

West Northamptonshire Joint Core Strategy

Objectively Assessed Housing Needs V2

West Northamptonshire Joint Planning Unit
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Joint Planning Unit**

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1. Purpose of this Paper

- 1.1 The purpose of this paper is to set out the Objectively Assessed Housing Needs for West Northamptonshire and its 3 constituent authorities, in accordance with the National Planning Policy Framework (NPPF).
- 1.2 This paper is an update to the original version published in July 2013. It corrects a number of typographical errors, and crucially, provides an appendix which subdivides the recommended need figures into the component spatial areas.
- 1.2 This paper is intended to meet the additional requirements specified by the Inspector at the Joint Core Strategy Hearings held on 16th April 2013 to 1st May 2013. This requirement was set out in the Programme Officer Note published after these hearings, which can be found at <http://www.westnorthamptonshirejpu.org/connect.ti/website/view?objectId=10024357>.
- 1.3 The Inspector has requested that the assessment of need should cover the Joint Core Strategy plan period and beyond, and should take into account both the latest Office for National Statistics (ONS) housing projections and the early 2011 Census results, including reference to the “How Many Homes/What Homes Where toolkit”. Details of the What Homes Where toolkit can be found at <http://www.howmanyhomes.org/>.

2. Changes to the Policy Context

National Policy

- 2.1 National policy has changed, with the government having replaced the previous guidance with a much shorter National Planning Policy Framework (NPPF), and our understanding of these changes continues to develop through practice and case law.
- 2.2 The National Planning Policy Framework was published on 27th March 2012. It states clearly that the purpose of the planning system is to contribute to the achievement of sustainable development with economic, social and environmental roles, which should be delivered in an integrated manner. It seeks to ensure that the planning system supports and encourages sustainable economic growth.
- 2.3 Of specific relevance are paragraph 14 which requires “local planning authorities to meet the development needs of their area”; and that “Local Plans should meet objectively assessed needs” and paragraph 159 which requires that “Local planning authorities should have a clear understanding of housing needs in their area.” they “should ... meet household and population projections, taking account of migration and demographic change ...” and identify the scale and mix of housing and range of tenures that “caters for housing demand and the scale of housing supply necessary to meet this demand”. There are further references in paragraphs 17, 47 and 179 which are also relevant.

Regional Policy

- 2.4 Parliament passed the Localism Act in October 2011, which has removed the requirement for Regional Spatial Strategies to be a part of the Development Plan. The Regional Spatial Strategy (RSS) for the East Midlands was revoked by Statutory Instrument 2013 No. 629, made on 14th March 2013, and which came into force on 12th April 2013. Prior to this date the housing figure for West Northamptonshire was set by the RSS, but following revocation the requirements of the NPPF provided the primary national policy position.
- 2.5 The Joint Planning Unit at the Joint Core Strategy Examination Hearings which started on 16th April 2013, accepted that because the housing requirement in the Joint Core Strategy was based on the requirement set out in the RSS, it did not meet the requirements specified in the NPPF, and hence the request for additional work as set out above.

3. Methodology for establishing the Objectively Assessed Housing Need

3.1 No additional guidance has to date been issued by the Government on the definition or calculation of Objectively Assessed Housing need. The first authoritative guidance was published in March 2013 as a part of the How Many Homes toolkit. Two documents were published with the toolkit. The first was "How Many Homes? A Companion Guide", published by the Local Housing Requirements Assessment Working Group, and the second was "Choice of Assumptions in Forecasting Housing Requirements. Methodological Notes", published by the Cambridge Centre for Housing and Planning Research. Subsequently, the government has issued draft planning guidance for consultation. This currently remains in Draft form, and has not been issued by the Secretary of State.

3.2 The JPU considers that there is a high degree of uncertainty with the preparation of population and household projections at the current time, and all the indications are that this will not change until the 2012 based Sub National Population Projections and associated Household Projections are published in Spring and Summer 2014. Issues of particular concern are :

- West Northamptonshire population and households as identified in the 2011 Census were significantly lower than predicted by the 2008-based population and household projections
- The 2010-based population projections were never converted into official household projections and reflect uncertainties in the data due to the time which has elapsed from the 2001 series base
- The 2011 Census-based interim projections continue to use some base rates which were based on pre-Census information, and may therefore be too high
- The Quality Report published by the Department for Communities and Local Government alongside the 2011-based Interim Household Projections, states "Users are discouraged to use the 2008-based projections to estimate changes beyond 2021 as these are not consistent with the data from the 2011 Census....."¹
- The influence of the recession on recent trends, and therefore how much they reflect what would happen if the economy improves
- The absence of a new official series of projections until Spring 2014; there is therefore continuing uncertainty and scope for interpretation and alternative views.

3.3 The JPU therefore decided that it would commission two reputable organisations to help advise it on what the objectively assessed housing need of its area should be. The requirement was to advise the Joint Planning Unit on Objectively Assessed

¹ Department for Communities and Local Government: 2011-based Interim Household Projections: Quality Report, April 2013. Page 9 - Comparability, First Paragraph Third sentence.

Need, and to provide an appropriate recommendation. The resulting detailed work, set out in paragraphs 3.4 and 3.5 below, was offered by the consultants and accepted by the Joint Planning Unit.

3.4 The first commission was to Peter Brett Associates (PBA), and was to provide a short paper which:

- Clearly outlines their understanding of “objectively assessed housing need”,
...
- Presents the What Homes Where projections, as requested by the Inspector
- Models an updated household projection, taking full account of the 2011 Census (based on work undertaken by John Hollis, an independent advisor on demographics and a member of the advisory steering group providing quality control assurance to the Department of Communities and Local Government (DCLG) on the production of the 2011-based Household projections)
- Tests the projections and alternative scenarios, consistent with the Cambridge guidance
- If considered appropriate, propose an amended population and household scenario as a better measure of objectively assessed housing need, supported by a justification in line with the Cambridge guidance
- Estimates the resident labour force that would result from this preferred scenario.

3.5 The second commission was to the Cambridge Centre for Housing and Planning Research (CCHPR), and it was agreed that they should:

- a. Review:
 - the DCLG’s 2008-based household projections
 - the ONS’s 2011-based interim population projections
 - the DCLG’s 2011-based interim household projections; and
 - other evidence already collected by the Joint Planning Unit
- b. Meet with the Joint Planning Unit to discuss the available evidence and ensure that full account is taken of local knowledge.
- c. Produce a report which would:
 - Review the 2011-based household projections for the West Northamptonshire authorities, including the reasons why they differ from the 2008-based projections. This would include a discussion of the projected trends in household formation rates and how they relate to the historic trends.
 - Advise how the 2011-based household projections might be extended to the end of the plan period based on a method recommended by Dr. Alan Holmans (a member of the advisory steering group providing quality control assurance to the Department of Communities and Local Government (DCLG) on the production of the 2011-based Household projections).

- Include sensitivity analysis informing an assessment of the margins of uncertainty that exist.

3.6 Summaries of the two reports are set out in the sections below, and the full reports are published separately on the JPU website at

Cambridge Centre for Housing and Planning Research

<http://www.westnorthamptonshirejpu.org/connect.ti/website/view?objectId=10698565>

Peter Brett Associates

<http://www.westnorthamptonshirejpu.org/connect.ti/website/view?objectId=10698597>

Peter Brett Associates Appendix 1

<http://www.westnorthamptonshirejpu.org/connect.ti/website/view?objectId=10698533>

4. Peter Brett Associates(PBA) Report

- 4.1 Chapter 2 of PBA’s report sets out their interpretation of objectively assessed housing need with reference to the NPPF. In particular they point out that in their view, “in the NPPF “need” (used interchangeably with “demand” and “requirement”) refers to *all* housing, in both the affordable and market sectors.”
- 4.2 They go on to give their interpretation of objectively assessed housing need as follows: “Objectively assessed need (or housing demand) is the quantity of housing that households are willing and able to buy or rent, whether from their own resources (in the market sector) or with the assistance of the state (in the affordable sector or with subsidy)²”.
- 4.3 Chapter 3 of PBA’s report sets out their view of the demographic evidence, including a discussion of some of the methodology and consequent limitations of the process and the data inputs. They point out that the national projections are trend based, and therefore do not attempt to predict the impact of future government policy, changing economic circumstances or other factors might have on those trends. The results they provide would be the outcomes if the projections based on past trends were to be realised in practice.
- 4.4 In the discussion of the 2008-based projections PBA make two significant points. Firstly they point out that the 2011 Census results showed that previous estimates were too high and thus substantially over estimated net inward migration into the study area; therefore the projections based on that data overestimated total population growth, both for the area as a whole and for each individual district. The second issue relates to household size. The 2008 projections overestimated household formation, and as a consequence indicated a higher need for dwellings than actually existed.
- 4.5 The results of the 2011 Census showed that there were fewer people; and they lived in larger household groups; and therefore there were substantially fewer households in 2011 than the 2008 projections predicted.
- 4.6 PBA notes that the 2011-based projections show an increase in the number of households from 2011-2021 of 2,130 per year, about 15% below the 2008-based household projection. However, they consider that the projections only partially take account of the 2011 Census, and point out that the migration rates are based on data which pre-dates the 2011 Census results, and which the Census shows are inaccurate.
- 4.7 PBA therefore conclude that there are no official projections which provide a reliable starting point for assessing housing need, and have therefore modelled

² The implication is that this is at a point in time, and therefore ignores the driver for “need” being changing population and household occupation into the future.

their own 2011-based projections for West Northamptonshire, based on the available Census data.

- 4.8 The results are two alternative 2011-based projection scenarios, called “2001-2011 Trends” and “2006-2011 Trends”. With the exception of migration these use the same assumptions as the official 2011-based projections. The 2001-11 Trends rolls forward average migration rates by age and sex for 2001-2011, as measured by the last two censuses. The 2006-2011 Trends rolls forward average migration rates for 2006-2011, as estimated by ONS using Census results. As a result they generate projections of a net change in population that is significantly lower in 2021/2026/2031 than the 2011 Census based Sub-National Population Projections. PBA consider that the trends they have developed are likely to accord with the 2012-based Sub-National Population Projections (SNPP) when these are prepared and released by ONS in spring 2014.
- 4.9 The PBA options show significantly lower growth into the future as their calculations indicate that in the past 10 years there has been significantly lower migration than predicted by the ONS, based on analysis of the ‘Mid-2002 to Mid-2010 Sub-National Population Estimates revised following the 2011 Census³, and that this is likely to continue into the future. PBA also assume that average household size will be larger than the 2008 based projections, similar to those of the DCLG 2011 based household projections. Hence the resulting PBA Trends household numbers are below both DCLG projections, but closer to the 2011-based projections than the 2008 based projection for 2011..
- 4.10 The JPU has a degree of concern that the Mid-Year Estimates for 2012, published after the receipt of PBA’s report suggest a significantly higher population for the West Northamptonshire local authorities than suggested by the PBA work. When questioned about this the PBA response was; “The South Northants increase in the 2012 MYE⁴s is surprising, far above what one would expect from recent years. We do not know if special factors account for it or if it is an error. Either way, **no one would project forward 20 years on the basis of one year only. The ONS’s next set of projections will use the average of the five years to 2012, which will make around 200 p.a., similar to the 180 p.a. in our Trends scenario**” (PBA emphasis)
- 4.11 A full summary of the results, together with the comparison with the Cambridge Centre for Housing and Planning Research results is set out in Chapter 6 of this report below.

³ See <http://www.ons.gov.uk/ons/rel/pop-estimate/population-estimates-for-england-and-wales/mid-2002-to-mid-2010-revised--subnational-/stb---mid-2002-to-mid-2010-subnational-population-estimates-revised.html> for more information

⁴ Mid Year Estimate, produced by Office for National Statistics

5. Cambridge Centre for Housing and Planning Research (CCHPR) Report

- 5.1 The CCHPR report touches on the history of ONS/DCLG population and household forecasts, and points out that the 2008 based DCLG household projections are the last full set (25 years) of official projections. The 2011-based projections, it notes, are described as “interim” because they are only for 10 years (to 2021). The report also points out that the next full set of household projections will be the 2012-based projections, which are expected to be published spring/summer 2014.
- 5.2 CCHPR then undertook a comparison of the 2008 and 2011 based projections for West Northamptonshire. They note the 2011 Census found 3.3% fewer people than the 2008 projections suggested. Nationally, this puts West Northamptonshire in a minority of authorities where fewer people than projected were found. The projected growth (2011-2021) in the 2011 based projections is only marginally lower (-1.2%) than that suggested by the 2008 based projections. It should be noted that CCHPR have used unchanged the 2011 Census-based population projections which underpin the CLG Household projections, so the pre Census migration components remain the basis for the CCHPR household projections.
- 5.3 More importantly the 2011 Census found 6% fewer households than suggested by the 2008 based projections, and this continues into the future as the 2011 based household growth is 19.4% lower (2011-2021) than the 2008 based projections suggests.
- 5.4 CCHPR then look at the issues around extending the 2011 projections beyond 2021 to meet the needs of the brief, and specifically whether the trends underlying the 2011 based projections represent a prudent basis on which to plan, and if not, what alternative assumptions should be made. The methodology used to extend the 2011 based projections beyond 2011 is set out fully in Chapter 4 of the CCHPR report.
- 5.5 Chapter 5 of the CCHPR report then investigates whether the 2011 based household projections are a prudent basis on which to estimate objectively assessed housing need. The report identifies three age groups (25-34; 60-64 and 65-74) which show a sizable difference in the headship rate, and also a noticeable difference in the slope of the line of the 2011 based projections compared to the 2008 based projections.
- 5.6 The question is therefore posed by CCHPR whether these changes represent a permanent change, or whether they simply reflect the low point of the economic cycle and not the likely longer term trend.
- 5.7 CCHPR’s conclusion in respect of the 25-34 age group is that while some of the change may be structural, the majority will have been caused by the economic situation and the cost of housing and difficulty in obtaining a mortgage without a sizable deposit. CCHPR therefore consider it would be prudent to plan on the basis

that household formation rates for this group will move at least some way back towards previous trend if the economic conditions improve.

- 5.8 The position with the other two age groups is less clear. The groups are less likely to have been as severely affected by the economic downturn as the younger group, as many will hold substantial amounts of equity in their homes before the downturn occurred. Given the higher level of the 2008 based projections it could simply be that the 2008 based projections over-estimated the likely number of these age groups. On the other hand CCHPR considers it is difficult to say that a continuation of the fall in household formation rates is a certainty.
- 5.9 Taking all these factors into account CCHPR modelled two scenarios which apply partial adjustments to the extended 2011 based projections⁵. The first is “partial return to trend” and the second is “tracking 2008 based rates”. The partial return to trend assumes that after 2015 the household formation rates recover towards the 2008 based rates, reaching a mid-way point by 2025, where they stay to 2031. The “tracking 2008 based rates” assumes that the rates do not continue to diverge, but that by 2025 the CLG rates will have returned to the level which, in 2011, the Census-based rates were above or below the 2008 based projected rates. Again, the assumption is that the move to the tracking trajectory takes 10 years to be fully achieved. CCHPR assume that a full return to the CLG trend is highly unlikely over the plan period in part because the economic improvement is expected to be slow and in part because there are structural factors suggesting some slowdown in formation rates.
- 5.10 When all the changes across all the age bands are incorporated and aggregated to produce an overall headship rate, it is observed that, for the whole West Northamptonshire area, the two adjusted options are very similar and produce similar household change projections. The two options both produce annual household growth rates that are some 10% below the 2008 based projection, compared to the extended 2011 based projection which is 20% below the 2008 based projection.
- 5.11 A full summary of the results, together with the comparison with the Peter Brett Associates results is set out in Chapter 6 of this report below.

⁵ The CCHPR DCLG 2011 Extended Projection applies the ONS and CLG 2011-2021 trends in population change by age and household rates to the period 2021-2031. (See CCHPR report)

6. Determining the Objectively Assessed Housing Need

- 6.1 A simplified summary table of the results provided by the two consultants is set out below. Also included are the West Northamptonshire Joint Core Strategy figures (as submitted) for comparison purposes.

Table 1: Comparison (Households) – Annual Household Growth

| | Annual Household Growth | | |
|---------------------------------|-------------------------|-----------|-----------|
| | 2011-2026 | 2011-2029 | 2011-2031 |
| 2008 DCLG Projections | 2555 | 2501 | 2462 |
| Joint Core Strategy* | 2186 | 2186 | 2186 |
| Peter Brett 01-11 trend | 1540 | 1540 | 1540 |
| Peter Brett 06-11 Trend | 1445 | 1445 | 1445 |
| Cambridge return to trend | 2314 | 2243 | 2196 |
| Cambridge Tracking | 2289 | 2251 | 2221 |
| DCLG 2011 Extended ⁶ | 2059 | 1994 | 1954 |

Joint Core Strategy* - These figures are estimates for households, based on the number of dwellings proposed and with a decrease of 3% to allow for dwelling vacancies. For the period beyond 2026 the annualised rate (2011-2026) has been continued without change.

Table 2: Comparison (Dwellings) – Annual Dwellings Growth

All the household figures in Table 1 above have been uplifted by 3% to convert the number of households into dwellings.

| | Annual Dwellings Growth | | |
|---------------------------|-------------------------|-----------|-----------|
| | 2011-2026 | 2011-2029 | 2011-2031 |
| 2008 DCLG Projections | 2632 | 2576 | 2536 |
| Joint Core Strategy* | 2252 | 2252 | 2252 |
| Peter Brett 01-11 trend | 1586 | 1586 | 1586 |
| Peter Brett 06-11 Trend | 1488 | 1488 | 1488 |
| Cambridge return to trend | 2383 | 2310 | 2262 |
| Cambridge Tracking | 2359 | 2320 | 2287 |
| ONS 2011 Extended | 2121 | 2054 | 2013 |

Joint Core Strategy* - This is the annualised dwelling figure in the JCS. No uplift has therefore been applied.

- 6.2 Converting the annualised rates for dwellings shown in Table 2 into total numbers of dwellings the results are :

⁶ As note 4 above

Table 3: Total Net Dwellings Required from 2011

| | Total Dwellings Required (Net) | | |
|---------------------------|--------------------------------|-----------|-----------|
| | 2011-2026 | 2011-2029 | 2011-2031 |
| 2008 DCLG Projections | 39480 | 46368 | 50720 |
| Joint Core Strategy | 33780 | 40536 | 45040 |
| Peter Brett 01-11 trend | 23790 | 28548 | 31720 |
| Peter Brett 06-11 Trend | 22320 | 26784 | 29760 |
| Cambridge return to trend | 35745 | 41580 | 45240 |
| Cambridge Tracking | 35385 | 41760 | 45740 |
| ONS 2011 Extended | 31815 | 36972 | 40260 |

- 6.3 For comparison with the Joint Core Strategy and its base date of 2001, the housing completions 2001-2011 for the whole of West Northamptonshire (16,369) dwellings are added to the above table to give:

Table 4: Total Net Dwellings from 2001

| | Total Dwellings from 2001 (Net) | | |
|---------------------------|---------------------------------|-----------|-----------|
| | 2001-2026 | 2001-2029 | 2001-2031 |
| 2008 DCLG Projections | 55849 | 62737 | 67089 |
| Joint Core Strategy* | 50149 | 56905 | 61409 |
| Peter Brett 01-11 trend | 40159 | 44917 | 48089 |
| Peter Brett 06-11 Trend | 38689 | 43153 | 46129 |
| Cambridge return to trend | 52114 | 57949 | 61609 |
| Cambridge Tracking | 51754 | 58129 | 62109 |
| ONS 2011 Extended | 48184 | 53341 | 56629 |

*The figure in the Joint Core Strategy is 50,150. The difference is due to rounding in the calculations based on 2,252 per year for 15 years plus 16,369 completions (2001-2011).

- 6.4 This converts into an annualised rate for the period from 2001:

Table 5: Total number of dwellings from 2001 (Annualised Rates)

| | Total Dwellings from 2001 (Annualised Rates) | | |
|---------------------------|--|-----------|-----------|
| | 2001-2026 | 2001-2029 | 2001-2031 |
| 2008 DCLG Projections | 2632 | 2577 | 2536 |
| Joint Core Strategy* | 2006 | 2032 | 2047 |
| Peter Brett 01-11 trend | 1606 | 1604 | 1603 |
| Peter Brett 06-11 Trend | 1548 | 1541 | 1538 |
| Cambridge return to trend | 2085 | 2070 | 2054 |
| Cambridge Tracking | 2070 | 2076 | 2070 |
| ONS 2011 Extended | 1927 | 1905 | 1888 |

- 6.5 As a comparison, the total number of completions from 2001-2011 was 16,369 dwellings, at an annualised rate of 1,637 dwellings per annum. When considering the period 2001-2011 it can be split into two distinct periods: 2001-2006 which were the boom years and 2007-2011 which were dominated by the economic recession. The completion numbers for these two periods were 9,887 (2001-2006) at an average rate of 1,975 dwellings per annum, and 6,492 (2007-2011) at an annualised rate of 1,298 dwellings per annum.
- 6.6 From the figures presented above it can be seen clearly that the annualised dwelling rates from the Peter Brett Associates scenarios are very similar to the annualised housing completion rates for the period 2001-2011. This is not surprising as the two PBA trend scenarios are based on recorded population and household changes from 2001-2011 and 2006-2011 periods only. The 2001-2011 scenario does reflect a reasonably typical economic period of activity, with a booming economy at the start of the period and a recession at the end. Indeed 2010/11 recorded the lowest number of housing completions in the area for many years, and the two following years have shown no significant improvement. One question which must therefore be considered is how long will the recession continue, when any recovery will become established, and how many years will it take for the housing market to fully recover. At the time of writing the original report (July 2013) there were some encouraging signs that the housing market was beginning to improve, but it was too early to be confident of the speed or extent of the recovery. This update, (December 2013) notes that the observed improvement in the market is continuing.
- 6.7 It is also clear that the Peter Brett Associates scenarios are substantially below the ONS/DCLG 2011-based interim household projections (as extended) (over 34% lower), and therefore it would be difficult to argue that the PBA recommendations would meet the requirement to reflect the latest national population forecasts or the test of positive planning set out in the National Planning Policy Framework (NPPF)⁷. Nevertheless, it is important to note that the PBA scenarios indicate that this will result in a growth of the area's population, of which about two thirds will be due to natural change and one third to net in-migration.
- 6.8 It is also important to recognise that the Peter Brett Associates recommendations would imply that either the sites proposed in the Joint Core Strategy (as submitted) would build out at a much slower rate than that shown in the JCS housing trajectory, and/or some sites in the JCS should be de-allocated or re-scheduled to post 2026. This too seems unrealistic given the advanced position of most of the SUEs, and the confident and positive views expressed by the promoters of those sites at the recent Hearings.

⁷ This is due to the use of revised Components of Change to those used in the Sub National Population Projections (SNPP). PBA have not made any fundamental changes to the household rates.

- 6.9 In the light of the above it is considered that the 2011 based DCLG interim projections for population and households correspond to the best assessment of the objectively assessed housing currently provided by Government figures. However because the official projections only go to 2021 there is a degree of uncertainty about the later part of the period and how these should be rolled forward to 2026, 2029 and 2031.
- 6.10 Different assumptions about the inputs for the period beyond 2021, and different projection methodologies, will give differing results for the extended 2011 based projections. The model prepared by CCHPR suggests annual housing requirements of 2,121 to 2026, falling to 2,054 by 2029 and to 2,013 by 2031⁸. The Peter Brett Associates calculations for the extension of the ONS/DCLG 2011-based projections to 2031 suggests an annual housing requirement of 2,194⁹ dwellings.
- 6.11 In order to achieve these build rates the West Northamptonshire area will have to consistently build at a higher rate than that achieved during the boom years of 2001-2006, and this will undoubtedly be challenging. This will be exacerbated by the low starting position of 687 dwellings completed in 2010-2011, and the continuing low levels of housing completions in 2011-2012 and 2012-2013.
- 6.12 Irrespective of these delivery issues, there is a question mark about whether even the 2011 based DCLG interim projections will fully meet need as defined in the NPPF. Some commentators suggest that as the projections are essentially trend based with the main reference data for the trend being the principal years of the recent recession, then the projections may be building in the effects of the recession, and therefore are not a true unconstrained trend. Conversely, other commentators also point out that there are errors built into the 2011 based projections, as many of the change rates have not been updated on the basis of the 2011 Census, but remain those used in the 2010 ONS population projections (which projected a much higher population for West Northamptonshire).
- 6.13 The other three projections¹⁰ give broadly similar results which are 12-14% higher than the 2011 based projections. All three models result in delivery starting from a low delivery level and recovering thereafter. The JCS model shows an earlier start to the recovery and then a slow down after 2023-2024 before recovering again. The CCHPR tracking model, based on more recent data, shows a recovery from 2015 until it reaches a point between the 2011 and 2008 projects based on the observed difference between the 2008 projected figure for 2011 and the 2011 Census itself, from which time it tracks the trajectory of the 2008 DCLG projection model based on this observed difference. The Cambridge Return to Trend also shows a recovery starting in 2015 and reaches a mid-point between the 2011 and 2008 projections by 2025, after which time it would continue to move along the

⁸ For the avoidance of doubt, the reducing annualised rates in 2029 and 2031 relate to the whole period from 2011, and not just the period after 2026.

⁹ This is derived from Table 3.1 CLG 2011 (2011-2021) Change per annum figure of 2,130 Households uplifted by 3% to give 2,194

¹⁰ JCS original; CCHPR tracking; CCHPR trend

mid-point path. Both CCHPR models are due in part to the consideration of changes in household rates.

- 6.14 It is considered by the Joint Planning Unit that all these 3 projections are within the margin of error of such projections, but that the increased requirement over the level suggested by the 2011 based projections would indicate that they would both meet the needs of the area and facilitate positive planning for the future.
- 6.15 In comparison to the CCHPR and JCS projections, the 2008 DCLG projections look excessive, and would be unachievable without substantial public sector funding to meet infrastructure costs and thus enable development. On the basis of recent Government announcements and the further reduction in funding for local government this is unlikely to be forthcoming.
- 6.16 CCHPR, who wrote the companion paper to the 2008 based “What Homes Where Toolkit”, Choice of Assumptions in Forecasting Housing Requirements, are not proposing to use the 2008 base Sub National Population Projections (SNPP) in West Northamptonshire.

7. An Assessment of Objectively Assessed Jobs Needs

- 7.1 The jobs needs are a consequence of the households and related population projections, and a range of figures have been calculated based on the projections. It is important to recognise that West Northamptonshire, and especially the Daventry District Council and South Northamptonshire Council areas have an increasingly aging population, which will suppress job needs throughout the plan period, but especially in the later parts of the plan period.
- 7.2 There is a high degree of uncertainty around the prediction of the need for jobs. Some of the base data, particularly those for commuting are essentially based on the 2001 Census with limited updating possible until the 2011 Census data becomes available in 2014. Similarly the considerations set out in paragraph 6.12 of this report also have an impact on the working age population and hence the number of jobs which are required to meet the needs of that population.

Table 6: Jobs Implications

| | New jobs required from 2011 | | |
|---------------------------|-----------------------------|-----------|-----------|
| | 2011-2026 | 2011-2029 | 2011-2031 |
| 2008 DCLG Projections | 27860 | 34079 | 38225 |
| Joint Core Strategy | 22463 | 27602 | 31029 |
| Peter Brett 01-11 trend | 14325 | 17190 | 19100 |
| Cambridge return to trend | 23963 | 28401 | 31179 |
| Cambridge Tracking | 23673 | 28520 | 31576 |
| ONS 2011 Extended | 21836 | 26849 | 30192 |

- 7.3 The Peter Brett 2006-2011 was not modelled as the results were expected to be only slightly lower than the 2001-11 projections.
- 7.4 The Peter Brett Associates projections are significantly lower than the other projections, which are all broadly similar.
- 7.5 The jobs figures are explored further in the Employment Technical Paper Second Update (July 2012), which also looks at alternative forecasts and methodologies.

8. Conclusions

- 8.1 The development of an Objectively Assessed Housing Need figure for West Northamptonshire is particularly difficult at the present time. There are issues with the definition of Objectively Assessed Housing Need, as discussed in the Peter Brett Associates report and in the Cambridge Centre for Housing and Planning Research Companion Guide to the What Homes Where Toolkit. There is a lack of Government guidance on this matter, although guidance is expected to be issued later this year. In addition, there are technical issues with the based ONS/DCLG population and household projections which should be the starting point of the Assessment of Objectively Assessed Housing Need. These technical issues have been referred to in Chapters 4, 5 and 6 of this report.
- 8.2 In summary this report has considered:
- The 2008 DCLG Household Projections
 - The 2011 DCLG Interim Household Projections
 - The Joint Core Strategy as submitted (the Pre-Submission Joint Core Strategy as amended by the Proposed Changes)
 - Peter Brett Associates 2001-2011 Trend Projections
 - Peter Brett Associates 2006-2011 Trend Projections
 - CCHPR return to Trend Projections; and
 - CCHPR Tracking Projections
- 8.3 The reports and supporting evidence supplied by Peter Brett Associates and the Cambridge Centre for Housing and Planning Research are published alongside this report. In addition there are a number of Technical Papers covering housing, and Population, Households and Labour Force submitted by the JPU to the Examination Hearings as a part of the evidence base. All of these documents are available from the Joint Planning Unit website at www.westnorthamptonshirejpu.org
- 8.4 The JPU's conclusions are set out in the paragraphs below.
- 8.5 The Peter Brett Associates projections should be discounted, as they are considered to be too low compared to the latest official projections (2011 based Interim Projections) and do not therefore constitute the basis for a positively prepared plan in accordance with the requirements of the NPPF.
- 8.6 The 2008 DCLG Projections should be discounted as being too high. This data set has been largely discredited by the results of the 2011 Census, especially in the West Northamptonshire area where the 2011 Census results were demonstrably below the 2008 based projections; a position reinforced by the Cambridge Centre for Housing and Planning Research advocating use of the 2011-based information for West Northamptonshire over the 2008-based data behind the "What Homes Where" Toolkit.

- 8.7 The remaining projections are all very similar in the scale of development they suggest. However, the JCS projections should be discounted as they were produced on a dwelling constrained basis, and therefore do not comply fully with the currently understood definition of Objectively Assessed Housing Need.
- 8.8 Of the two CCHPR projections, the one which it is recommended by the Joint Planning Unit to form the basis of the Objectively Assessed Housing Need for West Northamptonshire is the Tracking projection. This has been selected on the basis of the description of the methodology in Paragraph 6.1 of the CCHPR report.
- 8.9 The CCHPR report admits that there is no particular science behind the alternative “Return to Trend” option as the “half-way” assumption has no real justification other than it is unlikely that there will be no move back towards trend and improbable that there will be a full return in the foreseeable future. On the other hand, the Tracking methodology which is being recommended, is based on the difference between the 2008 based projections for 2011 and the actual result as expressed in the 2011 Census, and this difference being maintained throughout the period of the CCHPR “Tracking” projection.
- 8.10 The Joint Planning Unit considers that the table below sets out the Objectively Assessed Housing and Jobs Needs for West Northamptonshire:

Table 7: Objectively Assessed Housing and Jobs Need¹¹

| | Total Dwellings Required from 2011 (Net) | | |
|--------------------|--|-----------|-----------|
| | 2011-2026 | 2011-2029 | 2011-2031 |
| Cambridge Tracking | 35385 | 41760 | 45740 |
| | Total Jobs Required from 2011 | | |
| | 2011-2026 | 2011-2029 | 2011-2031 |
| Cambridge Tracking | 23963 | 28520 | 31179 |

Table 8: Objectively Assessed Housing and Jobs Need (Annualised Rates)

| | Dwellings Required from 2011 Annualised | | |
|--------------------|---|-----------|-----------|
| | 2011-2026 | 2011-2029 | 2011-2031 |
| Cambridge Tracking | 2359 | 2320 | 2287 |
| | Jobs Required from 2011 Annualised | | |
| | 2011-2026 | 2011-2029 | 2011-2031 |
| Cambridge Tracking | 1598 | 1584 | 1559 |

- 8.11 The only reasonable alternative is the extended 2011 Census-based projections shown below, and described more fully in paragraphs 4.9 to 4.11 of the CCHPR paper. This would give totals lower than the CCHPR totals set out in Tables 7 and 8 above, but do represent a projection of the latest official Government projections.

¹¹ Differences in the figures shown in this table, and those in previous tables are due to rounding in the calculations.

These figures also represent a significantly higher figure than the PBA recommended totals, and PBA do indicate their belief that the 2012 based SNPP projections, due to be published in 2014, will be lower than the 2011 Census-based projections for West Northamptonshire. The 2011 Census-based projections could therefore be seen to represent an over-provision against what is expected to be in the next set of official projections, and could therefore be argued would represent positive planning for the area. The relevant figures are set out in Tables 9 and 10 below:

Table 9: Reasonable Alternative Objectively Assessed Housing and Jobs Need

| | Total Dwellings Required from 2011 (Net) | | |
|---|--|-----------|-----------|
| | 2011-2026 | 2011-2029 | 2011-2031 |
| 2011 Census-based Projection (Extended) | 31815 | 36972 | 40260 |
| | Total Jobs Required from 2011 | | |
| | 2011-2026 | 2011-2029 | 2011-2031 |
| 2011 Census-based Projection (Extended) | 21836 | 26849 | 30192 |

Table 10: Reasonable Alternative Objectively Assessed Housing and Jobs Need (Annualised Rates)

| | Dwellings Required from 2011 Annualised | | |
|---|---|-----------|-----------|
| | 2011-2026 | 2011-2029 | 2011-2031 |
| 2011 Census-based Projection (Extended) | 2121 | 2054 | 2013 |
| | Jobs Required from 2011 Annualised | | |
| | 2011-2026 | 2011-2029 | 2011-2031 |
| 2011 Census-based Projection (Extended) | 1456 | 1492 | 1510 |

- 8.12 The JPU does not consider there are any other reasonable alternatives. For the reasons given in the report above, the PBA recommendation is considered to be too low and not represent positive planning for the area, and the 2008-based Sub National Population Projections are considered to be too high, as evidenced by the results of the 2011 Census. The alternative CCHPR totals and the extended JCS totals are too close to the recommended Objectively Assessed Housing Needs totals to be reasonable alternatives.

9. Appendix 1 – Spatial Consequences

- 9.1 As well as providing overall figures for West Northamptonshire, both consultants provided a breakdown of their projections by local authority boundaries. In addition, both discussed the implications of the development of Grange Park between 2001 and 2007, which is located within South Northamptonshire, but was built specifically to meet the needs of Northampton Borough. The details are set out in full in the respective consultant’s reports and appendices.
- 9.2 As the JPU has determined that it believes the Cambridge projections of need are the most appropriate to use, this section concentrates on the implications of the Cambridge projections.
- 9.3 The key issue for the JPU to determine is the extent of the adjustment required to both the Northampton Related Development Area and to South Northamptonshire remaining areas to reflect the development of Grange Park between 2001 and 2011 as an extension to meet the needs of Northampton. The principle of developing in both South Northamptonshire and Daventry to meet the needs of Northampton was established in the Northamptonshire County Structure Plan Alteration No 1 1992, and put into effect for Grange Park in the South Northamptonshire Local Plan 1997 (Policies GPH1; GPE1; GPR1;GPT1 and GPRC1 and 2). Outline planning permission was granted in 1998, and the bulk of the houses were completed between 2001 and 2008; the annual housing completion monitoring records show that 1,433 dwellings were completed between these dates. A comparison between the 2001 and 2011 census for Grange Park results show an increase of 1,465 dwellings. A simple calculation, therefore, was that an average of 143-147 dwellings per annum were constructed between 2001 and 2011, and this has been rounded up to 150 dwellings per annum.
- 9.4 Taking these figures into account, the JPU considers it appropriate that 150 dwellings per annum should be taken from the Cambridge calculated requirement for South Northamptonshire, and 150 dwellings per annum added to the requirement for the Northampton Related Development Area. It is the view of the Joint Planning Unit that this proposed change is the maximum adjustment that is justified by the data available. It therefore follows from this that the resulting Northampton Related Development Area “need” figure set out below is the maximum “need” which can be justified, and the South Northamptonshire “need” is the minimum figure that can be justified.
- 9.5 It is clear that the Cambridge projections, especially when the adjustment is made for Grange Park, represents a small change in the spatial distribution, with an increasing concentration of growth in Northampton and Daventry. The comparison with the submitted Joint Core Strategy (2011-2026) is set out below. All figures are shown as annualised numbers to make comparisons easier.

Table 11: Comparing the JCS provision and the Adjusted Cambridge Requirement¹² 2011-2026

| | Cambridge | JCS | Difference | % Difference |
|---|------------------|------------|-------------------|---------------------|
| Daventry District (excluding the NRDA) | 394 | 352 | +42 | 11.9 |
| Northampton Related Development Area (NRDA)¹³ | 1,608 | 1,526 | +82 | 5.4 |
| South Northamptonshire (Excluding the NRDA) | 356 | 374 | -18 | -4.8 |
| West Northamptonshire | 2,359 | 2,252 | +107 | 4.8 |

N.B. The numbers do not sum due to rounding

- 9.6 Compared to the JCS submitted figures, the Cambridge Objectively Assessed Housing Need projections show increased dwellings are required in both Daventry (outside the NRDA) and Northampton, but fewer dwellings are required in South Northamptonshire (outside the NRDA).
- 9.7 If the plan period were extended to 2029, the pattern remains the same but the surplus (against the Joint Core Strategy proposed delivery) in South Northamptonshire increases while the shortfall in Daventry and the NRDA reduces, and the resulting figures are shown in the table below.

¹² Figures in Cambridge report increased by 3% to allow for vacancies and churn

¹³ The NRDA figure includes 150 dwellings attributable to Grange Park in South Northants. The South Northants figure is reduced by the same amount. The reasoning is set out in Appendix 2 to the CCHPR report.

Table 12: Comparing the JCS proposed provision and the Adjusted Cambridge Requirement 2011-2029

| | Cambridge | JCS | Difference | % Difference (JCS 100%) |
|---|-----------|-------|------------|-------------------------|
| Daventry District (Excluding the NRDA) | 388 | 352 | +36 | 10.2 |
| Northampton Related Development Area (NRDA)¹⁴ | 1,581 | 1,526 | +55 | 3.6 |
| South Northamptonshire (excluding the NRDA) | 351 | 374 | -23 | -6.1 |
| West Northamptonshire | 2,320 | 2,252 | +68 | 3.0 |

N.B. The numbers do not sum due to rounding

9.8 In conclusion, the Cambridge projections broadly reflect the pattern of development in the JCS with the biggest numerical changes to be found in the NRDA. In percentage terms, however, Daventry (outside the NRDA) shows the biggest gain, with an increase of over 10% compared to the JCS, while South Northamptonshire outside the NRDA shows a drop of 6.1 % against the JCS Proposed Changes.

9.9 For the reasons given above, the Joint Planning Unit recommend that the Objectively Assessed Housing Need for the three spatial areas is:

| | Number of Dwellings | Annualised Rate (Rounded) |
|---------------------------------------|---------------------|---------------------------|
| Daventry (outside NRDA) | 6,984 | 388 |
| NRDA | 28,458 | 1581 |
| South Northamptonshire (outside NRDA) | 6,318 | 351 |
| West Northamptonshire | 41,760 | 2,320 |

¹⁴ The NRDA figure includes 150 dwellings attributable to Grange Park in South Northants. The South Northants figure is reduced by the same amount. The reasoning and justification for this is set out in the Objectively Assessed Need Paper