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From: Helen Gregory
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To: Programme Officer
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Attachments: SDC Addendum re 2011 HH Projections 030513.docx

[Dear Stuart / Annette](#)

[Please find attached the Council's comments on the 2011-based household projections.](#)

[Kind regards, Helen](#)

Helen Gregory
Policy Officer

[ext: 2091](#)

Addendum setting out SDC's response to the 2011-based interim household projections, published April 2013

1. Introduction

This paper is provided by Selby District Council (SDC) in response to the Inspector's letter of 12 April 2013 requesting comments on the implications of the 2011-based interim household projections published on 9 April 2013.

While the Council has been able to obtain some agreement with DLP Planning Ltd and Barton Willmore on the published figures in the 2011-based household projections (which has been provided to the Inspector) for 2011-2021, it has not been possible to agree a full, revised Table 1 ('Summary of CLG Household Projections for Selby District', August 2012) or a complete explanatory text (due to the inability of other parties to agree a method for extrapolating trends).

Such a revised Table 1 was requested by the Inspector in Para 5 of his note dated 12 April 2013, and an explanatory text setting out how the figures have been calculated is needed as the new projections cover a more limited time period (2011-21) than in SOCG Table 1, which covered the period 2006-2026. As a result this supplementary document therefore includes the Council's suggested revised Table 1 for 2006-2026 of the previous Statement of Common Ground with a full explanation of the way the figure has been calculated. The approach taken is consistent with the recent revised Statement of Common Ground on the 2011-based household projections and simply provides a reasonable, factual basis to translate this to the plan period.

This document also provides the Council's comments on the implications of the new data on the Core Strategy proposed housing requirement of 450 dpa. It acts as an 'Addendum' to and should be read in conjunction with the previous papers on Housing Growth already submitted to the Inspector during the Core Strategy EIP. These include:

- Background Paper No. 14, January 2012, which gave amongst other things the Council's response to the initial concerns raised by the Inspector on the overall scale of housing provision in the draft core strategy. This was based in part on a review of evidence by Arup (November 2011, CD56), as summarised with extra commentary in Appendix 3 of Background Paper 14.
- A Review of Recent Evidence that was provided in April 2012 (CD56a) as a supplementary paper to the report Scale of Housing Growth in Selby District, November 2011. The Review of Recent Evidence considered the implications of new evidence and policy.

2. Overview of recent evidence

The new evidence that has emerged since 2012 is as follows:

2.1 Annual mid-year population estimates for England and Wales, Mid 2011

The official mid-2011 estimates for England and Wales were released on 25 September 2012. They are based on resident population recorded in the 2011 Census, updated to account for population change during the period between Census day (27 March 2011) and the mid-year point (30 June 2011), in order to provide population estimate for 2011. They are the most up-to-date population estimates currently available.

2.2 2011-based interim sub-national population projections

The 2011-based interim sub-national population projections for England were published on 28 September 2012, updating the 2010-based projections and projecting the population for 10 years to 2021 – that is, covering the period 2011 to 2021. They are based on the 2011 mid-year population estimates (outlined above). Because of this improved population base, they therefore provide the best estimates of the future population of English regions and local authorities currently available.

Sub-national population projections by age and sex are usually produced every two years. These interim projections incorporate data from the 2011 Census. They assume a continuation of the estimated trends in fertility, mortality and migration as used in the 2010-based projections and are constrained to the assumptions made for the 2010-based national population projections. The major change between the 2008-based and 2010/2011-based projections has been the assumptions surrounding international migration. However, this change has not significantly affected the projections for Selby District because as previously set out, international migration is not a significant influencing factor for Selby District. The other factors are internal migration and natural change, which have not changed.

2.3 2011-based interim household projections (2011 to 2021) in England

The 2011-based interim household projections (covering the period 2011 to 2021) in England were published by Department of Communities and Local Government on 9 April 2013. The projections are based on:

- ONS 2011-based interim sub-national population projections (outlined above);
- ONS 2008-based England and Wales marital status projections;
- 2011 Census local total households by 17 types;
- 2011 Census local communal/institutional populations;

- 1971-2001 Census local representative rates by gender/ age/ relationship and 1991-2001 Census by gender/ age/ type; and
- Labour Force Survey England representative rates by gender/ age to 2011/12.

The 2011-based interim household projections therefore represent the most up-to-date data on household numbers and formations. Methodological changes have also been made in order to incorporate valuable information from the 2011 Census. A major difference between the 2011-based interim projections and previous projections are the updated assumptions surrounding household structure and a break in the long term trend in declining household size. These are covered below.

3. Issues relating to new 2011 based projections

3.1 Average household size

Assumptions surrounding household size have been revised in light of the 2011 Census and continued economic downturn. A decline in average size is still projected, but this is slower as a result of two main factors:

- the effect of the recession on individual and household incomes; and
- the high cost of property.

These factors have resulted in a lower propensity for young adults to form separate households, and have led to a higher national incidence in households formed of couples and independent adults (i.e. where offspring have been unable to leave home due to the high costs) and other two-plus person households (i.e. adults sharing for convenience) than were projected in earlier projections. Household formation change therefore represents a lower relative contribution to household growth than the 2008-based data, because of the decrease in formation rates.

Whereas average household size was directly presented within the 2011-based interim household projections, they were not included in the corresponding 2008 projections. However, they can be calculated by dividing the non-institutional population for each year by the number of households. One of the biggest changes between the assumptions used in the 2008 and interim 2011 projections relates to the falling average household size.

Using the 2008-based sub-national population projections, average household size was projected to fall from 2.41 in 2008 to 2.26 in 2026 (calculated by dividing non-institutional population by number of households for each year). In comparison, the 2011-based interim household projections showed an average household size of 2.39 in 2011, 2.37 in 2016, and 2.36 in 2021. Back-end and front-end extrapolation of this pattern gives us a fall in household size from 2.4 in 2008 to **2.35** in 2026.

The difference in average household size trends between the 2008-based and 2011-based data is shown in Figure 1.1.

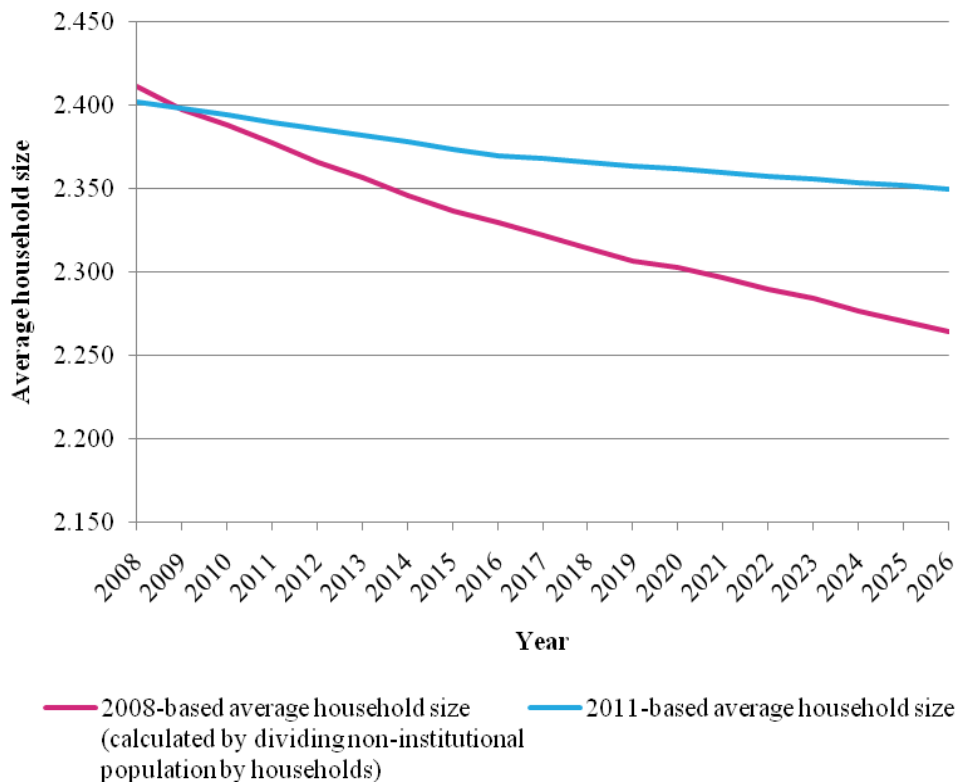


Figure 1: Difference in average household size trends between 2008-based and 2011-based data

Revising the trend of decreasing household size has an impact when used to project household numbers using DCLG household projections and ONS sub-national population projections. The implications of this revision are dealt with below.

3.2 Household projection forecast period

3.2.1 Overview

Household projections are based on projecting forward trends observed over previous years. Household growth is a reflection of both population growth and changing household size. Over the last two decades they have been generally revised upwards. However, as household size increases the number of homes needed declines in relation to the same population size.

The Selby Core Strategy Plan Period is 2011 – 2027. The figures provided in the previous Table 1 of the Statement of Common Ground cover the period 2006 – 2026 whereas the new 2011 based interim HH projections only cover the period 2011 – 2021. In order to provide an update to that table therefore it is necessary to consider the implications of the figures over a different time period. The Council's proposed revision to the Table 1 is provided at Section 4.1 (Table 1.3) below. Additional detail is appended to this statement which sets out an explanation of the various methods of undertaking the calculation in order to provide comparable annualised figures.

3.2.2 2011-2021 time period

The 2011-based interim household projections provide projected households in Selby District between 2011 and 2021. The projections show a rise in households from 34,589 in 2011 to 39,912 in 2021. This amounts to an increase of 4,603 across the ten-year period, or **460** additional households per year. This compares to an average of 534 additional households per year over the same time period based on the 2008-based household projections. Table 1.1 shows this comparison.

Table 1.1: Projected household change for Selby District, 2011-2021

	2011-based interim household projections	2008-based household projections
2011 households (000s)	34.589	34.849
2021 households (000s)	39.192	40.191
Change (000s)	4.603	5.342
Annual average change	460	534

4. Overall findings and SDC's revised Table 1

4.1 Summary

From the recent evidence considered in this paper, the annual housing projections based on the 2011-based interim data have been summarised in Table 1.2 below. This includes the data given in the raw form taken from the 2011-based interim household projections for 2011-2021, and the two methods for extrapolating the projections to 2026 using the interim household sub-national population projections set out in the Appendix.

Table 1.2: Calculated annual housing projections by data source

Data source	Annual housing projections		
	2011-2021	2006-2026	2008-2026
2011-based interim household projections	460 (Table 1.1)	469 (Table A1)	466 (See A2.2)
2011-based sub-national population projections	-	-	435 (Table A3)

However, in terms of providing the requested update to 'Table 1 of the Statement of Common Ground' only the forecast average annual household growth figure of 469 (rounded to 470) derived from the 2011-based interim household projections is included in the proposed revised table below (Table 1.3).

The Table excludes the figure of 435 derived from the population projections because this only provides a cross validation.

The Table also excludes the raw figures of 460 and 466 derived from the household projections as they cover different time periods.

Table 1.3: SDC Updated Table 1 of the Statement of Common Ground

Data source	Forecast average annual household growth	Notes
2004-based CLG Household Projections	450	
Regional Spatial Strategy Target for Selby District	440	Modelled using the 2003-based and 2004-based household projections as starting point.
2006-based CLG Household Projections	500	
2008-based CLG Household Projections	550	Based on 2008 population projections
2011-based CLG Household Projections	470	2006-2026 with 2022-2026 extrapolated

4.2 Comments

The recent evidence set out in both this paper and the earlier review of recent evidence (CD56a) supports the previously expressed view of the Council and their advisors that the 2008-based population and household projections do not provide an appropriate primary basis for identifying future housing requirements in Selby District. The 2011-based projections, on the other hand, are better placed to provide a basis for an appropriate estimate of objectively assessed need because:

- They are based on the mid-2011 population estimates, which are the most up-to-date estimates currently available and based on data collected during the 2011 Census.
- They use revised assumptions surrounding average household size and the rates of household formation, in light of the 2011 Census and continued economic downturn. A decrease in the household formation rates has resulted in household formation representing a lower relative contribution to household growth than in the 2008-based projections.
- They were produced using an amended methodology which allowed valuable information from the 2011 Census to be incorporated.

The calculation of the projected household figure over the comparable time period using the 2011-based household projections published by DCLG on 9 April 2013 is provided above which provides an update to the previous Statement of Common Ground. Data taken directly from the 2011-based interim household projections gives an annual household increase of 466 across the period 2011-2021. Extrapolating this data using the methodology set out in the paper projects an annual household increase of 469 across the period 2006-2026. A verification exercise using the 2011-based interim sub-national population projections calculated a number in general conformity with the 2011-based household projections. The annual housing projections calculated from the recent evidence remain in general conformity of those concluded in the previous reports (CD56 and CD56a).

4.3 Overall Conclusion

The recent evidence reinforces Selby District Council's consistent position that 450 dwellings per annum is the most appropriate estimate of objectively assessed need in accordance of Paragraph 47 of the National Planning Policy Framework (NPPF). The Council remain of the view that the proposed average annual housing requirement figure of 450 net additional dwellings per annum (annual minimum) is appropriate and realistic.

A Technical Appendix

A1 Household projection trend extrapolation

The 2011 based sub-national household projections have only been produced for the time period of up to the year 2021. In order to provide comparable data within an updated Table 1 of the Statement of Common Ground some analysis has been undertaken to extrapolate this to 2026. This technical appendix sets out the process by which this has been undertaken and the two methodologies that have been used.

A2 Methodology 1: Household projections

A2.1 2006-2026

In order to make a comparison, the change between 2006 and 2026 – the time period used for the figures provided in Table 1 of the Statement of Common Ground – can also be calculated.

The 2011-based interim household projections include estimates of households back to 1991, and are internally consistent with the previous projections. The period 2022-2026 can be extrapolated by applying the percentage increase year on year of the 2008-based household projections for these years to the number of households at 2021. However, it would be expected that the rate of growth would be lower than the 2008-based data because of the effect of the improved household size projections which were not used in the 2008-based projections.

Using the 2011-based data, the projections show a rise in households from 32,328 households in 2006 to 41,701 in 2026. This amounts to an increase of 9,373 across the 20-year period, or **469** additional households per year. This compares to an average of 518 or 550 additional households per year based on the 2008-based projections (dependent on whether rounded or unrounded data is used). Table A1 shows this comparison.

Table A1: Projected household change for Selby District, 2006-2026

	2011-based interim household projections (extrapolated 2022-2026)	2008-based household projections (unrounded)*	2008-based household projections (rounded)*
2006 households (000s)	32.328	32.412	32.000
2026 households (000s)	41.701	42.764	43.000
Change (000)	9.373	10.352	11.000
Annual average change	469	518	550

* Both rounded and unrounded data displayed in the 2008-based household projections. Both are provided here.

The difference in households between 2006 and 2026 is also shown in Figure A1.

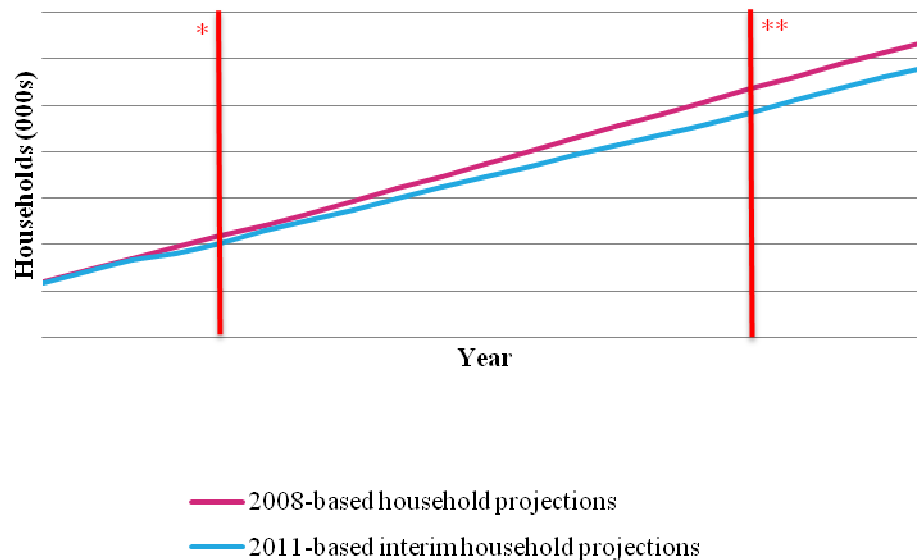


Figure A1: Comparison of household growth between 2006 and 2026 based on data from 2008- and 2011-based household projections

* Data for the years 2006 to 2010 provided in the respective projections, and are internally consistent with that series.

** Data for the years 2022 to 2026 for the 2011-based interim household projections have been extrapolated by applying the percentage increase year on year of the 2008-based household projections for these years to the number of households at 2021.

The difference between the 2008-based household projections and the 2011-based interim household projections is therefore significant, with a difference of 979 households between the two projections by 2026. This is partly a result of the use of the 2011 mid-year population estimates, but also the updated assumptions regarding household size shown in Section 3.1.

A2.2 Other time periods

The time period 2006-2026 was used in Section A2.1 to provide data with a consistent start base with the figure provided in Table 1 of the Statement of Common Ground.

As a point of comparison with the population projections (below), the annual increase in households between 2008 and 2026 has also been calculated. An increase in households of 8,379 is projected across the 18-year period, or **466** additional households each year.

The annual increase in households between the plan period of 2011 and 2027 has also been calculated. An increase in households of 7,593 is projected across the 16-year period, or **475** additional houses each year.

A3 Methodology 2: Population projections

A3.1 Overview

The sub-national population projections represent an alternative method (Methodology 2) for assessing annual household projections and allow for

sensitivity testing of the components of population increase. This method allows comparison and validation of the average household projections above.

The 2011-based interim sub-national population projections for England updated the 2010-based projections and projected the population for 10 years to 2021. This included the components of population growth, including births, deaths and internal and cross border migration. Projections for population living in institutional or communal establishments (such as student halls of residence, care homes or prisons) are also included.

Household projections can be calculated from population projections by subtracting the population living in institutional or communal establishments from total population levels, and applying the average household sizes set out above (i.e. an average size of 2.36 in 2021 and 2.35 in 2026).

A3.2 2011-2021

The number of households at 2011 can be taken from the 2011-based interim household projections as 34,589. The number of households in 2021 based on the methodology above is 39,333. This amounts to an increase of 4,710 households across the 10-year period, or **474** additional households per year (Table A2).

Table A2: Forecast household growth 2011-2021

	Population	Ave. household size	No households
2011 households (from 2011-based interim household projections) (000s)			34,589
2021 pop projected (000s)	93.7		
<i>Minus:</i> 2021 institutional pop (000s)	0.9		
2021 population (000s)	92.8	2.36	39,333
Change (000s)			4,744
Annual change (000s)			0.474
Household projections			474

A3.3 2008-2026

In order to make a comparison, the change between 2008 and 2026 can also be calculated. The number of households at 2008 can be taken from the 2011-based interim household projections as 33,322. The total population and institutional population for the years 2022-2026 can be extrapolated using the same method as used for households, by applying the percentage increase year on year of the 2010-based sub-national population projections for these years to the population at 2021.

The number of households in 2026 is calculated to be 41,143. This amounts to an increase of 7,821 households across the 18-year period, or **435** additional households per year (Table A3).

Figure A3: Forecast household growth 2008-2026

	Population	Ave. household size	No households
2008 households (from 2011-based interim household projections) (000s)			33.322
2026 pop projected (000s)	97.6		
<i>Minus:</i> 2026 institutional pop (000s)	0.9		
2026 population (000s)	96.7	2.35	41.143
Change (000s)			7.821
Annual change (000s)			0.435
Household projections			435