4%	5.4%
<b>England</b>	7.7%	8.1%	4.7%	6.5%	5.1%

Source: ONS, Annual Population Survey Model-based Estimates of Unemployment

- 6.13 Unemployment rates in Telford and Wrekin in 2011 (9.1%) were above the typical levels seen prior to the recession (4.6%), but below peak levels seen during the recession (9.4%). Unemployment rates in Telford and Wrekin were generally higher than the national average during the recession but lower pre-recession.
- 6.14 As with economic activity, it is necessary to consider how unemployment might reduce over time when determining economic-led housing need.

#### ***Past employment trends and future growth prospects***

- 6.15 PPG requires economic growth to be considered in the context of past trends and/ or economic forecasts. Past trends in job growth and future job growth for Telford and Wrekin have been considered using latest economic forecasts from Cambridge Econometrics (November 2015), Oxford Economics (July 2016) and Experian Economics (September 2016). The results are presented in Table 6.3.

**Table 6.3: Historic and projected job growth (per annum) in Telford and Wrekin**

	1997-2011	2011-2031
Cambridge Econometrics*	347	951
Oxford Economics	64	418
Experian Economics	-86	710
<b>Average of three forecasts</b>	<b>108</b>	<b>693</b>

\*Although CE forecast remains November 2015 as used in BW's March 2016 assessment, CE have made a slight revision to the regional November 2015 forecast which in turn affects the local area data

- 6.16 It is argued that economic forecasts produced by the three forecasting houses referred to above, already include a view on the future population and therefore it is logically inconsistent to then use these economic forecasts against a different population projection. This point is accepted. However, both Cambridge Econometrics and Oxford Economics have confirmed that their forecasts are demand based and not constrained by population (see Appendix 4 of this report). Furthermore, exploration of the economic outputs from Experian (published as Appendix D to the March 2015 OAHN report) reveals that Experian's *unconstrained* baseline

job demand forecast, which sits at the heart of the Experian projection model, is near identical to the projection of workplace jobs suggesting that for Telford and Wrekin, use of the Experian baseline job demand forecasts is reasonable as an indication of future job demand.

- 6.17 Due to the fluctuation between economic forecasts, it is recommended that the most robust approach would be to take a simple average of the expected future job growth from the three independent employment forecasts. This equates to 693 jobs per annum over the period 2011-2031.
- 6.18 As discussed earlier in this report, the SHMAs future jobs scenarios are found to be questionable and unsound, 1) because some of the forecasts are now dated 2) because the range of job growth projected appears to be implausibly wide 3) a household formation rate adjustment to address clear evidence of suppressed need, acknowledged by the SHMA, is not applied.
- 6.17 Whereas this assessment has looked across a range of more up to date forecasts, two of which (CE and Experian) are closely aligned. Accordingly, future 'policy-off' jobs growth in Telford and Wrekin is assumed to be an additional 693 jobs per annum over the period 2011-2031, based on the most recent job growth forecasts from the three leading forecasting houses.

## **ii) Balancing Jobs and Homes**

- 6.18 Having established key base year information from the 2011 Census, and having formed a robust view on future employment prospects for Telford and Wrekin, it is now possible to determine whether or not an uplift to the demographic-led assessment of housing need (set out in the previous chapter) is required to ensure that sufficient homes will be built to support economic growth.
- 6.19 As part of the modelling process it is necessary to estimate potential increases in economic activity and/or decreases in unemployment, as this latent supply of labour has the potential to accommodate some of the forecast employment growth.

### ***Projecting economic activity***

- 6.20 The Barton Willmore approach to modelling economic activity rates is to take the 2011 Census profile of economic activity by age group and gender for Telford and Wrekin and project this forward following the Office for Budget Responsibility (OBR) national projection of economic participation rates (November 2015). The OBR projections are for ages 16-19 years and from then onwards 5-year age group up to the age of 89 years.

- 6.21 The OBR projection seeks to predict what might happen to activity rates in the future, taking account of changes to the state pension age (SPA) and trends in participation including working into old age. It is anticipated that economic activity rates will generally increase over time, as the state pension age increases and people continue to work further into old age.

**“We [the OBR] adjust participation rates for changes in the SPA. Although most individuals will choose to exit the labour market before or after they reach the SPA, exit rates do spike around that point. In order to capture the effect on participation rates of raising the SPA, we assume in effect that exit rates move with changes in the SPA, so that a 65 year old when the SPA is 66 has the equivalent exit rate to a 64 year old when the SPA is 65. As in last year’s report, we smooth this transition over earlier periods, as individuals would be expected to adapt their labour market participation choices over a longer period.”<sup>31</sup>**

- 6.22 The use of the OBR projection is considered a robust approach because the OBR projections:

**“...capture cohort effects and a rising SPA. Modelling these two factors alone would suggest that employment rates for men aged 60 to 64 years will continue rising over time, although slightly more gradually than in the recent past, and ending the period below the level seen in the 1970s.**

**Employment rates for women of the same age are projected to pick up more significantly over the next five years, as the SPA is equalised. And SPA changes are also projected to raise the shares of both men and women working into their late sixties. We do not assume that this pace of change continues into later life.”<sup>32</sup>**

- 6.23 The use of OBR rates has also been endorsed by the Planning Inspectorate in a recent section 78 appeal decision, during which the use of economic activity rates was discussed at length and on which determination of OAHN relied. In commenting on the robustness of using the OBR rates, the Inspector commented as follows:

**“the OBR was set up in 2010 to provide independent economic forecasts to central government. It has a duty to report on the sustainability of public finances under the National Audit Act 2011. It updates its economic activity forecasts roughly annually, but nevertheless looks at the longer term. In arriving at his OAHN figure of 355 dpa, (the appellant) has used the latest set of OBR economic activity forecasts issued in November 2015. Those forecasts are very recent and I accept, in the words of Mr Williamson’s closing submissions for the appellant, that the “OBR**

<sup>31</sup> Paragraph 3.25, Page 63, Fiscal Sustainability Report, June 2015, OBR

<sup>32</sup> Paragraphs A26 and A27, Appendix 1 of Fiscal Sustainability Report (FSR), June 2014, OBR



**figures are used by the Government in the most important activities of the State.”<sup>33</sup>**

6.24 The Inspector concluded as follows:

**“I attach greater weight to the OBR projections. They give me cause to seriously doubt the markedly higher activity rates assumed by Experian.”<sup>34</sup> (our emphasis)**

6.25 Further justification for their use comes from the recently published ‘Local Plans Expert Group’ (LPEG) report to the Communities Secretary and to the Minister of Housing and Planning (March 2016). The LPEG report has been prepared for Government and its remit has been to consider how local plan making can be made more efficient and effective. Although the LPEG report excludes employment growth from the calculation of OAHN, it is included in establishing a ‘policy on’ housing requirement that is based on employment growth. In respect of economic activity rates Appendix 6 of the LPEG report recommends the following change to the Housing and Economic Development Needs Assessment (HEDNA) section of the PPG:

**“Where plan makers choose to set a ‘policy on’ housing requirement in excess of the FOAHN, based on employment growth, this should be based on applying the changes in economic activity rates that are projected in estimates produced annually by the Office for Budget Responsibility, applied to the local baseline rates of economic activity.”<sup>35</sup> (Our emphasis)**

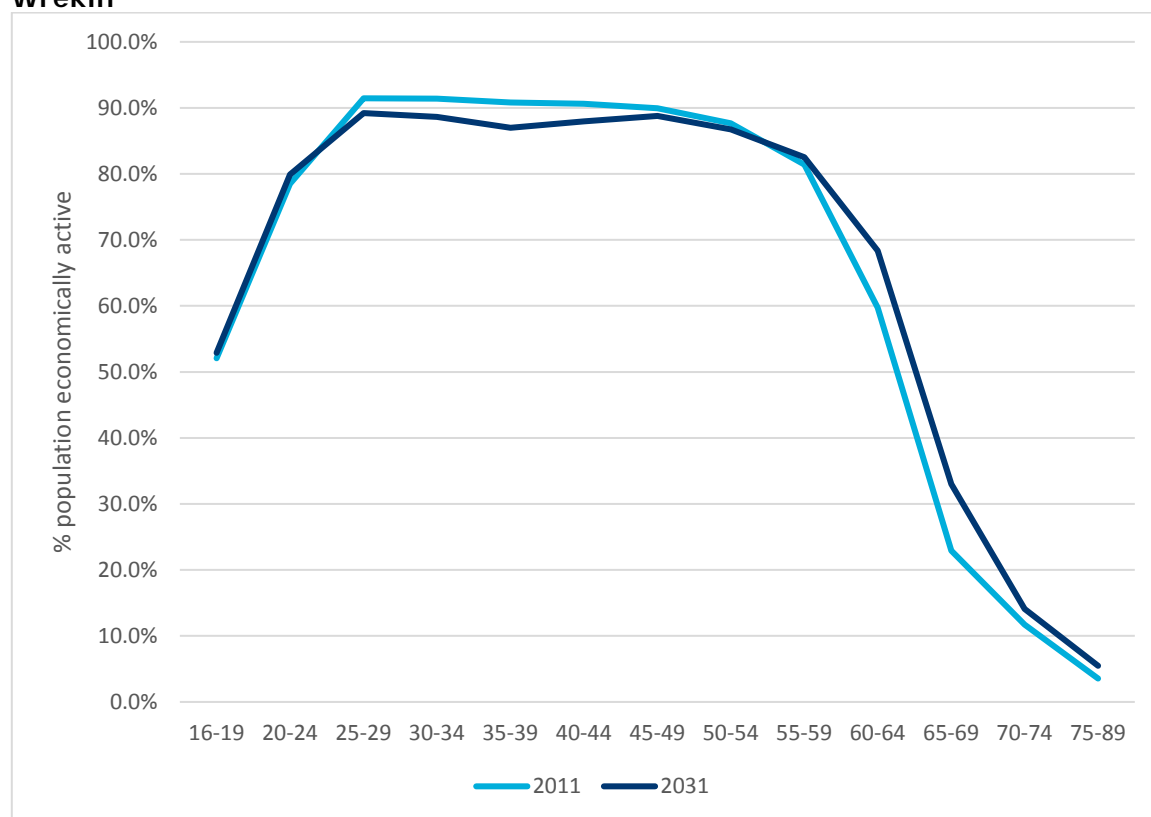
6.26 Figures 6.4 and 6.5 compare economic activity rates from the 2011 Census alongside the projected economic activity rates for males and females in Telford and Wrekin by 2031 following the OBR November 2015 projection.

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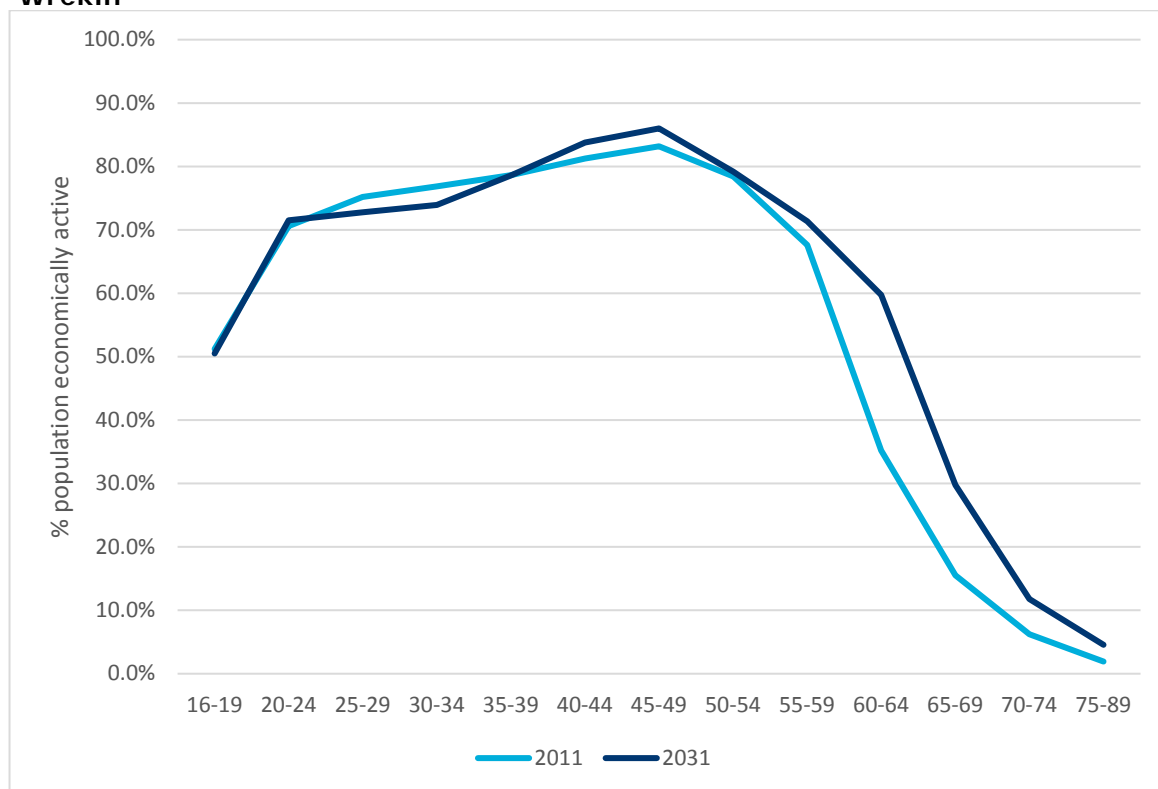
<sup>33</sup> Paragraph 20, page 6, Appeal Ref: APP/V0728/W/15/3018546, Longbank Farm, Ormesby, Middlesbrough, TS7 9EF, 09 March 2016

<sup>34</sup> Paragraph 21, page 7, Appeal Ref: APP/V0728/W/15/3018546, Longbank Farm, Ormesby, Middlesbrough, TS7 9EF, 09 March 2016

<sup>35</sup> Page 25, Appendix 6, Local Plans Expert Group report, March 2016

**Figure 6.4: Current and projected male economic activity rates for Telford and Wrekin**

Source: OBR/ Barton Willmore

**Figure 6.5: Current and projected female economic activity rates for Telford and Wrekin**

Source: OBR/ Barton Willmore

*Projecting unemployment*

- 6.27 For unemployment, it has been assumed that the 2011 rates will gradually return to average pre-recession levels as shown in Table 6.2 over the first ten years of the plan period. Rates are then held constant at these reduced levels for the final ten years.
- 6.28 For Telford and Wrekin this assumes an unemployment rate of 9.1% at the start of the plan period reducing to 4.6% by 2021.

*Projecting commuting flows*

- 6.29 The 2011 Census commuting ratio is held constant throughout the entire plan period. As the PAS Guidance states:

**"Another risky approach is to plan for recalling commuters, so the ratio of workplace jobs to resident workers – and hence to population and number of dwellings – is assumed to rise over the plan period. Like increasing activity rates, this assumption means that more jobs can be accommodated for a given number of dwellings, or a given number of jobs needs fewer dwellings. But the expected shift in commuting should be believable, and acceptable to the other local authorities affected by it. Strategies of recalling commuters should not be adopted unilaterally; they require cross-boundary agreement in line with the Duty to Cooperate."**<sup>36</sup>

- 6.30 For Telford and Wrekin the 2011 Census commuting ratio is 0.94 which assumes that Telford and Wrekin is a net importer of labour.

**iii) Jobs supported by the demographic scenarios**

- 6.31 Table 6.4 below summarises the potential number of jobs that can be supported by the three demographic scenarios presented in Chapter 5 of this report: 2014-based SNPP; LTM Trend (2003-2013); and LTM Trend (2005-2015).

<sup>36</sup> Paragraph 8.16, page 36, Planning Advisory Service (PAS) Technical Advice Note: Objectively Assessed Need and Housing Targets, July 2015, 2<sup>nd</sup> edition

**Table 6.4: Jobs supported by demographic scenarios in Telford and Wrekin (2011-2031)**

	2014-based SNPP	LTM Trend (2003-2013)	LTM trend (2005-2015)
Population growth	14,049 (702 pa)	13,984 (699 pa)	16,701 (835 pa)
Growth in economically active population	2,042 (102 pa)	2,624 (131 pa)	3,997 (200 pa)
Jobs supported*	6,132 (307 pa)	6,724 (336 pa)	8,116 (406 pa)
Job demand	13,860 (693 pa)		
Job surplus/ deficit	-7,728 (-386 pa)	-7,136 (-357 pa)	-5,744 (-287 pa)

Source: ONS/CLG, Barton Willmore Modelling.

\*Adjusted for commuting, reduced unemployment and increased economic activity

- 6.32 The number of jobs that could be supported by the starting point estimate (the 2014-based SNPP) is 307 jobs per annum. However, Barton Willmore's preferred demographic scenario (LTM trend 2005-2015) would support growth of 406 jobs per annum.
- 6.33 However, regardless of which demographic scenario is assumed, the level of jobs that can be supported is significantly lower than projected job demand. The deficit is equivalent to between 287 and 386 jobs per annum against the growth suggested by current economic forecasts (693 jobs per annum). Therefore additional dwellings will be required to allow the labour supply to grow in-line to support job growth suggested by current economic forecasts.

#### **iv) Housing need to support projected job growth**

- 6.34 Table 6.5 summarises the number of dwellings required in Telford and Wrekin to provide the resident workforce (after taking account of unemployment, commuting and economic activity) to support growth of 693 jobs per annum over the period 2011-2031. This scenario represents economic-led housing need. Note that the HFR adjustments discussed in Chapter 5 have also been applied here. Detailed model output tables can be found in Appendix 2.

**Table 6.5: Economic-led Housing Need in Telford and Wrekin (growth between 2011 and 2031)**

<b>Growth</b>	<b>Future Projection (693 jobs per annum)</b>		
Population	27,228 (1,361 pa)		
Economically active population	9,657 (483 pa)		
	<b>Blended HFR 100%</b>	<b>Blended HFR 50%</b>	<b>HFR Sensitivity 2001</b>
Households	17,287 (864 pa)	16,022 (801 pa)	16,586 (829 pa)
Dwellings	17,827 (891 pa)	16,522 (826 pa)	17,104 (855 pa)

Source: ONS/CLG, Barton Willmore modelling

- 6.35 The economic-led scenario for Telford and Wrekin requires growth of between 826 and 891 dwellings per annum, depending on which HFR adjustment is applied, to support growth of 693 jobs per annum over the period 2011-2031. The lower end of the range is the result of applying the 'Blended HFR 50%' sensitivity and the upper end of the range is the result of applying the 'Blended HFR 100%' sensitivity.

#### **v) Chapter Summary - Economic-led Housing Need**

- 6.36 Telford and Wrekin is particularly reliant on employment in Manufacturing and Wholesale & Retail. Employment in Telford and Wrekin follows a similar pattern to the West Midlands region as a whole but with a greater reliance on Manufacturing compared to the regional average.
- 6.37 Telford and Wrekin is a net importer of labour and therefore there are more workforce jobs in the area than there are residents in employment in the same area. For the purpose of this OAHN, it has been assumed that commuting patterns will remain unchanged from the 2011 Census.
- 6.38 However, to reflect the contribution that a reduction in relatively high unemployment rates can make to satisfying job demand, it has been assumed that unemployment rates will gradually fall until reaching the pre-recession average level in 2021 (and held constant thereafter). Economic activity rates have been projected following the OBR national projection (November 2015). This approach takes into account changes in the state pension age and increased economic activity in older age groups over the Plan period.

- 6.39 Past and projected future job growth has been considered based the average of three independent and well-respected sources of employment forecasts: Cambridge Econometrics (November 2015), Oxford Economics (July 2016) and Experian Economics (September 2016). The average of the three forecasts shows projected growth of 693 jobs per annum, 2011-2031. It is this level of growth which Barton Willmore consider should be supported by the OAHN for Telford and Wrekin.
- 6.40 Analysis of the labour supply arising from the demographic OAHN (based on the LTM Trend 2005-2015) indicates that a greater increase in available labour would be needed to accommodate forecast employment demand. This results in an increased need for housing in Telford and Wrekin.
- 6.41 **In order to support growth of 693 jobs per annum in Telford and Wrekin over the period 2011-2031 Barton Willmore consider economic OAHN to be between 826 and 891 dwellings per annum, depending on which adjustment to address suppressed household formation is applied.**
- 6.42 Table 6.6 summarises the recommended economic-led assessment of housing need for Telford and Wrekin. Appendix 3 provides the full modelling outputs for the economic-led housing need figure

**Table 6.6: Economic OAHN for Telford and Wrekin (2011-2031)**

		Blended HFR 100%	Blended HFR 50%	HFR Sensitivity 2001
<b>A</b>	CLG 2014-based SNHP (Households)	<b>9,730 (487 pa)</b>		
	Vacant/Second Homes Adjustment	3.03%		
	<b>OAHN STARTING POINT (Dwellings)</b>	<b>10,034 (502 dpa)</b>		
<b>B</b>	Starting point with adjusted HFRs (Dwellings)	12,292 (615 pa)	11,147 (557 pa)	11,642 (582 pa)
	Adjustment to A	<b>+113 dpa</b>	<b>+55 dpa</b>	<b>+80 dpa</b>
<b>C</b>	10yr Migration Trend (2005-2015) with adjusted HFRs (Dwellings)	13,606 (680 pa)	12,422 (621 pa)	12,941 (647 pa)
	Adjustment to A+B	<b>+178 dpa</b>	<b>+119 dpa</b>	<b>+145 dpa</b>
<b>=</b>	<b>DEMOGRAPHIC OAHN (A+B+C)</b>	<b>13,606 (680 pa)</b>	<b>12,422 (621 pa)</b>	<b>12,941 (647 pa)</b>
<b>D</b>	Jobs Supported by Demographic OAHN (C)	8,116 (406 pa)		
	Job Demand (average of CE, OE & Experian)	13,860 (693 pa)		
	Labour Surplus/Deficit	-5,774 (-287 pa)		
<b>=</b>	<b>ECONOMIC-LED HOUSING NEED</b>	<b>17,827 (891 pa)</b>	<b>16,522 (826 pa)</b>	<b>17,104 (855 pa)</b>
	(Adjustment to Demographic OAHN)	<b>+211 dpa</b>	<b>+205 pa</b>	<b>+208 pa</b>

Source: ONS/CLG, Barton Willmore Modelling

## 7.0 MARKET SIGNALS

- 7.1 This chapter analyses in detail the key housing market characteristics and trends relating to Telford and Wrekin, and identifies the extent to which the supply of dwellings over recent years has kept pace with demand.
- 7.2 The problems arising from historic under-delivery of housing across the country can be observed locally through analysis of market signals. Five key market signals have been taken into consideration – Rate of Development, House Prices, Affordability, Residential Rents and Overcrowding.
- 7.3 The findings of this analysis inform the extent to which the OAHN may need to be adjusted to take into account market dysfunction observed through analysis of market signals.

### i) Rate of Development

- 7.4 The PPG states how a meaningful period should be used to measure supply. If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likely under-delivery of a plan. Table 7.1 sets out the annual net housing completions recorded by Telford and Wrekin Council over the period 2006/07 to 2014/15 against the housing target, identifying and surplus or shortfall.

**Table 7.1: Delivery Performance vs. Target – Dwellings per Annum**

	Delivery Performance	Housing Target	Surplus/Deficit
2006/07	452	1,330	-878
2007/08	363	1,330	-967
2008/09	462	1,330	-868
2009/10	483	1,330	-847
2010/11	551	1,330	-779
2011/12	720	700	+20
2012/13	607	700	-93
2013/14	842	700	+142
2014/15	1,074	700	+374
<b>Total</b>	<b>5,554</b>	<b>9,450</b>	<b>-3,896</b>

Source: Telford and Wrekin Annual Monitoring Report 2015 and housing targets from Telford and Wrekin OAHN Final Report (March 2015) paragraph 4.8



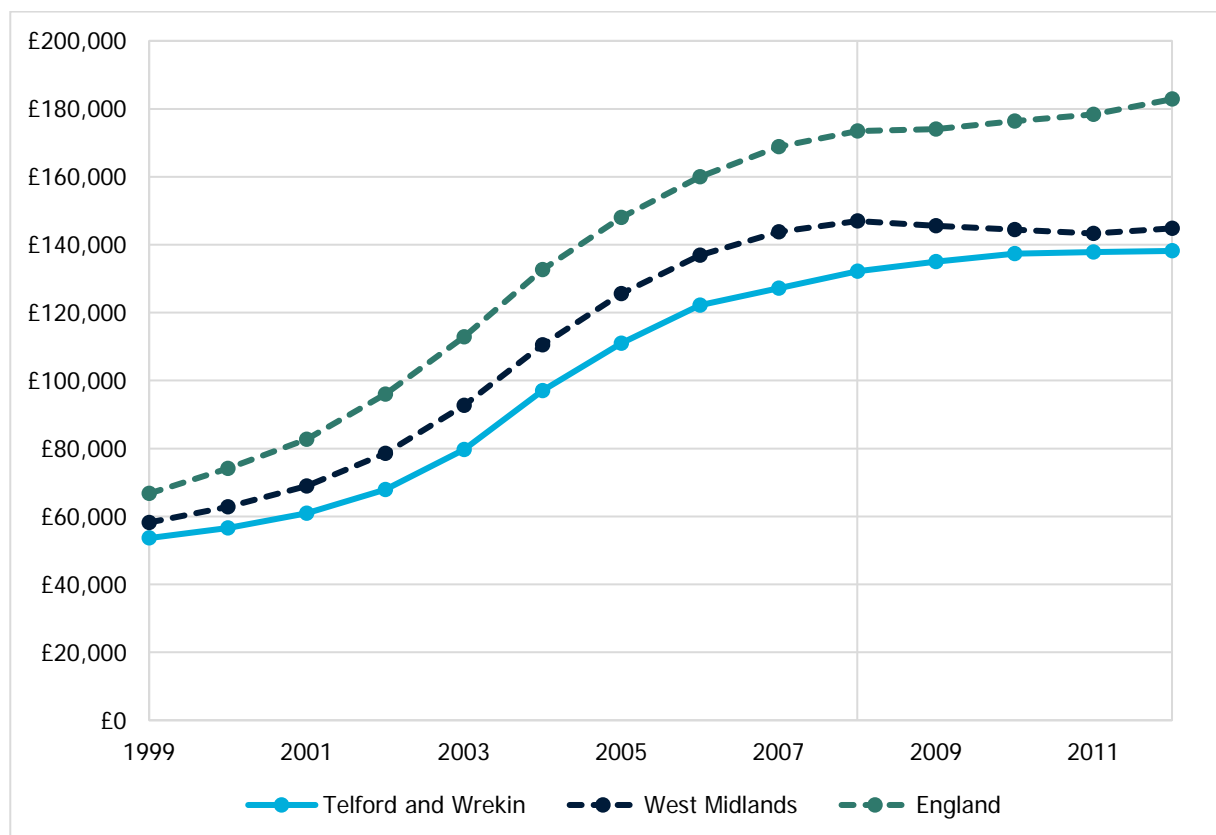
7.5 Between 2006/07 and 2014/15 there were 5,554 net housing completions in Telford and Wrekin which only accounted for 59% of the target set. Housing delivery has consistently fallen short of the annual housing targets (with the exception of the last couple of years) as is shown in Table 7.1 and this shortfall in housing provision will have contributed to pressure on the local housing market potentially resulting in an increase in overcrowding/ concealed households and thereby influencing household suppression which was identified in Chapter 5 of this report.

## ii) House Prices

7.6 The second indicator taken into account is median house price. House prices are influenced by a wide variety of factors and can vary significantly within a district; the median house price has been used to limit the influence of extreme high and low values.

7.7 Figure 7.1 below tracks the median house price within Telford and Wrekin over the period 1997-2012, according to data from the Land Registry (published by CLG in Live Table 586).

**Figure 7.1: Median House Prices 1997-2012 (3yr rolling average)**



Source: Land Registry via CLG Live Table 586

7.8 Median house prices in Telford and Wrekin have remained at levels significantly lower than national average over the period analysed. However, house prices in Telford and Wrekin are only marginally lower than the regional average.

7.9 Table 7.2 below analyses change in median house prices since 1997, both in absolute and percentage terms. An index of the change against national average is provided, where 100 = the national average rate of change.

**Table 7.2: Analysis of Median House Price Change 1997-2012**

	<b>Absolute Change 1997-2012</b>	<b>Index (England=100)</b>	<b>Percentage Change 1997-2012</b>	<b>Index (England=100)</b>
Telford and Wrekin	£87,050	70	171%	83
West Midlands	£90,307	73	165%	80
<b>England</b>	£123,500	100	206%	100

Source: Land Registry via CLG Live Table 586

7.10 Median house prices have increased by 171% in Telford and Wrekin over the 15-year period. This represents a higher rate of change than the regional average (165%) but lower rate of change than the national average (206%).

7.11 Alongside the rate of change, PPG requires the absolute levels of change to be analysed. Telford and Wrekin's median house prices have increased by £87,050 over 15 years. This is lower than the regional average (£90,307) and national average (£123,500).

7.12 Table 7.3 below shows the same analysis for Lower Quartile-priced homes.

**Table 7.3: Analysis of Lower Quartile House Price Change 1997-2012**

	<b>Absolute Change 1997-2012</b>	<b>Index (England=100)</b>	<b>Percentage Change 1997-2012</b>	<b>Index (England=100)</b>
Telford and Wrekin	£67,875	84	183%	99
West Midlands	£69,044	85	168%	91
<b>England</b>	£81,048	100	184%	100

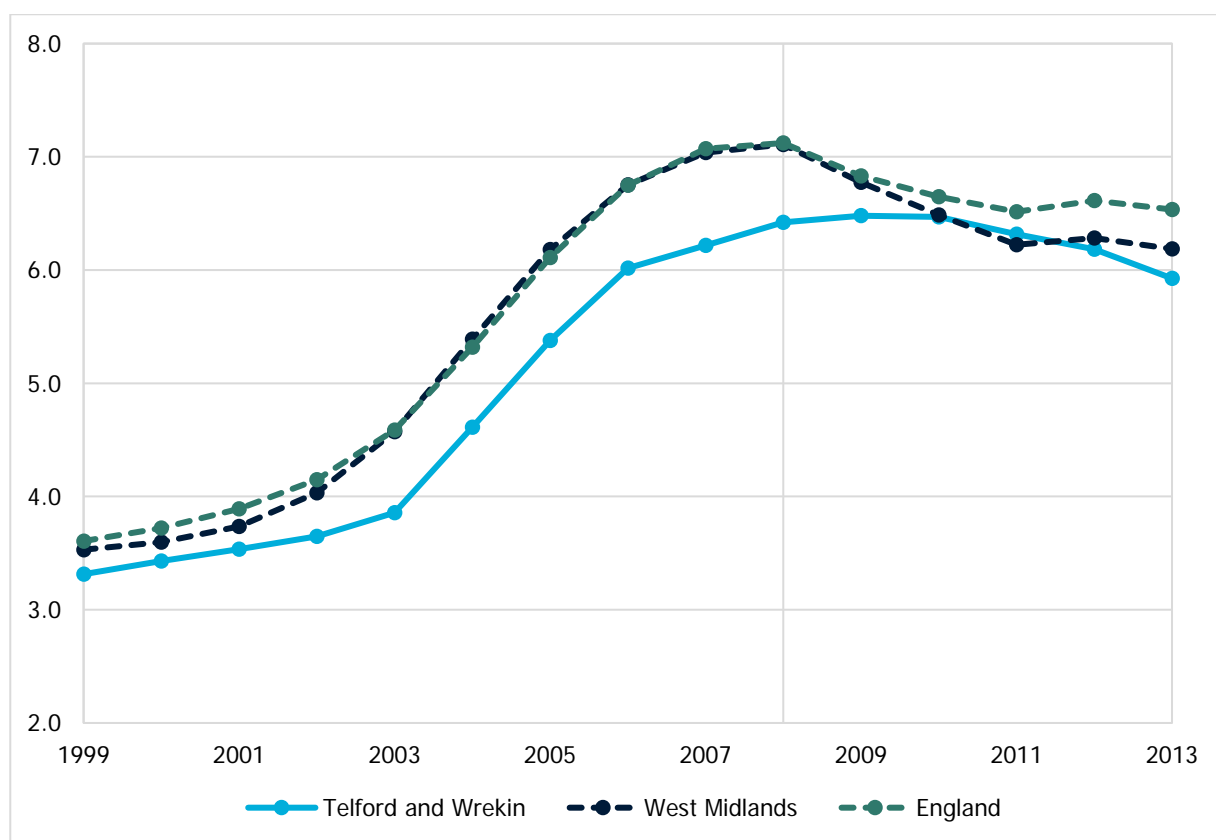
Source: Land Registry via CLG Live Table 586

7.13 Although the rate of increase for Lower Quartile homes is also below the national average rate, it is much closer (almost matching the rate in percentage terms) and remains higher than the regional rate of change.

### iii) Affordability – Lower Quartile

- 7.14 The third indicator taken into account is affordability, assessed using the ratio between lower quartile house prices and lower quartile earnings. This indicator is particularly salient given the well-publicised barriers to ownership faced by many first time buyers and low-earners.
- 7.15 Figure 7.2 below tracks the Lower Quartile affordability ratio 1997-2013. Given that the ratio is a product of two independent data sources, a three year rolling average has been used to limit the effects of volatility in either data source.

**Figure 7.2: Affordability Ratio 1997-2013 (3yr rolling averages)**



Source: Land Registry/ASHE, via CLG Live Table 576

- 7.16 In 1997 the affordability ratio for Telford and Wrekin (3.2) was just below the typical mortgage borrowing multiplier of 3.5, meaning that for many buying a house was affordable. However, by 2007 (the pre-recession peak in many areas) the affordability ratio had reached 6.2 in Telford and Wrekin, an impassable barrier for many newly forming households, but lower than the regional average (7.0) and national average (7.1) in 2007. In 2013, Telford and Wrekin's affordability ratio was 5.9, again slightly lower than the regional average (6.2) and national average (6.5).

- 7.17 The affordability ratio has worsened for all areas assessed, including England as a whole. This is the result of lower quartile house prices rising more quickly than lower quartile earnings. However the situation in Telford and Wrekin is more acute than the average of the West Midlands region.
- 7.18 In terms of the tests required by PPG (absolute levels and rates of change), Table 7.4 shows how the affordability ratio has increased by 75% between 1997 and 2013 in Telford and Wrekin. This rate of change is higher than the regional average (71%) but lower than the national average (81%). The absolute change in the ratio has been 2.4 in Telford and Wrekin which is lower than both the regional and national average.

**Table 7.4: Analysis of Lower Quartile Affordability Ratio Change 1997-2013**

	Absolute Change 1997-2013	Index (England=100)	Percentage Change 1997-2013	Index (England=100)
Telford and Wrekin	2.4	83	75%	92
West Midlands	2.5	87	71%	88
England	2.9	100	81%	100

Source: Land Registry via CLG Live Table 586

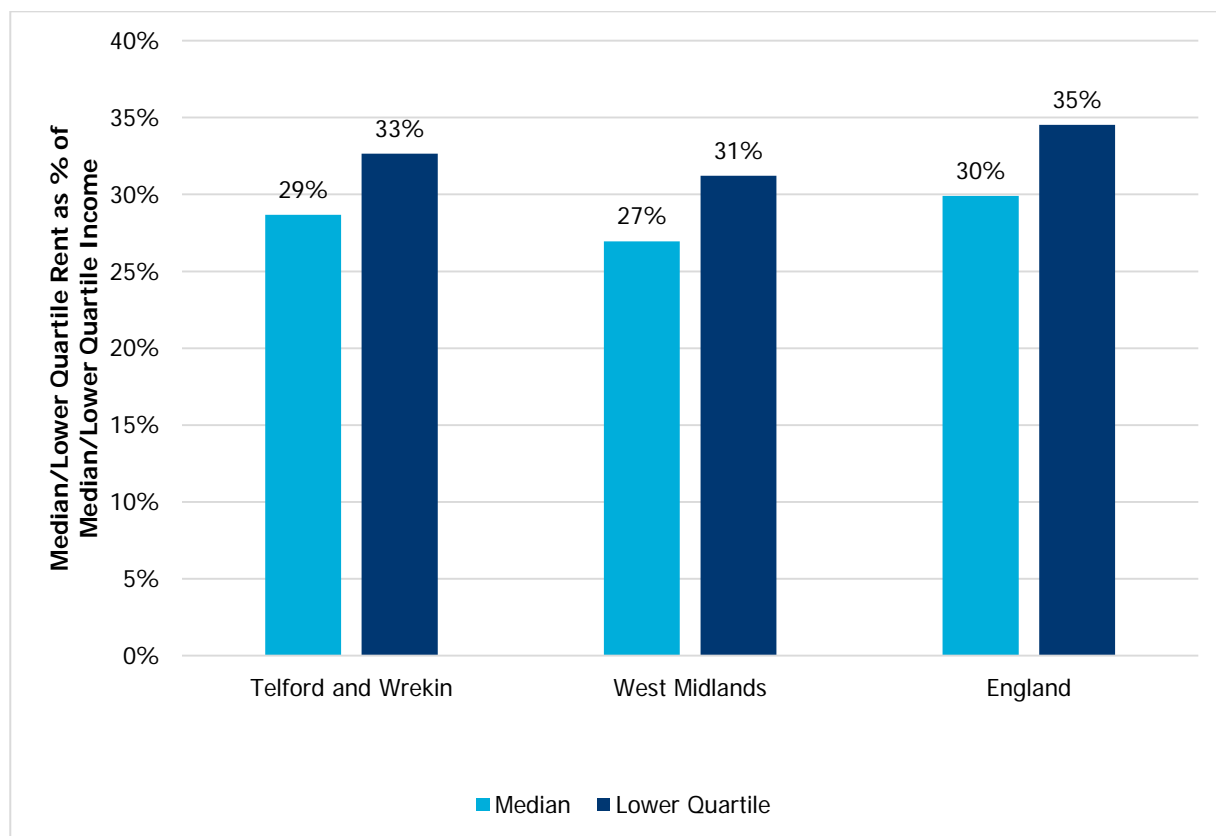
- 7.19 The ONS have published more recent affordability ratios for years 2013, 2014 and 2015 using a different source of house price data to that used to produce the ratios presented in Figure 7.2 and Table 7.4 above. The new methodology leads to slight differences in the distribution of affordability ratios over time. Accordingly, the affordability time series shown in Figure 7.3 is presented in 2 blocks, the first (old method) up to 2013 and the second (new method) from 2013.
- 7.20 Under the new methodology, Telford and Wrekin's lower quartile affordability ratio in 2013 is slightly lower at 5.85 than in 2013 according to the old method (5.9) but is estimated to have increased to 6.23 in the year 2015. The 2015 ratio remains below the national average (7.02).

**Figure 7.2: Lower Quartile Affordability, Absolute Change 1997 to 2015**

Source: Office for National Statistics/Land Registry, via CLG Live Table 576

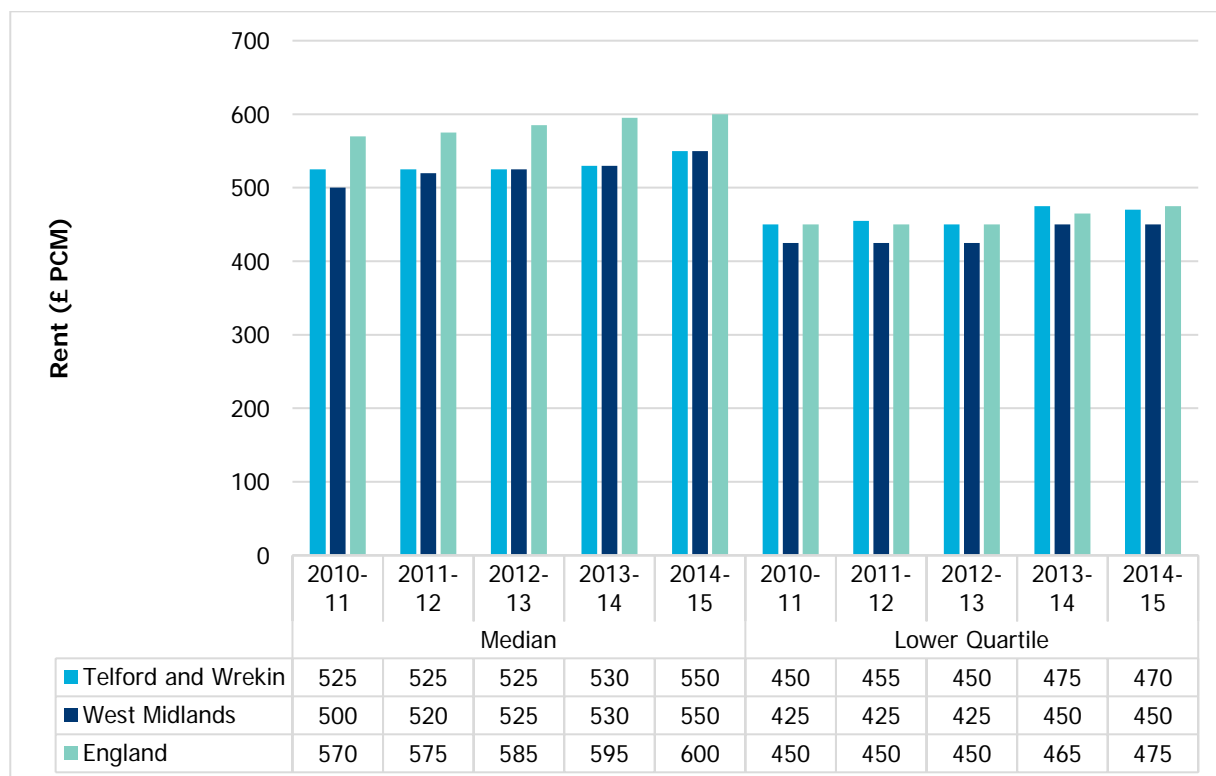
#### iv) Residential Rents

7.21 The fourth indicator taken into account is residential rent payable in the private sector. Figure 7.3 below shows the ratio between Lower/ Median Quartile personal income and Lower/ Median Quartile private rent, both annualised.

**Figure 7.3: Median/Lower Quartile Rent as % of Median/Lower Quartile Income**

Source: Valuation Office Agency

- 7.22 Renting in Telford and Wrekin is approximately as affordable as the national average, with a lower quartile-priced property costing around 33% of income. This remains above the 25% threshold often used in affordable housing need assessments, suggesting that renting in Telford is relatively expensive. Figure 7.4 below shows lower quartile and median private rents since 2010/11 – the earliest year for which consistent data is available.

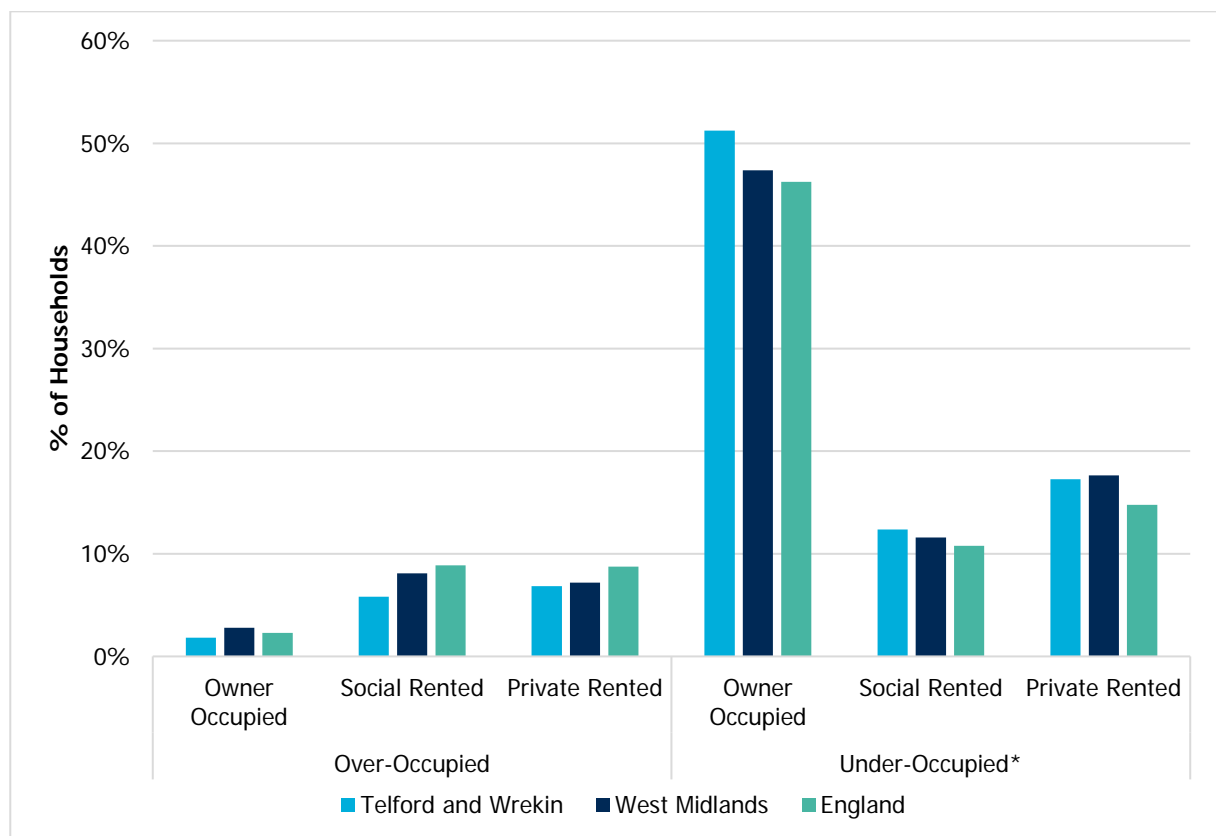
**Figure 7.4: Private Residential Rents, Per Calendar Month**

Source: Valuation Office Agency

- 7.23 Private rents have remained relatively static in Telford and Wrekin since 2010/11. However, median rents have increased in the last year (2014/15). In Telford and Wrekin this is equivalent to a 4% increase which is the same as the regional average but higher than the national average (0.8%).

#### v) Overcrowding

- 7.24 The final indicator is overcrowding, taking into account the proportion of households which are over-occupied (i.e. having fewer rooms than required for the number of usual residents) and Concealed households (multiple households living in a single dwelling). This market signal is considered to illustrate the problems created by the worsening affordability situation indicated earlier in this section of the study.
- 7.25 Figure 7.5 below compares the proportion of households classified as over and under occupied in the 2011 Census.

**Figure 7.5: Over and under-occupation, 2011**

Source: ONS, Census 2011

\* Under-occupied by 2+ bedrooms

- 7.26 As Figure 7.5 shows, Telford and Wrekin's level of over-occupation – where there are fewer bedrooms than required – is proportionally lower than the regional and national averages.
- 7.27 The second aspect of overcrowding taken into account is Concealed Families. A concealed household is defined as follows:

**“Concealed households are family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity.”<sup>37</sup>**

- 7.28 One dwelling typically houses a single family. Concealed families occur when multiple families occupy the same dwelling, often due to affordability issues, although in some cases there are strong cultural traditions of extended families living together in the same dwelling.
- 7.29 In terms of overcrowding, the ONS have recently published data to show a 70% increase in concealed households across the country between 2001 and 2011. Table 7.5 summarises the

<sup>37</sup> Paragraph 3.4, page 42, Estimating Housing Need, CLG, November 2010



number of concealed families within Telford and Wrekin compared with the West Midlands region and nationally.

**Table 7.5: Concealed Households, 2001-2011**

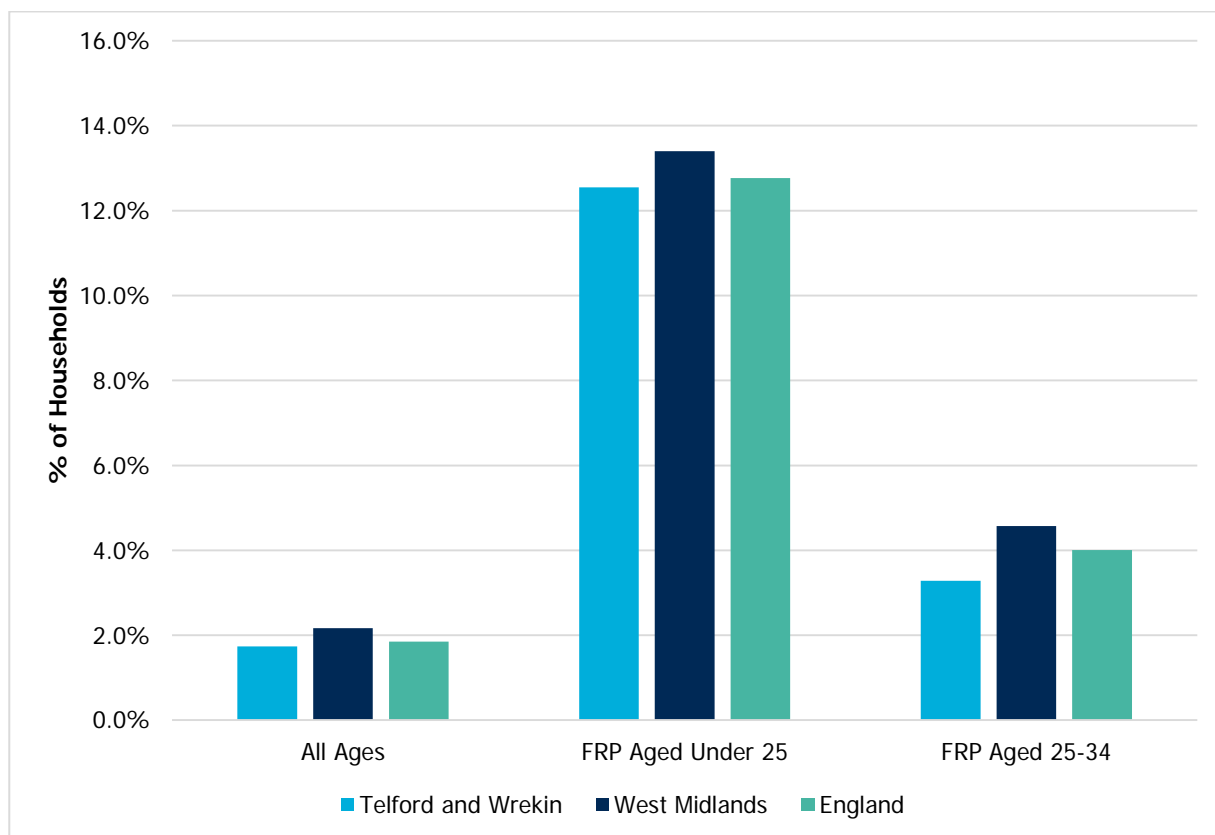
	2001	2011	2001-2011 Change	
			Number	%
Telford and Wrekin	426	853	427	100.2
West Midlands	21,435	34,461	13,026	60.8
England & Wales	169,765	289,295	119,530	70.4

Source: ONS, Census 2001/11

7.30 The number of concealed families in Telford and Wrekin has increased by 100% between 2001 and 2011. This percentage increase is noticeably higher in Telford and Wrekin (100%) compared to the regional (61%) and national (70%) average.

7.31 Figure 7.6 provides more detail in respect of the proportion of concealed households by age.

**Figure 7.6: Concealed families, 2011**



Source: ONS

- 7.32 Figure 7.6 illustrates how the highest proportion of concealed families in Telford and Wrekin is within younger households where the age of the family reference person is under the age of 25 years. 12.5% of all households where the FRP is under 25 years are concealed in Telford and Wrekin, which is lower than the regional and national average.
- 7.33 Nonetheless, the worsening affordability of housing is leading to a much larger number of people having to share with others, and not being able to form their own households. This is particularly so in younger age groups where the housing market is inaccessible to first time buyers.
- 7.34 In addition to concealed families, there are many concealed individuals who would like to form their own household but have not been able to due to the recession. Whilst it is not possible to derive the number of these individuals from the Census, research by Bramley et al. (2010) suggests that single adults account for around half of concealed households<sup>38</sup>.

#### vi) Summary of Market Signals

- 7.35 The market signals issues within Telford and Wrekin can be summarised as follows:
- **Delivery performance:** Has significantly been below target. Between 2006/07 and 2014/15 housing delivery only reached 59% of target representing a shortfall of 3,896 dwellings over this period;
  - **House prices:** Prices have risen significantly, but by less (and at a slower rate) than the national average. However, both lower quartile and median house prices in Telford and Wrekin have increased by a higher rate than the regional average;
  - **Affordability:** Housing is now significantly less affordable than in the late 1990s, which has caused some suppression in household formation. The affordability ratio in 2015 was 6.2 meaning that a lower quartile priced house costs 6.2 times more than lower quartile earnings. Telford and Wrekin, however, remains more affordable than the national average but the affordability ratio between 1997 and 2013 has worsened at a greater rate than the regional average (+75% compared to +71%);
  - **Private Rents:** Rents are relatively unaffordable which puts further pressure on the market. Rents have remained relatively static in recent years but in the most recent year (2014/15) median rents have increased at faster rate in Telford and Wrekin (+4%) compared to the national average (+0.8%);

<sup>38</sup> Bramley et al. (2010), Estimating housing need, Department for Communities and Local Government

- **Overcrowding and Concealed Families:** A 100% increase in the number of concealed families between censuses higher than the national average of 70% but with similar levels overall to the national average. Overcrowding has also worsened, but is less severe than national average;

7.36 Several adverse market signals have been observed in Telford and Wrekin including a worsening of affordability, which has been influenced by increasing house prices/ rents and a significant shortfall of supply. Although perhaps less severe than the national average, market signals issues in Telford and Wrekin are more severe than the regional average, which, according to PPG, should be met with an appropriate boost in housing supply.

**vii) Uplift to OAHN for Market Signals?**

7.37 In light of the market signals analysis and the identification of a worsening trend in several market signals indicators, there is considered strong justification for a market signals increase to demographic projections in order to improve affordability in Telford and Wrekin.

7.38 PPG states:

**“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.”** (PPG ID: 2a-019)

**“A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.....In areas where an upward adjustment is required plan makers should set this adjustment as a level that is reasonable.....should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, could be expected to improve affordability”** (PPG ID: 2a-020)

7.39 A ‘reasonable’ adjustment is not quantified in the PPG and therefore in the absence of clear guidance from Government on how much of an uplift to OAHN should be applied to account for adverse market signals Barton Willmore has given consideration to this in respect of:

- Inspectors recommendations for market signals uplifts; and
- The Barker Review threshold, which identified an 86% increase in housebuilding would be required to bring house price inflation down to the European average (1.1%).

*Inspector's recommendations*

- 7.40 There have been a number of Inspectors recommendations for a market signals adjustment ranging from between 10 and 20%.
- 7.41 The Uttlesford Local Plan Inspector (December 2014) concluded that an uplift for market signals was required to the Council's proposed housing number and considered it 'appropriate to examine an overall increase of around 10%' <sup>39</sup>. This was to be applied alongside the headship rate adjustment.
- 7.42 The Eastleigh Local Plan Inspector (February 2015) recommended a 10% increase to the demographic-led OAHN figure to address the 'modest' pressure of market signals:

**"I consider a cautious approach is reasonable bearing in mind that any practical benefit is likely to be very limited because Eastleigh is only a part of a much larger HMA. Exploration of an uplift of, say, 10% would be compatible with the "modest" pressure of market signals recognised in the SHMA itself." <sup>40</sup> (Our emphasis)**

- 7.43 In this example the affordability ratio had increased by 97% (Eastleigh Borough) and 92% (HMA). Telford and Wrekin has seen a 75% increase in its affordability ratio which is below the Eastleigh rates. However, Telford and Wrekin's lower quartile affordability ratio was 6.2 in 2015, meaning that house prices are unaffordable for most.
- 7.44 Furthermore, the more recent EiP decision in Canterbury (August 2015) suggested a 20% uplift for market signals, with the Inspector concluding as follows:

**"An uplift of 10% to reflect a modest pressure of market signals has been used by Inspectors in other examinations. However, here NLP conclude that the scale of market signal pressure is greater than modest, such that on reasonable assumptions the uplift should be more than 10% with 20% used by way of illustration to give a need figure of 744 dpa." <sup>41</sup> (Our emphasis)**

- 7.45 In Canterbury the affordability ratio increased by 89%.

<sup>39</sup> Paragraph 1.10, page 3, Examination of the Uttlesford Local Plan: Inspector's conclusions, December 2014

<sup>40</sup> Paragraph 41, page 12, Eastleigh Borough Local Plan, Inspector's Report February 2015

<sup>41</sup> Paragraph 20, Canterbury District Local Plan, Note on main outcomes of Stage 1 hearings, August 2015

*The Barker Review Threshold*

- 7.46 The Barker Review of Housing Supply (2004) indicated that an 86% increase in house building would be required to bring house price inflation down to the European average (1.1%):

**“Achieving the desired improvement in the housing market would, it was asserted, require an additional 120,000 housing starts per year on top of the 140,000 in 2002/3, taking the annual total to 260,000. According to the Review’s modelling, this scenario would see between 5,000 and 15,000 newly formed households priced into the market in each year between 2011 and 2021.”<sup>42</sup>**

- 7.47 Barton Willmore have considered how much of an uplift the proposed OAHN (in this instance the starting point, plus adjustments for HFRs and an adjustment to accommodate employment growth) provides compared with the starting point (see Table 7.7) and recent delivery performance (see Table 7.8).

**Table 7.7: Proposed OAHN vs. Starting Point (2011-31)**

	<b>Starting Point (dwellings)</b>	<b>Proposed OAHN (dwellings)</b>	<b>Uplift (%)</b>
<b>Telford and Wrekin</b>	10,034 (502 dpa)	Between 16,522 and 17,827 (826 and 891 pa)	Between 65% and 77%

Source: ONS/CLG, Barton Willmore modelling

**Table 7.8: Proposed OAHN vs. Past Delivery Performance (2011-2031)**

	<b>Delivery Performance (dwellings)*</b>	<b>Proposed OAHN (dwellings)</b>	<b>Uplift (%)</b>
<b>Telford and Wrekin</b>	5,554 (617 dpa)	Between 16,522 and 17,827 (826 and 891 pa)	Between 34% and 44%

Source: ONS/CLG, Barton Willmore modelling

\* Average completions over the period 2006/07 – 2014/15

- 7.48 An OAHN for Telford and Wrekin of between 826 and 891 dwellings per annum provides between a 65% and 77% uplift against the starting point and between a 34% and 44% uplift against past delivery performance in Telford and Wrekin.
- 7.49 The analysis undertaken by Barton Willmore has identified market signals issues within Telford and Wrekin that warrants an upward adjustment to the starting point estimate (the CLG 2014-based household projections). However, given the proposed OAHN provides between a 65% and 77% uplift against the starting point, which is in excess of market signals uplift applied in

<sup>42</sup> Home Builders Federation (2014), ‘Barker Review – a decade on’, p.7

other authorities, it is considered that no further uplift to address market signals issues is recommended.

- 7.50 On this basis, the OAHN range of between 826 and 891 dwellings per annum represents a significantly accelerated rate of growth compared against recent delivery performance. As a result, it has potential to create downward pressure on house prices within Telford and Wrekin, which in turn will begin to address market signals issues.



## 8.0 FULL OBJECTIVE ASSESSMENT OF HOUSING NEED

8.1 This final chapter draws together the evidence presented on housing need to determine the full OAHN for Telford and Wrekin. Table 8.1 below summarises the steps taken towards reaching a recommendation for OAHN.

**Table 8.1: Summary of OAHN for Telford and Wrekin (2011-2031)**

		Blended HFR 100%	Blended HFR 50%	HFR Sensitivity 2001
<b>A</b>	CLG 2014-based SNHP (Households)	<b>9,730 (487 pa)</b>		
	Vacant/Second Homes Adjustment	3.03%		
	<b>OAHN STARTING POINT (Dwellings)</b>	<b>10,034 (502 dpa)</b>		
<b>B</b>	Starting point with adjusted HFRs (Dwellings)	12,292 (615 pa)	11,147 (557 pa)	11,642 (582 pa)
	Adjustment to A	<b>+113 dpa</b>	<b>+55 dpa</b>	<b>+80 dpa</b>
<b>C</b>	10yr Migration Trend (2005-2015) with adjusted HFRs (Dwellings)	13,606 (680 pa)	12,422 (621 pa)	12,941 (647 pa)
	Adjustment to A+B	<b>+178 dpa</b>	<b>+119 dpa</b>	<b>+145 dpa</b>
<b>=</b>	<b>DEMOGRAPHIC OAHN (A+B+C)</b>	<b>13,606 (680 dpa)</b>	<b>12,422 (621 dpa)</b>	<b>12,941 (647 dpa)</b>
<b>D</b>	Jobs Supported by Demographic OAHN (C)	8,116 (406 pa)		
	Job Demand (average of CE, OE & Experian)	13,860 (693 pa)		
	Labour Surplus/Deficit	-5,774 (-287 pa)		
<b>=</b>	<b>ECONOMIC-LED HOUSING NEED</b>	<b>17,827 (891 dpa)</b>	<b>16,522 (826 dpa)</b>	<b>17,104 (855 dpa)</b>
	(Adjustment to Demographic OAHN)	<b>+211 dpa</b>	<b>+205 dpa</b>	<b>+208 dpa</b>
	Adverse Market Signals Observed?	Yes		
	Average Delivery Rate 2006 – 2015	617		
	Subtotal Dwellings per annum	891	826	855
	Increase vs. Recent Performance (%)	44%	34%	39%
	Increase vs. Starting Point (%)	77%	65%	70%
	<b>Further Increase Recommended? (Y/N)</b>	<b>No</b>		
	<b>FULL OBJECTIVELY ASSESSED HOUSING NEED</b>	<b>17,827 (891 dpa)</b>	<b>16,522 (826 dpa)</b>	<b>17,104 (855 dpa)</b>

Source: ONS/CLG, Barton Willmore Modelling



**i) Starting point estimate**

- 8.2 The starting point, derived from the CLG 2014-based household projections (the 2014-based SNPP with 2014 household formation rates (HFRs) applied) indicates growth of 487 households per annum in Telford and Wrekin over the period 2011-2031. Once an adjustment for vacant and second homes has been applied, the starting point estimate of housing need is equivalent to **502 dwellings per annum**.

**ii) Demographic adjustments**

- 8.3 Consideration has then been given as to whether an adjustment to the starting point estimate of need is necessary to address demographic factors affecting past trends, in particular, suppressed household formation rates and migration trends.
- 8.4 Analysis of HFRs identified that the 2014-based HFRs project suppressed household formation for younger people between the ages of 25-44 years. This would not be a prudent basis on which to plan housing need in respect of the NPPF's (paragraph 182) requirement to ensure Local Plans are 'positively prepared' and to afford everyone the right to establish their own home. On this basis, an adjustment to address suppressed household formation is required. Barton Willmore has sensitivity tested three different HFR adjustments which suggest the starting point estimate of housing need increases to **between 557 and 615 dwellings per annum** (2011-2031).
- 8.5 Analysis of migration trends has indicated that the recession did suppress migration trends for Telford and Wrekin and therefore an adjustment to the 2014-based SNPP to address suppressed migration trends is deemed necessary within Telford and Wrekin.
- 8.6 Two long-term (10-year) migration trends have been considered; one drawing on migration trends from the period 2003-2013 (consistent with the period which underpins the Council's demographic assessment) and one based on migration trends from the most recent 10-year period (2005-2015). The LTM trend 2003-13 projects comparable population growth to the 2014-based SNPP which are considered to be underpinned by conservative estimates of international migration. For this reason, Barton Willmore consider the LTM trend 2005-2015 to provide a more appropriate projection of future population growth for Telford and Wrekin on which to assess demographic OAHN.
- 8.7 Barton Willmore have therefore established **demographic OAHN for Telford and Wrekin to be between 621 and 680 dwellings per annum (2011-2031) based on the LTM trend (2005-2015) with adjusted 2014 HFRs**.

### iii) Supporting economic growth

- 8.8 Analysis of labour supply and demand has revealed that the demographic OAHN would only support growth of 406 jobs per annum (2011-2031) and therefore there will be a shortfall in the number of workers available to take up jobs in Telford and Wrekin as suggested by recent forecasts by Experian Economics, Oxford Economics and Cambridge Econometrics. An average of these forecasts suggests growth of 693 jobs per annum in Telford and Wrekin over the period 2011-2031.
- 8.9 It has been determined that to supply sufficient labour **to support growth of 693 additional jobs per annum in Telford and Wrekin over the period 2011-2031 economic OAHN of between 826 and 891 dwellings per annum would be required** depending on which approach to addressing suppressed housing formation is applied.

### iv) Market signals assessment

- 8.10 A worsening trend in several market signals indicators have been observed in Telford and Wrekin as outlined in Chapter 7 of this study. This includes housing completions falling short of targets over the last 9 years; worsening affordability, increasing house prices and an increase in concealed families.
- 8.11 In the absence of any official guidance on how an appropriate response to market signals issues should be calculated, the subtotal OAHN (taking account of the starting point, demographic adjustments and economic-led uplift) was compared against past delivery performance and the OAHN starting point.
- 8.12 In light of Inspector's decisions in relation to market signals uplift ranging between 10% and 20% and given that OAHN for Telford and Wrekin represents an uplift of between 65% and 77% from the starting point estimate, it is considered appropriate not to recommend a further uplift to the proposed OAHN to address market signals. It is considered that OAHN of between 826 and 891 dwellings per annum represents a significantly accelerated rate of growth compared against recent delivery performance. As a result, it has potential to create downward pressure on house prices within Telford and Wrekin, which in turn will begin to address market signals issues.

v) **Bringing the evidence together**

- 8.13 Taking into account all of the evidence presented above, it is concluded that **the full OAHN for Telford and Wrekin totals between 826 and 891 dwellings per annum 2011-31**. This OAHN will:

- Accommodate the housing need number implied by the latest demographic evidence;
- Meet projected job demand; and
- On reasonable assumptions, improve affordability.

vi) **Relationship with Affordable Housing Need**

- 8.14 As stated within NPPF, LPAs are required to ensure their local plans meet OAHN for both market and affordable housing. The *Satnam v Warrington BC* High Court Judgment discussed in Chapter 4 provides useful guidance on the proper exercise that needs to be undertaken to assess affordable need:

**“(a) having identified OAHN for affordable housing, that should then be considered in the context of its likely delivery as a proportion of mixed market/affordable housing development; an increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes;**

**(b) the Local Plan should then meet the OAHN for affordable housing, subject only to the constraints referred to in NPPG, paragraphs 14 and 47.”<sup>43</sup>**

- 8.15 However, the *ELM Park v Kings Lynn and West Norfolk BC* High Court Judgment (July 2015) outlined that affordable need did not have to be met in full when determining OAHN but rather:

**“This consideration of an increase to help deliver the required number of affordable homes, rather than an instruction that the requirement be met in total, is consistent with the policy in paragraph 159 of the Framework requiring that the SHMA “addresses” these needs in determining the FOAHN. They should have an important influence increasing the derived FOAHN since they are significant factors in providing for housing needs within an area.”<sup>44</sup>**

- 8.16 The most recent evidence produced by the Council on affordable housing need is provided in the March 2016 SHMA. The SHMA presents net affordable need as being 665 dwellings per

<sup>43</sup> *Satnam Millennium Limited vs. Warrington Borough Council*, Judgment, dated 19<sup>th</sup> February 2015

<sup>44</sup> Paragraph 33, *Elm Park Holdings Ltd vs. Kings Lynn and West Norfolk BC*, Judgment, dated 9<sup>th</sup> July 2015

annum over the 5-year period 2015-2020. Historic affordable housing delivery in Telford and Wrekin has been significantly below this level (as shown in Table 4.3 of this report) with the peak of affordable housing delivery only reaching 427 units in 2014/15.

- 8.17 Assuming affordable housing is delivered at the submitted Local Plan target of between 25% and 35%, if 665 affordable housing units are to be delivered according to the lowest of these thresholds (25%), then the total housing requirement would be 2,660 dwellings per annum over a 5-year period. This is significantly higher than the annual housing requirement set out in the local plan (778 dwellings per annum) and therefore it can be concluded that the higher housing requirement of the Local Plan would not meet affordable housing need in full.
- 8.18 Barton Willmore's OAHN range of between 826 and 891 dwellings per annum falls short of meeting affordable housing need in full. However, following the Inspector's judgment in ELM Park v Kings Lynn and West Norfolk BC, affordable need does not need to be met in full by the OAHN. Despite this, OAHN of between 826 and 891 dwellings per annum is considered to make some contribution towards meeting affordable need in Telford and Wrekin which paragraph ID2a-029 of PPG supports.

### **Local Plans Expert Group (LPEG)**

- 8.19 The LPEG OAHN recommendations do not have any official status at the current time. However, based on the proposal, OAHN for Telford and Wrekin would be approximately 752 dwellings per annum (see Appendix 1 for the summary of BW's calculation). This is lower than full OAHN presented in the report for between 826 and 891 dwellings per annum (2011-2031). The reason for the difference is because the LPEG recommendation doesn't give consideration to economic growth as part of the OAHN calculation whereas the current PPG HEDNA guidance does. However, LPEG does require economic growth is required to be taken into account when setting the housing requirement.

### **Overall Conclusions on Full OAHN**

- 8.20 The council's evidence relating to objectively assessed housing need is considered not to be representative of likely change over the Telford and Wrekin plan period. This report has set out an alternative OAHN, closely following the methodology described by PPG. Adjustments made to official projections are justified and in keeping with the principles of positive planning.
- 8.21 The Barton Willmore assessment concludes that no fewer than 16,522 net additional dwellings need to be built within Telford and Wrekin over the period 2011-31 – an average of 826 per annum. However, housing need could increase to 17,827 net additional dwellings (891 per

annum) with the application of an alternative adjustment to address suppressed household formation for younger people.

- 8.22 The Telford and Wrekin Local Plan 2011-2031 Publication Version (January 2016) plans for 15,555 net new dwellings over the plan period (equivalent to 778 dwellings per annum) and represents an uplift from the level of OAHN established in the PBA March 2015 report. The Council have considered it appropriate to set the planned level of development above the identified need in order to support the social and economic objectives of the plan and deliver the affordable housing need in the Borough<sup>45</sup>.
- 8.23 Barton Willmore's OAHN of between 826 and 891 dwellings per annum (2011-2031) as set out in this report is considered a more realistic assessment of need than the Council's OAHN of 497 dwellings per annum. However, adverse and worsening market signals and a very substantial level of net affordable housing need provide further evidence that Telford and Wrekin need to consider boosting the supply of housing to levels significantly higher. OAHN of between 826 and 891 dwellings per annum (2011-2031) should therefore be considered an absolute minimum, and planning for even greater numbers of dwellings will have a positive effect on reducing affordable need, widening access to the private housing market and improving Telford and Wrekin's economic competitiveness.

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<sup>45</sup> Paragraphs 5.63 and 5.64, Telford and Wrekin Council Local Plan 2011-2031, Technical Paper Housing Growth July 2015

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## **APPENDIX 1:**

### **LPEG OAHN CALCULATION FOR TELFORD AND WREKIN**

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## LOCAL PLANS EXPERT GROUP (LPEG) – RECOMMENDED OAHN METHODOLOGY

Stage	Step	OAHN Process	Growth 2011-2031 (per annum)
A. Demographic Starting Point	1.	Latest CLG household projection <u>population</u> (2014-based ONS SNPP)	14,049 (702)
	2.	10-year migration trend (2005-2015) scenario <u>population</u>	16,701 (835)
	3.	Highest <u>population</u> (CLG projection or 10-year Migration)	16,701 (835)
	4.	10-year migration trend (2014 HFRs unadjusted) <u>households</u>	10,932 (547)
	5.	10-year migration trend (50% 25-44 HFR return to 2008-based HFRs) <u>households</u>	12,048 (602)
	6.	Vacant and second homes adjustment	3.03%
	7.	<b>OUTPUT A: Demographic starting point (<u>Dwellings</u>)</b>	<b>12,422 (621)</b>
B. Market Signals	1.	Ratio of <u>median</u> quartile house prices to median earnings (3 year average)	5.7
	2.	Upward adjustment required to Output A	10%
	3.	<b>OUTPUT B: Demographic starting point plus market signals adjustment - <u>dwellings</u></b>	<b>13,664 (683)</b>
C. Affordable Housing Need	1.	Estimate affordable need based on standard methodology ( <u>dwellings</u> )	13,300 (665)
	2.	Total number of dwellings necessary to meet affordable needs (as the likely rate of delivery at 25% of market housing) <u>dwellings</u> .	53,200 (2,660)
	3.	<b>OUTPUT C: Number of dwellings required to meet affordable housing need (<u>dwellings</u>)</b>	<b>53,200 (2,660)</b>
FULL OAHN	1.	Lower of meeting either 1) Output C in full, <u>or</u> 2) Output B plus 10%?	Output B + 10%
	2.	Output B plus 10% = Total Dwellings 2011-2031	<b>15,030 (752)</b>
	3.	<b>FULL OBJECTIVELY ASSESSED HOUSING NEED FOR TELFORD AND WREKIN 2014-2032</b>	<b>15,030 (752)</b>

\*Affordable need set out in Telford and Wrekin SHMA (March 2016)





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## **APPENDIX 2:**

### **POPGROUP MODELLING INPUT ASSUMPTIONS**

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**POPGROUP modelling input assumptions: Telford and Wrekin forecasts**

Variable	Data set	Source
Base population	Population Estimates by single year of age and gender	2011 Mid-Year Population Estimates, Office for National Statistics (ONS).
Fertility rate	Age specific fertility rates	ONS 2014-based Sub National Population Projections
Mortality rate	Age standardised mortality ratios by gender	ONS 2014-based Sub National Population Projections
Standard Migrant profile	Age and gender specific migration rates for Telford and Wrekin broken down by in-migrants from overseas, in migrants from elsewhere within the UK, out-migrants to overseas, out-migrants to elsewhere in the UK	ONS 2014-based Sub National Population Projections
Adjusted Migrant profile	Telford and Wrekin specific age and gender migration <u>rates</u> for internal (within the UK) migration and counts for international migration. Averages calculated for the 10-year period under observation	ONS Mid-Year Population Estimates, Detailed Components of Change
Communal establishment population	Age and gender counts of people living in communal establishments. For ages 75+ proportions rather than counts are used to reflect the ageing population.	CLG 2014-based household projections
Household representative rates	Household representative rates by age and gender	CLG 2014-based household projections (Stage One) with sensitivity tests using

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Variable	Data set	Source
		2008-based rates and rates as at 2001.
Vacancy/ Second home rate	Proportion of dwellings vacant and second homes. Combined rate specific for Telford and Wrekin (3.03%)	2015 Council Tax Base (CLG)
Commuting ratio	Ratio based on residents in employment divided by workplace jobs specific for Telford and Wrekin (0.94)	2011 Census Travel to Work Statistics (Table WU01UK), ONS
Unemployment rate	APS model-based 2011 estimates falling to average rate between 2004 and 2007 by 2021 and then held constant. Rate for Telford and Wrekin 9.1% falling to 4.6%	Annual Population Survey (APS), ONS
Economic activity rates	Economic activity rates by age and gender are applied to the resident population to calculate resident labour force	2011 Census (ONS) and projected following Office for Budget Responsibility November 2015 projection.

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## **APPENDIX 3**

### POPGROUP DEMOGRAPHIC FORECASTING OUTPUT



# 2014 SNPP 2014 HFRs

2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23 2023-24 2024-25 2025-26 2026-27 2027-28 2028-29 2029-30 2030-31

## Births

Male	1,083	1,078	1,077	1,084	1,089	1,090	1,093	1,093	1,090	1,089	1,087	1,085	1,082	1,078	1,073	1,070	1,069	1,068	1,069	1,070
Female	1,032	1,027	1,026	1,032	1,037	1,038	1,041	1,041	1,038	1,037	1,035	1,033	1,031	1,027	1,022	1,019	1,018	1,018	1,018	1,019
<i>All Births</i>	2,115	2,106	2,103	2,116	2,126	2,129	2,135	2,133	2,127	2,125	2,123	2,118	2,113	2,105	2,095	2,089	2,086	2,086	2,087	2,090
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04

## Deaths

Male	615	635	656	733	698	691	703	711	720	729	735	746	759	770	781	794	809	820	834	848
Female	634	641	652	733	680	690	692	693	698	705	711	720	729	739	749	761	775	788	800	813
<i>All deaths</i>	1,248	1,276	1,308	1,466	1,378	1,381	1,395	1,404	1,418	1,433	1,446	1,466	1,488	1,509	1,530	1,555	1,584	1,607	1,634	1,661
SMR: males	112.2	112.2	112.0	121.1	112.2	107.5	105.7	103.4	101.2	99.0	96.5	94.6	93.0	91.1	89.2	87.8	86.4	84.8	83.5	82.4
SMR: females	110.0	109.4	109.7	119.9	109.9	108.9	107.1	104.5	102.5	100.6	98.7	97.0	95.2	93.6	91.9	90.4	89.2	87.7	86.2	85.0
SMR: persons	111.1	110.8	110.9	120.5	111.0	108.2	106.4	104.0	101.9	99.8	97.5	95.8	94.1	92.3	90.5	89.0	87.7	86.2	84.8	83.6
Expectation of life: males	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.3
Expectation of life: female:	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: person:	80.9	80.9	80.9	79.9	80.8	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0

## In-migration from the UK

Male	2,936	2,947	2,957	2,989	2,992	3,003	3,004	3,011	3,006	3,002	3,007	3,014	3,022	3,035	3,050	3,066	3,077	3,092	3,107	3,120
Female	3,002	3,007	3,012	3,029	3,029	3,029	3,029	3,025	3,017	3,008	3,006	3,008	3,011	3,021	3,036	3,051	3,063	3,079	3,096	3,109
<i>All</i>	5,938	5,954	5,969	6,018	6,021	6,032	6,034	6,036	6,023	6,010	6,013	6,022	6,033	6,057	6,085	6,117	6,140	6,170	6,204	6,229
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

## Out-migration to the UK

Male	3,103	3,117	3,116	3,124	3,130	3,125	3,119	3,122	3,109	3,096	3,087	3,088	3,090	3,098	3,112	3,123	3,135	3,152	3,165	3,177
Female	3,145	3,136	3,145	3,137	3,149	3,140	3,123	3,118	3,106	3,096	3,087	3,087	3,094	3,107	3,114	3,124	3,138	3,156	3,172	3,180
<i>All</i>	6,247	6,253	6,260	6,261	6,279	6,265	6,242	6,241	6,216	6,193	6,174	6,175	6,185	6,205	6,227	6,247	6,273	6,308	6,338	6,357
SMigR: males	80.6	80.7	80.7	80.9	80.9	80.8	80.7	80.8	80.8	80.8	80.7	80.8	80.8	80.8	80.9	80.9	80.9	81.0	81.0	81.0
SMigR: females	89.5	89.4	89.8	89.5	89.6	89.7	89.5	89.5	89.5	89.5	89.5	89.5	89.5	89.7	89.8	89.9	89.9	90.0	90.1	90.2

## In-migration from Overseas

Male	577	406	509	475	420	405	404	389	378	372	373	373	374	374	375	375	375	375	376	377
Female	430	386	534	394	346	335	336	324	317	312	313	315	315	316	316	316	316	316	317	318
<i>All</i>	1,007	792	1,044	869	767	740	741	713	695	684	686	688	689	690	690	691	691	691	693	695

## Out-migration to Overseas

Male	356	288	328	253	250	257	261	262	260	263	264	264	265	265	266	266	266	266	267	268
Female	358	265	232	217	211	216	221	221	221	223	224	226	226	226	227	227	227	227	228	229
<i>All</i>	714	552	559	469	461	472	482	484	482	486	488	490	491	492	492	492	493	493	495	497
SMigR: males	75.9	61.2	70.0	54.0	53.4	54.7	55.7	56.0	55.7	56.4	56.8	57.1	57.5	57.6	57.7	57.7	57.7	57.5	57.5	57.5
SMigR: females	98.0	72.9	63.8	59.7	58.1	59.6	61.2	61.5	61.8	62.6	63.2	63.9	64.2	64.5	64.7	64.6	64.6	64.4	64.5	64.5

## Migration - Net Flows



# 2014 SNPP 2014 HFRs

UK	-309	-299	-291	-243	-258	-233	-208	-205	-193	-183	-161	-154	-152	-148	-141	-130	-133	-137	-134	-128	
Overseas	+293	+240	+484	+400	+306	+268	+259	+229	+213	+198	+198	+198	+198	+198	+198	+198	+198	+198	+198	+198	
Summary of population change																					
Natural change	+867	+830	+795	+650	+748	+748	+739	+730	+710	+692	+677	+652	+625	+596	+565	+534	+503	+478	+454	+428	
Net migration	-16	-60	+193	+157	+48	+35	+51	+24	+20	+15	+37	+45	+46	+50	+57	+68	+65	+61	+64	+70	
Net change	+851	+770	+988	+807	+796	+783	+790	+754	+730	+707	+714	+697	+671	+646	+622	+602	+567	+539	+518	+498	
Crude Birth Rate /000	12.65	12.53	12.45	12.46	12.46	12.42	12.39	12.33	12.25	12.18	12.12	12.05	11.97	11.88	11.78	11.71	11.65	11.61	11.59	11.57	
Crude Death Rate /000	7.46	7.59	7.74	8.63	8.08	8.05	8.10	8.11	8.16	8.22	8.26	8.34	8.43	8.51	8.60	8.71	8.85	8.95	9.07	9.20	
Crude Net Migration Rate	-0.09	-0.35	1.14	0.92	0.28	0.20	0.29	0.14	0.12	0.09	0.21	0.25	0.26	0.28	0.32	0.38	0.36	0.34	0.36	0.39	
Summary of Population estimates/forecasts																					
Population at mid-year																					
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,468	11,458	11,437	11,231	11,053	10,903	10,830	10,794	10,811	10,817	10,816	10,806	10,791	10,772	10,746	10,715	10,684	10,658	10,640	10,634
5-10	12,033	12,398	12,696	13,077	13,427	13,714	13,866	13,858	13,844	13,739	13,554	13,389	13,252	13,185	13,155	13,180	13,193	13,197	13,189	13,171	13,147
11-15	10,793	10,598	10,276	10,036	10,060	9,991	10,192	10,512	10,816	11,053	11,340	11,513	11,580	11,604	11,562	11,380	11,219	11,081	11,016	10,996	11,027
16-17	4,658	4,529	4,523	4,460	4,191	4,191	4,152	3,964	3,916	3,998	4,136	4,279	4,467	4,532	4,538	4,649	4,730	4,712	4,635	4,529	4,436
18-59Female, 64Male	98,411	98,286	98,297	98,381	98,540	98,581	98,464	98,471	98,203	97,823	97,508	97,307	97,018	96,752	96,609	96,365	96,123	95,923	95,719	95,536	95,273
60/65 -74	19,274	19,903	20,342	20,802	21,219	21,588	21,861	22,068	22,298	22,647	22,840	22,691	22,858	23,101	23,371	23,790	24,184	24,683	25,081	25,485	25,941
75-84	7,537	7,778	8,093	8,348	8,619	8,872	9,234	9,651	10,114	10,467	10,922	11,652	12,145	12,614	12,981	13,304	13,583	13,730	13,920	14,090	14,173
85+	2,699	2,722	2,767	2,899	2,961	3,053	3,154	3,264	3,384	3,561	3,690	3,873	4,092	4,309	4,546	4,742	5,010	5,315	5,647	5,935	6,250
Total	166,831	167,682	168,452	169,440	170,247	171,043	171,825	172,616	173,370	174,100	174,806	175,520	176,217	176,888	177,534	178,156	178,758	179,325	179,865	180,382	180,880
Dependency ratios, mean age and sex ratio																					
0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	
65+ / 16-65	0.22	0.24	0.25	0.25	0.26	0.27	0.27	0.28	0.29	0.30	0.30	0.31	0.31	0.32	0.33	0.34	0.34	0.35	0.36	0.37	0.38
0-15 and 65+ / 16-65	0.54	0.56	0.57	0.57	0.58	0.59	0.60	0.61	0.62	0.63	0.64	0.64	0.65	0.65	0.66	0.67	0.67	0.68	0.69	0.70	0.71
Median age males	36.9	37.1	37.3	37.5	37.5	37.6	37.7	37.8	38.0	38.1	38.2	38.4	38.5	38.6	38.8	38.9	39.0	39.0	39.2	39.3	39.5
Median age females	38.5	38.8	39.0	39.1	39.3	39.4	39.5	39.5	39.7	39.9	40.2	40.4	40.6	40.8	41.0	41.2	41.3	41.5	41.7	41.9	42.0
Sex ratio males /100 fema	98.1	98.3	98.3	98.2	98.3	98.4	98.5	98.5	98.6	98.6	98.7	98.8	98.8	98.9	99.0	99.0	99.1	99.1	99.2	99.3	99.3
Households																					
Number of Households	66,666	67,163	67,654	68,291	68,845	69,392	69,951	70,451	70,978	71,495	72,014	72,491	72,933	73,394	73,853	74,334	74,786	75,191	75,615	76,018	76,397
Change in Households over previous y	+497	+491	+637	+554	+547	+559	+500	+527	+517	+519	+477	+442	+462	+458	+481	+452	+406	+423	+404	+379	
Number of Dwellings	68,748	69,260	69,767	70,424	70,995	71,559	72,135	72,650	73,194	73,727	74,263	74,754	75,210	75,686	76,159	76,655	77,121	77,540	77,976	78,392	78,782
Change in Dwellings over previous year	+512	+506	+657	+571	+564	+576	+515	+544	+533	+535	+491	+456	+476	+473	+496	+466	+419	+436	+416	+390	
Economically active																					
Number of Economically a	85,111	85,554	85,930	86,377	86,568	86,815	86,962	87,056	87,026	87,023	86,960	86,966	86,978	86,941	86,985	87,102	87,230	87,275	87,248	87,219	87,153
Change in Economically active over pr	+443	+375	+448	+191	+247	+147	+94	-30	-30	-3	-62	+6	+12	-37	+44	+117	+128	+45	-28	-29	-66
Number of Jobs	82,305	83,141	83,916	84,765	85,365	86,023	86,584	87,093	87,477	87,889	88,241	88,247	88,259	88,222	88,267	88,385	88,515	88,561	88,533	88,504	88,437
Change in Jobs over previous year	+837	+775	+849	+600	+658	+561	+509	+385	+412	+412	+352	+6	+12	-38	+45	+118	+130	+46	-28	-29	-67

# 2014 SNPP 100% FR25-44 HFRs

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Births</b>																				
Male	1,083	1,078	1,077	1,084	1,089	1,090	1,093	1,093	1,090	1,089	1,087	1,085	1,082	1,078	1,073	1,070	1,069	1,068	1,069	1,070
Female	1,032	1,027	1,026	1,032	1,037	1,038	1,041	1,041	1,038	1,037	1,035	1,033	1,031	1,027	1,022	1,019	1,018	1,018	1,018	1,019
<i>All Births</i>	2,115	2,106	2,103	2,116	2,126	2,129	2,135	2,133	2,127	2,125	2,123	2,118	2,113	2,105	2,095	2,089	2,086	2,086	2,087	2,090
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
<b>Deaths</b>																				
Male	615	635	656	733	698	691	703	711	720	729	735	746	759	770	781	794	809	820	834	848
Female	634	641	652	733	680	690	692	693	698	705	711	720	729	739	749	761	775	788	800	813
<i>All deaths</i>	1,248	1,276	1,308	1,466	1,378	1,381	1,395	1,404	1,418	1,433	1,446	1,466	1,488	1,509	1,530	1,555	1,584	1,607	1,634	1,661
SMR: males	112.2	112.2	112.0	121.1	112.2	107.5	105.7	103.4	101.2	99.0	96.5	94.6	93.0	91.1	89.2	87.8	86.4	84.8	83.5	82.4
SMR: females	110.0	109.4	109.7	119.9	109.9	108.9	107.1	104.5	102.5	100.6	98.7	97.0	95.2	93.6	91.9	90.4	89.2	87.7	86.2	85.0
SMR: persons	111.1	110.8	110.9	120.5	111.0	108.2	106.4	104.0	101.9	99.8	97.5	95.8	94.1	92.3	90.5	89.0	87.7	86.2	84.8	83.6
Expectation of life: m	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.3
Expectation of life: fe	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: p	80.9	80.9	80.9	79.9	80.8	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0
<b>In-migration from the UK</b>																				
Male	2,936	2,947	2,957	2,989	2,992	3,003	3,004	3,011	3,006	3,002	3,007	3,014	3,022	3,035	3,050	3,066	3,077	3,092	3,107	3,120
Female	3,002	3,007	3,012	3,029	3,029	3,029	3,029	3,025	3,017	3,008	3,006	3,008	3,011	3,021	3,036	3,051	3,063	3,079	3,096	3,109
<i>All</i>	5,938	5,954	5,969	6,018	6,021	6,032	6,034	6,036	6,023	6,010	6,013	6,022	6,033	6,057	6,085	6,117	6,140	6,170	6,204	6,229
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Out-migration to the UK</b>																				
Male	3,103	3,117	3,116	3,124	3,130	3,125	3,119	3,122	3,109	3,096	3,087	3,088	3,090	3,098	3,112	3,123	3,135	3,152	3,165	3,177
Female	3,145	3,136	3,145	3,137	3,149	3,140	3,123	3,118	3,106	3,096	3,087	3,087	3,094	3,107	3,114	3,124	3,138	3,156	3,172	3,180
<i>All</i>	6,247	6,253	6,260	6,261	6,279	6,265	6,242	6,241	6,216	6,193	6,174	6,175	6,185	6,205	6,227	6,247	6,273	6,308	6,338	6,357
SMigR: males	80.6	80.7	80.7	80.9	80.9	80.8	80.7	80.8	80.8	80.8	80.7	80.8	80.8	80.8	80.9	80.9	80.9	81.0	81.0	81.0
SMigR: females	89.5	89.4	89.8	89.5	89.6	89.7	89.5	89.5	89.5	89.5	89.5	89.5	89.5	89.7	89.8	89.9	89.9	90.0	90.1	90.2
<b>In-migration from Overseas</b>																				
Male	577	406	509	475	420	405	404	389	378	372	373	373	374	374	375	375	375	375	376	377
Female	430	386	534	394	346	335	336	324	317	312	313	315	315	316	316	316	316	316	317	318
<i>All</i>	1,007	792	1,044	869	767	740	741	713	695	684	686	688	689	690	690	691	691	691	693	695
<b>Out-migration to Overseas</b>																				
Male	356	288	328	253	250	257	261	262	260	263	264	264	265	265	266	266	266	266	267	268
Female	358	265	232	217	211	216	221	221	221	223	224	226	226	226	227	227	227	227	228	229
<i>All</i>	714	552	559	469	461	472	482	484	482	486	488	490	491	492	492	492	493	493	495	497
SMigR: males	75.9	61.2	70.0	54.0	53.4	54.7	55.7	56.0	55.7	56.4	56.8	57.1	57.5	57.6	57.7	57.7	57.7	57.5	57.5	57.5
SMigR: females	98.0	72.9	63.8	59.7	58.1	59.6	61.2	61.5	61.8	62.6	63.2	63.9	64.2	64.5	64.7	64.6	64.6	64.4	64.5	64.5

# 2014 SNPP 100% FR25-44 HFRs

## Migration - Net Flows

UK	-309	-299	-291	-243	-258	-233	-208	-205	-193	-183	-161	-154	-152	-148	-141	-130	-133	-137	-134	-128
Overseas	+293	+240	+484	+400	+306	+268	+259	+229	+213	+198	+198	+198	+198	+198	+198	+198	+198	+198	+198	+198

## Summary of population change

Natural change	+867	+830	+795	+650	+748	+748	+739	+730	+710	+692	+677	+652	+625	+596	+565	+534	+503	+478	+454	+428
Net migration	-16	-60	+193	+157	+48	+35	+51	+24	+20	+15	+37	+45	+46	+50	+57	+68	+65	+61	+64	+70
Net change	+851	+770	+988	+807	+796	+783	+790	+754	+730	+707	+714	+697	+671	+646	+622	+602	+567	+539	+518	+498
Crude Birth Rate /00	12.65	12.53	12.45	12.46	12.46	12.42	12.39	12.33	12.25	12.18	12.12	12.05	11.97	11.88	11.78	11.71	11.65	11.61	11.59	11.57
Crude Death Rate /00	7.46	7.59	7.74	8.63	8.08	8.05	8.10	8.11	8.16	8.22	8.26	8.34	8.43	8.51	8.60	8.71	8.85	8.95	9.07	9.20
Crude Net Migration	-0.09	-0.35	1.14	0.92	0.28	0.20	0.29	0.14	0.12	0.09	0.21	0.25	0.26	0.28	0.32	0.38	0.36	0.34	0.36	0.39

## Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,468	11,458	11,437	11,231	11,053	10,903	10,830	10,794	10,811	10,817	10,816	10,806	10,791	10,772	10,746	10,715	10,684	10,658	10,640	10,634
5-10	12,033	12,398	12,696	13,077	13,427	13,714	13,866	13,858	13,844	13,739	13,554	13,389	13,252	13,185	13,155	13,180	13,193	13,197	13,189	13,171	13,147
11-15	10,793	10,598	10,276	10,036	10,060	9,991	10,192	10,512	10,816	11,053	11,340	11,513	11,580	11,604	11,562	11,380	11,219	11,081	11,016	10,996	11,027
16-17	4,658	4,529	4,523	4,460	4,191	4,191	4,152	3,964	3,916	3,998	4,136	4,279	4,467	4,532	4,538	4,649	4,730	4,712	4,635	4,529	4,436
18-59Female, 64Ma	98,411	98,286	98,297	98,381	98,540	98,581	98,464	98,471	98,203	97,823	97,508	97,307	97,018	96,752	96,609	96,365	96,123	95,923	95,719	95,536	95,273
60/65 -74	19,274	19,903	20,342	20,802	21,219	21,588	21,861	22,068	22,298	22,647	22,840	22,691	22,858	23,101	23,371	23,790	24,184	24,683	25,081	25,485	25,941
75-84	7,537	7,778	8,093	8,348	8,619	8,872	9,234	9,651	10,114	10,467	10,922	11,652	12,145	12,614	12,981	13,304	13,583	13,730	13,920	14,090	14,173
85+	2,699	2,722	2,767	2,899	2,961	3,053	3,154	3,264	3,384	3,561	3,690	3,873	4,092	4,309	4,546	4,742	5,010	5,315	5,647	5,935	6,250
Total	166,831	167,682	168,452	169,440	170,247	171,043	171,825	172,616	173,370	174,100	174,806	175,520	176,217	176,888	177,534	178,156	178,758	179,325	179,865	180,382	180,880

## Dependency ratios, mean age and sex ratio

0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
65+ / 16-65	0.22	0.24	0.25	0.25	0.26	0.27	0.27	0.28	0.29	0.30	0.30	0.31	0.31	0.32	0.33	0.34	0.34	0.35	0.36	0.37	0.38
0-15 and 65+ / 16-65	0.54	0.56	0.57	0.57	0.58	0.59	0.60	0.61	0.62	0.63	0.64	0.64	0.65	0.65	0.66	0.67	0.67	0.68	0.69	0.70	0.71
Median age males	36.9	37.1	37.3	37.5	37.5	37.6	37.7	37.8	38.0	38.1	38.2	38.4	38.5	38.6	38.8	38.9	39.0	39.0	39.2	39.3	39.5
Median age females	38.5	38.8	39.0	39.1	39.3	39.4	39.5	39.5	39.7	39.9	40.2	40.4	40.6	40.8	41.0	41.2	41.3	41.5	41.7	41.9	42.0
Sex ratio males /100	98.1	98.3	98.3	98.2	98.3	98.4	98.5	98.5	98.6	98.6	98.7	98.8	98.8	98.9	99.0	99.0	99.1	99.1	99.2	99.3	99.3

## Households

Number of Househo	66,666	67,163	67,654	68,291	68,981	69,661	70,354	70,984	71,644	72,290	72,938	73,547	74,121	74,703	75,286	75,880	76,453	76,979	77,525	78,061	78,586
Change in Households over pre	+497	+491	+637	+690	+680	+693	+631	+659	+646	+648	+609	+574	+581	+583	+595	+573	+525	+546	+536	+526	
Number of Dwellings	68,748	69,260	69,767	70,424	71,135	71,836	72,551	73,201	73,881	74,547	75,215	75,844	76,436	77,035	77,637	78,250	78,841	79,382	79,946	80,498	81,040
Change in Dwellings over previ	+512	+506	+657	+711	+701	+714	+650	+680	+666	+668	+628	+592	+599	+601	+613	+591	+542	+563	+553	+542	

## Economically active

Number of Economic	85,111	85,554	85,930	86,377	86,568	86,815	86,962	87,056	87,026	87,023	86,960	86,966	86,978	86,941	86,985	87,102	87,230	87,275	87,248	87,219	87,153
Change in Economically active		+443	+375	+448	+191	+247	+147	+94	-30	-3	-62	+6	+12	-37	+44	+117	+128	+45	-28	-29	-66
Number of Jobs	82,305	83,141	83,916	84,765	85,365	86,023	86,584	87,093	87,477	87,889	88,241	88,247	88,259	88,222	88,267	88,385	88,515	88,561	88,533	88,504	88,437
Change in Jobs over previous y		+837	+775	+849	+600	+658	+561	+509	+385	+412	+352	+6	+12	-38	+45	+118	+130	+46	-28	-29	-67

# 2014 SNPP 50% FR25-44 HFRs

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Births</b>																				
Male	1,083	1,078	1,077	1,084	1,089	1,090	1,093	1,093	1,090	1,089	1,087	1,085	1,082	1,078	1,073	1,070	1,069	1,068	1,069	1,070
Female	1,032	1,027	1,026	1,032	1,037	1,038	1,041	1,041	1,038	1,037	1,035	1,033	1,031	1,027	1,022	1,019	1,018	1,018	1,018	1,019
<i>All Births</i>	2,115	2,106	2,103	2,116	2,126	2,129	2,135	2,133	2,127	2,125	2,123	2,118	2,113	2,105	2,095	2,089	2,086	2,086	2,087	2,090
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
<b>Deaths</b>																				
Male	615	635	656	733	698	691	703	711	720	729	735	746	759	770	781	794	809	820	834	848
Female	634	641	652	733	680	690	692	693	698	705	711	720	729	739	749	761	775	788	800	813
<i>All deaths</i>	1,248	1,276	1,308	1,466	1,378	1,381	1,395	1,404	1,418	1,433	1,446	1,466	1,488	1,509	1,530	1,555	1,584	1,607	1,634	1,661
SMR: males	112.2	112.2	112.0	121.1	112.2	107.5	105.7	103.4	101.2	99.0	96.5	94.6	93.0	91.1	89.2	87.8	86.4	84.8	83.5	82.4
SMR: females	110.0	109.4	109.7	119.9	109.9	108.9	107.1	104.5	102.5	100.6	98.7	97.0	95.2	93.6	91.9	90.4	89.2	87.7	86.2	85.0
SMR: persons	111.1	110.8	110.9	120.5	111.0	108.2	106.4	104.0	101.9	99.8	97.5	95.8	94.1	92.3	90.5	89.0	87.7	86.2	84.8	83.6
Expectation of life: m	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.3
Expectation of life: fe	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: p	80.9	80.9	80.9	79.9	80.8	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0
<b>In-migration from the UK</b>																				
Male	2,936	2,947	2,957	2,989	2,992	3,003	3,004	3,011	3,006	3,002	3,007	3,014	3,022	3,035	3,050	3,066	3,077	3,092	3,107	3,120
Female	3,002	3,007	3,012	3,029	3,029	3,029	3,029	3,025	3,017	3,008	3,006	3,008	3,011	3,021	3,036	3,051	3,063	3,079	3,096	3,109
<i>All</i>	5,938	5,954	5,969	6,018	6,021	6,032	6,034	6,036	6,023	6,010	6,013	6,022	6,033	6,057	6,085	6,117	6,140	6,170	6,204	6,229
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Out-migration to the UK</b>																				
Male	3,103	3,117	3,116	3,124	3,130	3,125	3,119	3,122	3,109	3,096	3,087	3,088	3,090	3,098	3,112	3,123	3,135	3,152	3,165	3,177
Female	3,145	3,136	3,145	3,137	3,149	3,140	3,123	3,118	3,106	3,096	3,087	3,087	3,094	3,107	3,114	3,124	3,138	3,156	3,172	3,180
<i>All</i>	6,247	6,253	6,260	6,261	6,279	6,265	6,242	6,241	6,216	6,193	6,174	6,175	6,185	6,205	6,227	6,247	6,273	6,308	6,338	6,357
SMigR: males	80.6	80.7	80.7	80.9	80.9	80.8	80.7	80.8	80.8	80.8	80.7	80.8	80.8	80.8	80.9	80.9	80.9	81.0	81.0	81.0
SMigR: females	89.5	89.4	89.8	89.5	89.6	89.7	89.5	89.5	89.5	89.5	89.5	89.5	89.5	89.7	89.8	89.9	89.9	90.0	90.1	90.2
<b>In-migration from Overseas</b>																				
Male	577	406	509	475	420	405	404	389	378	372	373	373	374	374	375	375	375	375	376	377
Female	430	386	534	394	346	335	336	324	317	312	313	315	315	316	316	316	316	316	317	318
<i>All</i>	1,007	792	1,044	869	767	740	741	713	695	684	686	688	689	690	690	691	691	691	693	695
<b>Out-migration to Overseas</b>																				
Male	356	288	328	253	250	257	261	262	260	263	264	264	265	265	266	266	266	266	267	268
Female	358	265	232	217	211	216	221	221	221	223	224	226	226	226	227	227	227	227	228	229
<i>All</i>	714	552	559	469	461	472	482	484	482	486	488	490	491	492	492	492	493	493	495	497
SMigR: males	75.9	61.2	70.0	54.0	53.4	54.7	55.7	56.0	55.7	56.4	56.8	57.1	57.5	57.6	57.7	57.7	57.7	57.5	57.5	57.5
SMigR: females	98.0	72.9	63.8	59.7	58.1	59.6	61.2	61.5	61.8	62.6	63.2	63.9	64.2	64.5	64.7	64.6	64.6	64.4	64.5	64.5

# 2014 SNPP 50% FR25-44 HFRs

## Migration - Net Flows

UK	-309	-299	-291	-243	-258	-233	-208	-205	-193	-183	-161	-154	-152	-148	-141	-130	-133	-137	-134	-128
Overseas	+293	+240	+484	+400	+306	+268	+259	+229	+213	+198	+198	+198	+198	+198	+198	+198	+198	+198	+198	+198

## Summary of population change

Natural change	+867	+830	+795	+650	+748	+748	+739	+730	+710	+692	+677	+652	+625	+596	+565	+534	+503	+478	+454	+428
Net migration	-16	-60	+193	+157	+48	+35	+51	+24	+20	+15	+37	+45	+46	+50	+57	+68	+65	+61	+64	+70
Net change	+851	+770	+988	+807	+796	+783	+790	+754	+730	+707	+714	+697	+671	+646	+622	+602	+567	+539	+518	+498
Crude Birth Rate /00	12.65	12.53	12.45	12.46	12.46	12.42	12.39	12.33	12.25	12.18	12.12	12.05	11.97	11.88	11.78	11.71	11.65	11.61	11.59	11.57
Crude Death Rate /00	7.46	7.59	7.74	8.63	8.08	8.05	8.10	8.11	8.16	8.22	8.26	8.34	8.43	8.51	8.60	8.71	8.85	8.95	9.07	9.20
Crude Net Migration	-0.09	-0.35	1.14	0.92	0.28	0.20	0.29	0.14	0.12	0.09	0.21	0.25	0.26	0.28	0.32	0.38	0.36	0.34	0.36	0.39

## Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,468	11,458	11,437	11,231	11,053	10,903	10,830	10,794	10,811	10,817	10,816	10,806	10,791	10,772	10,746	10,715	10,684	10,658	10,640	10,634
5-10	12,033	12,398	12,696	13,077	13,427	13,714	13,866	13,858	13,844	13,739	13,554	13,389	13,252	13,185	13,155	13,180	13,193	13,197	13,189	13,171	13,147
11-15	10,793	10,598	10,276	10,036	10,060	9,991	10,192	10,512	10,816	11,053	11,340	11,513	11,580	11,604	11,562	11,380	11,219	11,081	11,016	10,996	11,027
16-17	4,658	4,529	4,523	4,460	4,191	4,191	4,152	3,964	3,916	3,998	4,136	4,279	4,467	4,532	4,538	4,649	4,730	4,712	4,635	4,529	4,436
18-59Female, 64Ma	98,411	98,286	98,297	98,381	98,540	98,581	98,464	98,471	98,203	97,823	97,508	97,307	97,018	96,752	96,609	96,365	96,123	95,923	95,719	95,536	95,273
60/65 -74	19,274	19,903	20,342	20,802	21,219	21,588	21,861	22,068	22,298	22,647	22,840	22,691	22,858	23,101	23,371	23,790	24,184	24,683	25,081	25,485	25,941
75-84	7,537	7,778	8,093	8,348	8,619	8,872	9,234	9,651	10,114	10,467	10,922	11,652	12,145	12,614	12,981	13,304	13,583	13,730	13,920	14,090	14,173
85+	2,699	2,722	2,767	2,899	2,961	3,053	3,154	3,264	3,384	3,561	3,690	3,873	4,092	4,309	4,546	4,742	5,010	5,315	5,647	5,935	6,250
Total	166,831	167,682	168,452	169,440	170,247	171,043	171,825	172,616	173,370	174,100	174,806	175,520	176,217	176,888	177,534	178,156	178,758	179,325	179,865	180,382	180,880

## Dependency ratios, mean age and sex ratio

0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
65+ / 16-65	0.22	0.24	0.25	0.25	0.26	0.27	0.27	0.28	0.29	0.30	0.30	0.31	0.31	0.32	0.33	0.34	0.34	0.35	0.36	0.37	0.38
0-15 and 65+ / 16-65	0.54	0.56	0.57	0.57	0.58	0.59	0.60	0.61	0.62	0.63	0.64	0.64	0.65	0.65	0.66	0.67	0.67	0.68	0.69	0.70	0.71
Median age males	36.9	37.1	37.3	37.5	37.5	37.6	37.7	37.8	38.0	38.1	38.2	38.4	38.5	38.6	38.8	38.9	39.0	39.0	39.2	39.3	39.5
Median age females	38.5	38.8	39.0	39.1	39.3	39.4	39.5	39.5	39.7	39.9	40.2	40.4	40.6	40.8	41.0	41.2	41.3	41.5	41.7	41.9	42.0
Sex ratio males /100	98.1	98.3	98.3	98.2	98.3	98.4	98.5	98.5	98.6	98.6	98.7	98.8	98.8	98.9	99.0	99.0	99.1	99.1	99.2	99.3	99.3

## Households

Number of Househo	66,666	67,163	67,654	68,291	68,913	69,525	70,149	70,712	71,302	71,881	72,461	73,000	73,505	74,021	74,538	75,072	75,585	76,053	76,540	77,014	77,475
Change in Households over pre	+497	+491	+637	+622	+612	+624	+562	+590	+579	+580	+539	+506	+516	+517	+534	+513	+468	+487	+475	+461	
Number of Dwellings	68,748	69,260	69,767	70,424	71,065	71,696	72,340	72,920	73,529	74,126	74,724	75,279	75,801	76,333	76,866	77,417	77,945	78,428	78,930	79,419	79,895
Change in Dwellings over previ	+512	+506	+657	+641	+631	+644	+580	+609	+597	+598	+556	+522	+532	+533	+551	+529	+483	+502	+490	+476	

## Economically active

Number of Economic	85,111	85,554	85,930	86,377	86,568	86,815	86,962	87,056	87,026	87,023	86,960	86,966	86,978	86,941	86,985	87,102	87,230	87,275	87,248	87,219	87,153
Change in Economically active		+443	+375	+448	+191	+247	+147	+94	-30	-3	-62	+6	+12	-37	+44	+117	+128	+45	-28	-29	-66
Number of Jobs	82,305	83,141	83,916	84,765	85,365	86,023	86,584	87,093	87,477	87,889	88,241	88,247	88,259	88,222	88,267	88,385	88,515	88,561	88,533	88,504	88,437
Change in Jobs over previous y		+837	+775	+849	+600	+658	+561	+509	+385	+412	+352	+6	+12	-38	+45	+118	+130	+46	-28	-29	-67

# 2014 SNPP 2001 HFRs

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Births</b>																				
Male	1,083	1,078	1,077	1,084	1,089	1,090	1,093	1,093	1,090	1,089	1,087	1,085	1,082	1,078	1,073	1,070	1,069	1,068	1,069	1,070
Female	1,032	1,027	1,026	1,032	1,037	1,038	1,041	1,041	1,038	1,037	1,035	1,033	1,031	1,027	1,022	1,019	1,018	1,018	1,018	1,019
<i>All Births</i>	2,115	2,106	2,103	2,116	2,126	2,129	2,135	2,133	2,127	2,125	2,123	2,118	2,113	2,105	2,095	2,089	2,086	2,086	2,087	2,090
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
<b>Deaths</b>																				
Male	615	635	656	733	698	691	703	711	720	729	735	746	759	770	781	794	809	820	834	848
Female	634	641	652	733	680	690	692	693	698	705	711	720	729	739	749	761	775	788	800	813
<i>All deaths</i>	1,248	1,276	1,308	1,466	1,378	1,381	1,395	1,404	1,418	1,433	1,446	1,466	1,488	1,509	1,530	1,555	1,584	1,607	1,634	1,661
SMR: males	112.2	112.2	112.0	121.1	112.2	107.5	105.7	103.4	101.2	99.0	96.5	94.6	93.0	91.1	89.2	87.8	86.4	84.8	83.5	82.4
SMR: females	110.0	109.4	109.7	119.9	109.9	108.9	107.1	104.5	102.5	100.6	98.7	97.0	95.2	93.6	91.9	90.4	89.2	87.7	86.2	85.0
SMR: persons	111.1	110.8	110.9	120.5	111.0	108.2	106.4	104.0	101.9	99.8	97.5	95.8	94.1	92.3	90.5	89.0	87.7	86.2	84.8	83.6
Expectation of life: m	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.3
Expectation of life: fe	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: p	80.9	80.9	80.9	79.9	80.8	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0
<b>In-migration from the UK</b>																				
Male	2,936	2,947	2,957	2,989	2,992	3,003	3,004	3,011	3,006	3,002	3,007	3,014	3,022	3,035	3,050	3,066	3,077	3,092	3,107	3,120
Female	3,002	3,007	3,012	3,029	3,029	3,029	3,029	3,025	3,017	3,008	3,006	3,008	3,011	3,021	3,036	3,051	3,063	3,079	3,096	3,109
<i>All</i>	5,938	5,954	5,969	6,018	6,021	6,032	6,034	6,036	6,023	6,010	6,013	6,022	6,033	6,057	6,085	6,117	6,140	6,170	6,204	6,229
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Out-migration to the UK</b>																				
Male	3,103	3,117	3,116	3,124	3,130	3,125	3,119	3,122	3,109	3,096	3,087	3,088	3,090	3,098	3,112	3,123	3,135	3,152	3,165	3,177
Female	3,145	3,136	3,145	3,137	3,149	3,140	3,123	3,118	3,106	3,096	3,087	3,087	3,094	3,107	3,114	3,124	3,138	3,156	3,172	3,180
<i>All</i>	6,247	6,253	6,260	6,261	6,279	6,265	6,242	6,241	6,216	6,193	6,174	6,175	6,185	6,205	6,227	6,247	6,273	6,308	6,338	6,357
SMigR: males	80.6	80.7	80.7	80.9	80.9	80.8	80.7	80.8	80.8	80.8	80.7	80.8	80.8	80.8	80.9	80.9	80.9	81.0	81.0	81.0
SMigR: females	89.5	89.4	89.8	89.5	89.6	89.7	89.5	89.5	89.5	89.5	89.5	89.5	89.5	89.7	89.8	89.9	89.9	90.0	90.1	90.2
<b>In-migration from Overseas</b>																				
Male	577	406	509	475	420	405	404	389	378	372	373	373	374	374	375	375	375	375	376	377
Female	430	386	534	394	346	335	336	324	317	312	313	315	315	316	316	316	316	316	317	318
<i>All</i>	1,007	792	1,044	869	767	740	741	713	695	684	686	688	689	690	690	691	691	691	693	695
<b>Out-migration to Overseas</b>																				
Male	356	288	328	253	250	257	261	262	260	263	264	264	265	265	266	266	266	266	267	268
Female	358	265	232	217	211	216	221	221	221	223	224	226	226	226	227	227	227	227	228	229
<i>All</i>	714	552	559	469	461	472	482	484	482	486	488	490	491	492	492	492	493	493	495	497
SMigR: males	75.9	61.2	70.0	54.0	53.4	54.7	55.7	56.0	55.7	56.4	56.8	57.1	57.5	57.6	57.7	57.7	57.7	57.5	57.5	57.5
SMigR: females	98.0	72.9	63.8	59.7	58.1	59.6	61.2	61.5	61.8	62.6	63.2	63.9	64.2	64.5	64.7	64.6	64.6	64.4	64.5	64.5

# 2014 SNPP 2001 HFRs

## Migration - Net Flows

UK	-309	-299	-291	-243	-258	-233	-208	-205	-193	-183	-161	-154	-152	-148	-141	-130	-133	-137	-134	-128
Overseas	+293	+240	+484	+400	+306	+268	+259	+229	+213	+198	+198	+198	+198	+198	+198	+198	+198	+198	+198	+198

## Summary of population change

Natural change	+867	+830	+795	+650	+748	+748	+739	+730	+710	+692	+677	+652	+625	+596	+565	+534	+503	+478	+454	+428
Net migration	-16	-60	+193	+157	+48	+35	+51	+24	+20	+15	+37	+45	+46	+50	+57	+68	+65	+61	+64	+70
Net change	+851	+770	+988	+807	+796	+783	+790	+754	+730	+707	+714	+697	+671	+646	+622	+602	+567	+539	+518	+498
Crude Birth Rate /00	12.65	12.53	12.45	12.46	12.46	12.42	12.39	12.33	12.25	12.18	12.12	12.05	11.97	11.88	11.78	11.71	11.65	11.61	11.59	11.57
Crude Death Rate /00	7.46	7.59	7.74	8.63	8.08	8.05	8.10	8.11	8.16	8.22	8.26	8.34	8.43	8.51	8.60	8.71	8.85	8.95	9.07	9.20
Crude Net Migration	-0.09	-0.35	1.14	0.92	0.28	0.20	0.29	0.14	0.12	0.09	0.21	0.25	0.26	0.28	0.32	0.38	0.36	0.34	0.36	0.39

## Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,468	11,458	11,437	11,231	11,053	10,903	10,830	10,794	10,811	10,817	10,816	10,806	10,791	10,772	10,746	10,715	10,684	10,658	10,640	10,634
5-10	12,033	12,398	12,696	13,077	13,427	13,714	13,866	13,858	13,844	13,739	13,554	13,389	13,252	13,185	13,155	13,180	13,193	13,197	13,189	13,171	13,147
11-15	10,793	10,598	10,276	10,036	10,060	9,991	10,192	10,512	10,816	11,053	11,340	11,513	11,580	11,604	11,562	11,380	11,219	11,081	11,016	10,996	11,027
16-17	4,658	4,529	4,523	4,460	4,191	4,191	4,152	3,964	3,916	3,998	4,136	4,279	4,467	4,532	4,538	4,649	4,730	4,712	4,635	4,529	4,436
18-59Female, 64Ma	98,411	98,286	98,297	98,381	98,540	98,581	98,464	98,471	98,203	97,823	97,508	97,307	97,018	96,752	96,609	96,365	96,123	95,923	95,719	95,536	95,273
60/65 -74	19,274	19,903	20,342	20,802	21,219	21,588	21,861	22,068	22,298	22,647	22,840	22,691	22,858	23,101	23,371	23,790	24,184	24,683	25,081	25,485	25,941
75-84	7,537	7,778	8,093	8,348	8,619	8,872	9,234	9,651	10,114	10,467	10,922	11,652	12,145	12,614	12,981	13,304	13,583	13,730	13,920	14,090	14,173
85+	2,699	2,722	2,767	2,899	2,961	3,053	3,154	3,264	3,384	3,561	3,690	3,873	4,092	4,309	4,546	4,742	5,010	5,315	5,647	5,935	6,250
Total	166,831	167,682	168,452	169,440	170,247	171,043	171,825	172,616	173,370	174,100	174,806	175,520	176,217	176,888	177,534	178,156	178,758	179,325	179,865	180,382	180,880

## Dependency ratios, mean age and sex ratio

0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
65+ / 16-65	0.22	0.24	0.25	0.25	0.26	0.27	0.27	0.28	0.29	0.30	0.30	0.31	0.31	0.32	0.33	0.34	0.34	0.35	0.36	0.37	0.38
0-15 and 65+ / 16-65	0.54	0.56	0.57	0.57	0.58	0.59	0.60	0.61	0.62	0.63	0.64	0.64	0.65	0.65	0.66	0.67	0.67	0.68	0.69	0.70	0.71
Median age males	36.9	37.1	37.3	37.5	37.5	37.6	37.7	37.8	38.0	38.1	38.2	38.4	38.5	38.6	38.8	38.9	39.0	39.0	39.2	39.3	39.5
Median age females	38.5	38.8	39.0	39.1	39.3	39.4	39.5	39.5	39.7	39.9	40.2	40.4	40.6	40.8	41.0	41.2	41.3	41.5	41.7	41.9	42.0
Sex ratio males /100	98.1	98.3	98.3	98.2	98.3	98.4	98.5	98.5	98.6	98.6	98.7	98.8	98.8	98.9	99.0	99.0	99.1	99.1	99.2	99.3	99.3

## Households

Number of Househo	66,666	67,163	67,654	68,291	68,942	69,584	70,240	70,833	71,455	72,065	72,676	73,246	73,784	74,325	74,869	75,424	75,955	76,444	76,958	77,460	77,956
Change in Households over pre	+497	+491	+637	+651	+642	+656	+593	+622	+609	+612	+570	+538	+541	+544	+555	+530	+489	+514	+502	+496	
Number of Dwellings	68,748	69,260	69,767	70,424	71,095	71,757	72,434	73,045	73,686	74,315	74,946	75,533	76,088	76,646	77,207	77,779	78,326	78,831	79,361	79,879	80,390
Change in Dwellings over previ	+512	+506	+657	+671	+662	+676	+611	+642	+628	+631	+587	+555	+558	+561	+573	+547	+505	+530	+517	+512	

## Economically active

Number of Economic	85,111	85,554	85,930	86,377	86,568	86,815	86,962	87,056	87,026	87,023	86,960	86,966	86,978	86,941	86,985	87,102	87,230	87,275	87,248	87,219	87,153
Change in Economically active		+443	+375	+448	+191	+247	+147	+94	-30	-3	-62	+6	+12	-37	+44	+117	+128	+45	-28	-29	-66
Number of Jobs	82,305	83,141	83,916	84,765	85,365	86,023	86,584	87,093	87,477	87,889	88,241	88,247	88,259	88,222	88,267	88,385	88,515	88,561	88,533	88,504	88,437
Change in Jobs over previous y		+837	+775	+849	+600	+658	+561	+509	+385	+412	+352	+6	+12	-38	+45	+118	+130	+46	-28	-29	-67

# LTNM 2014 HFRs

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Births</b>																				
Male	1,083	1,078	1,077	1,077	1,099	1,100	1,104	1,104	1,101	1,101	1,101	1,100	1,098	1,095	1,090	1,088	1,087	1,087	1,088	1,089
Female	1,031	1,026	1,025	1,026	1,046	1,047	1,051	1,051	1,049	1,049	1,049	1,048	1,046	1,043	1,039	1,036	1,035	1,035	1,036	1,037
<i>All Births</i>	2,114	2,104	2,102	2,104	2,145	2,147	2,155	2,155	2,150	2,151	2,150	2,148	2,144	2,138	2,129	2,124	2,122	2,122	2,124	2,126
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
<b>Deaths</b>																				
Male	615	635	656	733	698	690	702	709	717	725	731	742	754	764	774	787	801	811	824	838
Female	634	641	652	733	680	690	692	693	698	704	710	719	728	737	746	758	771	783	795	808
<i>All deaths</i>	1,248	1,276	1,308	1,466	1,378	1,380	1,394	1,402	1,415	1,430	1,441	1,461	1,481	1,501	1,521	1,545	1,572	1,594	1,619	1,646
SMR: males	112.2	112.2	112.0	121.1	112.2	107.5	105.7	103.5	101.2	99.0	96.5	94.6	92.9	91.1	89.2	87.7	86.4	84.7	83.5	82.4
SMR: females	110.0	109.4	109.7	119.9	109.8	108.9	107.1	104.6	102.5	100.6	98.6	97.0	95.2	93.6	91.8	90.4	89.1	87.6	86.2	84.9
SMR: persons	111.1	110.8	110.9	120.5	111.0	108.2	106.4	104.0	101.8	99.8	97.5	95.8	94.0	92.3	90.5	89.0	87.7	86.1	84.8	83.6
Expectation of life: m	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.4
Expectation of life: fe	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: p	80.9	80.9	80.9	79.9	80.9	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0
<b>In-migration from the UK</b>																				
Male	2,978	2,988	2,999	3,031	3,033	3,045	3,047	3,054	3,050	3,047	3,052	3,059	3,068	3,079	3,094	3,110	3,120	3,134	3,150	3,161
Female	2,981	2,987	2,992	3,009	3,009	3,010	3,013	3,010	3,004	2,997	2,996	2,997	3,000	3,010	3,022	3,037	3,050	3,064	3,079	3,091
<i>All</i>	5,959	5,975	5,991	6,041	6,043	6,055	6,060	6,064	6,054	6,044	6,047	6,056	6,068	6,088	6,116	6,146	6,169	6,198	6,229	6,252
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Out-migration to the UK</b>																				
Male	3,134	3,150	3,148	3,155	3,177	3,175	3,172	3,178	3,168	3,159	3,154	3,161	3,169	3,181	3,205	3,219	3,236	3,255	3,271	3,286
Female	3,160	3,155	3,161	3,153	3,182	3,169	3,153	3,151	3,136	3,129	3,123	3,125	3,136	3,150	3,157	3,165	3,182	3,204	3,220	3,227
<i>All</i>	6,294	6,304	6,309	6,308	6,360	6,344	6,325	6,329	6,304	6,289	6,277	6,286	6,305	6,332	6,362	6,385	6,418	6,459	6,492	6,513
SMigR: males	81.4	81.6	81.5	81.7	81.7	81.6	81.5	81.6	81.5	81.5	81.4	81.5	81.5	81.5	81.7	81.7	81.8	81.8	81.9	81.9
SMigR: females	89.9	90.0	90.2	90.0	90.1	90.1	89.9	90.0	89.9	89.9	89.9	89.9	90.0	90.2	90.3	90.3	90.4	90.5	90.6	90.7
<b>In-migration from Overseas</b>																				
Male	546	396	500	842	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
Female	423	437	585	838	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376
<i>All</i>	969	833	1,084	1,680	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847
<b>Out-migration to Overseas</b>																				
Male	334	286	327	134	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267
Female	313	276	245	197	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204
<i>All</i>	648	562	572	331	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
SMigR: males	71.3	61.0	69.8	28.6	56.7	56.6	56.6	56.6	56.6	56.6	56.7	56.8	56.9	56.9	56.9	56.7	56.6	56.3	56.1	55.8
SMigR: females	85.8	75.9	67.5	54.3	55.9	56.0	56.2	56.4	56.6	56.8	57.1	57.3	57.4	57.5	57.6	57.5	57.4	57.3	57.1	56.9



# LTNM 2014 HFRs

## Migration - Net Flows

UK	-335	-329	-318	-268	-317	-289	-264	-265	-250	-244	-230	-230	-237	-243	-246	-238	-249	-262	-263	-261
Overseas	+321	+271	+512	+1,349	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376

## Summary of population change

Natural change	+865	+828	+794	+637	+766	+768	+760	+753	+735	+721	+709	+687	+663	+637	+608	+579	+550	+528	+505	+480
Net migration	-14	-58	+194	+1,082	+59	+87	+111	+111	+125	+132	+146	+146	+139	+132	+130	+138	+127	+114	+113	+114
Net change	+851	+770	+988	+1,719	+825	+854	+872	+863	+861	+852	+855	+833	+802	+769	+738	+717	+677	+642	+617	+595
Crude Birth Rate /00	12.64	12.52	12.44	12.35	12.50	12.45	12.43	12.37	12.29	12.23	12.17	12.10	12.02	11.93	11.83	11.76	11.70	11.66	11.63	11.60
Crude Death Rate /00	7.46	7.59	7.74	8.61	8.03	8.00	8.05	8.05	8.09	8.13	8.16	8.23	8.30	8.38	8.45	8.55	8.67	8.76	8.87	8.98
Crude Net Migration	-0.08	-0.34	1.15	6.35	0.34	0.50	0.64	0.64	0.72	0.75	0.83	0.82	0.78	0.74	0.72	0.76	0.70	0.63	0.62	0.62

## Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,468	11,458	11,437	11,276	11,063	10,909	10,845	10,806	10,915	10,930	10,940	10,941	10,936	10,926	10,908	10,883	10,858	10,836	10,821	10,817
5-10	12,033	12,398	12,696	13,077	13,513	13,808	13,965	13,931	13,940	13,745	13,551	13,364	13,228	13,175	13,147	13,251	13,273	13,288	13,291	13,283	13,268
11-15	10,793	10,598	10,276	10,036	10,119	10,065	10,278	10,612	10,916	11,172	11,458	11,661	11,719	11,749	11,706	11,446	11,266	11,126	11,073	11,054	11,153
16-17	4,658	4,529	4,523	4,460	4,223	4,233	4,192	4,009	3,964	4,033	4,198	4,347	4,537	4,593	4,595	4,727	4,821	4,799	4,695	4,589	4,443
18-59Female, 64Ma	98,411	98,286	98,297	98,381	99,149	99,241	99,193	99,287	99,118	98,882	98,682	98,618	98,464	98,300	98,272	98,116	98,002	97,925	97,835	97,726	97,546
60/65 -74	19,274	19,903	20,342	20,802	21,295	21,649	21,931	22,158	22,392	22,746	22,964	22,801	22,991	23,252	23,537	23,967	24,342	24,819	25,224	25,651	26,098
75-84	7,537	7,778	8,093	8,348	8,629	8,892	9,244	9,628	10,082	10,421	10,853	11,578	12,059	12,530	12,895	13,210	13,502	13,668	13,855	14,033	14,128
85+	2,699	2,722	2,767	2,899	2,955	3,034	3,127	3,241	3,356	3,521	3,651	3,833	4,037	4,243	4,468	4,660	4,911	5,194	5,512	5,780	6,079
Total	166,831	167,682	168,452	169,440	171,159	171,984	172,838	173,710	174,573	175,434	176,287	177,142	177,975	178,777	179,546	180,284	181,001	181,678	182,320	182,937	183,532

## Dependency ratios, mean age and sex ratio

0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.32	0.32	0.32	0.33
65+ / 16-65	0.22	0.24	0.25	0.25	0.26	0.27	0.27	0.28	0.29	0.29	0.30	0.30	0.31	0.32	0.32	0.33	0.34	0.35	0.35	0.36	0.37
0-15 and 65+ / 16-65	0.54	0.56	0.57	0.57	0.58	0.59	0.60	0.61	0.62	0.62	0.63	0.64	0.64	0.65	0.65	0.66	0.66	0.67	0.68	0.69	0.70
Median age males	36.9	37.1	37.3	37.5	37.5	37.6	37.6	37.8	37.9	38.0	38.1	38.3	38.4	38.5	38.6	38.7	38.8	38.9	39.0	39.2	39.3
Median age females	38.5	38.8	39.0	39.1	39.2	39.3	39.4	39.4	39.6	39.9	40.1	40.3	40.5	40.7	40.9	41.0	41.2	41.4	41.6	41.8	41.9
Sex ratio males /100	98.1	98.3	98.3	98.2	98.4	98.5	98.7	98.8	98.9	99.0	99.1	99.2	99.3	99.4	99.5	99.6	99.7	99.8	99.8	99.9	100.0

## Households

Number of Househo	66,666	67,163	67,654	68,291	69,258	69,816	70,410	70,946	71,517	72,085	72,653	73,189	73,690	74,209	74,727	75,261	75,771	76,231	76,710	77,167	77,598
Change in Households over pre	+497	+491	+637	+967	+557	+595	+536	+571	+568	+569	+536	+500	+519	+518	+533	+511	+460	+479	+456	+431	
Number of Dwellings	68,748	69,260	69,767	70,424	71,421	71,996	72,609	73,161	73,750	74,336	74,922	75,475	75,991	76,526	77,061	77,611	78,138	78,612	79,106	79,576	80,021
Change in Dwellings over previ	+512	+506	+657	+997	+575	+613	+552	+589	+586	+587	+553	+516	+535	+535	+550	+527	+474	+494	+471	+445	

## Economically active

Number of Economic	85,111	85,554	85,930	86,377	87,135	87,414	87,623	87,794	87,850	87,950	88,007	88,136	88,261	88,318	88,461	88,671	88,909	89,044	89,089	89,130	89,108
Change in Economically active		+443	+375	+448	+758	+279	+209	+170	+57	+100	+56	+129	+126	+56	+144	+209	+239	+135	+45	+42	-22
Number of Jobs	82,305	83,141	83,916	84,765	85,925	86,617	87,242	87,830	88,306	88,826	89,303	89,434	89,561	89,619	89,764	89,977	90,219	90,356	90,401	90,443	90,421
Change in Jobs over previous y		+837	+775	+849	+1,160	+692	+625	+588	+476	+520	+477	+131	+128	+57	+146	+213	+242	+137	+45	+42	-22

# LTNM 100% FR25-44 HFRs

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Births</b>																				
Male	1,083	1,078	1,077	1,077	1,099	1,100	1,104	1,104	1,101	1,101	1,101	1,100	1,098	1,095	1,090	1,088	1,087	1,087	1,088	1,089
Female	1,031	1,026	1,025	1,026	1,046	1,047	1,051	1,051	1,049	1,049	1,049	1,048	1,046	1,043	1,039	1,036	1,035	1,035	1,036	1,037
<i>All Births</i>	2,114	2,104	2,102	2,104	2,145	2,147	2,155	2,155	2,150	2,151	2,150	2,148	2,144	2,138	2,129	2,124	2,122	2,122	2,124	2,126
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
<b>Deaths</b>																				
Male	615	635	656	733	698	690	702	709	717	725	731	742	754	764	774	787	801	811	824	838
Female	634	641	652	733	680	690	692	693	698	704	710	719	728	737	746	758	771	783	795	808
<i>All deaths</i>	1,248	1,276	1,308	1,466	1,378	1,380	1,394	1,402	1,415	1,430	1,441	1,461	1,481	1,501	1,521	1,545	1,572	1,594	1,619	1,646
SMR: males	112.2	112.2	112.0	121.1	112.2	107.5	105.7	103.5	101.2	99.0	96.5	94.6	92.9	91.1	89.2	87.7	86.4	84.7	83.5	82.4
SMR: females	110.0	109.4	109.7	119.9	109.8	108.9	107.1	104.6	102.5	100.6	98.6	97.0	95.2	93.6	91.8	90.4	89.1	87.6	86.2	84.9
SMR: persons	111.1	110.8	110.9	120.5	111.0	108.2	106.4	104.0	101.8	99.8	97.5	95.8	94.0	92.3	90.5	89.0	87.7	86.1	84.8	83.6
Expectation of life: m	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.4
Expectation of life: f	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: p	80.9	80.9	80.9	79.9	80.9	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0
<b>In-migration from the UK</b>																				
Male	2,978	2,988	2,999	3,031	3,033	3,045	3,047	3,054	3,050	3,047	3,052	3,059	3,068	3,079	3,094	3,110	3,120	3,134	3,150	3,161
Female	2,981	2,987	2,992	3,009	3,009	3,010	3,013	3,010	3,004	2,997	2,996	2,997	3,000	3,010	3,022	3,037	3,050	3,064	3,079	3,091
<i>All</i>	5,959	5,975	5,991	6,041	6,043	6,055	6,060	6,064	6,054	6,044	6,047	6,056	6,068	6,088	6,116	6,146	6,169	6,198	6,229	6,252
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Out-migration to the UK</b>																				
Male	3,134	3,150	3,148	3,155	3,177	3,175	3,172	3,178	3,168	3,159	3,154	3,161	3,169	3,181	3,205	3,219	3,236	3,255	3,271	3,286
Female	3,160	3,155	3,161	3,153	3,182	3,169	3,153	3,151	3,136	3,129	3,123	3,125	3,136	3,150	3,157	3,165	3,182	3,204	3,220	3,227
<i>All</i>	6,294	6,304	6,309	6,308	6,360	6,344	6,325	6,329	6,304	6,289	6,277	6,286	6,305	6,332	6,362	6,385	6,418	6,459	6,492	6,513
SMigR: males	81.4	81.6	81.5	81.7	81.7	81.6	81.5	81.6	81.5	81.5	81.4	81.5	81.5	81.5	81.7	81.7	81.8	81.8	81.9	81.9
SMigR: females	89.9	90.0	90.2	90.0	90.1	90.1	89.9	90.0	89.9	89.9	89.9	89.9	90.0	90.2	90.3	90.3	90.4	90.5	90.6	90.7
<b>In-migration from Overseas</b>																				
Male	546	396	500	842	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
Female	423	437	585	838	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376
<i>All</i>	969	833	1,084	1,680	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847
<b>Out-migration to Overseas</b>																				
Male	334	286	327	134	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267
Female	313	276	245	197	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204
<i>All</i>	648	562	572	331	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
SMigR: males	71.3	61.0	69.8	28.6	56.7	56.6	56.6	56.6	56.6	56.6	56.7	56.8	56.9	56.9	56.9	56.7	56.6	56.3	56.1	55.8
SMigR: females	85.8	75.9	67.5	54.3	55.9	56.0	56.2	56.4	56.6	56.8	57.1	57.3	57.4	57.5	57.6	57.5	57.4	57.3	57.1	56.9

# LTNM 100% FR25-44 HFRs

## Migration - Net Flows

UK	-335	-329	-318	-268	-317	-289	-264	-265	-250	-244	-230	-230	-237	-243	-246	-238	-249	-262	-263	-261
Overseas	+321	+271	+512	+1,349	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376

## Summary of population change

Natural change	+865	+828	+794	+637	+766	+768	+760	+753	+735	+721	+709	+687	+663	+637	+608	+579	+550	+528	+505	+480
Net migration	-14	-58	+194	+1,082	+59	+87	+111	+111	+125	+132	+146	+146	+139	+132	+130	+138	+127	+114	+113	+114
Net change	+851	+770	+988	+1,719	+825	+854	+872	+863	+861	+852	+855	+833	+802	+769	+738	+717	+677	+642	+617	+595
Crude Birth Rate /00	12.64	12.52	12.44	12.35	12.50	12.45	12.43	12.37	12.29	12.23	12.17	12.10	12.02	11.93	11.83	11.76	11.70	11.66	11.63	11.60
Crude Death Rate /00	7.46	7.59	7.74	8.61	8.03	8.00	8.05	8.05	8.09	8.13	8.16	8.23	8.30	8.38	8.45	8.55	8.67	8.76	8.87	8.98
Crude Net Migration	-0.08	-0.34	1.15	6.35	0.34	0.50	0.64	0.64	0.72	0.75	0.83	0.82	0.78	0.74	0.72	0.76	0.70	0.63	0.62	0.62

## Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,468	11,458	11,437	11,276	11,063	10,909	10,845	10,806	10,915	10,930	10,940	10,941	10,936	10,926	10,908	10,883	10,858	10,836	10,821	10,817
5-10	12,033	12,398	12,696	13,077	13,513	13,808	13,965	13,931	13,940	13,745	13,551	13,364	13,228	13,175	13,147	13,251	13,273	13,288	13,291	13,283	13,268
11-15	10,793	10,598	10,276	10,036	10,119	10,065	10,278	10,612	10,916	11,172	11,458	11,661	11,719	11,749	11,706	11,446	11,266	11,126	11,073	11,054	11,153
16-17	4,658	4,529	4,523	4,460	4,223	4,233	4,192	4,009	3,964	4,033	4,198	4,347	4,537	4,593	4,595	4,727	4,821	4,799	4,695	4,589	4,443
18-59Female, 64Ma	98,411	98,286	98,297	98,381	99,149	99,241	99,193	99,287	99,118	98,882	98,682	98,618	98,464	98,300	98,272	98,116	98,002	97,925	97,835	97,726	97,546
60/65 -74	19,274	19,903	20,342	20,802	21,295	21,649	21,931	22,158	22,392	22,746	22,964	22,801	22,991	23,252	23,537	23,967	24,342	24,819	25,224	25,651	26,098
75-84	7,537	7,778	8,093	8,348	8,629	8,892	9,244	9,628	10,082	10,421	10,853	11,578	12,059	12,530	12,895	13,210	13,502	13,668	13,855	14,033	14,128
85+	2,699	2,722	2,767	2,899	2,955	3,034	3,127	3,241	3,356	3,521	3,651	3,833	4,037	4,243	4,468	4,660	4,911	5,194	5,512	5,780	6,079
Total	166,831	167,682	168,452	169,440	171,159	171,984	172,838	173,710	174,573	175,434	176,287	177,142	177,975	178,777	179,546	180,284	181,001	181,678	182,320	182,937	183,532

## Dependency ratios, mean age and sex ratio

0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.32	0.32	0.32	0.33
65+ / 16-65	0.22	0.24	0.25	0.25	0.26	0.27	0.27	0.28	0.29	0.29	0.30	0.30	0.31	0.32	0.32	0.33	0.34	0.35	0.35	0.36	0.37
0-15 and 65+ / 16-65	0.54	0.56	0.57	0.57	0.58	0.59	0.60	0.61	0.62	0.62	0.63	0.64	0.64	0.65	0.65	0.66	0.66	0.67	0.68	0.69	0.70
Median age males	36.9	37.1	37.3	37.5	37.5	37.6	37.6	37.8	37.9	38.0	38.1	38.3	38.4	38.5	38.6	38.7	38.8	38.9	39.0	39.2	39.3
Median age females	38.5	38.8	39.0	39.1	39.2	39.3	39.4	39.4	39.6	39.9	40.1	40.3	40.5	40.7	40.9	41.0	41.2	41.4	41.6	41.8	41.9
Sex ratio males /100	98.1	98.3	98.3	98.2	98.4	98.5	98.7	98.8	98.9	99.0	99.1	99.2	99.3	99.4	99.5	99.6	99.7	99.8	99.8	99.9	100.0

## Households

Number of Househo	66,666	67,163	67,654	68,291	69,395	70,086	70,817	71,487	72,193	72,894	73,596	74,268	74,905	75,548	76,197	76,849	77,487	78,072	78,680	79,276	79,860
Change in Households over pre	+497	+491	+637	+1,104	+691	+731	+670	+706	+701	+702	+672	+637	+642	+649	+653	+638	+585	+608	+596	+584	
Number of Dwellings	68,748	69,260	69,767	70,424	71,562	72,275	73,028	73,719	74,447	75,170	75,894	76,587	77,244	77,907	78,576	79,249	79,907	80,510	81,137	81,751	82,354
Change in Dwellings over previ	+512	+506	+657	+1,138	+713	+754	+691	+728	+723	+723	+693	+657	+662	+669	+673	+658	+604	+627	+614	+602	

## Economically active

Number of Economic	85,111	85,554	85,930	86,377	87,135	87,414	87,623	87,794	87,850	87,950	88,007	88,136	88,261	88,318	88,461	88,671	88,909	89,044	89,089	89,130	89,108
Change in Economically active		+443	+375	+448	+758	+279	+209	+170	+57	+100	+56	+129	+126	+56	+144	+209	+239	+135	+45	+42	-22
Number of Jobs	82,305	83,141	83,916	84,765	85,925	86,617	87,242	87,830	88,306	88,826	89,303	89,434	89,561	89,619	89,764	89,977	90,219	90,356	90,401	90,443	90,421
Change in Jobs over previous y		+837	+775	+849	+1,160	+692	+625	+588	+476	+520	+477	+131	+128	+57	+146	+213	+242	+137	+45	+42	-22

# LTNM 50% FR25-44 HFRs

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Births</b>																				
Male	1,083	1,078	1,077	1,077	1,099	1,100	1,104	1,104	1,101	1,101	1,101	1,100	1,098	1,095	1,090	1,088	1,087	1,087	1,088	1,089
Female	1,031	1,026	1,025	1,026	1,046	1,047	1,051	1,051	1,049	1,049	1,049	1,048	1,046	1,043	1,039	1,036	1,035	1,035	1,036	1,037
<i>All Births</i>	2,114	2,104	2,102	2,104	2,145	2,147	2,155	2,155	2,150	2,151	2,150	2,148	2,144	2,138	2,129	2,124	2,122	2,122	2,124	2,126
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
<b>Deaths</b>																				
Male	615	635	656	733	698	690	702	709	717	725	731	742	754	764	774	787	801	811	824	838
Female	634	641	652	733	680	690	692	693	698	704	710	719	728	737	746	758	771	783	795	808
<i>All deaths</i>	1,248	1,276	1,308	1,466	1,378	1,380	1,394	1,402	1,415	1,430	1,441	1,461	1,481	1,501	1,521	1,545	1,572	1,594	1,619	1,646
SMR: males	112.2	112.2	112.0	121.1	112.2	107.5	105.7	103.5	101.2	99.0	96.5	94.6	92.9	91.1	89.2	87.7	86.4	84.7	83.5	82.4
SMR: females	110.0	109.4	109.7	119.9	109.8	108.9	107.1	104.6	102.5	100.6	98.6	97.0	95.2	93.6	91.8	90.4	89.1	87.6	86.2	84.9
SMR: persons	111.1	110.8	110.9	120.5	111.0	108.2	106.4	104.0	101.8	99.8	97.5	95.8	94.0	92.3	90.5	89.0	87.7	86.1	84.8	83.6
Expectation of life: m	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.4
Expectation of life: fe	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: p	80.9	80.9	80.9	79.9	80.9	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0
<b>In-migration from the UK</b>																				
Male	2,978	2,988	2,999	3,031	3,033	3,045	3,047	3,054	3,050	3,047	3,052	3,059	3,068	3,079	3,094	3,110	3,120	3,134	3,150	3,161
Female	2,981	2,987	2,992	3,009	3,009	3,010	3,013	3,010	3,004	2,997	2,996	2,997	3,000	3,010	3,022	3,037	3,050	3,064	3,079	3,091
<i>All</i>	5,959	5,975	5,991	6,041	6,043	6,055	6,060	6,064	6,054	6,044	6,047	6,056	6,068	6,088	6,116	6,146	6,169	6,198	6,229	6,252
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Out-migration to the UK</b>																				
Male	3,134	3,150	3,148	3,155	3,177	3,175	3,172	3,178	3,168	3,159	3,154	3,161	3,169	3,181	3,205	3,219	3,236	3,255	3,271	3,286
Female	3,160	3,155	3,161	3,153	3,182	3,169	3,153	3,151	3,136	3,129	3,123	3,125	3,136	3,150	3,157	3,165	3,182	3,204	3,220	3,227
<i>All</i>	6,294	6,304	6,309	6,308	6,360	6,344	6,325	6,329	6,304	6,289	6,277	6,286	6,305	6,332	6,362	6,385	6,418	6,459	6,492	6,513
SMigR: males	81.4	81.6	81.5	81.7	81.7	81.6	81.5	81.6	81.5	81.5	81.4	81.5	81.5	81.5	81.7	81.7	81.8	81.8	81.9	81.9
SMigR: females	89.9	90.0	90.2	90.0	90.1	90.1	89.9	90.0	89.9	89.9	89.9	89.9	90.0	90.2	90.3	90.3	90.4	90.5	90.6	90.7
<b>In-migration from Overseas</b>																				
Male	546	396	500	842	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
Female	423	437	585	838	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376
<i>All</i>	969	833	1,084	1,680	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847
<b>Out-migration to Overseas</b>																				
Male	334	286	327	134	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267
Female	313	276	245	197	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204
<i>All</i>	648	562	572	331	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
SMigR: males	71.3	61.0	69.8	28.6	56.7	56.6	56.6	56.6	56.6	56.6	56.7	56.8	56.9	56.9	56.9	56.7	56.6	56.3	56.1	55.8
SMigR: females	85.8	75.9	67.5	54.3	55.9	56.0	56.2	56.4	56.6	56.8	57.1	57.3	57.4	57.5	57.6	57.5	57.4	57.3	57.1	56.9

**LTNM 50% FR25-44 HFRs**

**Migration - Net Flows**

UK	-335	-329	-318	-268	-317	-289	-264	-265	-250	-244	-230	-230	-237	-243	-246	-238	-249	-262	-263	-261
Overseas	+321	+271	+512	+1,349	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376

**Summary of population change**

Natural change	+865	+828	+794	+637	+766	+768	+760	+753	+735	+721	+709	+687	+663	+637	+608	+579	+550	+528	+505	+480
Net migration	-14	-58	+194	+1,082	+59	+87	+111	+111	+125	+132	+146	+146	+139	+132	+130	+138	+127	+114	+113	+114
Net change	+851	+770	+988	+1,719	+825	+854	+872	+863	+861	+852	+855	+833	+802	+769	+738	+717	+677	+642	+617	+595
Crude Birth Rate /00	12.64	12.52	12.44	12.35	12.50	12.45	12.43	12.37	12.29	12.23	12.17	12.10	12.02	11.93	11.83	11.76	11.70	11.66	11.63	11.60
Crude Death Rate /00	7.46	7.59	7.74	8.61	8.03	8.00	8.05	8.05	8.09	8.13	8.16	8.23	8.30	8.38	8.45	8.55	8.67	8.76	8.87	8.98
Crude Net Migration	-0.08	-0.34	1.15	6.35	0.34	0.50	0.64	0.64	0.72	0.75	0.83	0.82	0.78	0.74	0.72	0.76	0.70	0.63	0.62	0.62

**Summary of Population estimates/forecasts**

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,468	11,458	11,437	11,276	11,063	10,909	10,845	10,806	10,915	10,930	10,940	10,941	10,936	10,926	10,908	10,883	10,858	10,836	10,821	10,817
5-10	12,033	12,398	12,696	13,077	13,513	13,808	13,965	13,931	13,940	13,745	13,551	13,364	13,228	13,175	13,147	13,251	13,273	13,288	13,291	13,283	13,268
11-15	10,793	10,598	10,276	10,036	10,119	10,065	10,278	10,612	10,916	11,172	11,458	11,661	11,719	11,749	11,706	11,446	11,266	11,126	11,073	11,054	11,153
16-17	4,658	4,529	4,523	4,460	4,223	4,233	4,192	4,009	3,964	4,033	4,198	4,347	4,537	4,593	4,595	4,727	4,821	4,799	4,695	4,589	4,443
18-59Female, 64Ma	98,411	98,286	98,297	98,381	99,149	99,241	99,193	99,287	99,118	98,882	98,682	98,618	98,464	98,300	98,272	98,116	98,002	97,925	97,835	97,726	97,546
60/65 -74	19,274	19,903	20,342	20,802	21,295	21,649	21,931	22,158	22,392	22,746	22,964	22,801	22,991	23,252	23,537	23,967	24,342	24,819	25,224	25,651	26,098
75-84	7,537	7,778	8,093	8,348	8,629	8,892	9,244	9,628	10,082	10,421	10,853	11,578	12,059	12,530	12,895	13,210	13,502	13,668	13,855	14,033	14,128
85+	2,699	2,722	2,767	2,899	2,955	3,034	3,127	3,241	3,356	3,521	3,651	3,833	4,037	4,243	4,468	4,660	4,911	5,194	5,512	5,780	6,079
Total	166,831	167,682	168,452	169,440	171,159	171,984	172,838	173,710	174,573	175,434	176,287	177,142	177,975	178,777	179,546	180,284	181,001	181,678	182,320	182,937	183,532

**Dependency ratios, mean age and sex ratio**

0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.32	0.32	0.32	0.33
65+ / 16-65	0.22	0.24	0.25	0.25	0.26	0.27	0.27	0.28	0.29	0.29	0.30	0.30	0.31	0.32	0.32	0.33	0.34	0.35	0.35	0.36	0.37
0-15 and 65+ / 16-65	0.54	0.56	0.57	0.57	0.58	0.59	0.60	0.61	0.62	0.62	0.63	0.64	0.64	0.65	0.65	0.66	0.66	0.67	0.68	0.69	0.70
Median age males	36.9	37.1	37.3	37.5	37.5	37.6	37.6	37.8	37.9	38.0	38.1	38.3	38.4	38.5	38.6	38.7	38.8	38.9	39.0	39.2	39.3
Median age females	38.5	38.8	39.0	39.1	39.2	39.3	39.4	39.4	39.6	39.9	40.1	40.3	40.5	40.7	40.9	41.0	41.2	41.4	41.6	41.8	41.9
Sex ratio males /100	98.1	98.3	98.3	98.2	98.4	98.5	98.7	98.8	98.9	99.0	99.1	99.2	99.3	99.4	99.5	99.6	99.7	99.8	99.8	99.9	100.0

**Households**

Number of Househo	66,666	67,163	67,654	68,291	69,327	69,949	70,610	71,210	71,846	72,478	73,109	73,709	74,275	74,850	75,430	76,019	76,594	77,119	77,664	78,195	78,712
Change in Households over pre	+497	+491	+637	+1,035	+622	+661	+600	+635	+632	+631	+600	+566	+575	+580	+589	+575	+525	+546	+531	+517	
Number of Dwellings	68,748	69,260	69,767	70,424	71,492	72,134	72,815	73,434	74,089	74,741	75,392	76,011	76,595	77,188	77,785	78,393	78,986	79,527	80,090	80,637	81,170
Change in Dwellings over previ	+512	+506	+657	+1,068	+642	+682	+619	+655	+652	+651	+619	+584	+593	+598	+608	+593	+541	+563	+548	+533	

**Economically active**

Number of Economic	85,111	85,554	85,930	86,377	87,135	87,414	87,623	87,794	87,850	87,950	88,007	88,136	88,261	88,318	88,461	88,671	88,909	89,044	89,089	89,130	89,108
Change in Economically active		+443	+375	+448	+758	+279	+209	+170	+57	+100	+56	+129	+126	+56	+144	+209	+239	+135	+45	+42	-22
Number of Jobs	82,305	83,141	83,916	84,765	85,925	86,617	87,242	87,830	88,306	88,826	89,303	89,434	89,561	89,619	89,764	89,977	90,219	90,356	90,401	90,443	90,421
Change in Jobs over previous y		+837	+775	+849	+1,160	+692	+625	+588	+476	+520	+477	+131	+128	+57	+146	+213	+242	+137	+45	+42	-22

# LTNM 2001 HFRs

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Births</b>																				
Male	1,083	1,078	1,077	1,077	1,099	1,100	1,104	1,104	1,101	1,101	1,101	1,100	1,098	1,095	1,090	1,088	1,087	1,087	1,088	1,089
Female	1,031	1,026	1,025	1,026	1,046	1,047	1,051	1,051	1,049	1,049	1,049	1,048	1,046	1,043	1,039	1,036	1,035	1,035	1,036	1,037
<i>All Births</i>	2,114	2,104	2,102	2,104	2,145	2,147	2,155	2,155	2,150	2,151	2,150	2,148	2,144	2,138	2,129	2,124	2,122	2,122	2,124	2,126
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
<b>Deaths</b>																				
Male	615	635	656	733	698	690	702	709	717	725	731	742	754	764	774	787	801	811	824	838
Female	634	641	652	733	680	690	692	693	698	704	710	719	728	737	746	758	771	783	795	808
<i>All deaths</i>	1,248	1,276	1,308	1,466	1,378	1,380	1,394	1,402	1,415	1,430	1,441	1,461	1,481	1,501	1,521	1,545	1,572	1,594	1,619	1,646
SMR: males	112.2	112.2	112.0	121.1	112.2	107.5	105.7	103.5	101.2	99.0	96.5	94.6	92.9	91.1	89.2	87.7	86.4	84.7	83.5	82.4
SMR: females	110.0	109.4	109.7	119.9	109.8	108.9	107.1	104.6	102.5	100.6	98.6	97.0	95.2	93.6	91.8	90.4	89.1	87.6	86.2	84.9
SMR: persons	111.1	110.8	110.9	120.5	111.0	108.2	106.4	104.0	101.8	99.8	97.5	95.8	94.0	92.3	90.5	89.0	87.7	86.1	84.8	83.6
Expectation of life: m	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.4
Expectation of life: fe	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: p	80.9	80.9	80.9	79.9	80.9	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0
<b>In-migration from the UK</b>																				
Male	2,978	2,988	2,999	3,031	3,033	3,045	3,047	3,054	3,050	3,047	3,052	3,059	3,068	3,079	3,094	3,110	3,120	3,134	3,150	3,161
Female	2,981	2,987	2,992	3,009	3,009	3,010	3,013	3,010	3,004	2,997	2,996	2,997	3,000	3,010	3,022	3,037	3,050	3,064	3,079	3,091
<i>All</i>	5,959	5,975	5,991	6,041	6,043	6,055	6,060	6,064	6,054	6,044	6,047	6,056	6,068	6,088	6,116	6,146	6,169	6,198	6,229	6,252
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Out-migration to the UK</b>																				
Male	3,134	3,150	3,148	3,155	3,177	3,175	3,172	3,178	3,168	3,159	3,154	3,161	3,169	3,181	3,205	3,219	3,236	3,255	3,271	3,286
Female	3,160	3,155	3,161	3,153	3,182	3,169	3,153	3,151	3,136	3,129	3,123	3,125	3,136	3,150	3,157	3,165	3,182	3,204	3,220	3,227
<i>All</i>	6,294	6,304	6,309	6,308	6,360	6,344	6,325	6,329	6,304	6,289	6,277	6,286	6,305	6,332	6,362	6,385	6,418	6,459	6,492	6,513
SMigR: males	81.4	81.6	81.5	81.7	81.7	81.6	81.5	81.6	81.5	81.5	81.4	81.5	81.5	81.5	81.7	81.7	81.8	81.8	81.9	81.9
SMigR: females	89.9	90.0	90.2	90.0	90.1	90.1	89.9	90.0	89.9	89.9	89.9	89.9	90.0	90.2	90.3	90.3	90.4	90.5	90.6	90.7
<b>In-migration from Overseas</b>																				
Male	546	396	500	842	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
Female	423	437	585	838	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376
<i>All</i>	969	833	1,084	1,680	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847
<b>Out-migration to Overseas</b>																				
Male	334	286	327	134	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267
Female	313	276	245	197	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204
<i>All</i>	648	562	572	331	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
SMigR: males	71.3	61.0	69.8	28.6	56.7	56.6	56.6	56.6	56.6	56.6	56.7	56.8	56.9	56.9	56.9	56.7	56.6	56.3	56.1	55.8
SMigR: females	85.8	75.9	67.5	54.3	55.9	56.0	56.2	56.4	56.6	56.8	57.1	57.3	57.4	57.5	57.6	57.5	57.4	57.3	57.1	56.9

# LTNM 2001 HFRs

## Migration - Net Flows

UK	-335	-329	-318	-268	-317	-289	-264	-265	-250	-244	-230	-230	-237	-243	-246	-238	-249	-262	-263	-261
Overseas	+321	+271	+512	+1,349	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376

## Summary of population change

Natural change	+865	+828	+794	+637	+766	+768	+760	+753	+735	+721	+709	+687	+663	+637	+608	+579	+550	+528	+505	+480
Net migration	-14	-58	+194	+1,082	+59	+87	+111	+111	+125	+132	+146	+146	+139	+132	+130	+138	+127	+114	+113	+114
Net change	+851	+770	+988	+1,719	+825	+854	+872	+863	+861	+852	+855	+833	+802	+769	+738	+717	+677	+642	+617	+595
Crude Birth Rate /00	12.64	12.52	12.44	12.35	12.50	12.45	12.43	12.37	12.29	12.23	12.17	12.10	12.02	11.93	11.83	11.76	11.70	11.66	11.63	11.60
Crude Death Rate /00	7.46	7.59	7.74	8.61	8.03	8.00	8.05	8.05	8.09	8.13	8.16	8.23	8.30	8.38	8.45	8.55	8.67	8.76	8.87	8.98
Crude Net Migration	-0.08	-0.34	1.15	6.35	0.34	0.50	0.64	0.64	0.72	0.75	0.83	0.82	0.78	0.74	0.72	0.76	0.70	0.63	0.62	0.62

## Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,468	11,458	11,437	11,276	11,063	10,909	10,845	10,806	10,915	10,930	10,940	10,941	10,936	10,926	10,908	10,883	10,858	10,836	10,821	10,817
5-10	12,033	12,398	12,696	13,077	13,513	13,808	13,965	13,931	13,940	13,745	13,551	13,364	13,228	13,175	13,147	13,251	13,273	13,288	13,291	13,283	13,268
11-15	10,793	10,598	10,276	10,036	10,119	10,065	10,278	10,612	10,916	11,172	11,458	11,661	11,719	11,749	11,706	11,446	11,266	11,126	11,073	11,054	11,153
16-17	4,658	4,529	4,523	4,460	4,223	4,233	4,192	4,009	3,964	4,033	4,198	4,347	4,537	4,593	4,595	4,727	4,821	4,799	4,695	4,589	4,443
18-59Female, 64Ma	98,411	98,286	98,297	98,381	99,149	99,241	99,193	99,287	99,118	98,882	98,682	98,618	98,464	98,300	98,272	98,116	98,002	97,925	97,835	97,726	97,546
60/65 -74	19,274	19,903	20,342	20,802	21,295	21,649	21,931	22,158	22,392	22,746	22,964	22,801	22,991	23,252	23,537	23,967	24,342	24,819	25,224	25,651	26,098
75-84	7,537	7,778	8,093	8,348	8,629	8,892	9,244	9,628	10,082	10,421	10,853	11,578	12,059	12,530	12,895	13,210	13,502	13,668	13,855	14,033	14,128
85+	2,699	2,722	2,767	2,899	2,955	3,034	3,127	3,241	3,356	3,521	3,651	3,833	4,037	4,243	4,468	4,660	4,911	5,194	5,512	5,780	6,079
Total	166,831	167,682	168,452	169,440	171,159	171,984	172,838	173,710	174,573	175,434	176,287	177,142	177,975	178,777	179,546	180,284	181,001	181,678	182,320	182,937	183,532

## Dependency ratios, mean age and sex ratio

0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.32	0.32	0.32	0.33
65+ / 16-65	0.22	0.24	0.25	0.25	0.26	0.27	0.27	0.28	0.29	0.29	0.30	0.30	0.31	0.32	0.32	0.33	0.34	0.35	0.35	0.36	0.37
0-15 and 65+ / 16-65	0.54	0.56	0.57	0.57	0.58	0.59	0.60	0.61	0.62	0.62	0.63	0.64	0.64	0.65	0.65	0.66	0.66	0.67	0.68	0.69	0.70
Median age males	36.9	37.1	37.3	37.5	37.5	37.6	37.6	37.8	37.9	38.0	38.1	38.3	38.4	38.5	38.6	38.7	38.8	38.9	39.0	39.2	39.3
Median age females	38.5	38.8	39.0	39.1	39.2	39.3	39.4	39.4	39.6	39.9	40.1	40.3	40.5	40.7	40.9	41.0	41.2	41.4	41.6	41.8	41.9
Sex ratio males /100	98.1	98.3	98.3	98.2	98.4	98.5	98.7	98.8	98.9	99.0	99.1	99.2	99.3	99.4	99.5	99.6	99.7	99.8	99.8	99.9	100.0

## Households

Number of Househo	66,666	67,163	67,654	68,291	69,356	70,007	70,701	71,332	72,000	72,665	73,329	73,961	74,560	75,163	75,770	76,383	76,978	77,526	78,101	78,661	79,216
Change in Households over pre	+497	+491	+637	+1,064	+652	+694	+631	+668	+665	+664	+632	+599	+602	+607	+613	+595	+548	+575	+560	+554	
Number of Dwellings	68,748	69,260	69,767	70,424	71,521	72,194	72,909	73,560	74,249	74,934	75,619	76,271	76,888	77,510	78,136	78,768	79,382	79,947	80,540	81,118	81,689
Change in Dwellings over previ	+512	+506	+657	+1,097	+672	+715	+651	+689	+686	+685	+652	+618	+621	+626	+633	+614	+565	+593	+577	+572	

## Economically active

Number of Economic	85,111	85,554	85,930	86,377	87,135	87,414	87,623	87,794	87,850	87,950	88,007	88,136	88,261	88,318	88,461	88,671	88,909	89,044	89,089	89,130	89,108
Change in Economically active		+443	+375	+448	+758	+279	+209	+170	+57	+100	+56	+129	+126	+56	+144	+209	+239	+135	+45	+42	-22
Number of Jobs	82,305	83,141	83,916	84,765	85,925	86,617	87,242	87,830	88,306	88,826	89,303	89,434	89,561	89,619	89,764	89,977	90,219	90,356	90,401	90,443	90,421
Change in Jobs over previous y		+837	+775	+849	+1,160	+692	+625	+588	+476	+520	+477	+131	+128	+57	+146	+213	+242	+137	+45	+42	-22

# JOBS LED 2014 HFRs

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Births</b>																				
Male	1,083	1,076	1,072	1,068	1,083	1,087	1,094	1,098	1,102	1,106	1,111	1,123	1,133	1,141	1,147	1,154	1,160	1,170	1,181	1,193
Female	1,031	1,025	1,021	1,018	1,032	1,035	1,042	1,046	1,049	1,053	1,058	1,069	1,079	1,087	1,093	1,099	1,105	1,114	1,125	1,136
<i>All Births</i>	2,114	2,101	2,093	2,086	2,115	2,122	2,135	2,143	2,151	2,159	2,170	2,192	2,211	2,228	2,240	2,252	2,265	2,284	2,306	2,329
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
<b>Deaths</b>																				
Male	615	636	658	736	700	693	704	711	720	728	735	748	761	774	786	800	815	829	845	861
Female	634	645	661	738	687	696	698	698	704	710	717	726	737	748	759	772	787	801	816	831
<i>All deaths</i>	1,248	1,281	1,319	1,475	1,387	1,388	1,402	1,409	1,424	1,438	1,452	1,474	1,498	1,522	1,545	1,572	1,603	1,630	1,661	1,692
SMR: males	112.2	112.2	112.1	121.3	112.1	107.6	105.7	103.4	101.2	98.9	96.5	94.6	92.9	91.1	89.3	87.7	86.3	84.7	83.5	82.3
SMR: females	110.0	109.4	109.8	119.9	109.9	109.0	107.1	104.5	102.5	100.6	98.7	96.9	95.2	93.5	91.8	90.4	89.1	87.6	86.2	84.9
SMR: persons	111.1	110.8	110.9	120.6	111.0	108.3	106.4	104.0	101.9	99.8	97.5	95.7	94.0	92.3	90.5	89.0	87.6	86.1	84.8	83.6
Expectation of life: m	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.4
Expectation of life: f	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: p	80.9	80.9	80.9	79.9	80.9	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0
<b>In-migration from the UK</b>																				
Male	3,086	3,125	3,205	3,317	3,024	3,067	3,088	3,140	3,118	3,144	3,297	3,323	3,356	3,350	3,353	3,364	3,449	3,494	3,526	3,552
Female	3,089	3,123	3,197	3,293	3,000	3,033	3,053	3,096	3,070	3,093	3,237	3,255	3,282	3,275	3,275	3,286	3,371	3,415	3,447	3,473
<i>All</i>	6,175	6,248	6,402	6,609	6,024	6,100	6,141	6,236	6,188	6,237	6,534	6,578	6,637	6,626	6,628	6,650	6,821	6,909	6,973	7,025
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Out-migration to the UK</b>																				
Male	3,027	2,997	2,925	2,858	3,160	3,124	3,106	3,073	3,091	3,059	2,919	2,936	2,943	2,998	3,053	3,094	3,052	3,066	3,091	3,110
Female	3,052	3,021	2,943	2,852	3,171	3,124	3,092	3,049	3,065	3,034	2,890	2,905	2,915	2,973	3,015	3,049	3,008	3,019	3,044	3,058
<i>All</i>	6,079	6,018	5,869	5,710	6,331	6,248	6,199	6,122	6,156	6,093	5,810	5,841	5,858	5,971	6,068	6,143	6,060	6,085	6,135	6,167
SMigR: males	78.6	78.1	76.3	74.4	82.0	81.1	80.5	79.4	79.8	78.9	75.1	74.7	74.2	74.6	75.1	75.3	73.6	73.0	72.7	72.4
SMigR: females	86.8	86.2	84.3	81.8	90.4	89.5	88.8	87.5	88.0	87.1	82.8	82.5	81.9	82.6	83.0	83.3	81.4	80.7	80.5	80.2
<b>In-migration from Overseas</b>																				
Male	0	0	0	0	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
Female	0	0	0	0	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376
<i>All</i>	0	0	0	0	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847
<b>Out-migration to Overseas</b>																				
Male	251	250	249	247	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267
Female	211	210	209	210	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204
<i>All</i>	463	460	458	456	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
SMigR: males	53.6	53.6	53.5	53.1	57.4	57.3	57.1	56.9	56.7	56.6	56.5	56.1	55.6	55.1	54.6	54.1	53.7	53.0	52.4	51.7
SMigR: females	57.9	57.9	57.9	58.0	56.4	56.5	56.6	56.6	56.6	56.7	56.7	56.4	56.0	55.5	55.1	54.7	54.2	53.7	53.1	52.5



# JOBS LED 2014 HFRs

## Migration - Net Flows

UK	+96	+229	+533	+899	-307	-148	-58	+114	+33	+144	+724	+737	+780	+655	+560	+507	+761	+824	+838	+857
Overseas	-463	-460	-458	-456	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376

## Summary of population change

Natural change	+865	+820	+774	+612	+728	+734	+734	+734	+727	+721	+718	+718	+713	+707	+695	+680	+662	+655	+646	+636
Net migration	-367	-231	+75	+443	+69	+227	+318	+489	+408	+520	+1,100	+1,113	+1,155	+1,031	+935	+883	+1,136	+1,199	+1,214	+1,233
Net change	+499	+589	+849	+1,054	+797	+961	+1,052	+1,223	+1,135	+1,240	+1,818	+1,830	+1,868	+1,738	+1,630	+1,562	+1,799	+1,854	+1,859	+1,869
Crude Birth Rate /00	12.65	12.53	12.43	12.32	12.43	12.41	12.41	12.37	12.33	12.30	12.25	12.25	12.23	12.20	12.16	12.12	12.07	12.06	12.06	12.06
Crude Death Rate /00	7.47	7.64	7.84	8.71	8.15	8.11	8.14	8.14	8.16	8.19	8.20	8.24	8.29	8.33	8.38	8.46	8.54	8.60	8.68	8.76
Crude Net Migration	-2.19	-1.38	0.45	2.61	0.40	1.33	1.85	2.83	2.34	2.96	6.21	6.22	6.39	5.64	5.08	4.75	6.06	6.33	6.35	6.39

## Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,320	11,231	11,119	10,950	10,745	10,731	10,755	10,815	10,887	10,951	11,050	11,149	11,251	11,343	11,421	11,488	11,566	11,648	11,735	11,830
5-10	12,033	12,337	12,655	13,040	13,393	13,696	13,713	13,653	13,589	13,475	13,329	13,212	13,256	13,343	13,456	13,587	13,701	13,828	13,952	14,070	14,182
11-15	10,793	10,527	10,180	9,968	10,043	9,990	10,227	10,553	10,891	11,141	11,437	11,660	11,685	11,678	11,618	11,483	11,349	11,361	11,427	11,533	11,662
16-17	4,658	4,517	4,520	4,459	4,192	4,180	4,143	3,964	3,940	4,056	4,199	4,356	4,551	4,640	4,694	4,795	4,893	4,817	4,687	4,644	4,623
18-59Female, 64Ma	98,411	98,138	97,998	97,892	98,170	98,232	98,266	98,484	98,575	98,525	98,618	99,234	99,754	100,363	100,928	101,365	101,788	102,360	103,026	103,613	104,176
60/65 -74	19,274	19,912	20,384	20,970	21,416	21,806	22,103	22,308	22,542	22,858	23,079	22,989	23,190	23,459	23,814	24,291	24,715	25,311	25,797	26,300	26,835
75-84	7,537	7,833	8,122	8,398	8,667	8,879	9,214	9,631	10,100	10,483	10,917	11,660	12,196	12,704	13,085	13,435	13,748	13,922	14,134	14,322	14,454
85+	2,699	2,745	2,830	2,920	2,990	3,090	3,183	3,285	3,404	3,565	3,701	3,887	4,097	4,309	4,547	4,739	4,996	5,311	5,659	5,973	6,296
Total	166,831	167,330	167,919	168,767	169,821	170,618	171,580	172,632	173,855	174,990	176,231	178,048	179,879	181,747	183,485	185,115	186,678	188,476	190,330	192,190	194,059

## Dependency ratios, mean age and sex ratio

0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.32	0.32	0.33	0.33	0.33
65+ / 16-65	0.22	0.24	0.25	0.26	0.26	0.27	0.28	0.28	0.29	0.30	0.30	0.30	0.31	0.31	0.32	0.32	0.33	0.34	0.35	0.35	0.36
0-15 and 65+ / 16-65	0.54	0.55	0.56	0.57	0.58	0.59	0.60	0.61	0.62	0.63	0.63	0.63	0.64	0.64	0.65	0.65	0.65	0.66	0.67	0.68	0.69
Median age males	36.9	37.2	37.4	37.6	37.7	37.8	37.8	37.9	38.0	38.0	38.1	38.1	38.1	38.1	38.1	38.2	38.2	38.2	38.3	38.4	38.5
Median age females	38.5	38.9	39.2	39.4	39.5	39.6	39.7	39.8	39.8	40.0	40.1	40.2	40.2	40.3	40.4	40.5	40.6	40.6	40.7	40.8	40.8
Sex ratio males /100	98.1	98.2	98.2	98.3	98.3	98.4	98.6	98.7	98.8	98.9	99.1	99.2	99.3	99.4	99.5	99.7	99.8	99.9	100.0	100.1	100.1

## Economically active

Number of Economically active	85,111	85,407	85,699	85,989	86,275	86,559	86,841	87,119	87,395	87,668	87,939	88,622	89,305	89,988	90,671	91,354	92,037	92,720	93,403	94,086	94,769
Change in Economically active		+295	+292	+290	+287	+284	+281	+279	+276	+273	+271	+683	+683	+683	+683	+683	+683	+683	+683	+683	+683
Number of Jobs	82,305	82,998	83,691	84,384	85,077	85,770	86,463	87,156	87,849	88,542	89,235	89,928	90,621	91,314	92,007	92,700	93,393	94,086	94,779	95,472	96,165
Change in Jobs over previous y		+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693

## Households

Number of Households	66,666	67,147	67,629	68,188	68,796	69,347	69,976	70,585	71,265	71,924	72,629	73,497	74,364	75,268	76,142	77,012	77,832	78,712	79,635	80,551	81,459
Change in Households over previous y		+480	+482	+559	+608	+552	+629	+609	+680	+659	+705	+868	+867	+904	+874	+870	+820	+880	+923	+916	+908
Number of Dwellings	68,748	69,243	69,741	70,317	70,944	71,513	72,161	72,789	73,490	74,170	74,897	75,792	76,686	77,618	78,519	79,416	80,263	81,170	82,122	83,067	84,003
Change in Dwellings over previous y		+495	+497	+576	+627	+569	+648	+628	+701	+680	+727	+895	+894	+932	+902	+897	+846	+908	+952	+944	+936

# JOBS LED 100% FR25-44 HFRs

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Births</b>																				
Male	1,083	1,076	1,072	1,068	1,083	1,087	1,094	1,098	1,102	1,106	1,111	1,123	1,133	1,141	1,147	1,154	1,160	1,170	1,181	1,193
Female	1,031	1,025	1,021	1,018	1,032	1,035	1,042	1,046	1,049	1,053	1,058	1,069	1,079	1,087	1,093	1,099	1,105	1,114	1,125	1,136
<i>All Births</i>	2,114	2,101	2,093	2,086	2,115	2,122	2,135	2,143	2,151	2,159	2,170	2,192	2,211	2,228	2,240	2,252	2,265	2,284	2,306	2,329
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
<b>Deaths</b>																				
Male	615	636	658	736	700	693	704	711	720	728	735	748	761	774	786	800	815	829	845	861
Female	634	645	661	738	687	696	698	698	704	710	717	726	737	748	759	772	787	801	816	831
<i>All deaths</i>	1,248	1,281	1,319	1,475	1,387	1,388	1,402	1,409	1,424	1,438	1,452	1,474	1,498	1,522	1,545	1,572	1,603	1,630	1,661	1,692
SMR: males	112.2	112.2	112.1	121.3	112.1	107.6	105.7	103.4	101.2	98.9	96.5	94.6	92.9	91.1	89.3	87.7	86.3	84.7	83.5	82.3
SMR: females	110.0	109.4	109.8	119.9	109.9	109.0	107.1	104.5	102.5	100.6	98.7	96.9	95.2	93.5	91.8	90.4	89.1	87.6	86.2	84.9
SMR: persons	111.1	110.8	110.9	120.6	111.0	108.3	106.4	104.0	101.9	99.8	97.5	95.7	94.0	92.3	90.5	89.0	87.6	86.1	84.8	83.6
Expectation of life: m	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.4
Expectation of life: fe	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: p	80.9	80.9	80.9	79.9	80.9	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0
<b>In-migration from the UK</b>																				
Male	3,086	3,125	3,205	3,317	3,024	3,067	3,088	3,140	3,118	3,144	3,297	3,323	3,356	3,350	3,353	3,364	3,449	3,494	3,526	3,552
Female	3,089	3,123	3,197	3,293	3,000	3,033	3,053	3,096	3,070	3,093	3,237	3,255	3,282	3,275	3,275	3,286	3,371	3,415	3,447	3,473
<i>All</i>	6,175	6,248	6,402	6,609	6,024	6,100	6,141	6,236	6,188	6,237	6,534	6,578	6,637	6,626	6,628	6,650	6,821	6,909	6,973	7,025
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Out-migration to the UK</b>																				
Male	3,027	2,997	2,925	2,858	3,160	3,124	3,106	3,073	3,091	3,059	2,919	2,936	2,943	2,998	3,053	3,094	3,052	3,066	3,091	3,110
Female	3,052	3,021	2,943	2,852	3,171	3,124	3,092	3,049	3,065	3,034	2,890	2,905	2,915	2,973	3,015	3,049	3,008	3,019	3,044	3,058
<i>All</i>	6,079	6,018	5,869	5,710	6,331	6,248	6,199	6,122	6,156	6,093	5,810	5,841	5,858	5,971	6,068	6,143	6,060	6,085	6,135	6,167
SMigR: males	78.6	78.1	76.3	74.4	82.0	81.1	80.5	79.4	79.8	78.9	75.1	74.7	74.2	74.6	75.1	75.3	73.6	73.0	72.7	72.4
SMigR: females	86.8	86.2	84.3	81.8	90.4	89.5	88.8	87.5	88.0	87.1	82.8	82.5	81.9	82.6	83.0	83.3	81.4	80.7	80.5	80.2
<b>In-migration from Overseas</b>																				
Male	0	0	0	0	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
Female	0	0	0	0	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376
<i>All</i>	0	0	0	0	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847
<b>Out-migration to Overseas</b>																				
Male	251	250	249	247	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267
Female	211	210	209	210	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204
<i>All</i>	463	460	458	456	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
SMigR: males	53.6	53.6	53.5	53.1	57.4	57.3	57.1	56.9	56.7	56.6	56.5	56.1	55.6	55.1	54.6	54.1	53.7	53.0	52.4	51.7
SMigR: females	57.9	57.9	57.9	58.0	56.4	56.5	56.6	56.6	56.6	56.7	56.7	56.4	56.0	55.5	55.1	54.7	54.2	53.7	53.1	52.5

# JOBS LED 100% FR25-44 HFRs

## Migration - Net Flows

UK	+96	+229	+533	+899	-307	-148	-58	+114	+33	+144	+724	+737	+780	+655	+560	+507	+761	+824	+838	+857
Overseas	-463	-460	-458	-456	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376

## Summary of population change

Natural change	+865	+820	+774	+612	+728	+734	+734	+734	+727	+721	+718	+718	+713	+707	+695	+680	+662	+655	+646	+636
Net migration	-367	-231	+75	+443	+69	+227	+318	+489	+408	+520	+1,100	+1,113	+1,155	+1,031	+935	+883	+1,136	+1,199	+1,214	+1,233
Net change	+499	+589	+849	+1,054	+797	+961	+1,052	+1,223	+1,135	+1,240	+1,818	+1,830	+1,868	+1,738	+1,630	+1,562	+1,799	+1,854	+1,859	+1,869
Crude Birth Rate /00	12.65	12.53	12.43	12.32	12.43	12.41	12.41	12.37	12.33	12.30	12.25	12.25	12.23	12.20	12.16	12.12	12.07	12.06	12.06	12.06
Crude Death Rate /00	7.47	7.64	7.84	8.71	8.15	8.11	8.14	8.14	8.16	8.19	8.20	8.24	8.29	8.33	8.38	8.46	8.54	8.60	8.68	8.76
Crude Net Migration	-2.19	-1.38	0.45	2.61	0.40	1.33	1.85	2.83	2.34	2.96	6.21	6.22	6.39	5.64	5.08	4.75	6.06	6.33	6.35	6.39

## Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,320	11,231	11,119	10,950	10,745	10,731	10,755	10,815	10,887	10,951	11,050	11,149	11,251	11,343	11,421	11,488	11,566	11,648	11,735	11,830
5-10	12,033	12,337	12,655	13,040	13,393	13,696	13,713	13,653	13,589	13,475	13,329	13,212	13,256	13,343	13,456	13,587	13,701	13,828	13,952	14,070	14,182
11-15	10,793	10,527	10,180	9,968	10,043	9,990	10,227	10,553	10,891	11,141	11,437	11,660	11,685	11,678	11,618	11,483	11,349	11,361	11,427	11,533	11,662
16-17	4,658	4,517	4,520	4,459	4,192	4,180	4,143	3,964	3,940	4,056	4,199	4,356	4,551	4,640	4,694	4,795	4,893	4,817	4,687	4,644	4,623
18-59Female, 64Ma	98,411	98,138	97,998	97,892	98,170	98,232	98,266	98,484	98,575	98,525	98,618	99,234	99,754	100,363	100,928	101,365	101,788	102,360	103,026	103,613	104,176
60/65 -74	19,274	19,912	20,384	20,970	21,416	21,806	22,103	22,308	22,542	22,858	23,079	22,989	23,190	23,459	23,814	24,291	24,715	25,311	25,797	26,300	26,835
75-84	7,537	7,833	8,122	8,398	8,667	8,879	9,214	9,631	10,100	10,483	10,917	11,660	12,196	12,704	13,085	13,435	13,748	13,922	14,134	14,322	14,454
85+	2,699	2,745	2,830	2,920	2,990	3,090	3,183	3,285	3,404	3,565	3,701	3,887	4,097	4,309	4,547	4,739	4,996	5,311	5,659	5,973	6,296
Total	166,831	167,330	167,919	168,767	169,821	170,618	171,580	172,632	173,855	174,990	176,231	178,048	179,879	181,747	183,485	185,115	186,678	188,476	190,330	192,190	194,059

## Dependency ratios, mean age and sex ratio

0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.32	0.32	0.33	0.33	0.33
65+ / 16-65	0.22	0.24	0.25	0.26	0.26	0.27	0.28	0.28	0.29	0.30	0.30	0.30	0.31	0.31	0.32	0.32	0.33	0.34	0.35	0.35	0.36
0-15 and 65+ / 16-65	0.54	0.55	0.56	0.57	0.58	0.59	0.60	0.61	0.62	0.63	0.63	0.63	0.64	0.64	0.65	0.65	0.65	0.66	0.67	0.68	0.69
Median age males	36.9	37.2	37.4	37.6	37.7	37.8	37.8	37.9	38.0	38.0	38.1	38.1	38.1	38.1	38.1	38.2	38.2	38.2	38.3	38.4	38.5
Median age females	38.5	38.9	39.2	39.4	39.5	39.6	39.7	39.8	39.8	40.0	40.1	40.2	40.2	40.3	40.4	40.5	40.6	40.6	40.7	40.8	40.8
Sex ratio males /100	98.1	98.2	98.2	98.3	98.3	98.4	98.6	98.7	98.8	98.9	99.1	99.2	99.3	99.4	99.5	99.7	99.8	99.9	100.0	100.1	100.1

## Economically active

Number of Economically active	85,111	85,407	85,699	85,989	86,275	86,559	86,841	87,119	87,395	87,668	87,939	88,622	89,305	89,988	90,671	91,354	92,037	92,720	93,403	94,086	94,769
Change in Economically active		+295	+292	+290	+287	+284	+281	+279	+276	+273	+271	+683	+683	+683	+683	+683	+683	+683	+683	+683	+683
Number of Jobs	82,305	82,998	83,691	84,384	85,077	85,770	86,463	87,156	87,849	88,542	89,235	89,928	90,621	91,314	92,007	92,700	93,393	94,086	94,779	95,472	96,165
Change in Jobs over previous y		+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693

## Households

Number of Households	66,666	67,147	67,629	68,188	68,929	69,612	70,375	71,118	71,935	72,731	73,575	74,590	75,606	76,651	77,672	78,680	79,648	80,682	81,766	82,855	83,954
Change in Households over previous y		+480	+482	+559	+741	+683	+763	+743	+817	+796	+844	+1,015	+1,016	+1,045	+1,021	+1,008	+967	+1,034	+1,084	+1,089	+1,099
Number of Dwellings	68,748	69,243	69,741	70,317	71,081	71,786	72,572	73,339	74,181	75,003	75,873	76,920	77,967	79,045	80,098	81,137	82,135	83,201	84,319	85,442	86,575
Change in Dwellings over previous y		+495	+497	+576	+764	+704	+787	+766	+843	+821	+870	+1,047	+1,048	+1,077	+1,053	+1,039	+998	+1,066	+1,118	+1,123	+1,133

# JOBS LED 50% 25-44 HFRs

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Births</b>																				
Male	1,083	1,076	1,072	1,068	1,083	1,087	1,094	1,098	1,102	1,106	1,111	1,123	1,133	1,141	1,147	1,154	1,160	1,170	1,181	1,193
Female	1,031	1,025	1,021	1,018	1,032	1,035	1,042	1,046	1,049	1,053	1,058	1,069	1,079	1,087	1,093	1,099	1,105	1,114	1,125	1,136
<i>All Births</i>	2,114	2,101	2,093	2,086	2,115	2,122	2,135	2,143	2,151	2,159	2,170	2,192	2,211	2,228	2,240	2,252	2,265	2,284	2,306	2,329
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
<b>Deaths</b>																				
Male	615	636	658	736	700	693	704	711	720	728	735	748	761	774	786	800	815	829	845	861
Female	634	645	661	738	687	696	698	698	704	710	717	726	737	748	759	772	787	801	816	831
<i>All deaths</i>	1,248	1,281	1,319	1,475	1,387	1,388	1,402	1,409	1,424	1,438	1,452	1,474	1,498	1,522	1,545	1,572	1,603	1,630	1,661	1,692
SMR: males	112.2	112.2	112.1	121.3	112.1	107.6	105.7	103.4	101.2	98.9	96.5	94.6	92.9	91.1	89.3	87.7	86.3	84.7	83.5	82.3
SMR: females	110.0	109.4	109.8	119.9	109.9	109.0	107.1	104.5	102.5	100.6	98.7	96.9	95.2	93.5	91.8	90.4	89.1	87.6	86.2	84.9
SMR: persons	111.1	110.8	110.9	120.6	111.0	108.3	106.4	104.0	101.9	99.8	97.5	95.7	94.0	92.3	90.5	89.0	87.6	86.1	84.8	83.6
Expectation of life: m	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.4
Expectation of life: fe	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: p	80.9	80.9	80.9	79.9	80.9	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0
<b>In-migration from the UK</b>																				
Male	3,086	3,125	3,205	3,317	3,024	3,067	3,088	3,140	3,118	3,144	3,297	3,323	3,356	3,350	3,353	3,364	3,449	3,494	3,526	3,552
Female	3,089	3,123	3,197	3,293	3,000	3,033	3,053	3,096	3,070	3,093	3,237	3,255	3,282	3,275	3,275	3,286	3,371	3,415	3,447	3,473
<i>All</i>	6,175	6,248	6,402	6,609	6,024	6,100	6,141	6,236	6,188	6,237	6,534	6,578	6,637	6,626	6,628	6,650	6,821	6,909	6,973	7,025
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Out-migration to the UK</b>																				
Male	3,027	2,997	2,925	2,858	3,160	3,124	3,106	3,073	3,091	3,059	2,919	2,936	2,943	2,998	3,053	3,094	3,052	3,066	3,091	3,110
Female	3,052	3,021	2,943	2,852	3,171	3,124	3,092	3,049	3,065	3,034	2,890	2,905	2,915	2,973	3,015	3,049	3,008	3,019	3,044	3,058
<i>All</i>	6,079	6,018	5,869	5,710	6,331	6,248	6,199	6,122	6,156	6,093	5,810	5,841	5,858	5,971	6,068	6,143	6,060	6,085	6,135	6,167
SMigR: males	78.6	78.1	76.3	74.4	82.0	81.1	80.5	79.4	79.8	78.9	75.1	74.7	74.2	74.6	75.1	75.3	73.6	73.0	72.7	72.4
SMigR: females	86.8	86.2	84.3	81.8	90.4	89.5	88.8	87.5	88.0	87.1	82.8	82.5	81.9	82.6	83.0	83.3	81.4	80.7	80.5	80.2
<b>In-migration from Overseas</b>																				
Male	0	0	0	0	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
Female	0	0	0	0	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376
<i>All</i>	0	0	0	0	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847
<b>Out-migration to Overseas</b>																				
Male	251	250	249	247	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267
Female	211	210	209	210	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204
<i>All</i>	463	460	458	456	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
SMigR: males	53.6	53.6	53.5	53.1	57.4	57.3	57.1	56.9	56.7	56.6	56.5	56.1	55.6	55.1	54.6	54.1	53.7	53.0	52.4	51.7
SMigR: females	57.9	57.9	57.9	58.0	56.4	56.5	56.6	56.6	56.6	56.7	56.7	56.4	56.0	55.5	55.1	54.7	54.2	53.7	53.1	52.5

# JOBS LED 50% 25-44 HFRs

## Migration - Net Flows

UK	+96	+229	+533	+899	-307	-148	-58	+114	+33	+144	+724	+737	+780	+655	+560	+507	+761	+824	+838	+857
Overseas	-463	-460	-458	-456	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376

## Summary of population change

Natural change	+865	+820	+774	+612	+728	+734	+734	+734	+727	+721	+718	+718	+713	+707	+695	+680	+662	+655	+646	+636
Net migration	-367	-231	+75	+443	+69	+227	+318	+489	+408	+520	+1,100	+1,113	+1,155	+1,031	+935	+883	+1,136	+1,199	+1,214	+1,233
Net change	+499	+589	+849	+1,054	+797	+961	+1,052	+1,223	+1,135	+1,240	+1,818	+1,830	+1,868	+1,738	+1,630	+1,562	+1,799	+1,854	+1,859	+1,869
Crude Birth Rate /00	12.65	12.53	12.43	12.32	12.43	12.41	12.41	12.37	12.33	12.30	12.25	12.25	12.23	12.20	12.16	12.12	12.07	12.06	12.06	12.06
Crude Death Rate /00	7.47	7.64	7.84	8.71	8.15	8.11	8.14	8.14	8.16	8.19	8.20	8.24	8.29	8.33	8.38	8.46	8.54	8.60	8.68	8.76
Crude Net Migration	-2.19	-1.38	0.45	2.61	0.40	1.33	1.85	2.83	2.34	2.96	6.21	6.22	6.39	5.64	5.08	4.75	6.06	6.33	6.35	6.39

## Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,320	11,231	11,119	10,950	10,745	10,731	10,755	10,815	10,887	10,951	11,050	11,149	11,251	11,343	11,421	11,488	11,566	11,648	11,735	11,830
5-10	12,033	12,337	12,655	13,040	13,393	13,696	13,713	13,653	13,589	13,475	13,329	13,212	13,256	13,343	13,456	13,587	13,701	13,828	13,952	14,070	14,182
11-15	10,793	10,527	10,180	9,968	10,043	9,990	10,227	10,553	10,891	11,141	11,437	11,660	11,685	11,678	11,618	11,483	11,349	11,361	11,427	11,533	11,662
16-17	4,658	4,517	4,520	4,459	4,192	4,180	4,143	3,964	3,940	4,056	4,199	4,356	4,551	4,640	4,694	4,795	4,893	4,817	4,687	4,644	4,623
18-59Female, 64Ma	98,411	98,138	97,998	97,892	98,170	98,232	98,266	98,484	98,575	98,525	98,618	99,234	99,754	100,363	100,928	101,365	101,788	102,360	103,026	103,613	104,176
60/65 -74	19,274	19,912	20,384	20,970	21,416	21,806	22,103	22,308	22,542	22,858	23,079	22,989	23,190	23,459	23,814	24,291	24,715	25,311	25,797	26,300	26,835
75-84	7,537	7,833	8,122	8,398	8,667	8,879	9,214	9,631	10,100	10,483	10,917	11,660	12,196	12,704	13,085	13,435	13,748	13,922	14,134	14,322	14,454
85+	2,699	2,745	2,830	2,920	2,990	3,090	3,183	3,285	3,404	3,565	3,701	3,887	4,097	4,309	4,547	4,739	4,996	5,311	5,659	5,973	6,296
Total	166,831	167,330	167,919	168,767	169,821	170,618	171,580	172,632	173,855	174,990	176,231	178,048	179,879	181,747	183,485	185,115	186,678	188,476	190,330	192,190	194,059

## Dependency ratios, mean age and sex ratio

0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.32	0.32	0.33	0.33	0.33
65+ / 16-65	0.22	0.24	0.25	0.26	0.26	0.27	0.28	0.28	0.29	0.30	0.30	0.30	0.31	0.31	0.32	0.32	0.33	0.34	0.35	0.35	0.36
0-15 and 65+ / 16-65	0.54	0.55	0.56	0.57	0.58	0.59	0.60	0.61	0.62	0.63	0.63	0.63	0.64	0.64	0.65	0.65	0.65	0.66	0.67	0.68	0.69
Median age males	36.9	37.2	37.4	37.6	37.7	37.8	37.8	37.9	38.0	38.0	38.1	38.1	38.1	38.1	38.1	38.2	38.2	38.2	38.3	38.4	38.5
Median age females	38.5	38.9	39.2	39.4	39.5	39.6	39.7	39.8	39.8	40.0	40.1	40.2	40.2	40.3	40.4	40.5	40.6	40.6	40.7	40.8	40.8
Sex ratio males /100	98.1	98.2	98.2	98.3	98.3	98.4	98.6	98.7	98.8	98.9	99.1	99.2	99.3	99.4	99.5	99.7	99.8	99.9	100.0	100.1	100.1

## Economically active

Number of Economic	85,111	85,407	85,699	85,989	86,275	86,559	86,841	87,119	87,395	87,668	87,939	88,622	89,305	89,988	90,671	91,354	92,037	92,720	93,403	94,086	94,769
Change in Economically active		+295	+292	+290	+287	+284	+281	+279	+276	+273	+271	+683	+683	+683	+683	+683	+683	+683	+683	+683	+683
Number of Jobs	82,305	82,998	83,691	84,384	85,077	85,770	86,463	87,156	87,849	88,542	89,235	89,928	90,621	91,314	92,007	92,700	93,393	94,086	94,779	95,472	96,165
Change in Jobs over previous y		+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693

## Households

Number of Households	66,666	67,147	67,629	68,188	68,862	69,478	70,172	70,846	71,591	72,317	73,087	74,024	74,963	75,930	76,874	77,808	78,702	79,661	80,667	81,675	82,688
Change in Households over previous year	+480	+482	+559	+674	+616	+694	+673	+746	+725	+770	+937	+938	+968	+943	+934	+894	+959	+1,006	+1,008	+1,013	
Number of Dwellings	68,748	69,243	69,741	70,317	71,013	71,648	72,364	73,058	73,827	74,575	75,369	76,336	77,303	78,301	79,274	80,237	81,160	82,149	83,186	84,226	85,270
Change in Dwellings over previous year	+495	+497	+576	+696	+635	+716	+694	+769	+748	+795	+966	+968	+998	+973	+963	+922	+989	+1,037	+1,039	+1,045	

# JOBS LED 2001 HFRs

	Year beginning July 1st .....																			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Births</b>																				
Male	1,083	1,076	1,072	1,068	1,083	1,087	1,094	1,098	1,102	1,106	1,111	1,123	1,133	1,141	1,147	1,154	1,160	1,170	1,181	1,193
Female	1,031	1,025	1,021	1,018	1,032	1,035	1,042	1,046	1,049	1,053	1,058	1,069	1,079	1,087	1,093	1,099	1,105	1,114	1,125	1,136
<i>All Births</i>	2,114	2,101	2,093	2,086	2,115	2,122	2,135	2,143	2,151	2,159	2,170	2,192	2,211	2,228	2,240	2,252	2,265	2,284	2,306	2,329
TFR	2.00	2.00	2.00	1.99	2.00	2.00	2.01	2.01	2.01	2.02	2.03	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
<b>Deaths</b>																				
Male	615	636	658	736	700	693	704	711	720	728	735	748	761	774	786	800	815	829	845	861
Female	634	645	661	738	687	696	698	698	704	710	717	726	737	748	759	772	787	801	816	831
<i>All deaths</i>	1,248	1,281	1,319	1,475	1,387	1,388	1,402	1,409	1,424	1,438	1,452	1,474	1,498	1,522	1,545	1,572	1,603	1,630	1,661	1,692
SMR: males	112.2	112.2	112.1	121.3	112.1	107.6	105.7	103.4	101.2	98.9	96.5	94.6	92.9	91.1	89.3	87.7	86.3	84.7	83.5	82.3
SMR: females	110.0	109.4	109.8	119.9	109.9	109.0	107.1	104.5	102.5	100.6	98.7	96.9	95.2	93.5	91.8	90.4	89.1	87.6	86.2	84.9
SMR: persons	111.1	110.8	110.9	120.6	111.0	108.3	106.4	104.0	101.9	99.8	97.5	95.7	94.0	92.3	90.5	89.0	87.6	86.1	84.8	83.6
Expectation of life: m	78.7	78.7	78.7	77.7	78.7	79.1	79.3	79.6	79.9	80.1	80.4	80.7	80.9	81.1	81.4	81.6	81.8	82.0	82.2	82.4
Expectation of life: fe	82.8	82.8	82.8	81.8	82.8	82.9	83.0	83.4	83.5	83.7	83.9	84.1	84.3	84.5	84.7	84.9	85.1	85.3	85.4	85.6
Expectation of life: p	80.9	80.9	80.9	79.9	80.9	81.1	81.3	81.6	81.8	82.0	82.3	82.5	82.7	82.9	83.1	83.3	83.5	83.7	83.9	84.0
<b>In-migration from the UK</b>																				
Male	3,086	3,125	3,205	3,317	3,024	3,067	3,088	3,140	3,118	3,144	3,297	3,323	3,356	3,350	3,353	3,364	3,449	3,494	3,526	3,552
Female	3,089	3,123	3,197	3,293	3,000	3,033	3,053	3,096	3,070	3,093	3,237	3,255	3,282	3,275	3,275	3,286	3,371	3,415	3,447	3,473
<i>All</i>	6,175	6,248	6,402	6,609	6,024	6,100	6,141	6,236	6,188	6,237	6,534	6,578	6,637	6,626	6,628	6,650	6,821	6,909	6,973	7,025
SMigR: males	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SMigR: females	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Out-migration to the UK</b>																				
Male	3,027	2,997	2,925	2,858	3,160	3,124	3,106	3,073	3,091	3,059	2,919	2,936	2,943	2,998	3,053	3,094	3,052	3,066	3,091	3,110
Female	3,052	3,021	2,943	2,852	3,171	3,124	3,092	3,049	3,065	3,034	2,890	2,905	2,915	2,973	3,015	3,049	3,008	3,019	3,044	3,058
<i>All</i>	6,079	6,018	5,869	5,710	6,331	6,248	6,199	6,122	6,156	6,093	5,810	5,841	5,858	5,971	6,068	6,143	6,060	6,085	6,135	6,167
SMigR: males	78.6	78.1	76.3	74.4	82.0	81.1	80.5	79.4	79.8	78.9	75.1	74.7	74.2	74.6	75.1	75.3	73.6	73.0	72.7	72.4
SMigR: females	86.8	86.2	84.3	81.8	90.4	89.5	88.8	87.5	88.0	87.1	82.8	82.5	81.9	82.6	83.0	83.3	81.4	80.7	80.5	80.2
<b>In-migration from Overseas</b>																				
Male	0	0	0	0	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
Female	0	0	0	0	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376
<i>All</i>	0	0	0	0	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847	847
<b>Out-migration to Overseas</b>																				
Male	251	250	249	247	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267	267
Female	211	210	209	210	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204
<i>All</i>	463	460	458	456	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
SMigR: males	53.6	53.6	53.5	53.1	57.4	57.3	57.1	56.9	56.7	56.6	56.5	56.1	55.6	55.1	54.6	54.1	53.7	53.0	52.4	51.7
SMigR: females	57.9	57.9	57.9	58.0	56.4	56.5	56.6	56.6	56.6	56.7	56.7	56.4	56.0	55.5	55.1	54.7	54.2	53.7	53.1	52.5

# JOBS LED 2001 HFRs

## Migration - Net Flows

UK	+96	+229	+533	+899	-307	-148	-58	+114	+33	+144	+724	+737	+780	+655	+560	+507	+761	+824	+838	+857
Overseas	-463	-460	-458	-456	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376	+376

## Summary of population change

Natural change	+865	+820	+774	+612	+728	+734	+734	+734	+727	+721	+718	+718	+713	+707	+695	+680	+662	+655	+646	+636
Net migration	-367	-231	+75	+443	+69	+227	+318	+489	+408	+520	+1,100	+1,113	+1,155	+1,031	+935	+883	+1,136	+1,199	+1,214	+1,233
Net change	+499	+589	+849	+1,054	+797	+961	+1,052	+1,223	+1,135	+1,240	+1,818	+1,830	+1,868	+1,738	+1,630	+1,562	+1,799	+1,854	+1,859	+1,869
Crude Birth Rate /00	12.65	12.53	12.43	12.32	12.43	12.41	12.41	12.37	12.33	12.30	12.25	12.25	12.23	12.20	12.16	12.12	12.07	12.06	12.06	12.06
Crude Death Rate /00	7.47	7.64	7.84	8.71	8.15	8.11	8.14	8.14	8.16	8.19	8.20	8.24	8.29	8.33	8.38	8.46	8.54	8.60	8.68	8.76
Crude Net Migration	-2.19	-1.38	0.45	2.61	0.40	1.33	1.85	2.83	2.34	2.96	6.21	6.22	6.39	5.64	5.08	4.75	6.06	6.33	6.35	6.39

## Summary of Population estimates/forecasts

	Population at mid-year																				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0-4	11,426	11,320	11,231	11,119	10,950	10,745	10,731	10,755	10,815	10,887	10,951	11,050	11,149	11,251	11,343	11,421	11,488	11,566	11,648	11,735	11,830
5-10	12,033	12,337	12,655	13,040	13,393	13,696	13,713	13,653	13,589	13,475	13,329	13,212	13,256	13,343	13,456	13,587	13,701	13,828	13,952	14,070	14,182
11-15	10,793	10,527	10,180	9,968	10,043	9,990	10,227	10,553	10,891	11,141	11,437	11,660	11,685	11,678	11,618	11,483	11,349	11,361	11,427	11,533	11,662
16-17	4,658	4,517	4,520	4,459	4,192	4,180	4,143	3,964	3,940	4,056	4,199	4,356	4,551	4,640	4,694	4,795	4,893	4,817	4,687	4,644	4,623
18-59Female, 64Ma	98,411	98,138	97,998	97,892	98,170	98,232	98,266	98,484	98,575	98,525	98,618	99,234	99,754	100,363	100,928	101,365	101,788	102,360	103,026	103,613	104,176
60/65 -74	19,274	19,912	20,384	20,970	21,416	21,806	22,103	22,308	22,542	22,858	23,079	22,989	23,190	23,459	23,814	24,291	24,715	25,311	25,797	26,300	26,835
75-84	7,537	7,833	8,122	8,398	8,667	8,879	9,214	9,631	10,100	10,483	10,917	11,660	12,196	12,704	13,085	13,435	13,748	13,922	14,134	14,322	14,454
85+	2,699	2,745	2,830	2,920	2,990	3,090	3,183	3,285	3,404	3,565	3,701	3,887	4,097	4,309	4,547	4,739	4,996	5,311	5,659	5,973	6,296
Total	166,831	167,330	167,919	168,767	169,821	170,618	171,580	172,632	173,855	174,990	176,231	178,048	179,879	181,747	183,485	185,115	186,678	188,476	190,330	192,190	194,059

## Dependency ratios, mean age and sex ratio

0-15 / 16-65	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.32	0.32	0.33	0.33	0.33
65+ / 16-65	0.22	0.24	0.25	0.26	0.26	0.27	0.28	0.28	0.29	0.30	0.30	0.30	0.31	0.31	0.32	0.32	0.33	0.34	0.35	0.35	0.36
0-15 and 65+ / 16-65	0.54	0.55	0.56	0.57	0.58	0.59	0.60	0.61	0.62	0.63	0.63	0.63	0.64	0.64	0.65	0.65	0.65	0.66	0.67	0.68	0.69
Median age males	36.9	37.2	37.4	37.6	37.7	37.8	37.8	37.9	38.0	38.0	38.1	38.1	38.1	38.1	38.1	38.2	38.2	38.2	38.3	38.4	38.5
Median age females	38.5	38.9	39.2	39.4	39.5	39.6	39.7	39.8	39.8	40.0	40.1	40.2	40.2	40.3	40.4	40.5	40.6	40.6	40.7	40.8	40.8
Sex ratio males /100	98.1	98.2	98.2	98.3	98.3	98.4	98.6	98.7	98.8	98.9	99.1	99.2	99.3	99.4	99.5	99.7	99.8	99.9	100.0	100.1	100.1

## Economically active

Number of Economically active	85,111	85,407	85,699	85,989	86,275	86,559	86,841	87,119	87,395	87,668	87,939	88,622	89,305	89,988	90,671	91,354	92,037	92,720	93,403	94,086	94,769
Change in Economically active		+295	+292	+290	+287	+284	+281	+279	+276	+273	+271	+683	+683	+683	+683	+683	+683	+683	+683	+683	+683
Number of Jobs	82,305	82,998	83,691	84,384	85,077	85,770	86,463	87,156	87,849	88,542	89,235	89,928	90,621	91,314	92,007	92,700	93,393	94,086	94,779	95,472	96,165
Change in Jobs over previous y		+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693	+693

## Households

Number of Households	66,666	67,147	67,629	68,188	68,891	69,536	70,262	70,967	71,747	72,506	73,312	74,283	75,257	76,257	77,234	78,196	79,116	80,105	81,148	82,193	83,253
Change in Households over previous y		+480	+482	+559	+703	+645	+726	+706	+779	+760	+805	+972	+974	+1,000	+977	+962	+920	+990	+1,043	+1,045	+1,059
Number of Dwellings	68,748	69,243	69,741	70,317	71,042	71,707	72,456	73,183	73,987	74,770	75,601	76,603	77,607	78,638	79,645	80,638	81,586	82,607	83,682	84,760	85,852
Change in Dwellings over previous y		+495	+497	+576	+725	+666	+748	+728	+804	+783	+831	+1,002	+1,004	+1,031	+1,007	+992	+949	+1,021	+1,075	+1,078	+1,092

**APPENDIX 4**

**CE AND OE EMAILS**





## Email from Oxford Economics

**From:** Nicole Penfold [mailto:N.Penfold@gladman.co.uk]

**Sent:** 02 December 2015 11:42

**To:** James Donagh <James.Donagh@bartonwillmore.co.uk>; Simon Macklen <Simon.Macklen@bartonwillmore.co.uk>; Dan Usher <dan.usher@bartonwillmore.co.uk>; Debbie Mayes <Debbie.Mayes@bartonwillmore.co.uk>

**Subject:** FW: OE unconstrained employment forecasts

All

Please see response below from Oxford Economics.

Thanks

Nicole

**From:** Kerry Houston [<mailto:khouston@oxfordeconomics.com>]

**Sent:** 02 December 2015 11:35

**To:** Nicole Penfold

**Cc:** Caroline Franklin

**Subject:** RE: OE unconstrained employment forecasts

Hi Nicole,

Caroline has forwarded me your query.

Our forecasts are demand based and are not constrained by population. We produce our own forecast of population which differs from the Official Projections. WE use the natural increase assumptions from the official projections but we have our own view on migration (the model assumes that people will move to where the jobs are). I've attached a short note which summarises our approach.

Also the 2014 National Population Projections have recently been released. We are working to incorporate these assumptions into our suite of forecast models. The UK migration forecast in the latest projections are much closer to our view in the short/medium term.

I hope this is helpful.

Best wishes,  
Kerry

**From:** Nicole Penfold  
**Sent:** 01 December 2015 14:13  
**To:** George Armitage ([garmitage@oxfordeconomics.com](mailto:garmitage@oxfordeconomics.com))  
**Cc:** Phill Bamford  
**Subject:** OE unconstrained employment forecasts



Good Afternoon George

I was wondering if you could assist me with something.

Attached is an example from Experian of the jobs demand output they can provide which is not constrained by population.

Our understanding is that the OE forecasts (similarly to the normal Experian forecasts) are constrained to the 2012 SNPP. I was therefore wondering whether you are able to supply a similar set of unconstrained economic forecasts? If so, would it be possible for you to provide these for Telford and Wrekin as an example.

Kind Regards,

Nicole

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T: 01260 288 800 | F: 01260 288 801  
[www.gladman.co.uk/land](http://www.gladman.co.uk/land)

## Email from Cambridge Econometrics

**From:** Shyamoli Patel [<mailto:sp@camecon.com>]  
**Sent:** 14 September 2015 12:03  
**To:** Dan Usher <[dan.usher@bartonwillmore.co.uk](mailto:dan.usher@bartonwillmore.co.uk)>  
**Cc:** Anthony Barker <[ab@camecon.com](mailto:ab@camecon.com)>; Mike May-Gillings <[mmg@camecon.com](mailto:mmg@camecon.com)>; Simon Macklen <[Simon.Macklen@bartonwillmore.co.uk](mailto:Simon.Macklen@bartonwillmore.co.uk)>; James Donagh <[James.Donagh@bartonwillmore.co.uk](mailto:James.Donagh@bartonwillmore.co.uk)>  
**Subject:** RE: Query

Hi Dan,

I can confirm that our employment projections aren't constrained by the ONS population projections. I've outlined our methodology below, which I hope you find useful.

CE's employment projections are baseline economic projections based on historical growth in the local area relative to the region or UK (depending on which area it has the strongest relationship with), on an industry-by-industry basis. They assume that those relationships continue into the future. Thus, if an industry in the local area outperformed the industry in the region (or UK) as a whole in the past, then it will be assumed to do so in the future. Similarly, if it underperformed the region (or UK) in the past then it will be assumed to underperform the region (or UK) in the future.

They further assume that economic growth in the local area is not constrained by supply-side factors, such as population and the supply of labour. Therefore, no explicit assumptions for population, activity rates and unemployment rates are made in the projections. They assume that there will be enough labour (either locally or through commuting) with the right skills to fill the jobs. If, in reality, the labour supply is not there to meet projected growth in employment, growth could be slower.

I hope that helps.

Kind regards,  
Shyamoli

**From:** Dan Usher [<mailto:dan.usher@bartonwillmore.co.uk>]  
**Sent:** 14 September 2015 11:32  
**To:** Shyamoli Patel <[sp@camecon.com](mailto:sp@camecon.com)>  
**Cc:** Anthony Barker <[ab@camecon.com](mailto:ab@camecon.com)>; Mike May-Gillings <[mmg@camecon.com](mailto:mmg@camecon.com)>; Simon Macklen <[Simon.Macklen@bartonwillmore.co.uk](mailto:Simon.Macklen@bartonwillmore.co.uk)>; James Donagh <[James.Donagh@bartonwillmore.co.uk](mailto:James.Donagh@bartonwillmore.co.uk)>  
**Subject:** Query

Hi Shyamoli,

We are currently responding to a Planning Inspector's pre-hearing question which we would like your view on.

The question is as follows:

As argued by the Council, is the jobs led model used in the SHMA too circular and thus flawed to justify a housing requirement (HOU1, 3.80-3.89)?

In short, the SHMA being referred to recommends an uplift from the CLG household projections (and their population projections), to increase the population and labour force, to fill a job growth target. This is based on a model such as Chelmer or PopGroup.

However, the Council suggest this approach is flawed and is a 'circular argument', whereby the forecasts (such as yours for example) are based on sub national population projections from ONS, thereby meaning a higher population than ONS projections is not required.

"In order to predict future employment change many authorities rely on econometric forecasts, either standard or bespoke to reflect alternative macroeconomic expectations or policy aspirations. This is often deeply flawed because population is both an input and an output to the process. The jobs-led demographic modelling uses the expected future population (usually taken from CLG projections) as an input, and also produces future population as an output which is then used to calculate future housing need. Importantly however the input population already assumes a given amount of housing development and the guidance suggests that at best the process is logically circular, but generally the model is internally inconsistent, because the population that is output does not equal the population that is input. It is a 'self-defeating prophecy'."

In respect of the job forecast you sent me last week, can you let me know if the view put forward by the Council is correct, i.e. is your job forecast constrained to the ONS population projection? Thanks

Regards

***Dan Usher***

Research Associate

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