

The Plan for Stafford Borough Examination

Response to Matter 3

On behalf of Commercial Estates Group
(ID Ref: PS568)

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October 2013

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Appendices

Appendix 1

Estimating Housing Requirements in Stafford Borough

1. Development Strategy

Question 3.1 (a)

- 1.1. Spatial Principle 1 (Policy SP1) accords with the guidance on the presumption in favour of sustainable development contained with the NPPF and is based on guidance published by the Planning Inspectorate previously. In due course, this will be replaced by the guidance published by the Planning Inspectorate. This policy is therefore supported by Commercial Estates Group (CEG).

Question 3.2 (a) (i)

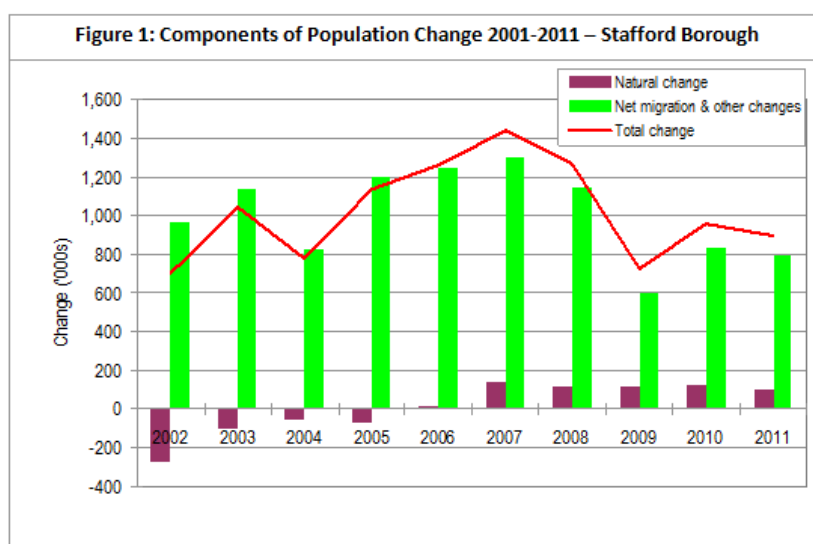
- 1.2. The Council's approach to establishing its housing requirement for the Publication Draft Plan for Stafford Borough (herein referred to as "the Plan") is explained in Topic Paper B of its Background Paper (Examination Reference (ER): K1).
- 1.3. In summary, the Council has not undertaken a thorough assessment of objectively assessed housing need in Stafford and as a consequence, the proposed requirement of the Plan (10,000 dwellings between 2011 and 2031) is flawed. The Plan will not meet the objectively assessed housing need in the Borough (as evidenced on behalf of CEG and others) or deliver an appropriate level of affordable housing as a result. It also fails to take into account unmet housing requirements from neighbouring authorities.
- 1.4. By way of background, CEG has consistently objected to SP2 on the basis that the Council should be planning for at least 11,000 new homes during the plan period. For reasons set out below, we are of the view that the figure should actually be between 13,000 and 14,000 dwellings. However, a figure of 11,000 would at least be consistent with the figures promoted through the West Midlands Phase II Revision, the award of Growth Point status to Stafford Town (2009). A higher figure would better align with the Council's own evidence base, including its latest Strategic Housing Market Assessment (SHMA) (2012)(ER: D5) which identifies that a far greater scale of housing is required to address population change and high levels of in-migration from surrounding areas.
- 1.5. In 2012, CEG commissioned Justin Gardner Consulting (JGC) to prepare a report which assessed the housing requirement in Stafford, in particular, using up to date sources of population and household data provided by both ONS and Department for Communities and Local Government (CLG) and reflecting the first release of the 2011 Census data. Details of this work were submitted to the Council as part of our representation earlier this year (dated 28 February 2013). For completeness, a copy of JGC's original report is enclosed at Appendix 1.

- 1.6. JCG developed three bespoke projections, linking population growth to the size of the labour force and into household estimates using the concept of headship rates. In converting household numbers into housing figures a vacancy rate of 2.5% was applied. The three projections identified were as follows:
- PROJ1 (Trend based) – linked to average migration over the past 10 years;
 - PROJ2 (Employment led) – linked to a 10% increase in the resident workforce from 2011 to 2031; and
 - PROJ3 (Housebuilding) – linked to dwelling provision of 500 units per annum.
- 1.7. The demographic trend based projection linked to migration suggested a requirement for approximately 13,000 new dwellings (650 dwellings per annum), resulting in an increase in the labour force of approximately 8%. The labour force projection increased this to 14,000 dwellings (700 per annum) with a more positive employment output again. Conversely, the projection linked to the Plan's proposed target of 500 dwellings per annum showed only a modest increase in residents in employment (2% over the full 20 year period, approximately 0.1% per annum).
- 1.8. For reasons set out in our representation at that time, a higher target of between 13,000 and 14,000 dwellings was put forward as better aligning with the Council's Vision and findings of its own SHMA (2012) which identifies an annual net shortfall of 210 affordable dwellings alone, of which approximately 149 per annum are required in Stafford Town.
- 1.9. Since then, there have been a number of data releases which make a review of the information worthwhile. These include:
- Mid-year population estimates including estimates of past levels of migration and natural change (published by ONS and covering the period 2001-2012)
 - 2011-based household projections (by CLG)
- 1.10. JCG has, therefore, been instructed to provide an update to its February 2013 work and further details are set out below.

Mid-year population estimates

- 1.11. In April 2013, ONS published new backdated mid-year population estimates on the basis of understanding whether population growth in the past had been over- or under-estimated when compared with Census outputs. This analysis confirmed that population growth in the Borough had been significantly under-estimated by ONS. In fact, the Census suggested that the population of Stafford in 2011 was around 3,800 people more than had been expected (an average of 380 per annum).

- 1.12. Given that ONS is usually accurate at recording births and deaths, it is likely therefore that this difference of 3,800 is due to ONS having under estimated net migration to the Borough. Given that all of the current government projections use data which pre-dated the mid-year estimates release, it is clear that published projections are not very reliable – this is due to them being based on past trends which are now demonstrably wrong.
- 1.13. All of these points were recognised in the projection work carried out with a core conclusion being that past trends in net migration have been around 1,000 per annum (a figure of 1,010 was used to develop a trend-based housing requirement). The new ONS mid-year data can, however, be used to check the validity of this estimate with figures below showing components of population change over the decade to 2011.
- 1.14. Over the whole ten-year period studied, the ONS data shows an average level of net migration of 1,003 per annum. This is virtually the same as in JGC's projection modelling and suggests that the model (and outputs) remain sound. If we were to look at a shorter period (the past 5-years) a slightly lower level of net migration is derived (933 per annum). We would, however, urge caution with this figure, noting that the lower levels of net migration from 2009 to 2011 may have been affected by lower levels of housebuilding. From 2009 to 2011 an average of 310 additional homes were delivered per annum, this compares with 520 over the previous seven years. Hence, the evidence suggests some suppression of migration over the past three years as a result of low housebuilding.



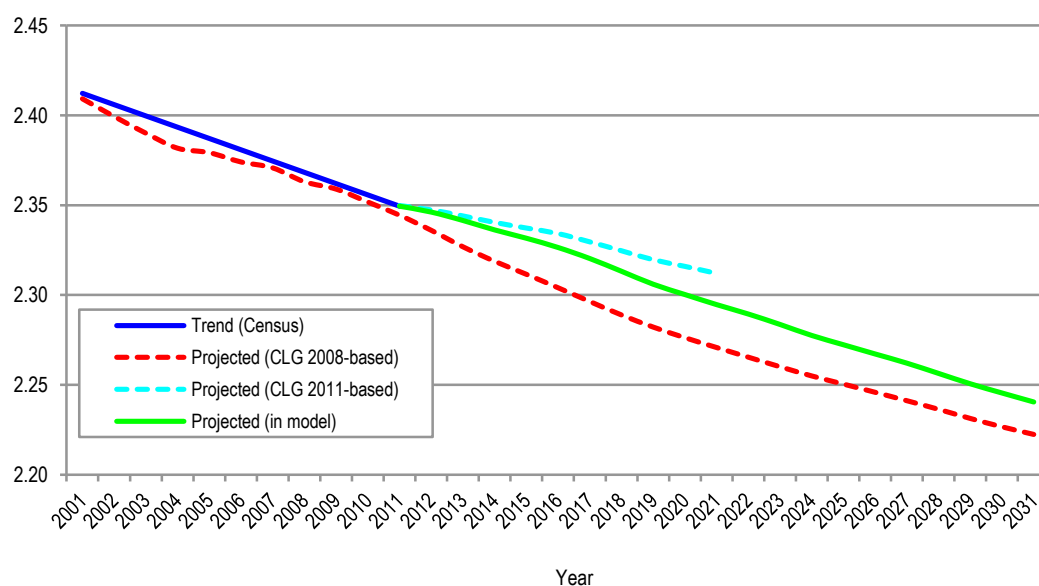
- 1.15. As well as the mid-year figures to 2011, a further release of data for 2011/12 was made in July 2013. In this, ONS have recorded net migration of around 682 people. On the face of it this figure is quite low, however, it needs to be recognised that this figure has not been subject to any adjustment due to under-recording. Given that the methodology used by ONS to record migration has been largely unchanged from 2006 it is likely that this migration

figure will also be an under-estimate.

- 1.16. When this is added to the average level of under-recording seen from 2001 to 2011 (380 per annum) it results in a net migration level of 1,062 people. This figure provides further support that JGC's demographic projection was properly studying past trends in a realistic manner.

CLG 2011-based household projections

- 1.17. The second key release of data since JGC's projections were developed is the CLGs 2011-based household projections of April 2013. The projections are described as 'interim' and only run for a 10-year period to 2021.
- 1.18. The projections use the latest ONS population projections as a base. As noted above, the migration trends recorded by ONS and fed into these projections are wrong; as a result JGC do not consider that any weight can be given to the household projections. However, the household projections do contain a new set of household formation (headship) rates and it is worthwhile reviewing these in comparison to the projections already developed.
- 1.19. In the previous projections JGC looked at the trend in average household sizes from 2001 to 2011 and broadly projected for this to continue moving forward. This was a slight move away from figures in the 2008-based projections. The 2011-based projections do, however, show a slower decrease in average household sizes in the period for which we have data (up to 2021). This would potentially suggest that fewer households will form and hence a slightly lower housing requirement would be derived. The relevant analysis and sources are shown in the figure below.



Source: Derived from ONS and CLG data (including 2001 and 2011 Census)

- 1.20. However, it is important to understand the extent to which the projected change in household sizes includes an element of past suppression in household formation. This is a key element of new CLG advice published in August 2013 (and discussed in more detail below). The evidence from the above figure is that there has not been any notable level of suppression over the past decade (evidenced by the trend closely following the 2008-based projection data). However, moving forward it does look as if CLG have built-in some degree of suppression (as evidenced by the slowing down of household size decreases).
- 1.21. Despite there being some evidence through analysis of average household sizes of suppressed household formation moving forward, it is not entirely clear to what extent this is due to households being unable to form and how much might be due to other factors. A recent (September 2013) study produced by CCHPR on behalf of the TCPA does shed some light on this issue noting that around half of half of the lack of expected households is due to market factors (i.e. constrained household formation) with roughly half attributable to other issues (notably international migration). On this basis, projecting forward a headship trend in between the figures in the 2008- and 2011-based household projections would be appropriate. This is the position taken in the projections report (as can be seen in the figure above).

Conclusions on the projections

- 1.22. A review of new data available since JGC developed its population and household projections in January 2013 suggests that the assumptions made are still sound and therefore the outputs can be considered as robust when establishing the objective level of need for housing in Stafford. The projections assessed that provision of between 650 and 700 homes per annum would be appropriate to meet expected demographic change and also provide a reasonable increase in the resident workforce.
- 1.23. Although not considered in any detail in the earlier projection report, JGC do note that a figure of 700 homes would also be appropriate in light of the assessed level of affordable housing need in the Borough. The latest SHMA shows a need for 210 affordable homes per annum, if 30% of homes are delivered as affordable housing this would require exactly 700 homes to be provided (210/0.3).

New Guidance

- 1.24. New draft Guidance was issued by CLG in August 2013 on 'Assessment of Housing and Economic Development Needs' as part of its review of planning practice guidance. This is relevant to Stafford in that it provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving an objective assessment of the need for housing.
- 1.25. The draft Guidance defines "need" as referring to 'the scale and mix of housing and the

range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet this need’. It sets out that the assessment of need should be realistic in taking account of the particular nature of that area, and should be based on future scenarios that could be reasonably expected to occur. It should not take account of supply-side factors or development constraints.

1.26. The Guidance outlines that whilst estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment of need, the starting point for establishing the need for housing should be the latest household projections published by CLG. It sets out that there may be instances where these national projections require adjustment to take account of factors affecting local demography and in the case of Stafford we have demonstrated that past recording of migration means that these projections are not robust.

1.27. The guidance then effectively sets out a number of tests which should be applied in order to consider whether there is a case to adjust the level of housing provision (particularly upwards relative to the demographic evidence). Paraphrasing the guidance, these tests can be broadly described as follows:

- Is there evidence that household formation rates in the projections have been constrained? Do market signals point to a need to increase housing supply?
- How do the demographic projections ‘sit’ with the affordable housing needs evidence, and should housing supply be increased to meet affordable needs?
- What do economic forecasts say about jobs growth? Is there evidence that an increase in housing numbers would be needed to support this?

Have household formation rates been constrained?

1.28. As noted above, evidence from the 2011 Census would suggest little constraint in household formation; however, the CLG projections do appear to build in a constraint moving forward (which is likely to some degree to the projection taking account of wider regional and national trends). Given this apparent constraint it is reasonable in projecting forward to move away from the CLG projection data and this has been done as part of JGC’s projections.

How do the projections sit with the affordable need?

1.29. As noted above the level of affordable housing need in Stafford would require provision of around 700 homes per annum in the future. This figure is significantly above the Council’s proposed level of delivery (of 500 units per annum) which demonstrably will not meet the full need for affordable housing.

Is an increased housing figure required to meet economic growth?

- 1.30. JGC's projections report studied what would be a reasonable level of job growth in the Borough. This was done in the absence of any robust economic projections by the Council. The Council's Employment Land Review suggests a significant decrease in jobs over time; this does not fit comfortably with regional and national projections or indeed the growth in working residents seen in the Borough over the past decade. A decrease in jobs also does not fit with the Council's plan to allocate more land for employment.
- 1.31. Having worked through various economic forecasts and more localised data it was established that a 10% increase in the resident workforce from 2011 to 2031 would be a reasonable target. This represents only 0.5% growth per annum and is well below the growth in the workforce seen from 2001 to 2011 (which was more like 1% per annum (i.e. double)).
- 1.32. To increase the workforce by 10%, taking account of other expected demographic changes this projection showed a need to provide 700 homes per annum and hence this level of delivery would be appropriate to meet the third test as set out in government advice. JGC's projection linked to delivery of 500 homes suggests a likely increase in the resident workforce of less than 0.1% per annum and is clearly insufficient to meet any reasonable level of economic growth (as required by guidance).

Council's Method/Justification

- 1.33. The Council has selected a figure of 500 homes per annum to reflect their housing requirement. This is in part 'justified' by Topic Paper B: Establishing the Borough Housing Requirement (September 2013). JGC has reviewed this justification although it is evident from the outset that the whole method set out by the Council appears to be an attempt to back-fill rather than genuinely establish what the objective level of need for housing is.
- 1.34. Firstly, the statement starts by suggesting that little guidance exists on establishing local needs and suggests that 'local need' in Stafford only represents 30% of the housing target. This figure is based on stripping out net migration from the projections. This seems a strange point for the Council to make given that they reference the NPPF and the NPPF is quite explicit in that a housing requirement should take account of 'migration and demographic change' [our emphasis] (NPPF Paragraph 159).
- 1.35. Looking at where the figure of 500 homes has come from it is clear that both the Council and its SHMA consultant have relied on the 2008-based CLG projections. No attempt, however, has been made to test whether the assumptions underpinning these are sound, nor whether the level of associated population growth would be sufficient to encourage economic growth. The projections (which are now also quite out of date) are simply taken at face value. Reference is also made to the 'what homes where' website although this is simply a re-run of the 2008-based projections.

- 1.36. The Council do also note the new 2011-based CLG projections. For reasons described above (around migration levels) it is not possible to attach any credence to these projections.
- 1.37. Regarding affordable housing, the Council notes that the need for 210 homes per annum is equivalent to 42% of all housing delivery (at 500 per annum). The Council continues by suggesting that increasing the overall housing supply to achieve more affordable housing would not be 'sustainable or deliverable'. No evidence is provided as to why this is considered to be the case.

Overall conclusions

- 1.38. JGC has considered what an objective level of need for housing is in Stafford Borough. This builds on a series of population/household projections developed in January 2013 and in particular takes account of new data and advice that has been published since then.
- 1.39. Overall, the new data published strongly supports the position taken in the JGC projections. In particular it supports the projected level of migration moving forward and also the approach taken around household formation. JGC consider that the projections contain the evidence required to establish the objective level of housing need for Stafford.
- 1.40. Regarding new guidance (of August 2013), it is equally clear that all of the key requirements were met within the initial projections. This included consideration of local demographic information, a recognition of constrained household formation (and remedy for this in the modelling) and a clear understanding of the housing need when set against economic growth.
- 1.41. The one area where the projections did not venture was in terms of the link between affordable housing and overall housing requirements. This has now been considered in this report with the conclusion that to provide the required 210 homes per annum would require provision of 700 additional homes (assuming 30% delivery). The figure of 700 is the same as JGC's recommendation of a housing requirement linked to economic growth.
- 1.42. Overall, the conclusions of the earlier projections were that an objective housing requirement was in the range of 650 to 700 homes per annum. Having reviewed various pieces of information, guidance and the need for affordable housing it is our informed view that a figure closer to 700 is the most appropriate in terms of meeting objectively assessed needs in Stafford Borough.
- 1.43. Below we have provided the key projection output tables from the January 2013 projections for information. Key outputs include the relative lack of workforce growth with a housing target of just 500 per annum and a need ranging from about 650 to 700 on the basis of past demographic trends and achieving a 10% workforce growth.

Figure 3: Summary of projections 2011 to 2031 – annual – Stafford Borough

Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (Trend-based migration)	1,114	0.9%	649	1.1%	259	0.4%
PROJ 2 (10% employment growth)	1,225	0.9%	693	1.2%	322	0.5%
PROJ 3 (500 homes per annum)	754	0.6%	500	0.9%	62	0.1%

Figure 4: Summary of projections 2011 to 2031 – total – Stafford Borough

Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (Trend-based migration)	22,285	17.0%	12,972	22.7%	5,175	8.0%
PROJ 2 (10% employment growth)	24,497	18.7%	13,856	24.3%	6,449	10.0%
PROJ 3 (500 homes per annum)	15,082	11.5%	10,000	17.5%	1,239	1.9%

Question 3.2 (a) (ii)

- 1.44. The current housing land supply position is reported in Topic Paper C of the Background Paper (ER: K1). The Council reports a deliverable five year housing land supply of 1,991 dwellings for the period 2013-2018. This comprises sites with planning permission but makes an allowance for some discounting of committed sites (by the Council). It is worth noting that a large proportion of these permissions relate to sites in the rural area.
- 1.45. Tables 1 and 2 (enclosed) demonstrate the Council's rate of housing against the RSS target (of 550 per annum) to date i.e. between 2006 and 2013, and calculate the five year housing land requirement based on this figure. For the reasons set out above, we consider this figure should actually be much higher based on an annual target of between 650 and 700 dwellings (or 13,000 – 14,000 during the plan period). Nonetheless, for the purposes of this exercise, it is evident that applying the residual housing requirement figure (i.e. 937.92 which factors in past shortfall and application of the 'Sedgefield' approach) to the supply figure (1,991), derives a forward supply of 2.12 years (as at 31 March 2013). Clearly, the deficit would be much greater if a higher plan target were to be applied.
- 1.46. To this end, the Council cannot currently demonstrate a five year housing land supply.
- 1.47. It is envisaged that the remainder of the housing requirement i.e. for the period 1 April 2013 to the end of the plan period (2031) is to be met by development in the proposed Strategic Development Locations (SDL's) in Stafford and Stone, supplemented by smaller scale development in the Key Service Centres within the rural area.
- 1.48. Topic Paper C contains two housing trajectories which are intended to demonstrate that whilst completions for the current monitoring year (2013/14) are projected to remain below target (both that of the RSS – 550 and that of the Plan – 500), the next five years of the plan

(2014/15-2018/19) should exceed target and largely continue to do so for the remainder of the plan. However, the basis on which these projected delivery rates will be achieved is unclear, particularly when the Council has persistently under-delivered housing in five out of the last seven years of the plan.

- 1.49. Anecdotally, it is envisaged that the SDL's around Stafford Town will be the primary source of a significant quantum of development, particularly in the early years of the plan. This is certainly possible in Stafford East given the recent grant of outline planning permission for up to 634 dwellings (dated August 2013). Whilst not all of these dwellings will be delivered in five years, the site as a whole will make a significant contribution to housing land supply overall. Conversely, it is less clear how this will be achieved in Stafford North and Stafford West, given the absence of any permissions for development in these locations and the overall need to tie development to infrastructure delivery (further details of which are set out below). Additionally, we note that the SDL in Stone is not being encouraged to deliver any development in years 1-5. Development in the Key Service Centres will be largely dependent on site allocations promoted through a future DPD.
- 1.50. Given this, there remains much uncertainty as to how the Council is going to deliver its current plan target, notwithstanding that we consider that the target itself is fundamentally flawed and significantly underestimates the level of future housing delivery required in Stafford to meet evidence of objectively assessed housing need.

Question 3.2 (a) (iii)

- 1.51. Whilst the Council acknowledges that a 20% buffer is applicable in terms of calculating its housing land supply position (see Topic Papers B and C of the Background Paper ER: K1), the policies contained within the plan do not address the need to accelerate housing delivery explicitly. Furthermore, no reference is made in Spatial Principle 2 to the need for the housing requirement for the plan period to incorporate past shortfall (i.e. pre-2011/12). On the contrary, Paragraph B6.6 of Topic Paper B of the Background Paper (ER: K1) explicitly states that 'there is no need to add on provision for what is in any case a very small component'.
- 1.52. We disagree. On the basis that the plan covers the period 2011-2031, past shortfall relating to the period 2006/07 to 2010/11 should be factored in i.e. added to the minimum requirement of 11,000 dwellings consistent with the Panel Report on the West Midlands RSS Phase II Revision, and spatially distributed accordingly. As set out above and in any event, we consider this minimum requirement to be too low.
- 1.53. Generally, it is not clear how the plan will boost significantly the supply of housing in accordance with Paragraph 47 of the Framework.

Question 3.3 (a)

- 1.54. The Background Statement (ER: K1) notes that the County Town of Stafford is at the top of the Borough settlement hierarchy, stating that it is 'undoubtedly the most sustainable location for new development in the Borough'.
- 1.55. For the reasons articulated by the Council in its Background Paper (ER: K1) CEG agree with the identification of the County Town of Stafford as being placed at the top of the settlement hierarchy. This approach is consistent with the Council's Spatial Vision and the Growth Point status of the town awarded in 2009. Paragraph A2.15 of the Background Paper (ER: K1) explicitly confirms that both the Council and County Council remain committed to their growth objectives and therefore they remain applicable and a sound basis from which this plan should be prepared.

Question 3.3 (b)

- 1.56. There is support in principle for the proposed distribution of future housing growth, in particular the significant focus on directing development towards the County Town of Stafford for the reasons set out above.
- 1.57. The County Town of Stafford is the most sustainable settlement within the Borough and offers the widest range of services and facilities, therefore should be apportioned the highest percentage of future housing growth. The Core Planning Principles outlined in the NPPF also seek to ensure that development is distributed in order to promote the vitality of main urban areas and to manage growth patterns to make the fullest possible use of public transport, walking and cycling and focus significant development in locations which are or can be made sustainable.
- 1.58. However, in light of our comments in relation to SP2 (above) the level of housing being distributed across the Borough should be based on an increased housing target resulting in the actual numbers for each settlement being increased proportionally. The table at paragraph 6.54 of the Plan for Stafford Publication therefore needs updating to be reflective of the final adopted housing requirement.
- 1.59. There is concern with the suggestion of a moratorium mechanism, which would be triggered if a level of development more than 25% greater than the Spatial Principle SP4 proportions is delivered in a particular level of the hierarchy over a four year period. The justification in The Plan for Stafford Publication and Background Paper implies that the rationale behind this is to prevent large swathes of development being delivered in the rural areas at the expense of development being delivered in the higher order settlements. Whilst the sentiment behind the strategy i.e. focusing development into the County Town of Stafford is acceptable, the use of a moratorium policy is a crude mechanism and it is difficult to see how this would work in practice.

- 1.60. Furthermore, as established in recent Secretary of State appeal decisions, housing land delivery is primarily to be measured at a borough wide level. Therefore, whilst regard should be had to housing needs at a local level, implementing a restriction policy that is based on settlement targets is inconsistent with national planning policy.
- 1.61. Additionally, housing requirements are not to be considered as 'ceilings', therefore, as the Borough wide housing requirement shouldn't be viewed as a maximum, neither should the number of dwellings apportioned to each level of the settlement hierarchy. Caution should be had with any strategy that seeks to impose penalties for exceeding housing targets, as the intention is not to cap or discourage sustainable development.
- 1.62. Proposals should be assessed on their individual merits and should be considered in the planning balance as to whether the impacts of permitting a particular scheme will significantly and adversely outweigh the benefits, as oppose to a strict moratorium that could prevent suitable and sustainable schemes from coming forward.
- 1.63. Imposing a strict moratorium without any flexibility is unsound. It is unjustified and does not represent the most appropriate strategy and is inconsistent with national planning policy for the reasons discussed above.

Question 3.6

- 1.64. In summary, the Draft Plan does not make provision for sufficient housing development during the plan period. The proposed requirement of 10,000 dwellings does not satisfy paragraph 47 of the Framework and meet evidence of objectively assessed housing need. The plan has therefore not been positively prepared and will not be effective and therefore fails to meet the tests of soundness set out in the Framework.
- 1.65. Whilst the general approach to the spatial distribution of development is acceptable i.e. the percentage apportionment to the County Town of Stafford, there is scope for the Town to accommodate a greater level of development not least through the provision of additional development at Stafford East (further details of which are set out in response to Matter 4). Such an alternative has not been assessed at all.
- 1.66. Furthermore, we strongly object to the proposed moratorium on development as an interim measure and in seeking to direct growth into certain areas. This is an ineffective and crude tool that should be resisted which is unsound and completely at odds with national planning policy which is to promote growth.

Report to:

Commercial Estates Group

**Estimating Housing
Requirements in Stafford
Borough**

January 2013



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1. Introduction

Introduction

- 1.1 Justin Gardner Consulting (JGC) has been commissioned by Commercial Estates Group (CEG) to provide an objective assessment of the requirement for new housing to be provided in Stafford Borough over the 20-year period from 2011 to 2031. The timing of this project has been driven by publication by the Council of The Plan for Stafford Borough – Publication [Pre-submission] with consultation on this important document to be completed by the end of February 2013.
- 1.2 This document reviews the Council's Plan with regard to housing provision and then moves on to develop a series of bespoke demographic projections drawing on the most up-to-date information available to suggest an appropriate housing target moving forward. We have also within this initial section considered evidence in the Council's Strategic Housing Market Assessment (of September 2012) about housing requirements.

National Planning Policy Framework

- 1.3 The Government published its National Planning Policy Framework (NPPF) in March 2012. This sets out that local planning authorities should have a clear understanding of the objectively assessed housing needs in their area (paragraphs 47 and 182). In particular they are required to prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries.
- 1.4 Paragraph 159 of the NPPF outlines that the SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:
- meets household and population projections, taking account of migration and demographic change;
 - addresses the need for all types of housing, including affordable housing and the needs of different groups within the community; and
 - caters for housing demand and the scale of housing supply necessary to meet this demand.
- 1.5 The particular focus of this work is to consider the first of the three bullet points above and in particular we have studied the likely housing requirements arising from analysis of 2011 Census data along with the most recent (2010- and 2011-based) ONS subnational population projections (SNPP). Through reference to other sources of data (including 2011 Census and 2008-based CLG household projection background data) we have been able to translate the population data into likely housing requirements.
- 1.6 As well as setting out the requirement for Councils to consider their objectively assessed housing need the NPPF is clear (in paragraph 47) that a key aim is to *'boost significantly the supply of housing'*.

- 1.7 The NPPF also comments on economic growth; stating in paragraph 19 that *'Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system'*. Planning and economic growth is further expanded on in paragraphs 20 and 21.

The Plan for Stafford Borough – Publication [Pre-submission]

- 1.8 In January 2013, Stafford Borough Council published 'The Plan for Stafford Borough – Publication [Pre-submission]'. This document sets out the Council's vision about how the future of Stafford Borough will be shaped over the next 20 years (from 2011 to 2031) and contains reference to a number of suggested policies moving forward. For our work we are particularly interested in policies around housing provision and also employment growth which are briefly reviewed below.
- 1.9 SPATIAL PRINCIPLE 2 (SP2) – STAFFORD BOROUGH HOUSING & EMPLOYMENT REQUIREMENTS states that *'Stafford Borough will accommodate new growth and investment over the plan period. Throughout the Borough, provision will be made for the development of 500 dwellings per year over the plan period, not including additional requirements for military housing, and provision for gypsies, as well as approximately 8 hectares per year of employment land, to provide for the future needs and prosperity of residents'*. The Plan also proposes an additional 400 homes (in total) for returning military personnel with no specific target for Gypsy and Traveller pitches.

Housing requirements

- 1.10 The document provides very little in the way of justification for the figure of 500 additional homes per annum (10,000 over the 20-year plan period). Paragraph 6.11 quotes national Government statistics stating that the 2010-based population projections show an increase in population of 19,900 over a 25-year period from 2010 to 2035 with data from 2008-based household projections also being quoted (an increase in households of 11,523 over a 25-year period). This latter figure is used to suggest an average of approximately 500 houses per annum.
- 1.11 The latest household figures (2008-based) as quoted in the document are quite out-of-date and no longer particularly relevant – this is due to the projections being largely driven by ONS population estimates which have been updated twice since the latest household figures were published. Using the 2010-based population figures is also inappropriate given that a) these do not provide estimates of additional households (or home required) and b) they have been superseded by 2011-based interim population projections. That said even the 2011-based figures do not reflect the most recent data available (from 2011 Census) which as we study below suggest quite a different set of past trend migration figures.
- 1.12 The Plan document does however recognise that pressure for in-migration from other areas is likely to remain and that it is sensible to plan for this noting that *'it is consistent with the growth aspirations for Stafford town, and its developing sub-regional role, as set out in the Spatial Vision and Key Objectives'* [paragraph 6.12].

- 1.13 In many areas constraints on land supply are used as a reason for limiting housing development and it is therefore noteworthy that this does not appear to be a factor in delivery proposals for Stafford. Paragraph 6.10 states that *'evidence from the Strategic Housing Land Availability Assessment identifies a considerable additional supply of sites, which suggests that the availability of suitable sites will not be a constraint to whatever overall scale of housing is proposed'*.
- 1.14 The Plan also sets out a proposed distribution for housing growth based on the 'Sustainable Settlement Hierarchy'. This proposes 72% of housing to be provided in Stafford (town), 8% in Stone, 12% in Key Service Villages and 8% in the remaining Rural area. We have not interrogated these figures in any detail but given that Stafford town is likely to be the most sustainable location for new housing (with good transport links and access to services and facilities) the distribution proposed does not seem unreasonable. A figure of 72% is also close to the estimated affordable housing requirement (as a proportion of total need) – the SHMA (Table ES1 suggests that 149 of the 210 annual requirement will arise in Stafford (71% of the total).

Employment land

- 1.15 Regarding economic growth the Plan notes that data from the Employment Land Review (2012) suggests a requirement for between 25 and 166 hectares of employment land to be provided over the next twenty years. The higher figure is based on a continuation of past trends with the lower figure reflecting the fact that *'the new economic sectors predicted to grow in the Stafford Borough area need less land'*. Despite this latter point the Council's Plan is to provide levels of employment land towards the upper end of this scale.
- 1.16 Although the Plan is silent about how much job creation might be expected from additional employment sites it is clear from the overarching Spatial Vision and key objectives that increasing employment is an important aspiration. Regarding Stafford Town the Plan states that a key objective is to *'Provide new high quality employment land [to be] made available for new research and development facilities as well as growth opportunities to provide new businesses for graduate employment and inward investment to diversify the economy'*. For Stone and rural areas of the Borough similar comments are made about employment.
- 1.17 A distribution of new employment land is also proposed in the plan (Spatial Principle 5) which suggests 56% to be in Stafford town and 44% in other parts of the Borough (including 12% for Stone). It is not completely clear why these figures differ from those for housing growth although a desire to *'provide sustainable, balanced, vibrant and self reliant places in which to live and work'* (paragraph 6.56) does provide some justification for higher proportionate increases in the more rural parts of the Borough.

Affordable Housing

- 1.18 Policy C2 of the Plan deals with affordable housing. This sets out a target of between 30% and 40% with site size thresholds of between 3 and 12 depending on location. There is a presumption for on-site provision although in some circumstances provision on an alternative site or payment of a commuted sum may be acceptable.

- 1.19 The affordable housing policy is supported by Strategic Housing Market Assessments in 2008 and 2012 with paragraph 11.7 noting that the 2012 study *'identified the need for 210 new affordable homes per year, equivalent to approximately 42% of the total housing provision for the Borough each year'*. A 2011 affordable housing viability study is also quoted as finding that 30% delivery is possible on most sites in the Borough and up to 40% in some locations. We have not reviewed the viability study as part of this work. Paragraph 11.8 sets a 'minimum' target of 30% to meet affordable housing requirements across the Borough.

The 2012 Strategic Housing Market Assessment

- 1.20 In September 2012 the Council published a Strategic Housing Market Assessment (SHMA). Publication was therefore some months after the introduction of the NPPF and indeed the SHMA report in paragraph 1.9 notes the requirements of an SHMA, in particular that 'The SHMA should assess and identify the scale and mix of housing and the range of tenures the local population is likely to need over the Local Plan period'. It is therefore confirmed that the SHMA should be the primary source for deriving housing requirements as well as being used to establish the mix of housing (including affordable housing requirements).
- 1.21 Despite this, we find that the report is almost entirely silent on the topic of overall housing requirements. As with the main Plan the only sources looked at in determining future housing requirements are the 2010-based ONS subnational population projections and 2008-based CLG household projections (quoted in various places throughout the report). As noted above, both of these sources are now out-of-date and cannot be relied upon to provide an objective assessment of future needs. Although the SHMA report states that 2011 Census data has been used it is clear that this has not filtered down into understanding intercensal demographic change and the impact this will have on housing targets moving forward.

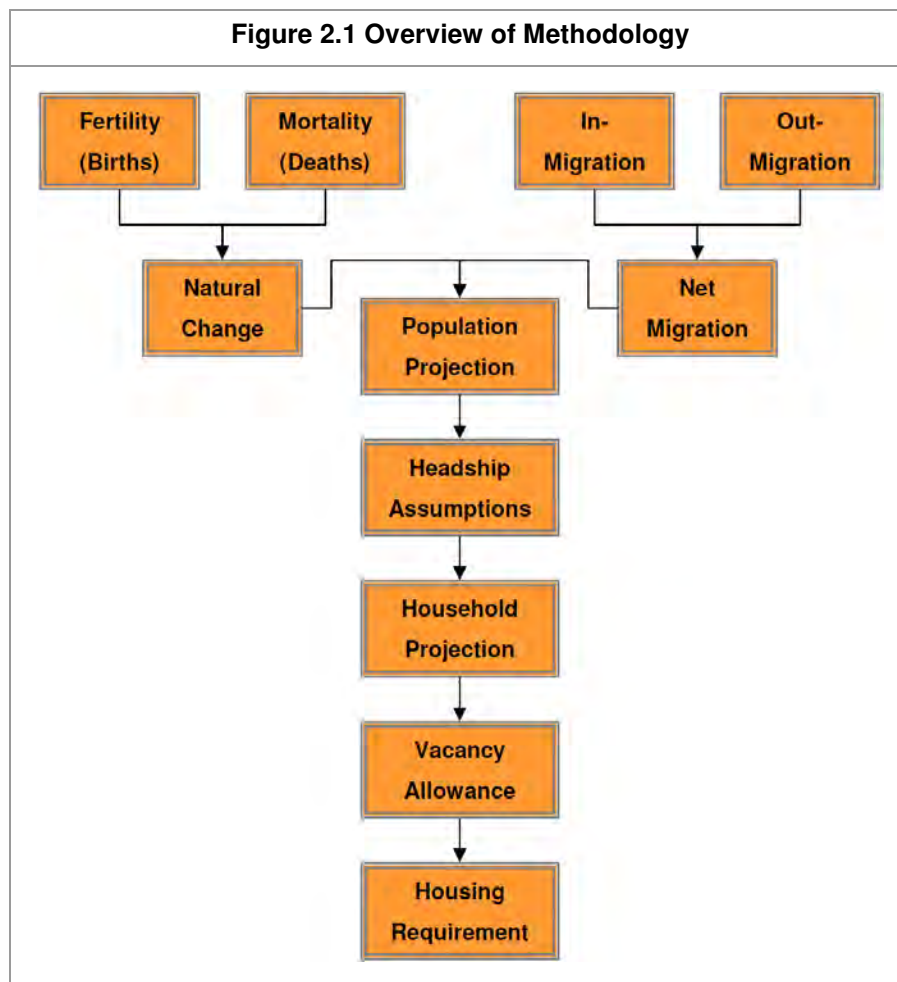
Summary

- 1.22 This document provides a series of population and household projections developed for Commercial Estates Group (CEG) by Justin Gardner Consulting (JGC) covering the administrative area of Stafford Borough. An independent assessment is necessary given that the Council's Plan does not properly evidence a target for 500 homes per annum – the only information supporting the target is out-of-date and therefore not robust.
- 1.23 According to the NPPF a housing target should be derived through the Strategic Housing Market Assessment. The SHMA (despite being completed as recently as September 2012) does not provide this evidence.

2. Projection Methodology and Projections Run

Introduction

- 2.1 Our methodology used to determine population growth and hence housing requirements is based on fairly standard population projection methodology consistent with the methodology used by ONS and CLG in their population and household projections. Essentially the method establishes the current population and how will this change in the period from 2011 to 2031. This requires us to work out how likely it is that women will give birth (the fertility rate); how likely it is that people will die (the death rate) and how likely it is that people will move into or out of the Borough. These are the principal components of population change and are used to construct our population projections.
- 2.2 The figure below shows the key stages of the projection analysis through to the assessment of housing requirements.



Projections Run

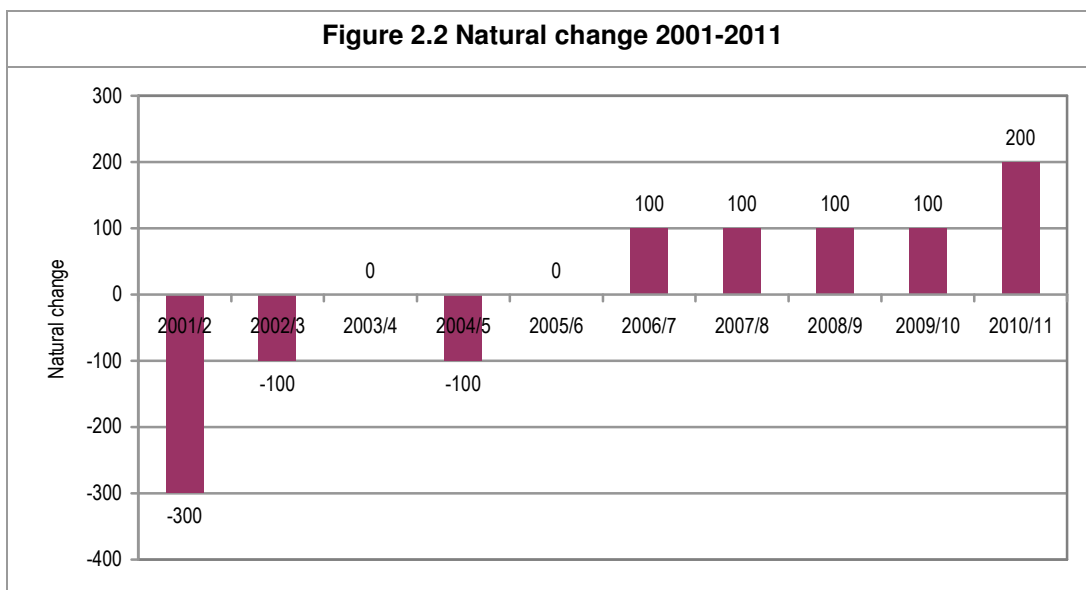
2.3 As part of this assessment we have run three projections to assess how the population and local economy (number of people in employment) might change under different assumptions. The three projections run are listed below with a description of each following:

- PROJ 1 (trend-based migration)
- PROJ 2 (10% employment growth)
- PROJ 3 (linked to 500 homes per annum)

PROJ 1 (trend-based migration)

2.4 ONS projections study past trends in migration (typically over a five year period) and project these forward to compile the subnational population projections (SNPP). One of the problems in the methodology is that it can be quite difficult at the local area level to accurately measure migration levels as this relies on people registering a move (e.g. through registering with a new doctor).

2.5 The new 2011 Census data does however allow us to fairly accurately estimate migration trends over a 10-year period by comparing Census information along with data about natural change (the number of births minus the number of deaths). This latter piece of information is fairly accurately collected by ONS. As the figure below shows natural change from 2001 to 2011 in Stafford accounted for a population increase of just 100 people.



Source: ONS

2.6 Using the above data about natural change we can study the overall population change in the Borough to work out the level of growth attributed to migration – this is shown in the table below. The data shows that from the 2001 to 2011 Census the population of the Borough rose by 10,215 people. Given that natural change accounted for 100 of this change it can readily be calculated that there has been a net migration of 10,115 people into the Borough over the past ten years –this is an annual average of 1,010 people (rounded to the nearest 10).

Population 2001	120,654
Population 2011	130,869
Change 2001-2011	10,215
Natural change	100
Migration	10,115
Average migration	1,010

- 2.7 Our trend-based projection therefore uses an annual figure for migration of 1,010 (net) and projects this forward at a constant rate into the future. We have used a constant figure in the absence of any data to suggest whether this might be expected to increase or decrease in the future but note that in areas with high net in-migration we would tend to expect to see this figure increase slightly over time as populations grow and there are a greater number of people who might be expected to move.
- 2.8 The figure for net migration of 1,010 is notably higher than was included in either the 2010- or 2011-based SNPP published by ONS. In the period from 2011 to 2021 (a ten-year period) the 2010-based SNPP projected for average net in-migration of 767 people per annum with the 2011-based data being lower at 589 each year. It is not considered given the 2011 Census that either of the SNPP projections are realistic with clear evidence that ONS had under-estimated migration levels.
- 2.9 The 2010-based SNPP projected a population in 2011 of just 127,090 compared with the true figure of closer to 131,000 (as seen in the table above). Hence the ONS data under-estimated (or under-recorded) the (net) migration of around 4,000 people over the ten-year period from 2001 to 2011. For this reason it would not be appropriate to use the overall migration figures contained in the SNPP to project forward.
- 2.10 Whilst the 2010-based SNPP represents the latest full set of projections published by ONS we can also consider the interim 2011-based figures. The 2011-based SNPP does draw on early Census data but this is mainly with regard to a re-basing of information for mid-2011. The levels of migration moving forward are still substantially based on the 2010-based SNPP with adjustments being made on the basis of changed age structure estimates rather than as a result of understanding migration levels in the intercensal years.
- 2.11 On the basis of the most recent data available (2011 Census) it is appropriate in developing a trend-based projection to model for average net migration moving forward of about 1,010 people per annum. This figure is higher than seen in previous ONS projections which is due to Census data showing that ONS had under-estimated net migration to Stafford Borough over the past ten-years by about 4,000 people.

PROJ 2 (10% employment growth)

- 2.12 All of our projections have an associated estimate of the implications of demographic change on the number of people in employment. It is however of use to look at the likely housing requirements associated with different levels of employment growth. In Stafford Borough the Council's Plan is positively encouraging the provision of new employment land as well as setting out a policy ambition to increase employment opportunities in the area.

- 2.13 No specific figures are provided by the Council in the Plan as to how much employment growth is expected (in terms of job creation or the number of people who are working) and so we have looked at past trends and future forecasts to develop a reasonable target for modelling purposes moving forward.
- 2.14 The table below shows the number of people in employment in the Borough in each of 2001 and 2011 from Census data. The data shows over the 10-year period that the number of people who are working has increased by 9.3% (with a figure of 10.4% if economically active students are included). The bulk of this growth has been in part-time work and to a lesser extent self-employment although the number of people in full-time jobs has also increased slightly. The figures in the table are based on where people live rather than the location of their employment.

Figure 2.4 Change in employed residents 2001-2011 – Stafford				
	2001	2011	Absolute change	% change
Full-time	37,904	38,948	1,044	2.8%
Part-time	11,166	14,101	2,935	26.3%
Self-employed	7,586	8,874	1,288	17.0%
Total	56,656	61,923	5,267	9.3%
Economically active students	2,445	3,323	878	35.9%
Total (incl. students)	59,101	65,246	6,145	10.4%

Source Census (2001 and 2011)

- 2.15 Compared with the whole of the West Midlands it appears as if Stafford has performed relatively well in terms of local people working. Across the region the increase in people who are working has been just 8.1% (or 9.5% with inclusion of the economically active students).
- 2.16 On the basis of the above figures for Stafford Borough we might project forward and expect to see something in the region of 20% employment increase over the next 20-years. However, we need to recognise the current economic downturn and prospects for recovery and have therefore also studied employment forecasts.
- 2.17 Projections by Cambridge Econometrics in May 2012 forecast employment growth in the UK of 12.6% from 2011 to 2031 with greater increases in the second ten-years of the projection. The West Midlands is however expected to perform less well than this - data from the Working Futures report (UK Commission for Employment and Skills (UKCES) 2012) projects a 5.8% increase in employment in the UK from 2010 to 2020 along with a lower figure (of 3.9% for the West Midlands).
- 2.18 Bringing all this together would suggest that achieving employment growth in-line with past trends (2001 to 2011) is probably not realistic (i.e. 20% increase over the next twenty years) but that some improvement is possible. Our analysis would suggest that aiming for an increase of 10% in the number of people resident in the Borough who are working would not be unreasonable. This figure whilst slightly arbitrary is based on national projections, worse performance in the West Midlands and better past performance for Stafford. The derivation of our 10% figure can be seen in the table below.

UK employment increase (2011-2031)	-	12.6%
West Midlands growth (as% of UK)	3.9/5.8	× 0.672
Stafford growth as % of West Midlands	9.3/8.1	× 1.148
Projected employment growth in Stafford (2011-2031)	-	9.72%
Rounded	-	10%

Source: Derived from Cambridge Econometrics, UKCES and Census

- 2.19 All of our projections study the number of people living in the Borough who are working. This is regardless of where the employment is. We consider that knowing the size of the local labour-force is more important due to the investment into the local economy expected to be made by such people (e.g. shops, pubs, leisure facilities) as well as filling local employment opportunities and reducing commuting and the environmental impacts of long travel-to-work distances.
- 2.20 It is however important to consider commuting patterns as this can potentially impact on the locations in which people live and work. The table below shows (from 2001 Census data) where people who live in Stafford work and where those working in Stafford live. The data shows that around 68% of people living in the Borough (who are working) also work in the Borough with the same proportion of workers also living in the area.
- 2.21 Whilst different areas see different commuting patterns (e.g. a high level of net in-commuting from Staffordshire Moorlands and Cannock Chase and high out-commuting to Birmingham and Wolverhampton) it is the case that overall levels of in- and out-commuting are roughly in balance. This means (if commuting patterns remain the same) that we might expect roughly a 1:1 ratio between additional jobs created and the size of the local working population.

Area	Live in Stafford work in...	Work in Stafford live in...	Net flow into Stafford
Birmingham	1,081	217	-864
Cannock Chase	1,610	2,493	883
East Staffordshire	571	912	341
Lichfield	578	721	143
Newcastle-under-Lyme	1,293	1,901	608
South Staffordshire	1,608	1,468	-140
Stafford	39,985	39,985	0
Staffordshire Moorlands	532	1,622	1,090
Stoke-on-Trent	4,903	4,940	37
Telford and Wrekin	916	638	-278
Walsall	658	212	-446
Wolverhampton	1,035	328	-707
Rest of West Midlands	1,459	1,014	-445
All other areas	2,413	2,025	-388
Total	58,642	58,476	-166
Total in/out migration for work	18,657	18,491	-
% self-containment	68.2%	68.4%	-

Source: 2001 Census

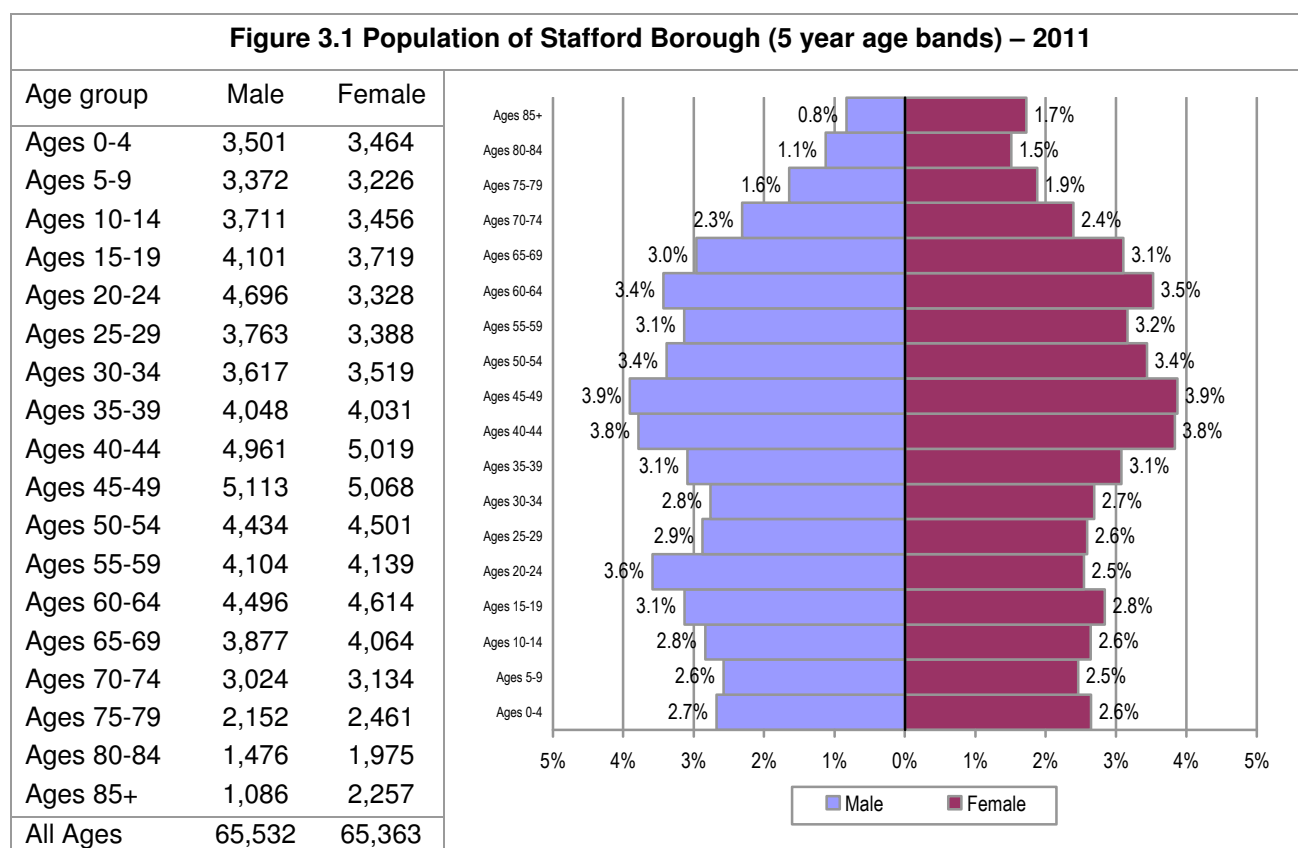
PROJ 3 (linked to 500 homes per annum)

2.22 As seen in the previous section, the Council's Plan has proposed housing growth from 2011 to 2031 of 500 additional dwellings per annum (10,000 over the 20-year projection period). This projection therefore looks at the likely impact this level of housing provision will have on the size of the local population and also the number of people who will be in employment. For the purposes of the projection housing growth has been modelled to be constant throughout the projection period (i.e. 500 additional dwellings in each year of the projection).

3. Detailed Projection Inputs

Baseline Population

3.1 The baseline for our projections is taken to be 2011 with the projection run for each year over the period up to 2031. The estimated population profile as of 2011 has been taken from ONS mid-year population estimates. The overall population in 2011 is estimated to be 130,895 with slightly more males than females. The baseline population figure (of 130,895) is significantly higher than had previously been estimated in the 2010-based SNPP (127,090).



Source: Derived from ONS data

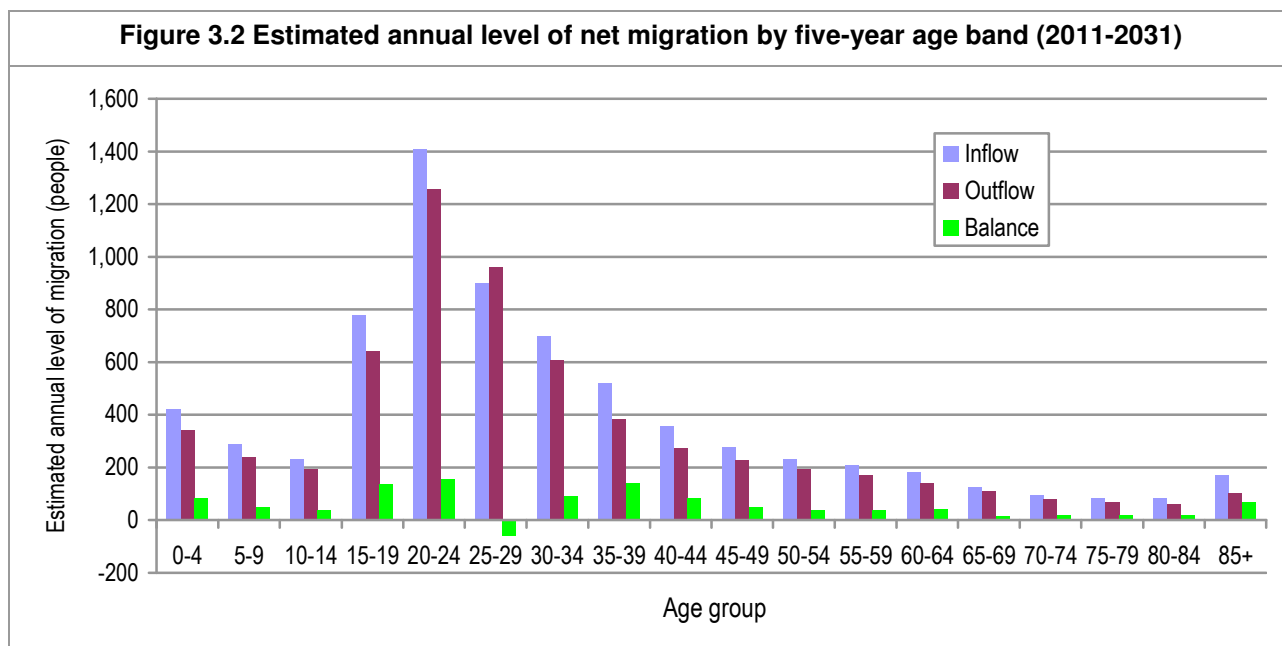
Fertility and Mortality Rate Assumptions

3.2 For modelling of fertility we have used the rates contained within the ONS 2010-based population projections. For the period from 2011 to 2031 the total fertility rate (the expected average number of live births per woman throughout their childbearing lifespan) has been calculated to be 2.06 in 2011/12, this rises very slightly in the short-term before reducing to 1.87 in 2030/31.

- 3.3 We also interrogated the ONS 2010-based projections with regard to death rates which suggested that life expectancy is expected to increase over time for both males and females. It is not possible to provide exact life expectancy figures from the 2010-based SNPP as this to some degree will depend on the assumptions made about the death rates for age groups beyond 90 (the ONS data stops at a figure for 90+). However in modelling life expectancy we suggest that the figures will see an improvement from 79.3 to 83.1 for males from 2011 to 2031 with figures of 83.0 to 86.3 expected for females.
- 3.4 We have no evidence to suggest that either the fertility or mortality estimates used by ONS are unreasonable and note that the expected figures and changes in Stafford are consistent with past trend data and future expected patterns as published by ONS on a national basis.

Migration Assumptions

- 3.5 For the purposes of understanding the profile of migrants we have again drawn on the ONS 2010-based sub-national population projections which we have adjusted to reflect our revised estimate of trend-based migration of 1,010 net in-migrants per annum. Over the period from 2011 to 2031 the figures show an average annual level of in-migration of 7,045 and out-migration of 6,035. The data clearly shows that the most important age groups are from 15 to 34. The data is interesting in that it shows net out-migration of those aged 25-29 but net in-migration for all other age groups.
- 3.6 Whilst we have noted above that levels of (net) migration in the SNPP look to be too low on the basis of past trends we do not have any strong evidence to suggest that the age profile of migrants (once amended for different overall migration levels) is substantially wrong.
- 3.7 When projecting migration patterns for the various projection scenarios we have used the migration data and adjusted levels of in-migration to match the requirements of our scenario (e.g. when testing what level of migration is required to support a workforce of a particular size). This approach has consistently been adopted across all analysis.



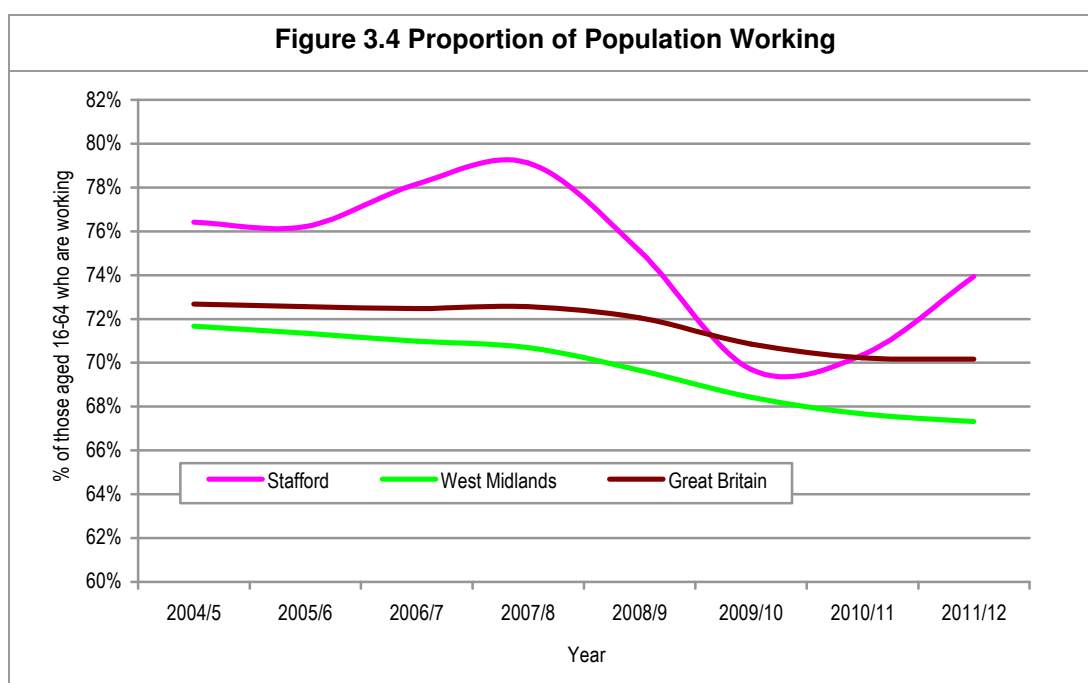
Source: Derived from ONS 2010-based population projections

Economic (Employment) Assumptions

- 3.8 With the change in demographic structure will come changes in the number of people who are working (as the population of people of working age changes). The next stage of the projection process was therefore to make estimates about how employment levels would change under each of our projections and also to consider the demographic implications of different levels of employment growth. The process is set out in the figure below.

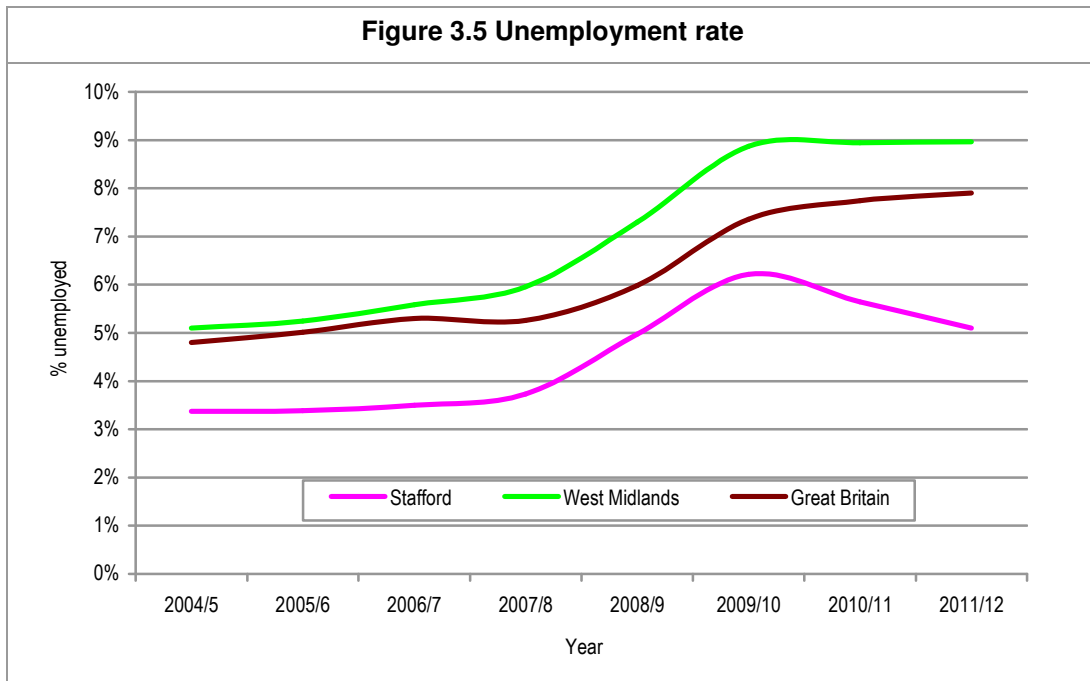


- 3.9 The first stage of the process was to establish working patterns in the local authority. The figure below shows data on the proportion of people living in the Borough who were in employment (based on the proportion of the population aged 16-64 who are working). This data has also been provided for the West Midlands and Great Britain.
- 3.10 The data shows that overall the proportion of people working has been quite variable over time – generally the trend has been downward although figures for 2010/11 and 2011/12 show some improvement in the proportions of people working. This is in contrast with figures for both the West Midlands and Great Britain where employment rates can also be seen to have dropped but with no improvement in the recent past.



Source: Annual Population Survey

3.11 A significant problem with the Annual Population Survey source used above is that data is based on only a sample of the population and therefore figures can be quite variable at smaller area level. We have therefore also drawn on data about unemployment to give an indication of how employment rates may have changed over the past few years. This is shown in the figure below and shows that unemployment has risen from a typical pre-recession level of about 3%-4% to average closer to 5%-6% in recent years.



Source: Annual Population Survey (modelled data)

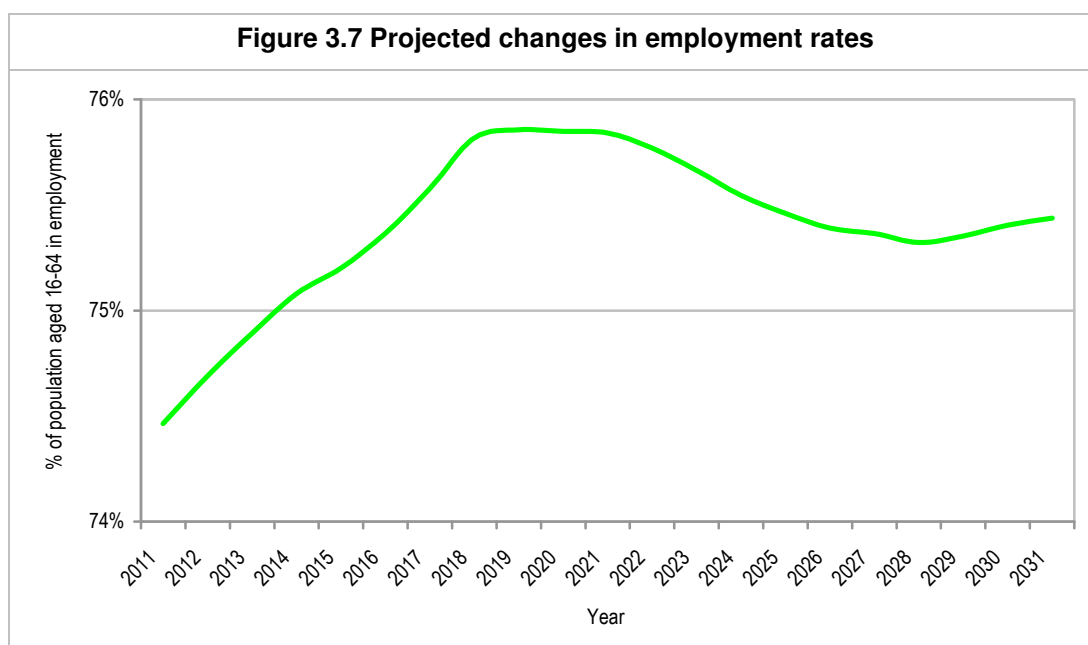
3.12 Using the above data to provide us with an overall picture of working patterns we also drew on 2001 and 2011 Census data and information from the Annual Population Survey to inform the distribution of workers by age and sex. In projecting forward we have assumed that there is a latent labour force that could be brought back into work as a result of reducing unemployment. This improvement is assumed to occur at a constant rate throughout the projection period.

3.13 The modelling also includes provision for potential increases in rates due to changes in pensionable age – these additional changes have been based on studying the age-specific ‘drop-off’ in employment as people get older. The modelled improvement to employment rates will have the affect of reducing unemployment.

3.14 The table and figure below show the employment rates used for modelling from 2011 to 2031. From the population modelling exercise it was estimated that in mid-2011 there were 64,494 people in employment with an employment rate of 74.5% - due to the modelled improvement in rates along with changes in pensionable age this figure rises to 75.9% by 2019 before dropping down slightly (to 75.4% in 2031) due to the changing age structure in the Borough.

	Male		Female	
	2011	2031	2011	2031
Aged 16 to 19	39.6%	40.2%	52.7%	53.5%
Aged 20 to 24	52.7%	53.5%	65.5%	66.4%
Aged 25 to 29	80.6%	81.8%	80.8%	82.0%
Aged 30 to 34	84.4%	85.7%	82.9%	84.1%
Aged 35 to 39	87.4%	88.7%	82.1%	83.3%
Aged 40 to 44	87.2%	88.5%	86.1%	87.4%
Aged 45 to 49	86.7%	88.0%	85.7%	87.0%
Aged 50 to 54	91.0%	92.4%	92.4%	93.8%
Aged 55 to 59	79.9%	81.1%	70.4%	71.4%
Aged 60 to 64	54.4%	55.2%	33.3%	45.5%
Aged 65 to 69	24.1%	26.9%	22.8%	27.8%
Aged 70 to 74	10.7%	10.8%	11.7%	11.8%

Source: Derived from a range of data (including 2001 and 2011 Census and APS)



Source: Derived from a range of data (including 2001 and 2011 Census and APS)

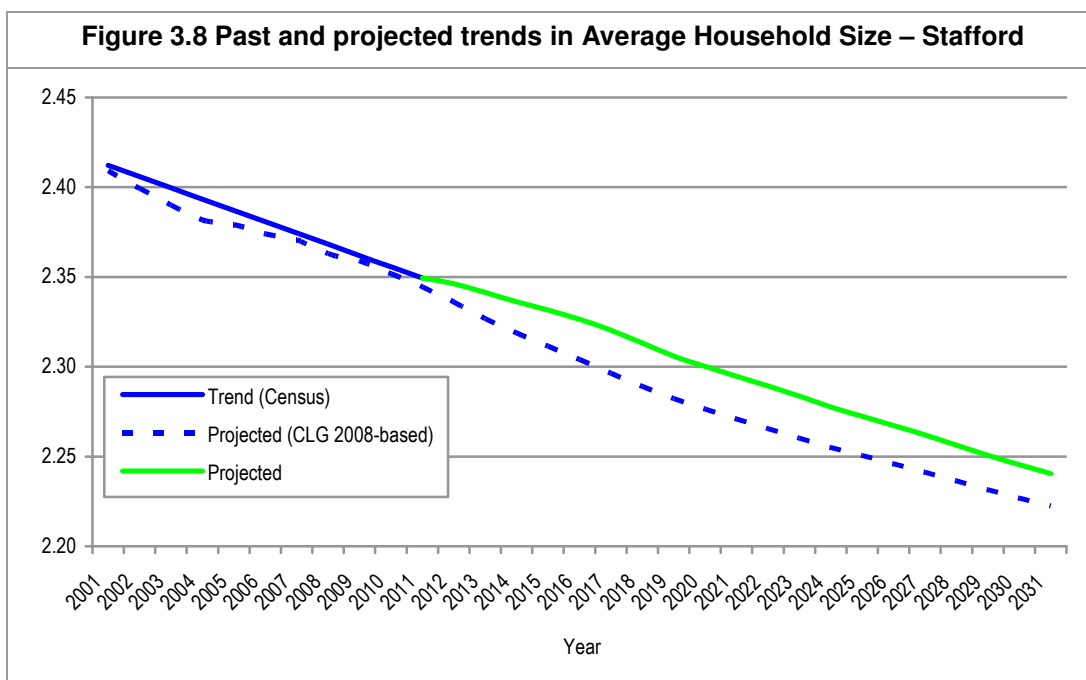
Household (and Housing) Growth Projections

3.15 Having estimated the population size and the age/sex profile of the population the next step in the process is to convert this information into estimates of the number of households in the area. To do this we use the concept of headship rates. For the purposes of this analysis we have used information contained in the 2008-based CLG household projections about the relationship between the total population in an age group and the number of household reference persons (HRPs) in that age group.

3.16 Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)). We have however also taken account of recent trends in household formation which have generally seen less households being formed from the population than was projected in the CLG 2008-based household projections, this can be seen in the figure that follows.

3.17 The figure shows the estimated average household size in Stafford Borough from 2001 to 2011 and how this is projected to change in the future under the 2008-based CLG projections – the data for 2001 and 2011 has been based on the relationship between total population numbers and the number of households shown in each of the relevant Census with a linear trend being plotted in the absence of any other up-to-date information. The data shows that household sizes have moved broadly in line with the trend expected in the 2008-based CLG household projections.

3.18 In projecting forward we have slightly rebased our figures on 2011 Census data and then projected headship rates to broadly follow CLG trends. Due to age structure differences doing this does project for average household sizes to diverge slightly from CLG projections. For the purposes of our projection we have assumed that average household sizes start at about 2.35 in 2011 and reduce down to 2.24 in 2031 (although exact figures do vary depending on the projection being run).



Source: Derived from ONS and CLG data (including 2001 and 2011 Census)

3.19 When applying our headship rates to our population we derive an estimated number of households in 2011 of 55,714. This figure is consistent with the number of households shown in the 2011 Census.

3.20 In converting an estimated number of households into requirements for additional dwellings we have also factored in a small vacancy allowance which is normal to allow for movement of households between properties. For the analysis we have assumed that around 2.5% of additional stock will be vacant which should be reflective of what can be achieved in new housing stock.

4. Projection Outputs

Introduction

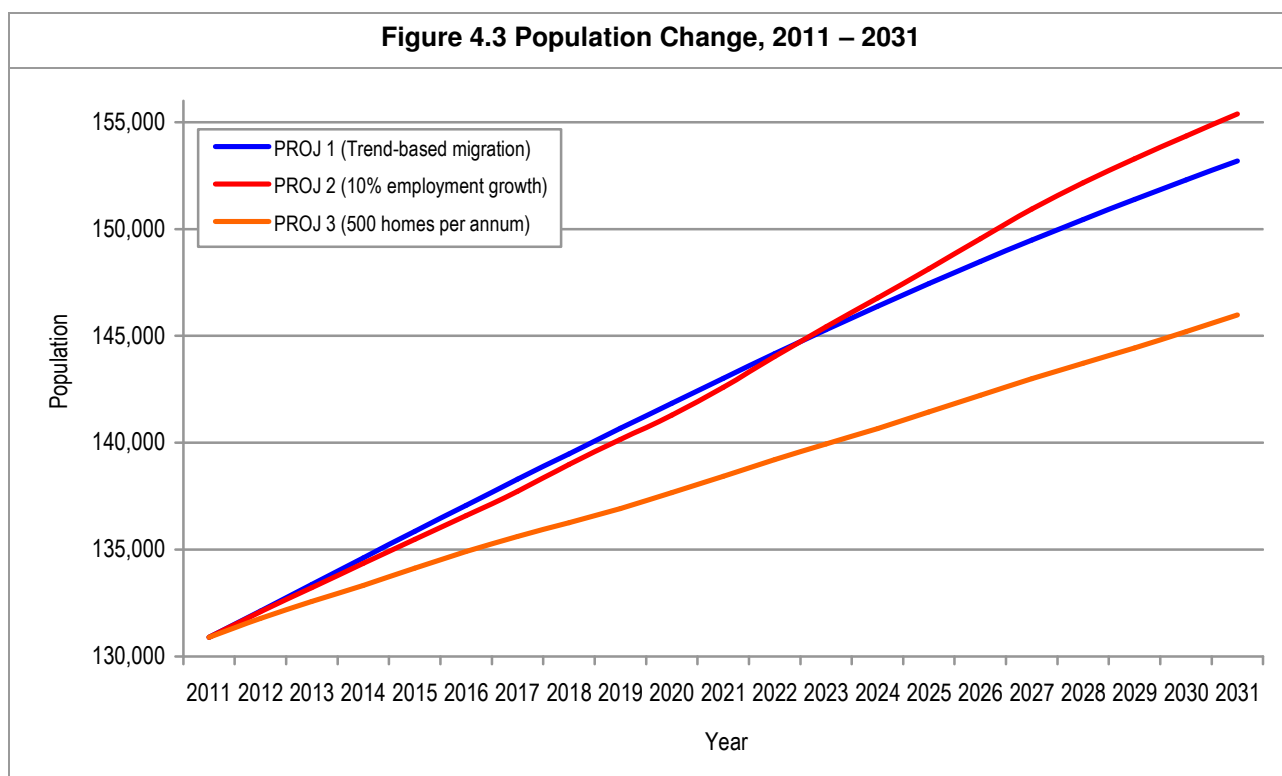
- 4.1 This section provides detailed outputs of the modelling under each of the three scenarios run to look at population growth, employment change and housing requirements. All the projections look at the period from 2011 to 2031 with outputs available for each year of the projection (although these have generally been summarised for five year periods). The projections run are summarised in the table below.

Projection	Description
PROJ 1	Trend-based migration
PROJ 2	10% employment growth
PROJ 3	500 homes per annum

Population Projections

4.2 The table below shows the expected growth in population under each of the three scenarios. Under the projection linked to past trends (PROJ 1) the population is expected to increase by about 17% over the 20-year projection period (an increase of 22,300 people). Achieving a 10% growth in the resident workforce (PROJ 2) shows a slightly higher level of population growth of 19% (about 24,500 more people in 2031 than 2011). With dwelling provision of 500 homes per annum (PROJ 3) the expected growth in population is more moderate with an increase of 11.5% (or 15,100 people)

Figure 4.2 Population Estimates 2011 to 2031					
	2011	2016	2021	2026	2031
PROJ 1 (Trend-based migration)	130,895	137,076	143,017	148,479	153,180
	0.0%	4.7%	9.3%	13.4%	17.0%
PROJ 2 (10% employment growth)	130,895	136,589	142,595	149,545	155,392
	0.0%	4.3%	8.9%	14.2%	18.7%
PROJ 3 (500 homes per annum)	130,895	134,909	138,425	142,220	145,977
	0.0%	3.1%	5.8%	8.7%	11.5%



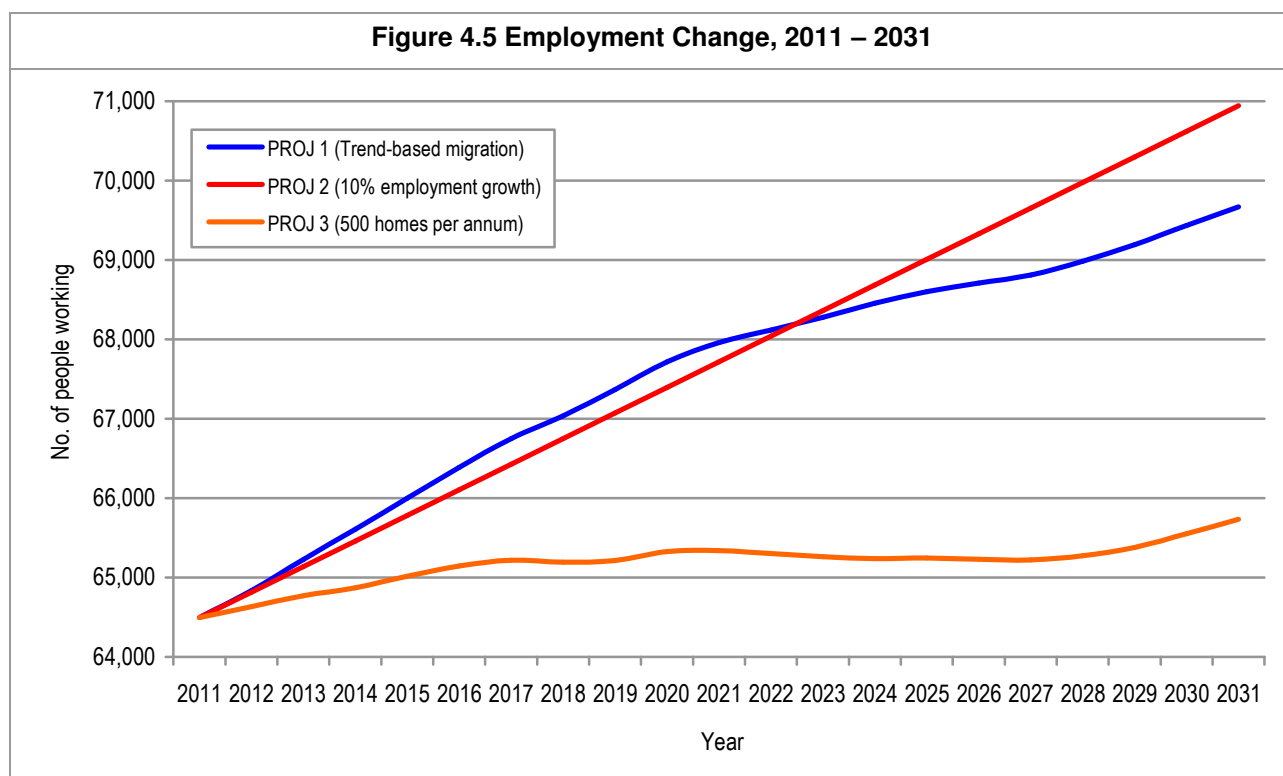
Economic (Employment) Changes

4.3 The table and figure below show the estimated number of people living in the Borough who are working under each of our three projections. The projection linked to past trends (PROJ 1) shows an increase in the number of people who are working of 8% (0.4% per annum or 5,200) with PROJ 2 (10% employment growth) showing the numerical increase to be 6,450 people. With dwelling provision of 500 homes per annum (PROJ 3 which is linked to the Council's Plan) we see a far more moderate increase in the number of people working – this is expected to increase by only 2% over the full 20-year projection period.

Figure 4.4 Employment Estimates 2011 to 2031

	2011	2016	2021	2026	2031
PROJ 1 (Trend-based migration)	64,494	66,386	67,960	68,711	69,669
	0.0%	2.9%	5.4%	6.5%	8.0%
PROJ 2 (10% employment growth)	64,494	66,106	67,719	69,331	70,943
	0.0%	2.5%	5.0%	7.5%	10.0%
PROJ 3 (500 homes per annum)	64,494	65,144	65,341	65,229	65,733
	0.0%	1.0%	1.3%	1.1%	1.9%

Figure 4.5 Employment Change, 2011 – 2031

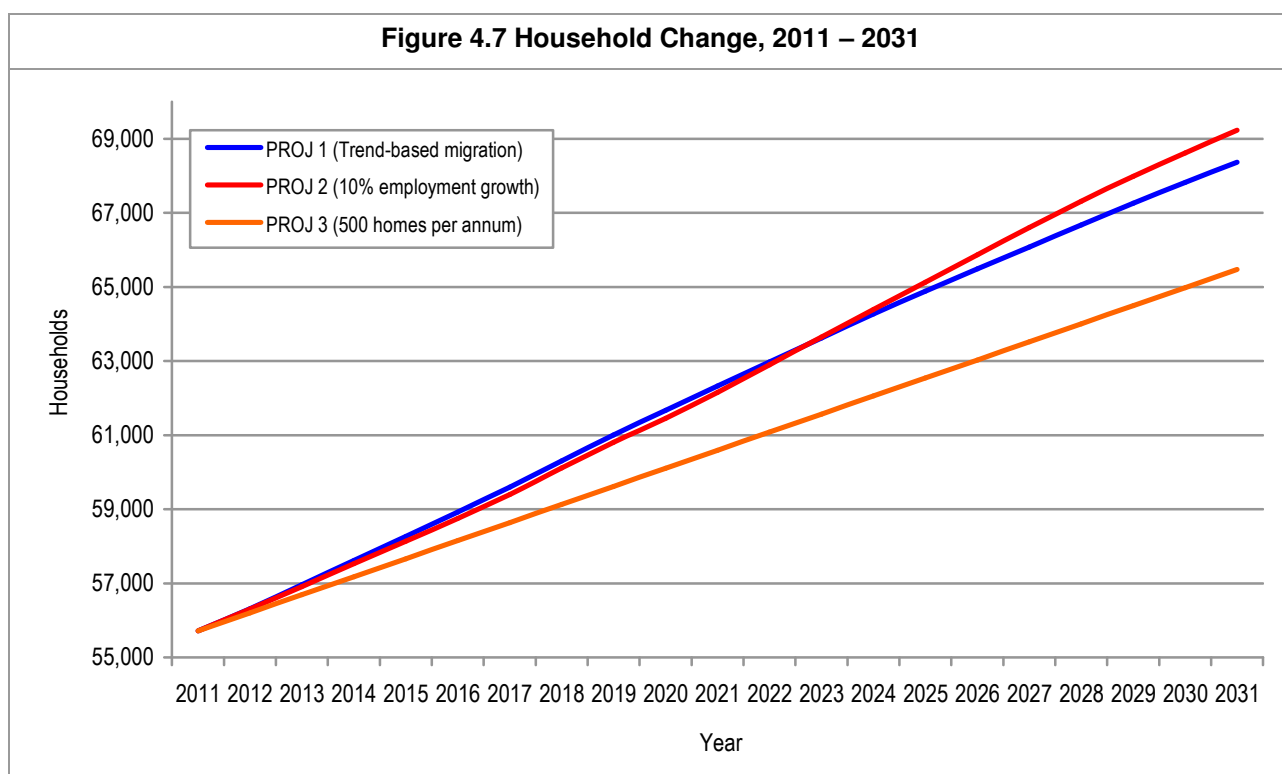


Household (and Housing) Growth

4.4 The table and figure below show the projected growth in the number of households under each of the three scenarios. The projection linked to past trends (PROJ 1) shows a household increase of 23% (1.1% per annum or 12,655) with PROJ 2 (10% employment growth) showing the numerical increase to be 13,518 households – an increase over the projection period of 24%. With dwelling provision of 500 homes per annum (PROJ 3) we would expect to see an increase in households of 9,756 – this is below the 10,000 dwelling figure due to the inclusion of a vacancy allowance which assumes 2.5% of new homes will be vacant at any point in time. Generally the household growth under all of our projections is more consistent when compared with either population or employment changes.

Figure 4.6 Household Estimates 2011 to 2031

	2011	2016	2021	2026	2031
PROJ 1 (Trend-based migration)	55,714	58,921	62,327	65,491	68,369
	0.0%	5.8%	11.9%	17.5%	22.7%
PROJ 2 (10% employment growth)	55,714	58,749	62,157	65,867	69,232
	0.0%	5.4%	11.6%	18.2%	24.3%
PROJ 3 (500 homes per annum)	55,714	58,153	60,592	63,031	65,470
	0.0%	4.4%	8.8%	13.1%	17.5%



- 4.5 The analysis above concentrated on the number of additional households. In reality there are always likely to be some vacant homes in the area and so the number of properties required to house all of these households will be slightly greater than the projected household numbers. We have therefore added a vacancy allowance of 2.5% to all of the above figures to make estimated housing requirements with figures shown in the table below.

Projection variant	Annual household growth	Annual requirement with vacancy allowance	Requirement over 20-years
PROJ 1 (Trend-based migration)	633	649	12,972
PROJ 2 (10% employment growth)	676	693	13,856
PROJ 3 (500 homes per annum)	488	500	10,000

5. Conclusions

Background

- 5.1 The Plan for Stafford Borough (pre-submission publication) suggests a target for housing provision of 500 homes per annum from 2011 to 2031 (10,000 over the full 20-year period). The figures at present are not justified through the Strategic Housing Market Assessment (as required by the National Planning Policy Framework (NPPF)) with the only source of evidence being the out-of-date 2008-based CLG household projections.
- 5.2 The NPPF (March 2012) clearly notes that local housing requirements should '*be based on household and population projections, taking account of migration and demographic change*'. In addition, the NPPF aims to significantly boost the supply of housing and requires Local Plans to support economic growth. We have therefore sought to interrogate demographic trends and economic potential to provide an indication of what a reasonable housing requirement might be.

Our projections

- 5.3 To assist in determining a local housebuilding target, we have developed three bespoke projections. The projections link population growth to the size of the labour force (using age/sex specific economic activity rates) and through into household estimates using the concept of headship rates. Base data for our projections has been taken from published material from both ONS and CLG (including the first release of 2011 Census data). In converting household numbers into housing figures we have additionally applied a 2.5% vacancy rate.
- 5.4 We have run our projections for a twenty year period from 2011 to 2031 with outputs provided for each year within this. The projections can be summarised as:

PROJ 1 – Trend-based – linked to average migration over the past 10-years

- 5.5 This is a demographic projection drawing on past trends in fertility, mortality and migration and projecting these forward. An estimate of the likely change in the labour force has also been derived from this projection. The migration assumptions in this projection have been taken from an analysis of trends in population growth and natural change (births minus deaths) from 2001 to 2011. We also considered data in the 2010- and 2011-based SNPP but did not take this forward as the figures were demonstrably at odds with actual population change shown in the 2011 Census. This projection is arguably most compliant with the requirements of the NPPF which says that a housing target should take account of *migration and demographic change*.

PROJ 2 – Employment-led – linked to a 10% increase in the resident workforce from 2011 to 2031

5.6 This projection looks at the potential increase in the number of local residents who are in employment. We have studied past trends in employment growth for Stafford and also national and regional forecasts from a number of sources. From this it is estimated that a 10% increase in the resident workforce would be a reasonable aim over the 20-year projection period (0.5% per annum). This increase is lower than suggested by past trends for Stafford but reflects the relative performance expected in the West Midlands (compared nationally) and past changes within the Borough. This projection also closely links to the requirement in the NPPF to *support economic growth through the planning system*. This projection also recognises that the Plan for Stafford is seeking to allocate a substantial amount of employment land moving forward.

PROJ 3 – Housebuilding – linked to dwelling provision of 500 units per annum

5.7 This projection looks at the implications for population and employment growth of providing 500 homes each year over the 20-year projection period (10,000 homes in total). This projection has been developed to test the housing target suggestion in the Plan for Stafford Borough and we note that at present this is not evidenced through a Strategic Housing Market Assessment as required by the NPPF. In addition, the demographic evidence supporting this figure is demonstrably out-of-date (linked back to 2008-based CLG household projections).

Projection results

5.8 The tables below show the outputs from each of our projections for the period 2011 to 2031. Our demographic trend-based projection linked to migration over the past 10-years (PROJ 1) suggests a requirement for around 13,000 additional homes (650 per annum). This level of housing growth would see an increase in the labour-force of 8.0%.

5.9 The labour-force based projection (PROJ 2) suggests a housing requirement of about 14,000 homes over the 20-year period (700 per annum) – this is a slightly more positive employment output than seen when testing past demographic trends. Finally, the projection linked to 500 homes per annum (PROJ 3) shows only a very modest increase in residents in employment (an increase of less than 2% over the full 20-year projection period – 0.1% per annum).

Figure 5.1 Summary of projections 2011 to 2031 – annual – Stafford Borough

Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (Trend-based migration)	1,114	0.9%	649	1.1%	259	0.4%
PROJ 2 (10% employment growth)	1,225	0.9%	693	1.2%	322	0.5%
PROJ 3 (500 homes per annum)	754	0.6%	500	0.9%	62	0.1%

Figure 5.2 Summary of projections 2011 to 2031 – total – Stafford Borough

Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (Trend-based migration)	22,285	17.0%	12,972	22.7%	5,175	8.0%
PROJ 2 (10% employment growth)	24,497	18.7%	13,856	24.3%	6,449	10.0%
PROJ 3 (500 homes per annum)	15,082	11.5%	10,000	17.5%	1,239	1.9%

Conclusions (housing numbers)

- 5.10 Whilst we have run a series of projections, all of which give slightly different outputs as to the amount of housing that should be provided in the Borough, we believe that the figures can be used to derive a sensible target moving forward. Looking at the projections run we note:
- The projection linked to past migration trends (PROJ 1) provides a good starting point for a housing requirement. This projection is consistent with the requirements of the NPPF (in taking account of past trends in fertility, mortality and migration) and as such can be considered as the best demographic estimate of housing requirements.
 - The projection linked to 10% employment growth looks to be a reasonable target with regard to past trends and future forecasts of employment growth (taking account of the specific situation in Stafford). Whilst the outputs from this projection (in housing number terms) are slightly higher than from our demographic projection there is a strong argument that this should be considered so as to prevent the possibility that housing delivery acts as a barrier to economic growth in the Borough.
 - The third projection (PROJ 3 – linked to 500 homes per annum) simply looks too low. Not only would 500 homes be well below what is likely to be required on the basis of demographic trends it also sees only a very moderate increase in the number of working residents. Hence this projection would not promote economic growth which is a desire of both Central Government (through the NPPF) and also the Council (due to expecting to provide significant amounts of new employment land).
- 5.11 On the basis of these comments we would therefore suggest that a housing requirement in the range of about 650 and 700 homes per annum would be appropriate (13,000 to 14,000 over the 20-year period from 2011 to 2031). This range takes account of both demographic change (including likely demand) and also to plan for a reasonable (but not excessive) increase in local employment. This range is between 150 and 200 per annum above the figure currently in the Plan for Stafford Borough Consultation document which is demonstrably too low.
- 5.12 Additionally, the Plan is proposing that 72% of new housing is provided in Stafford (town). We would agree that this location is probably the most sustainable (including transport links and access to services and facilities) and so this figure is not unreasonable. Analysis of affordable housing need in the SHMA suggests that 71% of the need will arise in Stafford (town); thus providing more support for the proposed spatial distribution.