Report for:

Borough of Broxbourne Council

Review of Objectively Assessed Housing Need

Final Report

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jg Consulting
Quality Specialist Research

Contents

1. Introduction

Introduction

1.1 This document provides a review of housing needs in the Borough of Broxbourne for the period 2014 to 2031 and develops an objective assessment of the need for additional housing provision. The analysis fulfils the key requirements of a Strategic Housing Market Assessment (SHMA) as set out in the National Planning Policy Framework (NPPF) and CLG Planning Practice Guidance (PPG) of March 2014 (*Housing and Economic Development Needs Assessment*).

1.2 The document is a partial update to an earlier SHMA, completed for the Council in May 2013. In particular, the study considers up-to-date information; including that from ONS mid-year population estimates, the 2011 Census, 2012-based ONS subnational population projections (SNPP), the East of England Forecasting Model (EEFM) and CLG household projections (particularly the 2012-based version). This document does not constitute a full SHMA although key requirements of an SHMA are fully reviewed and updated. This includes:

- An overview of new (2011 Census) data about migration and travel to work patterns.
- An analysis of housing need using up-to-date demographic and economic data to assist in determining the objective level of housing need for Broxbourne
- A review of current 'market signals' and affordable housing need

1.3 To be clear, this report specifically focuses on the objective assessment of housing need (OAN) and updates/reviews information around a range of topics. These can broadly be summarised as:

- The definition of the Housing Market Area (HMA);
- Demographic trend based housing need;
- The relationship between jobs, population and housing;
- Affordable housing need and market signals; and
- The need for specialist housing for older people

1.4 There were a number of other analyses carried out in the 2013 SHMA which have not been reviewed in this document. Those elements of the 2013 SHMA which are not updated in this report should still be considered as sound, and provide additional information about the population and housing situation in the Borough. Specifically, analysis that has not been updated includes:

- Localised analysis (for smaller sub-areas within the Borough);
- Analysis of the mix of housing (by size); and
- The needs of particular groups (other than older people)

1.5 A number of other Local Planning Authorities were consulted on a draft of the Review of Objectively Assessed Needs between 11 March and 15 April 2016. Authorities consulted were: Enfield, Epping Forest, Harlow, Stevenage, North Herts, Uttlesford, and Welwyn Hatfield. A joint response was received from East Herts, Epping Forest, Harlow, and Uttlesford on 15 April 2016. No response was received from Enfield, Stevenage, or North Herts.

1.6 The one response received highlighted issues around the definition of the Housing Market Area and also the treatment of uplifts to housing need in response to market signals evidence. The point raised are picked up as relevant in the main body of this report.

National Planning Policy Framework

1.7 The Government published its National Planning Policy Framework (NPPF) in March 2012. The NPPF sets out that the purpose of planning is to help achieve sustainable development. It establishes a presumption in favour of sustainable development (para 14) which should be seen as a golden thread running through both plan-making and decision making. It sets out that for plan making this means:

- *Local planning authorities should positively seek opportunities to meet the development needs of their area;*
- *Local Plans should meet objectively assessed needs, with sufficient flexibility to respond to rapid change, unless:*
  - *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework as a whole; or*
  - *specific policies in the Framework indicate development should be restricted.*

1.8 Core planning principles which should underpin both plan-making and decision-making are set out in Paragraph 17. The third of these is relevant to determining housing provision, and provides that planning should:

Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of residential and business communities.

1.9 Paragraph 47 explains that the Government's ambition is to significantly boost the supply of housing. To do so LPAs should:

Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with policies in the Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period.

1.10 This is reaffirmed in Paragraph 50 which provides that local planning authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community.

1.11 A Local Plan is required to set out the strategic priorities for the area, including the homes and jobs needed. In paragraph 158 the Framework provides that:

Local Plans should be based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated and take full account of relevant market and economic signals.

1.12 Paragraph 159 explains that a Strategic Housing Market Assessment (SHMA) should form the key part of the evidence base for policies for housing provision. The Strategic Housing Market Assessment should assess full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The scope of the SHMA is defined as follows:

The Strategic Housing Market Assessment 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 in the community;*
- *caters for housing demand and the scale of housing supply necessary to meet this demand.*

1.13 All three of the bullet points above are dealt with in this report with a particular focus on the first of the three. Likely housing needs arising from analysis of a range of up-to-date information sources have been studied. These include the 2011 Census, 2012-based ONS subnational population projections (SNPP), 2012-based CLG household projections and new mid-year population estimates (the latest being published in June 2014).

National Planning Practice Guidance

1.14 Planning Practice Guidance (PPG) for England was issued by Government in March 2014. This includes Guidance on '*Housing and Economic Development Needs Assessment*s'. This specifically sets out guidance on how assessments such as this are expected to be undertaken.

1.15 The Guidance is clear that planning authorities are expected to consider the need for market and affordable housing, defining need as follows:

"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 that need."

1.16 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, with the guidance specifically stating that:

"The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, infrastructure or environmental constraints."

1.17 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 the Department for Communities and Local Government (CLG). At the time of preparation of this report these are 2012-based Household Projections.

1.18 The PPG sets out that plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to underlying demographic projections and household formation rates. It sets out that account should also be taken of the most recent demographic evidence, including the latest Office for National Statistics (ONS) population estimates.

1.19 It suggests that proportional adjustments should be made where market signals point to supply being constrained relative to long-term trends or other areas in order to improve affordability. It identifies a range of market signals, specifically:

- Land Prices;
- House Prices;
- Rents;
- Affordability;
- Rates of Development; and
- Overcrowding.

1.20 It indicates that the housing need number suggested by household projections should be adjusted to reflect appropriate market signals. Through a process of comparing trends in these indicators with long-term trends (in terms of absolute levels and rates of change) in the housing market area, similar demographic and economic areas and nationally; consideration should be given to adjust upwards planned housing numbers based solely on household projections. The adjustment should be proportionate to the degree of affordability constraints and evidence of high demand.

1.21 Evidence of affordable housing needs is also relevant, with the Guidance suggesting that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing. It sets out that:

"An increase in the total housing figures included in the local plan should be considered where it could help to deliver the required number of affordable homes."

1.22 Reinforcing the emphasis in Paragraph 159 in the NPPF on ensuring alignment of the evidence and strategies for housing and economic growth across relevant functional areas, the Planning Practice Guidance set out that:

"where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems."

1.23 It cautions against reducing migration assumptions based on economic evidence unless this approach is agreed with other local planning authorities under the duty to cooperate.

Planning Advisory Service (PAS) – technical advice note

1.24 In June 2014 PAS published a technical advice note *'Objectively Assessed Need and Housing Targets'*. The advice has no official status but has been developed based on existing good practice and the recommendations of Planning Inspectors. This advice note was updated in July 2015 (Second edition). Where relevant, key parts of the PAS guidance have been quoted within this report – this is particularly in relation to affordable housing need.

The 2013 Strategic Housing Market Assessment (SHMA)

1.25 The 2013 SHMA set out a detailed analysis of overall housing need (including the need for affordable housing). On the basis of demographic trends observed at the time it was concluded that the overall need for housing was somewhere in the range of 230 to 270 homes per annum. The conclusions were based on a view about both short- and long-term migration trends and also the balance between job forecasts and the likely increase in the local labour force (and the level of housing that might be required to house a growing workforce).

1.26 The 2013 SHMA also identified a significant need for affordable housing (a finding which was consistent with past research).

1.27 The analysis was based on the information available at the time; much of this has now been superseded – this includes up-to-date information about demographic trends and population growth, updated economic forecasts and new household projections. The up-to-date information feeds into the analysis in this report.

1.28 The SHMA also identified those areas with which the Borough has the strongest links in terms of migration and travel to work patterns and therefore set out the locations with which the 'Duty to Cooperate' was strongest. On the basis of the information available at the time, particularly strong links were identified with Enfield and East Hertfordshire. Initial analysis below studies more up-to-date information about the linkages of Broxbourne to other locations.

Defining the Housing Market Area

1.29 This report does not seek to provide a detailed assessment of Housing Market Areas (HMA) although there is merit in briefly analysing data and past research to test the HMAs which influence the Borough, or on which the Borough has particularly strong links. The PPG says that:

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

1.30 Housing market areas can be broadly defined by using three different sources of information as follows:

- House prices and rates of change in house prices
- Household migration and search patterns
- Data about travel to work area boundaries, retail and school catchment areas

1.31 The majority of studies looking at HMA boundaries focus on migration and travel to work data and it is generally considered that a self-containment rate of around 70% provides evidence for defining a HMA. Self-containment in the context of this means that 70% of people both live and work in an area (i.e. less than 30% commute out or less than 30% of local workers commute in) or in the case of migration an area where 70% of movers remain (excluding long distance moves such as due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools.

1.32 The most recent national analysis of HMAs is contained in 2010 CLG research (The Geography of Housing Market Areas in England). This research places Broxbourne as part of a London 'strategic' HMA as well as being within a London 'single tier' HMA. The research also identifies 'local' HMAs which for Broxbourne shows a HMA titled London (North) – this HMA is smaller than either the strategic or single-tier HMAs. All of Broxbourne is considered to be in the London North HMA, along with all of Enfield and Hackney, most of Haringey and parts of Hertsmere, Welwyn Hatfield, Barnet and Islington. Very small parts of Tower Hamlets and Epping Forest are also identified as being in this HMA. Overall, the evidence from the CLG research is that Broxbourne is very strongly linked to London and forms part of a much wider housing market area.

1.33 Analysis of 2011 Census data shows that Broxbourne has relatively low levels of self-containment when looking at either migration or travel to work; but confirms (as in the 2013 SHMA) the strongest links to be with Enfield and East Hertfordshire.

1.34 The table below shows that around 45%-50% of people with a different address at the time of the Census compared to one year earlier had previously lived in Broxbourne. These figures rise to 46%-53% if long-distance moves are excluded (taken in this analysis to exclude moves originating or finishing outside of the London or East of England region). This analysis is slightly imperfect due to the lack of specific data for international out-migrants but does clearly identify that migration excluding long-distance moves is well below 70%.

Figure 1.1: Broxbourne – Migration self-containment (2011)	
Moves within Broxbourne	3,467
Moves from East of England region & London	3,426
Moves to East of England region & London	3,095
Moves from elsewhere (United Kingdom & abroad)	906
Moves to elsewhere (United Kingdom)	912
Inward migration self-containment (including long distance moves)	44.5%
Inward migration self-containment (excluding long distance moves)	50.3%
Outward migration self-containment (including long distance moves)	46.4%
Outward migration self-containment (excluding long distance moves)	52.8%

Source: 2011 Census

1.35 The Census data can also be used to look at the locations people have moved from and to. The table below shows that the main destinations are East Hertfordshire and Enfield. The analysis shows a notable movement of people from Broxbourne to East Herts, with Enfield seeing a significant net migration in the opposite direction. Generally, the data shows a flow of people from London and a flow of people from Broxbourne to other part of the East of England region and the rest of the UK. The table shows all areas where there was a flow (either in or out) of at least 100 people recorded in the 2011 Census. The Census source does not allow an estimate of net international migration to be undertaken although this is considered when looking at demographic projections later in this report.

Figure 1.2: Locations of migrants moving to and from Broxbourne			
	Moved from Broxbourne to…	Moved to Broxbourne from…	Net migration to Broxbourne
Broxbourne	3,467	3,467	0
East Hertfordshire	793	437	-356
Epping Forest	233	267	34
Harlow	181	93	-88
Welwyn Hatfield	167	166	-1
Barnet	65	136	71
Enfield	394	1,195	801
Haringey	29	207	178
Waltham Forest	54	112	58
Rest of East	840	356	-484
Rest of London	339	457	118
Rest of UK	912	509	-403
Total UK moves	7,474	7,402	-72
Abroad (outside UK)	NA	397	NA

Source: 2011 Census

1.36 The figure below shows analysis of commuting patterns. The data shows that there is a net out-commuting to work of about 7,350 people. In terms of self-containment the commuting data suggests something in the region of 45%-54% depending on whether or not inward or outward commuting is considered. As with the migration data this suggests a low level of self-containment.

Figure 1.3: Travel to work patterns in Broxbourne (2011)	
Live and work in Borough	11,623
Home workers	3,949
No fixed workplace	5,364
Out-commute	25,463
In-commute	18,194
Work offshore or abroad	82
Inward commuting self-containment	53.5%
Outward commuting self-containment	45.0%

Source: 2011 Census

1.37 Analysis has also been carried out to look at the locations where people live and work. The table below shows (as with migration data) that the key links for Broxbourne are with East Herts and Enfield. A 'direction of travel' can also be seen in the data with a notable level of net in-commuting from areas to the north of the Borough but out-commuting from Broxbourne to London.

1.38 On the basis of the levels of migration and commuting patterns it is clear that Broxbourne cannot be considered as a self-contained housing market area. However, identifying an area for analysis is difficult given that the strongest links are with Enfield and East Herts. In the case of Enfield, it is probably not feasible to undertake a joint analysis of housing need, this is due to Enfield being part of London and already subject to London-wide analysis by the Greater London Authority (GLA). The most recent GLA analysis has recently been accepted by an inspector at the Further Alterations to the London Plan (FALP) inquiry. Regarding East Herts, there would potentially be some merit in joint working on evidence bases; however, the 2010 CLG research into housing market areas does not place the two local authorities together. In that analysis, East Herts is largely placed in either a Harlow or Stevenage 'local' housing market. Indeed, East Herts has been progressing its own SHMA, working in conjunction with Epping Forest, Harlow and Uttlesford. Hence whilst for Broxbourne, the link with East Herts is particularly strong, it does seem as if East Herts itself has stronger links with other areas.

1.39 Overall, it is concluded that it is reasonable for Broxbourne to progress its own evidence base with regard to housing need (given the difficulties in sensibly working with other locations given their own housing market geographies). However, the strong links with adjoining areas (particularly Enfield and East Herts) does need to be recognised as part of the plan making process. It will therefore be important for the Council to fully engage with these areas (and indeed other neighbouring authorities) in line with the Duty to Cooperate – this is likely to have a particular focus on housing numbers.

Figure 1.4: Commuting patterns to and from Broxbourne			
	Live in Broxbourne, work in…	Work in Broxbourne, live in…	Net commute to Broxbourne
Broxbourne	11,623	11,623	0
Central Bedfordshire	27	261	234
East Hertfordshire	3,553	3,601	48
Epping Forest	1,576	1,781	205
Harlow	1,003	1,398	395
Hertsmere	675	254	-421
Luton	59	220	161
North Hertfordshire	177	442	265
St Albans	328	330	2
Stevenage	304	439	135
Uttlesford	188	285	97
Welwyn Hatfield	1,526	722	-804
Barnet	786	377	-409
Camden	786	55	-731
Enfield	5,002	2,203	-2,799
Hackney	405	146	-259
Haringey	942	309	-633
Islington	728	136	-592
Redbridge	165	260	95
Southwark	289	62	-227
Tower Hamlets	639	83	-556
Waltham Forest	399	363	-36
Westminster, City of London	2,837	44	-2,793
Rest of East	810	1,642	832
Rest of London	1,458	1,066	-392
Elsewhere in UK	801	1,715	914
Mainly work at or from home	3,949	-	-
No fixed place	5,364	-	-
Offshore installation	39	-	-
Outside UK	43	-	-

Source: 2011 Census

Summary – Introduction

The National Planning Policy Framework (NPPF) sets out that Local Plans should seek to meet objectively-assessed development needs in their areas where feasible and should plan to deliver a mix of housing based on current and future demographic trends, market trends and the needs of different groups within the community.

The NPPF provides greater policy freedoms regarding development densities, levels of brownfield development and site size thresholds for affordable housing. In determining affordable housing policies, account though needs to be taken of wider policies in the Plan including sustainability standards, infrastructure policies, its relationship to CIL and wider economic viability.

National Planning Policy Guidance (PPG) provides some clarity about how parts of the NPPF should be interpreted. This is particularly in relation to calculating Objectively Assessed Needs for housing, although guidance is also provided around affordable housing needs, market signals, housing market area definitions and the needs of specific groups in the population.

Development needs should be met at a housing market area level with a 'duty to cooperate' with adjoining local authorities where it is clear that cross-boundary linkages exist. On the basis of studying up-to-date information from the 2011 Census it is considered that Broxbourne is not a self-contained housing market area but that housing market geographies make it difficult for the Borough to meaningfully work with the locations with which the strongest links are identified. It is therefore recommended that the Council can progress its own evidence base and that duty to cooperate concentrates on discussions with Enfield and East Hertfordshire.

This report is structured around the key requirements of the PPG and is split into a number of sections which build up an understanding and analysis of the housing market and housing need in the Borough of Broxbourne. The sections that follow are:

- Trend-based Demographic Projections
- Economic-led Projections
- Affordable Housing Need
- Housing Market Dynamics and Market Signals
- Conclusions – Overall Housing Needs

2. Trend-based Demographic Projections

Introduction

2.1 In this section consideration is given to demographic evidence of housing need and trend-based projections. Such projections are critical to the SHMA process and this is emphasised in the NPPF (para 158) which states that local planning authorities should prepare a SHMA to identify the scale of housing which *'meets household and population projection, taking account of migration and demographic change'*.

2.2 The importance of such projections can also be seen in the PPG which states [2a-015] that *'household projections published by [CLG] should provide the starting point estimate of overall housing need'*. The CLG projections are directly linked to ONS subnational population projections (SNPP). Further emphasis is put on the CLG projections in 2a-017 where it is noted that *'the household projections… are statistically robust and are based on nationally consistent assumptions'*.

2.3 However, the PPG also identifies [2a-014] that *'establishing future need for housing is not an exact science. No single approach will provide a definitive answer'* and in 2a-017 notes that *'plan makers may consider sensitivity testing, specific to their local circumstances'* – this is particularly related to evidence that there have been particular events which may have impacted on migration or the profile of the local population. Furthermore, the PPG notes [2a-016] that *'where possible, local needs assessments should be informed by the latest available data'* – this is relevant in this area due to new population estimates having been published since the release of the last SNPP.

2.4 The PAS technical advice note provides some additional detail about sensitivity testing and in particular advises (para 6.24) that it is advisable to test alternative scenarios based on a longer reference period (e.g. looking at migration trends over the past 10- to 15-years) in addition to consideration of the SNPP (which uses data from the previous 5-6 years). The PAS technical advice note also highlights the issue of Unattributable Population Change (UPC) – UPC is an adjustment made by ONS for discrepancies between Census data and annual monitoring. PAS states (para 6.35) that *'plan makers may take a view that the UPC, or part of it, should be included in the base period as past migration'*.

2.5 On the basis of the wording in both the PPG and the PAS technical advice note a number of observations can be made which are relevant to the assessment of trend-based demographic projections:

- CLG household projections (which link to ONS population projections) are robust and should be used as the 'start point' for assessing housing need;
- These projections can be sensitivity tested where there is evidence of changes over time (e.g. short-term changes to migration patterns) or where UPC may be related to recorded migration levels; and
- Up-to-date information should be used where possible and this will include later releases of ONS mid-year population estimates (MYE)

2.6 It is considered in looking at sensitivities to demographic projections that the suggested level of need can go down as well as up. This is on the basis of a 'common sense' approach whereby any increase in migration in one area will come with a commensurate decrease in other locations. It is also recognised that levels of population growth for individual local authorities (nationally) will need to sum to the total level of growth projected nationally (through ONS national population projections). This latter point is slightly complicated by a new set of national projections (published in October 2015 (2014-based)) which suggest population growth (2014-37) to be 6% higher than in the previous (2012-based) version.

2.7 In considering whether or not projections can be increased or decreased from ONS figures some general trends should also be understood. In particular, it has been evident since about 2008 (the start of recession) that population growth has been relatively strong in many urban areas – this looks to be driven by a reduced trend of out-migration from such locations (which is likely to be linked to factors such as mortgage finance constraints). This has meant that more rural locations have typically seen lower levels of population growth than previously. These trends have not been observed universally across different types of locations but can give an insight into whether or not it is reasonable to move away from official projections.

2.8 In understanding what a reasonable projection is a number of factors can be considered. In particular, this would include overlaying past and projected population growth (to see if there is a correlation) and also to compare past and projected levels of migration – this needs to recognise that migration may well be expected to change over time as the age structure of the population changes.

2.9 Overall, it is clear that developing the most reasonable and realistic projections for housing need is far from straightforward and will involve a degree of professional judgement. The need for judgment can clearly be seen in a recent High Court case in Kings Lynn (CO/914/2015) where it is noted that *'this is a statistical exercise involving a range of relevant data for which there is no one set methodology, but which will involve elements of judgment about trends and the interpretation and application of the empirical material available'*.

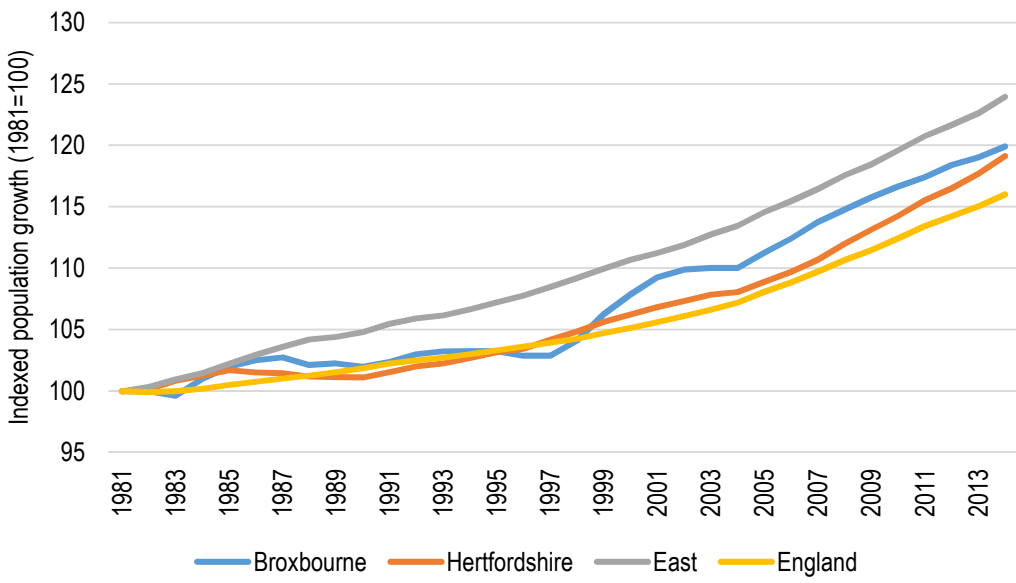
2.10 The core projections in this section look at housing needs in the period from 2014 to 2031. The choice of start date is driven by the date at which there is a good baseline of information about population size and age structure (from the 2014 ONS mid-year population estimates (MYE)) with the end date being selected to align with the likely end date of the next Borough Local Plan.

Demographic profile of Broxbourne

2.11 The population of Broxbourne in 2014 is estimated to be 95,700, this is an increase of 8,500 people since 2001 – a 9.7% increase over the 12-year period. This level of population growth is lower than seen across Hertfordshire (11.5%) and the Eastern region (11.4%) and is roughly the same as for the whole of England (9.8%).

2.12 We can also consider longer-term trends in population growth with data being available back to 1981. The figure below shows that the population of Broxbourne grew quite modestly until 1997; this was followed by a period of notable increase. Over the long-term period (from 1981) the population of the Borough grew at a faster rate than seen nationally or across Hertfordshire – overall growth is however some way below the level seen in the East of England region.

Figure 2.1: Indexed population growth (1981-2014)

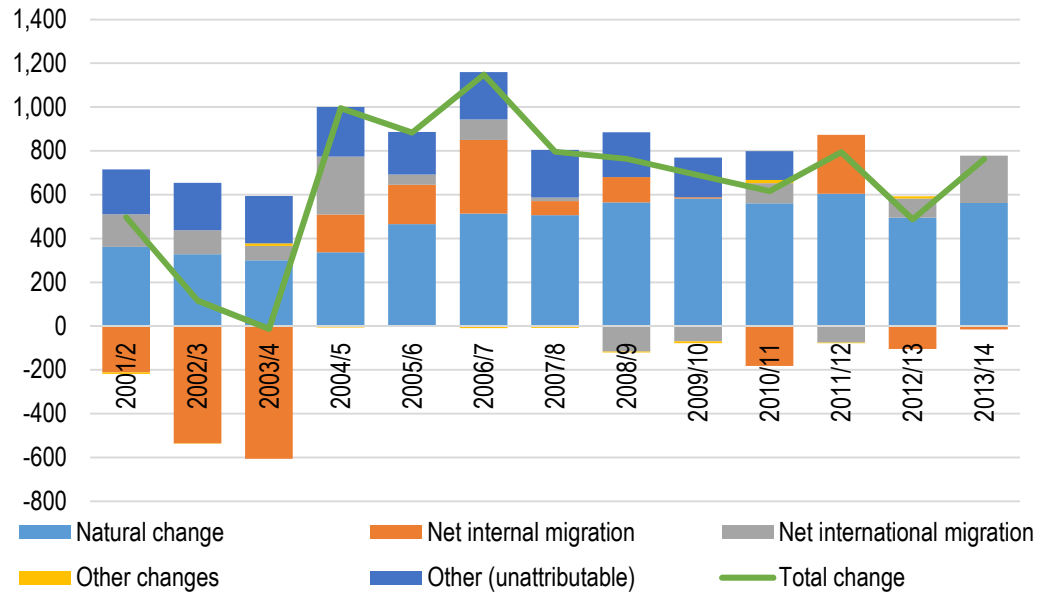


Source: ONS

2.13 The figure and table below considers the drivers of population change in the Borough. Population change is largely driven by natural change (births minus deaths) and migration, although within ONS data there is also a small other changes category (mainly related to armed forces and prison populations) and an unattributable population change (UPC) – this is an adjustment made by ONS to mid-year population estimates where Census data suggests that population growth had either been over- or under-estimated in the inter-Censal years. Because UPC links back to Census data a figure is only provided for 2001 to 2011.

2.14 The figure shows that natural change is a key driver of population change. Throughout the period studied, natural change has been positive and at a level averaging around 480 more births each year than deaths. Migration is also a significant component, although this is quite variable over time. Net migration (combining internal (i.e. moves from one part of the Country to another) and international migration) shows figures varying from a net out-migration of 540 in 2003/4 to a net in-migration of 437 in 2004/5. The average level of migration for the whole of the period studied is just 28 people per annum – made up of net international migration of 68 people each year and net internal out-migration of 40. Other changes are quite small whilst UPC can be seen to be positive for those years where data is available. This suggests that the ONS components of change may have under-estimated past growth compared with what actually happened. We will return to discuss the impact of UPC on future population growth estimates later in this section.

Figure 2.2: Components of population change, mid-2001 to mid-2014 – Broxbourne



Source: ONS

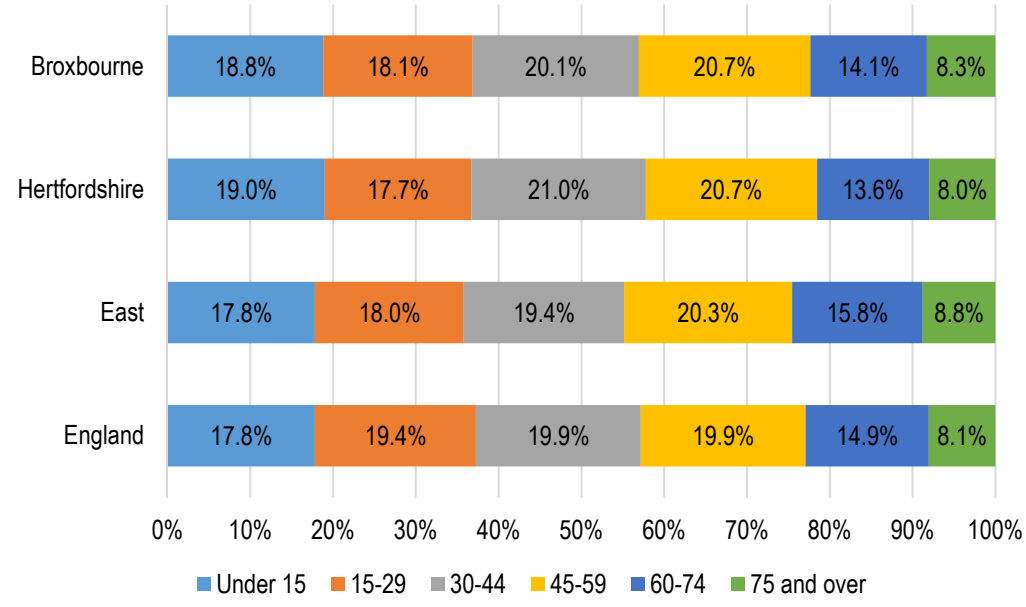
Figure 2.3: Components of population change (2001-14) – Broxbourne

Year	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	362	-211	149	-8	205	497
2002/3	328	-536	109	-1	217	117
2003/4	300	-606	66	11	217	-12
2004/5	337	173	264	-6	227	995
2005/6	465	180	47	-3	195	884
2006/7	514	336	93	-10	216	1,149
2007/8	507	63	17	-8	218	797
2008/9	565	115	-117	-3	205	765
2009/10	582	6	-69	-10	181	690
2010/11	561	-182	91	15	132	617
2011/12	605	268	-75	-3	-	795
2012/13	494	-105	88	11	-	488
2013/14	562	-15	216	0	-	763

Source: ONS

2.15 The age profile of the population of Broxbourne is similar to that seen across Hertfordshire and England. It is however slightly different to the regional picture; with a lower proportion of older people. As shown in the figure below, some 22% of the population is aged 60 and over, compared with 22% across Hertfordshire, 25% regionally and 23% for the whole of England.

Figure 2.4: Population age profile (2014)



Source: ONS Mid-Year Population Estimates

2.16 The table below shows how the age structure of the population has changed over the 2001 to 2014 period. The data shows the most significant growth to have been in the 45-59 and 75 and over age groups. The analysis also indicates a decline in the population aged 30-44 along with a small increase in the number of children (people aged under 15). The growth in the older person population is consistent with trends observed both regionally and nationally.

Figure 2.5: Change in age structure 2001 to 2014 – Broxbourne

Age group	2001	2014	Change	% change
Under 15	17,000	18,000	1,000	5.9%
15-29	15,800	17,300	1,500	9.5%
30-44	20,500	19,200	-1,300	-6.3%
45-59	16,800	19,800	3,000	17.9%
60-74	11,700	13,500	1,800	15.4%
75 and over	5,400	7,900	2,500	46.3%
Total	87,200	95,700	8,500	9.7%

Source: ONS Mid-Year Population Estimates

What is the Starting Point to Establish the Need for Housing?

2.17 The NPPG states that *'household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need. The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics. Projected household representative rates are based on trends observed in Census and Labour Force Survey data'.*

2.18 The most up-to-date projections are the 2012-based CLG household projections published in February 2015. These projections were underpinned by ONS (2012-based) subnational population projections (SNPP) – published in May 2014. The analysis therefore initially considers the validity of the population projections and their consistency with past trends.

2012-based subnational population projections

2.19 The latest set of subnational population projections (SNPP) were published by ONS on the 29th May 2014. They replace the 2010- and 2011-based projections. Subnational population projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2012-based national population projections. The new SNPP are largely based on trends in the 2007-12 period (2006-12 for international migration trends). The SNPP are only population projections and do not contain headship rates (which are needed to convert into household estimates).

2.20 They are not forecasts and do not attempt to predict the impact that future government or local policies, changing economic circumstances or other factors might have on demographic behaviour. The primary purpose of the subnational projections is to provide an estimate of the future size and age structure of the population of local authorities in England. These are used as a common framework for informing local-level policy and planning in a number of different fields as they are produced in a consistent way.

Overall Population Growth

2.21 The table below shows projected population growth from 2014 to 2031 in each of Broxbourne and a range of comparator areas. The figures for different areas are all taken from the most recent projections; in the case of data for Hertfordshire, the East of England and England, this uses information from the 2012-based subnational population projections, whereas for Broxbourne the data has been updated to 2014 to take account of ONS mid-year population data; moving forward from 2014 the analysis assumes the same birth and death rates as in the 2012-based SNPP and the same levels of migration. This means in terms of a projection that different areas can be compared on a like-for-like basis, the only real difference being that the base population in 2014 for Broxbourne reflects more up-to-date population estimates.

2.22 The data shows that the population of the Borough is expected to grow by around 13,200 people; this is a 13.8% increase – somewhat below that expected across Hertfordshire (16.8%) and in-line with the regional figure (of 14.1%). The population growth is however expected to be somewhat stronger than nationally (11.4%).

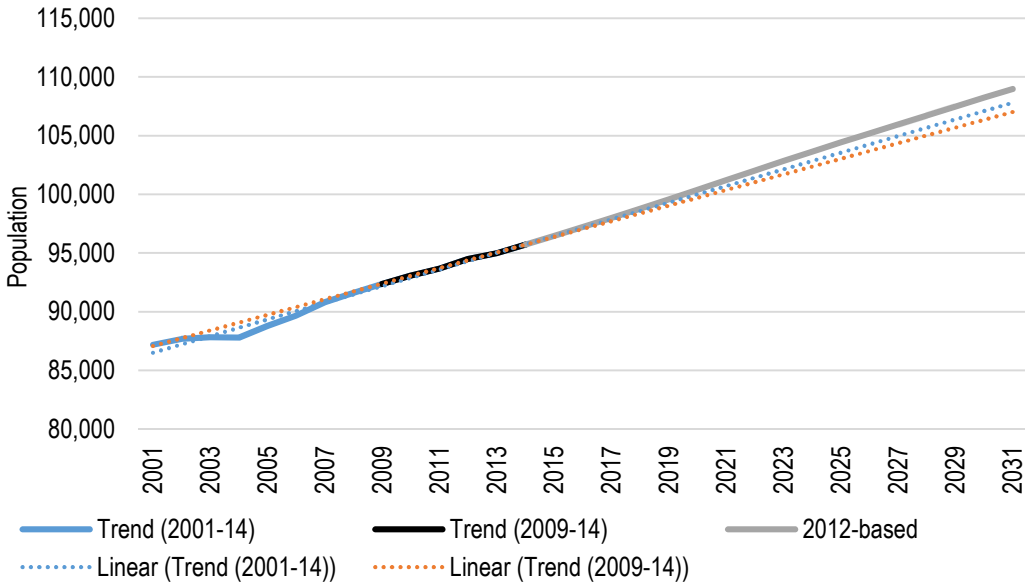
Figure 2.6: Projected population growth (2014-2031)

	Population 2014	Population 2031	Change in population	% change
Broxbourne	95,748	108,987	13,239	13.8%
Hertfordshire	1,150,500	1,344,100	193,600	16.8%
East	6,001,100	6,844,900	843,800	14.1%
England	54,227,900	60,418,800	6,190,900	11.4%

Source: ONS

2.23 The figure below shows past and projected population growth in the period 2001 to 2031 for Broxbourne. The data also plots a linear trend line for the last five years for which data is available (2009-14) and also a longer-term period from 2001 to 2014 – this being the longest period for which reasonable data about the components of population change (e.g. migration) is available. The data shows that the population is expected to grow at a rate which is very slightly above both short- and long-term changes.

Figure 2.7: Past and projected population growth – Broxbourne



Source: ONS

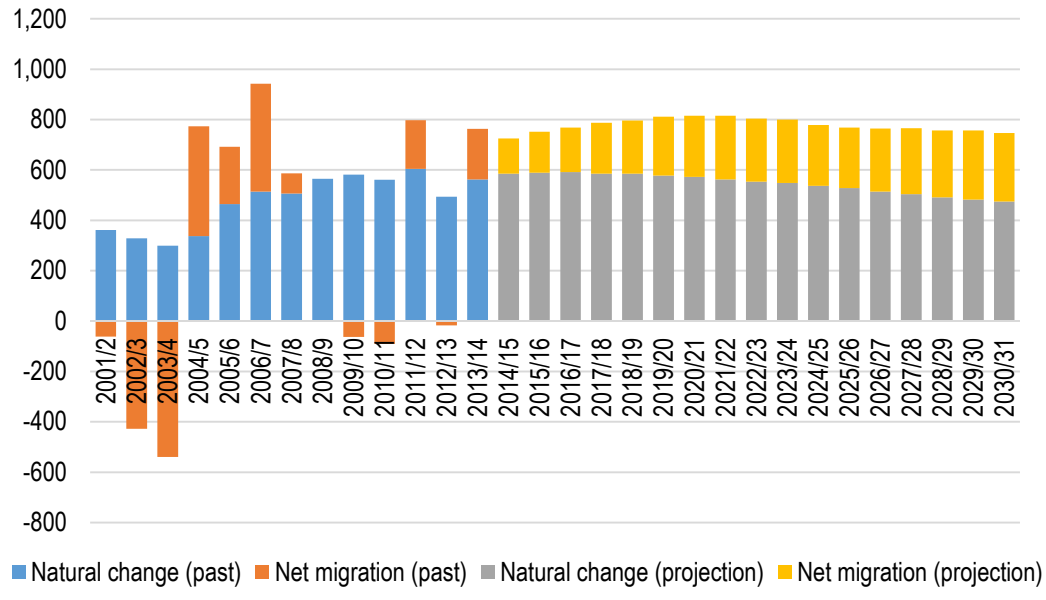
2.24 Looking at the figure above, we conclude that the SNPP is a reasonable projection to take forward into household growth modelling. Potentially an adjustment could be considered to take account of the Unattributable Population Change (UPC). However, this would increase population growth and would be likely to see future growth below being significantly out of kilter with trend levels and therefore not a 'reasonable' alternative. An alternative projection considering an adjustment for UPC is provided later in this section.

Components of population change

2.25 The figure below brings together data about migration (both past trends and the future projection) along with information about natural change. The data only includes migration and natural change (and excludes past estimates of UPC and other changes – neither of these feature as part of the ONS projection methodology). This shows that natural change is expected to be significant over the period but at a slightly declining rate from about 2017. There is also expected to be a notable level of net in-migration. The level of net in-migration is expected to increase over time and in overall population growth terms this largely offset by the reducing level of natural change.

2.26 When compared with the past trends in migration the figures look to be quite high, and certainly not supressing future population growth. When looking at migration it is notable for the whole of the projection period (2014-31) that the average level of migration is expected to be around 231 people (net) per annum – this figure compares with net in-migration of 45 people per annum over the last five years and a figure of 28 if the average from 2001 to 2014 is considered. Future migration is therefore projected to be about 200 people per annum (on average) higher than has been seen in past trends. An alternative projection looking at the implications of longer-term migration trends can be found later in this section.

Figure 2.8: Components of population change, mid-2001 to mid-2031 (summary chart) – Broxbourne



Source: ONS

Age Structure Changes

2.27 With growth in the population will also come age structure changes – the table below summarise the findings for key (15-year) age groups under the 2012-based SNPP. The data shows that largest growth will be in people aged 60 and over; it is estimated that there will be 29,700 people aged 60 and over in 2031 – this is an increase of 8,200 from 2014, representing growth of 38%. The population aged 75 and over is projected to increase by an even greater proportion, 48%. Looking at the other end of the age spectrum the data shows that there are projected to be around 15% more people aged under 15 with smaller increases shown for other age groups.

Figure 2.9: Population change 2014 to 2031 by fifteen-year age bands (2012-based SNPP)				
Age group	Population 2014	Population 2031	Change in population	% change from 2014
Under 15	17,970	20,667	2,697	15.0%
15-29	17,258	17,951	693	4.0%
30-44	19,187	20,505	1,318	6.9%
45-59	19,827	20,180	353	1.8%
60-74	13,553	17,919	4,366	32.2%
75+	7,953	11,765	3,812	47.9%
Total	95,748	108,987	13,239	13.8%

Source: ONS

Household Growth

2.28 Having studied 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 the concept of headship rates is used. 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)).

2.29 With the publication of new 2012-based CLG household projections a new set of headship rates is now available. These rates are considered to be more positive than the previous set (2011-based) and typically suggest higher rates of household growth for a given population. At a national level (in the 2012-21 period considered by CLG) the new projections show 10% higher growth in households, for Broxbourne the figure is notably higher (at 15%).

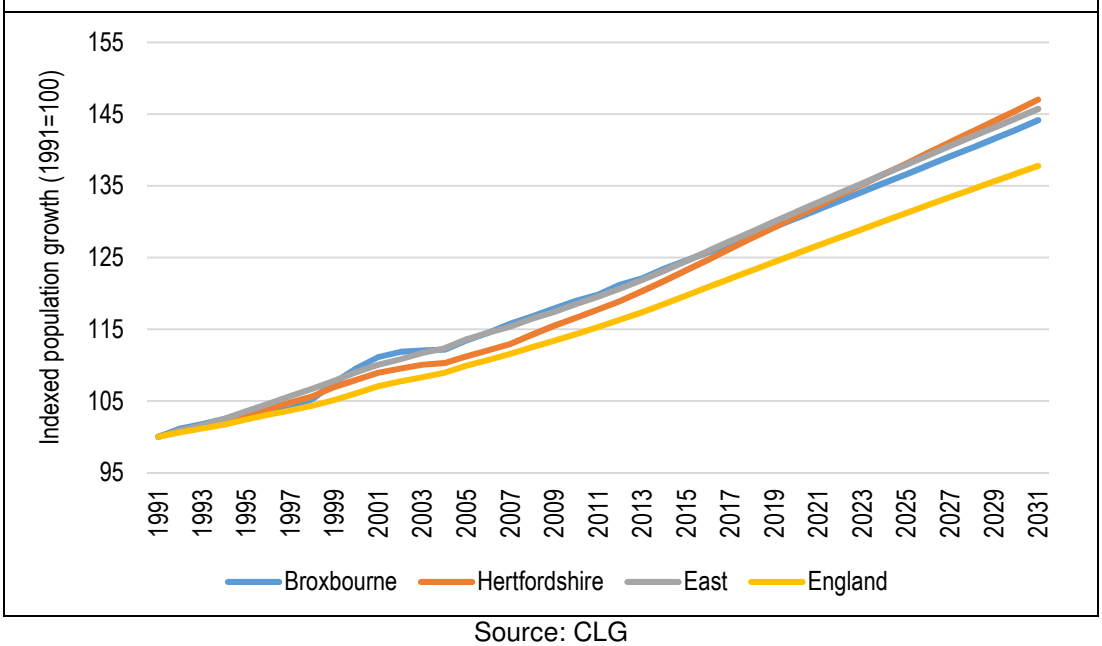
2.30 The table below shows expected household growth in the 2012-based projections from 2014 to 2031 for Broxbourne and a range of other areas. The figures for Broxbourne do not exactly match the CLG projections as we have included ONS population estimates for 2014, all other areas show the data as published (this does not impact on the comparison of future trends). The data suggests an increase in households of about 6,500 over the 17-year period – this is a 17% increase; lower than expected across Hertfordshire and the East of England region and slightly above the rate expected nationally.

Figure 2.10: Projected household growth (2014-2031)				
	Households 2014	Households 2031	Change in households	% change
Broxbourne	38,854	45,371	6,517	16.8%
Hertfordshire	470,719	568,376	97,657	20.7%
East	2,503,597	2,961,244	457,647	18.3%
England	22,718,084	26,406,679	3,688,595	16.2%

Source: CLG

2.31 The figure below shows household growth back to 1991 and projected forward to 2031. The analysis shows that growth in Broxbourne has broadly tracked County and regional figures and is at a rate some way above that observed nationally. In all areas there is some evidence of a slight acceleration in growth rates from about 2012 onwards – this is consistent with the view that the new projections are taking a more positive view about household formation rates.

Figure 2.11: Indexed household growth (1991-2031)



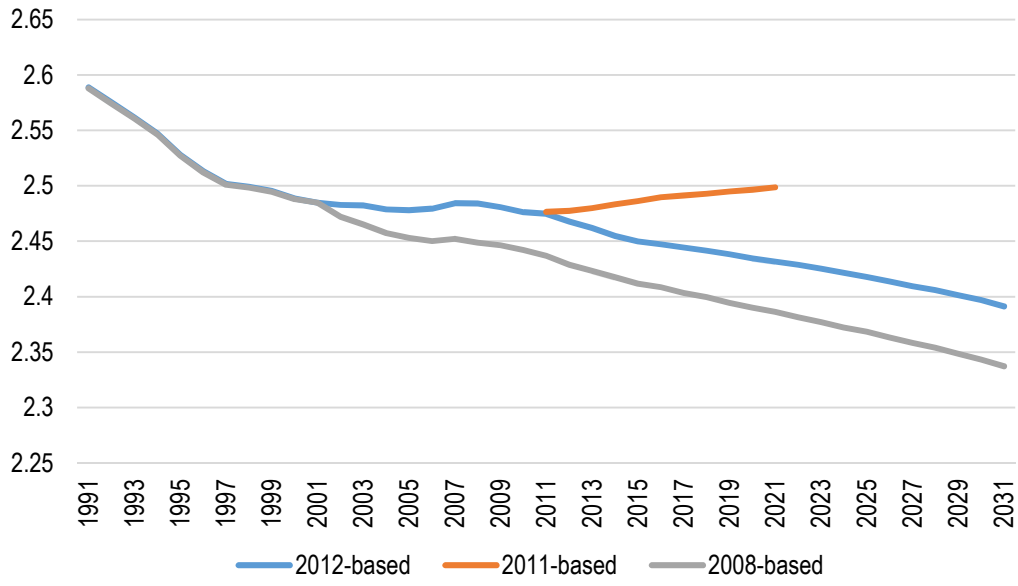
Source: CLG

2.32 To provide a headline assessment of the impact of the 2012-based household projections we can make a comparison of average household sizes. The figure below shows this based on each of 2012-, 2011- and 2008-based CLG household projection data. The data does show the 2012-based figures being significantly more positive than the 2011-based version. This can be seen by the newer projections expecting a decrease in average household sizes over time compared with the increase expected by the 2011-based figures (at least in the period to 2021).

2.33 The data also shows little change in average household sizes from 2001 to 2011 – this is a period where it is considered that there was some suppression in the housing market and this trend would tend to suggest that such suppression is evident in the Borough. Moving forwards, average household size is expected to fall at a rate which is in-line with what the past trends might suggest – if for example we look at the 1991-2011 period which includes both a period of relative buoyancy in the housing market and a period of constraint.

2.34 Data from the 2008-based projections has also been included. This shows that average household sizes are above what might have been expected from this earlier release of data. However, looking at the period from 2012 the data suggests that the future trajectory in the 2012-based version is not much different. Hence at face value it does look as if the new projections are returning rates of change to those experienced in the longer-term.

Figure 2.12: Past and projected trends in Average Household Size – Broxbourne



Source: Derived from ONS and CLG data

2.35 It is also useful to understand how the different CLG projections impact on assumptions for different age groups. The figure below shows the headship rates used in each of the projections. Overall the 2012-based projections look fairly sound with levels and rates of change being not dissimilar to those in the earlier (pre-recession) 2008-based projections.

2.36 There are two age groups where there is a notable difference between the 2012- and 2008-based CLG household projections. The first is for the population aged 25-34; in this age group there has been a notable decline in household formation rates from 2001 to about 2011. However, moving forward, the 2012-based projections are expecting the formation rate in this age group to level off, suggesting that no suppression of household formation is being built into the forward projections.

2.37 In looking at the 25-34 age group it is also useful to look at the 35-44 age group (noting that people aged 25-34 in say 2011 with be aged 35-44 by 2021). The 35-44 age group shows some increases in formation rates moving forward from 2011 and it is noteworthy throughout the period 2031 that the headship rate of this age group is typically at or above the level shown in 2001 (i.e. there is no suggestion of any suppression in this age group either in the past or projected forward).

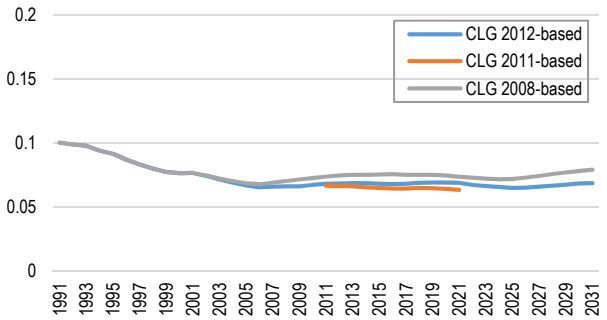
2.38 This analysis also suggests that the extent to which there is a suppression in the 25-34 age group, it is expected that this will not remain as a supressed household formation – the analysis would suggest that all of the households who might be expected to form will do so, it's just that some of this formation might be delayed (i.e. households who might historically been expected to form when aged 25-34 will now form when aged 35-44). Overall, therefore levels of household growth will over a period of time (e.g. to 2031) fully reflect the needs of the local population with no suppression being evident in the long-term.

2.39 The second age group where a difference can be observed is for the population aged 85 and over. In this case the 2008-based projections expected an increase in the rate in the 2001-11 period followed by decline thereafter. In contrast the 2012-based projections show a decline in the 2001-11 period which is expected to continue. Given improved life expectancy and the likelihood as a result that people will remain as couples later into life a downward trend is to be expected. Therefore, on balance the rates suggested in the 2012-based projections (both in the past and moving forward) look to be more reasonable than the 2008-based projections.

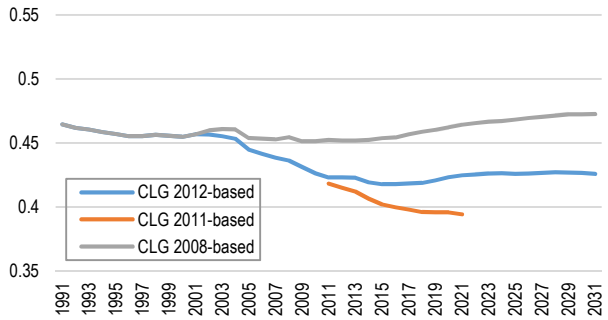
2.40 One additional age group worthy of mention is the population aged 35-44. This age group can be considered 'younger' and therefore might have been expected to show some constraint in household formation through the 2001-11 decade. However, the 2012-based projections suggest that household formation rates in this group have remained roughly constant over time and are actually expected to increase in the future. This again shows the relatively 'positive' nature of the 2012-based household projections.

Figure 2.13: Projected household formation rates by age of head of household – Broxbourne

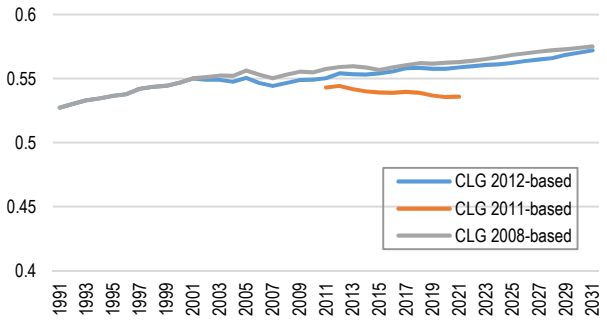
15-24



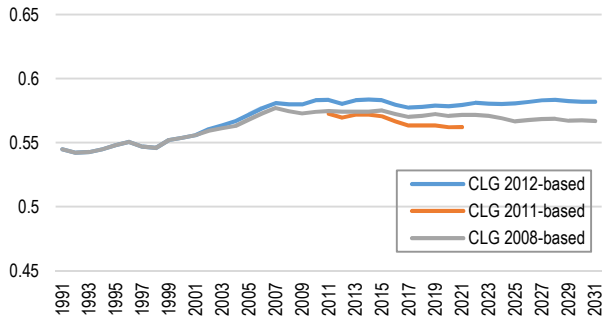
25-34



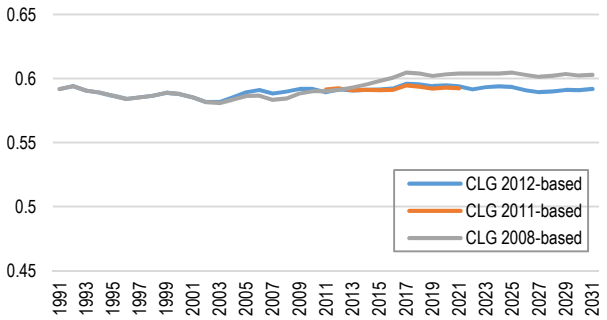
35-44



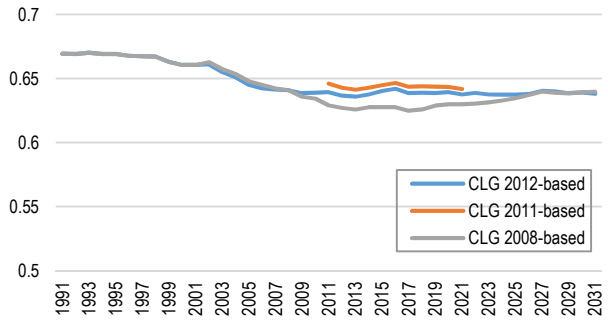
45-54



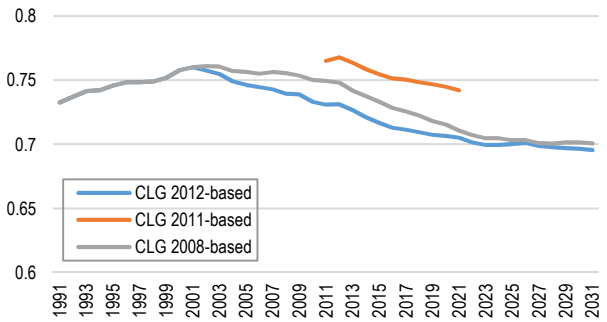
55-64



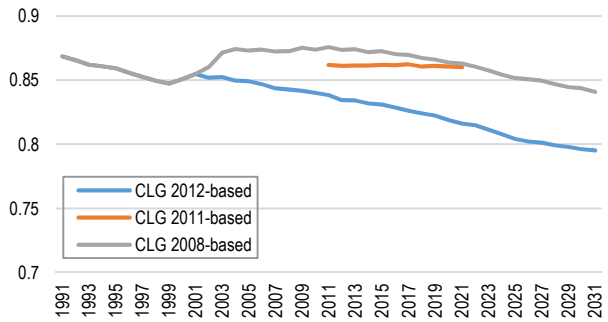
65-74



75-84



85 and over

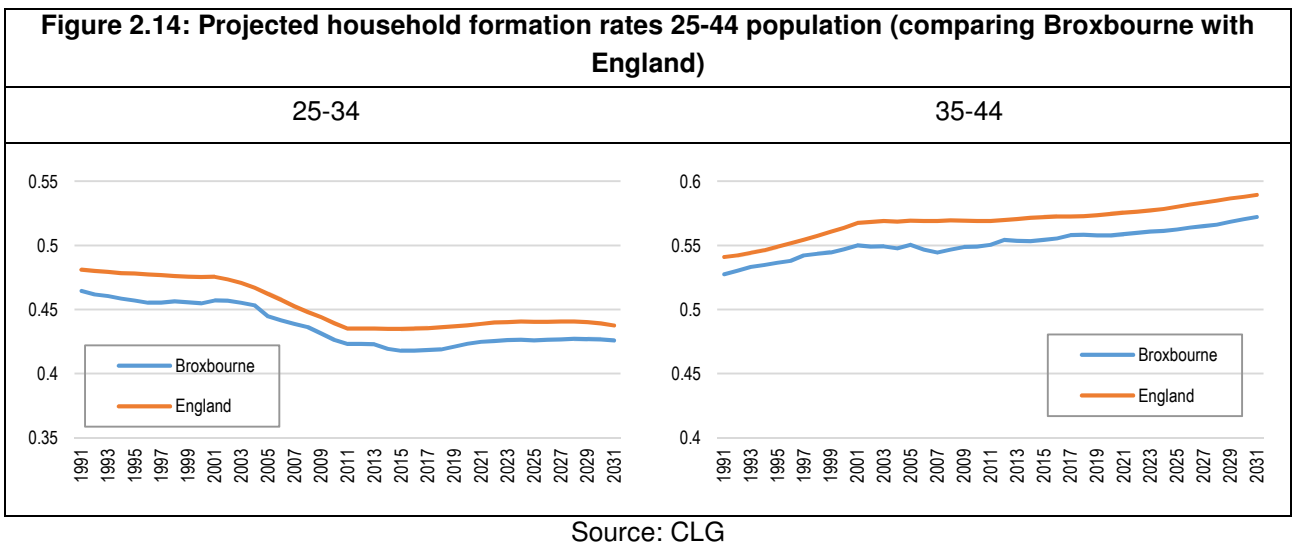


Source: CLG

2.41 Overall, therefore, it can be concluded that the household formation rates within the 2012-based household projections are sound and can be used to take forward without amendments into the modelling of housing need. It is however noted that household formation rates of the younger population (aged 25-34) are expected to remain below historical levels (e.g. in 2001 when the rate started to drop), although such households are still expected to form (but some not doing so until they are aged 35-44). On that basis there is merit in considering if changes to the formation rates of the 25-34 age group could be brought forward to enable access to housing at the sort of ages seen typically in the past. This point is considered as part of the market signals section later in this report.

2.42 A final analysis on this topic seeks to understand if the situation in Broxbourne is in any way different to the national position with figures below focussing on the 25-34 and 35-44 age groups (these being the two age groups which are commonly cited as potentially seeing suppression). From this analysis, it is clear that both past trends and the future projection in Broxbourne are similar to the situation nationally; there is no specific local evidence of a substantially different level of suppression in Broxbourne that needs to be addressed through the baseline projections in this section (although as noted in the previous paragraph the situation of the 25-34 age group is considered further in response to market signals evidence).

Figure 2.14: Projected household formation rates 25-44 population (comparing Broxbourne with England)



Source: CLG

2.43 As noted, it is considered that the 2012-based headship rates are sound, and are preferable to looking back to previous releases of the same data (e.g. the 2008-based household projections). This position garners some support from a range of academic publications and guidance documents which are briefly discussed below.

2.44 The late Alan Holmans (new estimates of housing demand and need in England – September 2013) noted that part of the shift away from 2008-based household formation rates relates to international migration and different household structures within new migrant communities. He identifies that this *"will not be reversed."*

2.45 More recent research by Ludi Simpson and Neil McDonald (making sense of the new english household projections – April 2015) also considered this issue and is clear that it is not appropriate to revert to the 2008-based household representative rates, setting out: *"it is no longer sensible to appeal to previous household projections including the 2008-based set as if they were evidence of an underlying trend in household formation. They were produced at a time when household formation had already changed, starting before the economic downturn of the mid-to-late 2000s, and are in themselves only evidence of the optimism of that period."*

2.46 Finally, the PAS technical advice note also supports this position, noting that *'The CLG 2008 HRRs are no longer helpful because they are based on very old evidence, and anyway may not reflect the true long-term trend'* and that *'housing needs studies should now use as a starting point the CLG 2012 HRRs, leaving aside earlier scenarios'.*

2.47 The table below brings together outputs in terms of household growth and housing need using the 2012-based headship rates and our core projection linked to the 2012-based SNPP. To convert households into dwellings the data includes an uplift to take account of vacant homes (a figure of 4.1% has been used; derived from 2011 Census data). The data shows that by applying the 2012-based rates there would be a need for 399 dwellings per annum. This figure would be considered as the start point in terms of the NPPG – it takes account of the most recent population and household projections.

Figure 2.15: Projected household growth 2014-31 – 2012-based SNPP (as adjusted) and 2012-based headship rates

	2012-based rates
Households 2014	38,854
Households 2031	45,371
Change in households	6,517
Per annum	383
Dwellings (per annum)	399

Source: Demographic projections

2.48 If the headship rates from the previous 2011-based household projections are used (suitably indexed beyond 2021 and linked to the 2012-based SNPP) then the level of housing need would be 364 dwellings per annum. Hence the latest CLG projections are suggesting an uplift of 36 homes each year – a 10% increase over the 2011-31 period. This again confirms that the 2012-based CLG projections are taking a more positive view about household formation.

Sensitivity Analysis

2.49 Although we consider the 2012-based SNPP (and associated household projections) to be a reasonable demographic projection when taking account of past trends in population growth the analysis has also considered a number of alternative scenarios – such sensitivity testing is suggested in paragraph 017 of the PPG. Three alternative projections have been developed – these are:

- Implications of 2013 and 2014 mid-year population data (2014-based SNPP)
- 13-year migration trends (13-year migration)
- Implications of Unattributable Population Change (UPC adjustment)

Implications of 2013 and 2014 mid-year population data

2.50 This projection seeks to understand how population projections might change as a result of more recent ONS data (i.e. an attempt to assess what level of population growth might be expected in the next (2014-based) SNPP which is likely to be published in Spring 2016).

2.51 The key here is to understand how the projections work. The SNPP is not a simple roll forward of past migration numbers but also takes account of the age structure and how this will change over time – this has an impact on estimated future migration (which can go up as well as down). Additionally, international migration is linked back to the ONS national projections which use a longer-term time series for analysis (believed to date back to 1994). It also needs to be noted that when looking at past trends at a local level, ONS conventionally uses data from the past five years for internal/domestic migration and a period of six years when considering international migration trends.

2.52 The analysis therefore looks at the level of migration in the period which fed into the 2012-based SNPP and also that are expected to feed into the 2014-based SNPP. The analysis considers the difference between these periods to determine if the next set of SNPP are likely to show a higher or lower level of population growth. The analysis looks at internal and international migration separately.

2.53 In Broxbourne, the analysis of migration trends shows that there has only been a moderate change in migration between the period feeding into the 2012-based SNPP and that which is likely to feed into the 2014-based version. Overall, there has been a reduction in average net migration of 28 people per annum; this is made up of a reduction of 60 in internal (domestic) net migration and an increase of 32 for international migration.

Figure 2.16: Past trends in internal and international migration – data feeding into subnational population projections – Broxbourne		
Period	Internal net migration	International net migration
2006/7	-	93
2007/8	63	17
2008/9	115	-117
2009/10	6	-69
2010/11	-182	91
2011/12	268	-75
2012/13	-105	88
2013/14	-15	216
2012-SNPP	54	-10
2014-SNPP	-6	22
Difference	-60	32

Source: ONS

2.54 To model an alternative scenario, the levels of migration underpinning the 2012-based SNPP have been adjusted to reflect the difference between figures for the different periods shown in the tables above. For example, the modelling assumes a level of international migration that is 32 people higher for each year of the projection post-2014.

13-year migration trends

2.55 This projection looks at the level of population and household/housing growth we might expect if migration levels in the future are the same as seen over the period back to 2001 – this is the longest timeframe for which reasonable quality data is available. A consideration of longer-term trends is suggested as an alternative scenario in the PAS Technical Advice Note on *Objectively Assessed Housing Need and Housing Targets* although we would recognise that the approach is unlikely to be as robust as the SNPP as it doesn't take account of changes to the age structure over time and the impact this might have on migration levels.

2.56 In Broxbourne the data (presented above) shows average internal (domestic) net out-migration of 40 people per annum in the 2001-14 period along with 68 (net) international migration.

UPC adjustment

2.57 As noted earlier there is a notable level of Unattributable Population change in the ONS data for 2001-11 in Broxbourne. In this instance UPC is positive, this suggests that the components of change feeding into the SNPP may slightly underestimate migration and population growth. Whilst this is a useful scenario to consider (again it is one suggested in the PAS Report) it is not considered to be a robust alternative to the SNPP. The main reasons for this are that it is unclear if UPC is related to migration and more importantly, due to changes in the methods used by ONS to measure migration it is most probable that any errors are focussed on earlier periods (notably 2001-6) and therefore a UPC adjustment for more recent data would not be appropriate.

2.58 To be consistent with looking at 13-year migration trends, this projection considers UPC in the 2001-14 period. Over this period, the total level of UPC was 2,013 people (or 155 per annum) – this includes the 2011-14 period where UPC is recorded as zero. In the modelling, the UPC adjustment is taken to be an uplift to net migration and has not been specifically attributed to either internal or international migration (although it is arguable that it is more likely to be related to international migration) – this will not have any notable impact on the outputs.

Sensitivity projection outputs

2.59 The table below shows the outputs of the three alternative demographic projections developed. In the case of updating for more recent migration data there is relatively little difference between the estimated housing need and that derived from the 2012-based SNPP (a need for 390 dwellings rather than 399). This would support the SNPP as still being a reasonable projection to use. With 13-year migration trends the analysis suggests a lower level of need than when using the 2012-based SNPP (321 dwellings) whilst an adjustment for UPC the need goes in the opposite direction – seeing an increase to 468 dwellings per annum.

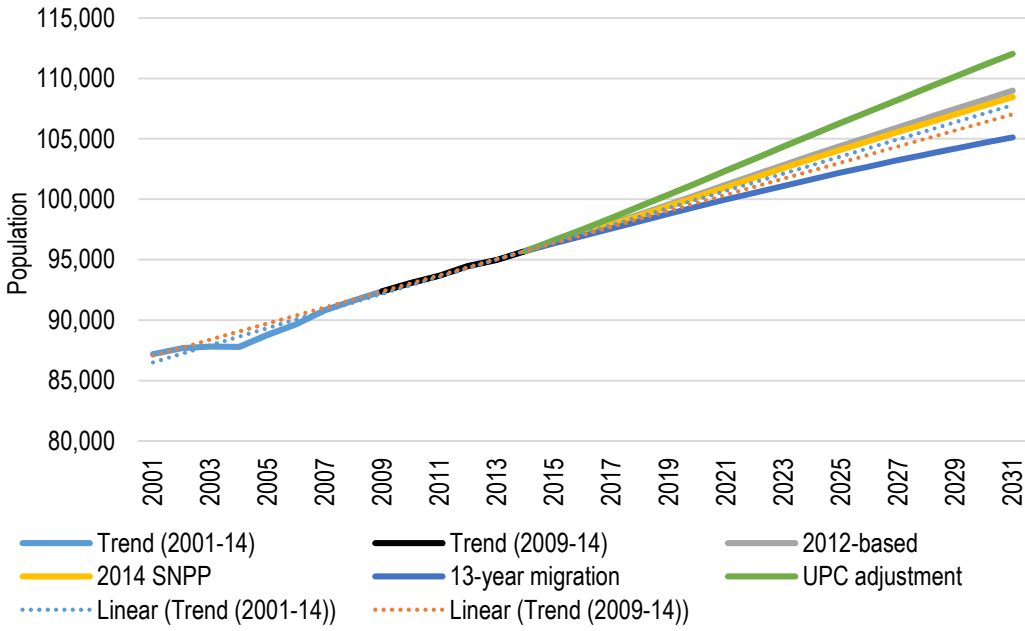
Figure 2.17: Projected household growth 2014-31 – alternative demographic scenarios and 2012-based headship rates

	2014-SNPP	13-year migration	UPC adjustment
Households 2014	38,854	38,854	38,854
Households 2031	45,221	44,103	46,503
Change in households	6,367	5,248	7,649
Per annum	375	309	450
Dwellings (per annum)	390	321	468

Source: Demographic projections

2.60 Given that we do not consider any of these alternative projections to be any more robust than the SNPP it is not proposed to take them forward. It does however provide some comfort that the alternatives do show both an up and downside to the figures derived from the SNPP. The figure below shows the population growth associated with each of these alternatives. As can be seen, with a UPC adjustment the level of population growth is some way above past trends, whereas 13-year migration trends are somewhat lower. On this basis the UPC and 13-year migration based projections look to be unreasonable.

Figure 2.18: Past and projected population growth – Broxbourne



Source: Derived from ONS data and demographic projections

2.61 It should be noted that looking at longer-term trends is an approach accepted by inspectors in some cases; in particular, it is worth highlighting a recent appeal decision in the nearby authority of Uttlesford (Appeal ref: APP/C1570/W/15/3010055 – December 2015) where the use of trends over the previous 10-years was accepted as a reasonable approach (para 17). On this basis it would be arguable in Broxbourne that the lower figure (based in this case on 13-year trends) would be an acceptable measure of the demographic based need.

2.62 However, a review of the evidence base underpinning this appeal shows that the 10-year trends were also adjusted for UPC and hence taking a similar approach in Broxbourne would most probably confirm the SNPP as being about right (i.e. the level of need under a similar methodology would sit somewhere between the figures presented above based on 13-year trends and the SNPP with a UPC adjustment).

Examining the demographic interaction with London

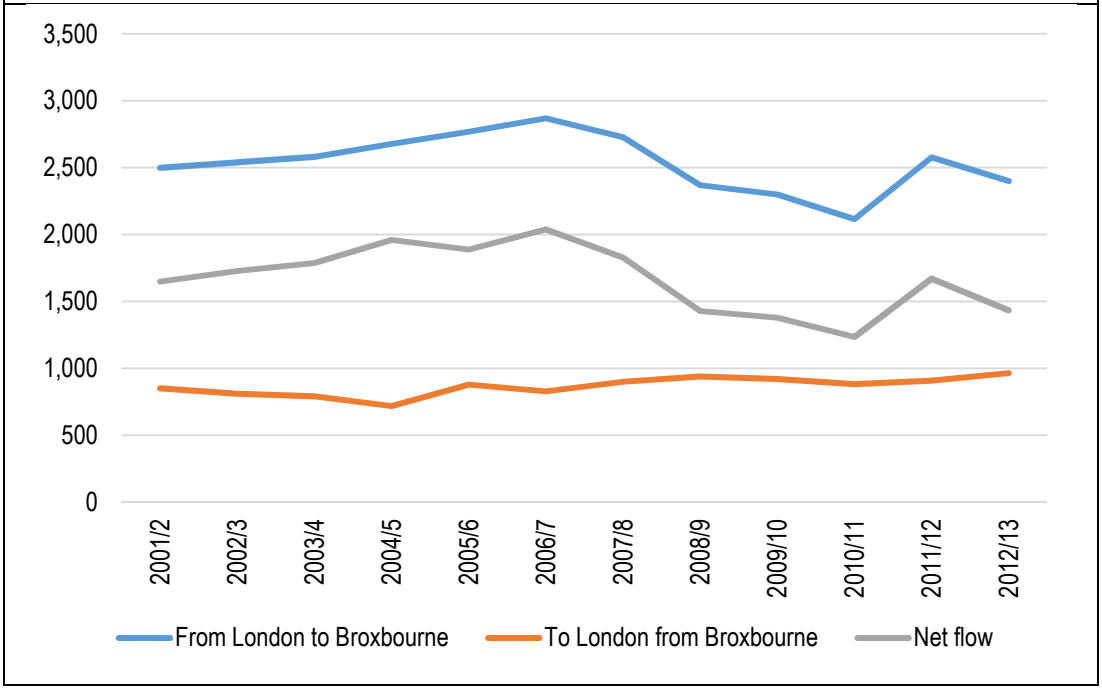
2.63 There is an important interaction with London in the demographic projections, recognising that Broxbourne has strong migratory links with the capital. The Greater London Authority (GLA) identified as part of their 2013-based Projections feeding into the Further Alterations to the London Plan (FALP) that there had been a marked change in internal migration dynamics to and from London since the beginning of the recession (2007/8). Overall, the GLA identified that out-migration from London to other parts of the UK had dropped by about 10% along with a 6% increase in in-migration. This was considered to relate to the impact of the recession/ housing market downturn.

2.64 As a result of this, the GLA developed a series of population and household projections with different assumptions about migration. The Central scenario (which underpins the FALP) made the assumption that after 2017, migration levels would revert back towards pre-recession levels. The GLA in effect took a midpoint between pre- and post-recession migration statistics and assumed a 5% uplift in out-migration and a 3% decrease in in-migration to present how they saw migration dynamics potentially changing as the economy moved beyond recession.

2.65 Whilst the figures above relate to dynamics to/from London and other parts of the country, it will be the case that different areas will have seen different levels of change in migration to/from London in the pre- and post- recession periods. Below we have studied how migration patterns have changed in relation to Broxbourne.

2.66 The figure and table below show that migration from London to Broxbourne does appear to have decreased since the recession (from about 2006/7) whereas movement to London from the Borough has been broadly stable (arguably increasing slightly over time). The net effect of this is that there has been a decrease in migration to the Borough from London over the period since about 2006/7. Migration from London in net terms was on average 411 persons per annum higher in the pre-2008 period relative to over the five-year period to 2013.

Figure 2.19: Migration flows between Broxbourne and London



Source: GLA

Figure 2.20: Migration flows between Broxbourne and London			
	From London to Broxbourne	To London from Broxbourne	Net flow
2001/2	2,500	850	1,650
2002/3	2,540	810	1,730
2003/4	2,580	790	1,790
2004/5	2,680	720	1,960
2005/6	2,770	880	1,890
2006/7	2,870	830	2,040
2007/8	2,730	900	1,830
2008/9	2,370	940	1,430
2009/10	2,300	920	1,380
2010/11	2,116	881	1,235
2011/12	2,579	907	1,671
2012/13	2,400	965	1,435
Pre-2008 average	2,667	826	1,841
Post-2008 average	2,353	923	1,430
Difference	314	-97	411

Source: GLA

2.67 It would be possible to model a scenario which takes account of the changes in migration patterns to and from London and if this was done in a consistent way to that in the FALP then modelling would assume an uplift in net migration of about 206 people per annum post-2017 (411/2). Over the full projection period (2014-31) the uplift would be around 2,900 migrants at an average of 169 per annum (noting that no adjustment is made before 2017).

2.68 However, it has already been observed in this section that net migration within the SNPP is projected to be some 200 people per annum above past trends and so it is arguable that the SNPP is already expecting an uplift in migration. Additionally, the evidence above about past population growth does not identify any significant change in patterns since 2008 – population growth since 2008 has actually been slightly higher than in the period before this date. This would suggest that whilst migration from London has declined, so has migration from Broxbourne to other areas (in net terms) and so to model an alternative scenario to take account of London would also require consideration of wider trends involving the Borough (which is not practical to do). It is also worthwhile remembering that the SNPP is projecting a level of population growth that is slightly above past trends (regardless of whether or not short- or long-term trends are considered).

2.69 Overall, therefore, it is recognised that there has been a change in migration patterns between London and Broxbourne, but it is not considered appropriate to make any amendments to the projections as a result of this.

Comparison with the 2013 SHMA

2.70 In a similar way to the analysis in this report, the 2013 SHMA developed a range of projections to consider overall housing need. It was concluded that the need was somewhere in the range of 235 to 275 dwellings per annum and that a figure of 250 per annum would be an appropriate requirement.

2.71 All of the figures derived in the 2013 SHMA are somewhat lower than derived in this OAN update (a suggested need from 2012-based ONS and CLG projections of 399 dwellings per annum). The main reasons for the difference are set out below.

2.72 New population data – the key difference here is publication of the 2012-based SNPP. The levels of population growth in the SNPP are somewhat higher than estimated in any of the 2013 SHMA projections (the 2013 projections suggesting population growth of up to 575 per annum (average) over the 2014-31 period, whereas the SNPP shows a figure of about 780). Whilst the SNPP does look to be projecting a level of migration that is some way above past trends, it also needs to be remembered between 2001 and 2011 that population growth in the Borough had been under-estimated (hence the positive level of Unattributable Population Change (UPC)). Whilst ONS ignore UPC in their projections it is the case in Broxbourne that the 2012-based SNPP do show a level of population growth that is consistent with past trends. Because the 2013 SHMA used the published migration data, levels of population growth were projected at a lower level.

2.73 The higher level of population growth in the SNPP will to some extent be influenced by some of the assumptions; for example, the SNPP tends to project a higher level of natural change due to an assumption that fertility rates will remain constant moving forward (previous SNPP expected rates to fall in the future). This however would see a greater proportional increase in the number of children and only have a minor impact on housing need (due to children not forming households). Additionally, the 2012-based SNPP has set out a new set of age/sex specific migration assumptions which can impact on overall growth and the age structure of growth.

2.74 That said, the projected changes to the age structure of the population in the SNPP when compared with the 2013 SHMA projections do not look to be significant – both projections show a similar profile of change across age groups, albeit the SNPP shows higher growth in these age groups, linked to the higher overall growth (and particularly in the age group 0-14).

2.75 Overall, the key difference between the 2013 SHMA and the SNPP is that the SHMA used past trends in migration and projected this forward. The SNPP is also based on past trends but shows a higher level of expected migration in the future than has been seen in those trends. However, in terms of the population growth that this generates, it is considered that the SNPP is a reasonable projection; there is no strong evidence to suggest that the SNPP is significantly over-estimating likely future population growth.

2.76 New household projections – the other key change is the release of new (2012-based) household projections by CLG. These projections consider a longer timeframe for past trend analysis than in either the SHMA or the 2011-based household projections (which were released towards the end of the 2013 SHMA being completed). Analysis above of the validity of the 2012-based projections suggests that generally these look to be a sound projection when considering past trends and future rates of change in household formation for different age groups. The impact of the new projections on housing need is significant; as noted earlier, the 2012-based CLG household projections show a 15% higher growth in households (in the period to 2021) than the 2011-based projections when the two are standardised to the same level and structure of population growth.

2.77 Overall, the projections in the 2013 SHMA remain sound in terms of the analysis undertaken, and taking account of the information available at the time. However, it is clear that more up-to-date (and arguably more robust) population/household data has now been published. The latest ONS projections expect population growth to be at a level which is close to past trends, whilst the latest CLG household projections also appear to be sound when looking at the detail sitting behind them.

Other Evidence of Demographic-based Housing Need

2.78 This section has considered housing need under a range of different demographic scenarios (concluding that the 2012-based SNPP and associated household projections look to be a sound assessment of need). It is possible to also consider independent evidence provided by the Essex Planning Officers Association (EPOA). The EPOA has for some years been commissioning Edge Analytics to undertake demographic projections for local authorities in Essex and a number of surrounding areas (including Broxbourne). The table below summarises the outputs from the most recent round of projections in May 2015; these projections take account of the most recent CLG (2012-based) household projections.

2.79 It can be seen that the Edge Analytics projections broadly confirm the need set against the 2012-based SNPP (406 dwellings per annum compared with 399 in this assessment – the difference likely to be due to the period over which the modelling has been undertaken). Additionally, it is notable that all of the alternative scenarios developed show lower levels of need; this would suggest that the SNPP is not under-estimating need when compared with reasonable alternatives – the need as set out in this report is very much towards the top end of the range.

2.80 It is also worth highlighting the Edge figures in relation to changing migration patterns to- and from-London; their analysis identifies that including such an adjustment would actually lead to a lower level of housing need (for 377 rather than 406 dwellings per annum). This is consistent with the view expressed earlier in this report that the London impact is about 169 people per annum, but that this is more than offset by the SNPP projecting migration to be about 200 people per annum (net) higher than past trends might suggest.

Figure 2.21: Summary of Edge Analytics demographic projections for Broxbourne (per annum, 2013-37)		
Projection	Description	Per annum housing need
SNPP-2012	Uses data from the published 2012-based SNPP and associated household projections	406
SNPP-2012-LONDON	considers the growth impact of the migration uplift suggested by the GLA Central scenarios, over-and-above what is implied by the 2012-based SNPP	377
PG-10Yr-Fixed	Internal and international migration assumptions are based on the last 10 years of historical evidence (2003/04 to 2012/13) with future in- and out-migration fixed at the derived ten-year average	363
PG-10Yr	internal and international migration assumptions are based on the last 10 years of historical evidence (2003/04 to 2012/13) with future in- and out-migration calculated using age-specific migration rates	344
PG-5Yr	Internal and international migration assumptions are based on the last 5 years of historical evidence (2008/09 to 2012/13) with future in- and out-migration calculated using age-specific migration rates	337
PG-5Yr-Fixed	Internal and international migration assumptions are based on the last 5 years of historical evidence (2008/09 to 2012/13) with future in- and out-migration fixed at the derived five-year average	324
PG-5Yr-X	Internal and international migration assumptions are based on the last 5 years of historical evidence (2008/09 to 2012/13), excluding UPC	297
PG-10Yr-X	internal and international migration assumptions are based on the last 10 years of historical evidence (2003/04 to 2012/13), excluding UPC	294

Source: Edge Analytics (from EPOA)

NOTE: 2014-based subnational population projections (SNPP)

On the 25th May 2016, ONS published a new set of (2014-based) SNPP. This data has come too late in the project to be considered in analysis. However, a brief analysis of this new source suggests that there is very little difference between the 2014- and 2012-based figures. Overall, between 2014 and 2031, the 2014-based SNPP shows population growth of 13,251 people, this compares with 13,338 in the 2012-based version; a difference of just 87 people in a downward direction (about 5 per annum). This difference is unlikely to have any notable impact on the estimates of household growth and housing need in Broxbourne.

Summary – Trend-based Demographic Projections

It is appropriate to draw conclusions at this point on the demographic evidence, and projections of housing need based on past demographic trends.

The 2012-based SNPP indicates population growth of 13.8% over the 2014-31 period. This is below the projected growth across Hertfordshire (16.8%) and the East of England Region (14.1%) but slightly above the equivalent figure for England (11.4%).

The 2012-based subnational population projections (SNPP) look to be a sound demographic projection. Population growth sits very slightly above both long- and short-term trends. Future levels of migration are however above past trends – this is likely to reflect the ONS methodology which looks at age/sex specific prevalence rates and therefore adjusts migration on a year-by-year basis to take account of how the age profile is expected to change over time.

Alternative projections using more up-to-date migration data, longer-term (13-year) migration levels and an adjustment for unattributable population change (UPC) show population growth (and hence housing need) which is either above (UPC adjustment) or below (up-to-date migration, 13-year trends) the SNPP – reinforcing the SNPP as being broadly reasonable.

The 2012-based CLG household projections also look to be reasonably sound when considering age specific household formation rates with no apparent continuation of 'supressed' trends in household formation for key age groups (particularly the population aged 25-34).

The 2012-based population and household projections suggest a need for about 399 dwellings per annum to be provided (2014-31). This takes account of 2013 and 2014 mid-year population data and can be considered as the start point for the analysis of housing need as set out in Planning Practice Guidance.

Were the same population data (i.e. the 2012-based SNPP) used along with earlier data about household formation from the 2011-based CLG projections then a housing need for 364 dwellings would be derived. This suggests that the 2012-based CLG projections are making a somewhat more positive assumption about household formation moving forward.

3. Economic-led Projections

Introduction

3.1 The PPG sets out that consideration should be given to future economic performance in drawing conclusions on the overall need for housing. Where the evidence suggests that a different level of migration might be needed than seen in past trends in order to support economic growth, consideration should be given to adjusting the spatial distribution of housing. Specifically, the Guidance [2a-018] outlines that:

'Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area. Any cross-boundary migration assumptions, particularly where one area decides to assume a lower internal migration figure than the housing market area figures suggest, will need to be agreed with the other relevant local planning authority under the duty to cooperate. Failure to do so will mean that there would be an increase in unmet housing need.'

And that:

'Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.'

3.2 The actual wording of the PPG needs to be carefully considered. It is clear that understanding the link between jobs and population/housing is an important part of looking at the OAN, however, the PPG is clear that this issue is one in relation to the location of housing rather than overall housing numbers per se. Indeed, the wording of the PPG shows a notable departure from the wording in the draft PPG (of August 2013) where it was stated that *'in such circumstances [a shortfall in labour supply], plan makers will need to consider increasing their housing numbers to address these problems'*.

3.3 This is a clear, conscious and logical change to the PPG between draft and final version. Clearly it would be illogical for an area to increase population growth above the levels shown in trend-based projections (and hence increase housing need) without consideration of the impact this would have on other locations – i.e. given that there is a finite level of population growth projected nationally (as informed by national population projections) any increase in one area would need to come with a commensurate decrease in other locations.

3.4 Despite the entirely logical wording in the PPG it is the case that a number of areas have sought to show a higher need linked to job growth than in trend-based projections; and this has often been done without consideration of the impact in other locations. Such an approach has been accepted by inspectors in some instances with the PAS technical advice note (para 8.2) noting for example that *'planning inspectors have interpreted this [the PPG] to mean that demographic projections should be tested against future jobs, to see if housing supply in line with the projections would be enough to support those future jobs. If that is not the case, the demographically projected need should be adjusted upwards accordingly.'*

3.5 To be clear, it appears from the PPG that the jobs/housing link is very much in relation to the locations of housing rather than the overall OAN. This position has support in the NPPF which in para 159 (bullet 1) states 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'* [emphasis added].

3.6 Hence it is considered that any upward (or indeed downward) adjustment to the OAN as a result of job growth will need to be undertaken alongside an analysis of where the additional population will come from (or go to) and therefore include proportionate adjustments to the need in other locations.

3.7 It is however recognised that the NPPF seeks to *'boost significantly the supply of housing'* (para 47) and this is often used to support the 'need' for an uplift to housing numbers (often expressed as the OAN). This point does not seem right; the NPPF is clear of the need to boost housing supply, and such a boost is in relation to the low levels of delivery seen in the recent past – over the past 10-years (to 2015) the number of completions (in England) averaged about 130,000 per annum. This figure can be compared in light of the most recent (2012-based) CLG household projections which show household growth of about 212,000 per annum (2014-35) which once account is taken of vacant homes and supressed household formation would arguably rise to about 240,000. Hence the 'boost' sought in the NPPF (and PPG) is to increase delivery to the sort of levels required by the growing population.

3.8 If every local authority planned (and delivered) on the basis of official projections, then the national OAN would be met; regardless of any consideration of the jobs/homes balance. It would still be the case that a number of authorities would be unable to meet their OAN (due to constraints); however, this is an issue to be dealt with through the Duty-to-Cooperate and not one of OAN.

3.9 Regardless of the discussion above, it is still considered that an understanding of the jobs/homes link is important. This will particularly be in areas where the evidence shows strong demographic growth (and weaker job growth) in one location and weak demographic growth (but strong job growth) in another. In such circumstances, 2a-018 of the PPG is logically used to consider the location of new housing, although this will to some extent be an issue for the plan making process; ensuring that the OAN is met across all areas but providing a spatial distribution that better fits the locations where job growth is forecast to occur.

3.10 It is also considered that there are some circumstances where an individual authority might consider a higher OAN due to job growth. A couple of examples are provided below:

a) In an area with low future population growth and potentially a minimal change in the economically active population (due to an ageing population). In such circumstances it may be sensible to suggest an above trend level of housing delivery to encourage a slightly younger age structure and to support economic growth.
b) In an area with a known 'shock' to the employment base such as a major new employment site which will generate many more jobs above a baseline forecast position. In such a case it may be reasonable to consider that more homes will be needed to accommodate the growing workforce (although recognising commuting patterns and the 'draw' of workers will also be important along with an understanding of the displacement impacts of sizeable development)

3.11 In such circumstances an 'economic-based' approach to looking at housing need may be appropriate. However, it would still be the case that any uplift would need to be considered in the light of the impact in other areas; for example, if an economic-based approach suggests an increase in population (and related housing need) of 2,000 people (over and above the levels in trend-based demographic projections) then some consideration of where the additional population will come from will be necessary, and assumptions about growth will need to be agreed with the relevant authorities through the plan making process.

3.12 Of course it is arguable that an opposite set of scenarios might point towards the lowering of housing need (i.e. strong population growth relative to likely job increases or known future job losses). This is again something that should be considered when looking at housing need in the round.

3.13 There is also an issue of scale to be considered when looking at moving away from trend-based demographic projections. For example, a 20% uplift to housing need may be realistic and potentially deliverable (depending on local circumstances) but increases of say 50%+ may not be. To some extent this will be a matter of judgement although the PPG is clear [2a-003] that *'Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur'.*

3.14 Finally, the general issue of the link between jobs and population/housing is complicated by the number of assumptions that need to be made to understand this link. This will include the assumptions to be made about commuting and double jobbing (the proportion of people with more than one job). However, this biggest issue is about assumptions with regard to how employment or economic activity rates might change in the future. A range of different assumptions are available and these can show radically different outputs.

3.15 Overall, whilst it is possible to use job growth as a way of considering the OAN, this should be treated with extreme caution. If an increase in housing need is suggested, then this will need to be supported by an understanding of the impact in other areas; any increase will need to be based on robust and locally specific assumptions (so far as this is possible) and the outputs of modelling should be proportionate and reflect a scenario that could reasonably be expected to occur. The link between jobs and homes is really rather complex and therefore to some extent any modelled outputs can only be considered as indicative.

3.16 The approach taken in this report is to consider economic forecasts from the East of England Forecasting Model (EEFM). The analysis does not just look at overall job growth but also looks at some of the detail sitting behind the forecasts (e.g. in terms of population growth, commuting and employment rates).

3.17 This approach is driven by comments in the PAS technical advice note of July 2015 where it is clear that the link between demographic trends and jobs needs to be established (this is covered generally in Section 8 of the PAS guide). Notably, para 8.7 of the PAS guide states that *'the models used by economic forecasters already incorporate a view of the factors that link workplace jobs to resident population'*. Hence for the purposes of analysis in this report the key is to understand if there is a significant mismatch between the assumptions in the EEFM and the outputs of the demographic projections (and whether in PAS guide terms there is a *'self-defeating prophecy'*).

Economic forecasts

3.18 Consideration has been given to the past three releases of the EEFM (2012, 2013 and 2014 baseline). This source provides an indication of the expected job growth at a local authority level and the table below shows the increase in the number of jobs expected in 2031 from 2014 levels. Over the 17-year period studied the EEFM expected an increase of around 3,100 jobs in the 2012 version; this more than doubles in the 2014 baseline – showing job growth of 6,800.

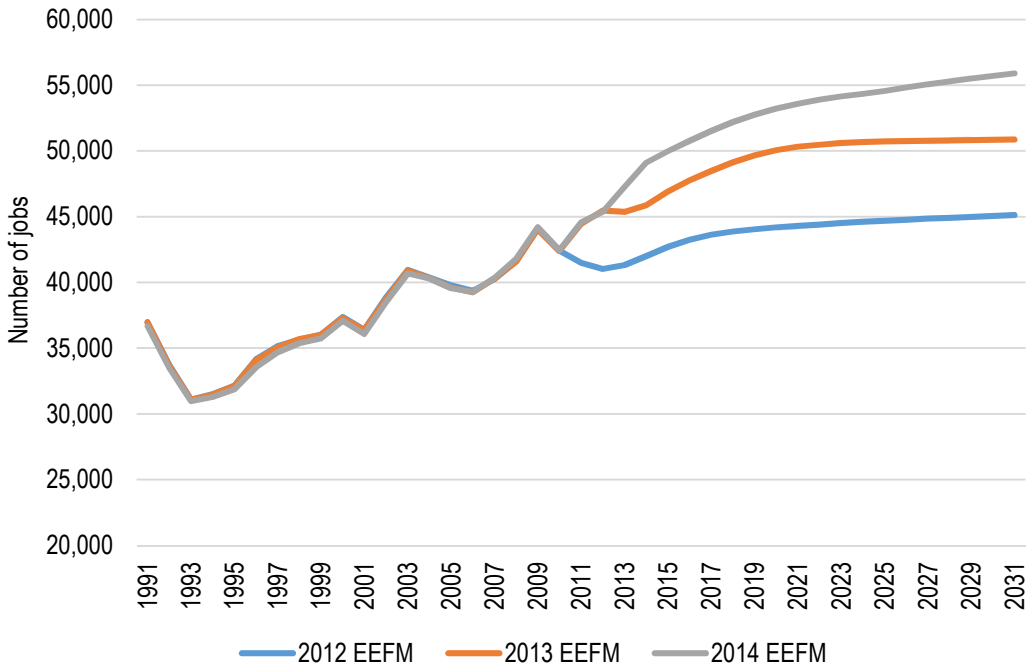
Figure 3.1: Employment increase (2014-31)

Area	Jobs (2014)	Jobs (2031)	Change (2014-31)	% increase
2012 baseline	42,017	45,126	3,109	7.4%
2013 baseline	45,882	50,874	4,992	10.9%
2014 baseline	49,128	55,902	6,774	13.8%

Source: EEFM

3.19 The figure below shows past trends and the expected future change in the number of jobs in Broxbourne (back to 1991). The data shows significant year on year variation in the past, this is likely to be due in part to the quality of data available and feeding into this analysis. Moving forward from about 2013, the data shows the very different trajectories in each of the 2012, 2013 and 2014 baseline estimates.

Figure 3.2: Past and projected number of jobs – Broxbourne



Source: EEFM

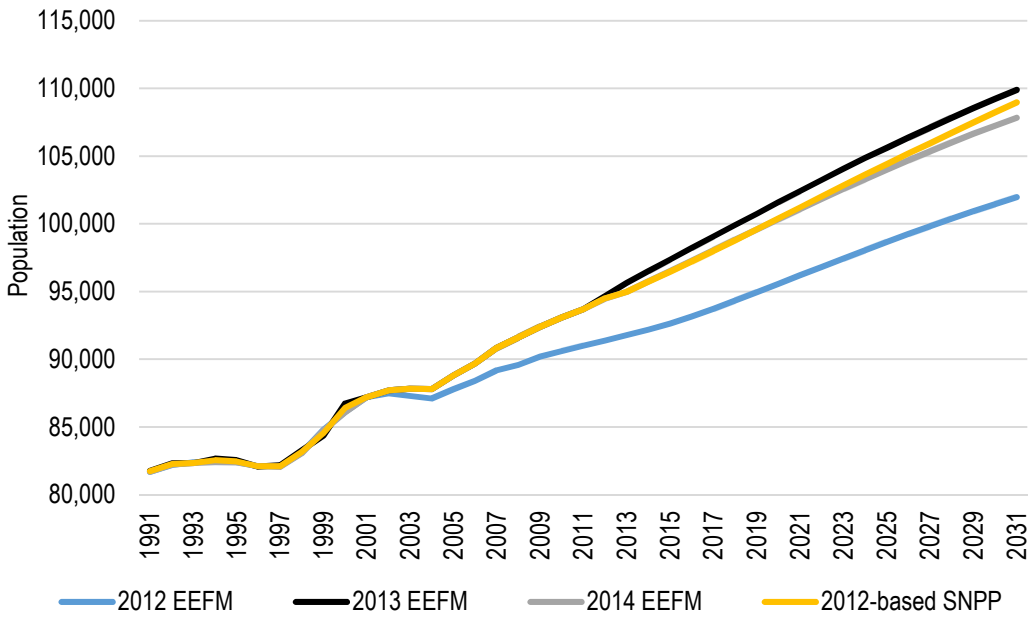
3.20 Whilst it is not unusual to see econometric forecasts showing quite different results over time there has to be some concern about the validity of such estimates when they change so markedly over such a short period of time. The significant variation in the forecast number of jobs in the Borough might give rise to a view that each forecast would require a different level of population growth and hence housing need (i.e. a higher population would be required to achieve more labour force growth to meet the forecasts with a greater level of job growth). Such an assumption would however be incorrect. Within the EEFM there are additional assumptions about population growth, commuting patterns, employment rates and double jobbing (although the latter is not expected to have a significant impact).

3.21 In this report, therefore, rather than seek to establish a link between the job forecasts and overall housing need using a standard methodology, the opportunity has been taken to understand other outputs from the EEFM (e.g. about population growth) to test if there is any evidence of a labour-force shortfall (or even surplus) in the Borough.

Population assumptions in the EEFM

3.22 Key to understanding whether any labour-force shortfall might be expected it is possible to analyse the levels of population growth underpinning the EEFM and how these compare with the SNPP – this is shown in the figure below. The figure shows that the 2012 EEFM expected much lower population growth in the period to 2031, it also starts from a lower baseline position (which will be due to the data being pre-Census). The two most recent EEFM forecasts show very similar levels of population growth, and levels which are similar to the 2012-based SNPP. This would suggest that the SNPP is providing a level of population growth that is consistent with the economic forecasts; the fact that the economic forecasts expect very different levels of job growth therefore has no bearing on overall levels of population or household growth/housing need. There is clearly a significant degree of consistency between the EEFM and the SNPP (when considering the 2013 and 2014 EEFM forecasts).

Figure 3.3: Levels of population growth expected by the EEFM – Broxbourne



Source: EEFM and ONS

3.23 The table below confirms the analysis above. The two most recent EEFM releases show population growth that sits either slightly above (2013) or slightly below (2014) the growth shown by the 2012-based SNPP. This suggests, despite the different levels of job growth expected that population growth (and hence housing need) will be in-line with that expected in the 2012-based SNPP.

Figure 3.4: Projected population growth (2014-2031)

	Population 2014	Population 2031	Change in population	% change
2012-based SNPP	95,748	108,987	13,239	13.8%
2012 EEFM baseline	92,181	101,982	9,800	10.6%
2013 EEFM baseline	96,524	109,906	13,382	13.9%
2014 EEFM baseline	95,769	107,852	12,083	12.6%

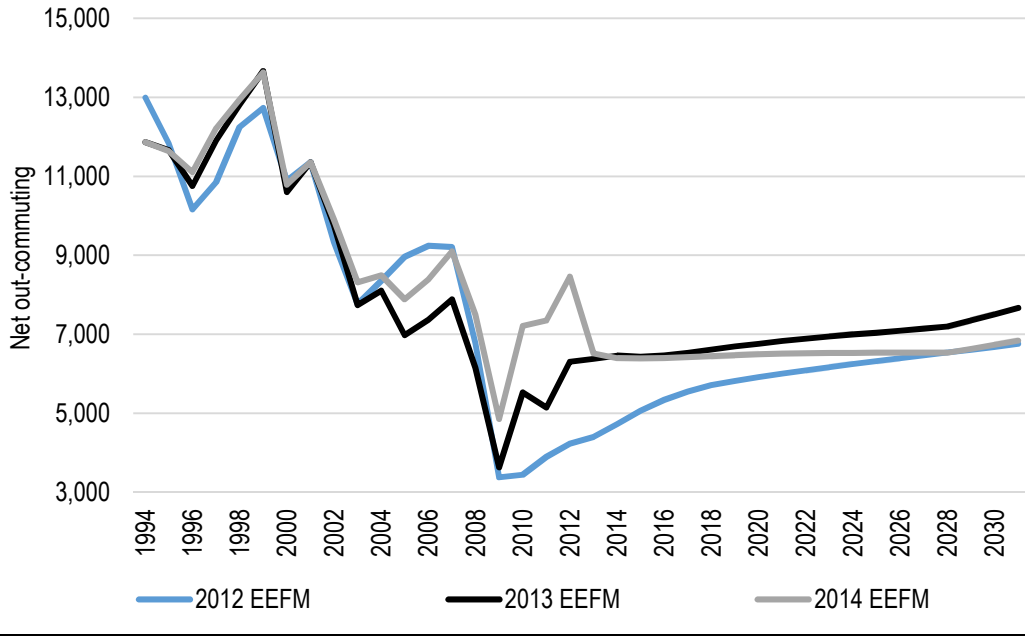
Source: EEFM and ONS

Commuting Patterns in the EEFM

3.24 When considering commuting patterns, it is notable that each release of the EEFM is showing slightly different expectations. Moving forward from 2014, the 2012 version expected out-commuting to increase over time and this is also generally the case in the 2013 version. The 2014 EEFM expects out-commuting to remain broadly stable over time. In all cases however there are some notable year-on-year changes in the data prior to 2014.

3.25 It is difficult to draw robust conclusions from this analysis. However, focussing on the two most recent EEFM releases, and looking at the period from 2014, the analysis does suggest little change in commuting patterns. On balance this therefore suggests that the EEFM is not expecting there to need to be significant changes in commuting for the job forecasts to be met. If the EEFM were expecting significant increases in in-commuting (or a falling level of net out-commuting) then it would be arguable that additional housing should be provided to ensure a sufficient local workforce – this does not apply in Broxbourne.

Figure 3.5: Levels of net out-commuting expected by the EEFM – Broxbourne

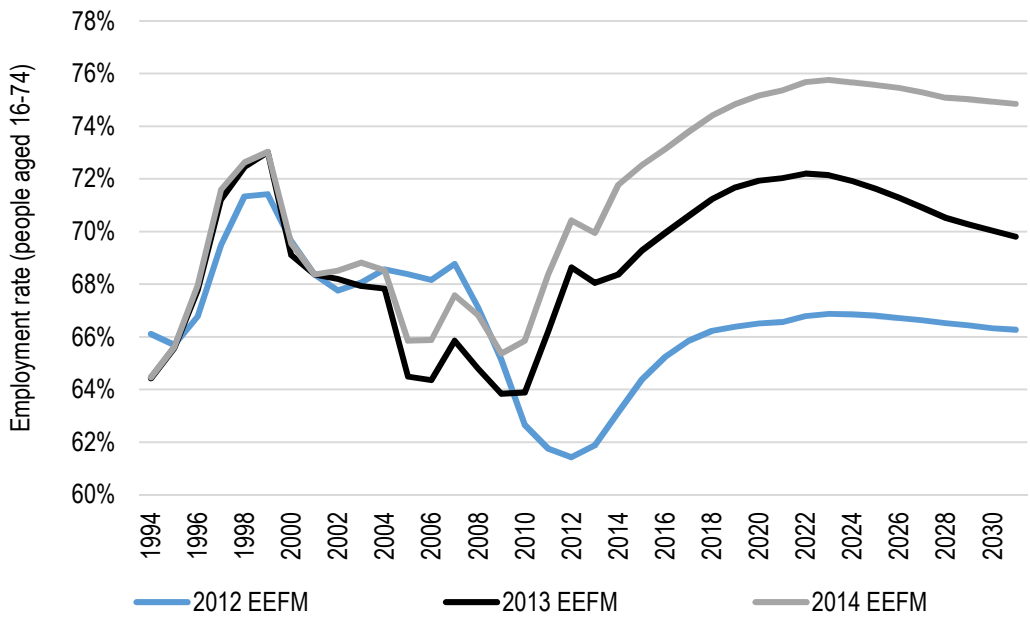


Source: EEFM

Employment rates in the EEFM

3.26 The analysis also considers the residence employment rate assumptions assumed in the EEFM. This is based on the number of residents who are employed as a proportion of the population aged 16-74. The figure below shows in all cases that there is expected to be an increase in the employment rate. Of particular note is the rate change in the 2014 release, where it is expected to increase from 71.8% to 74.9% - this is a significant change and would be expected to drive a notable increase in the resident workforce (to meet the job growth forecasts). Overall it is considered that the changes to employment rates (aligned with expected population growth and commuting patterns) shows a good balance between employment forecasts and housing need.

Figure 3.6: Employment rates expected by the EEFM – Broxbourne



Source: EEFM

3.27 The table below shows the employment rates used in analysis for each of 2014 and 2031. This confirms that the 2014 EEFM is expecting employment rates to reach a higher level than either of the previous releases. When comparing the 2013 and 2014 releases it can be seen that the higher increase in the rate will explain the higher job growth but lower overall population growth. It is also notable that the rate growth expected in the 2012 EEFM was higher than in the 2013 version (despite a lower level of job growth being expected). This finding can be supported by the much lower level of population growth expected in the 2012 EEFM.

Figure 3.7: Employment rate changes (2014-2031) – population aged 16-74

	Employment rate 2014	Employment rate 2031	Change in rate
2012 EEFM baseline	63.1%	66.3%	3.1%
2013 EEFM baseline	68.4%	69.8%	1.4%
2014 EEFM baseline	71.8%	74.9%	3.1%

Source: EEFM

Number of households and the Demand for Dwellings

3.28 The final analysis considers the EEFM outputs with regard to the number of households and the 'Demand for Dwellings'. This is taken to be the EEFM estimates of the number of homes that will be required for the estimated growth in population. The methodology behind the dwelling figures is unclear, although it will be the case that none of the figures is able to reflect the 2012-based CLG household projections – these were not published at the time of the EEFM releases.

3.29 The table below shows that for all EEFM releases, the number of dwellings required is below the number estimated by the 2012-based CLG projections. This does not necessarily mean that fewer homes are required (as the need for housing is largely driven by the demographic changes). It does however confirm that the EEFM is not suggesting any need for an uplift in housing numbers over and above that suggested by demographic data as a result of the need to support economic growth and a growth in the local labour force.

Figure 3.8: Projected household and dwelling growth (2014-2031)

	Households 2014	Households 2031	Change in households	% change	Demand for dwellings
2012-based SNPP	38,854	45,371	6,517	16.8%	6,785
2012 EEFM baseline	38,899	44,744	5,845	15.0%	6,007
2013 EEFM baseline	39,052	45,573	6,521	16.7%	6,702
2014 EEFM baseline	38,807	44,858	6,051	15.6%	6,219

Source: EEFM and ONS/CLG

Other Evidence of Economic-led Housing Need

3.30 As with the demographic projections set out in the previous section, the EPOA (through Edge Analytics) also provide an estimate of housing need compared with economic forecasts (i.e. their view of the number of new homes required for the workforce to grow in-line with job growth forecasts). In the most recent work (May 2015) two different projections were developed. These are described in the table below and both are linked to the 2014 EEFM.

3.31 The two scenarios suggest a range of housing need from 358 to 401 dwellings per annum in the 2013-37 period. These figures therefore again confirm that the forecast job growth is not putting any pressure on the overall need for housing in the Borough (remembering that for the same period Edge projected a need for 406 dwellings when set against the 2012-based SNPP).

Figure 3.9: Summary of Edge Analytics economic-led projections for Broxbourne (per annum, 2013-37)

Projection	Description	Per annum housing need
Jobs	Demographic change is linked to the growth in total employment	401
Employed people	Demographic change is linked to the growth in the number of workplace employed people	358

Source: Edge Analytics (from EPOA)

Summary – Economic-led Projections

The PPG requires local authorities to consider the link between future employment growth and changes to the local labour force. Where there is a mismatch between the two, the advice is for Councils to consider whether the locations of housing can help to address these problems.

In Broxbourne, data about future job growth has been drawn from the East of England Forecasting Model (EEFM). This forecasts future job growth at a local authority level as well as a range of other related outputs (particularly in relation to population growth, commuting patterns, employment rates and household growth).

Looking at the evidence for Broxbourne, there is no suggestion in any of the last three EEFM releases that the level of job growth could not be accommodated by the expected population growth within the 2012-based SNPP. On that basis there is nothing to suggest that the Borough should increase housing provision to support growth in jobs.

4. Affordable Housing Need

Introduction

4.1 This section analyses levels of affordable housing need in Broxbourne. Affordable housing is defined in the NPPF as *'social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market'.*

4.2 Planning Policy Guidance sets out a model for assessing affordable housing need. The model is essentially identical to that set out in 2007 SHMA guidance, and with the earlier guidance providing more detail about specific stages of the modelling, reference is also made in this section to the 2007 guide. The analysis is based on secondary data sources. It draws on a number of sources of information including 2011 Census data, demographic projections, house prices/rents and income information.

4.3 It should be recognised that in establishing housing requirements, evidence of both housing need and demand should both be considered. This section, addressing affordable housing need specifically, should be considered alongside the evidence of demand presented; and the demographic-led projections of housing requirements. Land availability, infrastructure requirements, viability (as well as funding available for affordable housing), Sustainability Appraisal and the views of the local community and wider stakeholders also need to be considered in the development of planning policy. It is not a simple predict and provide issue.

4.4 The affordable housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing which can be used to meet the need. The base date for analysis is 2014 (e.g. data about housing costs and incomes is for 2014) with the affordable need being assessed over the period to 2031 to be consistent with demographic projections developed in this report.

Key Definitions

4.5 The analysis begins by setting out key definitions relating to affordable housing need, affordability and affordable housing.

Current Affordable Housing Need

4.6 Current affordable housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their needs in the market.

Newly-Arising Need

4.7 Newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future. In this assessment trend data from CoRe has been used along with demographic projections about the number of new households forming (along with affordability) to estimate future needs.

Supply of Affordable Housing

4.8 An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the newly-arising need to make an assessment of the net future need for affordable housing.

Affordability

4.9 Affordability is assessed by comparing household incomes, based on income data modelled using a number of sources including CACI, Annual Survey of Hours and Earnings (ASHE), the English Housing Survey (EHS) and ONS data, against the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting and are summarised below:

A. Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times the gross household income – CLG guidance suggests using different measures for households with multiple incomes (2.9×) and those with a single income (3.5×), however (partly due to data availability) the analysis has only used a 3.5 times multiplier. This ensures that affordable housing need figures are not over-estimated – in practical terms it makes little difference to the analysis due to the inclusion of a rental test (below) which tends to require lower incomes for households to be able to afford access to market housing;

B. Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a proportion of gross income. The choice of an appropriate threshold is an important aspect of the analysis. CLG guidance (of 2007) suggested that 25% of income is a reasonable start point but also notes that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% (although this can vary by area). Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics). This assessment therefore looks at a range of outputs based on this range (consideration is given to thresholds of 25%, 30%, 35% and 40%).

4.10 It should be recognised that a key challenge in assessing affordable housing need using secondary sources is the lack of information available regarding households' existing savings. This is a key factor in affecting the ability of young households to purchase housing particularly in the current market context where a deposit of at least 10% is typically required for the more attractive mortgage deals. The 'help to buy' scheme is likely to be making some improvements in access to the owner-occupied sector although at present this is likely to be limited (although the impact of recent extensions to this scheme to include the second-hand market should be monitored moving forward). In many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support, and thus the impact of deposit issues on the overall assessment of affordable housing need is limited. In most areas the income threshold to access private rented housing is lower than the threshold for owner-occupation (due to differing costs of rental and purchase housing); because deposit requirements for renting are much lower, the lack of data about a household's access to capital does not significantly impact on affordability assessments, which are largely determined by household income.

Affordable Housing

4.11 The NPPF provides the definition of affordable housing (as used in this report). The following is taken from Annex 2 of NPPF.

"Affordable housing includes social rented, affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- *Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices;*
- *Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision."*

4.12 Within the definition of affordable housing there is also the distinction between social rented affordable rented, and intermediate housing. Social rented housing is defined as:

"Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant."

4.13 Affordable rented housing is defined as:

"Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent."

4.14 The definition of intermediate housing is shown below:

"Intermediate affordable housing is 'Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing."

4.15 As part of the analysis in this report, the extent to which social rented, intermediate and affordable rented housing can meet affordable housing need in Broxbourne is established.

Local Prices & Rents

4.16 An important part of the analysis of affordable housing need is to establish the entry-level costs of housing to buy and rent – this data is then used in the assessment of the need for affordable housing. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need.'

4.17 This section therefore establishes the entry-level costs of housing to both buy and rent across the Borough. The approach has been to analyse Land Registry and VOA data to establish lower quartile prices and rents. For the purposes of analysis (and to be consistent with CLG guidance) lower quartile prices and rents have been taken to reflect the entry-level point into the market.

4.18 The table below shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £140,000 for a flat rising to £387,000 for a detached home. The overall 'average' lower quartile price is £187,000.

Figure 4.1: Lower quartile sales prices by type (all sales in 2014)

Dwelling type	Broxbourne Borough
Flat	£140,000
Terraced	£235,000
Semi-detached	£270,000
Detached	£386,900
All dwellings	£187,000

Source: Land Registry (2014)

4.19 A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data – this covers a 12-month period to September 2014. For the rental data information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of around £695 per month.

Figure 4.2: Lower quartile private rents by size and location (year to September 2014) – per month

Dwelling size	Monthly rent
Room only	£359
Studio	£525
1 bedroom	£628
2 bedrooms	£775
3 bedrooms	£1,100
4+ bedrooms	£1,295
All dwellings	£695

Source: Valuation Office Agency

4.20 Similar analysis in the 2013 SHMA was based on a survey of advertised rents from an estate and letting agent survey – for the purposes of analysis a lower quartile rent was again taken to represent the access point to the market. In the SHMA a figure of £728 per month was used in affordability testing – slightly higher than the figure used in this assessment, likely in part to be due to the difference between advertised rents and actual rents paid.

4.21 In addition to rental costs from VOA it is worthwhile to look at the maximum amount of Local Housing Allowance (LHA) payable on different sized properties within the area. Maximum LHA payments are based on estimates of rents at the 30th percentile and should therefore be roughly comparable with estimates of lower quartile costs.

4.22 The geographical areas used to determine LHA are not however co-terminus with local authority boundaries and so any comparison is not exact. LHA levels are based on Broad Rental Market Areas (BRMA). The BRMA is an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping (as defined by the Rent Office).

4.23 All of the Borough is within the South East Herts BRMA although the BRMA extends beyond the Borough boundary – most notably to include the settlements of Welwyn Garden City, Hatfield, Hertford and Ware. It is therefore appropriate to compare data with this area and the table below provides details for the South East Herts BRMA. The data suggests that actual rents in Broxbourne are broadly similar to the maximum amount of Housing Benefit available (albeit with some variation by dwelling size).

Figure 4.3: Maximum LHA payments by Size and BRMA

Size	South East Herts BRMA	Broxbourne LQ rents
Room only	£324	£359
1 bedroom	£635	£628
2 bedrooms	£808	£775
3 bedrooms	£998	£1,100
4 bedrooms	£1,273	£1,295

Source: VOA data (April 2015)

Cost of Affordable Housing

4.24 Traditionally the main type of affordable housing available in an area is social rented housing and the cost of social rented accommodation by dwelling size can be obtained from Continuous Recording (CoRe) - a national information source on social rented lettings. The table below illustrates the rental cost of lettings of social rented properties by size in 2013/14. As can be seen the costs are below those for private rented housing indicating a gap between the social rented and market sectors. This gap increases for larger properties. The figures in the table include service charges.

Figure 4.4: Lower quartile monthly social rent levels

Size	Monthly Rent
1 bedroom	£386
2 bedrooms	£446
3+ bedrooms	£489
Lower quartile (all sizes)	£412

Source: CoRe (2014)

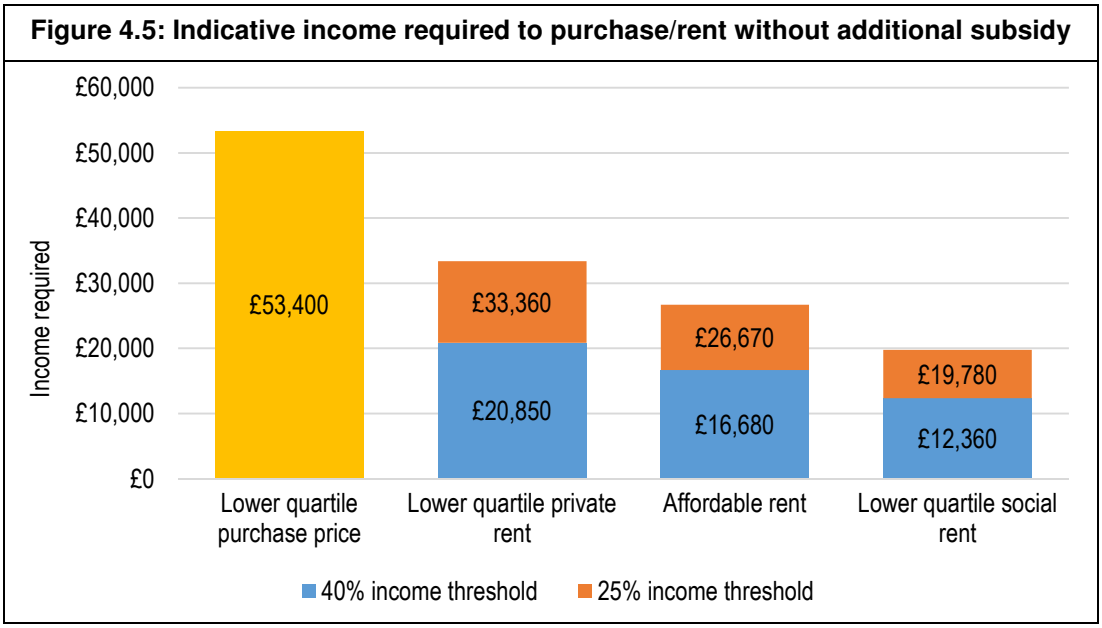
4.25 Changes in affordable housing provision has seen the introduction of a new tenure of affordable housing (Affordable Rented). Affordable rented housing is defined in the NPPF as being *'let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable)'*. In the short-term it is likely that this tenure will replace social rented housing for new delivery.

4.26 Affordable Rented housing can therefore be considered to be similar to social rented housing but at a potentially higher rent. The 80% (maximum) rent is to be based on the open market rental value of the individual property and so it is not possible to say what this will exactly mean in terms of cost (for example the rent for a two-bedroom flat is likely to be significantly different to a two-bedroom detached bungalow). In addition, market rents for new-build homes are likely to be higher than within the existing stock and may well be in excess of 80% of lower quartile rents. However, for the purposes of analysis it is assumed that the 80% figure can be applied to the lower quartile private rented cost data derived from VOA information.

Gaps in the Housing Market

4.27 The figure below estimates how current prices and rents might equate to income levels required to afford such housing. The figures are based on the figures derived in the analysis above and include four different tenures (buying, private rent, affordable rent and social rent) and are taken as the lower quartile price/rent across the whole stock of housing available (i.e. including all property sizes). For illustrative purposes the calculations are based on 3.5 times household income for house purchase and 25%-40% of income to be spent on housing for rented properties. The figures for house purchase are based on a 100% mortgage for the purposes of comparing the different types of housing.

Figure 4.5: Indicative income required to purchase/rent without additional subsidy



Source: Land Registry, VOA and CoRe

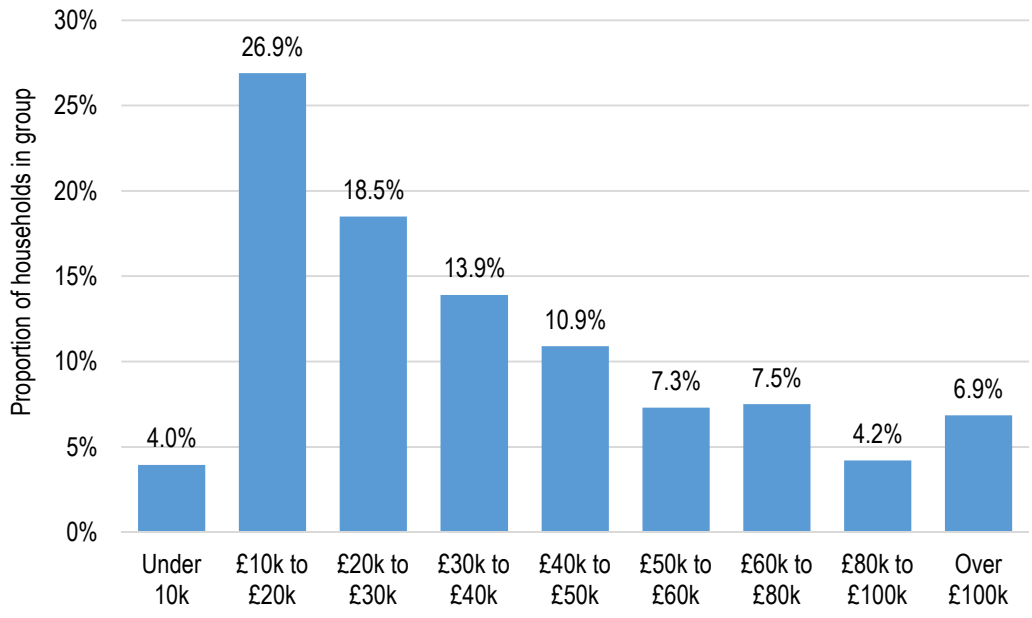
Income levels and affordability

4.28 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability and also provide an indication of the potential for intermediate housing to meet needs. Data about total household income has been modelled on the basis of a number of different sources of information to provide both an overall average income and the likely distribution of incomes in the Borough. The key sources of data include:

- CACI from *Wealth of the Nation 2012* – to provide an overall national average income figure for benchmarking
- English Housing Survey (EHS) – to provide information about the distribution of incomes (taking account of variation by tenure in particular)
- Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed from 2012 to 2014 (1.4% for the East region)
- ONS modelled income estimates – to assist in providing more localised income estimates (e.g. for the Borough)

4.29 Drawing all of this data together it is possible to construct an income distribution for the whole of Broxbourne for 2014. The figure below shows the distribution of household incomes for the whole of the Borough. The data shows that just under a third (31%) of households have an income below £20,000 with a further third in the range of £20,000 to £40,000. The overall average (median) income of all households in the Borough was estimated to be around £30,400 with a mean income of £39,900 – these income figures are around 3% lower than was estimated for use in the 2013 SHMA.

Figure 4.6: Distribution of Household Income in Broxbourne



Source: Derived from ASHE, EHS, CACI and ONS data

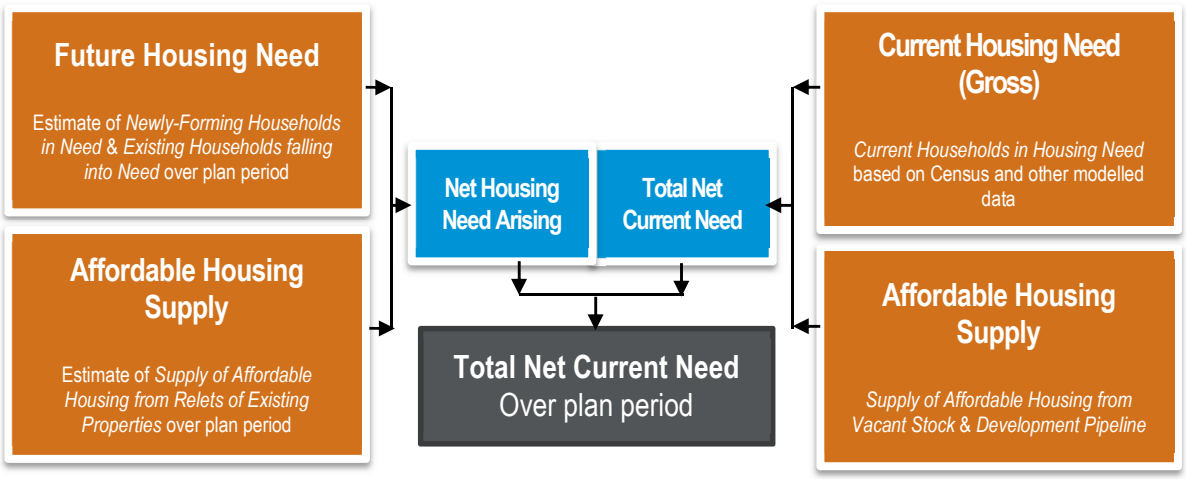
4.30 To assess affordability consideration is given to households' ability to afford either home ownership or private rented housing (whichever is the cheapest), without financial support. The distribution of household incomes, is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing.

4.31 Different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households). Assumptions about income levels are discussed where relevant in the analysis that follows.

Affordable Housing Needs Assessment

4.33 Affordable housing need has been assessed using the Basic Needs Assessment Model, in accordance with the CLG Practice Guidance. This model is summarised in the chart below.

Figure 4.7: Overview of the Affordable Housing Needs Assessment Model



4.34 The figures presented in this report for affordable housing needs have been based on secondary data sources including analysis of 2011 Census data. The modelling undertaken provides an assessment of affordable housing need for a 17-year period from 2014 to 2031 (which is then annualised). Each of the stages of the affordable housing needs model calculation are discussed in more detail below.

Methodological Issues

4.35 Due to the analysis being based on secondary data sources only, there are a number of assumptions that need to be made to ensure that the analysis is as robust as possible. Key assumptions include considering the number of households who have a need due to issues such as insecure tenancies or housing costs – such households form part of the affordable need as set out in guidance (see paragraph 023 of the PPG for example) but are not readily captured from secondary data sources. Assumptions also need to be made about the likely income levels of different groups of the population (such as newly forming households), recognising that such households' incomes may differ from those in the general population.

4.36 To overcome the limitations of a secondary-data-only assessment, additional data has been taken from a range of survey-based affordable needs assessments carried out by JGC over the past five years or so. These surveys (which cover a range of areas and time periods) allow the assessment to consider issues such as needs which are not picked up in published sources and different income levels for different household groups. This data is then applied to actual data for Broxbourne (e.g. from the Census) as appropriate. It is the case that outputs from surveys in other areas show remarkably similar outputs to each other for a range of core variables (for example the income levels of newly forming households when compared with existing households) and are therefore likely to be fairly reflective of the situation locally in Broxbourne. Where possible, data has also been drawn from national surveys (notably the English Housing Survey).

4.37 It should also be stressed that the secondary data approach and use of other survey data is consistent with the PPG. Specifically, guidance states [that:

'Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance'.

Current Affordable Housing Need

4.38 In line with PPG, the current need for affordable housing need has been based on considering the likely number of households with one or more housing problem. A list is initially set out in paragraph 023 of the PPG and provides the following.

What types of households are considered in affordable housing need?

The types of households to be considered in housing need are:

- homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income);
- households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households);
- households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ
- households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation;
- households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move.

Source: PPG [ID 2a-023-20140306]

4.39 This list of potential households in need is then expanded on in paragraph 24 of the PPG which provides a list of the categories to consider when assessing current need. This assessment seeks to follow this list by drawing on a number of different data sources. The table below sets out the data used in each part of the assessment. All efforts have been made to avoid double counting; this includes excluding households living in non-hostel and B&B properties from the numbers in temporary accommodation (such households will be included in the last two categories of need). However, there may be some issues with looking at both concealed households and overcrowding – it is likely that providing housing for some concealed households would remove an overcrowding issue – no account has been taken of this and therefore arguably the figures presented could be slightly too high.

Figure 4.8: Main sources for assessing the current unmet need for affordable housing

	Source	Notes
Homeless households	CLG Live Table 784	Total where a duty is owed but no accommodation has been secured
Those in priority need who are currently housed in temporary accommodation	CLG Live Table 784	Total in temporary accommodation (excludes those living in LA/HA or private sector/Other stock)
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure
Concealed households	Census table LC1110EW	Number of concealed families (with dependent or non-dependent children)
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Will include households with many of the issues in the first box above (e.g. insecure tenure).
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [ID 2a-024-20140306]

4.40 The table below therefore shows the initial estimate of the number of households who potentially have a current housing need. These figures are before any consideration of affordability has been made and has been termed 'the number of households in unsuitable housing'. Overall, the analysis suggests that there are currently some 3,015 households living in unsuitable housing (or without housing) – this is 7.8% of the estimated total number of households living in the Borough (in 2014).

Figure 4.9: Estimated number of households living in unsuitable housing

Category of 'need'	Households
Homeless households	0
Those in priority need who are currently housed in temporary accommodation	20
Households in overcrowded housing	1,951
Concealed households	232
Existing affordable housing tenants in need	111
Households from other tenures in need	701
Total	3,015

Source: CLG Live Tales, Census (2011) and data modelling

4.41 In taking this estimate (3,015) forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account. A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be considered as being in affordable housing need (this does not have a significant impact ion Broxbourne). Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

4.42 The table below shows that as of mid-2014 it is estimated that there were 1,276 households living in unsuitable housing (excluding current social tenants and the majority (90%) of owner-occupiers) – this represents 3.3% of all households in the area in 2014.

Figure 4.10: Unsuitable housing by tenure and numbers to take forward into affordability modelling

	In unsuitable housing	Number to take forward for affordability testing
Owner-occupied	1,110	111
Social rented	739	0
Private rented	915	913
No housing (homeless/concealed)	252	252
Total	3,015	1,276

Source: CLG Live Tales, Census (2011) and data modelling

4.43 Having established the figure of 1,276, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy, because they could afford a suitable market housing solution. For an affordability test the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the level of income to 69% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure (of 42%) has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing. These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (and excluding social tenants and the majority of owners) along with typical income levels of households accessing social rented housing (for those without accommodation). These figures are considered to be best estimates, and likely to approximately reflect the differing income levels of different groups with a current housing problem.

4.44 Overall, between 55% and 76% of households with a current need are estimated to be likely to have insufficient income to afford market housing depending on the income threshold used. The estimate of the total current need is therefore between 696 and 967 households. The table below shows how current need is estimated to vary by the different broad category of household (i.e. those with and without housing).

Figure 4.11: Estimated Current Need

		In unsuitable housing (taken forward for affordability test)	% Unable to Afford	Revised Gross Need (including Affordability)
25% income threshold	Households in housing	1,024	72.6%	743
	No housing (homeless/concealed)	252	88.9%	224
	Total	1,276	75.8%	967
30% income threshold	Households in housing	1,024	63.7%	652
	No housing (homeless/concealed)	252	84.4%	213
	Total	1,276	67.7%	864
35% income threshold	Households in housing	1,024	56.6%	579
	No housing (homeless/concealed)	252	79.5%	200
	Total	1,276	61.1%	779
40% income threshold	Households in housing	1,024	49.8%	509
	No housing (homeless/concealed)	252	73.9%	186
	Total	1,276	54.5%	696

Source: CLG Live Tales, Census (2011), data modelling and affordability analysis

4.45 All of the data above can be compared with an analysis of current need in the 2013 SHMA. The methodology employed in this report is somewhat different, being based predominantly on 2011 Census data rather than drawing on Housing Register information. CLG guidance suggests that the Housing Register can be used to estimate levels of affordable housing need. Experience working across the Country is that housing registers can be highly variable in the way allocation policies and pointing systems work. This means that in many areas it is difficult to have confidence that the register is able to define an underlying need. Many housing registers include households who might not have a need whilst there will be households in need who do not register (possibly due to being aware that they have little chance of being housed). For these reasons, the method linked to Census and other modelled data is preferred.

4.46 In looking at the original SHMA it can be seen that at the time of the assessment there were a total of 3,516 households on the Council's Housing Register. Of this total, 2,570 were defined as being in affordable housing need, and of this total, some 642 occupied affordable housing (leaving 1,928 in need before undertaking an affordability test). Data provided by the Council in April 2015 shows that the number of households on the Register has dropped to just 1,606 (less than half of the total in the original SHMA). This difference has been driven by changes to criteria for joining the register and is unlikely to reflect a radical change in the level of need. It is considered that the more up-to-date register data information is a better reflection of needs in the Borough (and therefore that the figures used in the 2013 SHMA are likely to have over-estimated needs).

4.47 At the time of writing, information about the number of households registered who were also in need was not available, however the data does show that 463 of those registered were on the transfer register, leaving 1,143 other households. Given that not all of these households will be in need it seems reasonable to conclude that our estimate of the current need (prior to affordability testing) of 1,276 households is likely to be of the right order of magnitude.

Newly-Arising Need

4.48 To estimate newly-arising (projected future) need the analysis has looked at two key groups of households based on the CLGs guidance. These are:

- Newly forming households; and
- Existing households falling into need.

Newly-Forming Households

4.49 The number of newly-forming households has been estimated through the demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below 5 years previously to provide an estimate of *gross* household formation. This differs from numbers presented in the demographic projections which are for net household growth. The number of newly-forming households are limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates 'plateau'. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.

4.50 The estimates of gross new household formation have been based on outputs from the core demographic projection. In looking at the likely affordability of newly-forming households, information has been drawn on data from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

4.51 The overall household income data has therefore been adjusted to reflect a lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing without any form of subsidy (such as LHA/HB).

4.52 The assessment suggests that overall between 40% and 63% of newly-forming households will be unable to afford market housing depending on the affordability threshold used and that a total of 300 to 469 new households will have a need on average in each year to 2031. In the 2013 SHMA, household formation was estimated at 740 per annum with an affordability rate of 67.4% - this led to an estimated 499 households falling into need each year. The figure in the 2013 SHMA was based on a 25% affordability threshold and is therefore similar to the figure (of 469) within this analysis; this difference is largely due to moving from an access level private rent of £728 per month to a figure of £695 (derived from analysis of VOA data).

Figure 4.12: Estimated Level of Affordable Housing Need from Newly Forming Households (per annum)

	Number of new households	% unable to afford	Total in need
25% affordability threshold	744	63.0%	469
30% affordability threshold	744	54.6%	406
35% affordability threshold	744	46.6%	346
40% affordability threshold	744	40.4%	300

Source: Projection Modelling/Income analysis

Existing Households falling into Affordable Housing Need

4.53 The second element of newly arising need is existing households falling into need. To assess this, information from CoRe has been used. The analysis looks at households who have been housed over the past two years – this group will represent the flow of households onto the Housing Register over this period. From this, any newly forming households (e.g. those currently living with family) have been discounted, as well as households who have transferred from another social rented property. An affordability test has also been applied, although relatively few households are estimated to have sufficient income to afford market housing.

4.54 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)'*.

4.55 Following the analysis through suggests a need arising from between 106 and 127 existing households each year (depending on the affordability threshold used) – this is about 0.3% of all households living in the Borough (in 2014). These figures are slightly lower than estimated in the 2013 SHMA (174 per annum) – a difference mainly due to lower activity on the Housing Register over the past couple of years (when compared with the 2013 SHMA which considered needs arising in the five-year period to 2012).

Supply of Affordable Housing

4.56 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social/affordable rent relets and the annual supply of relets/sales within the intermediate sector.

4.57 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Data from CoRe has been used to establish past patterns of social housing turnover. The figures include general needs and supported lettings but exclude lettings of new properties plus an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.

4.58 On the basis of past trend data is has been estimated that 212 units of social/affordable rented housing are likely to become available each year moving forward.

Figure 4.13: Analysis of past social/affordable rented housing supply (per annum – based on data for the 2011-14 period)	
Total lettings	377
% as non-newbuild	97.0%
Lettings in existing stock	366
% non-transfers	57.9%
Total lettings to new tenants	212

Source: CoRe

4.59 The supply figure is for social/affordable rented housing only and whilst the stock of intermediate housing in Broxbourne is not significant compared to the social/affordable rented stock it is likely that some housing does become available each year (e.g. resales of shared ownership). For the purposes of this assessment, data from CoRe has again been utilised about the number of sales of homes that were not newbuild. From this it is estimated that around 3 additional properties might become available per annum.

4.60 The total supply of affordable housing is therefore estimated to be 215 per annum – this figure is somewhat lower than was estimated in the 2013 SHMA which estimated future supply at 257 per annum (made up of 238 social/affordable rents and 19 intermediate housing).

Figure 4.14: Supply of affordable housing			
	Social/affordable rented relets	Intermediate housing 'relets'	Total supply (per annum)
Broxbourne Borough	212	3	215

Source: CoRe

4.61 It should be noted that the CoRe data is based on the location of the property and not the local authority that made the letting. There will be some lettings in Broxbourne made to properties owned by another local authority and therefore not available to households on the Broxbourne Housing Register (this will particularly be in relation to Enfield). Hence the figures presented above may slightly over-estimate potential future supply based on past trend data.

Net Affordable Housing Need

4.62 The table below shows the overall calculation of affordable housing need. This excludes supply arising from sites with planning consent (the 'development pipeline'). The analysis has been based on meeting affordable housing need over the 17-year period from 2014 to 2031. Whilst most of the data in the model are annual figures the current need has been divided by 17 to make an equivalent annual figure.

4.63 The data shows an overall need for affordable housing of between 232 and 438 units per annum over the 17-years. The net need is calculated as follows:

Net Need = Current Need + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Figure 4.15: Estimated level of Affordable Housing Need (2014-31) – per annum				
	25% affordability threshold	30% affordability threshold	35% affordability threshold	40% affordability threshold
Current need	57	51	46	41
Newly forming households	469	406	346	300
Existing households falling into need	127	121	114	106
Total Gross Need	653	578	506	447
Supply	215	215	215	215
Net Need	438	363	291	232

Source: Census (2011)/CoRe/Projection Modelling and affordability analysis

What is an appropriate threshold for affordability?

4.64 The analysis so far in this section has looked at the likely range of affordable housing need based on different thresholds of income to be spent on housing costs. There is good justification for considering such a range given that there is no guidance on this topic within the PPG and our own analysis shows that analysis based upon 25% to 40% could be considered a reasonable starting point.

4.65 However, it is useful to think about what might be a reasonable figure in Broxbourne. The threshold of income to be spent on housing should be set by asking the question *'what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy (e.g. through Housing Benefit)?'* The choice of an appropriate threshold will to some degree be arbitrary and will be linked to the cost of housing rather than income. Income levels are only relevant in determining the number (or proportion) of households who fail to meet the threshold. It would be feasible to find an area with very low incomes and therefore conclude that no households can afford housing, alternatively an area with very high incomes might show the opposite output. The key here is that local income levels are not setting the threshold, but are simply being used to assess how many can or can't afford market housing.

4.66 It is therefore useful to look at housing costs in Broxbourne and contrast this with other areas. The analysis in this section has shown a lower quartile rent (across all dwelling sizes) of £695 per month. This rent level can be compared with other areas nationally; the highest rents (outside London) being in Epson and Ewell (£995 per month) and the lowest in Liverpool (at £313 per month). More locally within the East of England region the lower quartile rents range from £350 in Ipswich up to £825 in St. Albans. It is clear from this that Broxbourne is within the regional and national range, but towards the top end of it.

4.67 Although arbitrary, if the upper rent areas were considered to be '40%' areas and lower rent areas '25%' locations then arguably Broxbourne would sit closer to 40% than 25%.

4.68 However, the key point when looking at thresholds and housing costs is one of 'residual income' – i.e. the amount of money a household has after housing costs are paid for. Using the East of England examples, if a household in Ipswich spent 25% of income on housing then their residual income would be £1,050 per month, the same threshold in St. Albans would show a residual income of £2,475 – if the threshold in St. Albans were increased to 40% then the residual income would be around £1,250. Hence it could be concluded that a 40% threshold in St. Albans is reasonable. This analysis is not conclusive given that such an analysis would need to be predicated on a) an assumption that 25% in Ipswich is appropriate and b) that living costs (other than housing) are equal across areas. It does however serve to show why the cost of housing is the key input into understanding a reasonable threshold for affordability.

4.69 Returning to the question for Broxbourne, we can as an indicative analysis look at this residual income method by considering housing costs both nationally and within the East of England region. If Liverpool is taken as a 25% benchmark, then the income multiple to achieve the same residual income would be 43%; if Ipswich is taken as the 25% benchmark then this percentage drops to 40%.

4.70 Overall, this analysis is somewhat convoluted and does not definitively show what income multiple is most suitable in Broxbourne – indeed it confirms that no such 'single' figure exists. However, for the purpose of analysis we would suggest on the basis of the range set out above that something in the region of 35%-40% of income to be spent on housing costs would be a reasonable benchmark.

4.71 It is therefore concluded in seeking to establish the need for affordable housing that the outputs based on the 35% threshold are likely to be a robust assessment although there is certainly a case for suggesting a figure of up to 40%.

Relating Affordable Need and OAN – legal judgements and guidance

4.72 The analysis above clearly indicates a need for affordable housing regardless of the affordability threshold used. However, the link between affordable need and the OAN is complex and has been subject to a number of recent High Court decisions and also interpretation through advice from the Planning Advisory Service (in the July 2015– Technical advice note). Below we have summarised some of the key relevant judgements and guidance in Chronological Order.

Satnam Millennium Limited v Warrington Borough Council (February 2015)

4.73 In this case, a challenge to the adoption of the Warrington Local Plan Core Strategy succeeded, resulting in the quashing of the Plan's housing provision policies. With regard to affordable housing the judge found that the assessment of full, objectively assessed needs for housing had not taken account of the (substantial) need for affordable housing.

4.74 In paragraph 43 of the judgement it is concluded that *'the Local Plan should then meet the OAN for affordable housing, subject only to the constraints referred to in the NPPF, paragraphs 14 and 47'*. This quote has been taken by some parties to imply that the need for affordable housing (as shown in modelling such as within the section) needs to be met in full – for example, if the affordable need is 200 per annum and delivery is likely to be 20% then an OAN for 1,000 homes would be appropriate.

4.75 It is not clear if this is exactly what the judge in this case had in mind. What is clear that such an approach in many areas would be impractical as it would require huge increases to have any significant impact.

Oadby and Wigston v Bloor Homes (July 2015)

4.76 In this case, a challenge by Oadby & Wigston Borough Council to the granting of planning permission through a Section 78 inquiry was dismissed.

4.77 The key issue in front of the Judge was whether or not the original inspector's adoption of a figure of 147 dwellings per annum as the full objectively assessed need for housing (FOAN) was sound. In essence the Council's position was that the need was in the range of 80-100 dwellings per annum and that this was a policy-off figure based on the most up-to-date population and household projections. The appellant suggested a need in the range of 147-161 based on long-term migration trends and the needs of the local economy (in terms of matching job growth and housing need).

4.78 The Judge's initial conclusion was that he considered the SHMA position (of 80-100 dwellings per annum) to be policy-on. He based this on a recognition that other analysis in the SHMA had indicated a need for 173 dpa to meet economic growth and a slightly lower figure (of 160 per annum) as the affordable housing need.

4.79 The uncertainty in this decision is whether or not the FOAN must include all of the affordable housing need. Some of the wording of the judgment would suggest that this was the case with Judge Hickinbottom stating that the assessment of need *'becomes policy on as soon as the Council takes a course of not providing sufficient affordable housing to satisfy the FOAN'*. This however is inconsistent with the more recent judgement in Kings Lynn (below) and also the PAS Technical advice note.

Planning Advisory Service – Technical Advice note (July 2015)

4.80 At about the same time as the Oadby & Wigston judgement, the Planning Advisory Service (PAS) published the second edition of their technical advice note on Objectively Assessed Need and Housing Targets – this replaced/updated a version from June 2014.

4.81 The consideration of affordable housing need and its relationship to overall housing need is covered in some detail within Section 9 of the document. PAS set out a suggested approach for looking at the relationship between OAN and affordable housing (which is broadly in line with the approach in this report) before going on to consider their own view about the relationship.

4.82 They initially suggest that affordable housing is a policy consideration that bears on housing targets rather than OAN and note that they are not comparable because they relate to different meanings of the term 'need'. They also highlight that the OAN relates to new dwellings whereas much of the affordable need relates to existing households, who, when moving, would free up dwellings to be occupied by other households.

4.83 They therefore note that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need before concluding that the affordable need cannot be a component part of the OAN. PAS do however note that their views 'may be' contradicted by the Satnam judgement referred to above.

Kings Lynn v Elm Park Holdings (July 2015)

4.84 The final case of reference is Kings Lynn and West Norfolk Council vs. SSCLG and Elm Park Holdings. The case involved the Council's challenge to an inspector's granting of permission for 40 dwellings in a village. Although much of the case was about the approach to take with regards to vacant and second homes, the issue of affordable housing was also a key part of the final judgment.

4.85 Focussing on affordable housing, Justice Dove considered the "ingredients" involved in making a FOAN and noted that the FOAN is the product of the Strategic Housing Market Assessment (SHMA) required by paragraph 159 of the NPPF. It is noted that the SHMA must identify the scale and mix of housing to meet household and population projections, taking account of migration and demographic change, and then address the need for all housing types, including affordable homes.

4.86 He continued by noting that the scale and mix of housing is *'a statistical exercise involving a range of relevant data for which there is no one set methodology, but which will involve elements of judgement'*. Crucially, in paragraph 35 of the judgment he says that the *'Framework makes clear that these needs [affordable housing needs] should be addressed in determining the FOAN, but neither the Framework nor the PPG suggest that they have to be met in full when determining that FOAN. This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice'*. This is an important point, given the previous judgements in Satnam and Oadby & Wigston. And indeed in relation to Oadby and Wigston he notes that *'Insofar as Hickinbottom J in the case of Oadby and Wigston Borough Council v Secretary of State [2015] EWHC 1879 might be taken in paragraph 34(ii) of his judgment to be suggesting that in determining the FOAN, the total need for affordable housing must be met in full by its inclusion in the FOAN I would respectfully disagree. Such a suggestion is not warranted by the Framework or the PPG'*.

4.87 Therefore, this most recent judgement is clear that an assessment of affordable housing need should be carried out, but that the level of affordable need shown by analysis does not have to be met in full within the assessment of the FOAN.

4.88 The approach in Kings Lynn is also similar to that taken by the inspector (Simon Emerson) to the Cornwall Local Plan. His preliminary findings in June 2015 noted in paragraph 3.20 that *'National guidance requires consideration of an uplift; it does not automatically require a mechanistic increase in the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites.'*

Relating Affordable Need and OAN

4.89 The analysis above indicates a clear need for affordable housing. The table below sets out the annual affordable housing need as a proportion of the need identified from the core demographic-based projection. Based upon income thresholds of 25% - 40% the affordable need represents between 58% and 110% of the demographic-need. These figures are however calculated in different ways and are not strictly comparable. A 35% threshold (which is considered to be the most appropriate to use in local circumstances) shows the affordable need to be around 73% of the assessed housing need calculated from demographic projections.

Figure 4.16: Affordable Need as % Demographic-based Projections

	Demographically-based Need	Affordable Housing Need	Affordable as % Demographic-based Need
25% affordability threshold	399	438	110%
30% affordability threshold	399	363	91%
35% affordability threshold	399	291	73%
40% affordability threshold	399	232	58%

4.90 The Planning Practice Guidance sets out how it expects the affordable housing need to be considered as part of the plan-making process. It outlines in Paragraph 029 that:

"The total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes."

4.91 The likely delivery of affordable housing on mixed market housing-led developments will be influenced both by affordable housing policies (themselves influenced by development viability evidence), the mix of homes which are delivered and the viability of individual development schemes. Some schemes will not be able to viably deliver policy-compliant levels of affordable housing. The Council's current policy position is to seek 40% affordable housing on qualifying sites. Such a level of provision is clearly below the proportions shown in the table above.

4.92 It should be borne in mind that besides delivery of affordable housing on mixed-tenure development schemes, there are a number of other mechanisms which deliver affordable housing. These include:

- National Affordable Housing Programme – this (adminsted by the HCA) provides fuding to support Registered Providers in delivering new housing including on sites owned by RPs;
- Building Council Homes – following reform of the HRA funding system, Councils can bring forward affordable housing themselves.
- Empty Homes Programmes – where local authorities can bring properties back into use as affordable housing. These are existing properties, and thus represent a change in tenure within the current housing stock;
- Rural Exception Site Development – where the empasis is on delivering affordable housing to meet local needs.

4.93 Funding for specialist forms of affordable housing, such as extra care provision, may also be available from other sources; whilst other niche agents, such as Community Land Trusts, may deliver new affordable housing. Net changes in affordable housing stock may also be influenced by estate regeneration schemes, as well as potentially by factors such as the proposed extension of the Right to Buy to housing association properties. Affordable housing can be met by changes in the ownership of existing housing stock, not just by new-build development.

4.94 In interpreting the relationship between affordable need and total housing provision, it is important to understand the basis of the affordable housing needs model. As the Planning Practice Guidance sets out, the calculation of affordable need involves *"adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable stock."* The affordable housing need does not therefore represent an assessment of what proportion of additional households might require affordable housing. Instead the model considers:

- What need can be expected to arise from both existing and newly-forming household who require financial support to access suitable housing;
- This is then compared with the projected supply of affordable housing expected to arise from the turnover of existing stock, and affordable housing in the development pipeline.

4.95 The affordable housing model thus includes supply-side factors. The net need figures derived are influenced by the current stock of affordable housing and turnover of this. This has been influenced by past policies and investment decisions (at both the national and local levels). Funding mechanisms for affordable housing have influenced past delivery, which in turn influence the need today.

4.96 With relatively modest growth in affordable housing stock over the last 15 years, the Private Rented Sector has in effect taken on an increasing role in providing housing for households who require financial support in meeting their housing needs, supported by Local Housing Allowance.

4.97 Whilst the Private Rented Sector (PRS) does not fall within the definition of "affordable housing," it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their "homelessness duty" through providing an offer of a suitable property in the PRS.

4.98 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: *'Affordable housing: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market'* [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning of the housing market.

4.99 Data from the Department of Work and Pensions (DWP) has been used to look at the number of LHA supported private rented homes. As of May 2015 it is estimated that there were 2,077 benefit claimants in the private rented sector. This is 16% up from the number observed five-years earlier (in May 2010 – 1,796).

4.100 From English Housing Survey we estimate that the proportion of households within the private sector who are "new lettings" each year (i.e. stripping out the effect of households moving from one private rented property to another) is around 13%. Applying this to the number of LHA claimants in the Private Rented Sector gives an estimate of 270 private sector lettings per annum to new LHA claimants in the Borough. This figure is derived from claimants rather than households and it is possible that there are a number of multiple LHA claimant households (i.e. in the HMO sector). This serves to illustrate that there is some flexibility within the wider housing market.

4.101 However, national planning policy does not specifically seek to meet the needs identified through the Basic Needs Assessment Model through the Private Rented Sector. Government's benefit caps may reduce the contribution which this sector plays in providing a housing supply which meets the needs of households identified in the affordable housing needs model herein. In particular future growth in households living within the PRS and claiming LHA cannot be guaranteed. It is however important to understand the scale of the role being played by the private rented sector which is Broxbourne appears to provide more lettings to households than the social/affordable rented sector.

4.102 Secondly, and perhaps more critically, it is important to recognise that the model includes needs arising from both new households and existing households. Part of the needs included are from households who might require an additional home, such as:

- Newly-forming households;
- Those in temporary accommodation;
- Concealed households; and
- Homeless households.

4.103 But the figures also include needs arising from households who will require a different form of home, but who – by moving to another property – would release an existing property for another household. These households do not generate a need for more dwellings overall. They include households who need to move as they are:

- Overcrowded;
- Coming to the end of a tenancy;
- Living in unsuitable housing; and
- Cannot afford to remain in their current home.

4.104 Such households do not generate a net need for additional homes, as by moving they would release a home for other households. On this basis, these elements of the affordable housing need are not directly relevant to considering overall housing need and housing targets (which are typically measured in terms of net dwellings).

4.105 In considering the overall need for housing, only those who are concealed or homeless would result in potentially an additional need for housing. Numbers of newly-forming households in the modelling are established specifically from the demographic projections and hence are included with the estimates of overall housing need.

4.106 The analysis undertaken arguably provides some evidence to justify considering an adjustment to the assessed housing need to address the needs of concealed households, and support improvements in household formation for younger households. Analysis earlier in this section identifies between 186 and 224 concealed and homeless households in affordable need (with a figure of 200 when using a 35% affordability threshold). This figure can reasonably be used as the uplift to the OAN as a result of affordable housing need and represents around 12 additional dwellings per annum over the 2014-31 period.

4.107 We return to consider the scale of adjustment appropriate later in the report, taking account of the evidence herein and from analysis of market signals.

Need for Different Types of Affordable Housing

4.108 Having studied housing costs, incomes and affordable housing need the next step is to make an estimate of the proportion of affordable housing need that should be met through provision of different housing products. The income information presented earlier in this section has therefore been used to estimate the proportion of households who are likely to be able to afford intermediate housing and the number for whom only social or affordable rented housing will be affordable. There are three main types of affordable housing that can be studied in this analysis:

- Intermediate
- Affordable rent
- Social rent

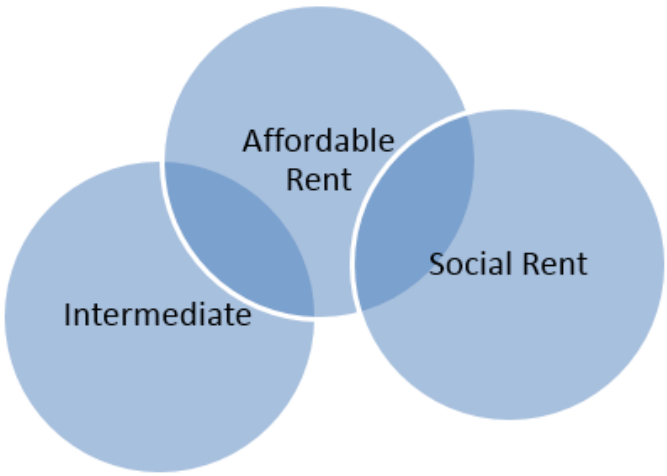
4.109 Whilst the process of separating households into different income bands for analytical purposes is quite straightforward, this does not necessarily fully indicate what sort of affordable housing they might be able to afford or occupy.

4.110 For example, a household with an income close to being able to afford market housing might be able to afford intermediate or affordable rent but may be prevented from accessing certain intermediate products (such as shared ownership) as they have an insufficient savings to cover a deposit. Such a household might therefore be allocated to affordable rented or intermediate rented housing as the most suitable solution.

4.111 The distinction between social and affordable rented housing is also complex. Whilst rents for affordable rented housing would be expected to be higher than social rents, this does not necessarily mean that such a product would be reserved for households with a higher income. In reality, as long as the rent to be paid falls at or below LHA limits then it will be accessible to a range of households (many of whom will need to claim housing benefit). Local authorities' tenancy strategies might set policies regarding the types of households which might be allocated affordable rented homes; and many authorities will seek to avoid where possible households having to claim higher levels of housing benefit. This however needs to be set against other factors, including viability and the availability of grant funding. Over the current spending period to 2015 grant funding is primarily available to support delivery of affordable rented homes. A significant level of affordable housing delivery is however through developer contributions (Section 106 Agreements).

4.112 For these reasons it is difficult to exactly pin down what proportion of additional affordable homes should be provided through different affordable tenure categories. In effect there is a degree of overlap between different affordable housing tenures, as the figure below shows.

Figure 4.17: Overlap between Affordable Housing Tenures



4.113 Given this overlap, for analytical purposes the following categories have been defined:

- Households who can afford 80% or more of market rent levels;
- Households who would potentially be able to afford more than existing social rent levels but could not afford 80% of market rents;
- Households who can afford no more than existing social rent levels (or would require housing benefit, or an increased level of housing benefit to do so).

4.114 The first of these categories would include equity-based intermediate products such as shared ownership and shared equity homes. The latter two categories are both rented housing and in reality can be considered together (both likely to be provided by Registered Providers (or the Council) with some degree of subsidy). Additionally, both affordable rented and social rented housing is likely to be targeted at the same group of households; many of whom will be claiming Housing Benefit. For this reason, the last two categories are considered together for the purposes of drawing conclusions.

4.115 Detailed information on households' savings is not available. It has therefore been assumed that around half of all households with an income which would allow them to afford 80% or more of market rents would represent the potential market for intermediate products such as shared ownership and shared equity homes – this is just a broad assumption for the purposes of modelling and in reality a different proportion of these households might only be able to afford some sort of rental product.

4.116 Taking the gross numbers for affordable housing need and comparing this against the supply from relets of existing stock, the following net need arises within the different categories. Overall the analysis suggests between 10% and 20% of housing could be intermediate with the remaining 80%-90% being either social or affordable rented. The figure of 10%-20% of the affordable need being met by intermediate products is similar to that estimated in the 2013 SHMA (13%).

Figure 4.18: Estimated level of Affordable Housing Need (per annum) by type of affordable housing			
		25% affordability threshold	40% affordability threshold
Intermediate	Total need	48	49
	Supply	3	3
	Net need	45	46
Social/affordable rented	Total need	605	398
	Supply	212	212
	Net need	392	186
Intermediate as % of total		10%	20%

Source: Affordable Housing Needs Analysis

4.117 In determining policies for affordable housing provision on individual sites, the analysis in the table above should be brought together with other local evidence such as from the Housing Register. Consideration could also be given to areas with high concentrations of social rented housing where additional intermediate housing might be desirable to improve the housing mix and to create 'housing pathways'.

4.118 Further consideration could be given to Starter Homes, but it should be noted that those eligible for Starter Homes (first-time buyers under 40) would not necessarily be identified as having an affordable housing need on the basis of current definitions – in that many would be likely to be able to afford to rent privately without financial support. The role of Starter Homes and how they fit into the definition of affordable housing should be reviewed once more details are available about this tenure. The introduction of Starter Homes could well have a significant impact on the delivery of affordable housing and may well see Councils needing to review their evidence base (including around the viability of delivery).

Comparison with 2013 SHMA

4.119 The data can be compared with figures from the 2013 SHMA and the table below brings together each of the stages on an annual basis. The stages are broadly comparable although it should be noted that the annual figure in the 2013 SHMA has been based on looking at needs over a 5-year period (2012-17) and therefore dividing the current need by 5 rather than 17 – this assessment looks over the longer term to ensure consistency with demographic projections.

4.120 The table below shows that the assessed affordable need in this report (at 232-438 per annum) is below that in the 2013 SHMA (514 per annum). This difference is driven by reductions in estimates of need in each of the different categories (i.e. current, newly forming and existing falling into need) although this is to some extent offset by a lower estimate of potential future supply in this assessment. In interpreting the data below it should be noted that the 2013 SHMA used a 25% affordability threshold for the purposes of analysis.

Figure 4.19: Comparing levels of annual Affordable Housing Need in this assessment and the 2013 SHMA

	This assessment		2013 SHMA
	25% affordability threshold	40% affordability threshold	
Current need	57	41	98
Newly forming households	469	300	499
Existing households falling into need	127	106	174
Total Gross Need	653	447	771
Supply	215	215	257
Net Need	438	232	514

Source: 2013 data from Broxbourne SHMA (2013)

Summary – Affordable Housing Need

An assessment of affordable housing need has been undertaken which is compliant with Government guidance to identify whether there is a shortfall or surplus of affordable housing in Broxbourne. This has estimated current affordable housing need in 2014 of between 696 and 967 households, excluding existing social housing tenants where they would release a home for another household in need.

The affordable housing needs model then looked at the balance between needs arising and the supply of affordable housing. Each year an estimated 406 to 596 households are expected to fall into affordable housing need and 215 properties are expected to come up for relet.

Overall, in the period from 2014 to 2031 a net deficit of 232-438 affordable homes per annum is identified. There is thus a requirement for new affordable housing in the Borough and the Council is justified in seeking to secure additional affordable housing.

The identified need from households requiring financial support represents up to 110% of the need arising through the demographic projections (and 73% when based on a 35% affordability threshold). However, in considering this relationship, it is important to bear in mind that the affordable housing needs model includes existing households who require a different size or tenure of accommodation rather than new accommodation per se. Furthermore, many households secure suitable housing within the Private Rented Sector, supported by housing benefit.

However, some additional housing could potentially be considered as part of a market signals adjustment to help improve affordability for younger households and reduce the number of concealed households. A modest uplift would not be expected to generate any significant population growth (over and above that shown by demographic projections) such that consideration of lower housing numbers in other areas would need to be agreed through the Duty to Cooperate.

Further analysis identifies that between 10% and 20% of the need could be met through intermediate housing and the remainder through provision of social/affordable rented homes. The types of intermediate housing could include products such as shared ownership or shared equity, although the cost of such products should be carefully considered to ensure they are genuinely affordable – this will need to include consideration of any deposit requirements which may be a barrier to access for a number of households.

5. Housing Market Dynamics and Market Signals

Introduction

5.1 The Planning Practice Guidance sets out that housing numbers suggested by household projections should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between demand for and supply of dwellings. It indicates that prices or rents rising faster than the national/local average may indicate particular market undersupply relative to demand. It identifies a number of relevant market signals:

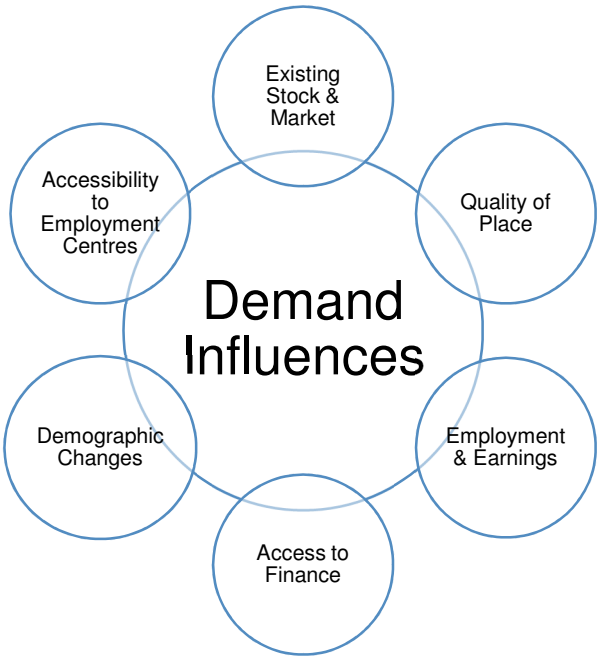
- Land Prices – where price premiums indicate a shortage of land in a locality. It should be noted that up-to-date and consistent land value data is not readily available for Broxbourne and so this market signal has not specifically been considered;
- House Prices and Rents – where longer-term changes in prices may indicate a supply-demand imbalance;
- Affordability – using the ratio of lower quartile house prices to lower quartile incomes to assess relative affordability of market housing;
- Rates of Development – through comparison of rates of permissions and completions relative to planned numbers over a meaningful period;
- Overcrowding – whereby long-term increases in overcrowded, concealed and sharing households, homelessness and numbers in temporary accommodation should be considered.

5.2 The focus is on considering indicators relating to price and quantity. Guidance sets out these issues should be assessed by comparing long-term trends in the housing market area, similar demographic/economic areas, and nationally. The purpose of this is to consider whether a proportionate upward adjustment should be made to housing numbers to improve affordability.

Overview of the Housing Market and Economy

5.3 It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level. There are a number of key influences on housing demand, which are set out in the diagram below.

Figure 5.1: Understanding Housing Demand Drivers



5.4 At the macro-level, the market is particularly influenced by interest rates and mortgage availability, as well as market sentiment (which is influenced by economic performance and prospects at the macro-level). In the recent recessionary period, these macro conditions have been particularly prominent in driving the housing market.

5.5 The market is also influenced by the economy at both regional and local levels, recognising that economic employment trends will influence migration patterns (as people move to and from areas to access jobs) and that the nature of employment growth and labour demand will influence changes in earnings and wealth (which influences affordability).

5.6 Housing demand over the longer-term is particularly influenced by population and economic trends: changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products.

5.7 There are then a number of factors which play out at a more local level, within a functional housing market and influence demand in different locations. The importance of these local factors is perhaps more pronounced in stable or healthy economic times, when mortgage availability and market liquidity are far less of a constraint on activity. These include:

- quality of place and neighbourhood character;
- school performance and the catchments of good schools;
- the accessibility of areas including to employment centres (with transport links being an important component of this); and
- the existing housing market and local market conditions.

5.8 These factors influence the demand profile and pricing within the market. At a local level, this often means that the housing market (in terms of the profile of buyers) tends to be influenced and consequently reinforced to some degree by the existing stock profile. However, regenerative investment or delivery of new transport infrastructure can influence the profile of housing demand in a location, by affecting its attractiveness to different households.

5.9 Local housing markets or sub-markets are also influenced by dynamics in surrounding areas, in regard to the relative balance between supply and demand in different markets; and the relative pricing of housing within them. Understanding relative pricing and price trends is thus important.

5.10 The sections below consider each of the key market signals suggested in guidance. These are then brought together to consider what they are saying about the local housing market and any particular pressures.

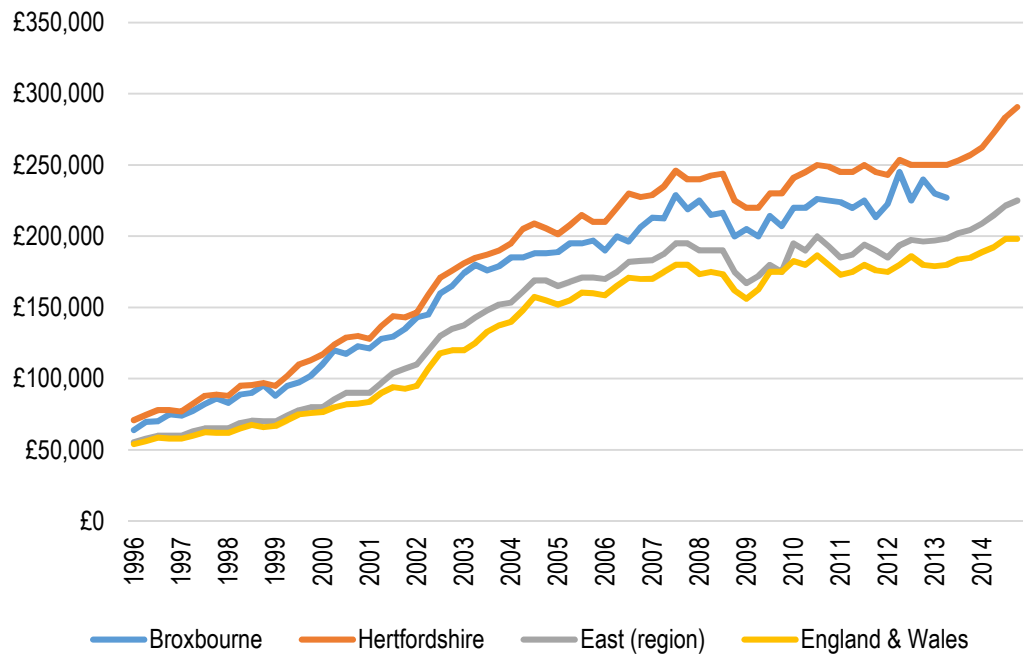
House Prices and Rents

5.11 Longer-term changes in house prices are considered, and what these indicate about the supply-demand balance for housing.

5.12 Over the decade to 2007 median house prices grew strongly, increasing by about 180% across Broxbourne (Q3 1997 to Q3 2007). This was higher than seen across Hertfordshire (160%) but below the East of England Region (200%) and England & Wales average (190%). However, in actual value terms, prices rose more significantly in Broxbourne and Hertfordshire. Prices grew over the decade by £147,000 in the Borough and £158,000 across the County; this compares with growth of £130,000 across the region and about £120,000 nationally.

5.13 House price dynamics since 2007 have been quite different and Hertfordshire (and to a lesser extent the region) look to have performed above average – the County seeing less of a decline in prices and a more significant recovery (particularly over the past 18-months or so). Since the 1st quarter of 2012 average prices in Hertfordshire have increased by 20%; this contrasts with a 13% increase for England & Wales.

Figure 5.2: Median House Prices, 1996-2014

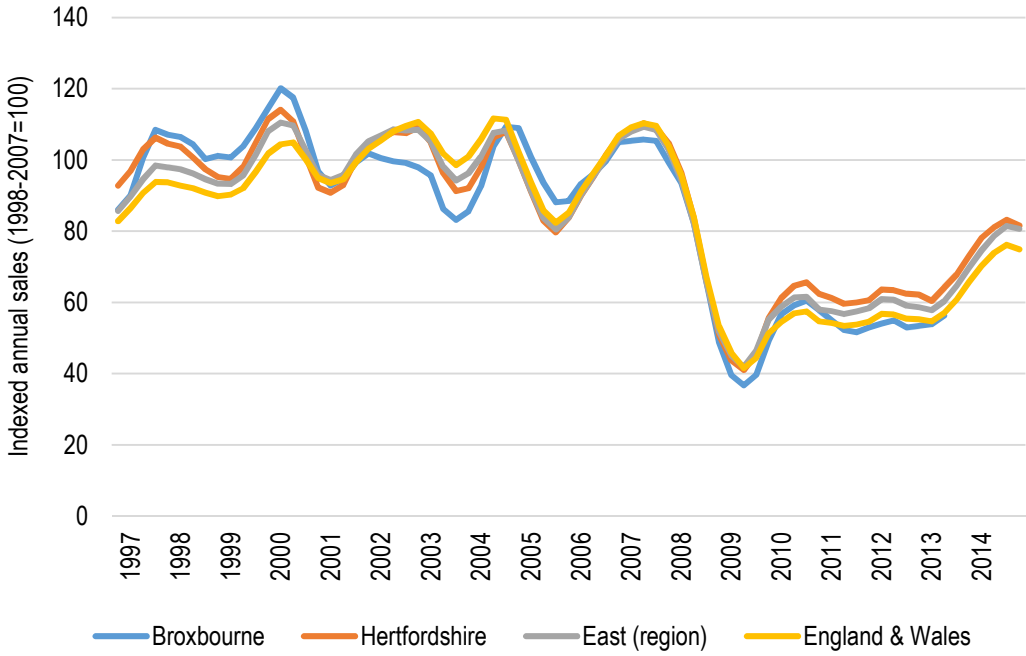


Source: CLG Live Tables (582) and Land Registry

5.14 Sales trend are also an important indicator as these provide an indication of the effective demand for market housing. The figure below provides an index of annual sales where 100 is the average sales over the decade to 2007/8. The analysis indicates a market 'dip' in 2005 (linked to a rise in interest rates). However, it shows a substantial drop in sales in 2008 to a level 50%-60% below the long-term trend. There was some recovery in 2013/14 but sales were still 20% down on the long-term trend.

5.15 Access to mortgage finance is the key constraint to market performance here, impacting on levels of both first-time buyers and investment purchases towards the bottom of the market in particular. This has a cascading impact on overall market vitality and confidence (and impacts on chains of sales).

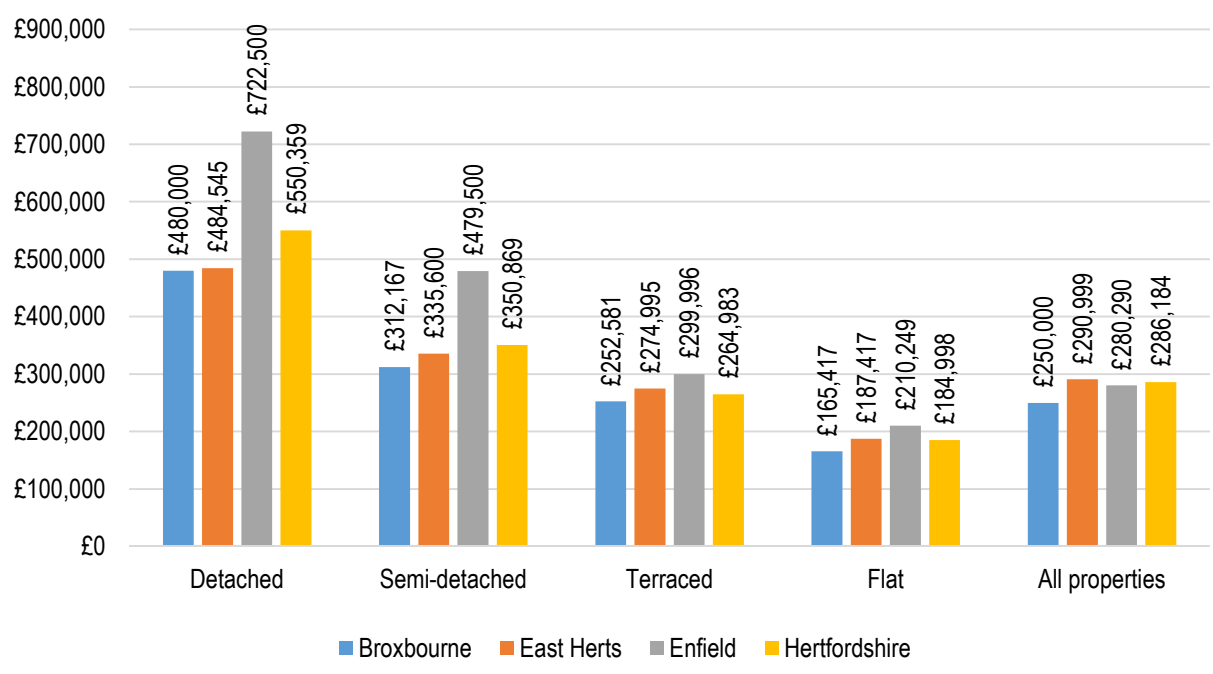
Figure 5.3: Annual Sales Index, 1996-2014 (four quarter moving average)



Source: CLG Live Tables (584) and Land Registry

5.16 Turning to look at house prices more locally, the figure below indicates house prices for different types of homes in Broxbourne and the key local authorities with links to the Borough (identified as Enfield and East Herts). Prices in Broxbourne sit at the bottom of the range with higher figures seen for all property types in other areas. The overall average price in Broxbourne is some way below that for other locations.

Figure 5.4: Median House Prices by Type (10 months to October 2014)



Source: Land Registry

5.17 The figure below compares house prices to those in Hertfordshire, and to the England & Wales average. Compared with the County, all property sizes show lower average values; however, other than for flats, the opposite is true when comparing with national data. The overall average prices in Broxbourne is about 30% higher than seen nationally, but 13% below the County average.

Figure 5.5: Median House Prices by Type (10 months to October 2014)

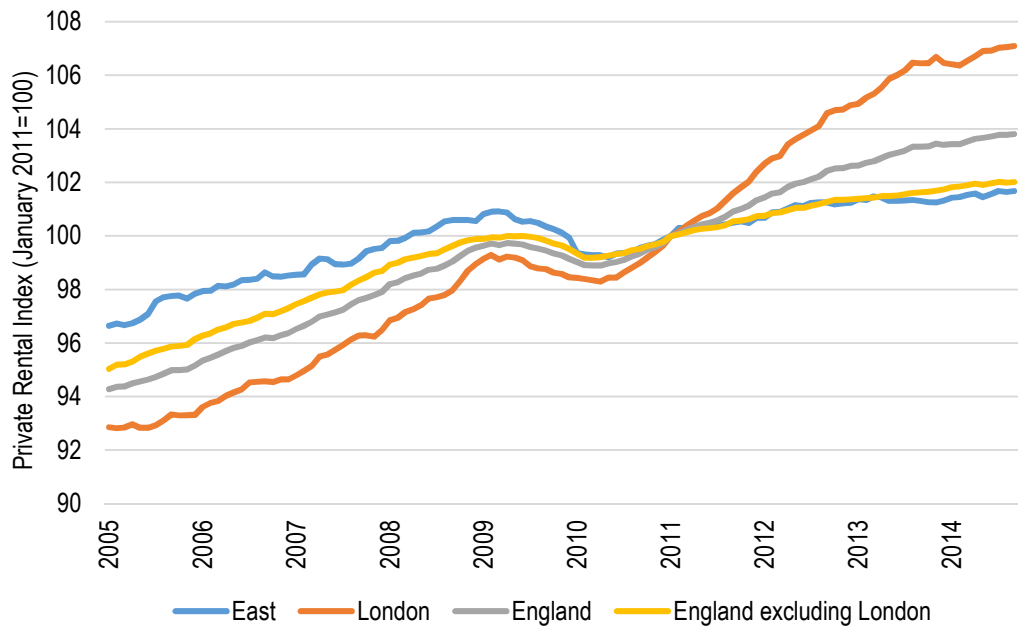
	Broxbourne	Hertfordshire	England and Wales
Detached	£480,000	£550,359	£275,027
Semi-Detached	£312,167	£350,869	£173,999
Terraced	£252,581	£264,983	£157,996
Flat/Maisonette	£165,417	£184,998	£179,969
All	£250,000	£286,184	£191,012

Source: Land Registry

5.18 Overall the house price analysis at a local level does not point to a particular supply-demand imbalance for homes within Broxbourne relative to other parts of the County. However, in a national (and to some extent regional) context there is evidence of particular pressures on the housing stock in the Borough.

5.19 The figure below shows rental trends. The ONS Monthly Private Rental Index indicates that across the region, rental values have grown fairly modestly when compared with the national average. Since 2011 they have increased by just under 2% compared with over 4% across England. This is a low level of growth (particularly when inflation over this period is considered); and does not point to a substantial supply-demand imbalance in the rental sector.

Figure 5.6: Index of Rental Trends



Source: ONS Monthly Private Rental Index

5.20 Turning to consider rental values at a more local level, the figure below draws on published data from the Valuation Office Agency (VOA). This shows that Broxbourne has fairly low private rent levels when compared with neighbouring authorities and the County. However, in comparison with regional and national data, the evidence is one of relatively high private sector rents.

Figure 5.7: Rental Values (Per Calendar Month) – All Properties – year to September 2014

	No. Rentals	Average	Lower quartile	Median	Upper quartile
Broxbourne	356	£877	£695	£825	£975
East Herts	960	£925	£695	£850	£1,000
Enfield	1,355	£1,150	£867	£1,100	£1,350
Hertfordshire	4,758	£977	£700	£875	£1,100
East of England	45,362	£705	£525	£625	£800
England	489,000	£742	£475	£595	£800

Source: VOA

5.21 Average rental values are influenced by property size. The figure below provides a comparison of rental levels for 2-bed properties across a range of areas. In Broxbourne the data again shows relatively low rents when compared with neighbouring authorities, but higher figures in comparison with regional and national data.

Figure 5.8: Rental Values (Per Calendar Month) – two bedroom properties – year to September 2014

	No. Rentals	Average	Lower quartile	Median	Upper quartile
Broxbourne	151	£852	£775	£850	£900
East Herts	456	£894	£795	£875	£950
Enfield	503	£1,136	£1,050	£1,150	£1,225
Hertfordshire	1,935	£918	£795	£895	£995
East of England	17,578	£665	£550	£625	£750
England	196,132	£693	£485	£580	£750

Source: VOA

5.22 The data above can also be used along with historic data to see how rent levels have changed. The table below shows rents for the year to September 2011 (the oldest date for which this information is available for a comparable 12-month period). Data for a two-bedroom property is used so that any changes in the profile of lettings does not impact on the figures and a comparison is made for the median rent in each case. The data shows in comparison with national data that private sector rents in Broxbourne have increased at a faster rate (7% over the 3-years compared with 5%). The rate of change in the Borough is the same as observed across the region, but some way below the increases seen in any of the more local areas studied.

Figure 5.9: Changes to Rental Values (Per Calendar Month) – two bedroom properties – 2011 to 2014 (median figures)			
	Year to September 2011	Year to September 2014	% change
Broxbourne	£795	£850	7%
East Herts	£775	£875	13%
Enfield	£1,000	£1,150	15%
Hertfordshire	£795	£895	13%
East of England	£585	£625	7%
England	£550	£580	5%

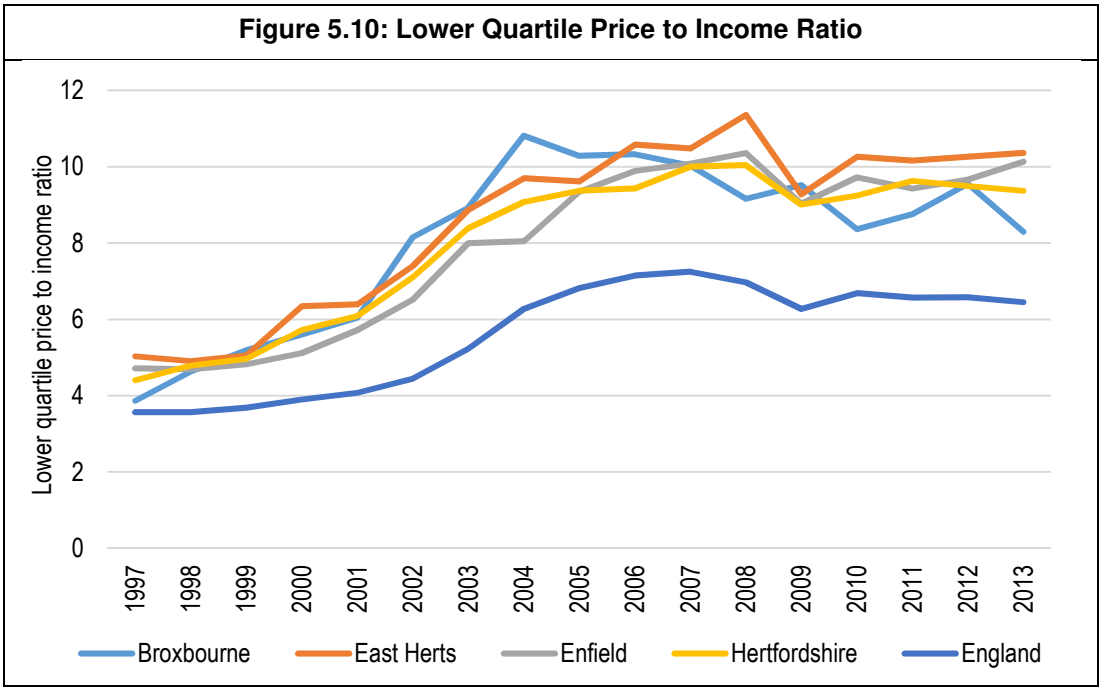
Source: VOA

5.23 Overall, the rental data, as with the price and sales data provides a mixed picture. When compared with neighbouring authorities and the County, Broxbourne does not look to have any particular pressures on the demand for private rented accommodation (costs are relatively low and have not grown significantly in the past). However, in a regional and national context, Broxbourne does exhibit some signs of market pressure.

Affordability of Market Housing

5.24 Lower quartile price to income ratios are identified by Government as a measure of the affordability of housing. They consider the affordability of entry-level market housing to younger prospective buyers. The figure below compares performance on this measure within Broxbourne with key neighbouring authorities, the County and England more widely. Affordability trends using this measure have tracked the trajectory seen in other areas, although it is notable that the ratio in Broxbourne is generally below that seen in other locations, apart from England where it is somewhat higher.

Figure 5.10: Lower Quartile Price to Income Ratio



Source: CLG Table 576

5.25 Over the past decade (since about 2004) the affordability ratio in Broxbourne looks to have improved. Going from about 11 down to something closer to 8. This is still some way above the figures seen more historically; until about 2000/1 the lower quartile house price was about 5 times the lower quartile earnings level.

5.26 This measure (coupled with the wider evidence) does point to some supply-demand imbalance in the market at the current time (although at a more moderate level than seen in other 'local' areas). It suggests that the affordability of market housing has improved since 2004.

Rates of Development

5.27 Completions over time can be benchmarked using the Council's monitoring data. The table below takes data about completions and the relevant target from the 2014 Annual Monitoring Report. The analysis shows that over the period from 2001-14 there has been a slight over-supply of housing relative to targets. As a market signal, the level of completions does not therefore suggest any need to increase overall housing provision.

Figure 5.11: Completions compared with targets

Year	Completions	Cumulative completions	Cumulative target	Cumulative shortfall
2001/2	196	196	270	74
2002/3	196	392	540	148
2003/4	229	621	810	189
2004/5	691	1,312	1,080	-232
2005/6	643	1,955	1,350	-605
2006/7	260	2,215	1,620	-595
2007/8	281	2,496	1,890	-606
2008/9	179	2,675	2,160	-515
2009/10	316	2,991	2,400	-591
2010/11	271	3,262	2,652	-610
2011/12	173	3,435	2,904	-531
2012/13	185	3,620	3,166	-454
2013/14	98	3,718	3,428	-290

Source: Annual Monitoring Reports

5.28 Even if the analysis had highlighted a past under-delivery of housing (which would for example be the case if the analysis were taken to start from say 2006) it is not considered that the shortfall should simply be added onto the assessment of need moving forward. Any past under-delivery is not a discrete part of the analysis but is one of the various market signals which indicate a need to increase provision from that determined in a baseline demographic projection.

5.29 Such an approach (not to add on a 'backlog') is supported by a High Court ruling; Zurich Assurance Ltd vs Winchester City Council and South Downs National Park Authority of 18th March 2014. In this the claimant (Zurich) considered that the Inspector at the Local Plan EiP had made a 'methodological error' in his assessment of the proposed housing requirement. In this regard, the Honourable Mr Justice Sales stated that:

"According to Mr Cahill's suggestion, the modellers in 2011 should have begun by saying that there was a shortfall of 854 homes against a previous estimate and then should have added that on to their own modelled estimates for new homes for 2011-2031 to produce the relevant total figure. In fact, none of them proceeded in that way, and rightly so. In my view, they would clearly have been wrong if they had tried to do so. Their own modelling for 2011-2031 is self-contained, with its own evidence base, and would have been badly distorted by trying to add in a figure derived from a different estimate using a different evidence base. That would have involved mixing apples and oranges in an unjustifiable way." [§95, Case Number: CO/5057/2013].

Overcrowding and Houses in Multiple Occupation

5.30 The final market signal highlighted in guidance is overcrowding where it is noted that an *'increase in the number of such households may be a signal to consider increasing planned housing numbers'*. The analysis below firstly looks at levels of overcrowding in Broxbourne compared with other areas (based on the bedroom standard) before moving on to consider how overcrowding has changed over time (in this case using the room standard as historical bedroom standard data is not available from the Census source used).

5.31 The figure below shows that in 2011 some 5% of households in Broxbourne were overcrowded. This is somewhat above the average for Hertfordshire and also above the regional average. The level of overcrowding is also slightly higher than the average figure across the whole of England but significantly below the level observed in the neighbouring authority of Enfield.

Figure 5.12: Overcrowding (2011) – bedroom standard

	Overcrowded (no.)	Overcrowded (%)
Broxbourne	1,936	5.1%
East Herts	1,445	2.6%
Enfield	13,459	11.2%
Hertfordshire	17,626	3.9%
East of England	82,582	3.4%
England	1,024,473	4.6%

Source: Census (2011)

5.32 The figure below shows overcrowding (as measured through the room standard) in 2001 and 2011. The data confirms that levels of overcrowding in Broxbourne are higher than County and regional figures. The data also shows that overcrowding increased over the decade to 2011, and at a rate in excess of other areas studied other than Enfield.

Figure 5.13: Changes in overcrowding (2001-2011) – room standard			
	2001	2011	Change
Broxbourne	6.8%	9.7%	2.9%
East Herts	4.7%	6.2%	1.4%
Enfield	13.3%	18.3%	5.0%
Hertfordshire	5.8%	7.7%	1.9%
East of England	5.2%	6.5%	1.3%
England	7.1%	8.7%	1.6%

Source: Census (2001 and 2011)

5.33 As well as studying overcrowding the table below looks at the number of Houses in Multiple Occupation (HMOs). For the purposes of this analysis, data has been taken from the Census about the number of households in the 'Other' household composition category – this category is largely made up of multi-adult households where residents are unrelated. This therefore provides an indication of the number of sharing households. The table below shows that the proportion of households sharing accommodation is relatively low when compared with other locations and only grew moderately over the 2001-11 period.

Figure 5.14: Changes in sharing households (2001-2011)			
	2001	2011	Change
Broxbourne	2.7%	3.3%	0.6%
East Herts	3.1%	3.5%	0.4%
Enfield	4.5%	6.0%	1.4%
Hertfordshire	3.3%	3.8%	0.5%
East of England	2.9%	3.7%	0.8%
England	3.7%	4.5%	0.8%

Source: Census (2001 and 2011)

5.34 Overall, the analysis of overcrowding and how this has changed does suggest some moderate degree of imbalance in the housing market that may require an adjustment to housing numbers.

Initial conclusions on market signals

5.35 Drawing together the individual market signals above allows a picture of the current housing market in Broxbourne to be built, and how the area sits in comparison with local, regional and national data. Below a brief summary of the key market signals (as set out in the PPG) is provided.

5.36 House prices and sales trends – house prices in the Borough are generally low in comparison with other 'local' areas but are high in a regional and national context. Over the long-term there has been a notable increase in prices. Sales trends indicate a significant impact of the recession although the recovery in sales over the past couple of years looks to have broadly followed regional and national trends.

5.37 Rent levels – in a local context, Broxbourne has relatively low private sector rents (when compared with Enfield or Hertfordshire for example). Rent levels are however some way above the national (and regional) comparative position, indicating some supply/demand imbalance. The ONS private rental index (which is only available at a regional level) does however suggest that the growth in rents has been less pronounced than seen nationally.

5.38 Affordability – the affordability of housing (measured using a price:income ratio) shows a significant deterioration from 1997 to about 2004. Over the past decade, this measure does however suggest an improvement in the ratio in Broxbourne; additionally, the ratio sits below that in other 'local' areas but some way above the national position. Overall, as with other signals it is considered that this measure indicates some supply/demand imbalance. Additionally, the affordable housing need analysis (in the previous section of this report) also indicates a need which suggests that the Council should 'consider' increasing housing provision.

5.39 Rates of development – when compared with plan targets, Broxbourne has slightly over-supplied housing (in the 2001-14 period). As a market signal this does not therefore provide any basis for uplifting housing numbers.

5.40 Overcrowding – levels of overcrowding in Broxbourne are relatively high (in a local and regional context) and rose over the 2001-11 decade. The number of households sharing accommodation is however quite low. Overall, it is considered that this evidence does potentially suggest a need for some uplift in housing numbers to help address this issue.

5.41 Overall, the market signals provide a mixed picture. In a local context, the analysis does not suggest any particular pressures in the Borough relative to other locations. However, when considered in a regional and national context, the picture is one of some particular pressures. In line with the PPG, the evidence would support a modest uplift in housing numbers relative to those in the core demographic projections (linked to the 2012-based CLG household projections). The PPG sets out [2a-020] that:

"In areas where an upward adjustment [to the assessment of housing need] is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be."

5.42 The Guidance does not however set out how such an adjustment should be quantified. It simply sets out that it should be 'reasonable.' Indeed, inspectors at various Local Plan Inquiries have taken a range of different views, even when faced with similar evidence.

5.43 Probably the most cited inspectors reports where market signals have been considered are in Eastleigh and Uttlesford, where different inspectors suggested that the local authorities should consider increasing housing need by 10% as a result of the evidence. Key quotes from these reports are provided below.

Eastleigh (February 2015) – *'It is very difficult to judge the appropriate scale of such an uplift. I consider a cautious approach is reasonable bearing in mind that any practical benefit is likely to be very limited because Eastleigh is only part of a much larger HMA. Exploration of an uplift of, say, 10% would be compatible with the "modest" pressure of market signals recognised in the SHMA itself'*

Uttlesford (December 2014) – *'I conclude that it would be reasonable and proportionate, in Uttlesford's circumstances, to make an upward adjustment to the OAN, thereby increasing provision with a view to relieving some of the pressures. In my view it would be appropriate to examine an overall increase of around 10%...'*

5.44 To be balanced it should however be noted that there are a number of inspectors who have not suggested any need for an uplift due to market signals and these would include:

Mendip (October 2014 – Appendix 7) – *'these findings indicate that trends in Mendip sit fairly comfortably alongside county, regional and national trends and do not, therefore, justify an upward adjustment of the housing numbers that came out of the housing projection'*

Crawley (May 2015 – Appendix 8) – *'I am not convinced that the market signals uplift is justified by the evidence, for the various indicators reveal a situation in Crawley which is not as severe as in other North West Sussex authorities, and one that has not worsened in recent years'* (this is an interesting case given that the Council themselves had suggested an uplift for market signals)

Stratford-on-Avon (March 2015 – Appendix 9) – *'On balance I conclude, despite the SHMA's finding that there is a case for an uplift, that an upward adjustment in housing numbers has not been justified in terms of market signals in the District'.*

Cornwall (June 2015) – *'National guidance is that a worsening trend in any relevant market signal should result in an uplift. But for the reasons given below I do not consider that I should require such an uplift to be made for Cornwall at this time'* (this one is also interesting given that it was the same inspector as Eastleigh)

5.45 Below, a process is described to consider what a reasonable uplift might be; this uplift is linked back to the evidence and takes account of past suppression in household formation that are not picked up in the new 2012-based projections.

Uplifting planned housing numbers

5.46 The projections so far developed have used data from the 2012-based CLG household projections. It is important to consider how these housing market trends relate through to demographic projections in considering, as the Planning Practice Guidance recommends, whether there is a case for adjusting levels of housing provision in effect to improve affordability over the longer-term.

5.47 National research undertaken for the RTPI by the Neil McDonald and Peter Williams at Cambridge University indicates a particular effect of the decline in affordability between 2001 and 2011 and the economic recession has been young adults living within a parental home for longer or living in shared accommodation rather than separate accommodation. The impact of this, their research shows, has been most significant for the 25-34 age group.

5.48 A detailed interrogation of demographic dynamics in Broxbourne indicates that in demographic terms, the economic recession and changes to the housing market (such as restricted mortgage finance) over the 2001-11 decade is likely to have influenced – at least in part – a decline in household formation rates in younger people, particularly amongst those aged between 25 and 34. This is the one age group identified earlier as showing some degree of suppression when balancing past trends and the future projection.

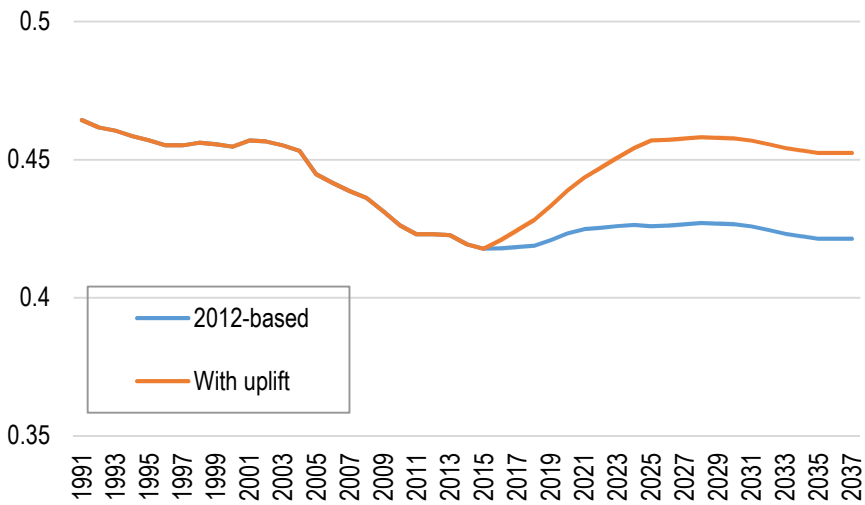
5.49 When we consider age-specific data it is notable that those aged 25-34 have lower headship rates than was expected in the 2008-based projections and that the rates have dropped considerably from 2001 to 2011. We have therefore run a sensitivity analysis which considers and seeks to quantify the implication of returning the household formation rates of the 25-34 age group back to 2001 levels in the period from 2015 to 2025 (and then tracking the rate changes in the 2012-based projections thereafter).

5.50 This sensitivity in effect seeks to consider a scenario in which affordability and access to housing for younger households improves, and quantifies what level of housing provision might be associated with this, all other factors being equal. If achieved, the effect would be to reduce the proportions of shared/concealed households and persons within this age group living with parents. We term this sensitivity analysis the 'market signals uplift.'

5.51 In reality, other factors such as real growth in disposable income (allowing people to save), the availability of and access to mortgage finance, interest rates and economic confidence will all influence trends in household formation. There is a complex set of factors at play, and it is difficult to predict how these factors might interact in the future and the impact on household formation rates (in the absence of any supply-side constraints). Furthermore, part of the changes in household formation rates for this age group may have been due to international migration.

5.52 The figure below shows how the household formation rates of the 25-34 age group are projected to change with this scenario. The assumed increase is notable and takes the rate back to 0.46 by 2031 (which is some way above the rate projected in the 2012-based household projections (0.43)).

Figure 5.15: Increasing household formation rates of population aged 25-34



Source: Derived from CLG data

5.53 The sensitivity analysis indicates that, all other things being equal, an uplift of around 20 homes per annum across the Borough would support an improvement in affordability and household formation rates amongst younger households. This is based on the core demographic projection (linked to the 2012-based SNPP).

Figure 5.16: Projected household growth 2014-31 – 2012-based SNPP with market signals uplift

	Market signals uplift
Households 2014	38,854
Households 2031	45,702
Change in households	6,848
Per annum	403
Dwellings (per annum)	419
From SNPP model	399
Potential uplift	20
% uplift	5%

Source: Demographic projections

5.54 Whilst this increase (20 dwellings) looks to be fairly modest (about 5%) it needs to be remembered that this uplift is from the 2012-based CLG projections, which are far more positive than the previous (2011-based) version. Using the same population data, and the 2011-based rates, an estimated need for housing of 364 dwellings per annum is derived; the figure in the table above (419 dwellings per annum) is therefore some 15% higher than would be derived using older (and arguably more constrained) household formation rates.

5.55 One of the comments from the consultation undertaken by Broxbourne Council was around the treatment of market signals with Epping Forest, Harlow, East Herts and Uttlesford stating that they would *'query whether the uplift of 5%... is sufficient'*. On the basis of the evidence provided it is considered that this uplift is both sufficient and realistic.

5.56 The demographic evidence in Broxbourne does not point to there being any particularly unusual level of suppression amongst the younger population (figures closely tracking the national situation) and the 5% adjustment reflects dealing with the limited suppression identified. A higher adjustment (in terms of the modelling process) would entail assuming a higher level of migration and population growth as further increases to household formation look to be unrealistic. Further population growth (over and above a baseline position) would essentially be taking population from other areas and would therefore create a double count if commensurate reductions were not made to those locations.

5.57 Overall, the 5% uplift reflects the data available, and in particular the information about household formation rates and the extent of constraint for particular age groups.

Summary – Housing Market Dynamics and Market Signals

The extent to which the demographic 'starting point' for identifying the need for housing (i.e. the CLG's household projections) needs to be boosted to address market signals is necessarily an area of judgement. The PPG is clear that the more significant the affordability constraints and the stronger other indicators of high demand, the larger the improvement in affordability needed and therefore the larger the additional supply response should be.

Overall the analysis of market signals points to some affordability pressures in the Borough, particularly when data is compared with the regional and national position. However, on balance it is considered that the scale of adjustment to housing supply over and above demographic-led projections should only be moderate.

The Guidance does not however set out how such an adjustment should be quantified. It simply sets out that it should be 'reasonable'. It is important to consider how these housing market trends relate through to demographic projections in considering, as the PPG recommends, whether there is a case for adjusting levels of housing provision in effect to improve affordability over the longer-term.

The demographic analysis indicates that levels of household formation, particularly for younger households, has fallen. It would therefore be appropriate to consider an adjustment to the overall assessment of housing need to improve affordability over time in line with the approach outlined in the PPG.

The population aged 25-34 have lower headship rates than has been seen historically and the rates have dropped considerably from 2001 to 2011. A sensitivity analysis has therefore been run which considers and seeks to quantify the implication of returning the household formation rates of the 25-34 age group back to the levels seen in 2001 by 2025 (i.e. before they started to decline).

This analysis suggests a housing need for some 419 dwellings per annum – an uplift of 20 dwellings on the core demographic projections – this is a 5% uplift. This uplift is considered to be reasonable and additionally reflects a 15% uplift on the figure that would have been derived as a start point if the previous 2011-based CLG projections were still the most up-to-date.

An assessed housing need of 419 dwellings per annum is therefore considered to be a positive response to the market signals identified in analysis. Provision of more dwellings than is identified as needed through the household projections will assist in dealing with supressed household formation and will assist in meeting change within the existing population such as allowing concealed households to 'emerge' and reduce levels of overcrowded/sharing households.

6. Indicative Need for Specialist Housing

Introduction

6.1 Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) along with the demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future. This section also considers the potential need for C2 (Residential Care) bedspaces.

Current stock of specialist housing for older people

6.2 The figure below shows the current supply of specialist housing for older people. At present it is estimated that there are 895 units; this is equivalent to 113 units per 1,000 people aged 75 and over. Just over half (51%) of this housing is in the affordable sector even though the majority of older person households are owner-occupiers.

Figure 6.1: Current supply of specialist housing for older people

Type of housing	Market	Affordable	Total	Supply per 1,000 aged 75+
Sheltered	440	423	863	109
Extra-Care	0	32	32	4
Total	440	455	895	113

Source: Housing LIN

Projected future need for specialist housing

6.3 A toolkit has been developed by Housing LIN, in association with the Elderly Accommodation Council and endorsed by the Department of Health, to identify potential demand for different types of specialist housing for older people and model future range of housing and care provision. It suggests that there should be around 170 units of specialised accommodation (other than registered care home places) per thousand people aged over 75 years.

6.4 The table below shows the change in the population aged 75 and over from 2014 to 2031 and what this would mean in terms of provision at 170 units per 1,000 population. The analysis shows a potential need for 648 units – 38 per annum. This is around 9% of the total need identified in the demographic modelling (using 2012-based ONS and CLG projections with an uplift to take account of market signals).

Figure 6.2: Projected need for Specialist Housing for Older People (2014-31)	
Population aged 75+ (2014)	7,953
Population aged 75+ (2031)	11,765
Change in population aged 75+	3,812
Specialist housing need (@ 170 units per 1,000)	648
Per annum	38

Source: Derived from demographic projections and Housing LIN

6.5 This analysis does not take account of the current supply of specialist housing (which has previously been included to give an indication of the quantum and types of housing currently within the stock). Essentially, the analysis is assuming that current provision is about right but that the future ageing of the population will generate additional needs.

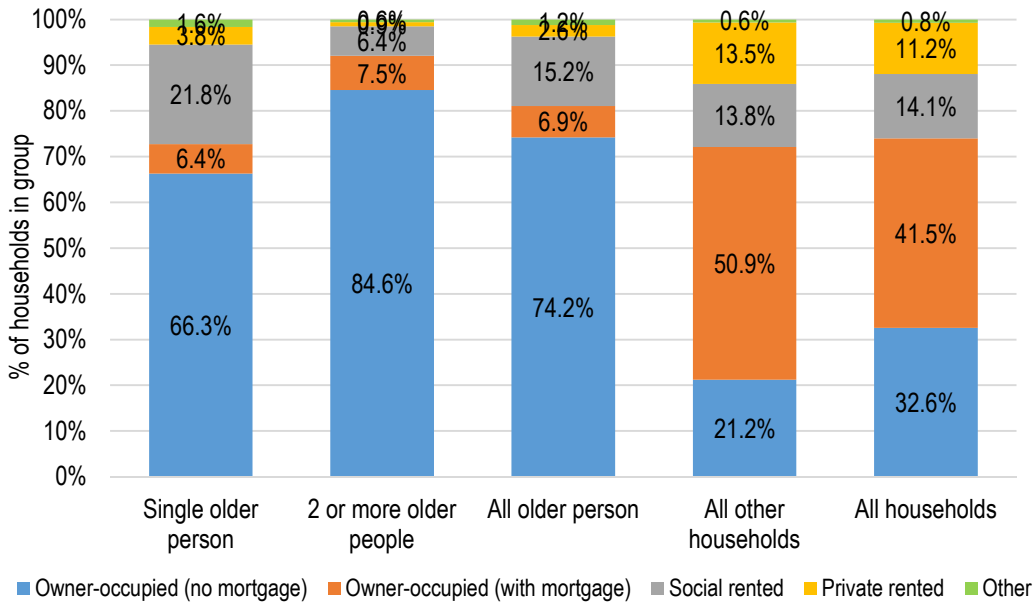
Types and Tenures of Specialist Housing

6.6 The figure below shows the tenure of older person households – the data has been split between single pensioner households and those with two or more pensioners (which will largely be couples). The data shows that pensioner households are relatively likely to live in outright owned accommodation (74%) and are slightly more likely than other households to be in the Social Rented Sector. The proportion of pensioner households living in the Private Rented Sector is relatively low (3% compared with 11% of all households in the Borough).

6.7 There are however notable differences for different types of pensioner households with single pensioners having a lower level of owner-occupation than larger pensioner households – this group also has a higher proportion living in the social rented sector.

6.8 Given that the number of older people is expected to increase in the future and that the number of single person households is expected to increase this would suggest (if occupancy patterns remain the same) that there will be a notable demand for affordable housing from the ageing population. That said, the proportion of older person households who are outright owners (with significant equity) may mean that market solutions will also be required to meet their needs.

Figure 6.3: Tenure of Older Person Households – Broxbourne



Source: Census (2011)

6.9 Whilst the current profile of older person households is significantly biased towards outright ownership, the information about current supply of specialist housing indicates that slightly more of this is in the affordable sector than the market. Moving forward we would suggest that additional specialist housing should be split roughly 40:60 between the affordable and market sectors. This is an indicative split that reflects the likely 'market' for specialist housing products as well as the current tenure profile of older person households (i.e. the current profile of specialist housing is focussed towards affordable housing and this is likely to in part reflect the need and demand for such accommodation, however, with over 70% of older persons being outright owners there is the opportunity to broaden this housing offer to a wider range of household groups). There is no reason why the Council should not consider an alternative split should local evidence of need/demand justify this.

6.10 The analysis is not specific about the types of specialist housing that might be required; we would consider that decisions about mix should be taken at a local level taking account of specific needs and the current supply of different types of units available (for example noting that at present the dominant type of housing is traditional sheltered accommodation). There may also be the opportunity moving forward for different types of provision to be developed as well as the more traditional sheltered and Extra-Care housing.

6.11 Within the different models and assumptions made regarding the future need for specialist retirement housing (normally defined as a form of congregate housing designed exclusively for older people which usually offers some form of communal space, community alarm service and access to support and care if required), there may for example be an option to substitute some of this specialist provision with a mix of one and two bedroomed housing aimed to attract 'early retired' older people which could be designated as age specific or not. Such housing could be part of the general mix of one and two bedroom homes but built to Lifetime Homes standards in order to attract retired older people looking to 'down size' but perhaps not wanting to live in specialist retirement housing.

6.12 Our experience when carrying out stakeholder work as part of other SHMA commissions typically identifies a demand for bungalows. Where developments including bungalows are found it is clear that these are very popular to older people downsizing. It should be acknowledged that providing significant numbers of bungalows involves cost implications for the developer given the typical plot size compared to floor space – however providing an element of bungalows should be given strong consideration on appropriate sites, allowing older households to downsize while freeing up family accommodation for younger households.

Registered Care Housing

6.13 As well as the need for specialist housing for older people the analysis needs to consider Registered Care. At present (according to Housing LIN) there are around 236 spaces in nursing and residential care homes. Given new models of provision (including Extra-care housing) it may be the case that an increase in this number would not be required. There will however need to be a recognition that there may be some additional need for particular groups such as those requiring specialist nursing or for people with dementia.

6.14 As with the analysis of potential need for specialist accommodation, the analysis below considers changes to the number of people aged 75 and over who are expected to be living in some form of institutional housing. This is a direct output of the demographic modelling which indicates an increase of 115 people living in institutions over the 2014-31 period (7 per annum). This figure is important to note if the Council intends to include C2 class uses in the assessment of 5-year housing land supply as it will be necessary to include figures on both the need and supply side of the equation.

Figure 6.4: Potential Need for Residential Care Housing	
Institutional population aged 75+ (2014)	228
Institutional population aged 75+ (2031)	343
Change in institutional population aged 75+	115
Per annum	7

Source: Derived from demographic projections

Summary – Indicative Need for Specialist Housing

Analysis of the current supply of specialist accommodation and the expected increase in the number of older people moving forward suggests a need for around 648 additional units of specialist housing in the period 2014 to 2031 (about 38 per annum) – this represents about 9% of the housing need indicated by demographic modelling. This figure (38 per annum) is in a C3 use class and is therefore part of the number of dwellings indicated by demographic data.

Within the overall need for specialist housing for older people, it is additionally estimated that around 60% is needed in the market sector and 40% affordable housing – this takes account of both the current supply of specialist housing and tenure profile of older person households and should be treated as indicative. The level of need for affordable housing should however be considered against local knowledge of the demand for current schemes and the extent to which existing housing is fit for purpose.

The analysis also identified a modest need for additional residential care bedspaces (within a C2 use class). Over the 2014-31 period the analysis identifies a potential need for 115 additional bedspaces (approximately 7 per annum). Need for C2 housing should be seen as additional to the need shown in the demographic projections.

7. Conclusions – Overall Housing Needs

7.1 The NPPF (and PPG) sets out that plans should be prepared on the basis of meeting full needs for market and affordable housing. The guidance sets out that the latest national projections should be seen as a starting point but that authorities may consider sensitivity testing projections in response to local circumstances and the latest demographic evidence.

7.2 In accordance with the planning guidance, the latest CLG household projections (2012-based) have formed the starting point for the assessment. These projections indicate a need for around 399 homes per annum (2014-31). The population data underpinning this projection is considered to be sound with the household formation rates in the 2012-based projections being notably more positive than in the earlier 2011-based version. The 2011-based projections focussed on the 2001-11 period which is considered to include some degree of suppression whereas the 2012-based projections use a longer time-series for analysis (using data back to 1971 – therefore including a period where the housing market was arguably more buoyant).

7.3 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. 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 an increase in housing supply be considered to meet affordable needs?
- What do economic forecasts say about job growth? Is there evidence that there will be a labour force shortage in the area and how might this impact on the locations of housing?

Test 1: Is there evidence that household formation rates in the projections have been constrained? Do market signals point to a need to increase housing supply?

7.4 The first of the above tests relates to whether there is evidence that household formation rates in the projections have been constrained. Looking at the detailed information underpinning the latest (2012-based) household projections it is considered that there is no particular evidence that any suppression of household formation (which is apparent) has been taken forward into the future 'trends'. Hence, at a general level there is no need to consider an uplift to the housing numbers.

7.5 However, closer inspection of the figures shows a particular 'suppression' in the household formation rates of people aged 25-34 – this is the one group thought to have been most affected by the state of the housing market (through issues such as mortgage availability constraints). Moving forward, the 2012-based projections are expecting for there to be some improvement in the formation rates of this age group, however it is arguable that further improvements could be expected in a better functioning housing market.

7.6 Analysis in this report has therefore sought to test the impact of household formation rates in the 25-34 age group returning to the levels observed in 2001. Making this adjustment sees the level of need increase to 419 dwellings per annum – a 5% uplift from the core demographic projections. This uplift would contribute to reducing concealed households and would also provide some additional affordable housing.

Test 2: How do the demographic projections 'sit' with the affordable housing needs evidence, and should an increase in housing supply be considered to meet affordable needs?

7.7 The second test is to consider the relationship between overall housing numbers and affordable housing need. Following the approach advocated by the guidance, the net affordable housing need identified in Broxbourne from 2014 to 2031 is between 232 and 438 households per annum depending on the assumptions made about the proportion of income to be spent on housing.

7.8 This level of affordable need represents 58%-110% of a total housing need of 399 homes per annum (from the demographic projections before any uplift for market signals is applied). However, in considering this relationship, it is important to bear in mind that the affordable housing needs model includes existing households who require a different size or tenure of accommodation rather than new accommodation per se. Furthermore, many households secure suitable housing within the Private Rented Sector, supported by housing benefit.

7.9 Once account is taken of the range of outputs with the modelling (for different affordability thresholds) and the fact that many of the households in need are already living in accommodation (existing households) and the role played by the private rented sector, the analysis does not suggest that there is any strong evidence of a need to consider additional housing over and above that suggested by demographic projections to help meet the affordable need. Any uplift for affordable need would be a policy-on decision and will be a policy choice that the Council makes in setting their housing target.

Test 3: What do economic forecasts say about job growth? Is there evidence that there will be a labour force shortage in the area and how might this impact on the locations of housing?

7.10 In line with guidance, consideration has also been given to the implications of future economic and employment trends on population growth and housing needs. Data to inform this analysis has been taken from the East of England Forecasting Model (EEFM).

7.11 Looking at the last three releases of the EEFM (2012 to 2014) it is clear that the modelling is expecting levels of population growth to broadly be in-line with that expected in the 2012-based SNPP. Whilst the level of job growth varies in each of the EEFM releases, this is largely explained by different assumptions about employment rates and commuting patterns; rather than suggesting that a high (or lower) level of population/housing will be needed.

7.12 Overall, there is a significant degree of consistency between the EEFM and the SNPP and the evidence does not suggest any need for the Council to increase housing provision. Nor does the EEFM provide any reason to suggest that changes to the locations of housing should be considered (although the analysis in this report has only studied data specifically for Broxbourne).

Overall Conclusion on Housing Need

7.13 Drawing the range of evidence together, it is concluded that 419 homes per annum would be a reasonable objective assessment of need (about 7,130 over the 2014-31 period). It should be recognised that this is an objective, policy-off analysis and takes no account of land supply or development constraints within the Borough. The NPPF and practice guidance dictates that assessments are undertaken in this way.

Appendix 1: Detailed Demographic Modelling Outputs

PROJECTION: 2012-based SNPP (2014 base updated for mid-year population estimates)

Components of change

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Births	1,298	1,306	1,309	1,306	1,310	1,310	1,309	1,303	1,299	1,298	1,293	1,290	1,284	1,282	1,280	1,282	1,282
Deaths	712	717	717	721	725	732	736	741	745	749	755	762	770	779	789	799	807
Natural change	586	589	592	586	585	578	573	563	554	549	537	529	514	503	491	482	474
In-migration	5,071	5,135	5,171	5,215	5,248	5,281	5,312	5,339	5,364	5,390	5,419	5,452	5,486	5,522	5,558	5,595	5,629
Out-migration	4,931	4,972	4,995	5,013	5,036	5,048	5,069	5,086	5,114	5,139	5,178	5,212	5,236	5,260	5,292	5,320	5,357
Net migration	140	163	177	202	212	233	243	253	250	251	241	239	250	262	266	275	272

Population (broad age groups)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Age 0-14	17,970	18,209	18,527	18,820	19,140	19,455	19,743	19,944	20,082	20,224	20,340	20,426	20,503	20,544	20,585	20,683	20,679	20,667
Age 15-29	17,258	17,211	17,083	17,014	16,897	16,792	16,646	16,663	16,739	16,790	16,791	16,895	17,026	17,160	17,322	17,422	17,662	17,951
Age 30-44	19,187	19,128	19,115	19,148	19,287	19,447	19,692	19,928	20,163	20,391	20,552	20,559	20,552	20,617	20,639	20,670	20,610	20,505
Age 45-59	19,827	20,196	20,430	20,563	20,613	20,590	20,620	20,492	20,340	20,172	20,136	20,165	20,106	20,029	19,982	19,979	20,074	20,180
Age 60-74	13,553	13,636	13,835	14,065	14,276	14,457	14,579	14,821	14,841	15,023	15,328	15,674	16,118	16,536	16,958	17,332	17,684	17,919
Age 75+	7,953	8,096	8,240	8,390	8,575	8,845	9,119	9,367	9,867	10,239	10,493	10,701	10,886	11,069	11,237	11,395	11,531	11,765
Total population	95,748	96,475	97,229	97,999	98,788	99,586	100,399	101,215	102,033	102,839	103,640	104,421	105,190	105,956	106,723	107,481	108,239	108,987
Change from previous year		727	753	770	789	798	813	816	818	806	802	780	769	766	767	758	758	748
Households	38,854	39,223	39,573	39,932	40,298	40,677	41,070	41,451	41,836	42,223	42,617	43,005	43,394	43,783	44,165	44,561	44,956	45,371
Change from previous year		368	350	360	366	379	393	381	385	387	394	388	389	389	383	396	395	415
Dwelling need		384	364	375	381	395	409	396	400	403	410	404	405	405	398	412	411	432

PROJECTION: 2014-based SNPP (data modelled to estimate the potential outputs of the 2014-based SNPP)

Components of change

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Births	1,298	1,305	1,308	1,304	1,308	1,307	1,305	1,299	1,294	1,292	1,287	1,284	1,278	1,276	1,273	1,275	1,274
Deaths	712	716	716	720	725	731	735	739	744	747	753	759	768	776	787	796	804
Natural change	586	589	591	584	583	576	570	560	551	546	534	525	510	500	487	478	470
In-migration	5,057	5,121	5,157	5,201	5,234	5,268	5,298	5,326	5,351	5,376	5,406	5,438	5,472	5,508	5,545	5,581	5,615
Out-migration	4,945	4,986	5,008	5,027	5,050	5,062	5,083	5,100	5,128	5,152	5,192	5,226	5,249	5,273	5,306	5,334	5,371
Net migration	112	135	149	175	185	206	215	226	223	224	214	212	223	235	239	247	245

Population (broad age groups)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Age 0-14	17,970	18,200	18,509	18,793	19,104	19,409	19,687	19,878	20,005	20,136	20,243	20,319	20,385	20,418	20,450	20,542	20,531	20,513
Age 15-29	17,258	17,206	17,073	16,999	16,878	16,769	16,619	16,633	16,704	16,751	16,747	16,846	16,971	17,099	17,254	17,346	17,576	17,855
Age 30-44	19,187	19,123	19,104	19,132	19,264	19,418	19,656	19,885	20,114	20,335	20,490	20,493	20,481	20,540	20,558	20,585	20,522	20,416
Age 45-59	19,827	20,191	20,421	20,550	20,596	20,570	20,596	20,465	20,310	20,138	20,098	20,123	20,059	19,978	19,927	19,919	20,009	20,109
Age 60-74	13,553	13,634	13,831	14,058	14,267	14,445	14,564	14,803	14,820	14,998	15,299	15,641	16,080	16,494	16,911	17,280	17,627	17,858
Age 75+	7,953	8,093	8,235	8,384	8,567	8,835	9,107	9,353	9,852	10,221	10,473	10,679	10,861	11,042	11,208	11,364	11,497	11,728
Total population	95,748	96,448	97,174	97,916	98,677	99,446	100,229	101,016	101,803	102,578	103,350	104,099	104,837	105,572	106,308	107,035	107,762	108,478
Change from previous year		700	726	742	761	769	783	787	788	775	771	750	738	735	736	727	727	716
Households	38,854	39,215	39,556	39,908	40,265	40,636	41,020	41,393	41,768	42,147	42,532	42,911	43,290	43,670	44,044	44,430	44,816	45,221
Change from previous year		360	342	352	357	371	385	372	376	378	385	379	380	380	373	386	386	405
Dwelling need		375	356	366	372	386	400	387	391	394	401	394	395	395	389	402	402	422

PROJECTION: 13-year migration trends (2001-14)

Components of change

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Births	1,298	1,303	1,303	1,297	1,297	1,292	1,286	1,276	1,267	1,260	1,251	1,245	1,235	1,230	1,224	1,222	1,219
Deaths	712	716	715	718	722	727	730	733	737	739	744	749	757	764	773	782	788
Natural change	586	587	588	579	575	565	556	543	530	522	507	495	479	466	451	440	430
In-migration	5,015	5,067	5,097	5,128	5,156	5,179	5,205	5,227	5,253	5,278	5,313	5,346	5,375	5,405	5,439	5,472	5,507
Out-migration	4,987	5,039	5,069	5,100	5,128	5,151	5,177	5,199	5,225	5,250	5,285	5,318	5,347	5,377	5,411	5,444	5,479
Net migration	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28

Population (broad age groups)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Age 0-14	17,970	18,175	18,455	18,704	18,973	19,231	19,456	19,590	19,656	19,725	19,768	19,781	19,786	19,756	19,724	19,753	19,680	19,602
Age 15-29	17,258	17,190	17,031	16,930	16,776	16,634	16,448	16,424	16,456	16,465	16,425	16,489	16,581	16,674	16,786	16,829	17,005	17,225
Age 30-44	19,187	19,105	19,062	19,061	19,156	19,266	19,454	19,628	19,796	19,958	20,056	20,007	19,943	19,944	19,904	19,875	19,760	19,605
Age 45-59	19,827	20,179	20,393	20,505	20,530	20,483	20,486	20,330	20,149	19,952	19,883	19,877	19,782	19,670	19,582	19,536	19,582	19,637
Age 60-74	13,553	13,628	13,817	14,035	14,232	14,397	14,500	14,722	14,721	14,880	15,160	15,479	15,895	16,283	16,672	17,013	17,331	17,534
Age 75+	7,953	8,087	8,223	8,364	8,540	8,799	9,061	9,297	9,783	10,141	10,381	10,576	10,747	10,915	11,068	11,210	11,328	11,542
Total population	95,748	96,364	96,981	97,598	98,207	98,811	99,405	99,990	100,562	101,121	101,672	102,209	102,733	103,241	103,736	104,216	104,686	105,145
Change from previous year		616	617	618	608	604	594	585	572	559	551	536	525	508	495	480	470	459
Households	38,854	39,189	39,496	39,808	40,116	40,433	40,756	41,060	41,363	41,669	41,980	42,287	42,595	42,897	43,189	43,490	43,787	44,103
Change from previous year		335	307	312	308	317	322	305	303	305	311	307	308	303	291	302	297	316
Dwelling need		349	320	325	320	331	335	317	315	318	324	320	320	315	303	314	309	329

PROJECTION: 2012-based SNPP (2014 base updated for mid-year population estimates) – further adjustment for Unattributable Population Change (UPC)

Components of change

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Births	1,298	1,310	1,317	1,319	1,327	1,331	1,334	1,332	1,332	1,334	1,332	1,333	1,330	1,330	1,330	1,334	1,336
Deaths	712	717	718	723	728	735	740	745	750	754	762	769	778	787	798	809	818
Natural change	586	593	599	596	599	596	594	587	582	580	571	564	552	543	532	525	518
In-migration	5,148	5,212	5,249	5,293	5,325	5,359	5,389	5,417	5,442	5,467	5,497	5,529	5,563	5,600	5,636	5,673	5,707
Out-migration	4,854	4,895	4,917	4,936	4,959	4,971	4,992	5,009	5,037	5,061	5,101	5,135	5,158	5,182	5,215	5,243	5,279
Net migration	294	318	331	357	367	388	397	408	405	406	396	394	405	417	421	430	427

Population (broad age groups)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Age 0-14	17,970	18,237	18,585	18,912	19,271	19,626	19,959	20,206	20,392	20,584	20,754	20,893	21,023	21,119	21,212	21,362	21,409	21,446
Age 15-29	17,258	17,263	17,184	17,159	17,084	17,015	16,901	16,948	17,050	17,126	17,151	17,278	17,429	17,585	17,771	17,898	18,168	18,492
Age 30-44	19,187	19,170	19,201	19,282	19,470	19,684	19,985	20,280	20,576	20,864	21,085	21,150	21,202	21,326	21,403	21,484	21,470	21,406
Age 45-59	19,827	20,214	20,468	20,622	20,693	20,692	20,745	20,639	20,511	20,368	20,360	20,419	20,392	20,348	20,336	20,371	20,507	20,657
Age 60-74	13,553	13,645	13,853	14,093	14,314	14,506	14,639	14,894	14,927	15,122	15,442	15,804	16,265	16,701	17,142	17,535	17,906	18,162
Age 75+	7,953	8,101	8,251	8,407	8,597	8,873	9,153	9,407	9,916	10,295	10,556	10,772	10,964	11,155	11,332	11,499	11,644	11,888
Total population	95,748	96,630	97,542	98,474	99,429	100,396	101,382	102,374	103,372	104,360	105,347	106,316	107,275	108,234	109,196	110,150	111,105	112,051
Change from previous year		882	912	932	955	967	986	993	997	988	987	969	960	959	962	954	956	946
Households	38,854	39,277	39,684	40,102	40,528	40,970	41,426	41,873	42,324	42,779	43,242	43,700	44,160	44,620	45,075	45,544	46,013	46,503
Change from previous year		423	407	418	426	441	457	446	452	455	463	457	460	461	455	469	469	490
Dwelling need		441	423	436	443	460	475	465	470	474	482	476	479	480	474	488	488	510

PROJECTION: 2012-based SNPP (2014 base updated for mid-year population estimates) – further adjustment to household formation rates of 25-34 population

Components of change

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Births	1,298	1,306	1,309	1,306	1,310	1,310	1,309	1,303	1,299	1,298	1,293	1,290	1,284	1,282	1,280	1,282	1,282
Deaths	712	717	717	721	725	732	736	741	745	749	755	762	770	779	789	799	807
Natural change	586	589	592	586	585	578	573	563	554	549	537	529	514	503	491	482	474
In-migration	5,071	5,135	5,171	5,215	5,248	5,281	5,312	5,339	5,364	5,390	5,419	5,452	5,486	5,522	5,558	5,595	5,629
Out-migration	4,931	4,972	4,995	5,013	5,036	5,048	5,069	5,086	5,114	5,139	5,178	5,212	5,236	5,260	5,292	5,320	5,357
Net migration	140	163	177	202	212	233	243	253	250	251	241	239	250	262	266	275	272

Population (broad age groups)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Age 0-14	17,970	18,209	18,527	18,820	19,140	19,455	19,743	19,944	20,082	20,224	20,340	20,426	20,503	20,544	20,585	20,683	20,679	20,667
Age 15-29	17,258	17,211	17,083	17,014	16,897	16,792	16,646	16,663	16,739	16,790	16,791	16,895	17,026	17,160	17,322	17,422	17,662	17,951
Age 30-44	19,187	19,128	19,115	19,148	19,287	19,447	19,692	19,928	20,163	20,391	20,552	20,559	20,552	20,617	20,639	20,670	20,610	20,505
Age 45-59	19,827	20,196	20,430	20,563	20,613	20,590	20,620	20,492	20,340	20,172	20,136	20,165	20,106	20,029	19,982	19,979	20,074	20,180
Age 60-74	13,553	13,636	13,835	14,065	14,276	14,457	14,579	14,821	14,841	15,023	15,328	15,674	16,118	16,536	16,958	17,332	17,684	17,919
Age 75+	7,953	8,096	8,240	8,390	8,575	8,845	9,119	9,367	9,867	10,239	10,493	10,701	10,886	11,069	11,237	11,395	11,531	11,765
Total population	95,748	96,475	97,229	97,999	98,788	99,586	100,399	101,215	102,033	102,839	103,640	104,421	105,190	105,956	106,723	107,481	108,239	108,987
Change from previous year		727	753	770	789	798	813	816	818	806	802	780	769	766	767	758	758	748
Households	38,854	39,223	39,607	40,001	40,402	40,817	41,245	41,660	42,080	42,502	42,930	43,350	43,735	44,121	44,501	44,892	45,286	45,702
Change from previous year		368	384	395	400	415	428	415	420	422	429	419	386	386	380	391	394	416
Dwelling need		384	400	411	417	433	445	432	437	439	446	436	402	402	395	407	410	433