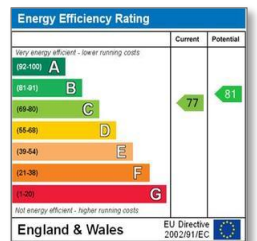




Swindon & Wiltshire Strategic Housing Market Assessment Report of Findings





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1. Introducing the Study

Background to the project and wider policy context

- 1.1 Opinion Research Services (ORS) was commissioned by Wiltshire Council and Swindon Borough Council to identify the functional Housing Market Areas (HMAs) covered by the two local authorities and prepare a Strategic Housing Market Assessment (SHMA) to establish the Objectively Assessed Need for housing for the two local planning authorities and the identified housing market areas. To complement this work, Hardisty Jones Associates (HJA) have identified Functional Economic Market Areas (FEMAs) for the combined area and undertaken an Economic Development Needs Assessment which informs the SHMA.
- 1.2 The study adheres to the requirements of the National Planning Policy Framework (NPPF) published in 2012 and subsequent Planning Policy Guidance. The methodology was also mindful of emerging good practice and outcomes from Examinations, as well as the Technical Advice Note about Objectively Assessed Need and Housing Targets that was published by the Planning Advisory Service (PAS) in July 2015.
- 1.3 The purpose of the study is to support the local authorities in objectively assessing and evidencing the need for housing (both market and affordable) and employment, and to provide other evidence to inform local policies, plans and decision making.

National Planning Policy Framework

- 1.4 The National Planning Policy Framework (NPPF) contains a presumption in favour of sustainable development, and states that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area. Given that Regional Spatial Strategies are now revoked, the responsibility for establishing the needs of the area rests with the local planning authority.

*At the heart of the National Planning Policy Framework is a **presumption in favour of sustainable development**, which should be seen as a golden thread running through both plan-making and decision-taking.*

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 adapt 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 taken as a whole.

National Planning Policy Framework (NPPF), paragraph 14

To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.

National Planning Policy Framework (NPPF), paragraph 47

- 1.5 Paragraph 158 of the Framework outlines the requirement for local planning authorities to ensure that their Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of their area. Local planning authorities are asked to ensure that their assessment of strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals. Given this context, Strategic Housing Market Assessments (SHMAs) primarily inform the production of the Local Plan (which sets out the spatial policy for a local area).
- 1.6 One of the key objectives is to provide the robust and strategic evidence base required to establish the Objectively Assessed Need (OAN) for housing in the Housing Market Area (HMA) and provide information on the appropriate mix of housing and range of tenures needed.

Housing

Local planning authorities should have a clear understanding of housing needs in their area.

They should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries.

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 (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
- » *caters for housing demand and the scale of housing supply necessary to meet this demand;*

National Planning Policy Framework (NPPF), paragraph 159

- 1.7 Modelling future housing need requires a consideration of the housing market from a high-level, strategic perspective; in this way an understanding of how key drivers and long-term trends impact on the structure of households and population over the full planning period can be delivered.
- 1.8 Planning Practice Guidance (PPG) on the assessment of housing and economic development needs was published in March 2014 and has been updated in March 2015. Previous SHMA Guidance (2007) and related documents were rescinded at that time, so the approach taken in preparation of this report is focussed on meeting the requirements of PPG. In addition, it reflects emerging good practice and the PAS OAN technical advice note.

Duty to Co-operate

- 1.9 The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation. The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as “*the homes and jobs needed in the area*” and “*the provision of retail, leisure and other commercial development*”.

*Public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the **strategic priorities** set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.*

Local planning authorities should work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected in individual Local Plans. Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework. As part of this process, they should consider producing joint planning policies on strategic matters and informal strategies such as joint infrastructure and investment plans.

National Planning Policy Framework (NPPF), paragraphs 178-179

- ^{1.10} This co-operation will need to be demonstrated as sound when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability). The NPPF sets out that co-operation should be “*a continuous process of engagement*” from “*thinking through to implementation*”.

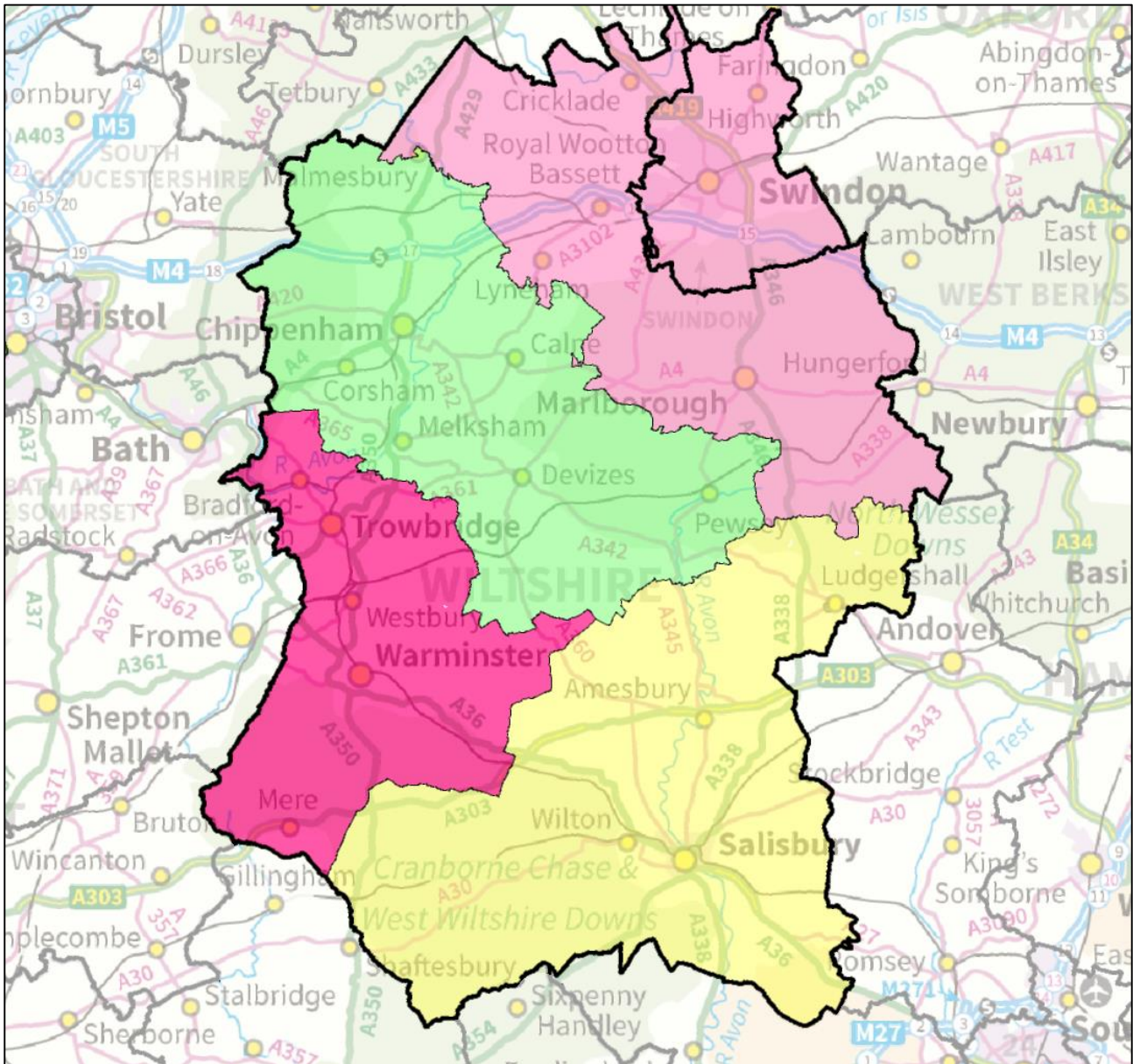
Local planning authorities will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. This could be by way of plans or policies prepared as part of a joint committee, a memorandum of understanding or a jointly prepared strategy which is presented as evidence of an agreed position. Cooperation should be a continuous process of engagement from initial thinking through to implementation, resulting in a final position where plans are in place to provide the land and infrastructure necessary to support current and projected future levels of development.

National Planning Policy Framework (NPPF), paragraph 181

Overview of the SHMA

- ^{1.11} The SHMA was jointly commissioned by Wiltshire Council and Swindon Borough Council to provide a consistent evidence base for housing across the Swindon and Wiltshire HMA. It has been prepared alongside an Economic Development Needs Assessment for the combined area.
- ^{1.12} The individual local authorities both have adopted Local Plans. In Wiltshire, the Local Plan comprises the Core Strategy adopted on 20 January 2015 together with saved policies from each of the four 2011 former district local plans. Swindon Borough Local Plan was adopted on the 26 March 2015. The authorities recognise, however, that these need early review to extend the plan period to at least 15 years in line with the recommendations of the National Planning Policy Framework (NPPF). This position was advised to their respective Inspectors and was a key consideration in determining the soundness of both the Wiltshire Core Strategy and Swindon Borough Local Plan.
- ^{1.13} The first key objective of this SHMA was to identify and define the functional housing market area(s) across the Wiltshire and Swindon combined area. That analysis is presented in a separate report. The evidence identifies the most relevant functional areas (Figure 1) and concludes that Swindon and Wiltshire form a “best fit” to four housing market areas: Swindon, Chippenham, Trowbridge and Salisbury.

Figure 1: “Best Fit” Functional Housing Market Areas within the Swindon and Wiltshire Local Authority Areas combined
 (Source: Identifying HMAs and FEMAs in Wiltshire and Swindon, March 2016)



^{1.14} Having identified the functional housing market areas, the second key objective of this SHMA was to establish the OAN for housing (both market and affordable) in the identified housing market areas and for the two local planning authority areas, ensuring that this was fully compliant with the requirements of the NPPF and PPG and mindful of good practice. The OAN for housing will help inform future Local Plans for the two areas.

^{1.15} The SHMA methodology is based on secondary data, and the SHMA sought to:

- » Provide evidence of the need and demand for housing based on demographic projections;
- » Consider market signals about the balance between demand for and supply of dwellings;
- » Establish the Objectively Assessed Need for housing over the period 2016-36;
- » Identify the appropriate balance between market and affordable housing; and
- » Address the needs for all types of housing, including the private rented sector, people wishing to build their own home, family housing, housing for older people and households with specific needs.

- ^{1.16} This report considers these key outputs – namely establishing the Full Objectively Assessed Need for housing (including the overall balance between market and affordable housing) over the 20-year period 2016-36. Further information about the needs for different types of housing, including the appropriate mix of market and affordable housing and the needs for all types of housing, is also included in the report.
- ^{1.17} It is important to recognise that the information from the SHMA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The SHMA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

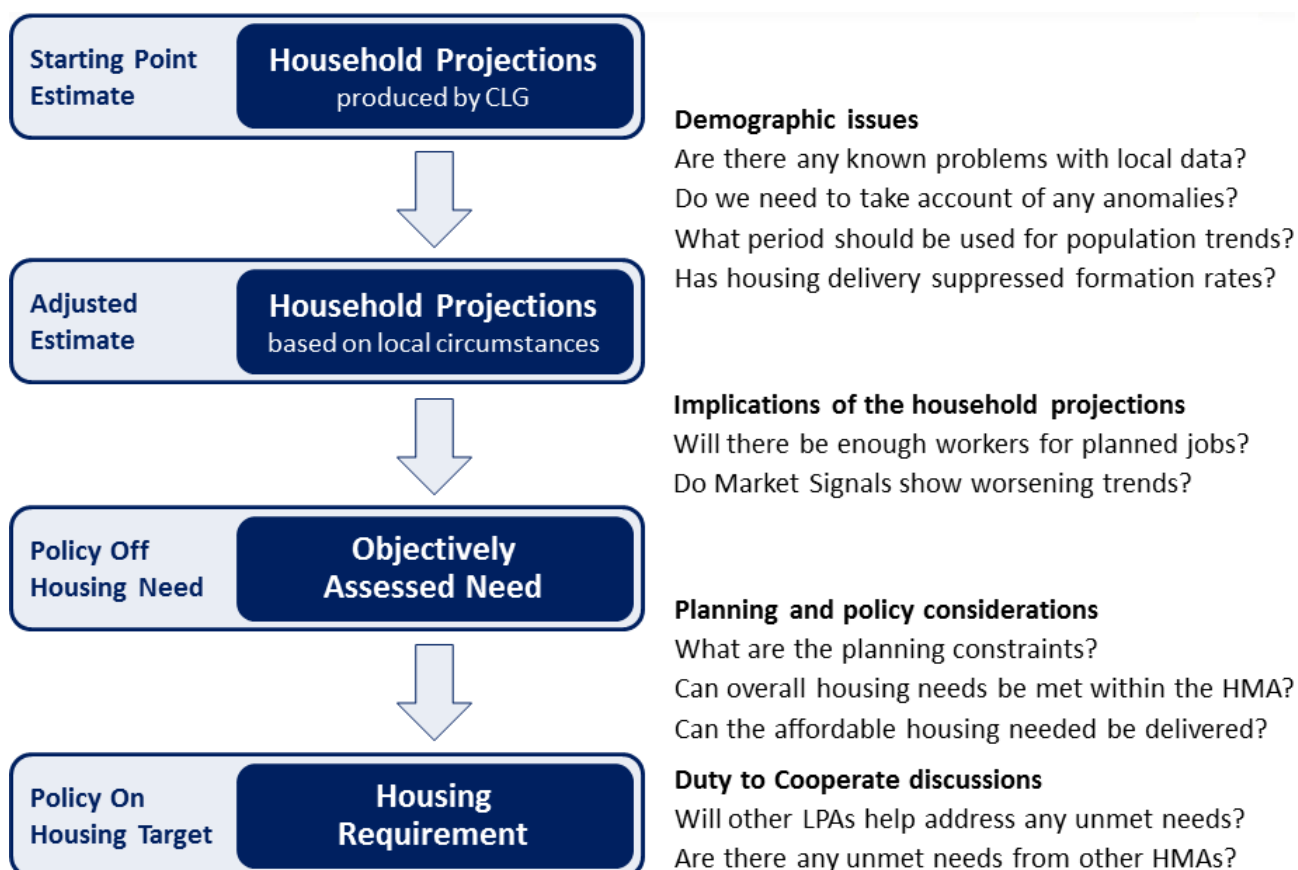
2. Demographic Projections

The starting point for Objectively Assessed Housing Need

Process for Establishing Objectively Assessed Housing Need

- 2.1 The Objective Assessment of Need identifies the quantity of housing needed (both market and affordable) in the Housing Market Area over future plan periods. This evidence assists with the production of the Local Plan (which sets out the spatial policy for a local area).
- 2.2 Figure 2 sets out the process for establishing the housing number for the Housing Market Area. It starts with a demographic process to derive housing need from a consideration of population and household projections. This chapter therefore considers the most appropriate demographic projection on which to base future housing need.
- 2.3 To establish the Objectively Assessed Need (OAN), external market and macro-economic constraints are applied to the demographic projections ('Market Signals') in order to ensure that an appropriate balance is achieved between the demand for and supply of dwellings. Nevertheless, it is important to recognise that the OAN does not take account of any possible constraints to future housing supply. Such factors should subsequently be considered by the local planning authorities as part of the plan-making process in order to establish the appropriate Housing Requirement and planned housing number.

Figure 2: Process for establishing the housing number for the HMA (Source: ORS based on NPPF and PPG)



Official Household Projections

- 2.4 Planning Practice Guidance published in March 2014 places emphasis on the role of **CLG Household Projections** as the appropriate starting point in determining objectively assessed need. PPG was updated in February 2015 following the publication of the 2012-based Household Projections.

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.

Planning Practice Guidance (March 2014), ID 2a-015

The 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth.

Planning Practice Guidance (March 2015), ID 2a-016

- 2.5 Given this context, Figure 3 sets out the 2012-based **household** projections together with previous household projections that CLG has produced for the areas. The projections have varied over time, with the most recent set of projections showing the lowest projected rates of growth. Each set of household projections will be influenced by a wide range of underlying data and trend-based assumptions, and it is important to consider the range of projected growth and not simply defer to the most recent data.

Figure 3: CLG Household Projections for Swindon & Wiltshire UA's: annual average growth (Source: CLG Household Projections)

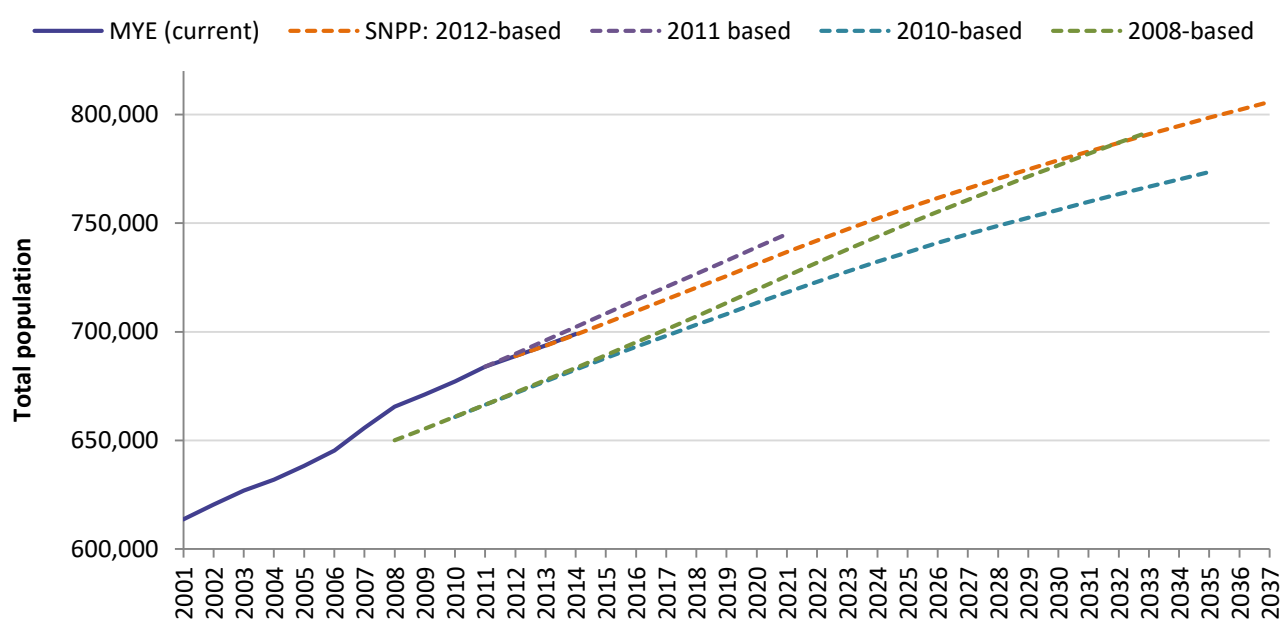
	2012-based		2011-based interim		2008-based	
	10 years 2012-22	25 years 2012-37	10 years 2011-21	25 years Not published	10 years 2008-18	25 years 2008-33
Swindon UA	1,289	1,190	1,354	-	1,485	1,402
Wiltshire UA	1,764	1,634	1,663	-	2,131	2,124
Swindon & Wiltshire	3,052	2,824	3,017	-	3,616	3,526

- 2.6 The CLG 2012-based household projections show an increase of 2,824 households each year over the 25-year period 2012-37, and a marginally higher rate (3,052 p.a.) in the initial 10-year period. These figures project forward over the normal 25-year period and supersede both the 2008-based household projections (which projected a household growth of 3,526 per year from 2008-33) and the interim 2011-based household projections (which projected growth of 3,017 per year from 2011-21). The differences are largely due to changes in the ONS population projections (Figure 4) on which the CLG household projections are based; although there have also been changes to household representative rates (considered later in this chapter).
- 2.7 Given that the 2012-based household projections show an increase from 287,341 to 357,945 households in the Swindon and Wiltshire combined area over the 25-year period 2012-37, we can establish that the “starting point estimate of overall housing need” for Swindon and Wiltshire should be based on an overall growth of 70,600 households.

Official Population Projections: Swindon and Wiltshire combined area

- 2.8 Figure 4 shows the outputs from the 2012-based ONS Sub National **Population** Projections together with the previous projections that have informed the various CLG household projections (though note that CLG did not produce household projections based on the 2010-based SNPP). It is evident that the 2012-based projection follows a trajectory which diverges from the 2011-based projection with a lower rate of increase, and converges in 2030 to 2033 with the 2008-based projection, before apparently showing a lower rate of increase beyond 2033 than projected by the 2008-based projection. The 2010-based projection follows a different trajectory with a lower rate of increase.

Figure 4: ONS Mid-Year Estimates and Sub-National Population Projections for Swindon & Wiltshire combined area
(Source: ONS. Note: There were methodological changes to the migration assumptions between the 2008-based and subsequent SNPP. Household projections were not produced for the 2010-based SNPP)



- 2.9 Differences in the projected increase in population between the different projections are largely associated with the **assumed migration rates**, which are based on recent trends using 5-year averages – so short-term changes in migration patterns can significantly affect the projected population growth. There were also methodological changes to the migration assumptions between the 2008-based and 2010-based figures. However, it is clear that the 2008-based household projections were based on a faster population growth than is currently projected.

Population Trends

- 2.10 Whilst PPG identifies CLG household projections as the starting point for establishing housing need, it also recognises the need to consider sensitivity testing this data and take account of local evidence.

Plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates ... Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence.

Planning Practice Guidance (March 2014), ID 2a-017

Population Trends for Wiltshire UA

^{2.11} Figure 5 shows the current and historic mid-year **population** estimates and Census estimates for Wiltshire UA over the period since 1981. The Census data suggests that the local authority's population grew at a steady rate over the 1980s and 1990s and has continued growing at a very similar rate up to 2011. ONS Mid-Year Estimates for the period since 2001 originally estimated a period of slow population growth after the 2001 Census, but the 2011 Census identified a larger population than previously estimated. In the light of the Census data, the estimate was increased by around 8,900 persons.

Figure 5: Wiltshire UA official population estimates for the period 1981-2014 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

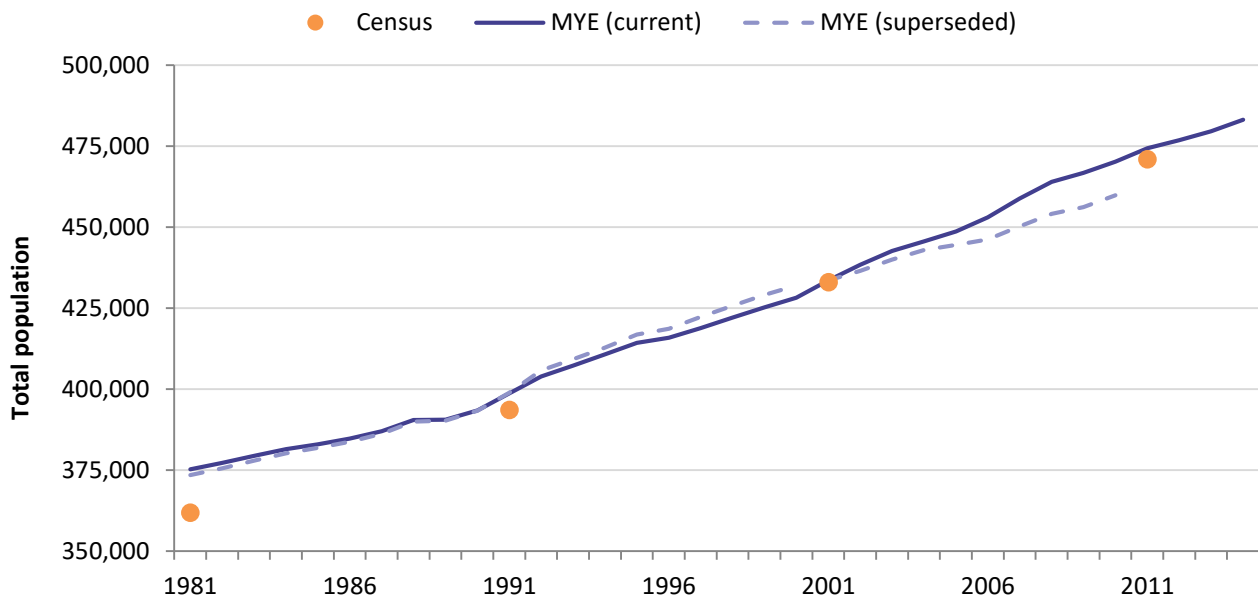
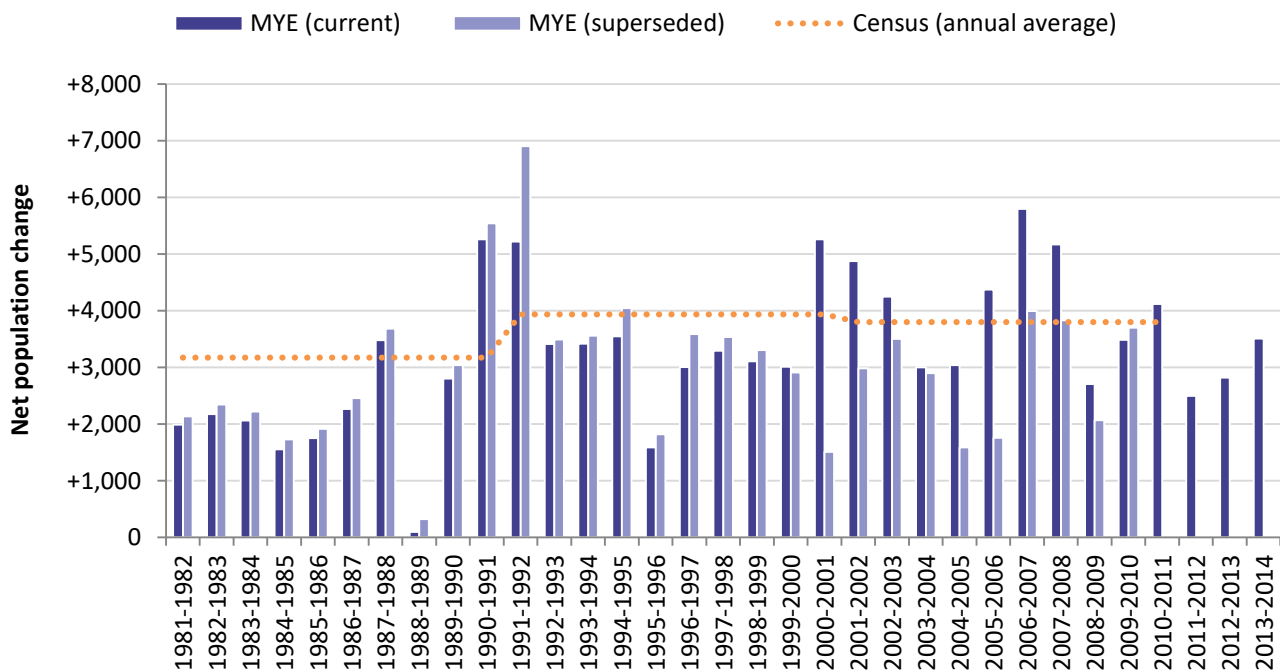


Figure 6: Wiltshire UA annual net change in population based on official population estimates for the period 1981-2014 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



- 2.12 The Census data suggests that population increase averaged 3,200 persons per year from 1981-91 but the annual average subsequently increased to 3,900 persons from 1991-2001 and 3,800 persons from 2001-11. Nevertheless, there are methodological differences in the way in which that previous Censuses have enumerated the population (such as the way in which students were counted). The ONS Mid-Year Estimates (MYE) provide a more consistent approach over time; and the estimates for Census years are based predominantly on Census data, without any reliance on the estimates of population flows that are used when establishing the MYE in other years.
- 2.13 Over the period 1981-2011, the MYE has increased from 375,200 persons to 474,300 persons – an overall growth of 99,100 persons, equivalent to an average of 3,300 persons annually over the 30-year period. Growth over the initial 10-year period 1981-1991 averaged 2,300 persons each year, with annual averages of 3,500 persons from 1991-2001 and 4,100 from 2001-2011; an annual average of 3,800 persons over the most recent 20-year period.
- 2.14 The ONS revised the MYE for 2000 downwards by around 3,800 persons following the 2001 Census. This was due to the 2001 Census estimating there to be around 433,000 persons resident in the area, which was fewer than had previously been assumed. Prior to this revision, growth for the 10-year period 1991-2001 averaged 3,700 persons annually – so around 200 higher than the estimate based on 2001 Census data.
- 2.15 Conversely, the MYE was revised upwards by over 10,400 persons following the 2011 Census (as more persons were resident in the area than the ONS had originally estimated); so growth for the 10-year period 2001-11 was increased from the original estimate of 2,900 persons to 4,100 persons each year. This was a two-stage adjustment:
- » The MYE figures were firstly updated to take account of ONS improvements to international migration estimates: this increased population growth from 2,900 persons to 3,200 persons each year on average; and
 - » The MYE figures were then revised to bring them into line with the population estimate from the Census, an “accountancy” adjustment known as “**Unattributable Population Change**” (UPC): this increased population growth from 3,200 persons to 4,100 persons each year on average.
- 2.16 Given this context, we can summarise that:
- » MYE data based on the 1991 and 2011 Census data suggests that annual population growth for the period 1991-2011 averaged 3,800 persons; and
 - » Prior to the 2001 Census data being considered, annual population growth was estimated to be 3,700 persons from 1991-2000 (although this was subsequently reduced to 3,500 persons).
- 2.17 These two conclusions, which are not dependent on the 2001 Census estimate, are consistent and suggest relatively stable population growth over time for the area. With the benefit of data from the 2011 Census, it seems likely that the downward adjustment applied following the 2001 Census was unnecessary and that **the population in 2001 was around 437,300 persons; 3,700 more than concluded at the time.** This would imply that population growth from 1991-2001 averaged 3,900 persons per year compared to an average growth of 3,700 persons per year from 2001-2011.
- 2.18 This balance in population growth is supported by evidence on housing completions recorded for the two periods. This shows a larger increase in stock over the decade 1991-2001 than over the decade 2001-2011 (23,100 dwellings 1991-2001 cf. 18,500 dwellings 2001-11).

Components of Population Change

2.19 Changes in the population can be broadly classified into two categories:

- » Natural change in the population (in terms of births and deaths); and
- » Changes due to migration, both in terms of international migration and also moves within the UK.

2.20 Given that the ONS consider the population estimates in 2001 and 2011 to be more robust than the component of change data from year-to-year, an “accountancy” adjustment is factored into the components of change to correct this data and ensure that it reconciles with the population estimates for the two Census years. Therefore, in addition to the known population flows, an element of **“Unattributable Population Change”** (UPC) is included in these figures.

2.21 Figure 7 presents the underlying data from the components of annual population change over the period 1991 to 2014.

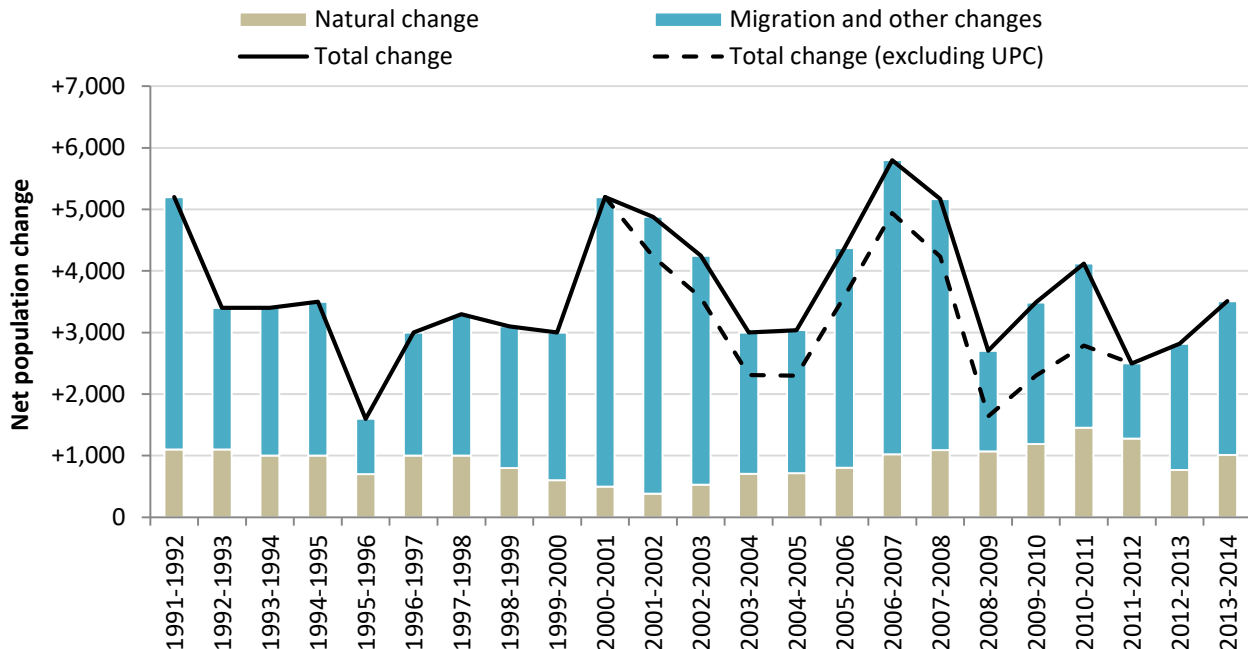
Figure 7: Wiltshire UA components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Population Estimates, revised. Note: “Other Changes” includes adjustments for prisoners, armed forces and other specific changes. Figures for 2001-02 onward presented unrounded for transparency, but should only be treated as accurate to the nearest 100. Figures for earlier years rounded to the nearest 100)

	Births	Deaths	Natural Change	UK Migration		International Migration		Other Change	UPC	Migration and Other Changes	Total Change
				In	Out	In	Out				
1991-92	5,200	4,100	+1,100	-	-	-	-	-	-	+4,100	+5,200
1992-93	5,200	4,100	+1,100	-	-	-	-	-	-	+2,300	+3,400
1993-94	5,400	4,400	+1,000	-	-	-	-	-	-	+2,400	+3,400
1994-95	5,300	4,200	+1,000	-	-	-	-	-	-	+2,500	+3,500
1995-96	5,000	4,300	+700	-	-	-	-	-	-	+900	+1,600
1996-97	5,300	4,300	+1,000	-	-	-	-	-	-	+2,000	+3,000
1997-98	5,100	4,100	+1,000	-	-	-	-	-	-	+2,300	+3,300
1998-99	5,100	4,300	+800	-	-	-	-	-	-	+2,300	+3,100
1999-00	4,900	4,300	+600	-	-	-	-	-	-	+2,400	+3,000
2000-01	4,700	4,200	+500	-	-	-	-	-	-	+4,700	+5,300
2001-02	4,588	4,203	+385	21,059	18,834	2,456	1,326	+493	+645	+4,493	+4,878
2002-03	4,750	4,220	+530	20,382	18,418	3,014	2,001	+60	+680	+3,717	+4,247
2003-04	4,927	4,221	+706	20,515	18,676	2,131	2,175	-192	+690	+2,293	+2,999
2004-05	4,852	4,136	+716	19,130	17,934	1,817	1,537	+106	+740	+2,322	+3,038
2005-06	4,891	4,088	+803	20,132	18,349	2,495	1,722	+232	+780	+3,568	+4,371
2006-07	5,082	4,057	+1,025	21,092	18,624	2,193	865	+121	+857	+4,774	+5,799
2007-08	5,267	4,178	+1,089	19,716	17,558	2,386	1,509	+107	+936	+4,078	+5,167
2008-09	5,178	4,109	+1,069	18,137	17,388	2,015	2,183	-10	+1,064	+1,635	+2,704
2009-10	5,306	4,119	+1,187	19,131	17,851	1,675	1,614	-230	+1,190	+2,301	+3,488
2010-11	5,490	4,035	+1,455	18,857	17,717	1,810	1,680	+65	+1,330	+2,665	+4,120
2011-12	5,443	4,166	+1,277	20,006	18,972	1,708	1,563	+41	-	+1,220	+2,497
2012-13	5,199	4,433	+766	20,122	18,313	1,819	1,878	+302	-	+2,052	+2,818
2013-14	5,201	4,188	+1,013	21,203	18,920	2,028	2,762	+947	-	+2,496	+3,509

2.22 It is evident that the UPC adjustment ranged from an increase of around 650-700 persons each year in the early part of the decade up to a maximum of 1,330 extra persons in 2010-11 (a total of 8,912 persons over the 10-year period). This was needed to reconcile the component of change data with the Census population estimates for 2001 and 2011.

2.23 Figure 13 illustrates the annual components of change data for Wiltshire UA, together with the total change in population recorded by the estimates. For the periods 2001-02 to 2010-11, the components of change include the UPC “accountancy” adjustment to ensure that this data reconciles with population estimates for the two Census years. The impact of removing this adjustment is also illustrated on the chart.

Figure 8: Wiltshire UA components of population change (Source: ONS Mid-Year Population Estimates, revised)



2.24 It is apparent that natural change remained relatively consistent over the entire period, fluctuating around an average gain of 900 persons each year, between a minimum gain of 385 in 2001-02 and 1,450 in 2010-11. Migration and other changes vary much more – ranging from a net gain of 900 persons recorded for 1995-96, up to a net gain of around 1,470 persons recorded for 2000-01 and 2006-07 (based on ONS Mid-Year Population Estimates); nevertheless, it is also clear that UPC has a substantial impact on this estimate for some years.

2.25 The ONS “Report on Unattributable Population Change” (ONS, January 2014)¹ notes (page 3):

“The UPC is likely to be due to a combination of sampling variability, or other issues, in the following:

- International migration estimates*
- Census estimates, both 2001 and 2011*
- Internal migration estimates (at subnational level only)”*

2.26 We have already established that the 2001 Census probably underestimated the population for Wiltshire by around 3,700 persons – but this only explains part of the UPC adjustment which totals 8,912 persons. Based on the previous analysis of the 2001 Census, we concluded that the population growth over the period 2001-11 was likely to be around 37,000 persons; around 5,100 persons more than suggested by the growth of 31,900 persons based on the component of change data – so even when adjustments to the 2001 Census estimates are considered, the component of change data continues to underestimate actual population growth based on the ONS’ new approach for estimating international migration.

¹ <http://www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/consultations/consultation-on-the-2012-based-subnational-population-projections-for-england/snpp-consult-upc.pdf>

Mid-Year Estimates since 2011

^{2.27} Alongside the Mid-Year Estimates published in mid-2013 and mid-2014, the ONS published quality assurance packs which provide a range of comparative data from administrative sources. Whilst this administrative data does not provide a direct estimate of population, it provides a useful triangulation point. Figure 14 shows the mid-2011 and mid-2014 population estimates together with the administrative data for the same years across the relevant age cohorts.

Figure 9: Mid-Year Population Estimates and Administrative Data 2011 and 2014 for Wiltshire UA (Source: ONS)

Age	Mid-Year Estimate		Patient Register		School Census		State pension (aged 65+)	
	2011	2014	2011	2014	2011	2014	2011	2014
Aged 0 - 4	28,510	28,590	25,610	26,180	-	-	-	-
Aged 5 - 9	27,330	29,230	25,740	27,070	24,410	25,660	-	-
Aged 10 - 14	29,270	27,930	28,440	27,140	25,250	24,130	-	-
Aged 15 - 19	29,680	28,760	28,950	28,770	-	-	-	-
Aged 20 - 24	25,350	24,190	23,720	24,580	-	-	-	-
Aged 25 - 29	25,990	27,100	23,840	25,080	-	-	-	-
Aged 30 - 34	25,420	26,780	24,210	25,440	-	-	-	-
Aged 35 - 39	30,120	26,720	29,570	26,100	-	-	-	-
Aged 40 - 44	36,160	34,120	36,010	33,940	-	-	-	-
Aged 45 - 49	37,000	37,360	37,920	38,070	-	-	-	-
Aged 50 - 54	33,000	35,810	33,620	36,910	-	-	-	-
Aged 55 - 59	28,860	30,880	29,920	31,960	-	-	-	-
Aged 60 - 64	31,170	28,870	31,940	29,620	-	-	-	-
Aged 65 - 69	25,760	30,450	25,520	30,870	-	-	24,960	29,060
Aged 70 - 74	19,860	22,320	20,130	22,510	-	-	19,630	22,190
Aged 75 - 79	16,320	17,680	16,350	17,840	-	-	16,290	17,590
Aged 80 - 84	12,330	13,070	12,440	13,130	-	-	12,360	13,050
Aged 85+	12,180	13,280	12,080	13,310	-	-	12,330	13,340
TOTAL	474,310	483,140	466,010	478,520	49,660	49,790	85,570	95,230
Increase 2011-14	8,830		12,510		130		9,660	
MYE Total for same age cohorts	474,310	483,140	474,310	483,140	56,600	57,160	86,450	96,800
Increase 2011-14	8,830		8,830		560		10,350	
Difference between MYE and admin data	-		-3,680		+430		+690	

^{2.28} It is evident that some of the administrative data sources that ONS identified for validating the population estimates suggest that the population may be increasing at a marginally faster rate than the official population estimates for the period mid-2011 to mid-2014. Whilst the mid-year estimates suggest population growth of 8,830 persons over the three-year period, the patient register has increased by 12,510 persons over the same period – a difference of 3,680 persons. Nevertheless, the school census and those aged 65+ claiming state pension both identify a slower rate of growth than the official estimates for the equivalent age groups.

^{2.29} Taking everything into account, it seems likely that the official estimates may continue to underestimate population growth for some ages, and the positive UPC adjustment needed following the 2011 Census may reflect systematic problems with the process and should therefore be factored into future projections.

Population Trends for Swindon UA

^{2.30} Figure 10 shows the current and historic mid-year **population** estimates and Census estimates for Swindon UA over the period since 1981. The Census data suggests that the local authority's population increased significantly through the 1980s, increased comparatively little through the 1990s then growth accelerated through the 2000s. ONS Mid-Year Estimates for the period since 2001 originally estimated a period of slow population growth after the 2001 Census, but the 2011 Census identified a larger population than previously estimated. In the light of the Census data, the estimate was increased by around 5,800 persons.

Figure 10: Swindon UA official population estimates for the period 1981-2014 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

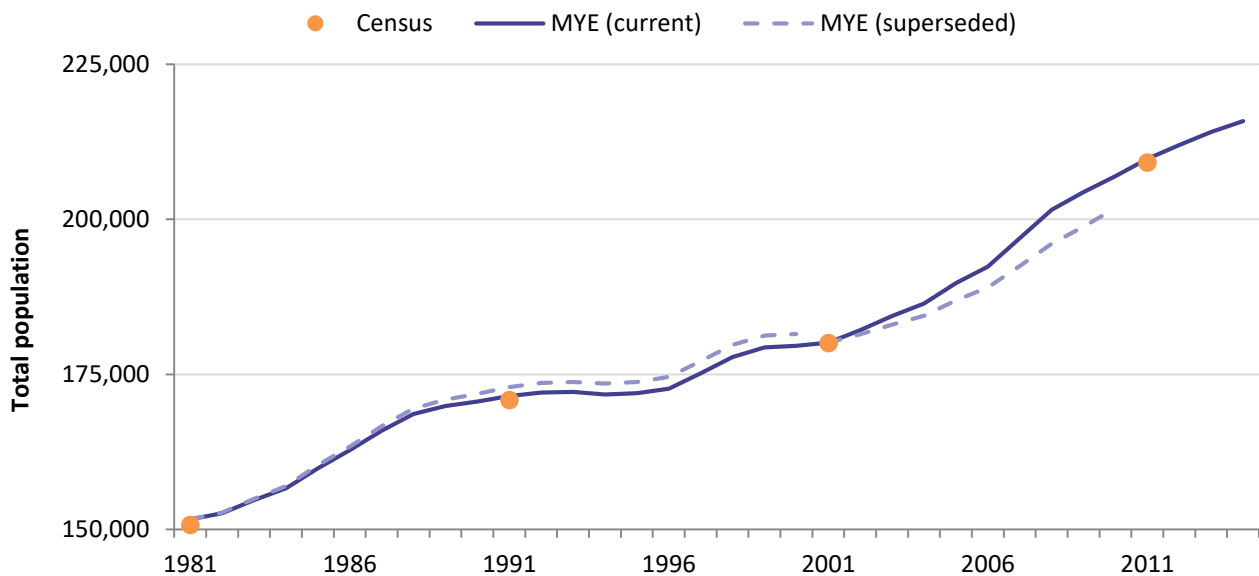
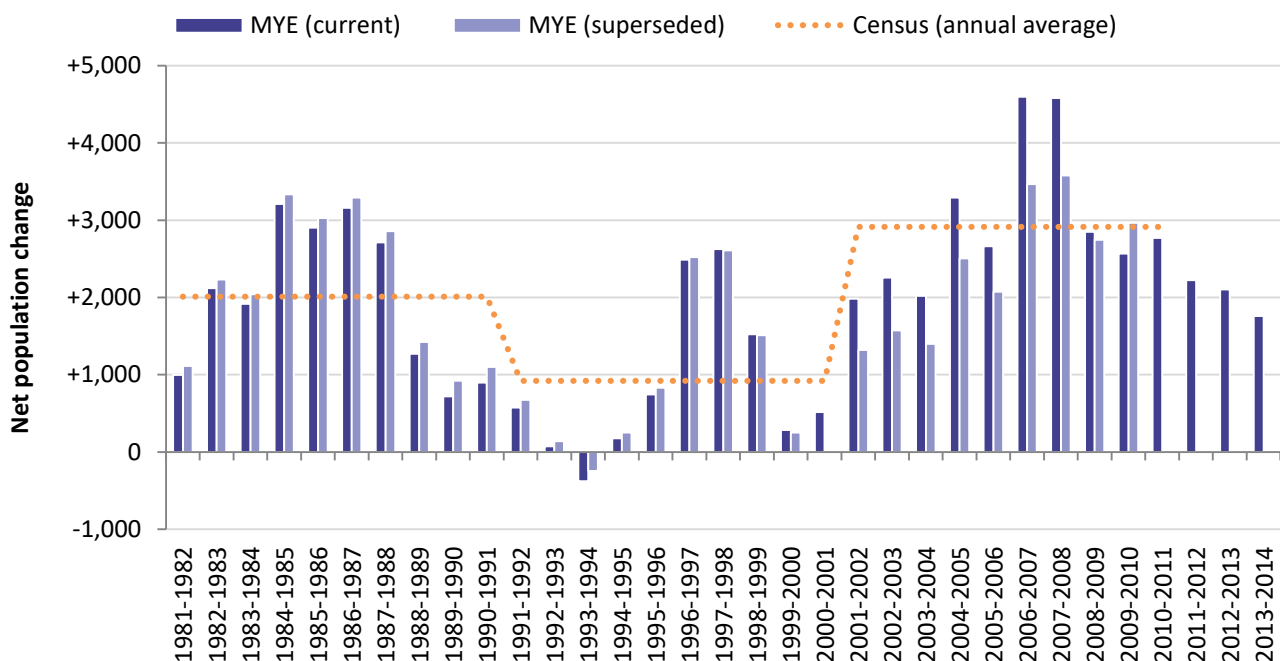


Figure 11: Swindon UA annual net change in population based on official population estimates for the period 1981-2014 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



- 2.31 It is interesting to note that the Census data suggests that population increase averaged 2,000 persons per year from 1981-91 but the average reduced to only 900 persons per year from 1991-2001 and then increased to 2,900 persons per year from 2001-11. Nevertheless, there are methodological differences in the way in which that previous Censuses have enumerated the population (such as the way in which students were counted). The ONS Mid-Year Estimates (MYE) provide a more consistent approach over time; and the estimates for Census years are based predominantly on Census data, without any reliance on the estimates of population flows that are used when establishing the MYE in other years.
- 2.32 Over the period 1981-2011, the MYE has increased from 161,600 persons to 209,700 persons – an overall growth of 58,100 persons, equivalent to an average of 1,900 persons annually over the 30-year period. Growth over the initial 10-year period 1981-1991 averaged 2,000 persons each year, with annual averages of 900 persons from 1991-2001 and 3,000 from 2001-2011.
- 2.33 As previously noted, the ONS revised the MYE for 2000 downwards by around 1,900 persons following the 2001 Census. This was due to the 2001 Census estimating there to be around 180,000 persons resident in the area, which was fewer than had previously been assumed. However, the MYE was revised upwards by over 5,000 persons following the 2011 Census (as more persons were resident in the area than the ONS had originally estimated). This comprised a downward adjustment based on improvements to international migration estimates which was offset against a much larger upward adjustment due to UPC (Unattributable Population Change).
- 2.34 With the benefit of data from the 2011 Census, it once again seems likely that the downward adjustment applied following the 2001 Census was unnecessary and that **the population in 2001 was around 182,000 persons; 1,900 more than concluded at the time.** This would still imply that population growth was much lower over the period 1991-2001 than in the period 2001-2011: annual averages of around 1,100 persons cf. 2,700 persons per year respectively.
- 2.35 This balance in population growth is supported by evidence on housing completions recorded for the two periods. This shows a notably smaller increase in stock over the decade 1991-2001 than over the decade 2001-2011 (7,600 dwellings 1991-2001 cf. 13,800 dwellings 2001-11).

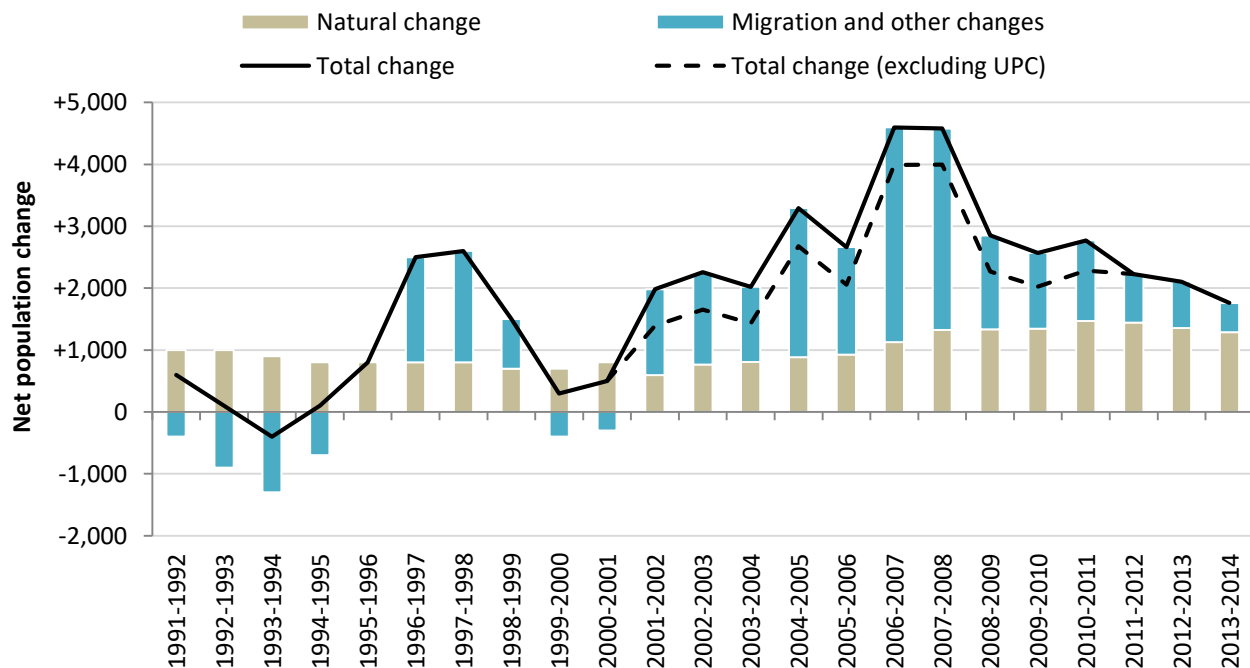
Components of Population Change

- 2.36 As previously noted, changes in the population can be broadly classified into two categories:
- » Natural change in the population (in terms of births and deaths); and
 - » Changes due to migration, both in terms of international migration and also moves within the UK.
- 2.37 Given that the ONS consider the population estimates in 2001 and 2011 to be more robust than the component of change data from year-to-year, an “accountancy” adjustment is factored into the components of change to correct this data and ensure that it reconciles with the population estimates for the two Census years. Therefore, in addition to the known population flows, an element of “**Unattributable Population Change**” (UPC) is included in these figures.
- 2.38 Figure 12 and Figure 13 present the components of annual population change data for Swindon UA over the period 1991 to 2014. It is apparent that natural change remained relatively consistent over the entire period, fluctuating around an average gain of 1,000 each year, between a minimum gain of 590 in 2001-02 and almost 1,500 in 2010-11. Migration and other changes vary much more – ranging from a net loss of 1,300 persons recorded for 1993-94, up to a net gain of around 3,468 persons recorded for 2006-07 (based on ONS Mid-Year Population Estimates).

Figure 12: Swindon UA components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Population Estimates, revised. Note: "Other Changes" includes adjustments for prisoners, armed forces and other specific changes. Figures for 2001-02 onward presented unrounded for transparency, but should only be treated as accurate to the nearest 100. Figures for earlier years rounded to the nearest 100)

	Births	Deaths	Natural Change	UK Migration		International Migration		Other Change	UPC	Migration and Other Changes	Total Change
				In	Out	In	Out				
1991-92	2,600	1,600	+1,000	-	-	-	-	-	-	-400	+600
1992-93	2,500	1,500	+1,000	-	-	-	-	-	-	-900	+100
1993-94	2,600	1,600	+900	-	-	-	-	-	-	-1,300	-400
1994-95	2,400	1,600	+800	-	-	-	-	-	-	-700	+200
1995-96	2,400	1,600	+800	-	-	-	-	-	-	0	+700
1996-97	2,500	1,700	+800	-	-	-	-	-	-	+1,700	+2,500
1997-98	2,400	1,600	+800	-	-	-	-	-	-	+1,800	+2,600
1998-99	2,400	1,700	+700	-	-	-	-	-	-	+800	+1,500
1999-00	2,300	1,600	+700	-	-	-	-	-	-	-400	+300
2000-01	2,300	1,500	+800	-	-	-	-	-	-	-300	+500
2001-02	2,213	1,620	+593	6,393	6,990	2,092	682	-14	+589	+1,388	+1,981
2002-03	2,286	1,522	+764	6,137	6,938	2,703	987	-24	+603	+1,494	+2,258
2003-04	2,347	1,538	+809	6,133	6,549	2,265	1,244	+14	+594	+1,213	+2,022
2004-05	2,420	1,538	+882	6,822	6,423	2,356	1,027	+67	+617	+2,412	+3,294
2005-06	2,506	1,579	+927	7,192	6,354	1,658	1,358	-10	+606	+1,734	+2,661
2006-07	2,670	1,541	+1,129	7,697	6,552	2,450	719	-13	+605	+3,468	+4,597
2007-08	2,890	1,566	+1,324	7,685	6,020	2,111	1,089	-15	+583	+3,255	+4,579
2008-09	2,794	1,458	+1,336	7,059	6,102	1,370	1,401	+7	+581	+1,514	+2,850
2009-10	2,843	1,499	+1,344	6,875	6,293	1,007	862	-48	+545	+1,224	+2,568
2010-11	3,002	1,535	+1,467	7,027	6,434	1,362	1,147	+9	+486	+1,303	+2,770
2011-12	3,073	1,630	+1,443	7,404	7,210	1,281	740	+47	-	+782	+2,225
2012-13	3,005	1,650	+1,355	7,286	7,141	1,334	806	+76	-	+749	+2,104
2013-14	2,900	1,610	+1,290	7,513	7,474	1,562	1,154	+24	-	+471	+1,761

Figure 13: Swindon UA components of population change (Source: ONS Mid-Year Population Estimates, revised)



Mid-Year Estimates since 2011

^{2.39} Alongside the Mid-Year Estimates published in mid-2013 and mid-2014, the ONS published quality assurance packs which provide a range of comparative data from administrative sources. Whilst this administrative data does not provide a direct estimate of population, it provides a useful triangulation point. Figure 14 shows the mid-2011 and mid-2014 population estimates together with the administrative data for the same years across the relevant age cohorts.

Figure 14: Mid-Year Population Estimates and Administrative Data 2011 and 2014 for Swindon UA (Source: ONS)

Age	Mid-Year Estimate		Patient Register		School Census		State pension (aged 65+)	
	2011	2014	2011	2014	2011	2014	2011	2014
Aged 0 - 4	14,160	15,070	14,310	15,250	-	-	-	-
Aged 5 - 9	12,270	13,790	12,630	14,180	12,130	13,660	-	-
Aged 10 - 14	12,400	12,020	12,610	12,440	12,180	12,030	-	-
Aged 15 - 19	12,540	12,550	12,880	12,910	-	-	-	-
Aged 20 - 24	12,780	11,720	13,200	12,950	-	-	-	-
Aged 25 - 29	15,080	14,750	15,300	15,450	-	-	-	-
Aged 30 - 34	15,250	15,930	15,800	16,780	-	-	-	-
Aged 35 - 39	16,170	14,960	16,760	15,800	-	-	-	-
Aged 40 - 44	16,840	16,710	17,570	17,260	-	-	-	-
Aged 45 - 49	16,470	16,830	17,430	17,600	-	-	-	-
Aged 50 - 54	13,980	15,670	14,570	16,370	-	-	-	-
Aged 55 - 59	11,660	12,660	12,020	13,090	-	-	-	-
Aged 60 - 64	11,040	10,950	11,350	11,140	-	-	-	-
Aged 65 - 69	8,620	10,200	8,700	10,370	-	-	8,450	9,690
Aged 70 - 74	6,680	7,360	6,950	7,520	-	-	6,640	7,360
Aged 75 - 79	5,630	5,940	5,790	6,080	-	-	5,670	5,930
Aged 80 - 84	4,320	4,540	4,360	4,600	-	-	4,310	4,510
Aged 85+	3,820	4,180	3,900	4,230	-	-	3,920	4,250
TOTAL	209,710	215,830	216,130	224,020	24,310	25,690	28,990	31,740
Increase 2011-14	6,120		7,890		1,380		2,750	
MYE Total for same age cohorts	209,710	215,830	209,710	215,830	24,670	25,810	29,070	32,220
Increase 2011-14	6,120		6,120		1,140		3,150	
Difference between MYE and admin data	-		-1,770		-240		+400	

^{2.40} It is evident that the administrative data sources that ONS identified for validating the population estimates suggest that the population may be increasing at a marginally faster rate than the official population estimates for the period mid-2011 to mid-2014. Whilst the mid-year estimates suggest population growth of 6,120 persons over the three-year period, the patient register has increased by 7,890 persons over the same period – a difference of 1,770 persons. The school census also identifies a faster rate of growth; although the growth in persons aged 65+ claiming state pension is lower than the estimated increase in population for this age group.

^{2.41} Taking everything into account, it seems likely that the official estimates may continue to underestimate population growth to some extent, and the positive UPC adjustment needed following the 2011 Census may reflect systematic problems with the process and should therefore be factored into future projections.

Population Projections Based on Local Circumstances

- ^{2.42} Whilst PPG identifies CLG household projections as the starting point for establishing housing need, it also recognises the need to consider sensitivity testing this data and take account of local evidence.

Plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates ... Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence.

Planning Practice Guidance (March 2014), ID 2a-017

- ^{2.43} Given that the demographic projections are trend-based, one of the most critical factors is the period over which those trends are based. The PAS OAN technical advice note considers this issue in relation to the ONS population projections (first edition, paragraphs 5.12-5.13):

“To predict migration between local authorities within the UK, the ONS population projections carry forward the trends of the previous five years. This choice of base period can be critical to the projection, because for many areas migration has varied greatly over time. ... The results of a demographic projection for (say) 2011-31 will be highly sensitive to the reference period that the projection carries forward.”

- ^{2.44} This issue has also been reinforced in PAS advice to Local Authorities², where it has been emphasised that whilst the CLG household projections provide the starting point, these official projections can be very unstable given that they are based on migration trends covering only five years:

“For migration the base period is only five years:

- Makes the official projections very unstable*
- And recent projections lock in the recession”*

- ^{2.45} The second version of the PAS OAN technical advice note (July 2015)³ has also strengthened the recommendation on the relevant period for assessing migration (second edition, paragraph 6.24):

“In assessing housing need it is generally advisable to test alternative scenarios based on a longer reference period, probably starting with the 2001 Census (further back in history data may be unreliable). Other things being equal, a 10-to-15 year base period should provide more stable and more robust projections than the ONS’s five years. But sometimes other things will not be equal, because the early years of this long period included untypical one-off events as described earlier. If so, a shorter base period despite its disadvantages could be preferable.”

- ^{2.46} The relevant period for assessing migration trends was considered by an article by Ludi Simpson (Professor of Population Studies at the University of Manchester) and Neil MacDonald (previously Chief Executive of the National Housing and Planning Advice Unit) published in Town and Country Planning (April 2015)⁴.

“The argument for using a five-year period rather than a longer one is that the shorter the period, the more quickly changes in trends are picked up. The counter-argument is that a

² “SHLAA, SHMA and OAN aka ‘Pobody’s Nerfect’”, PAS presentation at Urban Design London (July 2015)

<http://learningspace.urbandesignlondon.com/course/view.php?id=339>

³ <http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvice/f1bfb748-11fc-4d93-834c-a32c0d2c984d>

⁴ “Making sense of the new English household projections”, Town and Country Planning (April 2015)

shorter period is more susceptible to cyclical trends, an argument that has particular force when the five-year period in question – 2007-12 – neatly brackets the deepest and longest economic downturn for more than a generation. ... A large number of local authority areas are affected by this issue. For 60% of authorities the net flow of migrants within the UK in 2007-12 was different by more than 50% from the period 2002-07. While this is comparing a boom period with a recession, it serves to indicate the impact of the choice of reference period for trend projections.”

^{2.47} The issue has also been referenced by Inspectors examining numerous Local Plans, for example the following comments provided by the Cornwall Inspector in the letter setting out his preliminary findings (June 2015):⁵

“3.6 Migration. The demographic model used in the SHMNA and the more recent ONS projection uses migration flows from the previous 5 years only. Given the significance of migration as a component of change for Cornwall and to even-out the likely effect of the recent recession on migration between 2008-2012 a longer period than 5 years would give a more realistic basis for projecting this component. A period of 10-12 years was suggested at the hearing and I consider that this would be reasonable, rather than the 17 year period used in ID.01.CC.3.3. I also consider that the ONS’ Unattributable Population Change component should be assigned to international migration for the reasons given by Edge Analytics in ID.01.CC3.3. This approach was not disputed at the hearing.”

^{2.48} On balance, we consider that:

- » 5-year trend migration scenarios are less reliable: they have the potential to roll-forward short-term trends that are unduly high or low and therefore are unlikely to provide a robust basis for long-term planning.
- » 10-year trend migration scenarios are more likely to capture both highs and lows and are not as dependent on trends that may be unlikely to be repeated. **Therefore, we favour using 10-year migration trends as the basis for our analysis.**
- » Even longer trends such as 15 or 20 years could be considered, but this would involve using data which is likely to be less reliable and may not reflect real changes in long-term migration patterns; so on balance, we do not recommend this approach.

^{2.49} This SHMA has, therefore, produced additional projections based on 10-year migration trends as part of the analysis. Whilst no one scenario will provide a definitive assessment of the future population; considering demographic projections where migration is based on long-term trends provides a more appropriate basis on which to consider future housing need.

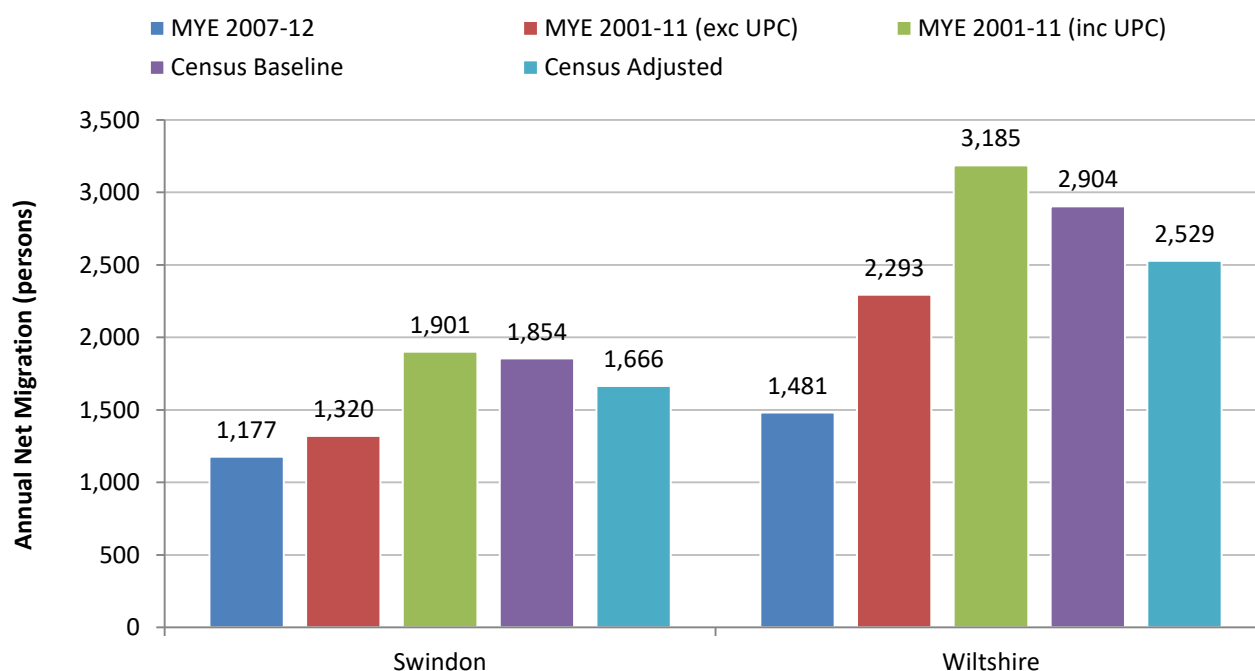
^{2.50} Given the inherent uncertainties associated with the estimates of migration flows within the ONS Mid-Year Estimates, it is important to consider changes recorded for the most recent inter-censal period (2001-11) as the data for inter-censal periods is far more robust than other 10-year periods, especially in areas where there are UPC issues identified.

⁵ <https://www.cornwall.gov.uk/media/12843214/ID05-Preliminary-Findings-June-2015-2-.pdf>

Considering Migration Assumptions

- ^{2.51} Figure 15 summarises a range of different 10-year migration trends for Swindon and Wiltshire and compares these to the 5-year trend on which the ONS Sub-National Population Projections (SNPP) are based. It is evident that migration trends based on the 10-year period 2001-11 are systematically higher than trends for the 5-year period 2007-12; but there is substantial variation between the different data sources given the problems with some of this data that have been previously discussed.
- ^{2.52} Migration data from the ONS mid-year estimates for the period 2001-2011 suggests an average annual gain of 1,320 persons in Swindon and 2,293 persons in Wiltshire without any regard to UPC (Unattributable Population Change), which provides the lowest estimate of 10-year migration trends; whereas the averages for the two areas increase to 1,901 and 3,185 persons respectively when the whole of the UPC and other changes are counted, which provides the highest estimate.
- ^{2.53} Whilst we previously concluded that UPC in this area is likely to be attributable to migration in part, it is also likely to reflect errors in the 2001 Census estimate – so we need to take some account of UPC when establishing migration, but it isn't appropriate to assume that all of the UPC adjustment relates to migration. On this basis, neither of these trends provides an appropriate basis for establishing future migration.
- ^{2.54} Considering baseline data from the Census (without any adjustments to the 2001 estimate) suggests that annual migration averaged a gain of 1,854 persons in Swindon and 2,904 persons in Wiltshire; but taking account of the previous conclusions about the 2001 Census probably being too low in both areas reduces these estimates to 1,666 persons in Swindon and 2,529 persons in Wiltshire. These fall within the range identified by including or excluding UPC from the trends based on MYE data; and based on all of the available evidence, we believe that these provide the best estimate of annual migration using 10-year trends. Furthermore, it is important to recognise that these estimates are both considerably higher than their equivalent 5-year trends used for the SNPP.

Figure 15: Migration trends for Swindon and Wiltshire based on alternative data sources and assumptions (Source: ONS Mid-Year Population Estimates, revised; UK Census of Population 2001 and 2011)



Considering the Impact of Service Personnel

- ^{2.55} Wiltshire Council Knowledge Management Team produced a report in October 2012⁶ which estimated there to be around 15,000 service personnel living in the county. The report also estimated that around 7,000 service personnel had a husband or wife living in the area, and that it was likely that service personnel families included 7,200-8,700 children. Although the report notes that *“The figures are broad estimates based on the likely proportions of Service personnel in different accommodation types and with different personal statuses and should be treated with caution”*, it seems likely that service personnel and their families represented an overall population of around 30,000 persons at that time.
- ^{2.56} Nevertheless, these estimates pre-dated the 2010 Strategic Defence Review (SDR), which reduced the number of service personnel in Wiltshire by around 4,000 persons. Data from the 2011 Census (issued after the above report was published, and which took account of the 2010 SDR) identified 11,255 service personnel living in Wiltshire, which is consistent with the information above and represents 2.4% of the overall population. A further 739 service personnel were also identified living in Swindon.

Figure 16: Swindon and Wiltshire residents employed in the Armed Forces (Source: 2011 Census. Note: These figures are based only on military personnel, and exclude other family members and civilian employees)

	Swindon	Wiltshire	TOTAL
Usual residents employed in the Armed Forces			
Living in a household	739	7,065	7,804
Living in a communal establishment	0	4,190	4,190
TOTAL	739	11,255	11,994
Percentage of population aged 16+	< 0.1%	2.4%	1.8%

- ^{2.57} Whilst this is a substantial number, service personnel are captured by the Census and included in the overall ONS Mid-Year Estimates (albeit that movements of armed forces are recorded separately to the migration figures). Service personnel would therefore not normally have a substantial impact on the population projections overall, although it is important to take account of their impact on the age distribution.
- ^{2.58} However, personnel reductions following the 2010 SDR were equivalent to more than a quarter of the previous total and reduced the number of service personnel to around 11,000; so the overall population (including families) would also have reduced. Whilst many of these families may have chosen to stay in the area and look for alternative employment, it seems likely that this change could also have contributed to reduced levels of net migration to Wiltshire in recent years (in particular due to higher levels of domestic out-migration) which could have suppressed migration trends to some extent.
- ^{2.59} More recently, the Regular Army Basing Plan (announced by the Secretary of State for Defence in March 2013) set out plans for Army units moving back from Germany to the UK along with restructuring to deliver a new operating model: Army 2020. This includes a greater concentration of the Army on Salisbury Plain Training Area (SPTA) in Wiltshire, and as a consequence around 4,300 extra troops (many accompanied by families) would move to the county over the period 2016-19. Around 700 service personnel are due to relocate in Summer 2016 with the remainder likely to be relocated in Summer 2019. Recent estimates of personnel numbers suggest an overall net population increase of around 4,000 service personnel plus around 3,300 family members (including 1,300 spouses and 2,000 children).

⁶ <http://www.intelligence-network.org.uk/EasysiteWeb/getresource.axd?AssetID=54586&type=full&servicetype=Attachment>

- ^{2.60} On this basis, the Regular Army Basing Plan is likely to offset the impact of changes previously introduced by the 2010 SDR in terms of overall population across the county. Therefore, the number of service personnel is likely to return to around 15,000 and as a consequence it is likely that service personnel and their families will return to an overall population of around 30,000 persons by 2019. Whilst some of these additional families may already live in the area (in particular any newly married couples or couples recently moving to live together), it seems likely that this change could contribute to increased levels of net migration to Wiltshire (including armed forces movements) in the early years of the projection period.
- ^{2.61} On this basis, we can conclude that:
- » Trends in net migration over the period since 2010 seem likely to have been suppressed to some extent due to higher levels of out-migration as service personnel and their families relocate away from the area; and
 - » Net migration may be experienced in the early part of the period 2016-36 (especially around 2019) could be higher than average as service personnel and their families move to the area.
- ^{2.62} We therefore need to further consider the most appropriate migration assumptions for establishing future population projections in this context.
- ^{2.63} As previously noted, MYE data for the period 2007-12 identified that net migration averaged a gain of 1,481 persons each year. However, we have proposed that net migration should be based on long-term trends, with a baseline of 2,529 additional persons each year – more than 1,000 persons above the MYE short-term trend. Figure 7 identified that domestic out-migration over the 3-year period before the 2010 SDR averaged 17,700 persons each year (based on data for 2008-09 to 2010-11) whereas data for the subsequent 3-year period averaged 18,700 persons annually (based on data for 2011-12 to 2013-14). On this basis, even if all of this difference was associated with service personnel families, there would be no justification for annual net migration trends being increased by more than 1,000 persons – so adopting long-term migration trends mitigates the need for any further adjustment.
- ^{2.64} Considering the impact of service personnel and their families on future migration patterns, the Regular Army Basing Plan is likely to account for up to 7,300 additional persons over the period 2016-19; broadly equivalent to 3 years of net migration at the baseline rate of 2,529 per year. Nevertheless, part of this increase could be experienced over a slightly longer period as some families may not relocate immediately. When considered over the full 20-year period 2016-36, this increase would account for only 15% of projected net migration to Wiltshire and less than 10% of projected net migration to the Swindon and Wiltshire combined area. In contrast, if migration had been based on the 5-year migration trends (as used by the ONS sub-national population projections and associated CLG household projections) then this increase would account for a quarter of Wiltshire's total.
- ^{2.65} Therefore, whilst it is important to have specific regard to the influence that this announcement could have on future migration trends to the area, the long-term migration trends provide an appropriate basis for projecting the future population for Wiltshire (including the additional service personnel and their families resident within the household population).
- ^{2.66} On balance, however, it seems reasonable to make a specific adjustment to take account of planned changes to the number of service personnel based in Wiltshire who are living in barracks. These would be counted separately as part of the institutional population, and a planned increase in Single Living Accommodation (SLA) will provide around 2,600 additional bedspaces for individual service personnel. This specific increase has therefore been factored into the overall population projections.

Establishing Population Projections for Wiltshire UA

^{2.67} Figure 17 compares the 2012-based sub-national population projections (based on short-term migration trends) with the projections based on longer-term migration trends, both over the 25-year period 2011-36. The SNPP projections suggest that the population will increase by 62,600 during this period, whilst the 10-year trends project a growth of around 84,100 persons over the same time.

Figure 17: Wiltshire population projection based on migration trends

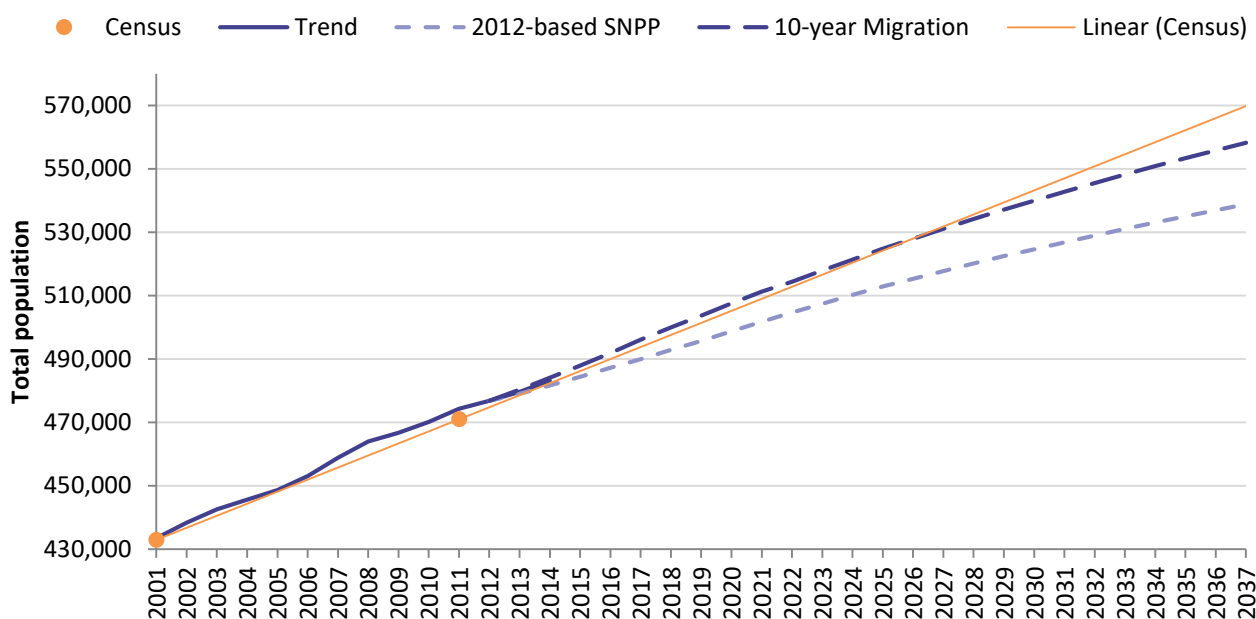


Figure 18: Wiltshire UA population projections 2011-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	MYE 2011			2036					
				2012-based SNPP			10-yr migration trend		
	M	F	Total	M	F	Total	M	F	Total
Aged 0-4	14,478	14,036	28,514	13,713	13,189	26,902	14,322	13,765	28,088
Aged 5-9	14,004	13,332	27,336	14,584	14,132	28,717	15,199	14,700	29,899
Aged 10-14	14,864	14,413	29,277	15,282	14,920	30,203	15,894	15,468	31,362
Aged 15-19	15,152	14,531	29,683	15,271	14,281	29,553	16,604	14,876	31,481
Aged 20-24	13,981	11,368	25,349	13,800	10,607	24,406	15,060	11,135	26,195
Aged 25-29	13,650	12,344	25,994	15,270	12,779	28,049	16,462	13,394	29,856
Aged 30-34	12,759	12,655	25,414	13,703	12,390	26,092	14,924	13,054	27,977
Aged 35-39	14,533	15,590	30,123	14,163	13,747	27,910	15,087	14,399	29,487
Aged 40-44	17,695	18,462	36,157	14,921	15,251	30,172	15,871	15,968	31,838
Aged 45-49	18,325	18,670	36,995	15,018	16,186	31,204	15,880	16,842	32,722
Aged 50-54	16,470	16,534	33,004	14,168	16,047	30,216	14,838	16,622	31,460
Aged 55-59	14,242	14,624	28,866	13,616	15,789	29,405	14,138	16,265	30,403
Aged 60-64	15,270	15,903	31,173	14,826	17,297	32,123	15,270	17,696	32,966
Aged 65-69	12,534	13,225	25,759	17,410	19,466	36,876	17,819	19,825	37,644
Aged 70-74	9,521	10,335	19,856	17,419	18,923	36,342	17,762	19,231	36,993
Aged 75-79	7,638	8,675	16,313	14,411	15,746	30,157	14,665	15,970	30,635
Aged 80-84	5,177	7,152	12,329	10,847	12,427	23,273	11,024	12,588	23,612
Aged 85+	3,972	8,205	12,177	14,922	20,398	35,320	15,122	20,630	35,752
Total	234,265	240,054	474,319	263,345	273,575	536,920	275,942	282,427	558,370

Establishing Population Projections for Swindon UA

^{2.68} Figure 19 compares the 2012-based sub-national population projections (based on short-term migration trends) with the projections based on longer-term migration trends, both over the 25-year period 2011-36. The SNPP projections suggest that the population will increase by 55,500 during this period, whilst the 10-year trends project a growth of 65,400 persons over the same time.

Figure 19: Swindon population projection based on migration trends

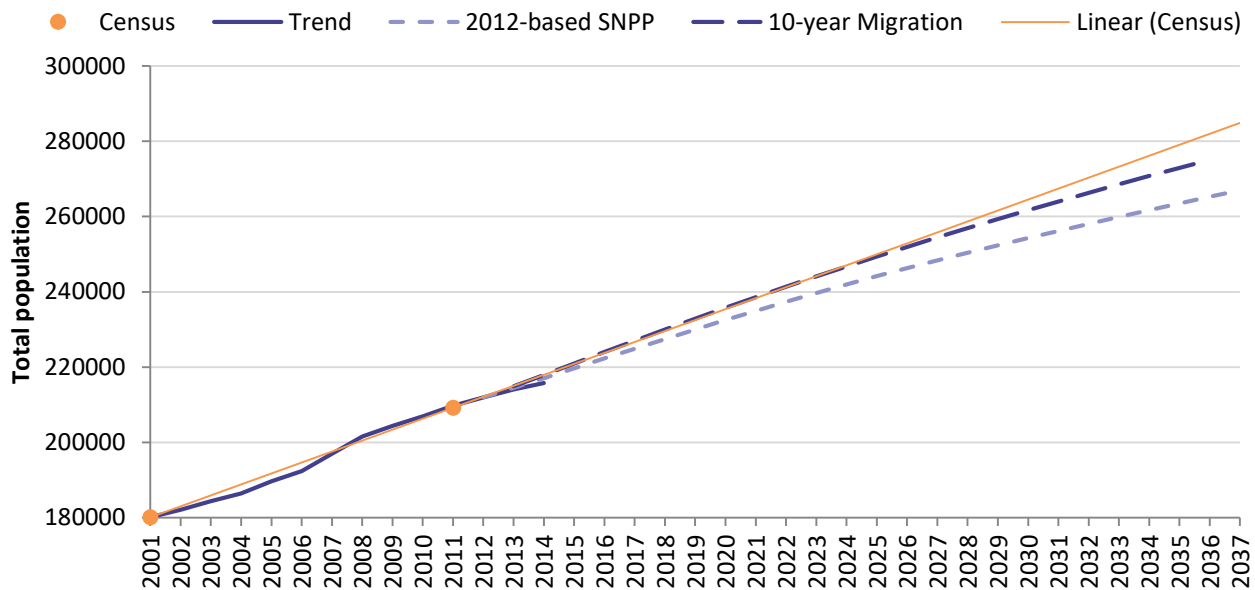


Figure 20: Swindon UA population projections 2011-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	MYE 2011			2036					
				2012-based SNPP			10-yr migration trend		
	M	F	Total	M	F	Total	M	F	Total
Aged 0-4	7,244	6,918	14,162	7,850	7,590	15,440	8,267	7,985	16,251
Aged 5-9	6,332	5,937	12,269	7,820	7,491	15,311	8,191	7,834	16,025
Aged 10-14	6,255	6,139	12,394	7,826	7,544	15,370	8,142	7,829	15,971
Aged 15-19	6,418	6,123	12,541	7,718	7,378	15,096	8,015	7,638	15,653
Aged 20-24	6,271	6,505	12,776	7,164	6,989	14,153	7,517	7,312	14,829
Aged 25-29	7,451	7,632	15,083	8,358	8,326	16,683	8,861	8,777	17,638
Aged 30-34	7,731	7,518	15,249	8,049	7,786	15,835	8,609	8,296	16,905
Aged 35-39	8,434	7,735	16,169	8,343	8,017	16,360	8,861	8,493	17,353
Aged 40-44	8,699	8,139	16,838	8,727	8,292	17,019	9,201	8,736	17,937
Aged 45-49	8,423	8,046	16,469	8,613	8,495	17,108	8,996	8,841	17,836
Aged 50-54	7,150	6,833	13,983	8,053	8,161	16,214	8,346	8,421	16,767
Aged 55-59	5,863	5,804	11,667	7,457	7,526	14,983	7,662	7,710	15,372
Aged 60-64	5,444	5,596	11,040	7,551	7,446	14,997	7,704	7,574	15,278
Aged 65-69	4,218	4,399	8,617	7,612	7,760	15,372	7,725	7,852	15,577
Aged 70-74	3,182	3,497	6,679	7,024	7,362	14,386	7,113	7,439	14,552
Aged 75-79	2,556	3,070	5,626	5,434	5,914	11,348	5,493	5,970	11,463
Aged 80-84	1,870	2,454	4,324	3,894	4,499	8,393	3,931	4,539	8,470
Aged 85+	1,324	2,499	3,823	4,683	6,489	11,171	4,701	6,511	11,213
Total	104,865	104,844	209,709	132,173	133,063	265,236	137,333	137,757	275,090

Establishing Population Projections for Swindon and Wiltshire

- 2.69 Considering the projections for the two local authorities collectively suggests that the 2012-based SNPP (based on short-term migration trends) is marginally lower than the projection based on longer-term 10-year migration trends: the SNPP projections suggest that the population will increase from 684,000 to 802,200 over the 25-year period 2011-36, whilst the 10-year migration trend scenario projects that the population will increase to 833,500 over the same period (25-year increases of 118,100 persons and 149,400 persons respectively).
- 2.70 As previously noted when deriving the projections for each area, longer-term projections typically benefit from longer-term trends – so the 10-year migration trend provides the principal projection for the further SHMA analysis. It is also important to consider the projected increase for the period 2011-16 (between the base year for the projections and the base year for the Plan): a projected growth of 31,800 persons. Figure 21 shows the projected change in population by 5-year age band for this initial period 2011-16 and also for the 20-year Plan period 2016-36.

Figure 21: Swindon and Wiltshire UA population projections 2011-16 and 2016-36 by 5-year age cohort based on 10-year migration trend scenario (Note: All figures presented unrounded for transparency)

Age	Projected Change prior to Plan period			Projected Change during Plan period		
	2011	2016	Net change 2011-16	2016	2036	Net change 2016-36
Aged 0-4	42,676	43,680	+1,004	43,680	44,339	+659
Aged 5-9	39,605	44,882	+5,277	44,882	45,924	+1,042
Aged 10-14	41,671	40,633	-1,038	40,633	47,333	+6,700
Aged 15-19	42,224	40,606	-1,618	40,606	47,134	+6,528
Aged 20-24	38,125	36,787	-1,338	36,787	41,024	+4,237
Aged 25-29	41,077	44,568	+3,491	44,568	47,494	+2,926
Aged 30-34	40,663	43,661	+2,998	43,661	44,882	+1,221
Aged 35-39	46,292	42,886	-3,406	42,886	46,840	+3,954
Aged 40-44	52,995	47,347	-5,648	47,347	49,775	+2,428
Aged 45-49	53,464	53,362	-102	53,362	50,558	-2,804
Aged 50-54	46,987	53,642	+6,655	53,642	48,227	-5,415
Aged 55-59	40,533	46,896	+6,363	46,896	45,775	-1,121
Aged 60-64	42,213	40,500	-1,713	40,500	48,244	+7,744
Aged 65-69	34,376	41,680	+7,304	41,680	53,221	+11,541
Aged 70-74	26,535	32,922	+6,387	32,922	51,545	+18,623
Aged 75-79	21,939	24,240	+2,301	24,240	42,098	+17,858
Aged 80-84	16,653	18,385	+1,732	18,385	32,082	+13,697
Aged 85+	16,000	19,136	+3,136	19,136	46,965	+27,829
Total	684,028	715,811	+31,783	715,811	833,460	+117,649

- 2.71 It is evident that the population in older age groups is projected to increase substantially during the Plan period, with three quarters of the overall population growth (89,500 persons) projected to be aged 65 or over and half projected to be 75 or over (59,400 persons).
- 2.72 This is particularly important when establishing the types of housing required and the need for housing specifically for older people, which is considered in Chapter 5 of the SHMA. It is also relevant when considering the likely number of future workers, which is considered further in the next section.

Establishing Population Projections for the functional HMAs

- ^{2.73} To establish the geographic distribution of the projected population growth, the overall demographic projection was disaggregated for the four functional housing market areas. This analysis considered the likely number of births and deaths for each HMA based on the size and structure of the existing and future populations (in terms of age and gender); with net migration for each HMA based on 10-year trends for the period 2001-11. On this basis, HMAs that had experienced above average rates of migration during this period were projected to continue with relatively higher rates of migration; whereas HMAs where migration had been below average over this trend period were projected to continue with relatively lower rates of migration. This is consistent with the approach taken for the two unitary authorities and the combined area.
- ^{2.74} Figure 22 summarises the projected population change for the 5-year period 2011-16 and the subsequent 20-year period 2016-36 for the two administrative areas, and also sets out the projected change for each of the “best fit” housing market areas identified in Figure 1.

Figure 22: Population projections Area 2011-16 and 2016-36 based on 10-year migration trend scenario by Unitary Authority and Housing Market Area (Note: All figures presented unrounded for transparency)

Age	Projected Change prior to Plan period			Projected Change during Plan period		
	2011	2016	Net change 2011-16	2016	2036	Net change 2016-36
Unitary Authority Area						
Swindon	209,709	224,001	+14,292	224,001	275,090	+51,090
Wiltshire	474,319	491,811	+17,492	491,811	558,370	+66,559
Housing Market Area						
Chippenham	166,001	175,388	+9,387	175,388	212,826	+37,439
Salisbury	133,464	136,462	+2,998	136,462	148,127	+11,665
Swindon	270,668	283,877	+13,209	283,877	328,930	+45,053
Trowbridge	113,895	120,085	+6,190	120,085	143,576	+23,492
Total	684,028	715,811	+31,783	715,811	833,460	+117,649

- ^{2.75} For the period 2016-36, the highest level of growth is in the Swindon HMA: an additional 45,100 persons (an increase of 16%) which represents almost two-fifths (38%) of the growth across the combined area. Nevertheless, the projected increase in population in Swindon HMA is lower than the projected increase for Swindon UA, which is a consequence of the trend-based analysis projecting a decline in the number of residents for the Wiltshire part of Swindon HMA.
- ^{2.76} The demographic structure of the population in this part of Wiltshire is older than average, and the projections identify fewer births than deaths; and Census data identifies that there was net outward migration from the area over the period 2001-11. Therefore, projected natural change and net migration both suggest a reduction in the future population. It is possible, however, that the net outward migration that was identified was partly attributed to changes in service personnel stationed in the area. RAF Lyneham is situated in the Wiltshire part of Swindon HMA, and the number of personnel stationed there reduced from around 2,340 in 2009 to fewer than 300 in 2012.⁷ Whilst the MoD were approached for further information about the number of personnel based at RAF Lyneham, they were unable to confirm estimates for 2001 and 2011 – so there was no basis for any specific adjustments to the migration trends. However, the population growth may be higher in this HMA than the projections suggest.

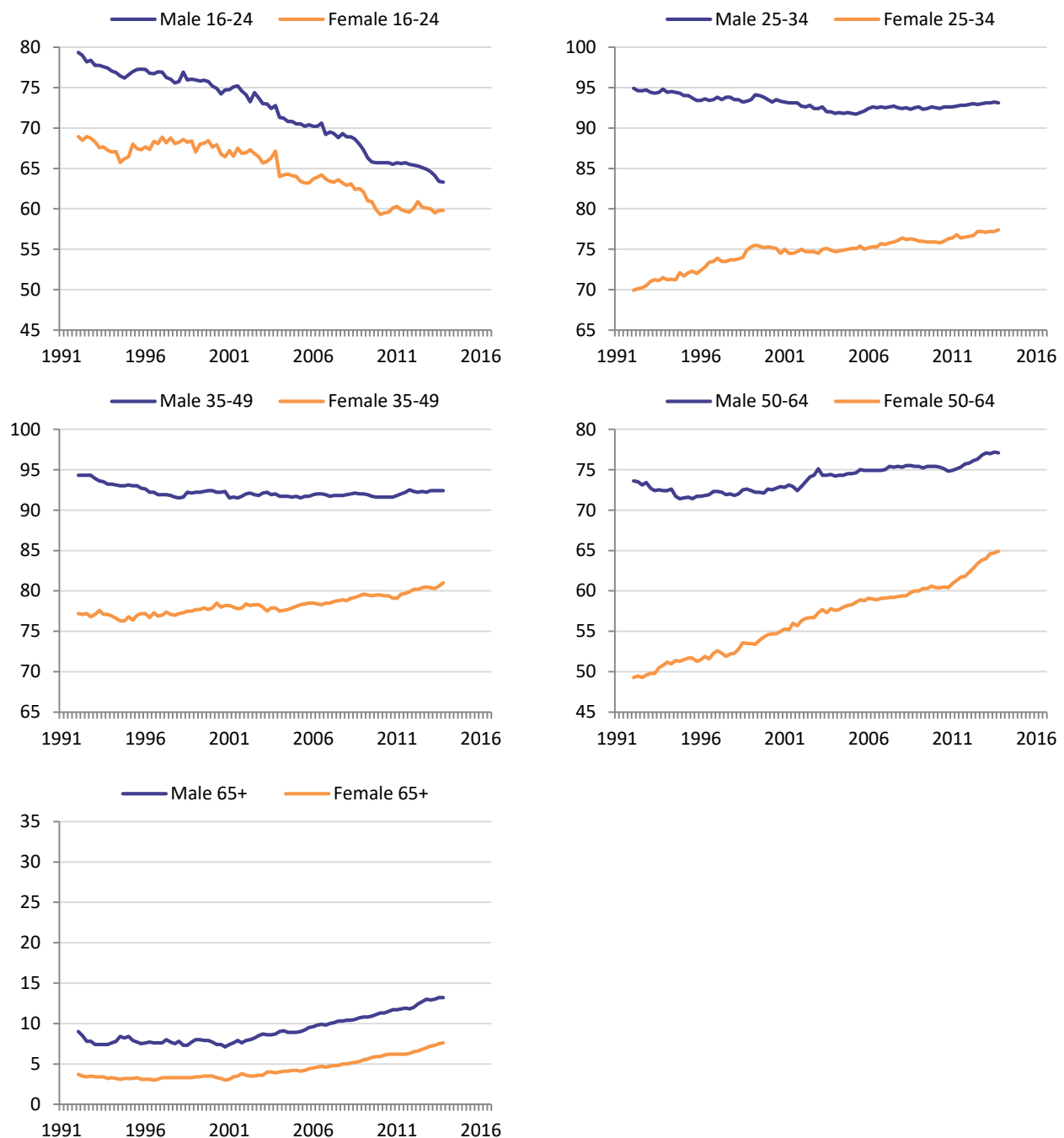
⁷ <http://www.intelligence-network.org.uk/EasysiteWeb/getresource.axd?AssetID=54586&type=full&servicetype=Attachment>

- 2.77 Whilst the growth in both Chippenham HMA (37,400 persons) and Trowbridge HMA (23,500 persons) is lower than the overall projection for Swindon HMA (45,100 persons), both show a higher rate of growth – the 2036 population is projected to be around 20% higher than the 2016 population in these two HMAs; compared to a growth of 16% in Swindon HMA.
- 2.78 Salisbury HMA has a notably lower projected growth than the other HMAs: an additional 11,700 persons, an increase of less than 9% over the 20-year period 2016-36. Whilst the Salisbury HMA population represented 20% of the overall population across the combined area at the time of the 2011 Census, the projected growth represents only 10% of the total. This is largely due to the area having lower rates of net migration over the 10-year trend period 2001-11. It is also important to recognise that this growth is higher than it would have been if it was based only on past trends, as almost all of the additional individual service personnel who will live in Single Living Accommodation (and have been included as a specific adjustment to the institutional population) will be based in the Salisbury HMA.
- 2.79 When considering the wider impact of service personnel on the overall population projections, the SHMA analysis concluded that there was no need for a specific adjustment given that long-term migration trends for Wiltshire over the period 2001-11 were already much higher than more recent short-term migration trends (Figure 15): a difference of over 1,000 persons each year. On this basis, the population projections are reasonable for the county as a whole – but the specific changes to service personnel could mean that future distribution of population within the county won't necessarily reflect past trends.
- 2.80 We have already recognised that migration trends for the Wiltshire part of Swindon HMA could suggest lower rates of net migration due to the influence of changes at RAF Lyneham, and therefore future migration to this area may be higher than projected. Furthermore, many of the additional service personnel moving to the area over the period 2016-19 will be based in Salisbury HMA – so future net migration to this area may also be higher than the relatively low rates of net migration experienced over the 10-year trend period 2001-11. Nevertheless, it is important to recognise that these changes will impact on the distribution of population within the county, and would not add to the overall projection. Any higher increases in population in Salisbury HMA and the Wiltshire part of Swindon HMA would be offset against lower population increases in Chippenham HMA and/or Trowbridge HMA.
- 2.81 It is important to recognise that whilst there is uncertainty surrounding any future demographic projection, the population projections for Swindon UA and Wiltshire UA are inherently more reliable than those for the four functional HMAs. The local authority projections benefit from more detailed information and data that is typically more reliable than information for the smaller areas. Furthermore, the local authority projections are less sensitive to changes to service personnel given that they're not affected by relocation proposals which lead to population moves within the administrative area.
- 2.82 In contrast, whilst the projections for the functional HMAs are based on the most reliable data available, there is inevitably less data available at this spatial scale and the projections are also sensitive to changes within the administrative area. Despite these caveats, the projections for the four HMAs give an evidence-based distribution of future population based on past trends; and this provides a reasonable basis for projecting future economic activity and household growth in each of the HMAs, and considering the distribution of overall housing need between the four functional HMAs.

Establishing Economic Activity Projections

- ^{2.83} Forecasting future economic activity rates is a challenge: the analysis is inherently complex and dependent on a range of demographic, socio-economic and structural changes in the labour market. However, the performance of the labour market in future years (and especially the impact of changing employment patterns) is an important factor which affects demand for housing.
- ^{2.84} The Labour Force Survey (LFS) is a continuous survey of the employment circumstances of the nation's population: it provides the official measures of employment and unemployment. Figure 23 shows economic activity rates by age and gender for the UK since 1991, based on LFS data. It is evident that EAR rates are unlikely to remain constant in future as illustrated by past trends.

Figure 23: Economic Activity Rate long-term UK trends (Source: Labour Market Statistics based on Labour Force Survey)



2.85 There are a number of notable trends evident:

- » Economic activity rates for people aged under 25 have steadily declined, primarily as a consequence of the increased numbers remaining in full-time education;
- » Economic activity rates for women in all groups aged 25+ have tended to increase, in particular those aged 50-64 where the rate has increased by almost a third (from 49% to 65%); and
- » Economic activity rates for men and women aged 50+ have tended to increase, in particular over the period since 2001.

2.86 These changes in participation identified by the Labour Force Survey have been confirmed by Census data, which also shows that national trends are typically reflected at a local level.

2.87 The most recent economic activity rate projections produced by ONS were published in January 2006 and covered the period to 2020⁸; however these figures suggested substantially lower changes in activity rates than actually experienced over the last decade. However, the performance of the labour market is important for national government, particularly in terms of forecasting the long term sustainability of tax revenues. As part of their scrutiny of Government finances, the Office for Budget Responsibility (OBR) provide an independent and authoritative analysis of the UK's public finances for Government, which includes detailed analysis of past and future labour market trends⁹.

Labour Market Participation Projections

2.88 The labour market participation projections produced by the OBR are based on historic profiles of different cohorts of the overall population – subsets that are grouped by year of birth and gender. Their analysis is not based on simplistic trends but is designed to capture dynamics that are specific to particular ages and those that cut across generations:

"We project each cohort into the future using age-specific labour market entry and exit rates as they age across time. These exit and entry rates are generally held constant, although we adjust entry rates for younger cohorts (discussed further below), and exit rates for people approaching the State Pension age (SPA), since the SPA rises over our projection period."

2.89 Their analysis concludes:

- » **Older people;** economic activity rates of older people will increase in future years, mainly from a combination of factors including changes to State Pension age, less generous final salary pensions and increasing healthy longevity;
- » **Female participation;** in addition to changes to state pension age, economic activity rates for women will also increase due to cohort change: more women born in the 1980s will work compared to those born in the 1970s across all comparable ages, and the rates for women born in the 1970s will be higher than for those born in the 1960s and so on; and
- » **Young people;** economic activity rates of younger people will stop declining, although young people will continue to stay longer in education and the lower participation rates recently observed are not assumed to increase in future.

⁸ Projections of the UK labour force, 2006 to 2020 by Vassilis Madouros; published in ONS Labour Market Trends, January 2006

⁹ OBR Fiscal Sustainability Report, July 2014: <http://cdn.budgetresponsibility.org.uk/41298-OBR-accessible.pdf>

Older People

^{2.90} Recent increases in State Pension age (SPA) are expected to prompt a labour market response as people retiring at an older age will exit the labour market later. Recent research from the Institute for Fiscal Studies (IFS) and University College London¹⁰ concluded that:

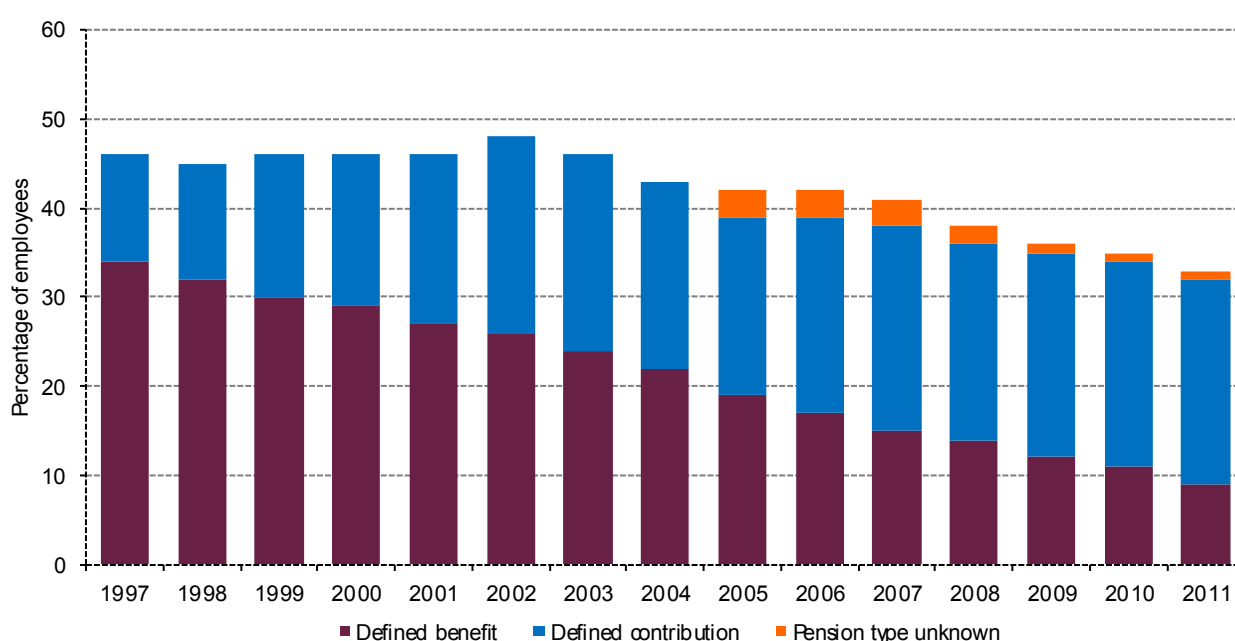
“Future increases in the state pension age will lead to a substantial increase in employment”.

^{2.91} However, the issue is complex: most people do not retire at the SPA precisely, and other factors influence retirement decisions:

- » **Health:** longer, healthier lives mean people spend longer in employment;
- » **Education:** higher levels of education are associated with working for longer and service sector expansion (including new technology and self-employment) give new options for some people to work for longer;
- » **Family circumstances:** evidence suggests couples make joint retirement decisions, choosing to retire at similar points in time;
- » **Financial considerations:** expectations of post-retirement incomes are changing as people (especially women) have to wait longer before receiving their State Pension and defined benefit pensions continue to decline; and
- » **Compulsory retirement age:** the default retirement age (formerly 65) has been phased out – most people can now work for as long as they want to. Retirement age, therefore, is when an employee chooses to retire. Most businesses don’t set a compulsory retirement age for their employees¹¹.

^{2.92} Nevertheless, the financial drivers are particularly important to the decision of when to retire, and changes to the State Pension age coupled with reduced membership of private schemes (Figure 24) will inevitably lead to higher economic activity rates amongst the older population.

Figure 24: Membership of private sector defined benefit and defined contribution schemes (Source: NAO)

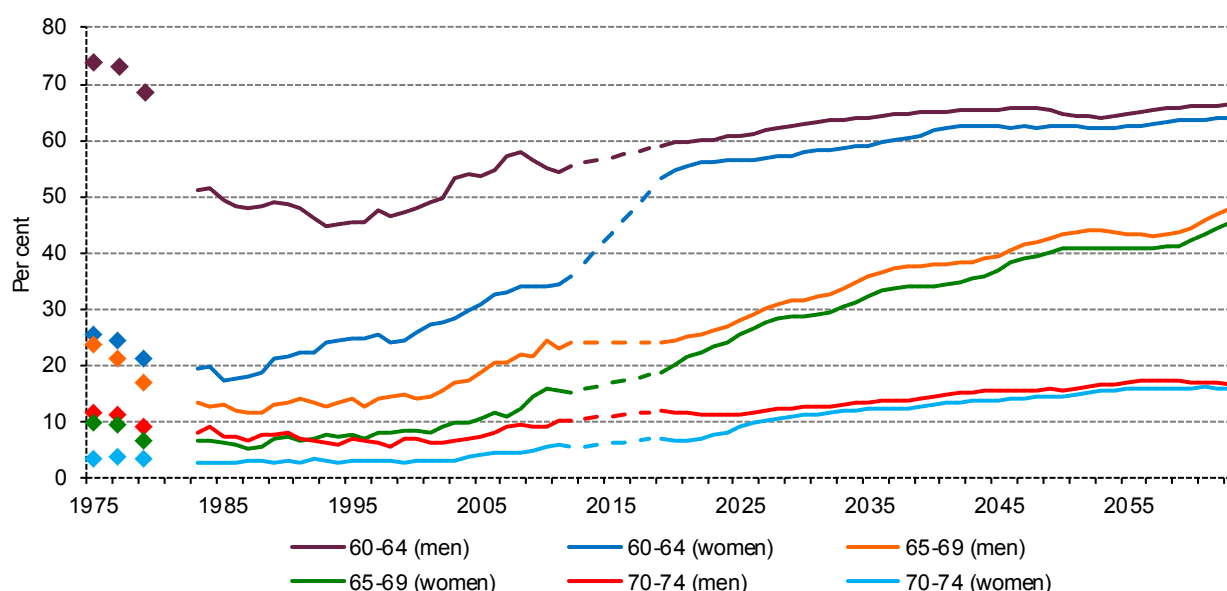


¹⁰ http://www.ifs.org.uk/pr/spa_pr_0313.pdf

¹¹ <https://www.gov.uk/retirement-age>

^{2.93} Figure 25 shows the long-term trends in employment rates for men and women aged 60-74 together with the OBR short-term and longer-term projections.

Figure 25: Employment rates for 60-74 years olds (Source: ONS, OBR. Note: Prior to 1983, the Labour Force Survey does not contain an annual series for these indicators, so only available years are shown. The OBR medium-term forecast to 2018 is produced top-down, not bottom-up, so the dotted lines for that period are a simple linear interpolation)



^{2.94} In summary, for those:

- » **Aged 60-64:** employment rates for women are projected to continue increasing rapidly over the short-term as the SPA is equalised. Rates for both men and women are then projected to increase more marginally over the longer-term, although the projected rates for men remain notably lower than those actually observed in the late 1970s;
- » **Aged 65-69:** the gap between rates for men and women is projected to reduce over the short-term, with rates for both expected to increase progressively over the longer-term; and
- » **Aged 70-74:** the rates for these older men and women are projected to converge, although only marginal increases in the rates are otherwise expected – fewer than 1-in-8 people in this age group are expected to be working until at least the 2030s.

Female Participation

^{2.95} Women's participation in the labour force has increased, particularly since the 1970s, for a complex range of societal and economic reasons:

- » **Childbirth:** decisions regarding children are changing. More women choose childlessness, or childbirth is delayed until women are in their 30s or 40s. Post childbirth decisions on return to the workforce are also influenced by a variety of factors (e.g. childcare arrangements, tax implications for second incomes, family circumstances);
- » **Lone parents:** employment rates for lone parents lag behind mothers with partners, but this gap has been closing;
- » **Support services for women in work:** an increase in available options to support women in work (e.g. childcare services, flexible working arrangements);

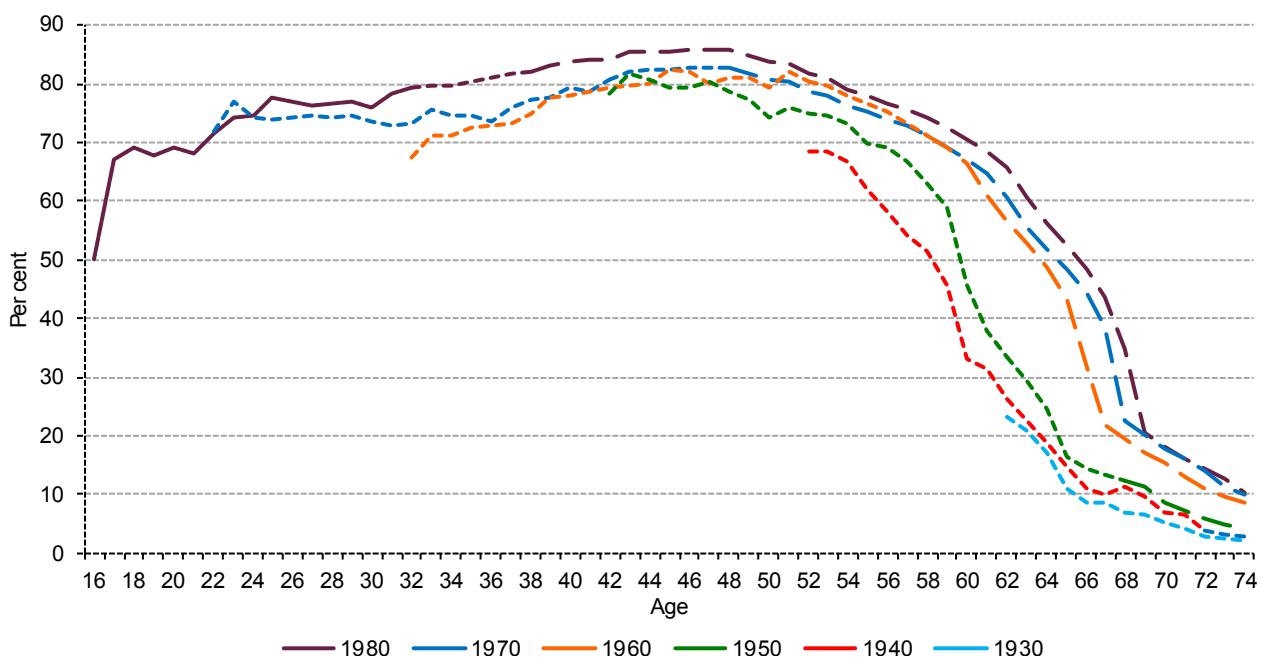
- » **Equal pay:** the gender wage differential has been narrowing (although still exists) giving women higher rewards for work; and
- » **Education:** higher levels of education have opened new career opportunities outside historically traditional female sectors.

^{2.96} National policy still aspires to encourage more women into work. The Government is seeking to “*incentivise as many women as possible to remain in the labour market*”¹² and the Autumn Statement in 2014 included plans for more support for childcare (for example, Tax Free Childcare; Childcare Business Grant) and an ambition to match countries with even higher employment rates for women.

^{2.97} Historic data clearly shows that women born in the 1950s (who are now approaching retirement) have been less likely to be economically active than those born more recently, based on the comparison of data for individual ages. Participation rates for women have progressively increased over time: women born in the 1960s had higher rates than those born in the 1950s, women born in the 1970s had higher rates again, and women born in the 1980s have had the highest rates. The OBR projections take account of these historic differences between cohorts, but they do not assume that female cohorts yet to enter the labour market have even higher participation rates.

^{2.98} Figure 26 shows the trends in female economic participation rates by year of birth together with the OBR projections, which show how this cohort effect is likely to contribute towards higher economic activity rates in future.

Figure 26: Female participation rates by Cohort (Source: ONS, OBR)



¹² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/371955/Women_in_the_workplace_Nov_2014.pdf

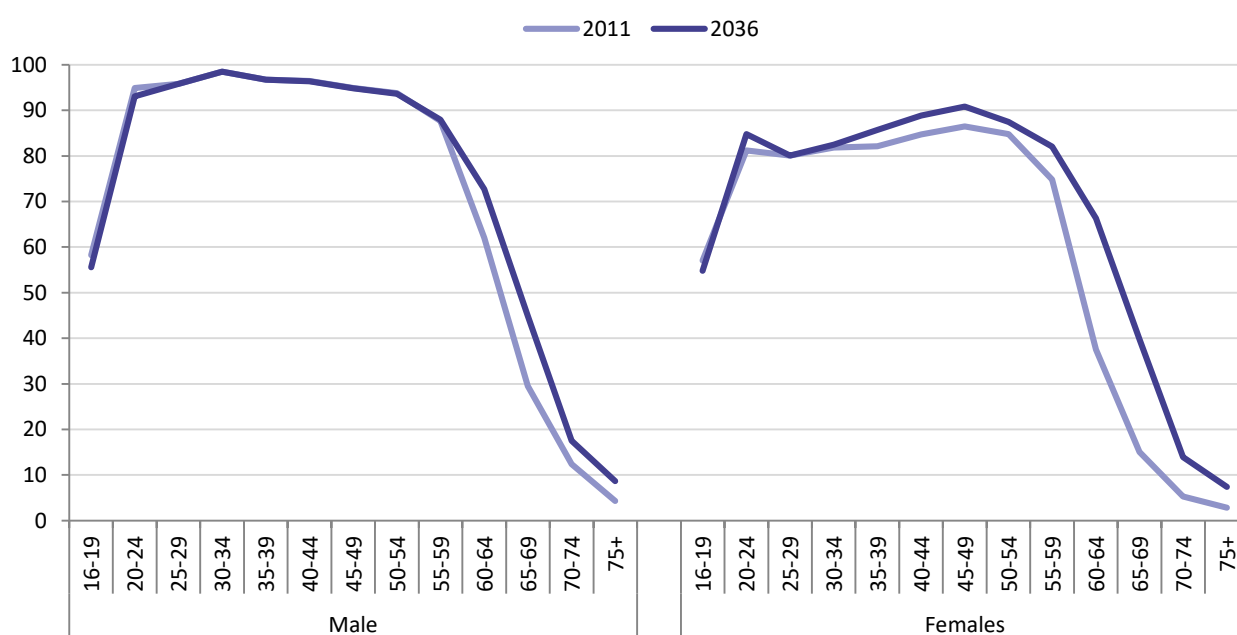
Young People

- ^{2.99} The key issue for young people is at what age they enter the labour market. There has been a pronounced fall in economic participation rates for 16 and 17 year olds over time, but this fall in economic activity complements an increase in academic activity as young people stay longer in education¹³. There have been similar (though less pronounced) declining trends for 18-20 year olds.
- ^{2.100} National policy is also changing. The school leaving age rose to 18 in 2015 and the Government has removed the cap on student numbers attending higher education¹⁴.
- ^{2.101} The policy changes indicate it is unlikely that economic participation rates will increase for these younger age groups. However, it should be noted that OBR projections expect these lower participation rates to stabilise at the current level rather than continue to decline. Further, the projections assume that this increased academic activity will not reduce economic activity rates as individuals get older. For example, entry rates into the labour market for people in their twenties are assumed to be higher than previously observed to take account of those who have deferred economic activity due to academic study.

Projecting Future Economic Activity for Swindon and Wiltshire

- ^{2.102} Figure 27 shows the estimated economic activity rates for 2011 and the projected rates for 2036 based on Census data for Swindon and Wiltshire UA and the OBR labour market participation projections.

Figure 27: Economic activity rates in 2011 and 2036 by age and gender based on OBR Labour Market Participation Projections



- ^{2.103} Participation rates for men under 60 are not projected to change, except for a very small decline in activity for those aged 16-19. There is increased in participation projected for men aged 60 and over, but these changes are only relatively marginal. Participation rates for women are projected to change due to the cohort effects previously discussed. The rates for those aged under 35 are relatively stable (as there is no increased participation assumed for women born after the 1980s), but there are increased participation rates projected for all older age groups.

¹³ <http://www.hefce.ac.uk/pubs/year/2015/201503/>

¹⁴ <http://www.bbc.co.uk/news/education-25236341>

^{2.104} For the specific adjustment to the institutional population to take account of the increased number of individual service personnel living in Single Living Accommodation, it has been assumed that all would be economically active.

^{2.105} Figure 28 shows the estimated economically active population for Swindon and Wiltshire UA in 2011 and the projected economically active population in 2036 based on the population projections previously produced.

Figure 28: Swindon and Wiltshire UA projected economically active population 2011-16 and 2016-36 based on 10-year migration trend scenario by gender and 5-year age cohort (Note: All figures presented unrounded for transparency)

Age	Projected Change prior to Plan period			Projected Change during Plan period		
	2011	2016	Net change 2011-16	2016	2036	Net change 2016-36
Male						
Aged 16-19	10,002	9,430	-573	9,430	11,281	+1,852
Aged 20-24	19,216	18,498	-718	18,498	21,056	+2,558
Aged 25-29	20,215	22,177	+1,963	22,177	24,277	+2,100
Aged 30-34	20,184	21,547	+1,363	21,547	23,186	+1,639
Aged 35-39	22,212	20,499	-1,712	20,499	23,170	+2,670
Aged 40-44	25,448	22,365	-3,084	22,365	24,165	+1,800
Aged 45-49	25,386	24,907	-480	24,907	23,597	-1,310
Aged 50-54	22,149	25,008	+2,859	25,008	21,713	-3,296
Aged 55-59	17,632	20,515	+2,883	20,515	19,168	-1,347
Aged 60-64	12,855	12,987	+132	12,987	16,711	+3,723
Aged 65-69	4,942	6,040	+1,097	6,040	11,464	+5,425
Aged 70-74	1,572	2,134	+562	2,134	4,352	+2,218
Aged 75+	434	538	+104	538	1,745	+1,207
Female						
Aged 16-19	9,407	8,635	-772	8,635	9,748	+1,113
Aged 20-24	14,518	14,359	-159	14,359	15,643	+1,284
Aged 25-29	15,998	17,151	+1,153	17,151	17,770	+619
Aged 30-34	16,505	17,979	+1,473	17,979	17,614	-365
Aged 35-39	19,148	18,452	-696	18,452	19,621	+1,169
Aged 40-44	22,531	20,904	-1,626	20,904	21,956	+1,052
Aged 45-49	23,105	23,665	+560	23,665	23,326	-339
Aged 50-54	19,818	22,946	+3,128	22,946	21,898	-1,048
Aged 55-59	15,287	18,609	+3,322	18,609	19,667	+1,058
Aged 60-64	8,072	10,653	+2,581	10,653	16,755	+6,102
Aged 65-69	2,652	4,418	+1,766	4,418	11,015	+6,597
Aged 70-74	730	1,199	+468	1,199	3,709	+2,510
Aged 75+	332	394	+62	394	1,617	+1,223
Total	370,352	386,010	+15,658	386,010	426,224	+40,214

^{2.106} The economically active population is likely to have increased by 15,700 people over the 5-year period 2011-16, with a further increase of 40,200 people in the period 2016-36.

^{2.107} Figure 29 summarises the projected change in the economic active population for the 5-year period 2011-16 and the subsequent 20-year period 2016-36 for the two administrative areas, and also sets out the projected change for each of the “best fit” housing market areas identified in Figure 1.

Figure 29: Projected economically active population by Area 2011-16 and 2016-36 based on 10-year migration trend scenario
(Note: All figures presented unrounded for transparency)

Age	Projected Change prior to Plan period			Projected Change during Plan period		
	2011	2016	Net change 2011-16	2016	2036	Net change 2016-36
Unitary Authority Area						
Swindon	118,356	125,801	+7,445	125,801	146,777	+20,976
Wiltshire	251,996	260,209	+8,213	260,209	279,447	+19,238
Housing Market Area						
Chippenham	88,065	93,073	+5,008	93,073	106,592	+13,519
Salisbury	71,947	73,164	+1,217	73,164	77,067	+3,902
Swindon	150,574	156,973	+6,399	156,973	170,799	+13,826
Trowbridge	59,765	62,800	+3,034	62,800	71,767	+8,967
Total	370,352	386,010	+15,658	386,010	426,224	+40,214

Establishing Household Projections for Swindon and Wiltshire

Household Population and Communal Establishment Population

^{2.108} Prior to considering household projections, it is necessary to identify the household population and separate out the population assumed to be living in Communal Establishments (institutional population). The 2011 Census identified 14,462 persons living in Communal Establishments in Swindon and Wiltshire.

^{2.109} As previously noted, as specific adjustment was made to the population projections to take account of planned changes to the number of individual service personnel based in Wiltshire who would be living in Single Living Accommodation. This specific increase was therefore factored into the institutional population, based on the age and gender of the existing population living in communal establishments classified as “Other establishment: Defence” at the time of the 2011 Census.

^{2.110} For the remaining population, the methodology used by the SHMA is consistent with the CLG approach¹⁵:

“For the household projections, the assumption is made that the institutional population stays constant at 2011 levels by age, sex and marital status for the under 75s and that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s. The rationale here is that ageing population will lead to greater level of population aged over 75 in residential care homes that would not be picked up if levels were held fixed but holding the ratio fixed will.” (page 12)

^{2.111} Figure 30 shows the breakdown between the projected household population and population living in Communal Establishments.

¹⁵ Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

Figure 30: Household population and communal establishment projections 2011-16 and 2016-36 based on 10-year migration trend scenario by 10-year age cohort

Age	Projected Change prior to Plan period			Projected Change during Plan period		
	2011	2016	Net change 2011-16	2016	2036	Net change 2016-36
Household Population						
Aged 0-14	123,007	128,249	+5,242	128,249	136,651	+8,402
Aged 15-24	75,031	72,075	-2,956	72,075	81,383	+9,308
Aged 25-34	79,186	85,674	+6,488	85,674	88,916	+3,242
Aged 35-44	98,448	89,394	-9,054	89,394	95,646	+6,253
Aged 45-54	99,992	106,545	+6,553	106,545	98,259	-8,286
Aged 55-64	82,387	87,037	+4,650	87,037	93,658	+6,621
Aged 65-74	60,482	74,172	+13,690	74,172	104,336	+30,164
Aged 75-84	37,413	41,374	+3,961	41,374	71,985	+30,611
Aged 85+	13,620	16,413	+2,793	16,413	40,981	+24,568
Total	669,566	700,934	+31,368	700,934	811,815	+110,882
Communal Establishments						
Aged 0-14	945	945	0	945	945	0
Aged 15-24	5,318	5,318	0	5,318	6,776	+1,458
Aged 25-34	2,554	2,554	0	2,555	3,459	+904
Aged 35-44	839	839	0	839	969	+130
Aged 45-54	459	459	0	459	527	+68
Aged 55-64	359	359	0	359	361	+2
Aged 65-74	429	429	0	429	429	0
Aged 75-84	1,179	1,251	+72	1,251	2,195	+944
Aged 85+	2,380	2,723	+343	2,723	5,984	+3,261
Total	14,462	14,878	+414	14,878	21,645	+6,767
Total Population	684,028	715,811	+31,783	715,811	833,460	+117,649

^{2.112} It will be important to recognise the projected growth of population aged 75 or over living in communal establishments when establishing the overall housing requirement. This population is projected to increase from 3,974 persons to 8,179 persons over the 20-year period 2016-36; a growth of 4,205 persons, equivalent to an average of around 210 persons each year.

^{2.113} Given that the population projections have already established the total population aged 75 or over, a consequence of the assumed increase in institutional population for these age groups is fewer older people being counted in the household population. This affects the projected household growth for the area. It is therefore necessary to plan for the increase in institutional population, as this will be additional to the projected household growth; although the councils will need to consider the most appropriate types of housing in the context of future plans for delivering care and support for older people.

^{2.114} As previously noted, the population in older age groups is projected to increase substantially during the Plan period, and Chapter 5 of the SHMA provides further analysis of the range of different types of housing required specifically for older people.

Household Representative Rates

^{2.115} Household Representative Rates (HRRs) are a demographic tool used to convert population into households and are based on those members of the population who can be classed as “household representatives” or “heads of household”. The HRRs used are key to the establishment of the number of households and, further, the number of households is key to the number of homes needed in future.

^{2.116} The proportion of people in any age cohort who will be household representatives vary between people of different ages, and the rates also vary over time. HRRs are published as part of the household projections produced by CLG. The 2011 Census identified that the CLG 2008-based household projections had significantly overestimated the number of households. Nevertheless, this had been anticipated and the methodology report published to accompany the 2008-based projections acknowledged (page 10):

“Labour Force Survey (LFS) data suggests that there have been some steep falls in household representative rates for some age groups since the 2001 Census ... this can only be truly assessed once the 2011 Census results are available.”

^{2.117} The CLG 2012 based household projections technical document confirmed the findings (page 24):

“At the present time the results from the Census 2011 show that the 2008-based projections were overestimating the rate of household formation and support the evidence from the Labour Force Survey that household representative rates for some (particularly younger) age groups have fallen markedly since the 2001 Census.”

^{2.118} Prior to the publication of CLG 2012 based household projections, Inspectors had been keen to avoid perpetuating any possible “recessionary impact” associated with the lower formation rates suggested by the interim data. Nevertheless, the interim 2011-based household projections were prepared before the necessary Census data was available and it has become evident that some of the historic household representative rates were estimated inaccurately. The 2012-based household projections published in February 2015 incorporate far more data from the 2011 Census and provide data for the 25-year period 2012-37 based on long-term demographic trends. The household representative projections use a combination of two fitted trends through the available Census points (1971, 1981, 1991, 2001 and 2011).

^{2.119} Ludi Simpson (Professor of Population Studies at the University of Manchester and the originator and designer of the PopGroup demographic modelling software) considered the CLG households projections in an article published in Town and Country Planning (December 2014):

“Although it is sometimes claimed that the current household projections are based on the experience of changes between 2001 and 2011, this is true only of the allocation of households to household types in the second stage of the projections. The total numbers of households in England and in each local authority are projected on the basis of 40 years of trends in household formation, from 1971 to 2011.”

^{2.120} It is possible to understand the impact of the new household representative rates through applying the 2012-based rates and the 2008-based and interim 2011-based rates to the same population. Using the household population data in the 2012-based projections for the 10-year period 2011-2021 (the only years where household representative rates are available from all three projections), the 2012-based rates show an annual average growth of 218,600 households across England. This compares to 241,600 households using the 2008-based rates and 204,600 households using the interim 2011-based rates. Therefore, the 2012-based rates yield household growth that is 7% higher than the interim 2011-based rates and only 10%

lower than the 2008-based rates. At a local level, a third of local authorities have 2012-based rates that are closer to 2008-based rates than the interim 2011-based rates.

- ^{2.121} The 2012-based projections supersede both the 2008-based household projections and the interim 2011-based household projections. The changes since 2008 were anticipated and these reflect real demographic trends, and therefore we should not adjust these further; although the extent to which housing supply may have affected the historic rate is one of the reasons that we also consider market signals when determining the OAN for housing.

Household Projections for Swindon and Wiltshire

- ^{2.122} Using the CLG 2012-based household representative rates, we can establish the projected number of additional households. The projected increase in households across the Swindon and Wiltshire UA and for each of the housing market areas is summarised in Figure 31.¹⁶

- ^{2.123} Figure 31 also provides an estimate of dwelling numbers, which takes account of vacancies and second homes based on the proportion of dwellings without a usually resident household identified by the 2011 Census. This identified a vacancy rate of 3.1% for Swindon, and 3.9% for Wiltshire.

Figure 31: Projected households and dwellings over the 25-year period 2011-36 10-year migration trend scenario (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in 2011 Census)

	Projected Change prior to Plan period				Projected Change during Plan period			
	2011	2016	Net change 2011-16	Annual rate	2016	2036	Net change 2016-36	Annual rate
HOUSEHOLDS								
Unitary Authority Area								
Swindon	88,622	95,576	+6,954	1,391	95,576	122,250	+26,674	1,334
Wiltshire	195,720	206,221	+10,501	2,100	206,221	244,710	+38,489	1,924
Housing Market Area								
Chippenham	68,555	73,697	+5,142	1,028	73,697	94,037	+20,340	1,017
Salisbury	53,863	55,802	+1,939	388	55,802	62,199	+6,397	320
Swindon	114,281	121,434	+7,153	1,431	121,434	147,681	+26,247	1,312
Trowbridge	47,643	50,864	+3,221	644	50,864	63,043	+12,179	609
TOTAL HOUSEHOLDS	284,342	301,797	+17,455	3,491	301,797	366,960	+65,163	3,258
DWELLINGS								
Unitary Authority Area								
Swindon	91,501	98,681	+7,180	1,436	98,681	126,221	+27,540	1,377
Wiltshire	203,740	214,671	+10,931	2,186	214,671	254,737	+40,066	2,003
Housing Market Area								
Chippenham	71,364	76,717	+5,353	1,071	76,717	97,890	+21,173	1,059
Salisbury	56,070	58,089	+2,019	404	58,089	64,748	+6,659	333
Swindon	118,212	125,599	+7,387	1,477	125,599	152,694	+27,095	1,355
Trowbridge	49,595	52,948	+3,353	671	52,948	65,626	+12,678	634
TOTAL DWELLINGS	295,241	313,352	+18,111	3,622	313,352	380,958	+67,606	3,380

¹⁶ The projected increase in households in Swindon HMA is marginally lower than the projected increase for Swindon UA as the trend-based analysis projects a decline in the population and consequently the number of households for the Wiltshire part of Swindon HMA

Impact of the 2014-based ONS population and CLG household projections

^{2.124} The SHMA analysis has been based on the 2012-based ONS sub-national population projections (SNPP) and 2012-based CLG household projections, which was the most up-to-date information available at the time that the work was undertaken. The ONS and CLG have since released their 2014-based projections, so it is appropriate to consider the possible implications of this new data.

^{2.125} Figure 32 identifies the population and household growth projected by the 2012-based and 2014-based projections for Swindon and Wiltshire over the 20-year period 2016-36. It is evident that the more recent figures identify a lower rate of annual population growth (3,872 persons cf. 4,633 persons) and also a lower increase in the number of households (2,372 per year cf. 2,802 per year); with the annual rates reducing in both Swindon and Wiltshire.

Figure 32: Comparison of 2012-based and 2014-based projected population and household growth for Swindon and Wiltshire
(Source: ONS 2012-based and 2014-based SNPP; CLG 2012-based and 2014-based household projections)

	2012-based projections				2014-based projections			
	2016	2036	Net change 2016-36	Annual rate	2016	2036	Net change 2016-36	Annual rate
POPULATION								
Swindon	222,299	265,236	42,937	2,147	219,761	251,343	31,582	1,579
Wiltshire	487,191	536,920	49,729	2,486	489,785	535,633	45,848	2,292
TOTAL POPULATION	709,490	802,156	92,666	4,633	709,546	786,976	77,430	3,872
HOUSEHOLDS								
Swindon	94,948	118,388	23,440	1,172	93,540	110,569	17,029	851
Wiltshire	204,542	237,142	32,600	1,630	206,210	236,616	30,406	1,520
TOTAL HOUSEHOLDS	299,490	355,530	56,040	2,802	299,750	347,185	47,435	2,372

^{2.126} Considering the differences in more detail, we can conclude that:

- » Natural population change (births minus deaths) is around 150 persons per year lower in the 2014-based projections than in the 2012-based data. This is mainly due to marginally higher mortality rates and marginally lower fertility rates being assumed.
- » Net migration is around 420 persons per year lower in the 2014-based projection than the 2012-based figures.
- » The 2014-based household projections are lower due to changes in the underlying population projections. There are no significant differences in terms of the projected household representative rates between the two projections for Wiltshire (yielding 2.19 persons per household on average), although the 2014-based projections suggest that average household sizes in Swindon will be higher than projected by the 2012-based data (2.25 persons cf. 2.20 persons).

^{2.127} As the SHMA analysis takes different assumptions regarding migration to the SNPP projections (specifically, a 10-year trend rather than a five-year trend), the changes to migration would not directly affect the SHMA projection. However, the 2014-based fertility and mortality rates would marginally reduce the projection, and the household representative rates would yield a further marginal reduction the projections for Swindon. Given this context, the SHMA has established the overall housing need on the basis of the projections that had already been prepared using the 2012-based rates, which may mean that actual housing need for the area is marginally lower than assessed.

Conclusions

- ^{2.128} PPG identifies that the starting point for estimating housing need is the CLG household projections. For the 25-year period 2012-37, these projections suggest an average increase of 2,824 households each year across Swindon and Wiltshire UA: an average annual growth of 1,190 households in Swindon, and 1,634 households in Wiltshire (Figure 3).
- ^{2.129} Based on longer-term 10-year migration trends, the SHMA projections identify an increase of 65,163 households over the 20-year period 2016-36, which yields an overall housing need of 67,606 dwellings over that period. This represents an annual growth of 1,334 households in Swindon (1,377 dwellings per annum), and 1,924 households in Wiltshire (2,003 dpa). These figures provide the most appropriate demographic projection on which to base the Objectively Assessed Need (OAN) for housing.
- ^{2.130} Whilst there is no need to further update the SHMA projections in the light of the 2014-based ONS and CLG projections (as the changes are all marginal and all would yield fractionally lower levels of housing need), the Government has recently announced that the ONS will take responsibility for the production of the household projections previously produced by CLG. The ONS has recently consulted on a new methodology which will be used for the 2016-based household projections, which will be published in summer 2018. Therefore, it will be important to review the SHMA at that time and consider whether a more comprehensive update may be needed to take account of these changes.

3. Affordable Housing Need

Identifying households who cannot afford market housing

- 3.1 Demographic projections provide the basis for identifying the Objectively Assessed Need for all types of housing, including both market housing and affordable housing.
- 3.2 PPG notes that affordable housing need is based on households *“who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market”* (paragraph 22) and identifies a number of different types of household which may be included:

What types of households are considered in 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*

Planning Practice Guidance (March 2014), ID 2a-023

- 3.3 PPG also suggests a number of data sources for assessing past trends and recording current estimates for establishing the need for affordable housing (paragraph 24):
- » Local authorities will hold data on the number of homeless households, those in temporary accommodation and extent of overcrowding.
 - » The Census also provides data on concealed households and overcrowding which can be compared with trends contained in the English Housing Survey.
 - » Housing registers and local authority and registered social landlord transfer lists will also provide relevant information.
- 3.4 The following section considers each of these sources in turn, alongside other relevant statistics and information that is available.

Past Trends and Current Estimates of the Need for Affordable Housing

Local Authority Data: Homeless Households and Temporary Accommodation

- 3.5 There has been a long-term downward trend in the number of households accepted as being homeless and in priority need (Figure 33). There were 1,021 such households in the first quarter of 2001 which reduced to 315 households by the first quarter of 2013, a net reduction of 706 households. Nevertheless, more recent short-term trends show an increase, with 412 households accepted as being homeless and in priority need during Q2 of 2015.
- 3.6 There has also been a long-term downward trend in households in temporary accommodation (Figure 34). There were 1,120 such households in 2001 but 401 in 2011 and 343 in 2014 (a net reduction of 777). The pattern within the total showed bed and breakfast accommodation and hostel use declined, while private sector leasing increased from 124 to 162 in the same period. Households accepted homeless but without temporary accommodation declined from 79 to 9 between 2001 and 2011, but increased to 61 in 2014.

Figure 33: Households accepted as homeless and in priority need and households in temporary accommodation 2001-15
(Source: CLG P1E returns) Note: No data was available for the former districts of Kennet, North Wiltshire, Salisbury or West Wiltshire after Q1 2009

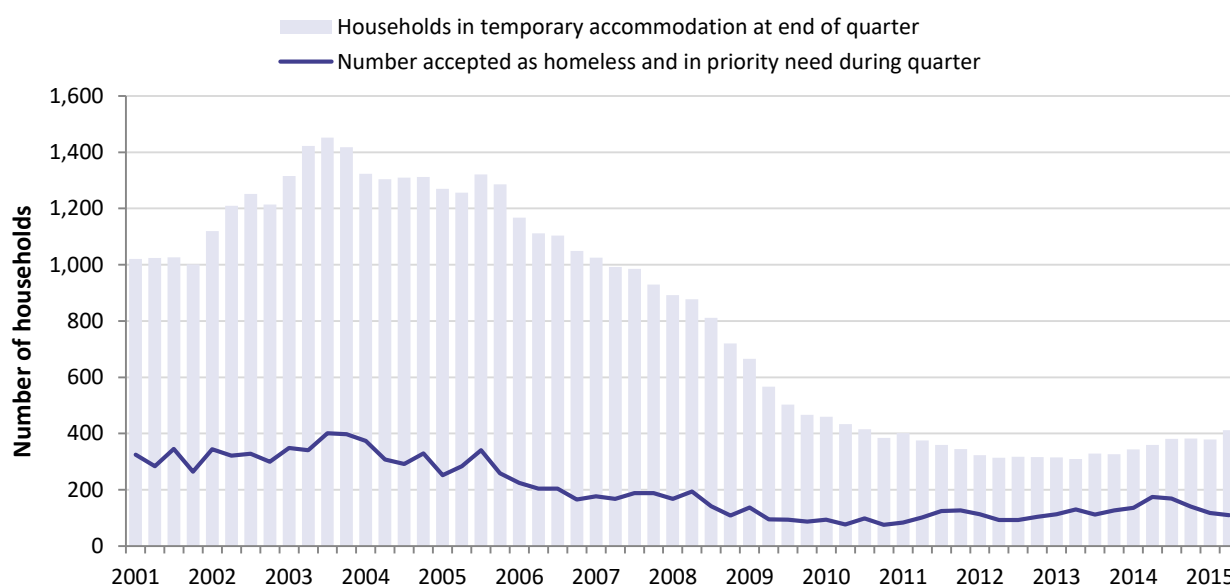


Figure 34: Households in temporary accommodation (Source: CLG P1E returns for March 2002, March 2011 and March 2014)
Note: Data was not available for March 2001

		Swindon UA			Wiltshire UA			England 2014
		2002	2011	2014	2002	2011	2014	
Households in temporary accommodation	Bed and breakfast	7	5	0	58	0	0	-
	Hostels	111	1	0	116	45	53	-
	Local Authority or RSL stock	285	85	88	101	24	39	-
	Private sector leased (by LA or RSL)	0	133	114	124	76	48	-
	Other (including private landlord)	262	32	0	56	0	0	-
	TOTAL	665	256	202	455	145	141	-
	<i>Rate per 1,000 households</i>	8.8	3.0	2.2	2.6	0.8	0.7	2.6
Households accepted as homeless but without temporary accommodation provided		4	0	0	75	9	61	-

- 3.7 It is evident that statutory homelessness has not become significantly worse over the period since 2002, but this does not necessarily mean that fewer households risk becoming homeless. Housing advice services provided by the councils limit the number of homeless presentations, through helping people threatened with homelessness find housing before they become homeless. Housing allocation policies can also avoid the need for temporary housing if permanent housing is available sooner; however, many households facing homelessness are now offered private rented housing.
- 3.8 Changes to Homelessness in s148/149 of the 2011 Localism Act means offers of accommodation in the Private Rented Sector can be made to homeless households, and this cannot be refused, provided it is a reasonable offer. Prior to this change, Local Authorities could offer private sector housing to homeless households (where they have accepted a housing duty under Part 7 of the Housing Act 1996) but the applicant was entitled to refuse it. The Localism Act 2011 means refusal is no longer possible providing the offer is suitable. While the change aims to reduce the pressures on the social housing stock, an indirect result is that there are further demands on the private rented sector as Councils seek to house homeless households.

Census Data: Concealed Households and Overcrowding

- 3.9 The Census provides detailed information about households and housing in the local area. This includes information about **concealed families** (i.e. couples or lone parents living with another household) and **sharing households** (i.e. more than one household living in the same dwelling). These households lack the sole use of basic facilities (e.g. a bathroom or kitchen) and have to share these with their “host” household (in the case of concealed families) or with other households (for those sharing).

Concealed Families

- 3.10 The number of **concealed families** living with households in Swindon and Wiltshire increased from 1,473 to 2,424 over the 10-year period 2001-11 (Figure 35), an increase of 951 families (64%).

Figure 35: Concealed families in Swindon and Wiltshire by age of family representative (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Aged under 25	241	534	+293
Aged 25 to 34	516	701	+185
Aged 35 to 44	208	288	+81
Aged 45 to 54	92	241	+149
Sub-total aged under 55	1,057	1,764	+708
Aged 55 to 64	107	185	+78
Aged 65 to 74	204	271	+67
Aged 75 or over	105	204	+99
Sub-total aged 55 or over	416	660	+244
All Concealed Families	1,473	2,424	+951

- 3.11 Although many concealed families do not want separate housing (in particular where they have chosen to live together as extended families), others are forced to live together due to affordability difficulties or other constraints – and these concealed families will not be counted as part of the CLG household projections. Concealed families with older family representatives will often be living with another family in order to receive help or support due to poor health. Concealed families with younger family

representatives are more likely to demonstrate un-met need for housing. When we consider the growth of 951 families over the period 2001-11, three quarters (74%) have family representatives aged under 55, with substantial growth amongst those aged under 35 (in line with national trends).

Sharing Households

- 3.12 The number of **sharing households** decreased from 501 to 303 over the 10-year period 2001-11 (Figure 36) a decrease of 198 households (40%).

Figure 36: Shared Dwellings and Sharing Households in Swindon and Wiltshire (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Number of shared dwellings	131	95	-36
Number of household spaces in shared dwellings	591	348	-243
All Sharing Households	501	303	-198
Household spaces in shared dwellings with no usual residents	90	45	-45

- 3.13 Figure 37 shows that the number of **multi-adult households** living in the area increased from 8,751 to 10,865 households over the same period, an increase of 2,114 (24%).

Figure 37: Multi-adult Households in Swindon and Wiltshire (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Owned	5,610	6,094	+484
Private rented	2,148	3,583	+1,435
Social rented	993	1,188	+195
All Households	8,751	10,865	+2,114

- 3.14 These people also have to share basic facilities, but are considered to be a single household as they also share a living room, sitting room or dining area. This includes **Houses in Multiple Occupation (HMOs) with shared facilities**, as well as **single people living together as a group** and **individuals with lodgers**. The growth in multi-adult households was focussed particularly in the private rented sector, with an increase in single persons choosing to live with friends together with others living in HMOs. This growth accounts for 1,435 households (an increase from 2,148 to 3,583 households over the period) and this represents around two thirds (68%) of the total increase in multi-adult households living in the area.
- 3.15 Nevertheless, shared facilities are a characteristic of HMOs and many people living in this type of housing will only be able to afford shared accommodation (either with or without housing benefit support). Welfare Reform includes extending the Local Housing Allowance (LHA) Shared Accommodation Rate (SAR) to all single persons up to 35 years of age (where they need HB support). The consequence is that this is increasing demand for shared housing/HMO's, as this is all affected young people can afford.
- 3.16 There is therefore likely to be a continued (and possibly growing) role for HMOs, with more of the existing housing stock possibly being converted. Given this context, it would not be appropriate to consider households to need affordable housing only on the basis of them currently sharing facilities (although there may be other reasons why they would be considered as an affordable housing need).

Overcrowding

- ^{3.17} The Census also provides detailed information about occupancy which provides a measure of whether a household's accommodation is **overcrowded or under occupied**:

"There are two measures of occupancy rating, one based on the number of rooms in a household's accommodation, and one based on the number of bedrooms. The ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula. The number of rooms/bedrooms required is subtracted from the number of rooms/bedrooms in the household's accommodation to obtain the occupancy rating. An occupancy rating of -1 implies that a household has one fewer room/bedroom than required, whereas +1 implies that they have one more room/bedroom than the standard requirement."

- ^{3.18} When considering the number of rooms required, the ONS use the following approach to calculate the room requirement:

- » A one person household is assumed to require three rooms (two common rooms and a bedroom); and
- » Where there are two or more residents it is assumed that they require a minimum of two common rooms plus one bedroom for:
 - each couple (as determined by the relationship question)
 - each lone parent
 - any other person aged 16 or over
 - each pair aged 10 to 15 of the same sex
 - each pair formed from any other person aged 10 to 15 with a child aged under 10 of the same sex
 - each pair of children aged under 10 remaining
 - each remaining person (either aged 10 to 15 or under 10).

- ^{3.19} For Swindon & Wiltshire, **overcrowding** increased from 10,811 to 14,947 households (an increase of 4,136) over the 10-year period 2001-11 (Figure 38). The change in overcrowding represents a growth of 23%, and is the same as the national increase for England.

- ^{3.20} When considered by tenure, overcrowding has reduced by 88 households in the owner occupied sector, increased by 1,433 households in the social rented sector; however the largest growth was in the private rented sector, where the number increased from 2,975 to 5,766 households, a growth of 2,791 over the 10-year period.

Figure 38: Proportion of overcrowded households 2011 and change 2001-11 by tenure (Note: Overcrowded households are considered to have an occupancy rating of -1 or less. Source: UK Census of Population 2001 and 2011)

	Occupancy rating (rooms)						Occupancy rating (bedrooms) 2011	
	2001		2011		Net change 2001-11			
	N	%	N	%	N	%	N	%
Swindon UA								
Owned	1,434	2.6%	1,562	2.6%	+128	+2%	1,092	1.9%
Private rented	1,154	16.5%	2,533	16.9%	+1,379	+3%	1,013	6.8%
Social rented	1,803	14.1%	2,049	14.2%	+246	+1%	838	5.8%
All Households	4,391	5.8%	6,144	7.0%	+1,753	+19%	2,943	3.3%
Wiltshire UA								
Owned	2,238	1.8%	2,022	1.5%	-216	-13%	1,229	0.9%
Private rented	1,821	7.5%	3,233	9.8%	+1,412	+30%	1,350	4.1%
Social rented	2,361	9.3%	3,548	12.4%	+1,187	+33%	1,922	6.7%
All Households	6,420	3.6%	8,803	4.5%	+2,383	+25%	4,501	2.3%
SWINDON & WILTSHIRE								
Owned	3,672	2.0%	3,584	1.9%	-88	-7%	2,321	1.2%
Private rented	2,975	9.6%	5,766	12.0%	+2,791	+26%	2,363	4.9%
Social rented	4,164	10.9%	5,597	13.0%	+1,433	+19%	2,760	6.4%
All Households	10,811	4.3%	14,947	5.3%	+4,136	+23%	7,444	2.6%
All Households								
ENGLAND	-	7.1%	-	8.7%	-	+23%	-	4.6%

English Housing Survey Data

Overcrowding

- 3.21 The English Housing Survey (EHS) does not provide information about individual local authorities, but it does provide a useful context about these indicators in terms of national trends between Census years.
- 3.22 The measure of overcrowding used by the EHS provides a consistent measure over time **however the definition differs from both occupancy ratings provided by the Census**. The EHS approach¹⁷ is based on a “*bedroom standard*” which assumes that adolescents aged 10-20 of the same sex will share a bedroom, and only those aged 21 or over are assumed to require a separate bedroom (whereas the approach used by the ONS for the Census assumes a separate room for those aged 16 or over):

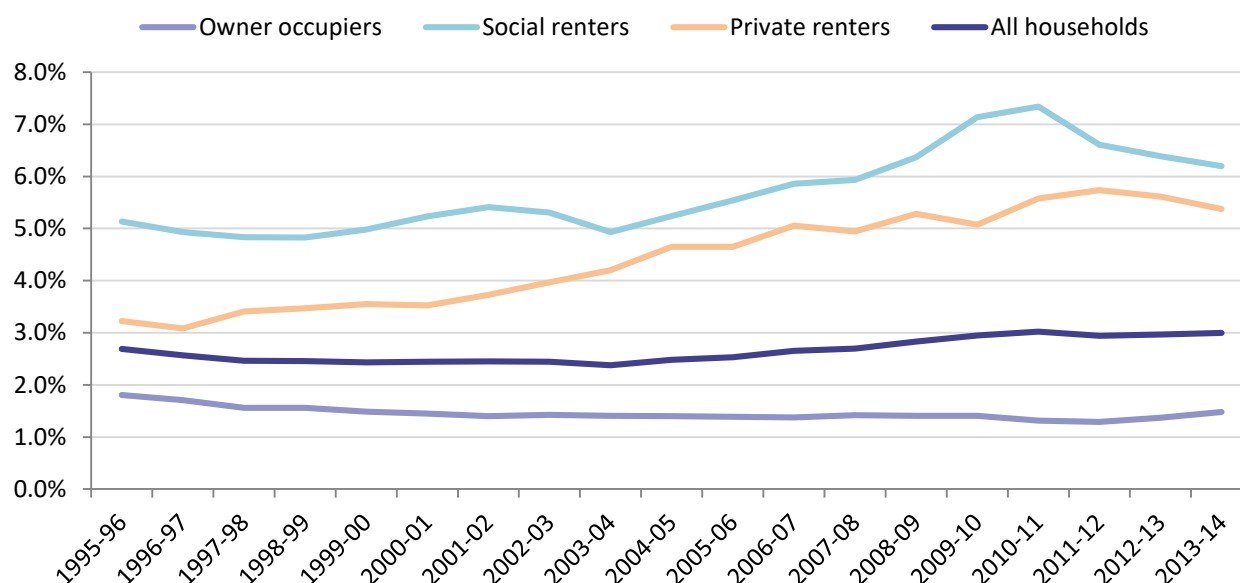
“The ‘bedroom standard’ is used as an indicator of occupation density. A standard number of bedrooms is calculated for each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allowed for each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex, and each pair of children under 10. Any unpaired person aged 10-20 is notionally paired, if possible, with a child under 10 of the same sex, or, if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child under 10.”

¹⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284648/English_Housing_Survey_Headline_Report_2012-13.pdf

“Households are said to be overcrowded if they have fewer bedrooms available than the notional number needed. Households are said to be under-occupying if they have two or more bedrooms more than the notional needed.”

- 3.23 Nationally, overcrowding rates increased for households in both social and private rented housing, although the proportion of overcrowded households has declined in both sectors since 2011. Overcrowding rates for owner occupiers have remained relatively stable since 1995.

Figure 39: Trend in overcrowding rates by tenure (Note: Based on three-year moving average, up to and including the labelled date. Source: Survey of English Housing 1995-96 to 2007-08; English Housing Survey 2008-09 onwards)



- 3.24 Whilst the EHS definition of overcrowding is more stringent than the Census, the measurement closer reflects the definition of statutory overcrowding that was set out by Part X of the Housing Act 1985 and is consistent with statutory Guidance¹⁸ that was issued by CLG in 2012 to which authorities must have regard when exercising their functions under Part 6 of the 1996 Housing Act (as amended).
- 3.25 This Guidance, *“Allocation of accommodation: Guidance for local housing authorities in England”*, recommends that authorities should use the bedroom standard when assessing whether or not households are overcrowded for the purposes of assessing housing need:

4.8 The Secretary of State takes the view that the bedroom standard is an appropriate measure of overcrowding for allocation purposes, and recommends that all housing authorities should adopt this as a minimum. The bedroom standard allocates a separate bedroom to each:

- married or cohabiting couple*
- adult aged 21 years or more*
- pair of adolescents aged 10-20 years of the same sex*
- pair of children aged under 10 years regardless of sex*

- 3.26 The bedroom standard therefore provides the most appropriate basis for assessing overcrowding. By considering the Census and EHS data for England, together with the Census data for Swindon and Wiltshire, we can estimate overcrowding using the bedroom standard. Figure 40 sets out this calculation based on the Census occupancy rating for both rooms and bedrooms. Based on the bedroom standard, it is

¹⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5918/2171391.pdf

estimated that **1,363 owner occupied, 1,152 private rented and 1,817 social rented households were overcrowded** in Swindon & Wiltshire in 2014. Student households have been excluded from this calculation given that their needs are assumed to be transient.

Figure 40: Estimate of the number of overcrowded households in Swindon & Wiltshire by tenure based on the bedroom standard (Source: EHS; UK Census of Population 2011)

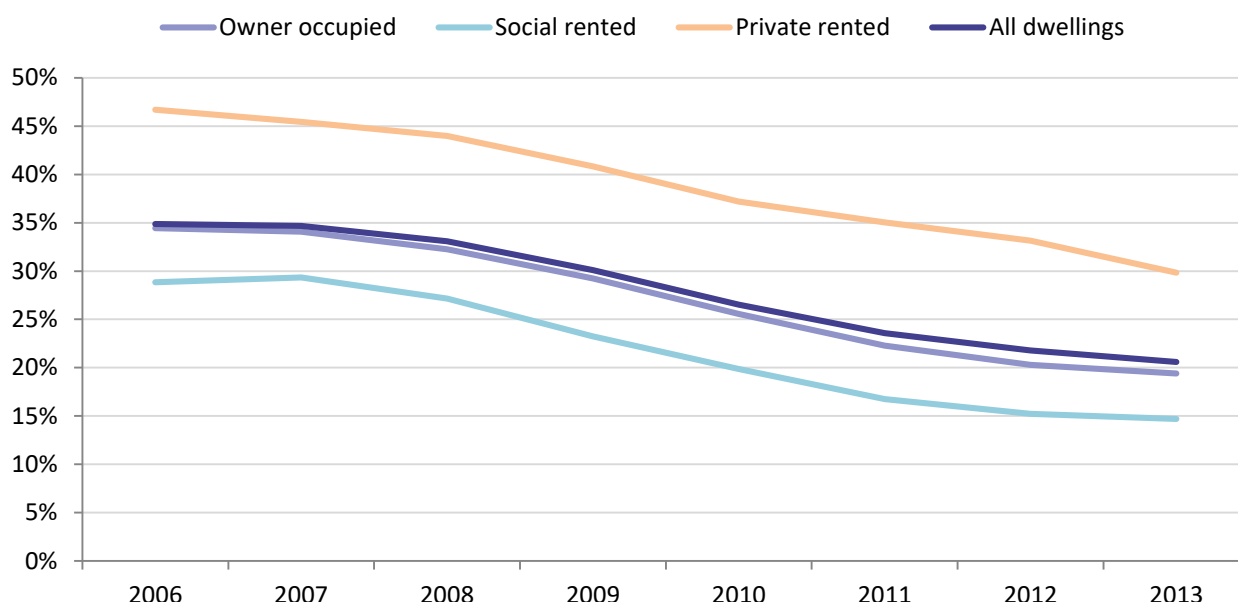
	Owned		Private Rented		Social Rented	
ENGLAND						
EHS bedroom standard 2011						
Percentage of households overcrowded [A]	1.3%		5.6%		7.3%	
Census occupancy rating	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>
Percentage of households overcrowded [B]	2.3%	3.3%	8.8%	20.2%	8.9%	16.9%
Proportion of these overcrowded households based on bedroom standard [C = A ÷ B]	57%	40%	64%	28%	83%	43%
SWINDON & WILTSHIRE						
Census occupancy rating	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>
Number of overcrowded households [D]	2,321	3,584	2,363	5,766	2,760	5,597
Full-time student households [E]	343	363	744	928	311	316
Overcrowded households (excluding students) [F = D - E]	1,978	3,221	1,619	4,838	2,449	5,281
Estimate of overcrowded households based on the bedroom standard [G = C × F]	1,127	1,288	1,036	1,355	2,033	2,271
Estimate of overcrowded households in 2011 based on the bedroom standard (average)	1,208		1,195		2,152	
EHS bedroom standard						
Change in overcrowding from 2011 to 2014	+13%		-4%		-16%	
Estimate of overcrowded households in 2014 based on the bedroom standard	1,363		1,152		1,817	

Housing Condition and Disrepair

- 3.27 The EHS also provides useful information about **housing disrepair**. The EHS headline report for 2013-14 identifies that private rented sector dwellings had the highest rate of disrepair: 7% compared with 4% of owner occupied dwellings and 3% of social sector dwellings.
- 3.28 The Decent Homes Standard provides a broad measure of **housing condition**. It was intended to be a minimum standard that all housing should meet and that to do so should be easy and affordable. It was determined that in order to meet the standard a dwelling must achieve all of the following:
- » Be above the legal minimum standard for housing (currently the Housing Health and Safety Rating System, HHSRS); and
 - » Be in a reasonable state of repair; and
 - » Have reasonably modern facilities (such as kitchens and bathrooms) and services; and
 - » Provide a reasonable degree of thermal comfort (effective insulation and efficient heating).
- 3.29 If a dwelling fails any one of these criteria, it is considered to be “non-decent”. A detailed definition of the criteria and their sub-categories are described in the ODPM guidance: “A Decent Home – The definition and guidance for implementation” June 2006.
- 3.30 Figure 41 shows the national trends in non-decent homes by tenure. It is evident that conditions have improved year-on-year (in particular due to energy efficiency initiatives), however whilst social rented

properties are more likely to comply with the standard, almost a third of the private rented sector (33.1%) remains currently non-decent. This is a trend that tends to be evident at a local level in most areas where there are concentrations of private rented housing, and there remains a need to improve the quality of housing provided for households living in the private rented sector.

Figure 41: Trend in non-decent homes by tenure (Source: English House Condition Survey 2006 to 2007; English Housing Survey 2008 onwards)



Housing Register Data

- 3.31 The local authority **housing register** and **transfer lists** are managed through the *Swindon Homebid* and *Homes 4 Wiltshire* choice-based lettings schemes which cover the whole of Swindon and Wiltshire. Households register for the scheme and ‘bid’ for available homes based on their priority banding.

Note: For the years prior to 2010 Wiltshire UA data is an amalgamation of that for the former districts of Kennet, North Wiltshire, Salisbury or West Wiltshire

Note: Housing Registers are subject to periodic review and/or policy changes over time and this can affect the number of households registered. However, broad long term trends can highlight any increase or decrease in demand.

- 3.32 Figure 42 shows the trend in households on the housing register over the period since 2001:

» **Swindon & Wiltshire:** households on the housing register rose from 11,392 in 2001 to 27,394 by 2014;

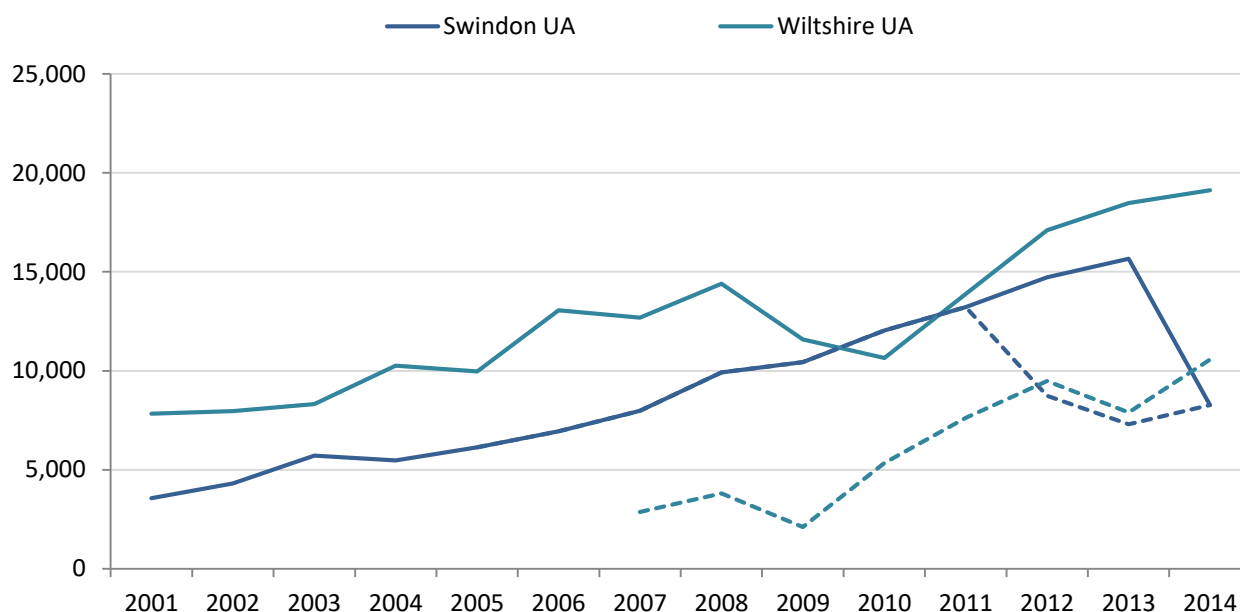
- 3.33 Overall, the trends show that the number of households registering for affordable housing has increased substantially over the last decade, but numbers have declined since 2013.

- 3.34 Figure 42 also show the number recorded in a reasonable preference category since 2007. Reasonable preference categories are defined in the Housing Act 1996, which requires “reasonable preference” for housing to be given to people who are:

» Legally homeless;

- » Living in unsatisfactory housing (as defined by the Housing Act 2004);
- » Need to move on medical/welfare grounds; or
- » Need to move to a particular area to avoid hardship.

Figure 42: Number of households on the housing register 2001-14 (Source: LAHS and HSSA returns to CLG. Note: Solid line shows total number of households; dotted line shows number of households in a reasonable preference category. For the years prior to 2010 Wiltshire UA data is an amalgamation of that for the former districts of Kennet, North Wiltshire, Salisbury or West Wiltshire)



^{3.35} Figure 43 provides further detailed information for the last 2 years. The number of households in **reasonable preference categories** has also been subject to variation from year-to-year, although these have not always followed the trends in the overall number of households on the register. The number of households with a reasonable preference in 2014 was 18,843 which was an increase of 3,659 households on the 2013 total.

Figure 43: Number of households on the housing register at 1st April (Source: LAHS returns to CLG. Note: “*” denotes that the data was unavailable)

	Swindon UA		Wiltshire UA		Swindon & Wiltshire	
	2013	2014	2013	2014	2013	2014
Total households on the housing waiting list	15,668	8,272	18,478	19,122	34,146	27,394
Total households in a reasonable preference category	7,292	8,272	7,892	10,571	15,184	18,843
People currently living in temporary accommodation who have been accepted as being homeless (or threatened with homelessness)	181	200	134	1	315	201
Other people who are homeless within the meaning given in Part VII of the Housing Act (1996), regardless of whether there is a statutory duty to house them	95	0	*	122	*	122
People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions	4	2	2,011	2,586	2,015	2,588
People who need to move on medical or welfare grounds, including grounds relating to a disability	330	353	2,447	2,486	2,777	2,839
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	0	0	*	880	*	880

- 3.36 The number of people recorded by the housing register as homeless or owed a duty under the Housing Act appears to be broadly consistent with the local authority data about homelessness.
- 3.37 Nevertheless, we previously estimated that there were around 4,300 overcrowded households in Swindon & Wiltshire, based on the bedroom standard (Figure 40) – but only 2,588 people were recorded by the housing registers in 2014 as currently *“occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions”*. Therefore, there are likely to be many households who have not registered for affordable housing despite being overcrowded. This will partly reflect their affordability (for example, most owner occupiers would not qualify for rented affordable housing due to the equity in their current home) whilst others may only be temporarily overcrowded and will have sufficient space available once a concealed family is able to leave and establish an independent household.
- 3.38 When considering the types of household to be considered in housing need, the PPG also identified “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” and “households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move”. It is only through the housing register that we are able to establish current estimates of need for these types of household, and not all would necessarily be counted within a reasonable preference category. Nevertheless, there were 2,839 people registered *“who need to move on medical or welfare grounds, including grounds relating to a disability”* and a further 880 *“who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)”*.

Households Unable to Afford their Housing Costs

- 3.39 The PPG emphasises in a number of paragraphs that affordable housing need should only include those households that are unable to afford their housing costs:

Plan makers ... will need to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market (ID 2a-022, emphasis added)

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of ... those that cannot afford their own homes. Care should be taken to avoid double-counting ... and to include only those households who cannot afford to access suitable housing in the market (ID 2a-024, emphasis added)

Projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area (ID 2a-025, emphasis added)

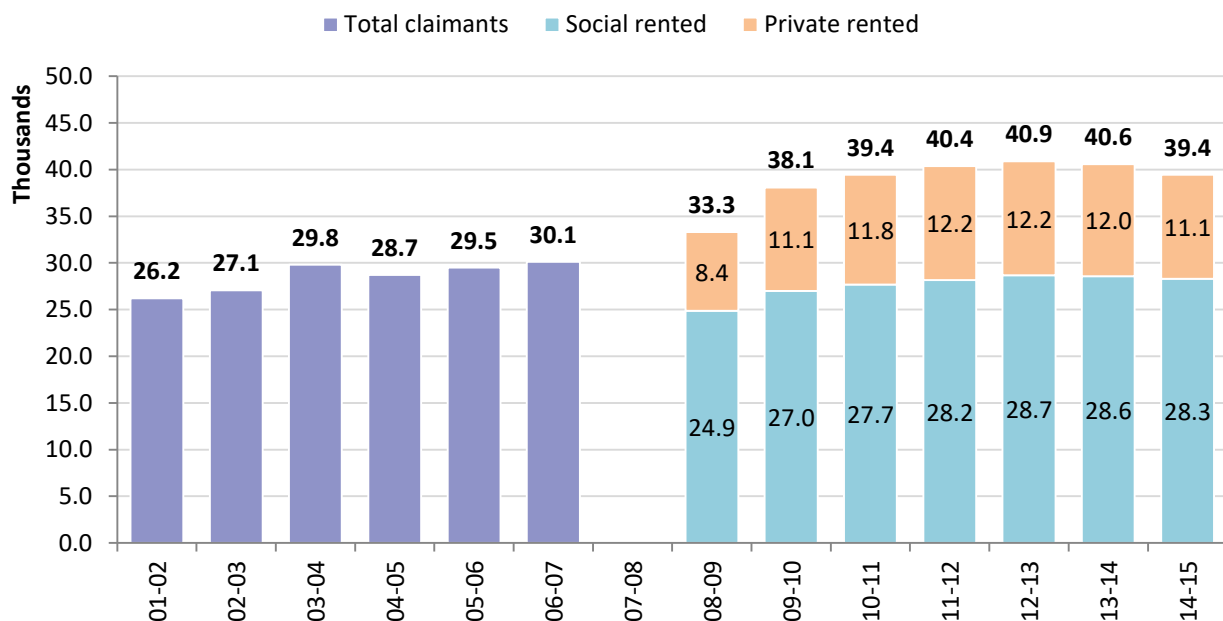
Planning Practice Guidance (March 2014)

- 3.40 Housing benefit data from the Department for Work and Pensions (DWP) provides reliable, consistent and detailed information about the number of families that are unable to afford their housing costs in each local authority area. Data was published annually from 2001-02 to 2006-07 which identified the total number of claimants in receipt of housing benefit, and more detailed information has been available since 2008-09 which includes more detailed information about claimants and the tenure of their home.

Housing Benefit Claimants in Swindon & Wiltshire

- 3.41 Figure 44 shows the trend in the number of housing benefit claimants in Swindon & Wiltshire.

Figure 44: Number of claimants in receipt of housing benefit in Swindon & Wiltshire by tenure (Source: DWP)



- 3.42 The number of housing benefit claimants in Swindon and Wiltshire HMA increased from 26,201 to 39,432 over the period 2001-02 to 2014-15, equivalent to an average annual growth of around 950 families. The largest growth was experienced between 2008-09 and 2009-10, shortly after the “credit crunch”, when the number of claimants increased by about 5,000 families.
- 3.43 Considering the information on tenure, it is evident that the number of claimants in social rented housing increased from 24,880 to 28,300 over the period 2008-09 to 2014-15 – an increase of 3,400 families (14%); however over the same period the number of claimants in private rented housing increased from 8,409 to 11,132 families – an increase of 2,700 families (32%).
- 3.44 This increase in housing benefit claimants, in particular those living in private rented housing, coincides with the increases observed on the housing register. Indeed, it is likely that many households applying for housing benefit would have also registered their interest in affordable housing. Nevertheless, many of them will have secured appropriate housing in the private rented sector which housing benefit enabled them to afford; so not all will necessarily need affordable housing, though many may prefer this type of housing if it were available.
- 3.45 The information published by DWP provides the detailed information needed for understanding the number of households unable to afford their housing costs. Of course, there will be other households occupying affordable housing who do not need housing benefit to pay discounted social or affordable rents but who would not be able to afford market rents. Similarly there will be others who are not claiming housing benefit support as they have stayed living with parents or other family or friends and not formed independent households. However, providing that appropriate adjustments are made to take account of these exceptions, **the DWP data provides the most reliable basis for establishing the number of households unable to afford their housing costs and estimating affordable housing need.**

Establishing Affordable Housing Need

- 3.46 In establishing the Objectively Assessed Need for affordable housing, it is necessary to draw together the full range of information that has already been considered in this report.
- 3.47 PPG sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

How should affordable housing need be calculated?

This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock.

Planning Practice Guidance (March 2014), ID 2a- 022

Current Unmet Need for Affordable Housing

- 3.48 In terms of establishing the **current** unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing.

How should the current unmet gross need for affordable housing be calculated?

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in overcrowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
- » *the number of households from other tenures in need and those that cannot afford their own homes.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance (March 2014), ID 2a-024

- 3.49 Earlier sections of this chapter set out the past trends and current estimates for relevant households based on the data sources identified by PPG. Although this evidence does not provide the basis upon which to establish whether or not households can afford to access suitable housing, we believe that it is reasonable to assume that certain households will be unable to afford housing, otherwise they would have found a more suitable home.

Establishing the Current Unmet Need for Affordable Housing

- 3.50 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 3.51 Given this context, our analysis counts the needs of all of these households when establishing the Objectively Assessed Need for affordable housing.
- 3.52 Only around three fifths of households currently (2014) living in **overcrowded** housing (based on the bedroom standard) are registered in a reasonable preference category, which will partly reflect their affordability. It is likely that most owner occupiers would not qualify for rented affordable housing (due to the equity in their current home); but it is reasonable to assume that households living in overcrowded rented housing are unlikely to be able to afford housing, otherwise they would have found a more suitable home.
- 3.53 Our analysis counts the needs of all households living in overcrowded rented housing when establishing the OAN for affordable housing (which could marginally overstate the affordable housing need) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Swindon and Wiltshire.
- 3.54 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household, and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Councils have a range of statutory enforcement powers to improve housing conditions.
- 3.55 When considering **concealed families**, it is important to recognise that many do not want separate housing. Concealed families with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to experience affordability difficulties or other constraints (although not all will want to live independently).
- 3.56 Concealed families in a reasonable preference category on the housing register will be counted regardless of age, but our analysis also considers the additional growth of concealed families with family representatives aged under 55 (even those not registered on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).
- 3.57 The needs of these households are counted when establishing the OAN for affordable housing and they also add to the OAN for overall housing, as concealed families are not counted by the CLG household projections.

3.58 Figure 45 sets out the assessment of current affordable housing need for Swindon and Wiltshire.

Figure 45: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

	Affordable Housing		Increase in Overall Housing Need
	Gross Need	Supply	
Homeless households in priority need (see Figure 34)			
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	53		53
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	162		
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	127	127	
Households accepted as homeless but without temporary accommodation provided	61		61
Concealed households (see Figure 35)			
Growth in concealed families with family representatives aged under 55	708		708
Overcrowding based on the bedroom standard (see Figure 40)			
Households living in overcrowded private rented housing	1,152		
Households living in overcrowded social rented housing	1,817	1,817	
Other households living in unsuitable housing that cannot afford their own home (see Figure 43)			
People who need to move on medical or welfare grounds, including grounds relating to a disability	2,839	269	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	880	83	
TOTAL	7,799	2,296	822

3.60 Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that there are **7,799 households currently in affordable housing need in the Swindon and Wiltshire HMAs who are unable to afford their own housing**. This assessment is based on the criteria set out in the PPG and avoids double-counting (as far as possible).

3.61 Of these households, 2,296 currently occupy affordable housing that does not meet the households' current needs, mainly due to overcrowding. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. **There is, therefore, a net need from 5,503 households (7,799 less 2,296 = 5,503) who currently need affordable housing and do not currently occupy affordable housing in the Swindon and Wiltshire HMAs** (although a higher number of new homes may be needed to resolve all of the identified overcrowding).

3.62 This number includes 822 households that would not be counted by the household projections. There is, therefore, a need to increase the housing need based on demographic projections to accommodate these additional households.

Projected Future Affordable Housing Need

- 3.63 In terms of establishing **future** projections of affordable housing need, the PPG draws attention to new household formation (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.

How should the number of newly arising households likely to be in housing need be calculated?

Projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need. This process should identify the minimum household income required to access lower quartile (entry level) market housing (plan makers should use current cost in this process, but may wish to factor in changes in house prices and wages). It should then assess what proportion of newly-forming households will be unable to access market housing.

Planning Practice Guidance (March 2014), ID 2a-025

- 3.64 The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis that is consistent with household projections and Objectively Assessed Need. The Model provides robust and credible evidence about the required mix of housing over the full planning period, and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 3.65 The Model uses a wide range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population. A range of assumptions can be varied to enable effective sensitivity testing to be undertaken. In particular, the Model has been designed to help understand the key issues and provide insight into how different assumptions will impact on the required mix of housing over future planning periods.
- 3.66 The Housing Mix Model considers the future number and type of households based on the household projections alongside the existing dwelling stock. Whilst the Model considers the current unmet need for affordable housing (including the needs of homeless households, those in temporary accommodation, overcrowded households, concealed households, and established households in unsuitable dwellings or that cannot afford their own homes), it also provides a robust framework for projecting the future need for affordable housing.

Households Unable to Afford their Housing Costs

- 3.67 PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-025). PPG also emphasises that “Care should be taken ... to include only those households who cannot afford to access suitable housing in the market” (ID 2a-024).
- 3.68 The emphasis here is very different to the previous 2007 SHMA Practice Guidance (now withdrawn), which identified that (page 42):

“A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their gross household income”

- 3.69 Given this context, previous housing needs assessments based on the superseded SHMA guidance counted all households where market rent would exceed 25% of their gross household income as needing affordable housing, even though many such households would in practice spend a higher proportion of their income on rent in order to access market housing. As a consequence, the level of affordable housing need identified by such historic assessments was often very high.
- 3.70 The PPG identifies that it is only the needs of those households who cannot afford to buy or rent housing in the market area that should be counted when assessing affordable housing need; and, unlike the previous SHMA guidance, the PPG does not suggest an income multiplier. In assessing the ability of households to afford, the Model considers **data published by DWP about housing benefit claimants alongside detailed housing tenure information from the 2011 Census** based on the following assumptions:
- » Where households are claiming housing benefit, it is assumed that they cannot afford market housing; and the Model also assumes that households occupying affordable housing will continue to do so; and
 - » Households occupying owner occupied housing and those renting privately who aren't eligible for housing benefit are assumed to be able to afford market housing; so the Model only allocates affordable housing to those established households that the Government deems eligible for housing support through the welfare system.
- 3.71 However, the Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ between age cohorts. Therefore, the affordability percentages in Figure 46 are calculated separately for each household type and age group.

Figure 46: Assessing affordability by household type and age (Source: ORS Housing Model based on Census 2011 and DWP)

	Under 25	25-34	35-44	45-54	55-64	65+
SWINDON UA: Percentage unable to afford market housing						
Single person household	32%	13%	23%	29%	33%	34%
Couple family with no dependent children	17%	5%	8%	9%	9%	13%
Couple family with 1 or more dependent children	56%	26%	12%	9%	12%	33%
Lone parent family with 1 or more dependent children	87%	81%	52%	43%	46%	58%
Other household type	41%	22%	25%	20%	21%	14%
WILTSHIRE UA: Percentage unable to afford market housing						
Single person household	36%	16%	24%	26%	26%	24%
Couple family with no dependent children	20%	7%	8%	9%	7%	10%
Couple family with 1 or more dependent children	51%	27%	13%	9%	11%	27%
Lone parent family with 1 or more dependent children	79%	75%	53%	39%	41%	68%
Other household type	51%	28%	29%	23%	19%	12%

- 3.72 The affordability assessment used by the Model is relatively stringent insofar as it is only households that would be eligible for welfare support that are counted within the identified affordable housing need. There are likely to be other households who are spending more than 25% of their gross income (and sometime much more than this proportion), but who are not eligible for welfare support in relation to their housing. The Model's assessment therefore focusses on those **households with the most acute needs**, and a broader affordability assessment would probably identify a greater number of households needing affordable housing. **The Model therefore identifies a minimum level of affordable housing need.**

Components of Projected Household Growth

- 3.73 PPG identifies that the CLG household projections “*should provide the starting point estimate for overall housing need*” (ID 2a-015) and that “*the 2012-2037 Household Projections ... are the most up-to-date estimate of future household growth*” (ID 2a-016). **However, when considering the number of newly arising households likely to be in affordable housing need**, the PPG recommends a “*gross annual estimate*” (ID 2a-025) suggesting that “*the total need for affordable housing should be converted into annual flows*” (ID 2a-029).
- 3.74 The demographic projections developed to inform the overall Objectively Assessed Need include annual figures for household growth, and these can therefore be considered on a year-by-year basis as suggested by the Guidance; but given that elements of the modelling are fundamentally based on 5-year age cohorts, it is appropriate to annualise the data using 5-year periods.
- 3.75 Figure 47 shows the individual components of annual household growth from the baseline household projections, based on 10-year migration trends for the period 2004-14.

Figure 47: Components of average annual household growth by 5-year projection period (Source: ORS Housing Model)

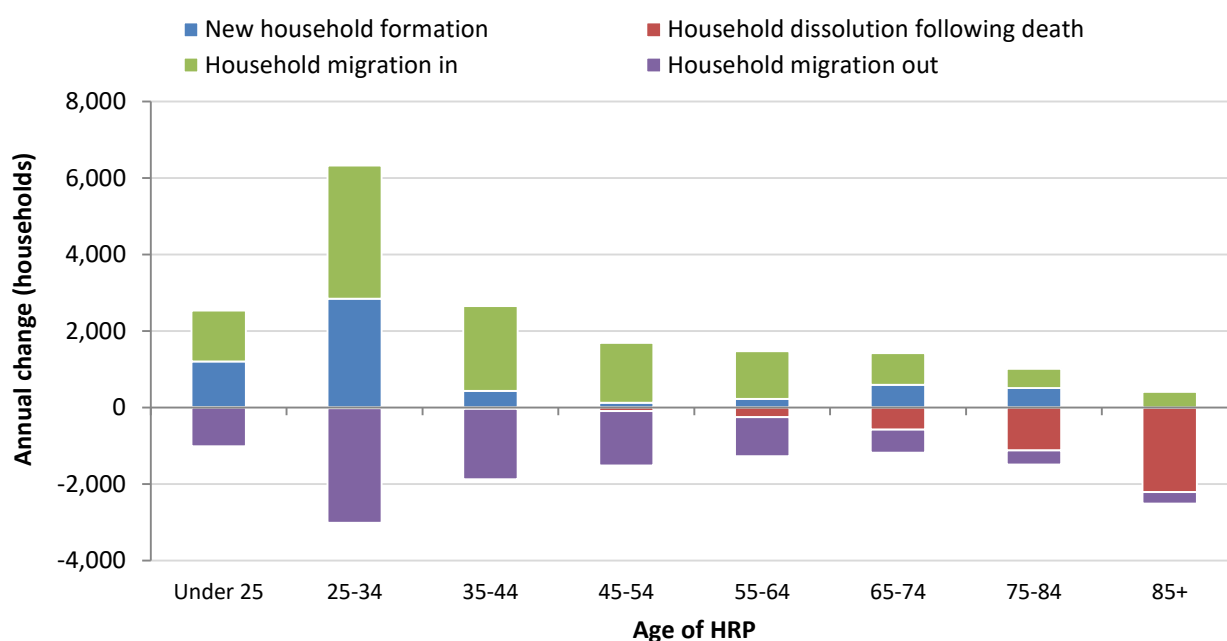
	Annual average for 5-year periods during Plan				Annual average 2016-36
	2016-21	2021-26	2026-31	2031-36	
New household formation	5,888	5,918	6,197	6,519	6,131
Household dissolution following death	4,322	4,605	5,053	5,632	4,903
Net household growth within Swindon & Wiltshire UA	+1,566	+1,312	+1,144	+887	+1,228
Household migration in	11,596	11,798	12,099	12,443	11,985
Household migration out	9,577	9,811	10,062	10,364	9,954
Net household migration	+2,019	+1,987	+2,038	+2,080	+2,031
Total household growth	+3,585	+3,299	+3,181	+2,967	+3,258

- 3.76 Over the initial 5-year period (2016-21) the model shows that:
- » There are projected to be 5,888 new household formations each year; but this is offset against 4,322 household dissolutions following death – so there is an **average net household growth of 1,566 households** locally in Swindon and Wiltshire HMAs;
 - » There are also projected to be 11,596 households migrating to Swindon and Wiltshire HMAs offset against 9,577 households migrating away from the area – which yields an **increase of 2,019 households attributable to net migration**;
 - » The total household growth is therefore **projected to be 3,585** (1,566 plus 2,019 = 3,585) **households each year** over the initial 5-year period of the projection.
- 3.77 During the course of the full projection period, net household growth within Swindon and Wiltshire HMAs is projected to be higher in the early part of the projection period than in the later years. This is despite gross household formation being projected to increase, due to a larger number of households projected to dissolve over the projection period.
- 3.78 Over the 20-year period 2016-36, total **household growth averages 3,258 households** each year with an average annual net growth of 1,228 households within the HMA and a net gain of 2,031 households based on migration.

Change in Household Numbers by Age Cohort

- 3.79 To establish the **proportion of newly forming households unable to buy or rent** in the market area, it is necessary to consider the characteristics of the 5,888 new households projected to form in Swindon and Wiltshire each year over the period 2016-21 (Figure 47) alongside the detailed information about household affordability (Figure 46).
- 3.80 Figure 48 shows the age structure of each of the **components of household change**. Note that this analysis is based on changes within each age cohort, so comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 48: Annual change in household numbers in each age cohort by age of HRP (Source: ORS Housing Model)



- 3.81 Together with information on household type, this provides a framework for the Model to establish the proportion of households who are unable to afford their housing costs.
- 3.82 The Model identifies that 29% of all newly forming households are unable to afford their housing costs, which represents 1,717 households each year (Figure 49). The Model shows that a lower proportion of households migrating to the area are unable to afford (24%), but this represents 2,804 households moving in to the area. Some of these households will be moving to social rented housing, but many others will be renting housing in the private rented sector with housing benefit support. **Together, there are 4,521 new households each year who are unable to afford their housing costs.**

Figure 49: Affordability of new households over the initial 5-year period 2016-21 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	5,888	4,171	1,717	29%
Households migrating in to the area	11,596	8,791	2,804	24%
All new households	17,484	12,962	4,521	26%

- 3.83 Having established the need for affordable housing and the dwellings likely to be vacated, the PPG suggests that the total net need can be calculated by subtracting *“total available stock from total gross need”* (ID 2a-029), **but this over-simplifies what is a very complex system.**
- 3.84 It is essential to recognise that some households who are unable to buy or rent in the market area when they first form may become able to afford their housing costs at a later date – for example:
- » Two newly formed single person households may both be unable to afford housing, but together they might create a couple household that can afford suitable housing;
 - » Similarly, not all households that are unable to afford housing are allocated affordable housing;
 - » Some will choose to move to another housing market area and will therefore no longer require affordable housing.
- 3.85 In these cases, and others, the gross need will need adjusting.
- 3.86 The Model recognises these complexities, and through considering the need for affordable housing as part of a whole market analysis, it maintains consistency with the household projections and avoids any double counting.
- 3.87 Considering those components of household change which reduce the number of households resident in the area, the Model identifies **4,322 households are likely to dissolve** following the death of all household members. Many of these households will own their homes outright; however 19% are unable to afford market housing: most living in affordable housing.
- 3.88 When considering **households moving away** from the Swindon and Wiltshire HMAs, the Model identifies that an average of 9,577 households will leave the area each year. Some will be leaving social rented housing, which will become available for another household needing affordable housing. Whilst others will not vacate a social rented property, those unable to afford their housing costs will have been counted in the estimate of current need for affordable housing or at the time they were a new household (either newly forming or migrating into the area). Whilst some of these households might prefer to stay in the area if housing costs were less expensive or if more affordable housing was available, given that these households are likely to move from the HMA it is appropriate that their needs are discounted.
- 3.89 Figure 50 summarises the total household growth. This includes the 4,521 new households on average each year who are unable to afford their housing costs, but offsets this against the 3,138 households who will either vacate existing affordable housing or who will no longer constitute a need for affordable housing in the Swindon and Wiltshire HMAs (as they have moved to live elsewhere).

Figure 50: Components of average annual household growth 2016-21 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	5,888	4,171	1,717	29%
Households migrating in to the area	11,596	8,791	2,804	24%
All new households	17,484	12,962	4,521	26%
Household dissolutions following death	4,322	3,483	839	19%
Households migrating out of the area	9,577	7,277	2,299	24%
All households no longer present	13,899	10,760	3,138	23%
Average annual household growth 2016-21	+3,585	+2,202	+1,383	39%

- 3.90 Overall, the Model projects that household growth will yield a net increase of 1,383 households on average each year (over the period 2016-36) who are unable to afford their housing, which represents 39% of the 3,585 total household growth for this period.

Projecting Future Needs of Existing Households

- 3.91 PPG also identifies that in addition to the needs of new households, it is also important to estimate “the number of existing households falling into need” (ID 2a-025). Whilst established households that continue to live in Swindon and Wiltshire will not contribute to household growth, changes in circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the Model, and it is **estimated that an average of 755 established households fall into need each year** in the HMAs. This represents a rate of 2.6 per 1,000 household falling into need each year.
- 3.92 Finally, whilst the PPG recognises that established households’ circumstances can deteriorate such that they fall into need, it is also important to recognise that **established households’ circumstances can improve**. For example:
- » When two people living as single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately). Figure 46 showed that 32% of single person households aged under 25 could not afford housing, compared to 17% of couples of the same age; and for those aged 25 to 34, the proportions were 13% and 5% respectively.
 - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period. Figure 46 showed that 26% of couple families with dependent children aged 25 to 34 could not afford housing, compared to 12% of such households aged 35 to 44.
- 3.93 Given this context, it is clear that **we must also recognise these improved circumstances which can reduce the need for affordable housing over time**, as households that were previously counted no longer need financial support. The Model identifies that the circumstances of **1,265 households improve each year** such that they become able to afford their housing costs despite previously being unable to afford. This represents a rate of 4.3 per 1,000 household climbing out of need each year.
- 3.94 Therefore, considering the overall changing needs of existing households, **there is an average net reduction of 510 households** (1,265 less 755 = 510) **needing affordable housing each year**.

Projecting Future Affordable Housing Need (average annual estimate)

^{3.95} Figure 51 provides a comprehensive summary of all of the components of household change that contribute to the projected level of affordable housing need. More detail on each is provided earlier in this Chapter.

Figure 51: Components of average annual household growth 2016-21 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	5,888	4,171	1,717	29%
Households migrating in to the area	11,596	8,791	2,804	24%
All new households	17,484	12,962	4,521	26%
Household dissolutions following death	4,322	3,483	839	19%
Households migrating out of the area	9,577	7,277	2,299	24%
All households no longer present	13,899	10,760	3,138	23%
Average annual household growth 2016-21	+3,585	+2,202	+1,383	39%
Existing households falling into need	-	-755	+755	100%
Existing households climbing out of need	-	+1,265	-1,265	0%
Change in existing households	-	+510	-510	-
Average annual future need for market and affordable housing 2016-21	+3,585	+2,712	+873	24%

^{3.96} Overall, there is a projected need from **4,521 new households who are unable to afford their housing costs** (1,717 newly forming households and 2,804 households migrating to the area) each year; however, **3,138 households will either vacate existing affordable housing or will no longer need affordable housing** in the Swindon and Wiltshire HMAs (as they have moved to live elsewhere) **thereby reducing the new need to a net total of 1,383 households.**

^{3.97} Considering the needs of existing households, there are 755 households expected to fall into need each year (a rate of 2.6 per 1000 households) but this is offset against 1,265 households whose circumstances are projected to improve. There is, therefore, an **average net reduction of 510 existing households that need affordable housing each year.**

^{3.98} Based on the needs of new households and existing households, there is a **projected increase of 873 households each year on average for the initial period 2016-21 who will need affordable housing** (1,383 less 510 = 873).

^{3.99} Using the approach outlined above for the initial 5-year period of the projection, the Model also considers the need for affordable housing over the 20-year period 2016-36 based on the scenario which assumes migration trends from the period 2004-14. The Model identifies that the **need for affordable housing will increase by 17,253 households over the period 2016-36; an annual average of 862 households per year.**

Assessing the Overall Need for Affordable Housing

^{3.100} Figure 52 brings together the information on assessing the unmet need for affordable housing in 2016, and the future affordable housing need arising over the 20-year period 2016-36.

Figure 52: Assessing total need for market and affordable housing with household projections based on baseline migration trends (2004-14) (Source: ORS Housing Model)

	Housing Need (households)		Overall Housing Need
	Market housing	Affordable housing	
Unmet need for affordable housing in 2016 (see Figure 45)			
Total unmet need for affordable housing	-	7,799	7,799
Supply of housing vacated	4,681	2,296	6,977
Overall impact of current affordable housing need	-4,681	5,503	822
Projected future housing need 2016-36			
Newly forming households	87,157	35,453	122,609
Household dissolutions following death	80,974	17,088	98,061
Net household growth within Swindon and Wiltshire UA	6,183	18,365	24,548
Impact of existing households falling into need	-16,084	16,084	-
Impact of existing households climbing out of need	28,472	-28,472	-
Impact of households migrating to/from the area	29,338	11,276	40,615
Future need for market and affordable housing 2016-36	47,910	17,253	65,163
Total need for market and affordable housing			
Projected impact of affordable housing need in 2016	-4,681	5,503	822
Future need for market and affordable housing 2016-36	47,910	17,253	65,163
Total need for market and affordable housing	43,229	22,756	65,985
Average annual need for housing	+2,162	+1,138	+3,300
Proportion of need for market and affordable housing	65.5%	34.5%	100.00%

^{3.101} Figure 45 estimated there to be **7,799 households in need of affordable housing in 2016**. However, as 2,296 of these already occupied an affordable home, our previous conclusion was therefore a net need from 1,490 households (7,799 less 2,296 = 5,503) who need affordable housing and do not currently occupy affordable housing in the Swindon and Wiltshire HMAs.

^{3.102} The 20-year projection period 2016-36 then adopts the approach that was previously outlined for the initial 5-year period of the projection. Based on the higher demographic projection (the alternative scenario assuming migration trends for the period 2004-14), the Model identifies that **the number of households in need of affordable housing will increase by 17,253 households over the period 2016-36**, alongside an increase of 47,910 households able to afford market housing.

^{3.103} Overall, there will be a **need to provide additional affordable housing for 22,756 households** over the period 2016-36. Data from CLG Local Authority Housing Statistics and HCA Statistical Data Return identify a vacancy rate of 1.3% for affordable housing in Swindon and Wiltshire UA, therefore adding an additional allowance for vacancies this **identifies a total affordable housing need of 23,053 dwellings** in addition to the current stock, an average of 1,153 dwellings per year. **Any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.**

Need by Local Authority Area

^{3.104} Figure 53 sets out the current unmet need for affordable housing and projected future affordable housing need for the 20-year period 2016-36 for each of the two local authority areas with household projections based on migration trends for the period 2004-14).

Figure 53: Assessing affordable housing need by local authority with household projections based on migration trends 2004-14
(Source: ORS Housing Model)

	Affordable Housing Need (households)		
	Swindon UA	Wiltshire UA	TOTAL
Unmet need for affordable housing in 2016			
Total unmet need for affordable housing	1,922	5,877	7,799
Supply of housing vacated	673	1,623	6,977
Overall impact of current affordable housing need	1,248	4,255	5,503
Future need for affordable housing 2016-36 based on alternative migration trends (2004-14)	7,132	10,121	17,253
Total need for affordable housing 2016-36	8,380	14,376	22,756
Percentage of overall housing need	31.0%	36.9%	34.5%

^{3.105} The highest level of affordable housing need is in Wiltshire (14,376 households) equivalent to over a third of the overall housing need (36.9%). Affordable housing need in Swindon is 8,380 households, which represents a lower proportion of overall housing need (31.0%).

Future Policy on Housing Benefit in the Private Rented Sector

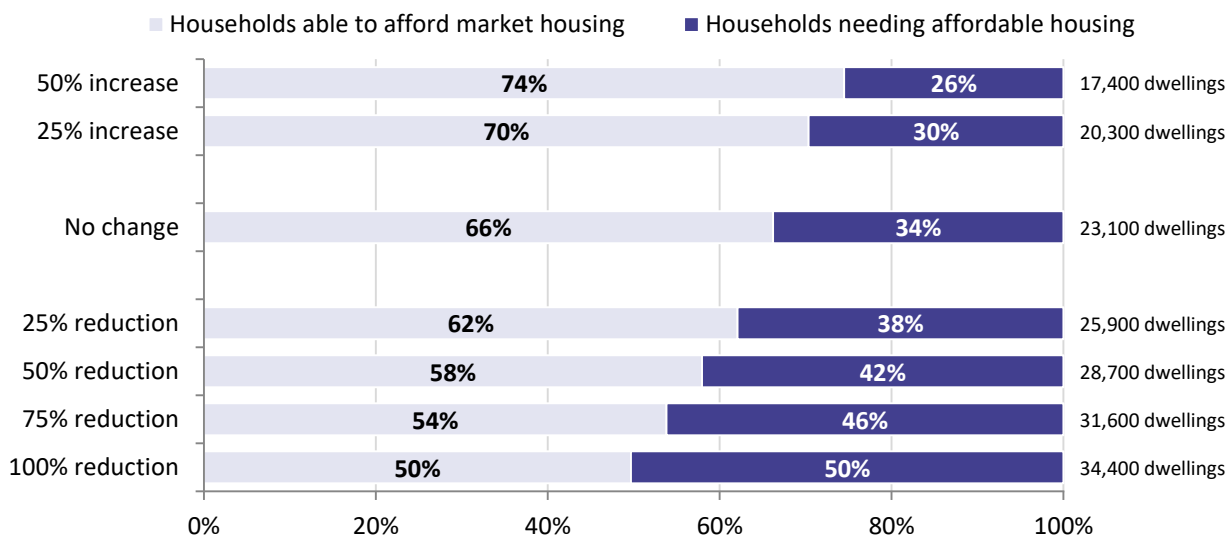
^{3.106} The Model also recognises **the importance of housing benefit and the role of the private rented sector**. The Model assumes that the level of housing benefit support provided to households living in the private rented sector will remain constant; however this is a national policy decision which is not in the control of the Councils.

^{3.107} It is important to note that private rented housing (with or without housing benefit) does not meet the definitions of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

^{3.108} The model adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The model does not count any dwellings in the private rented sector as affordable housing supply;** however it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.

^{3.109} To sensitivity test this position, Figure 54 shows the impact of reducing (or increasing) the number of households receiving housing benefit to enable them to live in the private rented sector.

Figure 54: Theoretical impact of reducing or increasing Housing Benefit support for households living in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2013-33 and associated number of affordable dwellings



^{3.110} If no households were to receive housing benefit support in the private rented sector, a half (50%) of dwellings would need to be provided as affordable housing; a total of 34,400 affordable homes over the 20-year period 2016-36.

^{3.111} The Summer 2015 Budget introduced a four-year freeze to local housing allowance rates together with changes to the benefit cap, however this typically affects the amount of housing benefit paid rather than the number of households (although there were eligibility changes for those aged under 21). It will be necessary for the local planning authorities to consider the impact of these changes when determining the most appropriate affordable housing targets.

Conclusions

^{3.112} Based on the household projections previously established, we have established the balance between the need for market housing and the need for affordable housing. This analysis has identified a need to increase the overall housing need by 882 households to take account of concealed families and homeless households that would not be captured by the household projections.

^{3.113} **The housing mix analysis identified a need to provide additional affordable housing for 22,756 households over the 20-year period 2016-36. This yields a total affordable housing need of 23,053 dwellings, equivalent to 1,153 dwellings per year.** This would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.

^{3.114} However, it is important to recognise that this need is based on a relatively stringent assessment of affordability insofar as it is only households that would be eligible for welfare support that are counted within the identified affordable housing need. There are likely to be other households who are spending a high proportion of their gross income on housing costs but who are not eligible for welfare support (in terms of their housing) and are therefore not counted. Given that the assessment focusses on only those **households with the most acute housing needs, the affordable housing need identified should be considered as a minimum.**

- ^{3.115} Furthermore, the analysis also assumes that the level of housing benefit support provided to households living in the private rented sector remains constant. Private rented housing (with or without housing benefit) does not meet the definitions of affordable housing and is not counted as affordable housing supply; however, households in receipt of housing benefit are assumed be able to afford their housing costs, so they are not counted towards the need for affordable housing. Nevertheless, if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
- ^{3.116} Providing sufficient affordable housing for all of households in receipt of housing benefit in the private rented sector would increase the need to around 34,400 affordable homes over the 20-year period (1,720 each year); but it is important to recognise that, in this scenario, the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market and this is likely to have significant consequences which would be difficult to predict.
- ^{3.117} As policy decisions about housing benefit support provided to households living in the private rented sector are determined by the Government, it will be necessary for the local planning authorities to consider the possible impact of any changes when determining the most appropriate affordable housing targets for the area.

4. Objectively Assessed Housing Need

Analysing the evidence to establish overall housing need

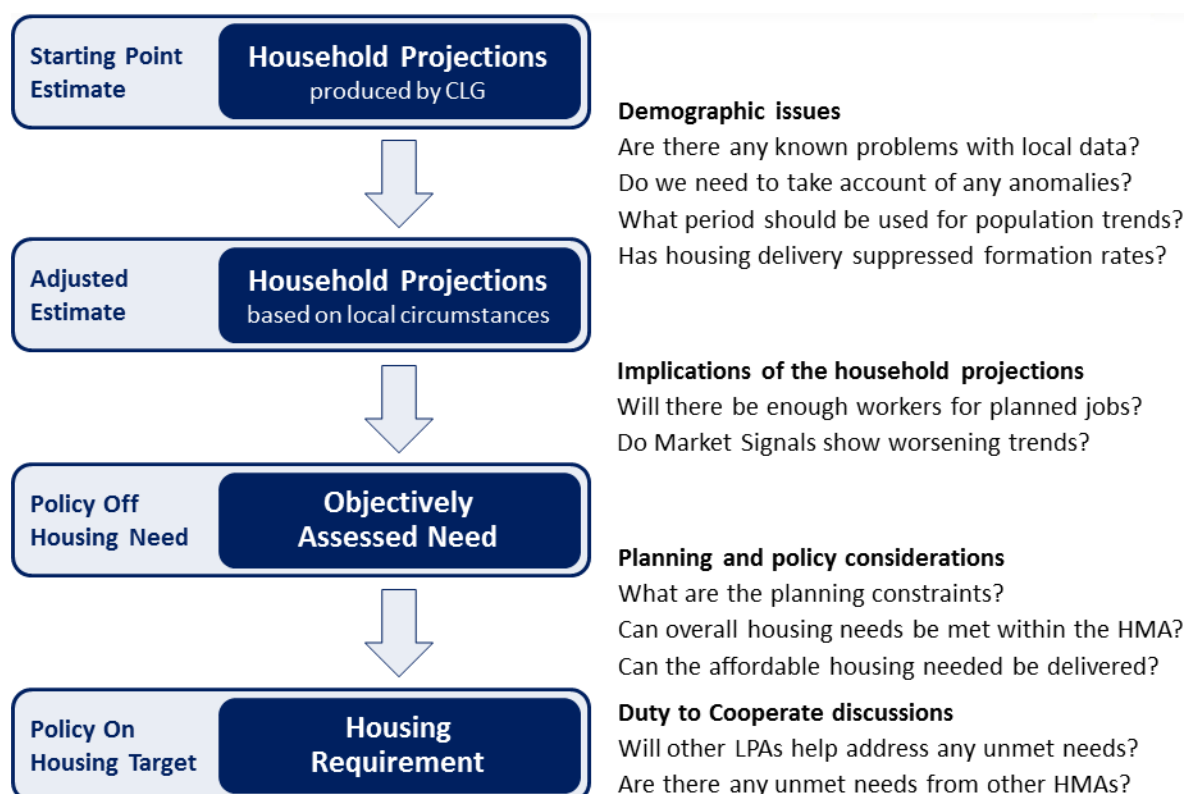
- 4.1 A key objective of this study is to establish the Objectively Assessed Need (OAN) for housing. The OAN identifies the future quantity of housing that is likely to be needed (both market and affordable) in the Housing Market Areas (HMAs) over the future plan period. It is important to recognise that the OAN does not take account of any possible constraints to future housing supply. Such factors will be subsequently considered by the local planning authorities before establishing the final Housing Requirement.

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, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.

Planning Practice Guidance (March 2014), ID 2a-004

- 4.2 Figure 55 sets out the process for establishing the housing number for the HMA. It starts with a demographic process to derive housing need from a consideration of population and household projections. To this, external market and macro-economic constraints are applied ('Market Signals') in order to ensure that an appropriate balance is achieved between the demand for and supply of dwellings.

Figure 55: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG)



National Context for England

- 4.3 The NPPF requires Local Planning Authorities to “ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area” and “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” (paragraphs 47 and 159).
- 4.4 PPG further identifies that “household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need ... The 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth” (ID 2a-015 to 016).

Household Growth

- 4.5 The 2012-based CLG household projections show that the number of households in England will increase from 22.3 million to 27.5 million over the period 2012 to 2037. This represents a growth of 5.2 million households over 25 years, equivalent to an annual average of 210,000 households each year, and this provides the starting point estimate of overall housing need for England.
- 4.6 It should be noted that the annual average of 210,000 households is already much higher than current housing delivery: CLG data for April 2013 to March 2014 identifies that construction started on 133,900 dwellings and 112,400 dwellings were completed during the year. Therefore, to build sufficient homes to meet annual household growth would require housebuilding to increase by 57% – so providing for household growth in itself would require a significant step-change in the number of homes currently being built.

International Migration

- 4.7 The 2012-based CLG household projections are based on the ONS 2012-based sub-national population projections. These projections identify an average net gain of 151,600 persons each year due to international migration, and a net loss of 6,400 persons each year from England to other parts of the UK. Therefore, the 2012-based projections are based on net migration averaging 145,100 persons each year.
- 4.8 However, these estimates for future international migration may be too low. Oxford University research (March 2015) showed net international migration to be 565,000 persons over the 3-year period 2011-14, an average of 188,300 per annum; and net migration to England averaged 211,200 persons annually between the Census in 2001 and 2011. Both figures suggest that the 2012-based SNPP may underestimate international migration, which would have knock-on implications for projected population growth.
- 4.9 As previously noted, longer-term projections typically benefit from longer-term trends and therefore ORS routinely consider migration based on trends for the 10-year period 2001-11. On this basis, our trends are based on a period when net migration to England averaged 211,200 persons each year: 66,100 persons higher than assumed by the 2012-based SNPP, which represents an additional 29,000 households each year based on CLG average household sizes. Therefore, the approach taken for establishing migration based on longer-term trends would increase household growth for England from 210,000 households to 239,000 households each year on average.

Market Signals

- 4.10 The NPPF also sets out that *“Plans should take account of market signals, such as land prices and housing affordability”* (ID 2a-017) and PPG identifies that *“the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals”*.
- 4.11 The market signals identified include land prices, house prices, rents, affordability and the rate of development; but there is no formula that can be used to consolidate the implications of this data. Nevertheless, the likely consequence of housing affordability problems is an increase in overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation. PPG identifies that these indicators *“demonstrate un-met need for housing”* and that *“longer term increase in the number of such households may be a signal to consider increasing planned housing numbers”* (ID 2a-019).
- 4.12 The Census identified that the number of concealed families living in England increased from 161,000 families to 276,000 families over the decade 2001 to 2011, which represents a growth of 115,000 families over 10 years. Although many concealed families do not want separate housing (in particular where they have chosen to live together as extended families), others are forced to live together due to affordability difficulties or other constraints – and these concealed families will not be counted as part of the CLG household projections.
- 4.13 Concealed families with older family representatives will often be living with another family in order to receive help or support due to poor health. Concealed families with younger family representatives are more likely to demonstrate un-met need for housing. When we consider the growth of 115,000 families over the period 2001-11, over three quarters (87,100) have family representatives aged under 55, with substantial growth amongst those aged 25-34 in particular. This is a clear signal of the need to increase the planned housing numbers in order to address the increase in concealed families over the last decade and also factor in their impact on current and future average household sizes.
- 4.14 Addressing the increase in concealed families would increase projected household growth by 87,100 over the 25-year period, an average of 3,500 households each year over the period 2012-37 (or higher if the need is addressed over a shorter period). Therefore, adjusting for longer-term migration trends and taking account of the market signals uplift for concealed families yields an average household growth for England of 242,500 each year.

Converting to Dwellings

- 4.15 Finally, in converting from households to dwellings we need to allow for a vacancy and second home rate as not all dwellings will be occupied. At the time of the 2011 Census this figure was 4.3% of all household spaces in England: we have applied this to future household growth, and on this basis the growth of 242,500 households would require the provision of **253,400 dwellings each year across England**. This is the average number of dwellings needed every year over the 25-year period 2012-37 and represents a 1.1% increase in the dwelling stock each year.
- 4.16 This takes account of household growth based on CLG 2012-based projections (the starting point); adjusts for long-term migration trends which assume a higher rate of net migration to England; responds to market signals through providing for the growth of concealed families; and takes account of vacant and second homes.

- 4.17 Whilst the uplift for market signals represents less than 2% of the projected household growth, the household growth itself is much higher than current rates of housing delivery. **The identified housing need of 253,400 dwellings requires current housebuilding rates to increase by 89%** (based on dwelling starts in 2013-14).
- 4.18 Development industry campaigners (such as Homes for Britain¹⁹) are supporting a position which requires 245,000 homes to be built in England every year, a figure derived from the Barker Review (2004)²⁰. It is evident that objectively assessed need based on household projections which take account of longer-term migration trends together with a market signals adjustment for concealed families exceeds this target, so any further increase in housing numbers at a local level (such as adjustments which might be needed to deliver more affordable housing or provide extra workers) must be considered in this context.

Establishing Objectively Assessed Need for Swindon & Wiltshire HMAs

- 4.19 The earlier part of this Chapter sets out the context for national change in households, and the underlying complexities and features around this. We now move on to the position for Swindon & Wiltshire HMAs. Our approach for this section follows the format of the earlier section, albeit with specific reference to the Swindon & Wiltshire HMAs. Essentially, therefore, this section is concerned with:
- » CLG 2012-based household projections (the starting point);
 - » Migration adjustments, based on Census, for longer-term migration trends (which incorporate higher international migration rates and correct for errors in previous population estimates);
 - » Market signals, including an uplift for concealed families;
 - » Converting from household growth to a requirement for dwellings, taking account of vacancies and second homes.
- 4.20 In addition, we consider employment trends and the relationship between the jobs forecast and projected number of workers, and the need for affordable housing.

CLG Household Projections

- 4.21 The “starting point” estimate for OAN is the CLG household projections, and the latest published data is the 2012-based projections for period 2012-37. These projections suggest that household numbers across the study area will increase by 56,040 over the 20-year period 2016-36, an average of 2,824 per year.
- 4.22 However, the notes accompanying the CLG Household Projections explicitly state that:
- “The 2012-based household projections are linked to the Office for National Statistics 2012-based sub-national population projections. **They are not an assessment of housing need or do not take account of future policies, they are an indication of the likely increase in households given the continuation of recent demographic trends.**”*
- 4.23 The ONS 2012-based sub-national population projections are based on migration trends from the 5-year period before the projection base date; so trends for the period 2007-2012. Short-term migration trends are generally not appropriate for long-term planning, as they risk rolling-forward rates that are unduly high

¹⁹ <http://www.homesforbritain.org.uk>

²⁰ http://webarchive.nationalarchives.gov.uk/+/http://www.hmtreasury.gov.uk/barker_review_of_housing_supply_recommendations.htm

or unduly low. Projections based on long-term migration trends are likely to provide a more reliable estimate of future households.

Adjustments for Local Demographic Factors

- 4.24 ORS has calculated household projections based on local circumstances. Consistent with PAS advice, these are based on longer-term migration trends; with a baseline projection based on migration trends for the 10-year period 2004-2014. These projections based on local circumstances also take full account of errors in the trend-based data for Swindon and Wiltshire. These problems were identified by the 2011 Census, however administrative data sources also show that systematic problems continue to affect more recent data.
- 4.25 On the basis of these 10-year migration trends, household numbers across the study area are projected to increase by 65,150 households over the 20-year period 2016-36. This is higher than the CLG starting point due to the underlying population projections and the associated patterns of migration.
- 4.26 **Providing for this increase yields a housing need of 67,600 dwellings over the period 2016-36, an average of 3,380 dwellings each year across Swindon and Wiltshire. The annual housing need based on demographic projections for Swindon is 1,377 dwellings, and for Wiltshire is 2,003 dwellings.**
- 4.27 As these projections are based on long-term migration trends and take full account of local demography issues, these give the most reliable and appropriate demographic projections for establishing housing need.

Affordable Housing Need

- 4.28 The SHMA has undertaken a comprehensive analysis of the existing unmet need for affordable housing in chapter 4. This analysis identified that **overall housing need should be increased by 822 households** to take account of **concealed families** and **homeless households** that would not be captured by the household projections. When the unmet needs from existing households living in unsuitable housing were also included, the analysis established an overall need from 7,799 households in need of affordable housing in 2016.
- 4.29 Nevertheless, 2,296 of these households already occupy an affordable home (albeit unsuitable for their current needs) – so the home that will be vacated when their needs are resolved must be offset against the overall need to establish the unmet need. **There is an unmet need from 5,503 households (7,799 less 2,296 = 5,503) who will need affordable housing at the start of the Plan period and do not already occupy affordable housing in the Swindon and Wiltshire HMAs.**
- 4.30 Based on the household projections, the SHMA has established the balance between the future need for market housing and affordable housing. The 20-year projection identifies that the number in need of affordable housing will increase by 17,253 households over the period 2016-36. **Overall, there will be a need to provide additional affordable housing for 22,756 households.** Figure 56 summarises the overall need for market housing and affordable housing over the 20-year period 2016-36 in terms of the projected number of households.

Figure 56: Summary of housing need based on household projections (taking account of suppressed household formation) by local authority (Source: ORS Housing Model)

	Swindon	Wiltshire	TOTAL
HOUSEHOLDS			
Market Housing	18,294	24,113	42,407
Affordable Housing	8,380	14,376	22,756
Total	26,674	38,489	65,163
<i>Percentage of overall housing need</i>	31.0%	36.9%	34.5%

- 4.31 This would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but assumes that the level of housing benefit support provided to households living in the private rented sector remains constant. Furthermore, any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.

Employment Trends

- 4.32 While demographic trends are key to the assessment of OAN, it is also important to consider current Employment Trends and how the projected growth of the economically active population fits with the future changes in job numbers.

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.

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.

Planning Practice Guidance (March 2014), ID 2a-018

- 4.33 As previously noted, an Economic Development Needs Assessment has been undertaken by Hardisty Jones Associates (HJA) alongside the SHMA to inform the alignment between jobs and workers. The two studies have been jointly prepared to ensure consistency in the assumptions taken in relation to future jobs and workers.
- 4.34 The SHMA demographic analysis in Chapter 2 identified that the economically active population would increase by between around 40,200 people across Swindon and Wiltshire over the 20-year period 2016-36 (Figure 28); and the future number of workers should also be considered on this basis.
- 4.35 The future number of jobs were considered by the Economic Development Needs Assessment based on forecasts from both Oxford Economics and Cambridge Econometrics over the same period. This information was considered alongside past trends, and concluded that the total number of jobs across Swindon and Wiltshire was also likely to increase by around 40,200 over the 20-year period 2016-36. However, although the overall increase in jobs is broadly consistent with the projected increase in workers across the combined area, it is also necessary to consider the balance between jobs and workers in each of the identified housing market areas.

4.36 Comparing the additional jobs and workers for the 20-year period 2016-36 based on the four separate housing market areas:

- » **Chippenham HMA:** the economic forecasts identify an additional 8,300 jobs compared to the demographic projections showing an increase of around 13,500 workers;
- » **Salisbury HMA:** the economic forecasts identify 11,400 more jobs, which is notably higher than the increase of around 3,900 workers in the demographic projections (which includes the specific increase in service personnel expected to be housed in Single Living Accommodation);
- » **Swindon HMA:** the economic forecasts suggest a growth of around 15,000 extra jobs compared to an increase of 13,800 workers; and
- » **Trowbridge HMA:** the economic forecasts identify approaching 5,500 jobs, which is notably lower than the increase of almost 9,000 extra workers identified by the demographic projections.

4.37 Of course, this does not take account of the impact of commuting from outside the study area or the impact of commuting between the individual housing markets. Considering the existing commuting patterns for Swindon and Wiltshire, we can conclude:

- » **Out-commuting:** Based on 2011 Census commuting flows, 81.9% of working residents in Swindon and Wiltshire are employed in one of the four housing market areas identified. This implies that 18.9% commute to jobs outside Swindon and Wiltshire. Therefore, of the additional 40,200 workers projected to live in the area, we would expect 33,600 (81.9%) would work locally and 6,600 (18.9%) would commute outside of the area. On this basis, we have assumed that the number of workers that out-commute from to work elsewhere will increase by 6,600 over the 20-year period 2016-36.
- » **In-commuting:** at the time of the 2011 Census, 13.8% of jobs in Swindon and Wiltshire were filled by people travelling in from other authorities. Therefore, a jobs growth of 40,200 is likely to draw in 5,200 (13.8%) additional in-commuters; leaving 35,000 jobs that need to be filled by workers living in the area (again assuming no change in commuting patterns). There is therefore assumed to be an increase in net out-commuting of 1,400 workers.

4.38 On this basis, we can conclude that the demographic projections (without any uplift for market signals) would provide 33,600 extra workers locally whereas 35,000 extra workers would be needed to meet the current jobs forecast. **This therefore implies a shortfall of 1,400 workers based on the increase in jobs that is currently forecast.** Nevertheless, the jobs forecast includes full-time and part-time work and some workers will have more than one job – so this shortfall will depend to some extent on future work patterns.

4.39 When considering the balance between housing market areas, it is evident that existing commuting patterns are likely to lead to a net gain in commuters travelling to Salisbury HMA and Swindon HMA which would be offset against a higher number of commuters travelling from Chippenham HMA and Trowbridge HMA. Nevertheless, having considered the full impact of existing commuting patterns, we can conclude that there are likely to be shortfalls of around 5,400 workers in Salisbury HMA and 1,200 workers in Swindon HMA; but these shortfalls could be offset to some extent by a likely surplus of 3,200 extra workers in Chippenham HMA and almost 2,000 workers in Trowbridge HMA.

4.40 Figure 57 sets out the calculations for each of the housing market areas.

Figure 57: Balancing future jobs and workers by housing market area

	Chippenham HMA	Salisbury HMA	Swindon HMA	Trowbridge HMA	TOTAL
JOBS					
Forecast change in total employment 2016-36	8,300	11,435	15,030	5,473	40,238
LESS Jobs fulfilled by workers commuting to the HMA from outside Study Area (based on current commuting rates)	829	1,705	1,877	795	5,206
Adjustment for commuting between the HMAs	-628	+659	+477	-508	-
Extra local workers needed to balance with future jobs	8,100	9,070	12,676	5,186	35,032
WORKERS					
Projected change in economically active population 2016-36	13,519	3,902	13,826	8,967	40,214
LESS Workers commuting to jobs outside the FEMA (based on current commuting rates)	2,235	281	2,321	1,790	6,627
Projected increase in local workers	11,284	3,621	11,505	7,177	33,587
BALANCING JOBS AND WORKERS					
Extra local workers needed to balance with future jobs	8,100	9,070	12,676	5,186	35,032
LESS Projected increase in local workers	11,284	3,621	11,505	7,177	33,587
Shortfall (or surplus) of local workers	-3,184	5,449	1,171	-1,991	1,445

4.41 As previously noted, PPG identifies that plan makers need to consider the most appropriate response when “the supply of working age population that is economically active ... is less than the projected job growth”. The PAS technical advice notes that (second edition, para 8.2):

“Planning Inspectors have interpreted this to mean that demographic projections should be tested against expected 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; such adjustments overlap with the adjustments for past supply and market signals”

4.42 Given this context, we can consider the extent to which adjustments to the housing need based on demographic projections could provide the additional workers needed in those housing market areas where a shortfall has been identified. Figure 58 summarises the housing need based on the demographic projections used to derive the economically active population and identifies the increase that would be needed to fully address the identified shortfalls of workers.

Figure 58: Overall housing need to balance jobs and workers by housing market area

	Chippenham HMA	Salisbury HMA	Swindon HMA	Trowbridge HMA	TOTAL
IMPACT ON HOUSING NEED (dwellings)					
Housing need based on demographic projections	21,173	6,659	27,095	12,678	67,606
PLUS Additional housing to align jobs and workers	-	4,834	884	-	5,718
OVERALL HOUSING NEED TO BALANCE JOBS AND WORKERS WITHIN EACH HMA	21,173	11,493	27,979	12,678	73,324

- 4.43 Nevertheless, this analysis does not address the surplus of workers identified in both the Chippenham and Trowbridge HMAs. It is important to recognise that the PPG is primarily concerned with avoiding “unsustainable commuting patterns” and notes that “plan makers will need to consider how the location of new housing or infrastructure development could help address these problems” (ID 2a-018). Given this context, it would seem appropriate for the local authorities to consider the existing commuting patterns between the four areas.

Figure 59: Place of work and place of residence for workers by housing market area (Source: 2011 Census)

Live in...	Work in...					TOTAL
	Chippenham HMA	Salisbury HMA	Swindon HMA	Trowbridge HMA	Elsewhere	
Chippenham HMA	55,650	1,671	7,182	4,058	14,062	82,623
Salisbury HMA	1,430	53,179	718	1,061	13,747	70,135
Swindon HMA	4,267	764	112,848	439	24,442	142,760
Trowbridge HMA	5,427	2,041	731	35,707	11,218	55,124
Elsewhere	7,627	13,676	17,562	7,105	-	-
TOTAL	74,401	71,331	139,041	48,370	-	-

- 4.44 It is evident that over 7,000 workers travel from Chippenham HMA to work in Swindon HMA and almost 4,300 travel from Swindon HMA to work in Chippenham HMA; so there are well-established commuting patterns between these two areas. On this basis, it is reasonable to suggest that many of the surplus 3,200 extra workers identified for Chippenham HMA could realistically work in Swindon HMA. This would enable the shortfall of 1,200 workers identified for Swindon HMA to be addressed within Swindon and Wiltshire with only very marginal changes to commuting and without any need to increase overall housing delivery. Nevertheless, in determining the housing requirement for these two HMAs, it may be appropriate to consider increasing provision above the OAN in Swindon HMA but offsetting any increase against an equivalent reduction in Chippenham HMA to help align jobs and workers.
- 4.45 Considering the commuting patterns for Salisbury HMA, it is apparent that over 2,000 workers commute from Trowbridge HMA and around a further 1,700 workers commute from Chippenham HMA. Similarly, almost 2,500 workers who live in Salisbury HMA commute to either Trowbridge HMA or Chippenham HMA. Therefore, the surpluses of workers identified in both Chippenham HMA and Trowbridge HMA could reasonably help contribute to the shortfall of workers identified in Salisbury HMA. However, it is likely that there would still be a shortfall of workers in Salisbury HMA which would justify an increase to the overall housing need.
- 4.46 Figure 60 identifies that the surplus in workers in Chippenham HMA and Trowbridge HMA would address the shortfall identified for Swindon HMA such that no further increase was needed; but an additional 1,282 dwellings would be needed in Salisbury HMA to ensure alignment between future jobs and workers.

Figure 60: Overall housing need to balance jobs and workers by housing market area

	Chippenham HMA	Salisbury HMA	Swindon HMA	Trowbridge HMA	TOTAL
IMPACT ON HOUSING NEED (dwellings)					
Housing need based on demographic projections	21,173	6,659	27,095	12,678	67,606
PLUS Additional housing to align jobs and workers	-	1,282	-	-	1,282
OVERALL HOUSING NEED TO BALANCE JOBS AND WORKERS	21,173	7,941	27,095	12,678	68,888

Market Signals

- 4.47 While demographic trends are key to the assessment of OAN, it is also important to consider current Market Signals and how these may affect housing needs. PPG identifies a range of housing market signals that should be considered when determining the future housing number. Key to this is how market signals should be taken into account:

The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.

A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.

Planning Practice Guidance (March 2014), ID 2a-019 to 020

- 4.48 The Market Signals include:

- » Land and house prices;
- » Rents and affordability;
- » Rate of development; and
- » Overcrowding.

- 4.49 In addition, there are other issues that should be considered, for example the macro-economic climate. Furthermore, there are wider market trends and drivers to consider. A full range of market signals and their implications are considered especially where these may indicate undersupply relative to demand and the need to deviate from household projections.

- 4.50 PPG and the PAS OAN technical advice note emphasise the importance of considering indicators in the context of longer-term trends and looking at rates of change as well as absolute levels – for example, house prices in the housing market may be higher or lower than the national average, however the more important consideration is whether or not they are becoming more (or less) expensive at a rate that differs from the national rates or rates in similar areas.

Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the housing market area; similar demographic and economic areas; and nationally.

Planning Practice Guidance (March 2014), ID 2a-020

- 4.51 On this basis, the SHMA has considered market signals indicators for Swindon and Wiltshire and also for the four housing market areas that have been identified. Whilst each of these housing market areas are distinct, the Chippenham, Trowbridge and Salisbury housing market areas share many similarities in terms of their demographic and economic characteristics and provide suitable comparators for each other.

- 4.52 The characteristics of the Swindon housing market area are different; so we have analysed data from the ONS area classifications together with data from the CLG Index of Multiple Deprivation to identify similar demographic and economic areas. This analysis showed that Swindon had similar characteristics to Milton Keynes and Peterborough, and we have used these areas as appropriate comparators for Swindon alongside the national data for **England**.

House Prices

- 4.53 House prices in the UK have been relatively volatile in the past 10 years. Prices increased by 8.7% in the 12 months to June 2016²¹; prices rose fastest in the East of England (14.3%), London (12.6%), and the South East (12.3%).
- 4.54 The average UK house price was £214,000 in June 2016 compared to the peak of the previous high of £190,000 in the three months August to October 2007, which was overtaken in 2014. Average house price trends 2006 - 2016 as demonstrated by the House Price Index (HPI) show the price divergence between London and the rest of the UK.

Figure 61: Annual house price rates of change, UK all dwellings 2006-2016 (Source: HM Land Registry. Note: Not seasonally adjusted)

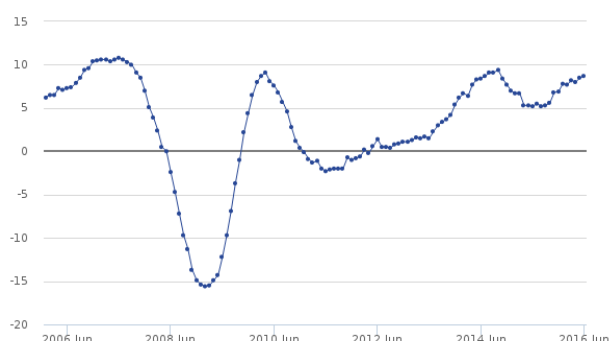
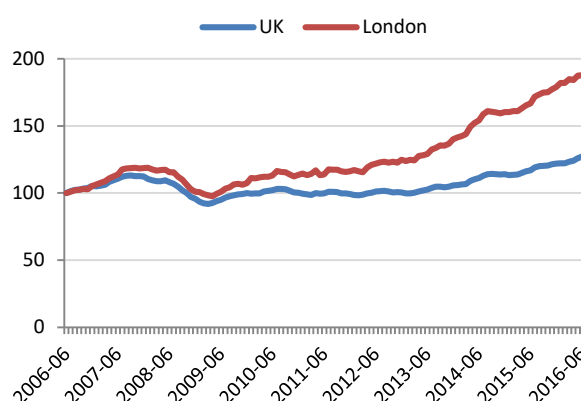


Figure 62: UK and London House Price Index 2006-2016 (Note: June 2006 = 100) (Source: Land Registry)



- 4.55 The Bank of England has overall responsibility for UK monetary policy: it has become concerned about the risks posed by house prices, high levels of borrowing and any housing 'bubble' to national economic recovery. In his speech at the Mansion House in June 2014, the Governor of the Bank said:

"The underlying dynamic of the housing market reflects a chronic shortage of housing supply, which the Bank of England can't tackle directly.

To be clear, the Bank does not target asset price inflation in general or house prices in particular.

It is indebtedness that concerns us.

This is partly because over-extended borrowers could threaten the resilience of the core of the financial system since credit to households represents the lion's share of UK banks' domestic lending.

It is also because rapid growth in or high levels of mortgage debt can affect the stability of the economy as a whole."

- 4.56 These concerns remain. The Financial Policy Committee (FPC) Financial Stability Report July 2016²² states:

"The FPC is alert to risks arising from household indebtedness. Survey evidence on the housing market has been difficult to interpret in recent months because of the impact of the pre-announced increase in stamp duty, which boosted activity in March and has dampened

²¹ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/june2016>

²² <http://www.bankofengland.co.uk/publications/Pages/fsr/2016/jul.aspx>

activity in April and May. Nevertheless, in advance of the referendum, there was evidence that uncertainty about the outcome was contributing to a slowdown in housing activity. For example, the May RICS survey of chartered surveyors reported a sharp decline in new buyer enquiries ... to their lowest level since 2008. In the period since the referendum, the average share price of the largest home construction firms has declined by 25%, compared with a 2% rise in the FTSE All-Share index"

4.57 The FPC also states concern about the effects of rapid growth in the buy-to-let sector:

"The stock of buy-to-let lending grew by 12.3% in the year to 2016 Q1. Activity fell off sharply in April, such that buy-to-let mortgage lending for house purchase was 85% lower than in March."

4.58 The risk centres on the possibility of buy-to-let investments *"amplifying cycles in the housing market as a whole"* which *"could put upward pressure on household indebtedness in an upswing and have an impact on consumption and broader economic activity in a downturn."*

4.59 The RICS UK Residential Market Survey²³ is updated monthly. While there are many uncertainties following the June 2016 referendum, the July 2016 Survey gives an early indication of the direction of prices in the short to medium term, and reports an increase in optimism among respondents:

"the net balance of those expecting prices to increase over the year ahead rising from zero to +23%. Even so, this still represents a significant softening compared to six months ago, when +66% more surveyors anticipated rising prices. For the second month running, the regional breakdown shows London and East Anglia are the only areas in which prices are expected to fall over the year ahead."

4.60 Overall respondents to the Survey expect prices to rise over the medium term, with higher rises in London compared to the UK:

"London exhibits amongst the strongest projections over the medium term (three-month average), with respondents pencilling in around 4% growth, per annum, over the next five years. On the same basis, prices are expected to rise by close to 3% nationally."

4.61 The Survey suggests that, currently, an *"acute shortage of property for sale"* could be underpinning prices.

²³ <http://www.rics.org/uk/knowledge/market-analysis/rics-residential-market-survey/>

Local House Prices

^{4.62} House price trends (2001-2015) are shown in Figure 63, and Figure 64 shows lower quartile house prices adjusted to take account of the impact of inflation. Therefore, the values in Figure 64 reflect real changes which have occurred since 2001 when removing the impact of background inflation.

Figure 63: House Price Trends: Lower Quartile Prices (Source: ONS)

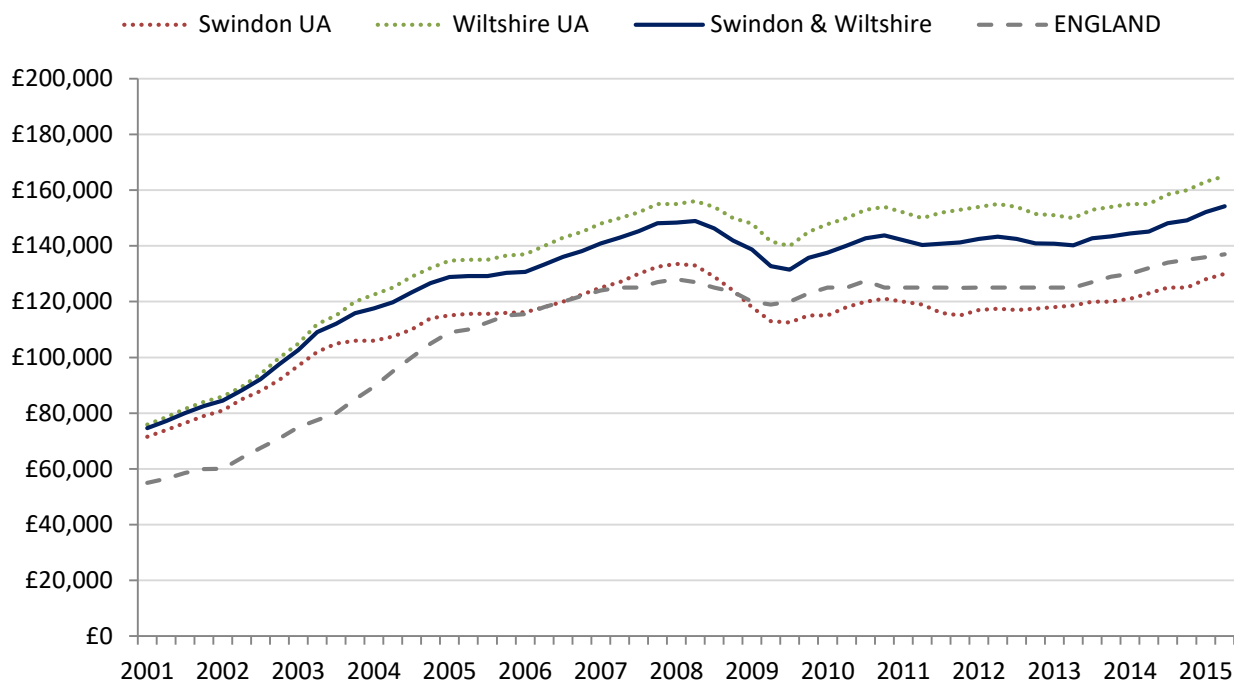
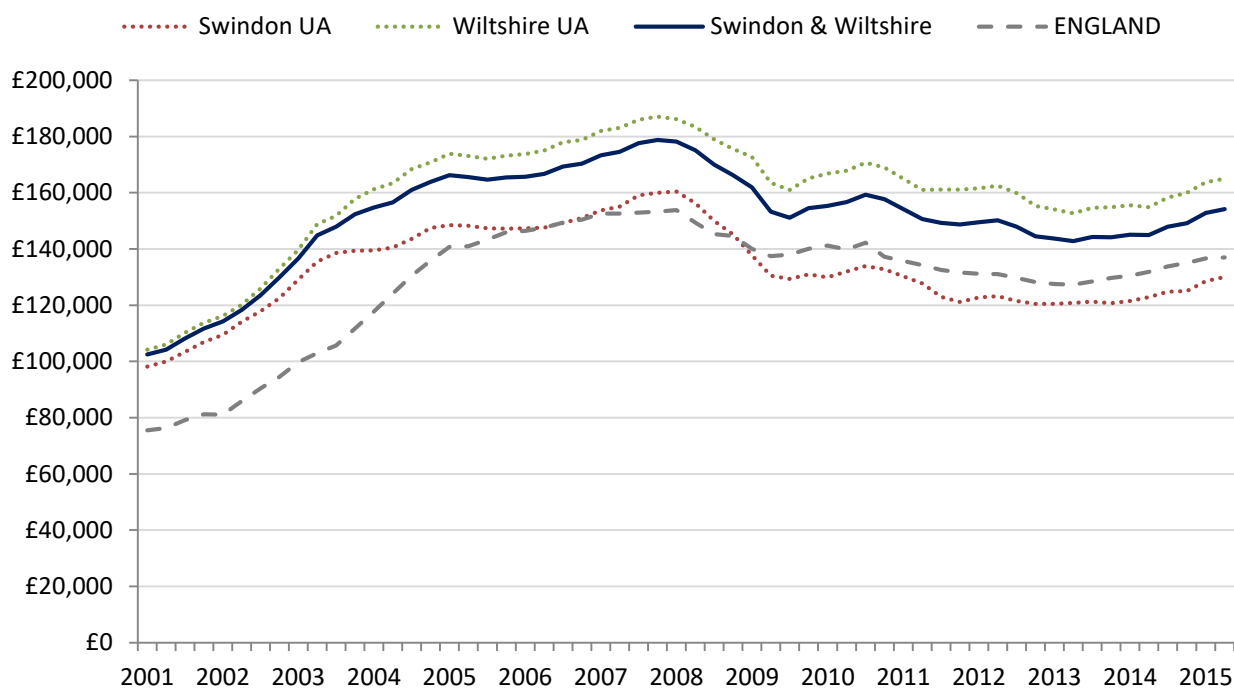


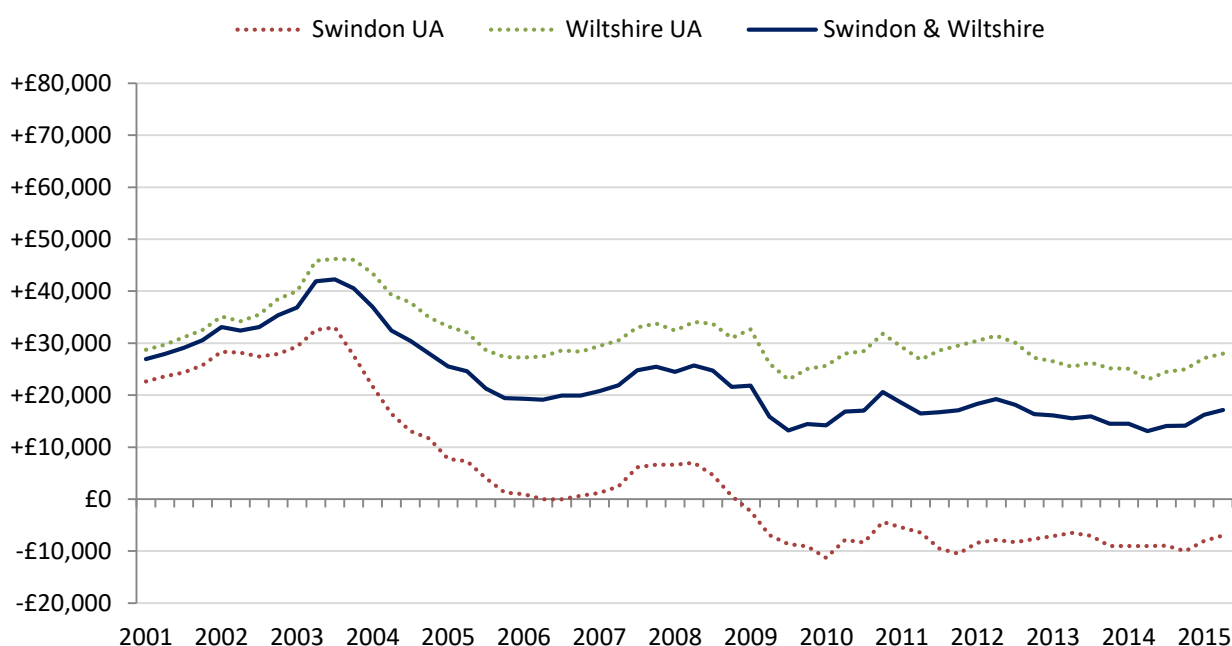
Figure 64: Real House Price Trends: Lower Quartile Prices adjusted to 2015 values using CPI (Source: ONS; Bank of England)



4.63 It is evident that real house prices across the combined Swindon and Wiltshire area increased substantially in the period 2001-2005 (from £102,400 to £166,250 at 2015 values, a real increase of 62%), and prices continued to rise to a peak of £178,800 by the end of 2007. Nevertheless, values reduced to £151,200 by mid-2009 and have fallen further to £143,000 in mid-2013 before beginning to increase again to £154,000 in mid-2015. Wiltshire prices are consistently higher than England, while Swindon prices have fluctuated above then below the English average.

4.64 Figure 65 shows how real house prices in Swindon and Wiltshire have varied when compared with England overall. This shows that real house prices in the area substantially increased in relative terms over the period 2001-03, but subsequently reduced back towards England over the period to 2010. The difference has been relatively stable in recent years, with values around £15,000-£20,000 above the English average. Since 2003, Wiltshire prices have fluctuated around £30,000 higher than England overall, while Swindon prices fell to £10,000 below England overall and remained at that level.

Figure 65: Real House Price Trends relative to England: Lower Quartile Prices adjusted to 2015 values using CPI (Source: ONS; Bank of England)

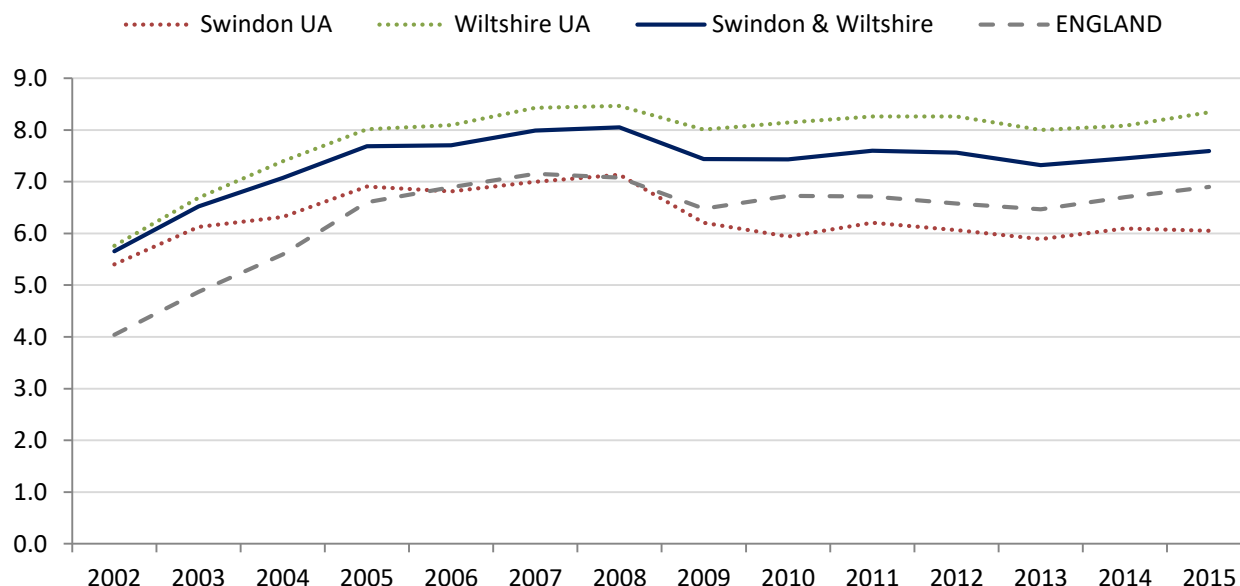


Affordability

4.65 Figure 66 below shows the ratio of lower quartile house price to lower quartile earnings between 2002 and 2015 based on the ASHE residents analysis. This long term trend for the Swindon and Wiltshire combined shows that affordability worsened in the period 2002-08 (when there was an increase in real house prices), however the multiplier has remained at a lower level since 2008. As with real house prices, Wiltshire has been consistently less affordable than England overall, while Swindon was less affordable up to 2006, showed a similar multiplier to England for 2006 to 2008 then became more affordable than England overall from 2009. In saying this, it is important to be aware that affordability is a function of earnings as well as of house prices. Of course, it is also important to remember that affordability can be influenced by supply issues (e.g. lower housing delivery levels) and demand side issues (e.g. lower availability of mortgage finance for first time buyers).

- 4.66 Figure 66 shows the ratio of lower quartile house price to lower quartile earnings between 2001 and 2015 based on the ASHE workplace analysis.

Figure 66: Ratio of Lower Quartile House Price to Lower Quartile Earnings (Source: ONS, ASHE Resident Analysis)



Overcrowding

- 4.67 Overcrowding was considered in detail when establishing the need for affordable housing, and based on the bedroom standard we estimated that 4,332 households were overcrowded in Swindon & Wiltshire (Figure 40), including 1,363 owner occupiers, 1,152 households renting privately and 1,817 households in the social rented sector.
- 4.68 PPG also identifies a series of other factors to monitor alongside overcrowding, including concealed and sharing households, homelessness and the numbers in temporary housing:

Indicators on overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation demonstrate un-met need for housing. Longer term increase in the number of such households may be a signal to consider increasing planned housing numbers.

Planning Practice Guidance (March 2014), ID 2a-019

- 4.69 These were also considered when establishing the need for affordable housing, and the overall housing number was increased to take account of the needs of homeless households and concealed families with younger family representatives who would not have been counted as part of the household projections. This adjustment has already been incorporated as a response to the identified un-met need for housing, and can be considered as part of the response to market signals.

Summary of Market Signals

4.70 In terms of headline outputs, the market signals when compared to relevant comparator areas show:

Figure 67: Summary of Market Signals (Note: Data for some market signal indicators is not available for housing market areas, so available data for the nearest fit to the geographic area is presented)

	Local Authority		Housing Market Area				External Comparator		England
	Swindon UA	Wiltshire UA	Chippenham HMA	Salisbury HMA	Swindon HMA	Trowbridge HMA	Milton Keynes	Peter-borough	
INDICATORS RELATING TO PRICE									
House prices Lower quartile price									
2014-15 value	£128,000	£163,000	£150,000	£183,000	£141,000	£150,000	£162,500	£118,000	£136,000
Relative to England	-6%	+20%	+10%	+35%	+4%	+10%	+19%	-13%	-
2009-10 value	£115,000	£147,700	£135,500	£168,000	£127,000	£135,500	£130,000	£105,000	£125,000
5-year change	+11%	+10%	+11%	+9%	+11%	+11%	+25%	+12%	+9%
Rents Average monthly rent									
2014- 15 value	£620	£743	£722	£835	£648	£722	£853	£573	£768
Relative to England	-19%	-3%	-6%	+9%	-16%	-6%	+11%	-25%	-
2010- 11 value	£579	£671	£636	£781	£600	£636	£721	£548	£694
4-year change	+7%	+11%	+13%	+7%	+8%	+13%	+18%	+5%	+11%
Affordability Lower quartile house price to earnings									
2015 ratio	6.1	8.3	7.7	9.4	6.6	7.7	7.9	6.6	6.9
Relative to England	-12%	+21%	+11%	+36%	-5%	+11%	+15%	-5%	-
2010 ratio	5.9	8.1	7.5	9.3	6.4	7.5	6.5	5.8	6.7
5-year change	+2%	+2%	+3%	+1%	+2%	+3%	+22%	+13%	+3%
INDICATORS RELATING TO QUANTITY									
Overcrowding Overcrowded households									
2011 proportion	7.0%	4.5%	4.2%	4.9%	6.2%	5.1%	9.6%	8.3%	8.7%
Relative to England	-20%	-48%	-52%	-44%	-29%	-42%	+9%	-4%	-
2001 proportion	5.8%	3.6%	3.5%	3.9%	5.3%	4.2%	7.6%	5.6%	7.1%
10-year change	+19%	+25%	+19%	+26%	+18%	+21%	+25%	+50%	+23%
Rate of development Increase in stock									
2001-11 change	+17.9%	+10.1%	+13.4%	+3.9%	+15.5%	+14.2%	18.0%	12.3%	8.3%
Relative to England	+115%	+21%	+61%	-53%	+86%	+70%	+115%	+48%	-

4.71 As acknowledged earlier in this section, there is no single formula that can be used to consolidate the implications of this information; and furthermore the housing market signals will have been predominantly influenced by relatively recent housing market trends – but on the basis of this data we can conclude:

- » **Chippenham HMA:** lowest quartile house prices are below the overall level for Wiltshire County but higher than Swindon HMA, and this pattern is also reflected in the monthly rent and affordability

indicators. Whilst rents in this HMA remain lower, they have increased at a faster pace; whereas changes to house prices and affordability are in line with Wiltshire County. Chippenham HMA has the lowest levels of overcrowding of the four HMAs at less than half the national average, whereas the rate of development over the last decade was 13% (61% above the England rate);

- » **Salisbury HMA:** the indicators for lowest quartile house prices, monthly rents and affordability in this area are the highest of the four HMAs and all are notably higher than the national average. Nevertheless, whilst this HMA has the highest rates, they have each increased at a slower pace than the other HMAs and increases across England. The rate of development has been much lower than elsewhere in Wiltshire: an increase of around 4% over the last decade compared to an overall increase of 10% across the county and 8% nationally. However, overcrowding levels have remained consistently low;
- » **Swindon HMA:** the price indicators for the HMA are the lowest of the four HMAs though marginally higher than Swindon UA alone. Considering the external comparator areas, it is evident that lowest quartile house prices in Swindon are higher than in Peterborough and lower than in Milton Keynes – though this is likely to be influenced by the relative travel times to London. Lowest quartile house prices have increased marginally faster in Swindon than the other HMAs, but increases in rent have been lower. Rates of development in Swindon over the last decade have been around double the England rate (18% in the UA and 16% across the HMA compared with 8% nationally) with levels comparable with Milton Keynes and higher than Peterborough; and whilst overcrowding levels in Swindon are higher than the other HMAs, rates are lower than Milton Keynes and Peterborough and below the national average;
- » **Trowbridge HMA:** the indicators for lowest quartile house prices, monthly rents and affordability are below the overall level for Wiltshire County but higher than Swindon HMA; changes to house prices and affordability are in line with the county but rents have increased at a faster pace. The rate of development in the HMA over the last decade was 14% (70% higher than the national rate) and although overcrowding is higher than elsewhere in the county, the rate is well below the figure for England.

^{4.72} As previously noted, PPG suggests that “household projections should be adjusted to reflect appropriate market signals” where there is a “worsening trend in any of these indicators” (ID 2a-019 to 020). Therefore, on the basis of the market signals indicators it is necessary to consider whether or not the level of Objectively Assessed Need for the HMA should be higher than suggested by household projections in isolation – but as previously noted, there is no definitive guidance on what level of uplift is appropriate.

^{4.73} In the Eastleigh Local Plan, the Inspector judged 10% to be reasonable:

“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 a part of a much larger HMA. Exploration of an uplift of, say, 10% would be compatible with the “modest” pressure of market signals recognised in the SHMA itself.”

^{4.74} On this basis, it is helpful to compare the market signals for Swindon and Wiltshire with those for Eastleigh and its wider HMA (which we have based on Southampton with Eastleigh and the New Forest) to establish the extent of any uplift across the area as a whole, which could then provide a context for any differential uplifts for each of the four housing market areas. In summary:

- » **House prices** at the lowest quartile are lower in Swindon and Wiltshire combined (£148,600) than in both Eastleigh and its wider HMA (£179,000 and £169,100 respectively), although house prices in Wiltshire UA are more in line with Eastleigh and its wider HMA (£159,100);
- » **Market rents** in Swindon and Wiltshire combined (£717 pcm), and in the two individual authorities are also lower than in Eastleigh and its wider HMA (£817 pcm and £831 pcm respectively);
- » **Affordability** is better at the lowest quartile for Swindon and Wiltshire combined (7.6x) than in Eastleigh and its wider HMA (8.5x and 8.6x respectively);
- » **Overcrowding** in Swindon and Wiltshire combined is similar to Eastleigh (both around 5%), but lower than its wider HMA (9%); and
- » **Rates of development** over the last decade were higher in Swindon and Wiltshire combined (12%) than in Eastleigh's wider HMA (9%).

4.75 The indicators therefore appear to show slightly less housing pressure in the Swindon and Wiltshire combined area than in Eastleigh (and its wider HMA). Therefore, given the relative market signal indicators for the two areas and the views of the Eastleigh Inspector, it would seem to be reasonable to consider an uplift of 10% to be at the upper end of any market signals response for the Swindon and Wiltshire area as a whole.

4.76 In determining the appropriate uplift, it is important to recognise the particular emphasis that PPG places on affordability when considering the response to market signals:

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.

Market signals are affected by a number of economic factors, and plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.

Planning Practice Guidance (March 2014), ID 2a-020

4.77 Considering the affordability ratios for Eastleigh and its wider HMA (8.5x and 8.6x respectively at the lowest quartile), the indicator is around 25% higher than equivalent ratio for England (6.9x); whilst for the four housing market areas in Swindon and Wiltshire:

- » **Salisbury HMA:** affordability is 9.4x which is 36% higher than England, around 1.5x the 25% differential for Eastleigh;
- » **Chippenham HMA and Trowbridge HMA:** affordability is 7.7x which is 11% higher than England, around 0.5x the 25% differential for Eastleigh; and
- » **Swindon HMA:** affordability is 6.6x which is 5% lower than England.

4.78 As affordability pressure in Salisbury HMA is around 1.5x the "modest" pressure identified in Eastleigh, it would be reasonable for the response to market signals to also be around 1.5x the Eastleigh uplift; so the 10% uplift for "modest" pressure should be increased to **15% to respond to the pressure in Salisbury HMA**. However, in Chippenham HMA and Trowbridge HMA affordability pressure is around 0.5x the Eastleigh rate

and on this basis it would be reasonable for the response to market signals to also be around 0.5x the Eastleigh uplift: which would imply an uplift of **5% in Chippenham HMA and Trowbridge HMA**. Given that affordability in Swindon is below the national average, **no further uplift is proposed for Swindon HMA**.

- 4.79 The proposed adjustments for affordability are consistent with the differential rates of development across the four housing market areas. Rates of development have been highest in Swindon HMA (16%), so the trend-based household projections will already be based on migration influenced by this delivery and there is no justification for a further uplift.
- 4.80 Chippenham HMA and Trowbridge HMA have also seen high levels of development (13% and 14% respectively, compared to 8% nationally) and the trend-based migration rates will reflect this; so any uplift would need to be considered in this context. The 5% adjustment based on affordability would therefore seem reasonable.
- 4.81 Salisbury HMA has had much lower rates of development, which may have led to some households moving away from the area due to fewer homes being available and higher house prices. Given the particularly low levels of housing delivery in this housing market area over the 10-year period 2001-11, there is a clear justification for overall housing need to be higher than suggested by household projections in isolation; and given this context, the proposed uplift of 15% based on relative affordability provides a reasonable response.
- 4.82 The 10% uplift that we have recommended is consistent with responses that we have proposed across the country including:
- Bedford = 5%
 - Luton and Central Beds = 10%
 - Stevenage and North Herts = 10%
 - Buckinghamshire = 15% (split 10% in Aylesbury Vale and 20% in Southern Buckinghamshire)
 - Outer North East London (Barking & Dagenham, Havering and Redbridge) = 15%
 - West Essex and East Herts (East Herts, Epping Forest, Harlow and Uttlesford) = 20%
 - Outer East London (Newham and Waltham Forest) = 20%
 - Camden = 20%
- 4.83 While for the majority of areas these are proposed uplifts rather than figures included in adopted Local Plans, the HBF (Home Builders Federation) recently endorsed 10% as being an appropriate response for Luton and Central Beds at the Luton Local Plan examination hearings and the HBF also endorsed 20% as being an appropriate response for Camden at their examination hearings.
- 4.84 The analysis of affordable housing has already identified that the overall housing need should be increased by 708 households to take account of **concealed families** and a further 114 **homeless households** that would not be captured by the household projections: a total of 822 additional households, equivalent to a housing need for an extra 853 dwellings. This specific adjustment has already been incorporated as a response to the identified un-met need for affordable housing; however, it is also appropriate for it to be considered as part of the response to market signals.

4.85 The overall response to market signals for the four housing market areas can be summarised as follows:

Figure 68: Overall response to market signals by housing market area 2016-36

	Housing Need (dwellings)				
	Chippenham HMA	Salisbury HMA	Swindon HMA	Trowbridge HMA	TOTAL
Housing need based on household projections 2016-36	21,173	6,659	27,095	12,678	67,606
Market signals uplift in response to affordability and past housing delivery	5% → 1,059	15% → 999	0	5% → 634	2,692
Market signals uplift in response to suppressed household formation Concealed families and homeless households with allowance for vacancies and second homes	155	113	425	161	853
Combined impact of the market signals uplift Based on the higher of the two uplifts proposed	1,059	999	425	634	3,117
Housing need 2016-36 based on overall response to market signals	22,232	7,658	27,520	13,312	70,722
Overall market signals uplift as percentage of housing need based on household projection	5%	15%	2%	5%	5%

4.86 It is clear that the evidence supports a differential response to market signals in each of the housing market areas, ranging from 2% in Swindon HMA (based on a specific adjustment responding to suppressed household formation) up to 15% in Salisbury HMA (given the indicators for affordability and housing delivery). The housing need across the combined area increases from 67,606 to 70,722 dwellings over the 20-year period 2016-36, equivalent to an overall increase of around 5%.

Housing Backlog

4.87 The Planning Advisory Service Good Plan Making Guide²⁴ identifies that an SHMA should “re-set the clock” and provide a new baseline assessment of all housing need. However, the SHMA must take account of ‘backlog’: any unmet need for housing that exists at the start of the plan period.

“Having an up-to-date, robust Strategic Housing Market Assessment should re-set the clock, and therefore carrying forward under-provision from a previous plan period would be ‘double counting’. Make sure however that the Strategic Housing Market Assessment takes account of ‘backlog’ which is unmet need for housing that still exists at the start of the new plan period (for example, the needs of the homeless and other households living in unacceptable accommodation). The Strategic Housing Market Assessment should show all those in need. It is therefore vitally important to have a properly done Strategic Housing Market Assessment that has the right scope.” (page 49)

4.88 This SHMA has fully considered the unmet needs of homeless and other households living in unacceptable accommodation that will exist at the start of the new Plan period. However, it is also important to recognise that the SHMA identifies all housing need from a baseline date of 2011. It is therefore necessary to identify the extent of any under-provision since 2011 based on the housing need identified by the SHMA, as this will also represent an unmet need for housing at the start of the new Plan period that would need to be factored into the OAN.

²⁴ <http://www.pas.gov.uk/documents/332612/6363137/Pages+from+FINAL+PAS+Good+Plan+Making+-6.pdf>

- 4.89 CLG 2014-based household estimates identified 201,805 households in Wiltshire in 2014, while ORS' OAN data assumes that there were 201,819. Meanwhile the CLG 2014-based figures estimated 91,571 households in Swindon, while this SHMA assumed that this figure was 92,577 in 2014. This means that delivery in Wiltshire had been keeping pace with the assumptions contained in this study, but for Swindon there had been a shortfall in delivery to the equivalent of 1,006 households (1,039 dwellings). Therefore, the Swindon OAN figures require an adjustment to allow for this past under-delivery.
- 4.90 The impact of this adjustment will be to phase the projected growth slightly differently to the demographic projections, but it will not change the overall number of dwellings needed by 2036 or the projected population and number of workers previously counted. Nevertheless, higher rates of housing delivery will need to be achieved over the Plan period to address this backlog.

Conclusions

- 4.91 The “starting point” estimate for OAN is the CLG household projections, and the latest published data is the 2014-based projections for period 2014-39. These projections suggest that household numbers across the study area will increase by 56,040 over the 20-year period 2016-36. However, on the basis of 10-year migration trends which take account of data quality issues, household numbers across the study area are projected to increase by 65,163 households over the 20-year period 2016-36. **Providing for an increase of 65,163 households yields a need for 67,606 dwellings over the 20-year period 2016-36, equivalent to an average of 3,380 dwellings per year.** This comprises 27,540 dwellings in Swindon and 40,066 dwellings in Wiltshire local authority areas; with 21,173 dwellings in Chippenham HMA, 6,659 dwellings in Salisbury HMA, 27,095 dwellings in Swindon HMA ²⁵ and 12,678 dwellings in Trowbridge HMA.
- 4.92 We have identified that the baseline household projections should be increased by 822 households (853 dwellings) to take account of **concealed families** and **homeless households** that would otherwise not be captured due to suppressed household formation rates. This adjustment responds to identified un-met need for affordable housing and also addresses suppressed household formation rates, and yields a **baseline housing need of 68,459 dwellings over the 20-year period 2016-36.**
- 4.93 While demographic projections form the starting point for Objectively Assessed Need calculations, it is necessary to consider whether a higher rate of housing delivery may be needed to help address housing market problems. Further adjustments may be needed in response to balancing jobs and workers, market signals or any backlog of housing provision. However, it is important to recognise that these adjustments are not necessarily cumulative: it is necessary to consider them collectively:
- » **Chippenham HMA:** an uplift of 5% (equivalent to 1,059 dwellings) is proposed in response to market signals. This includes the increase of 155 dwellings already applied to take account of concealed families and homeless households not captured by the household projections; so a further uplift of 904 dwellings is needed. The demographic projections identify that there is likely to be a surplus of workers in this area;
 - » **Salisbury HMA:** the market signals indicators identify that housing pressure is highest in this area and an uplift of 15% (equivalent to 999 dwellings) is proposed – which adds a further 737 dwellings to the uplift of 113 dwellings already counted for suppressed household formation. There is also likely to be a shortfall of workers, requiring an uplift of 1,282 dwellings. Therefore, an uplift of

²⁵ The housing need for Swindon HMA is marginally lower than the housing need for Swindon UA as the number of households is projected to decline in the Wiltshire part of Swindon HMA based on trend-based analysis

1,282 dwellings is applied to align jobs and workers, and this will also help address the housing pressures identified through market signals. The uplift for suppressed household formation will not contribute any additional workers, so this will continue to be separately applied;

- » **Swindon HMA:** the housing need in this area has been increased by 425 dwellings in response to suppressed household formation that would not be captured by the household projections, and the market signals indicators do not justify any further uplift. Whilst a small shortfall of workers was identified, this was readily offset against the surplus of workers identified elsewhere in Wiltshire, so no further increase is needed; and
- » **Trowbridge HMA:** an uplift of 5% (equivalent to 634 dwellings) is proposed in response to market signals, which includes the 161 dwellings already counted for concealed families and homeless households; so a further uplift of 473 dwellings is needed. Once again, the demographic projections identify that there is likely to be a surplus of workers in this area.

^{4.94} On this basis, the baseline housing need of 68,459 dwellings is increased by a total of 2,659 dwellings, all in the Wiltshire local authority area. **This yields a total of 71,118 dwellings over the 20-year Plan period 2016-36, equivalent to an average of 3,556 dwellings per year.** This represents an overall uplift of 5% on the baseline household projections and an uplift of 22% on the CLG starting point estimate.

^{4.95} The OAN includes the 'backlog' of unmet needs of homeless and other households living in unacceptable accommodation that will exist at 2016 and identified all needs arising over the 20-year period 2016-36, so there is no need to include any further 'backlog' of additional unmet need for housing at the start of new Plan period. However, for Swindon there was an under-delivery of dwellings to accommodate 1,006 households in the period 2011-14 and this requires to be added to the OAN. **This represents 1,039 dwellings bring the total to 72,157 dwellings.**

^{4.96} Figure 69 summarises each of the stages for establishing the Full Objectively Assessed Need for Housing.

Figure 69: Full Objectively Assessed Need for Housing by housing market area and local authority 2016-36 (Note: Swindon HMA is a different spatial area to Swindon UA – see figure 26 of separate HMA report)

Stage		Housing Market Area				Local Authority		TOTAL
		Chippenham HMA	Salisbury HMA	Swindon HMA	Trowbridge HMA	Swindon UA	Wiltshire UA	
HOUSEHOLDS								
Demographic starting point CLG household projections 2016-36		-	-	-	-	23,440	32,600	56,040
Adjustment for local demographic factors and migration trends 10-year migration trend		-	-	-	-	3,234	5,889	9,123
Baseline household projections taking account of local circumstances		20,340	6,397	26,247	12,179	26,674	38,489	65,163
DWELLINGS								
Allowance for transactional vacancies and second homes: based on dwellings without a usually resident household		833	262	848	499	866	1,577	2,443
Housing need based on projections taking account of local circumstances		21,173	6,659	27,095	12,678	27,540	40,066	67,606
Adjustment for suppressed household formation rates: concealed families and homeless households with allowance for vacancies and second homes		149 + 6 = 155	109 + 4 = 113	409 + 16 = 425	155 + 6 = 161	321 + 10 = 331	501 + 21 = 522	822 + 31 = 853
Baseline housing need based on demographic projections		21,328	6,772	27,520	12,839	27,871	40,588	68,459
Further adjustments needed...	In response to balancing jobs and workers: additional dwellings needed to align future jobs and workers	0	1,282	0	0	0	1,282	1,282
	In response to market signals: dwellings needed in addition to the adjustment for suppressed household formation to deliver the percentage uplift proposed	5% x 21,173 = 1,059 1,059 - 155 = 904	15% x 6,659 = 999 999 - 113 = 886	0	5% x 12,678 = 634 634 - 161 = 473	0	2,263	2,263
	In response to housing backlog	0	0	1,039	0	1,039	0	1,039
	Less overlap between uplifts	0	-886	0	0	0	-886	-886
Combined impact of the identified adjustments		904	1,282	1,039	473	1,039	2,659	3,698
Full Objectively Assessed Need for Housing 2016-36		22,232	8,054	28,559	13,312	28,910	43,247	72,157

4.97 Of course, it is important to remember that “*establishing future need for housing is not an exact science*” (PPG ID 2a-014). Whilst the OAN must be underwritten by robust evidence that is based on detailed analysis and informed by reasonable assumptions, the final conclusions should reflect the overall scale of the housing needed in the housing market area without seeking to be spuriously precise.

4.98 The SHMA therefore identifies the Full Objective Assessed Need for Housing over the 20-year period 2016-36 to be 29,000 dwellings in Swindon (1,450 dwellings per annum) and 44,000 dwellings in Wiltshire (2,200 dpa), an overall total of 73,000 dwellings with the need in each housing market area being:

- » Chippenham HMA: 22,250 dwellings
- » Salisbury HMA: 8,250 dwellings
- » Swindon HMA: 29,000 dwellings
- » Trowbridge HMA: 13,500 dwellings

4.99 **This includes the Objectively Assessed Need of Affordable Housing for 23,100 dwellings (based on 22,756 households) over the same period, equivalent to an average of 1,155 per year.**

4.100 Figure 70 sets out the mix of market and affordable housing need by dwelling type and size. Most of the market housing need is for housing (around 48,700 dwellings over the 20-year period) with a need for 1,200 flats also identified (just over 2%). The need for affordable housing is also predominantly for housing (around 16,700 dwellings) with a need for around 6,360 flats (around 28%).

Figure 70: Market and affordable housing mix by LA (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Dwellings		Swindon UA	Wiltshire UA	TOTAL
MARKET HOUSING				
Flat	1 bedroom	380	-80	300
	2+ bedrooms	630	260	890
House	2 bedrooms	3,480	1,990	5,470
	3 bedrooms	12,250	18,060	30,310
	4 bedrooms	3,160	7,350	10,510
	5+ bedrooms	600	1,820	2,420
Total Market Housing		20,500	29,400	49,900
AFFORDABLE HOUSING				
Flat	1 bedroom	2,080	1,470	3,550
	2+ bedrooms	1,170	1,640	2,810
House	1 bedroom	400	650	1,050
	2 bedrooms	1,630	4,620	6,250
	3 bedrooms	2,800	5,440	8,240
	4+ bedrooms	420	780	1,200
Total Affordable Housing		8,500	14,600	23,100
TOTAL		29,000	44,000	73,000
AFFORDABLE RENT				
Flat	1 bedroom	1,780	1,250	3,030
	2+ bedrooms	880	1,180	2,060
House	1-2 bedrooms	1,540	3,780	5,320
	3 bedrooms	2,070	3,850	5,920
	4+ bedrooms	330	640	970
Sub-total		6,600	10,700	17,300
% of affordable housing		78%	73%	75%
INTERMEDIATE AFFORDABLE HOUSING				
Flat	1 bedroom	310	210	520
	2+ bedrooms	290	460	750
House	1-2 bedrooms	480	1,500	1,980
	3 bedrooms	730	1,590	2,320
	4+ bedrooms	90	140	230
Sub-total		1,900	3,900	5,800
% of affordable housing		22%	27%	25%

- ^{4.101} Across Swindon and Wiltshire, just over a quarter of the affordable housing need (28%) is a need for flats with almost three quarters for houses (32% 1- or 2-bedroom and 36% 3-bedroom). Whilst the need for affordable housing with four or more bedrooms accounts for only 5% of the overall need, this still represents a need for around 1,200 large affordable homes that need to be provided over the 20-year period 2016-36. Much of this need will be from existing households living in overcrowded accommodation.
- ^{4.102} When considering the need by affordable housing tenure, around three-quarters of households in need of affordable housing need Affordable Rented housing (or Social Rented housing), and many would need housing benefit to pay their rent. Nevertheless, up to a quarter could afford intermediate affordable housing products, such as shared equity or other forms of low cost home ownership. Marginally higher proportions of need for 2-3 bedroom properties (27-28%) is for intermediate affordable housing, but very few households that need 1 bedroom flats and houses with 4 or more bedrooms could afford the cost of intermediate affordable housing (15% and 19% respectively).
- ^{4.103} The balance between flats and houses suggested by the Model is based on the future mix of households (by type and age) and housing currently occupied by each of these groups in each area. Therefore, it may be necessary to take a judgement on this balance where the Model identifies a particularly high (or particularly low) proportion of flats (or houses). It will also be important to consider the needs of applicants on the housing register; for whilst the Model identifies the overall strategic long-term needs, the immediate needs of current applicants may suggest a different mix.
- ^{4.104} Figure 71 summarises data from the Wiltshire housing register at the end of September 2016, which identified that 48% of new applicants and 40% of transfer applicants needed 1-bed housing (540 and 129 households respectively).

Figure 71: Wiltshire Housing Register Applicants (Source: Wiltshire Council. Note: Data as at end of September 2016)

	Applicants for New Tenancies				Transfer Applicants				OVERALL TOTAL
	Bands 1 & 2	Band 3	Band 4	TOTAL	Bands 1 & 2	Band 3	Band 4	TOTAL	
1 bedroom	33	287	220	540	8	110	11	129	669
2 bedrooms	52	152	159	363	4	61	23	88	451
3 bedrooms	20	65	76	161	1	19	55	75	236
4+ bedrooms	11	26	21	58	2	14	20	36	94
TOTAL	116	530	476	1,122	15	204	109	328	1,450

- ^{4.105} In contrast to this, only 15% of the overall net need for the period 2016-36 identified by the Model was for additional 1-bed housing. However, these figures cannot be directly compared, as the housing register relates to the need at a point in time whereas the SHMA identifies the overall increase in housing of different types likely to be needed over a 20-year period. Whilst additional housing supply will contribute to addressing new need, this will also be addressed through relets within the existing stock.
- ^{4.106} Figure 72 shows the number of properties let over the 12-month period January to December 2016 alongside the number of applicants on the register, and compares these to identify the average waiting time for the different bands of need and different property sizes. It is evident that those in bands 1 and 2 are likely to have a much shorter average waiting time than those in bands 3 and 4; therefore, whilst these bands represent only 9% of households on the register, such households account for over 21% of lettings.

Figure 72: Average Waiting Time for Wiltshire Housing Register Applicants (Source: Wiltshire Council)

	By Band			By Size				OVERALL TOTAL
	Bands 1 & 2	Band 3	Band 4	1 bed	2 beds	3 beds	4+ beds	
Total applicants on register as at September 2016	131	734	585	669	451	236	94	1,450
Total properties let January-December 2016	316	792	354	549	624	260	29	1,462
Average waiting time (years)	0.41	0.93	1.65	1.22	0.72	0.91	3.24	0.99

- ^{4.107} Considering the average waiting time by property size, it is evident that those currently waiting for 1-bed homes are having to wait longer than those seeking 2 or 3 bed properties. Nevertheless, whilst 94 households are registered for properties with 4 bedrooms or more, only 29 such properties were let in 2016 suggesting that these households would on average have to wait over 3 years to be housed, although those in need bands 1 and 2 would typically be housed in a shorter period; an average of 0.81 years, so around double the average wait for all households in bands 1 and 2.
- ^{4.108} On this basis, it is arguable that the most urgent need for affordable housing in Wiltshire currently relates to the provision of properties with four or more bedrooms; for whilst this group has the lowest number of households currently waiting for housing, it is by far the lowest number of properties being let. Furthermore, two-fifths of the households on the housing register waiting for a large property are transfer applicants who currently occupy an existing affordable home – so providing them with a suitable home would also release their current home to meet the needs of another household on the register.
- ^{4.109} At this time, the housing register also identifies that there are more households waiting for 1-bed dwellings than for any other property size, and on average they are also waiting longer than households who need larger homes. The Model identifies that a total of 2,120 additional 1-bed dwellings will need to be provided over the 20-year period 2016-36; which comprises 1,970 1-bed dwellings as a consequence of household growth and a further 550 1-bed dwellings associated with households downsizing within the social stock, offset against 400 1-bed affordable homes that are currently overcrowded which would be vacated when the household moved to a larger home.
- ^{4.110} In the context of information from the housing register, it would seem appropriate to deliver a higher proportion of 1-bed affordable homes in schemes brought forward over the early years of the Plan period. These properties would then contribute to the turnover in later years, when it is likely that fewer additional 1-bed affordable homes would need to be provided.

5. Housing needs of different groups

Considering the need for all types of housing

- 5.1 The National Planning Policy Framework states that Local Plans should meet the “*full, objectively assessed needs for market and affordable housing in the housing market area*” (paragraph 47) and identifies that local planning authorities should seek to “*deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities*” and plan for the “*needs of different groups*”:

To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, 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 (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);*
- » *identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and*
- » *where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.*

National Planning Policy Framework (NPPF), paragraph 50

- 5.2 On this basis, Planning Practice Guidance (PPG) sets out that:

Once an overall housing figure has been identified, plan makers will need to break this down by tenure, household type (singles, couples and families) and household size. Plan makers should therefore examine current and future trends of:

- » *the proportion of the population of different age profile;*
- » *the types of household (e.g. singles, couples, families by age group, numbers of children and dependents);*
- » *the current housing stock size of dwellings (e.g. one, two+ bedrooms);*
- » *the tenure composition of housing.*

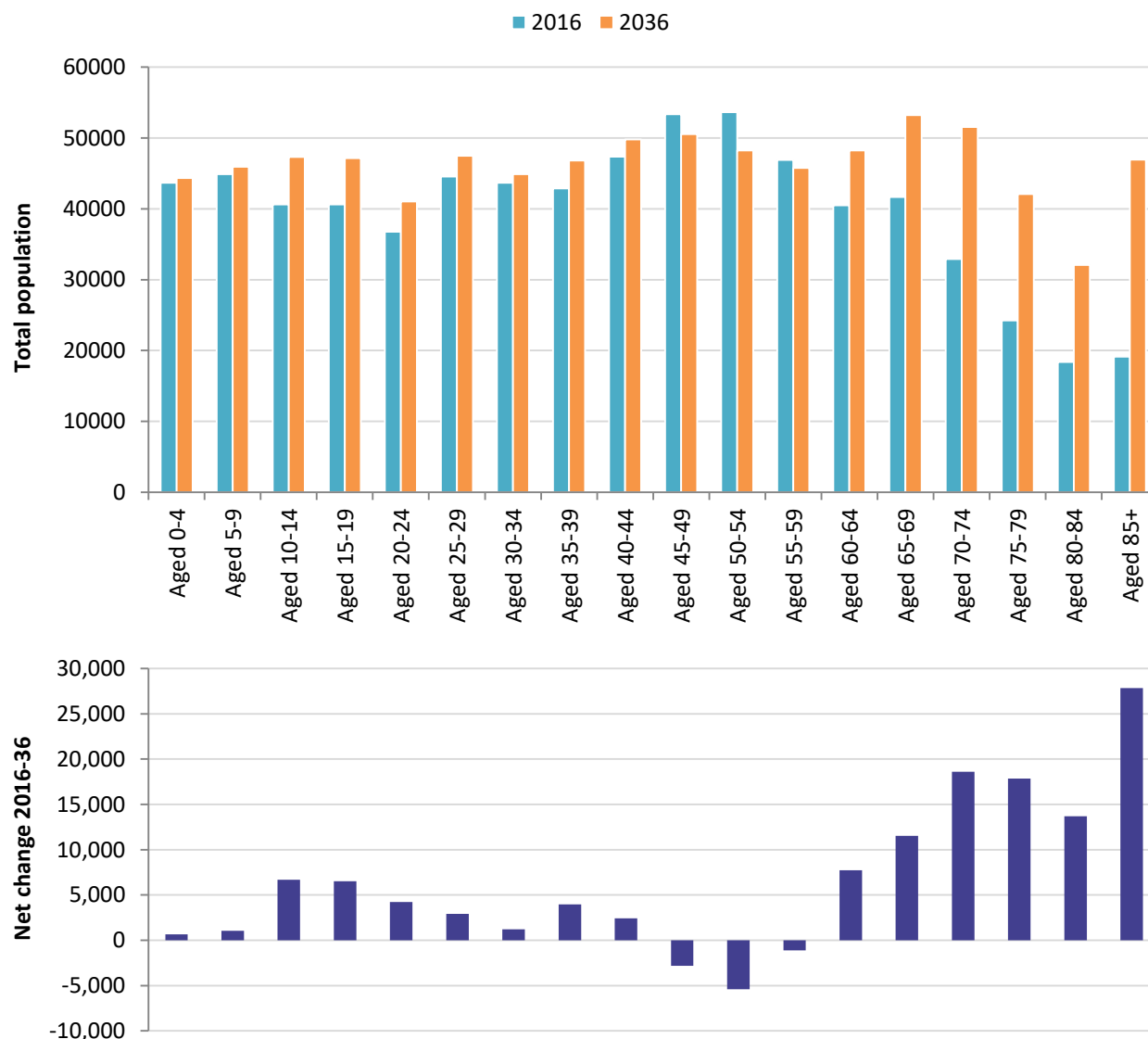
This information should be drawn together to understand how age profile and household mix relate to each other, and how this may change in the future. When considering future need for different types of housing, plan makers will need to consider whether they plan to attract a different age profile e.g. increasing the number of working age people.

Planning Practice Guidance (March 2015), ID 2a-021

Projected Population Age Profile

- 5.3 Population projections based on long-term migration trends and which take account of local demographic factors were considered in chapter 3. These projections show that the population is likely to increase from 715,800 persons to 833,460 persons over the 20-year period 2016-36; a 20-year increase of around 117,600 persons, equivalent to an average of 5,882 persons each year. Figure 73 shows the projected change in population by 5-year age band for the 20-year period 2016-36 based on the detailed data previously presented (Figure 73).
- 5.4 The number of persons in almost all age groups is projected to increase. The population aged 20-44 is projected to increase by 14,766 persons and an increase of 14,929 persons aged under 20 accounts for around 13% of the growth. Nevertheless, 85% of the overall population growth (97,300 persons) is projected to be aged 60 or over, including an increase of 59,400 persons aged 75 or over (50% of the overall growth). This is particularly important when establishing the types of housing required and the need for housing specifically for older people.

Figure 73: Swindon and Wiltshire population projections 2016-36 by 5-year age cohort based on 10 Year Migration Scenario



Household Projections

- 5.5 Figure 74 summarises the total number of households in 2016 and 2036 in terms of the age of household representatives, together with the change in the number of households in each category over the 20-year period 2016-36.
- 5.6 The trend-based household projections identified a growth of around 65,200 households based on the population projections above. Nevertheless, the SHMA recommended that a higher number of dwellings should be provided to respond to market signals and suppressed household formation.

Figure 74: Total projected households for 2016 and 2036 and summary of 20-year change by age of household representative
(Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
TOTAL HOUSEHOLDS									
2016	8,600	40,500	49,300	61,100	51,700	46,800	30,000	13,600	301,800
2036	9,900	42,000	53,900	55,600	54,500	67,300	51,200	32,600	367,000
TOTAL CHANGE 2016-2036	+1,300	+1,400	+4,700	-5,500	+2,700	+20,500	+21,200	+18,900	+65,200

- 5.7 Considering this growth in terms of the age of household representatives, it is evident that the increase in older people is also reflected in terms of household types. Whilst the increase in people aged 65+ represented 75% of the overall population growth, the increase in households aged 65+ represents 93% of the household growth: 60,800 households out of the 65,200 total.
- 5.8 Many of these older households will already be established and living in existing homes in Swindon and Wiltshire; they will simply get older during the Plan period. It is therefore also important to consider household growth in relation to age cohorts. Figure 75 shows the projected number of households in each cohort, showing their age in both 2016 and 2036.

Figure 75: Total projected households for 2016 and 2036 and summary of 20-year change by age cohort of household representative (Note: Figures may not sum due to rounding)

	Age of Household Representative									TOTAL
	Age in 2016	< 5	5-14	15-24	25-34	35-44	45-54	55-64	65+	
	Age in 2036	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
TOTAL HOUSEHOLDS										
2016	0	0	8,600	40,500	49,300	61,100	51,700	90,500		301,800
2036	9,900	42,000	53,900	55,600	54,500	67,300	51,200	32,600		367,000
TOTAL CHANGE 2016-2036	+9,900	+42,000	+45,300	+15,000	+5,200	+6,200	-500	-57,900		+65,200

- 5.9 For example, there are 40,500 households aged 25-34 in 2016 and these same households would be aged 45-54 by 2036. The trend-based projection identified that total number of households aged 45-54 in 2036 would be 55,600; therefore an extra 15,000 households: partly due to new household formations and partly due to net migration.
- 5.10 Based on the cohort analysis, it is apparent that around 123,600 extra households aged under 75 (in 2036) will be likely to form in Swindon and Wiltshire over the period 2016-36.

5.11 We previously noted that the overall growth was 65,200 households over the 20-year period 2016-36, which is lower than the number of new households forming. Nevertheless, the 123,100 extra household aged under 75 are offset against a reduction of 58,400 households aged 75 or over (in 2036). Most of this reduction is due to household dissolution following death (although some may be due to net migration):

- » 90,500 households were aged 65+ in 2016, who would be aged 85+ in 2036 if they had survived;
- » The projected number of households aged 85+ in 2036 is 32,500, which represents a reduction of 57,900 households whose existing homes would be vacated.

5.12 Whilst the increase in overall households is largely amongst those aged 65+, we can therefore conclude that most of the new households seeking housing will actually be in their twenties and thirties at the time that they form. However, the total number of new households is likely to be almost double the overall household growth; so it is also important to recognise that many new households will buy or rent existing housing, and not all new housing will be occupied by new households.

Projected Household Types

5.13 When considering future need for different types of housing, it is important to recognise that households of different ages are likely to have different housing needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing needs. Figure 76 shows the household numbers for 2016 and 2036 based on the trend-based projections by household type and age. Note that these household projections are based on the overall housing need identified, and therefore include those households expected to form as a result of the various uplifts (backlog, jobs and workers, market signals): a total of around 70,500 households. This is 5,300 more than the trend based household projections on which the previous two tables were based.

Figure 76: Total projected households for 2016 and 2036 and summary of 20-year change by household type and age of household representative (Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Total Households 2016									
Single person	2,800	10,600	8,400	11,100	12,000	13,900	17,300	8,100	84,100
Couple without children	1,200	9,800	6,500	21,900	33,000	29,500	9,000	3,600	114,500
Couple with child(ren)	1,300	11,800	25,400	21,400	4,100	300	0	0	64,300
Lone parent	2,700	6,200	7,900	4,000	500	100	100	100	21,700
Other households	600	2,100	1,100	2,800	2,200	3,000	3,500	1,900	17,200
TOTAL	8,600	40,500	49,300	61,100	51,700	46,800	30,000	13,600	301,800
Total Households 2036									
Single person	2,500	11,400	8,400	9,900	12,600	17,400	24,900	15,100	102,400
Couple without children	700	8,500	4,700	13,700	33,300	44,400	17,600	10,500	133,400
Couple with child(ren)	1,400	10,700	28,200	25,800	6,800	600	100	0	73,600
Lone parent	5,100	9,900	13,000	5,300	700	300	400	300	35,100
Other households	400	2,200	700	1,800	1,800	5,300	8,700	7,000	27,800
TOTAL	10,100	42,800	55,000	56,500	55,200	68,000	51,700	32,900	372,300
Total Change 2016-2036									
Single person	-300	+800	+100	-1,200	+600	+3,500	+7,600	+7,000	+18,200
Couple without children	-500	-1,300	-1,800	-8,200	+300	+14,900	+8,600	+6,900	+18,900
Couple with child(ren)	+100	-1,100	+2,800	+4,400	+2,700	+300	+100	0	+9,200
Lone parent	+2,400	+3,700	+5,100	+1,300	+200	+200	+300	+200	+13,400
Other households	-200	+200	-400	-1,000	-400	+2,300	+5,200	+5,100	+10,600
TOTAL CHANGE	+1,500	+2,200	+5,800	-4,600	+3,500	+21,200	+21,700	+19,200	+70,500

5.14 Figure 76 is based on the number in each age category rather than the number in each age cohort, as it is assumed that the housing needs are more likely to be influenced by the actual age rather than the year of birth. In summary:

- » Single person households represent over a quarter of the overall household growth: an increase of 18,000 over the 20-year period, including 7,000 extra single person households aged 85 or over;
- » Couples without dependent children represent another quarter of the growth: an increase of 30,500 households aged 55+ offset against a reduction of 11,900 younger couples without children;
- » Families with dependent children represent 22,300 of the overall growth: an increase of 13,300 lone parent households and 9,000 extra couples with dependent children; and
- » “Other” households represent an increase of 10,600 households over the 20-year Plan period.

Housing Mix: Size and Tenure

5.15 When considering future need for different types of housing, the model assumes that the housing mix needed by households of each household type and age will reflect current patterns. For example, a growth in single person households aged 65-74 will lead to an increase in the need for the type of housing currently occupied by single person households of this age. On this basis, where such households continue to live in family housing despite no longer having a family living with them, this need for family housing will still be counted.

5.16 Figure 70 identifies the need for market housing and affordable housing of different types (in terms of flats and houses) and sizes (in terms of number of bedrooms). Whilst there is projected to be an increase of 18,000 extra single person households, only 3,830 extra dwellings have one bedroom (280 market homes and 3,550 affordable homes). This reflects that many single person households will continue to occupy family housing in which they already live.

5.17 Overall, most of the market housing need is for housing (around 47,800 dwellings over the 20-year period) with a need for 1,190 flats also identified (just over 2%). The need for affordable housing is also predominantly for housing (around 16,700 dwellings) with a need for around 6,360 flats (around 28%). Whilst the need for affordable housing with four or more bedrooms is around 5% of the overall need, this represents a need for 1,200 large affordable homes that need to be provided over the 20-year period 2016-36. Much of this need will be from existing households living in overcrowded accommodation.

Figure 77: Housing mix of OAN for market and affordable housing (Source: ORS Housing Model. Note: Figures may not sum exactly due to arithmetic rounding)

		Market Housing	Affordable Housing	TOTAL
Flat	1 bedroom	300	3,550	3,830
	2+ bedrooms	890	2,810	3,670
House	1-2 bedrooms	5,470	7,300	12,600
	3 bedrooms	30,310	8,240	37,950
	4 bedrooms	10,510	950	11,310
	5+ bedrooms	2,420	250	2,640
TOTAL		48,900	23,100	73,000

The Private Rented Sector

- 5.18 The English Housing Survey (EHS) 2013-14²⁶ identified that 19% (4.4 million) of households were renting from a private landlord, almost double the rate of 11% a decade earlier in 2003-04. The EHS also shows that households aged 25-34 were more likely to be renting privately (48%) than buying a home, up from 21% in 2003-04. Owner occupation in this age group dropped from 59% to 36% over the same period.
- 5.19 Growth in the Sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
 - » Recent reductions in incomes (in real terms);
 - » Affordability of owner occupation reducing;
 - » Changing Bank lending practices: the number of Buy-to-Let (BTL) mortgages granted in 2014 (c.30,000 monthly average) were higher than those granted to First-time Buyers (c.25,000); and
 - » Pension reform: pension drawdowns invested in BTL property.
- 5.20 The growth of the Sector has been acknowledged as both a growing and long term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association forecast) that the private rented sector will increase in size to 35% nationally by 2032²⁷. On this basis, the number of households renting privately could double again over the next twenty years.
- 5.21 Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector:

The private rented sector

Tenure data from the Office of National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. Market signals in the demand for private rented sector housing could be indicated from a change in rents.

Planning Practice Guidance (March 2014), ID 2a-021

National Context

- 5.22 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the recent recession.
- 5.23 DWP data shows that there were 1.0m such families in 2012-13 compared to 0.4m a decade earlier, although there were around 0.6m claimants in the sector throughout much of the 1990s (Figure 78). Nevertheless, the proportion of those renting privately in receipt of housing benefit has reduced from around a third to less than a fifth over the 15-year period 1993-94 to 2008-09, but increased to around a quarter following the recent recession (Figure 79).

²⁶ <https://www.gov.uk/government/statistics/english-housing-survey-2013-to-2014-headline-report>

²⁷ <http://news.rla.org.uk/rpi-rent-revolution/>

Figure 78: Number of UK households in receipt of housing benefit by tenure (Source: DWP)

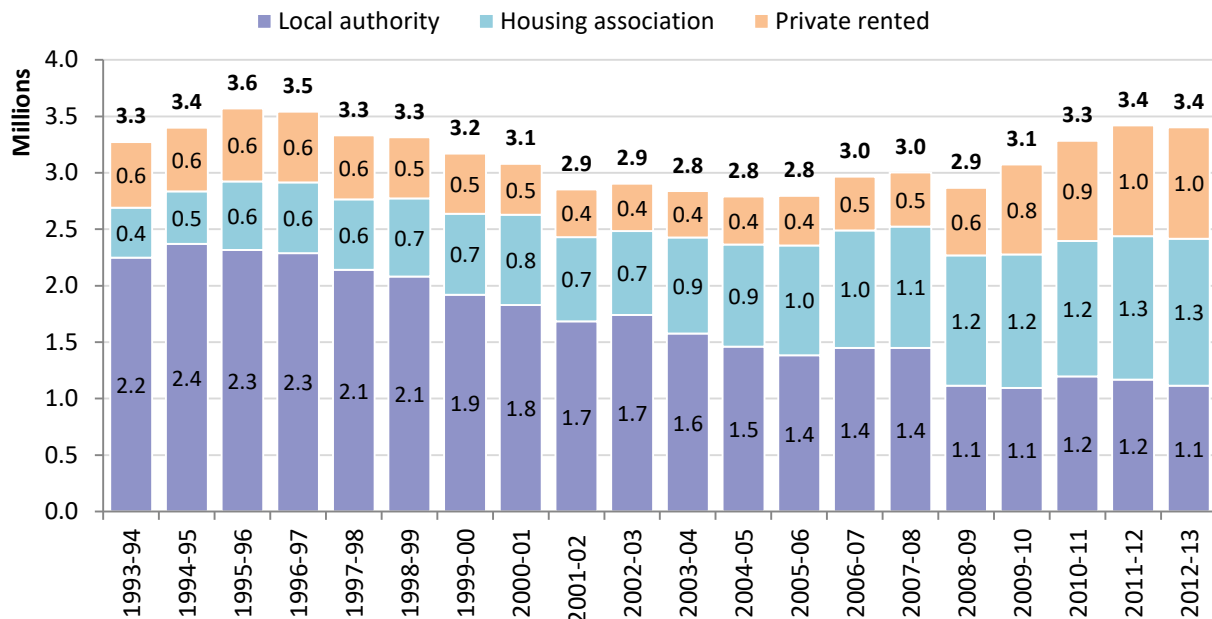
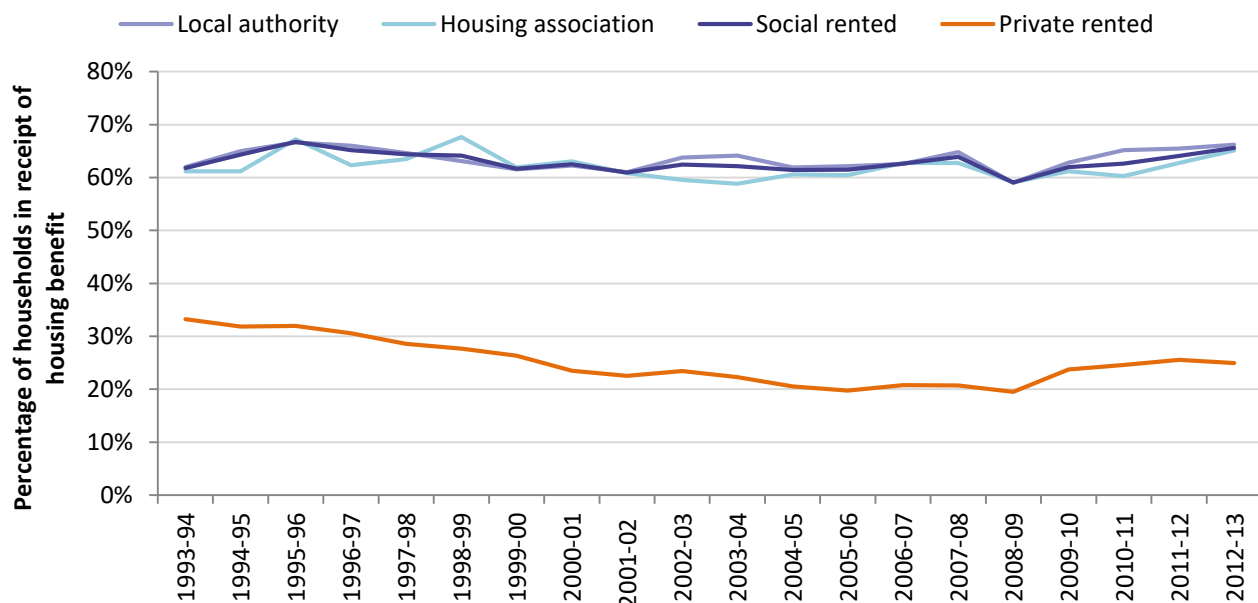


Figure 79: Percentage of UK households in receipt of housing benefit by tenure (Source: DWP)



5.24 The Office for Budget Responsibility analysis of the UK's public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)²⁸:

"The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19. ... We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating." (paragraphs 4.152-154)

²⁸ <http://cdn.budgetresponsibility.org.uk/37839-OBRCm-8820-accessible-web-v2.pdf>

- 5.25 Figure 80 shows that the change in PRS caseload as a share of 16+ population will remain constant from 2012-13 to 2018-19; so no reduction in the number of claimants is assumed. Furthermore, the OBR long-term forecasts include an allowance for housing benefit payments at between 1.4 and 1.6% of GDP for the next 50 years.

Figure 80: OBR projected trends in housing benefit spending as a share of GDP (Source: OBR Economic and Fiscal Outlook March 2014, table 4.33)

	Per cent of GDP			
	2007-08	2009-10	2012-13	2018-19
Housing benefit spending	1.09	1.40	1.52	1.34
Percentage point change since 2007-08		0.31	0.43	0.26
of which percentage points contribution from:				
Private-rented sector (PRS) - 30% of HB in 2007-08 - of which:		0.20	0.27	0.21
Change in PRS caseload as a share of 16+ population		0.14	0.24	0.24
Change in average PRS award relative to GDP per 16+ person		0.06	0.02	-0.03
LAs, social-rented and other (SRS) - 70% of HB in 2007-08 - of which:		0.10	0.17	0.05
Change in SRS caseload as a share of 16+ population		0.02	0.04	0.00
Change in average SRS award relative to GDP per 16+ person		0.09	0.13	0.05

- 5.26 Importantly, the Government sees the PRS having an important and long term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.
- 5.27 Policy by both Government and Local Authorities is focussed on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply²⁹ (including the Build to Rent investment scheme³⁰). The Government published “*Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities*” in March 2015³¹, and the Foreword by the Minister stated:

“The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue.”

- 5.28 Given this context, it is important for local authorities to recognise the role of the private rented sector at a local level. Assuming the release back into the market of many dwellings in the private rented sector currently occupied by tenants in receipt of housing benefit would have significant consequences; therefore it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing housing options for households unable to afford their housing costs in future. Nevertheless, it is essential for local authorities to understand the full extent of the need for affordable housing in their areas and consider their policy responses accordingly.
- 5.29 There have been a number of legislative changes affecting the calculation and payment of housing benefit in the private rented sector, and these are set out below:

²⁹ <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

³⁰ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

³¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

Figure 81: Summary of legislative changes affecting private tenants' LHA (Source: HM Treasury, DWP)

Effective from	Change
April 2011	Introduction of absolute caps on the maximum rates that can be paid for each size of property
	Ending of the 5 bedroom rate – LHA restricted to 4 bedroom rate
	Stopping claimants being able to keep up to a £15 'excess' above their actual rent if it is below the LHA
	Increasing deductions for non-dependants living with HB claimants
	Increasing the Government's contribution to Discretionary Housing Payments
	Amending size criteria to allow an extra bedroom for disabled claimants with a non-resident carer
October 2011	Setting maximum LHA at the 30th percentile of local rents instead of the median
January 2012	Increasing age qualification for Shared Accommodation Rate from 25 to 35 years old
April 2013	Increasing LHA rates over time by the Consumer Price Index instead of referencing market rents – increase by 1% from April 2014 except in high rent areas
	Reducing LHA by 10% for those claiming JSA for over a year – not implemented
	Council Tax Benefit replaced by localised Council Tax Reduction schemes
	Parts of the Social Fund abolished, including Community Care grants and Crisis Loans
	Universal Credit implementation begins (with a pathfinder) to complete by 2017
	Spare room subsidy ('bedroom tax') introduced
June 2013	End of DLA, PIP begins for new claims
July 2013	Benefit cap implementation
	Universal Credit pathfinder expands
October 2013	Temporary Accommodation to have housing costs met in line with Local Housing Allowance rates
	Reassessment of existing Disability Living Allowance migration to Personal Independence Payment begins
	Universal Credit roll-out begins
	Incapacity benefit abolished; all claimants move to Employment Support Allowance (ESA) by late 2017
	Expansion of PIP/DLA reassessment for existing claimants
April 2014	Removal of access to Housing Benefit for EEA Jobseekers
	LHA uprating limited to 1 per cent
	Help to work scheme introduced for those unemployed 2 years +
April 2016	State Pensions Age increases begin
	Four year freeze to certain working age benefits (pensioner benefits, DLA, PIP not frozen)
	Four-year freeze to local housing allowance rates
	Lowering the benefit cap to £23,000 in London and £20,000 elsewhere
	Universal credit claims will be limited to two children from April 2017 (with some exceptions)
	Removing entitlement to housing support for those aged 21 or under (with some exemptions)

^{5.30} At the same time, young households are less likely to meet their housing need in affordable housing given the various constraints in accessing local authority and housing association rented housing. Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property.

^{5.31} This means that much of the increased demand for PRS property is likely to continue, driven by young households with few other options should they wish to establish their own household.

Private Rented Sector in Swindon and Wiltshire

5.32 Considering the trends of tenure mix for Swindon & Wiltshire over the last thirty years, it is evident that there have been some significant changes in the balance between owner occupiers and tenants renting their home.

- » **From 1981-1991:** the number of owner occupiers climbed significantly (increasing from 106K to 152K households, a gain of 46 thousand). The number of social tenants reduced from 50K to 41K households (a loss of 9 thousand) and the number of private tenants increased from 24K to 25K households (an increase of 1 thousand).
- » **From 1991-2001:** the number of owner occupiers continued to climb (increasing from around 152K to around 183K households, a gain of 30 thousand); this was alongside a growth of private tenants (increasing from 25K to 31K households, a gain of 6 thousand). The number of social tenants reduced (from 41K to 38K households, a reduction of 3 thousand).
- » **From 2001-2011:** the number of owner occupiers increased, albeit at a slower pace (increasing from 183K to 192K households, an increase of 9 thousand) whilst the number of private tenants increased substantially (from 31K to 48K households, a gain of 17 thousand). The number of social tenants also increased (from 38K to 43K households, a gain of 5 thousand).

5.33 It is evident that the overall balance between owners and renters has changed in 2011 from the position in 1981, with 59% owning in 1981 and 68% owning in 2011. The balance between social rent and private rent has also changed: 33% of tenants rented privately in 1981 (33% of the 41% of households that rent; 13% of all households) whereas 53% rented privately in 2011 (53% of the 32% of households that rent; 17% of all households).

Figure 82: Number of Households by Tenure 1981-2011
(Source: UK Census of Population)

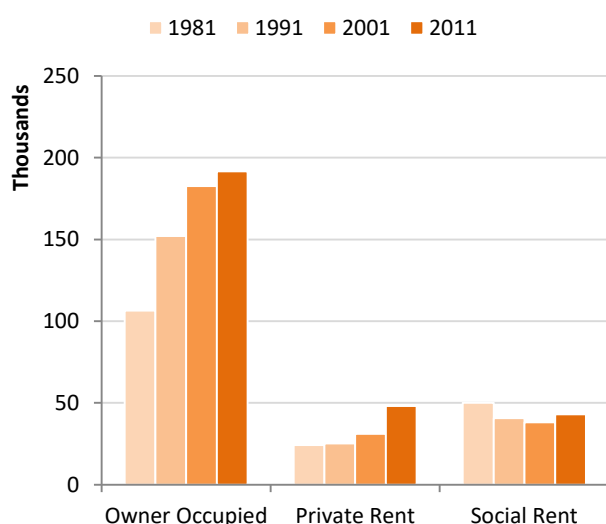


Figure 83: Percentage of Households by Tenure 1981-2011
(Source: UK Census of Population)

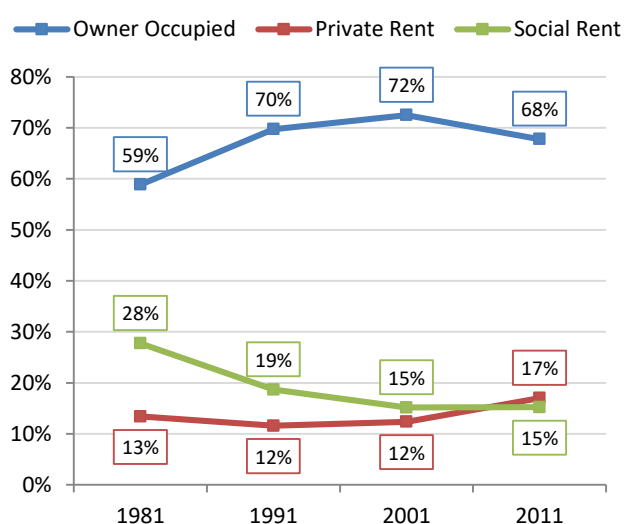


Figure 84: Households by Tenure 1981-2011 (Source: UK Census of Population)

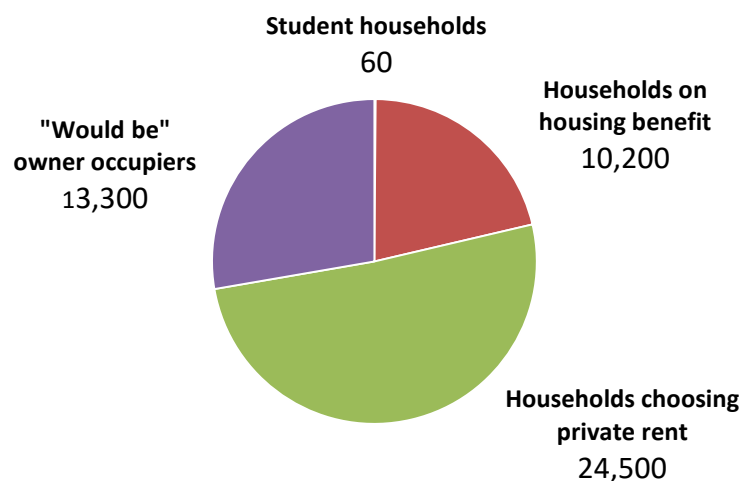
Tenure	Total Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	106,400	152,000	182,500	191,600	+45,700	+30,500	+9,000
Private rent	24,200	25,300	31,100	48,000	+1,100	+5,900	+16,900
Social rent	50,100	40,700	38,100	43,000	-9,400	-2,600	+4,800
TOTAL	180,700	218,000	251,800	282,600	+37,300	+33,800	+30,700
Owner occupied	58.9%	69.7%	72.5%	67.8%	+122%	+90%	+29%
Private rent	13.4%	11.6%	12.4%	17.0%	+3%	+17%	+55%
Social rent	27.7%	18.7%	15.1%	15.2%	-25%	-8%	+16%

5.34 Based on the range of information available about tenants currently renting privately in Swindon & Wiltshire, it is helpful to consider the mix of different types of household living in the area:

- » 60 properties are rented by households that are students, although this is only 0.1% of the sector;
- » 10,200 properties are rented by households in receipt of housing benefit, over a fifth (21%) of the sector;
- » A further 37,800 households renting privately; however if the proportion of households in owner occupation had not changed between 2001 and 2011, 13,300 of these households would have been owner occupiers. This represents over a quarter (28%) of all households renting privately; and
- » 24,500 households are therefore renting privately through choice, due to their current personal, family, employment or other circumstances.

5.35 It is important to recognise that the 13,300 households identified as “would be” owner occupiers are not included within the need for affordable housing, as they are able to rent market housing without financial support through housing benefit even if they cannot afford to buy. As previously noted, the NPPF seeks to “*widen opportunities for home ownership*” (paragraph 50) and national schemes such as Help-to-Buy and the Starter Home Initiative aim to help people onto the housing ladder. **Given the number of “would be” owner occupiers in Swindon & Wiltshire, the Councils may wish to consider any local options for extending home ownership to these households.** This action would be in addition to providing affordable housing.

Figure 85: Mix of household types living in the private rented sector (Source: UK Census of Population 2011 and DWP)



Student Housing

- 5.36 PPG was updated in March 2015 to include specific reference to identifying the needs of students:

Local planning authorities should plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus. Student housing provided by private landlords is often a lower-cost form of housing. Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Plan makers are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside of university-provided accommodation. Plan makers should engage with universities and other higher educational establishments to better understand their student accommodation requirements.

Planning Practice Guidance 2014, paragraph 21

- 5.37 In establishing the OAN for the HMA, students were included in the trend-based analysis; therefore the needs of student households are counted as part of the overall OAN. The household projections assume that the number of students living in communal establishments (including university halls of residence and student housing provided by private sector providers) remains constant over the Plan period 2016-36.

Service Families

- 5.38 Paragraph 50 of the NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families. 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 (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes).

National Planning Policy Framework (March 2012), Paragraph 50

- 5.39 Paragraph 159 also refers to the needs of Service Families among other groups. NPPG does not mention Service families. Irrespective of not being in the NPPG, it is important to consider their needs given the size of the Armed Forces population in Wiltshire and Swindon.

Housing Members of the Armed Forces

- 5.40 The Government has made a number of commitments towards housing members of the armed forces via:

- » The Armed Forces Covenant (2011);
- » 'Laying the Foundations: A Housing Strategy for England 2011' (HM Government);
- » Housing allocations: The Allocation of Housing (Qualification Criteria for Armed Forces Personnel) (England) Regulations 2012 and the Housing Act 1996 (Additional Preference for Former Armed Forces Personnel) (England) Regulations 2012 which have strengthened the position of some armed forces personnel in seeking to access social housing, giving them greater priority;
- » Adapted social housing for Injured Services Personnel: *The Nation's Commitment: Cross Government Support to our Armed Forces, their Families and Veterans* (July 2008) made it clear that

injured service personnel who bought a home through what was then the Key Worker Living Scheme might be eligible for a DFG to carry out necessary adaptation work;

- » Affordable housing schemes for Services Personnel: There are a number of housing schemes available to the Service and ex-Service community (e.g. Homebuy, Help to Buy, NewBuy); and
- » MOD Referral Scheme with Housing Associations in about 180 locations aims to provide low-cost, rented accommodation for people coming out of the Services.

The Armed Forces in Wiltshire

- 5.41 The impact of Service Personnel migration through the 2010 Strategic Defence Review (SDR) and Regular Army Basing Plan (re-basing) was considered in deriving the population and household projections in Chapter 2 of the SHMA. This section considers the location and type of housing required, the proposed supply to meet that need, and the Councils' responsibilities to current service personnel and veterans.
- 5.42 The figures below show breakdowns of the proposed net increases in service personnel and their families by details of the population by MOD site following the re-basing³².

Figure 86: Additional (Net) Armed Forces Personnel and SFA by location (excluding Warminster which has no change) (Source: MOD revision to Masterplan issued 27 Nov 2015)

Location	Service Personnel			Service Family Accommodation (SFA) units to be provided
	Current	Proposed	Increase	
Larkhill	1,902	3,897	1,995	444
Bulford	2,718	3,355	637	227
Tidworth	3,534	4,020	486	100
Perham Down (Ludgershall)	627	1,264	637	246
Upavon	277	481	204	0
Salisbury Plain Total	9,058	13,017	3,959	1,017

- 5.43 While the total of over 1,017 new SFA units is considerable, 917 are to be built by the MOD with the other 100, at Tidworth, to be acquired on the open market.
- 5.44 A planned increase in Single Living Accommodation (SLA) will provide around 2,600 additional bedspaces for individual service personnel. However, around 1,300 dwellings are required for Service Family Accommodation (SFA) against the 1,017 planned to be provided by the MOD. A small number of service personnel are expected to rent or buy privately.

Figure 87: Net Additional Population by Location (Source: MOD revision to Masterplan issued 27 Nov 2015)

	Service Personnel		Dependents		TOTAL
	SLA	SFA	Spouses	Children	
Larkhill	1,297	688	688	987	3,660
Bulford	414	267	267	473	1,421
Tidworth	316	25	25	38	404
Perham Down (Ludgershall)	414	223	223	386	1,246
Upavon	126	78	78	103	385
TOTAL	2,566	1,281	1,281	1,983	7,111

³² Data supplied by Wiltshire Council from the MOD revision to Salisbury Plain Masterplan issued 27 Nov 2015

5.45 Lettings to SFA properties are shown below:

Figure 88: Service Family Accommodation properties in Wiltshire by Community Area - July 2012 (Source: "Military population in Wiltshire and the South West region, October 2012)

Community Area	Service Family Accommodation properties		
	Let	Void	Total
Amesbury	1,693	140	1,833
Chippenham	148	8	156
Corsham	330	40	370
Devizes	48	11	59
Malmesbury	54	5	59
Pewsey	211	19	230
Salisbury	120	22	142
Tidworth	1,296	74	1,370
Tisbury	4	1	5
Trowbridge	29	7	36
Warminster	556	34	590
Westbury	9	2	11
Wilton	118	15	133
Royal Wootton Bassett & Cricklade	461	302	763
TOTAL	5,077	680	5,757

5.46 There were 680 void SFA properties in 2012, but most of these are not in the south of the County, which is where accommodation is required for the additional personnel following the re-basing. However, the MoD has identified the need to provide additional SFA properties, mostly as new homes, with the possibility of purchasing existing dwellings in some areas of the county.

Figure 89: Estimated number of Service personnel stationed in Wiltshire living in different accommodation types based on Armed Forces Continuous Attitudinal Survey 2012 proportions (Source: "Military population in Wiltshire and the South West region, October 2012. Note: numbers may not sum due to rounding)

Community Area	Service Personnel in Wiltshire	
	Number	%
Service Family Accommodation (SFA) or substitute SFA	5,400	36%
Singly Living Accommodation (SLA) or substitute SLA	7,300	49%
Market housing (owner occupied or rented privately)	1,900	13%
Other	400	3%
TOTAL	15,000	100%

5.47 Privately owned or rented constitute almost 13% of all service personnel properties. A similar level of home ownership and private renting could contribute to the 1,300 homes required for service families.

Ex-service Personnel

- 5.48 Wiltshire Council Knowledge Management Team produced a report; *“Veteran population in Wiltshire”* in October 2012³³, which estimated the veteran population of Wiltshire to be 53,600, with around 43% of those identified being aged over 72 and 11,615 being Armed Forces Pension Scheme (AFPS) recipients who are likely to be aged between 40 and 65. The report suggests that the distribution of AFPS recipients; *‘indicates a propensity for veterans to fan out into areas surrounding previous and current military bases’*.
- 5.49 Comparatively high house prices may deter service leavers from remaining in Wiltshire, the report states that higher house prices are; *‘potentially making Wiltshire a less attractive location for Service leavers, particularly younger Service leavers, who may conclude the only viable option is to return home to a more affordable area.’*
- 5.50 Retired service personnel and service personnel families are taken account of in the trend data; existing veterans and those service leavers who remain in Wiltshire or Swindon will be accounted for in the population projections, while those who move out on leaving the Army will be accounted for in the long-term migration patterns. Veterans aged over 65 will be accounted for in the assessment of housing needs of older people.
- 5.51 Homelessness among ex-service personnel is relevant to the SHMA³⁴:
- “An average of 12% of homelessness acceptances in Wiltshire (between October 2012 and June 2013) stated ‘Left HM forces’ as the main reason for being homeless. This is almost certainly an undercount. Although the numbers are small, it is highly likely that this group will require significant support from public services including the NHS and council, as well as key charitable organisations.”*
- 5.52 There is a high number of veterans living in Wiltshire based on service pension records and Royal British Legion support, but it is unclear how many future service leavers will remain in the County, particularly given relatively high house prices. Numerically these are accounted for in the trend data, but Wiltshire and Swindon councils have responsibilities for care and support for older veterans and for homeless ex-service personnel.

³³ <http://www.intelligenceNetwork.org.uk/EasySiteWeb/getresource.axd?AssetID=55872&type=full&servicetype=Attachment>

³⁴ Veteran population in Wiltshire, 2012

People Wishing to Build their Own Homes

- 5.53 Paragraph 50 of the NPPF identifies that local planning authorities should plan for people wishing to build their own homes, and PPG states:

People wishing to build their own homes

The Government wants to enable more people to build their own home and wants to make this form of housing a mainstream housing option. There is strong industry evidence of significant demand for such housing, as supported by successive surveys. Local planning authorities should, therefore, plan to meet the strong latent demand for such housing.

Planning Practice Guidance (March 2014), ID 2a-021

- 5.54 Over half of the population (53%) say that they would consider building their own home³⁵ (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 10% of housing completions in the UK, compared to rates of around 40% in France and 70 to 80% elsewhere in Europe.
- 5.55 The attractiveness of self-build is primarily reduced costs; however the Joseph Rowntree Foundation report *"The current state of the self-build housing market"* (2001) showed how the sector in the UK had moved away from those unable to afford mainstream housing towards those who want an individual property or a particular location.
- 5.56 The Government have consistently supported self or custom build since 2010:
- » *"Laying the Foundations – a Housing Strategy for England"* (HM Government, 2011)³⁶ redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade.
 - » *"Build-it-yourself? Understanding the changing landscape of the UK self-build market"* (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply.
 - » A subsequent network of 11 Right to Build 'Vanguards' tested how the 'Right to Build' could work in practice in a range of different circumstances.
- 5.57 The Self-Build and Custom Housebuilding Act³⁷ 2015 placed a duty on local planning authorities to:
- » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
 - » Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and
 - » Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

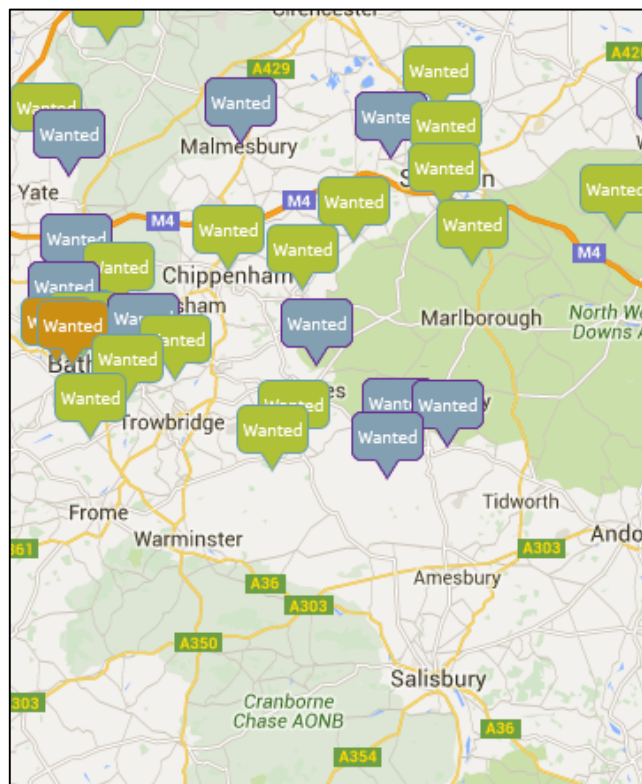
³⁵ Building Societies Association Survey of 2,051 UK consumers 2011

³⁶ <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2>

³⁷ <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

- 5.58 Government funding³⁸ is currently available via the HCA Custom Build Homes Fund programme (short-term project finance to help unlock group custom build or self-build schemes). The Government announced further measures in 2014 (Custom Build Serviced Plots Loan Fund) to encourage people to build their own homes, and to help make available 10,000 'shovel ready' sites with planning permission.
- 5.59 In May 2012 a Self-Build Portal³⁹ run by the National Custom and Self Build Association (NCSBA) was launched. Figure 90 shows the current registrations from groups and individuals looking for land in the Swindon & Wiltshire area on the 'Need-a-Plot' section of the portal. Whilst there is clearly some interest in self-build across the area (around ten groups or individuals in July 2015), at the present time this represents only a very limited number of people and an exceptionally small proportion of the overall housing need identified each year for Swindon and Wiltshire. Evidence from Wiltshire's Self Build register indicates 81 individuals and one group registration from those looking to self-build, and Swindon similarly reports 15 individuals on their register (as of Oct 2016). Many are very specific (e.g. a particular road in a particular village) while others are more general (e.g. 'North Wiltshire'; 'within 15 miles of Swindon'). However, the volume of registrations indicates demand higher than NCSBA data.

Figure 90: Group and Individual Registrations currently looking for land in and around Swindon & Wiltshire on the 'Need-a-Plot' Portal (Source: NCSBA, March 2016. Note: Green flags represent solo plots wanted, brown flags represent group plots wanted and blue flags represent group or solo plots wanted)



- 5.60 Given the historic low supply of self-build homes and the challenges in bringing schemes forward it seems unlikely that self-build will make a significant contribution locally to meeting housing need in the short term. However, new planning guidance (from April 2016) may stimulate demand. Each Council should, therefore, put arrangements in place to comply with the Act and new planning guidance.

³⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364100/custom_build_homes_fund_prospectus_120712.pdf

³⁹ <http://www.selfbuildportal.org.uk/>

- 5.61 A survey to ascertain levels of demand for self-build could be undertaken in future; however, it would be important to ensure that appropriate questions are designed that can effectively separate aspiration from effective market demand.

Housing for Older People

- 5.62 Britain's population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 21.6m by 2037⁴⁰ for the over 60s, and from 1.4m (2012) to 3.6m by 2033 for the over 85s. Given this context, PPG recognises the importance of providing housing for older people:

Housing for older people

The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over ... Plan makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish. Supporting independent living can help to reduce the costs to health and social services, and providing more options for older people to move could also free up houses that are under occupied.

The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered, enhanced sheltered, extra care, registered care) should be assessed and can be obtained from a number of online tool kits provided by the sector. The assessment should set out the level of need for residential institutions (Use Class C2). Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs.

Planning Practice Guidance (March 2015), ID 2a-021

- 5.63 The population projections identified that the population was likely to increase by 117,600 persons over the 20-year period 2016-36. The population in older age groups is projected to increase substantially during this period. This is particularly important when establishing the types of housing required and the need for housing specifically for older people. Whilst most of these older people will already live in the area and many will not move from their current homes; those that do move home are likely to be looking for suitable housing.
- 5.64 The Housing Learning and Improvement Network (LIN) published "*More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people*"⁴¹ in February 2008; and subsequently published the "*Strategic Housing for Older People (SHOP)*"⁴² resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for a range of specialist older person housing products, based on the population aged 75 or over.
- 5.65 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but neither publication provides any detail about the derivation of the figures.

⁴⁰ <http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2012-based-projections/stb-2012-based-npp-principal-and-key-variants.html#tab-Changing-Age-Structure>

⁴¹ http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

⁴² <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

5.66 However, the More Choice, Greater Voice toolkit recognises that the suggested framework simply:

“...represents an attempt to quantify matters with explicit numerical ratios and targets. It is contentious, but deliberately so, in challenging those who must develop local strategies to draw all the strands together in a way that quantifies their intentions.” (page 44)

5.67 Similarly, the SHOP resource pack acknowledges that the framework simply provides a baseline, which extrapolates *“...crude estimates of future demand from existing data”* (page 36).

Figure 91: Benchmark Figures for Specialist Older Person Housing

Form of Provision	More Choice, Greater Voice toolkit			SHOP resource pack		
	Owned	Rented	TOTAL	Owned	Rented	TOTAL
Demand per 1,000 persons aged 75+						
Leasehold Schemes for the Elderly (LSE)	75	-	75	120	-	120
Conventional Sheltered Housing	-	50	50	-	60	60
Sheltered 'plus' or 'Enhanced' Sheltered	10	10	20	10	10	20
Extra care	12.5	12.5	25	30	15	45
Dementia	-	10	10	-	6	6
TOTAL	97.5	82.5	180	160	91	251

5.68 PPG also identifies that *“assessments should set out the level of need for residential institutions (Use Class C2)”* (ID 2a-021). The demographic projections have projected that the institutional population is likely to increase by around 4,200 persons over the period 2016-36 (Figure 30).

5.69 This increase in institutional population is a consequence of the CLG approach to establishing the household population⁴³, which assumes *“that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s”* on the basis that *“ageing population will lead to greater level of population aged over 75 in residential care homes”*. However, older people are living longer, healthier lives, and the Government’s reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible – so despite the ageing population, current policy means that the number of care homes and nursing homes may actually decline, as people are supported to continue living in their own homes for longer.

5.70 Given this context, it does not necessarily follow that all of the increase in institutional population should be provided as additional bedspaces in residential institutions in Use Class C2; some of the specialist older person housing may be more appropriate for their needs. Nevertheless, whilst specialist older person housing would generally be included within the overall OAN, **if fewer older people are expected to live in communal establishments than is currently projected, the housing needs of any additional older people in the household population would need to be counted in addition to the assessed OAN.** Based on the growth of around 60,000 persons aged 75+, Figure 92 identifies the potential requirement for new specialist housing.

⁴³ Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

Figure 92: Modelled Demand for Older Person Housing

		Swindon UA	Wiltshire UA	TOTAL
Change in population aged 75+ over the period 2016-36		+15,924	+44,523	+60,447
Demand for Older Person Housing				
Extra care	Owned	480	1,340	1,820
	Rented	240	670	910
Sheltered 'plus' or 'Enhanced' Sheltered	Owned	160	450	610
	Rented	160	450	610
Dementia		100	270	370
Leasehold Schemes for the Elderly (LSE)		1,910	5,340	7,250
TOTAL		3,050	8,520	11,570
Percentage of Overall OAN		10.9%	19.4%	16.1%

- 5.71 The toolkit identifies future need for 11,600 specialist older person housing units of various types over the 20-year period 2016-36; which represents around 16% of the overall OAN.
- 5.72 PPG identifies that “assessments should set out the level of need for residential institutions (Use Class C2)” (ID 2a-021). Planning Practice Guidance for Housing and Economic Land Availability Assessment also states the following in relation to housing for older people:

How should local planning authorities deal with housing for older people?

Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.

Planning Practice Guidance (March 2015), ID 3-037

- 5.73 It is important to recognise that the identified OAN of 73,000 dwellings does not include the projected increase of institutional population, which represents a growth of around 6,800 persons over the 20-year Plan period 2016-36 (Figure 30). Whilst some of the projected change is due to service personnel, a total of 4,205 persons within the increase in institutional population are aged 75 years, which is a consequence of the CLG approach to establishing the household population.⁴⁴ This assumes “that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s” on the basis that “ageing population will lead to greater level of population aged over 75 in residential care homes”.
- 5.74 The Councils will therefore need to consider the most appropriate way to count the supply of bedspaces in residential institutions (Use Class C2) as part of their overall housing monitoring, and decide whether this should form part of the overall housing supply. **If bedspaces in residential institutions in Use Class C2 are counted within the housing supply, then the increase in institutional population aged 75 or over would need to be counted as a component of the housing requirement (in addition to the assessed OAN).** If these bedspaces are not counted within the housing supply, then there is no need to include the increase in institutional population as part of the housing requirement.
- 5.75 Nevertheless, older people are living longer, healthier lives, and the specialist housing offered today may not be appropriate in future years and the Government’s reform of Health and Adult Social Care is

⁴⁴ Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

underpinned by a principle of sustaining people at home for as long as possible. Therefore, despite the ageing population, current policy means that the number of care homes and nursing homes may actually decline, as people are supported to continue living in their own homes for longer.

- 5.76 Although the institutional population aged 75 years or over is projected to increase by around 4,205 persons over the Plan period 2016 (based on the CLG assumption that there will be a “*greater level of population aged over 75 in residential care homes*”), it does not necessarily follow that all of this need should be provided as additional bedspaces in residential institutions in Use Class C2 – but any reduction in the growth of institutional population aged 75 or over would need to be offset against higher growth for these age groups in the household population; which would yield more households than assumed when establishing the OAN.
- 5.77 As a consequence, if fewer older people are expected to live in communal establishments than is currently projected, the needs of any additional older people in the household population would need to be counted in addition to the assessed OAN.
- 5.78 Of course, it is important that the delivery of specific schemes for specialist older person housing are considered in partnership with other agencies, in particular those responsible for older person support needs. It will also be important to consider other factors and constraints in the market:
- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;
 - » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
 - » **Existing supply:** while there is considerable existing specialist supply, this may be either inappropriate for future households or may already be approaching the end of its life. Nevertheless, other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;
 - » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service; and
 - » **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

Households with Specific Needs

- 5.79 Paragraph 50 of the NPPF identifies that local planning authorities should plan households with specific needs, and PPG states:

Households with specific needs

There is no one source of information about disabled people who require adaptations in the home, either now or in the future.

The Census provides information on the number of people with long-term limiting illness and plan makers can access information from the Department of Work and Pensions on the numbers of Disability Living Allowance/Attendance Allowance benefit claimants. Whilst these data can provide a good indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home.

Applications for Disabled Facilities Grant will provide an indication of levels of expressed need, although this could underestimate total need. If necessary, plan makers can engage with partners to better understand their housing requirements.

Planning Practice Guidance (March 2015), ID 2a-021

- 5.80 Personal Independence Payments (which replaced Disability Living Allowance from April 2013), are awarded to people aged under 65 years who incur extra costs due to disability (note: there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions). Higher Mobility Component (HMC) is awarded when applicants have “*other, more severe, walking difficulty*” above the Lower Mobility Component (which is for supervision outdoors).
- 5.81 Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over. It is paid at two different rates: a lower rate is paid for those who need help or constant supervision during the day, or supervision at night; a higher rate is paid where help or supervision throughout both day and night is needed, or if people are terminally ill.
- 5.82 Nevertheless, PPG recognises that neither of these sources provides information about the need for adapted homes as “*not all of the people included within these counts will require adaptations in the home*”.
- 5.83 Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs. Grants cover a range of works, such as:
- » Widening doors and installing ramps;
 - » Improving access to rooms and facilities, for example stair lifts or a downstairs bathroom;
 - » Providing a heating system suitable for needs; and
 - » Adapting heating or lighting controls to make them easier to use.
- 5.84 Local data about DFGs was published by CLG in Live Table 314⁴⁵, and this indicated that 138 DFGs were funded in Swindon UA and a further 468 in Wiltshire UA in 2010/11 at an average cost of £6,459 and £5,273 respectively. However PPG notes that whilst patterns of DFG applications “*provide an indication of expressed need*” it cautions that this could “*underestimate need*”. Of course, it is also important to

⁴⁵ Table 314 has now been discontinued by CLG

recognise that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

5.85 As previously noted, the Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the 2015 edition of Approved Document M: Volume 1 (Access to and use of dwellings)⁴⁶. This introduces three categories of dwellings:

- » Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
- » Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
- » Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

5.86 Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for Category 2 and Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.

5.87 Planning Practice Guidance for Housing optional technical standards states:

Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.

To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.

Planning Practice Guidance (March 2015), ID 56-007

5.88 The demographic projections from the SHMA (Chapter 3) show that the Swindon and Wiltshire population is likely to increase by around 117,600 persons over the 20-year period 2016-336. The number of people aged 65 or over is projected to increase by around 89,500 persons. This includes an extra 27,800 persons aged 85 or over, nearly a quarter of the total increase. Most of these older people will already live in the area and many will not move from their current homes; but those that do move home are likely to need accessible housing. **Given this context, the evidence supports the need for all dwellings to meet Category 2 requirements, providing that this does not compromise viability.** This approach has been adopted in Local Plans elsewhere.

5.89 The CLG guide to available disability data⁴⁷ (referenced by PPG above) shows that currently around 1-in-30 households in England (3.3%) have at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households, and given that the number of older person households is likely to increase over the period to 2036, the proportion of households needing wheelchair housing in future is also likely to be higher.

⁴⁶ <http://www.planningportal.gov.uk/buildingregulations/approveddocuments/partm/adm/admvol1>

⁴⁷ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

- 5.90 Figure 93 identifies the proportion of households with a wheelchair user currently living in market housing and affordable housing by age of household representative.

Figure 93: Percentage of households with a wheelchair user by type of housing and age of household representative
(Source: English Housing Survey 2013-14)

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Housing type								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

- 5.91 Figure 94 identifies the net change in the number of households with a wheelchair user over the 20-year Plan period 2016-36. It is evident that the number of households likely to need wheelchair adapted housing in the Swindon and Wiltshire combined area is likely to increase by just less than 5000 over the period, equivalent to around 7.4% of the overall OAN.

Figure 94: Swindon and Wiltshire combined area households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to arithmetic rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+			Overall change 2016-36	% of OAN
	2016	2036	Net change 2016-36	2016	2036	Net change 2016-36		
Housing type								
Market housing	4,230	4,920	690	2,540	5,070	2,530	3,220	6.6%
Affordable housing	2,370	2,880	510	1,190	2,330	1,140	1,660	9.5%
All households	6,590	7,800	1,210	3,730	7,400	3,670	4,880	7.4%

- 5.92 This comprises 3,220 households in market housing (6.6% of the market housing OAN) and 1,660 households in affordable housing (9.5% of the affordable housing OAN). The evidence therefore supports the need for a proportion of both market and affordable housing to be wheelchair accessible, and this in isolation would indicate **a minimum of 7% of all market housing and 10% of affordable housing would need to meet Category 3 requirements.**
- 5.93 It is evident that the majority of the identified growth in need for wheelchair adapted housing (3670 households out of 4880, equivalent to 75%) is from households aged 75 or over. It is likely that many of these households would also be identified as needing specialist housing for older persons. The earlier analysis identified a need for up to 11,600 specialist older person housing units for households aged 75 or over, whilst the above analysis identifies a need for around 3,670 wheelchair adapted dwellings for households in the same age group.
- 5.94 Whilst not all households aged 75 or over needing wheelchair adapted housing will live in specialist older person housing, at any point in time it is likely that around two-fifths of those living in specialist housing will need wheelchair adapted homes. However, it is important to recognise that as individual household circumstances change, it is likely that some households will start using a wheelchair whilst living in specialist housing if their health deteriorates. On this basis, a higher proportion of specialist older person housing units will need to be wheelchair adapted. **The evidence supports the need for a target for all specialist housing for older people to meet Category 3 requirements.**

- 5.95 When developing appropriate policies, it is important to note that Planning Practice Guidance for Housing optional technical standards states:

Part M of the Building Regulations sets a distinction between wheelchair accessible (a home readily useable by a wheelchair user at the point of completion) and wheelchair adaptable (a home that can be easily adapted to meet the needs of a household including wheelchair users) dwellings.

Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling.

Planning Practice Guidance (March 2015), ID 56-009

- 5.96 On this basis, it is appropriate for the local authority to set a target requiring the provision of wheelchair accessible housing that meets Category 3 requirements in relation to affordable housing. Furthermore, as there is clearly evidence to support the need to provide market housing that is wheelchair accessible, it would also be appropriate for the local authority to set a target requiring that a proportion of market housing is readily adaptable to wheelchair accessible housing that meets Category 3 requirements.
- 5.97 Given the minimum of 7% market and 10% affordable housing projected to require wheelchair accessibility (Figure 94), the overall target set by the council for market housing should be somewhat higher as it cannot be guaranteed that wheelchair adapted or adaptable housing will be exclusively purchased or occupied by current or future wheelchair users. With this in mind we suggest **an overall proportion of 10% market and 15% affordable housing should meet or be readily adaptable to Category 3 requirements** as an appropriate target to be considered by the council.

Supported Housing Needs

- 5.98 Whilst it is important for SHMAs to consider the support needs of disabled people in terms of the housing requirement, it is necessary for this to be within the context of their support needs more generally. Figure 95 sets out the growth in vulnerable and older people needs for each client group over the 10-year period 2011-21 based on estimates from the Homes and Communities Agency Vulnerable and Older People Needs Estimation Toolkit.

Figure 95: Estimates of Vulnerable and Older People Needs in Swindon and Wiltshire 2011-21 (Source: Homes and Communities Agency Vulnerable and Older People Needs Estimation Toolkit)

	2011	2021	Change 2011-21
People aged under 18 in need			
Teenage parents	1,372	1,316	-56
Young people aged 16-17	134	125	-9
People aged 18-64 in need			
Alcohol misuse	2,228	2,211	-17
Learning disabilities	1,121	1,139	18
Mental health problems	1,533	1,569	36
Offenders	913	935	22
Moderate physical or sensory disability	799	849	50
Serious physical or sensory disability	239	259	20
Refugees	53	54	1
Rough sleepers	17	18	1
Single homeless with support needs	1,169	1,197	28
People aged 65+ in need			
Frail elderly	2,657	3,534	877
Older people with mental health needs	4,389	5,838	1,449
Older people with support needs	14,438	19,204	4,766

- 5.99 The modelling of supported housing needs is complex and it is essential that housing options are established within the context of the strategy for wider support. It therefore isn't appropriate for the SHMA to determine these figures in isolation. Nevertheless, the numbers of people involved are relatively low; so the overall need for various types of specialist housing is likely to represent a very small proportion of the overall housing need for 73,000 dwellings over the 20-year period 2016-36.

There are also issues regarding new build viability; economies of scale are not strong (schemes tend to be bespoke or involve low volumes) and competition for land (especially in desirable areas) drives up values and costs. Further, the role of housing benefit in viability becomes more pronounced, and the impact of Welfare reform will need to be taken into account. Consequently, some form of subsidy will be required either from planning gain, land subsidy or capital contribution. On this basis, the proposed delivery level may be lower than the identified need due to viability constraints. It will therefore be important for housing and planning officers to continue liaising with their colleagues from social care to ensure that appropriate housing is provided for the needs of residents.

6. Housing Requirements

Considering the policy response to identified housing need

6.1 The SHMA has established the Full Objectively Assessed Need for Housing in Swindon and Wiltshire HMA to be 73,000 dwellings over the 20-year period 2016-36, however this figure will need to be tested through the Statutory Plan-making Process. Until it is tested at examination, the OAN must not be portrayed as a new housing requirement for planning purposes: the Wiltshire Core Strategy (adopted on 20 January 2015) and Swindon Borough Local Plan (adopted on 26 March 2015) will continue to fulfil this role.

6.2 This is confirmed by Planning Practice Guidance for housing and economic land availability assessment, which states that “housing requirement figures in up-to-date adopted Local Plans should be used as the starting point for calculating the five-year supply” (paragraph 30). This point was further emphasised in a letter from the Housing Minister to the Planning Inspectorate in December 2014:

“Many councils have now completed Strategic Housing Market Assessments either for their own area or jointly with their neighbours. The publication of a locally agreed assessment provides important new evidence and where appropriate will prompt councils to consider revising their housing requirements in their Local Plans. We would expect councils to actively consider this new evidence over time and, where over a reasonable period they do not, Inspectors could justifiably question the approach to housing land supply.

“However, the outcome of a Strategic Housing Market Assessment is untested and should not automatically be seen as a proxy for a final housing requirement in Local Plans. It does not immediately or in itself invalidate housing numbers in existing Local Plans.

“Councils will need to consider Strategic Housing Market Assessment evidence carefully and take adequate time to consider whether there are environmental and policy constraints, such as Green Belt, which will impact on their overall final housing requirement. They also need to consider whether there are opportunities to co-operate with neighbouring planning authorities to meet needs across housing market areas. Only after these considerations are complete will the council’s approach be tested at examination by an Inspector. Clearly each council will need to work through this process to take account of particular local circumstances in responding to Strategic Housing Market Assessments.”

6.3 In establishing the OAN, the SHMA has taken full account of all unmet need for housing that is likely to exist at the start of new Plan periods; therefore any under-delivery against current housing targets need not be counted again. However, whilst the OAN identified by the SHMA will be a key part of the evidence base, the Local Plans will be the mechanism through which the SHMA evidence will be assessed against environmental and policy constraints, such as Green Belt, to identify a sustainable and deliverable plan requirement.

6.4 The Local Plans will also re-consider the spatial distribution of the OAN across the functional housing market area for Swindon and Wiltshire, including the most appropriate location for market and affordable housing, and the type and size of properties to be provided in different areas.

Affordable Housing Need

- 6.5 The SHMA has identified a substantial need for additional affordable housing: a total of 23,100 dwellings across the Swindon and Wiltshire HMA over the 20-year period 2016-36, which includes 5,500 households in need of affordable housing in 2016. Given the overall level of affordable housing need identified, it will be important to maximise the amount of affordable housing that can be delivered through market housing led developments throughout the 20-year period. Key to this is the economic viability of developments, as this will inevitably determine (and limit) the amount of affordable housing that schemes can deliver.
- 6.6 As part of their strategic planning and housing enabling functions, the Councils will need to consider the most appropriate affordable housing target in order to provide as much affordable housing as possible without compromising overall housing delivery. This target should provide certainty to market housing developers about the level of affordable housing that will be required on schemes, and the Councils should ensure that this target is achieved wherever possible in order to increase the effective rate of affordable housing delivery.
- 6.7 PPG identifies that Councils should also consider “an increase in the total housing figure” where this could “help deliver the required number of affordable homes”; although this would not be an adjustment to the OAN, but a policy response to be considered in the local plan:

The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, 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.

Planning Practice Guidance (March 2014), ID 2a-029

- 6.8 It will therefore be important for the Councils to consider the need for any further uplift once the affordable housing target has been established. However, as confirmed by the Inspector examining the Cornwall Local Plan in his preliminary findings⁴⁸ (paragraphs 3.20-21):

*“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. The realism of achieving the intended benefit of additional affordable housing from any such uplift is relevant at this stage, otherwise any increase may not achieve its purpose.*

Any uplift on the demographic starting point ... would deliver some additional affordable housing and can be taken into account in judging whether any further uplift is justified.”

- 6.9 Given that the identified OAN already incorporates an uplift of 22% on the CLG starting point estimate, this will contribute to increasing the supply of affordable homes through market housing led developments. The Councils will need to consider whether there is sufficient justification for any further increase in the total housing figures included in the local plan (beyond the identified OAN) as part of their policy response to meeting the identified need for affordable housing; although it will be important for them to consider the implications of providing a higher level of market housing than identified by the OAN, in particular the consequences on the balance between jobs and workers.

⁴⁸ <https://www.cornwall.gov.uk/media/12843214/ID05-Preliminary-Findings-June-2015-2-.pdf>

6.10 The contribution towards affordable housing delivery that can be achieved through market housing led developments shouldn't be considered in isolation. The Government has launched a series of new initiatives since 2010 to attempt to boost the supply of homes, including affordable homes. The key Homes and Communities Agency (HCA) investment programmes include:

- » **Affordable Homes Programme:** the flagship HCA 2015-18 investment programme(s) for new affordable homes which ends in 2018 and will deliver c. 43,000 affordable homes. A new Shared Ownership & Affordable Homes Programme 2016-21 was launched in April 2016 which will reflect the Housing and Planning Act 2016.
- » **Affordable Homes Guarantees Programme:** guaranteeing up to £10bn of housing providers' debt in order to bring schemes forward
- » **Care and Support Specialised Housing Fund:** first round funding used to accelerate the development of the specialised housing market such as Older People and those with disabilities
- » **Community Right to Build:** (Outside London) including some provision for affordable homes
- » **Empty Homes Programme** (now subsumed into the Affordable Homes Programme)
- » **Estate Regeneration Programme:** often creating mixed tenure communities
- » **Get Britain Building:** aiming to unlock locally-backed stalled sites holding planning permission and including affordable homes

6.11 However, there are currently a number of constraints that are affecting the delivery of new affordable housing; although there is also a range of other initiatives that may help increase delivery in future.

Constraints affecting the delivery of new affordable housing	Other initiatives potentially increasing the delivery of new affordable housing
Welfare reform Most stakeholders (including private landlords, house builders, local authorities and RPs) are concerned at the impact of benefit reform and the risk to their revenue. Credit rating agencies have also signalled concerns. Rent formula reform The change to rent increase formula for Registered Providers has constrained capacity for new affordable developments. Registered Providers Many RPs have become more risk averse in their approach to developing new homes in the light of grant rate reductions for affordable homes and the absence of grant post the 2015-18 HCA investment programme. Stock rationalisation by Registered Providers The new regulatory framework for RPs continues the emphasis on economic regulation. This could, potentially, reduce current supply of affordable housing. Already, sector trends indicate many associations are identifying under-performing stock with a view to rationalisation. Extension of Right to Buy (RTB) to Registered Providers The Government pledge to introduce an RTB for RP tenants mean many associations will need to assess the risk to their Business Plans and this might also reduce appetite for new development. Starter Homes Including Starter Homes in the affordable housing definition may lead to fewer affordable homes for rent being developed.	Starter Homes The Government has signalled its support for Home Ownership in general, and Starter Homes in particular. A planned broadening of the affordable housing definition to include Starter Homes may lead to an increase in affordable housing delivery if Starter Homes are also counted. Councils building more new homes Many Councils are now trying to bring new rental schemes forward following reform of the HRA system. New 'for profit' providers Over 30 'for profit' providers to deliver AHP homes have so far registered with the HCA, mainly in order to deliver non-grant affordable housing. There is arguably potential for increased supply of affordable homes for rent by 'for profit' providers. Co-operative Housing Given current delivery constraints, co-operative housing has been identified as a further alternative supply for households unable to access ownership or affordable housing. The Confederation of Co-operative Housing, working with RPs, is currently trying to bring schemes forward. The HCA has held back funding for Co-operative Housing in the previous AHP.

- 6.12 The Government also sees the growth in the private rented sector as positive. Whilst private rented housing (with or without housing benefit) does not meet the definitions of affordable housing, it offers a flexible form of tenure and meets a wide range of housing needs. The sector also has an important role to play given that many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. If there isn't sufficient private rented housing available at a price these households can afford, the need for affordable housing would be higher.
- 6.13 The Government also continues to encourage and support build-to-let investment⁴⁹. The HCA has several investment programmes to help bring schemes forward including a £1 billion Build to Rent Fund, which will provide equity finance for purpose-built private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these new homes. New supply of private rented housing therefore seems likely from various sources, despite current volumes being relatively low:
- » **Registered Providers** are potential key players in the delivery of new PRS supply and recently several have begun to enter the market in significant scale⁵⁰, particularly in response to the Build to Rent Fund, although other institutional funding is also being sought. Overall, although interest is high, it remains unclear as to the scale of development which may deliver.
 - » **Local Authorities** can also enable new PRS supply to come forward investing local authority land, providing financial support (such as loan guarantees), and joint ventures with housing associations, developers or private investors under the Localism Act. Whilst LA initiatives may contribute to new build PRS, these may take time to deliver significant numbers of units.
 - » **Local Enterprise Partnerships** are another potential source of new build PRS homes⁵¹. The Growing Places Fund provides £730m to support key infrastructure projects designed to unlock wider economic growth, create jobs and build houses in England. Any funding for housing, however, has to compete with other priorities e.g. skills and infrastructure. However, LEPs could potentially enable new PRS housing delivery and some attempts have been made in this regard to increase supply.
 - » **Insurance companies and pension funds** have been expanding into property lending in recent years and are an increasing alternative to banks (especially schemes in London).
- 6.14 National Government policy is also focussed on improving the quality of both management and stock in the private rented sector, and local councils also have a range of enforcement powers. This is particularly important given the number of low income households that rent from a private landlord.
- 6.15 The SHMA has identified that the need for affordable housing could be considered as 23,100 dwellings over the 20-year period 2016-36.
- 6.16 **Given the substantial need for affordable housing identified across Swindon and Wiltshire HMA, the Councils will need to consider the most appropriate affordable housing target as part of their strategic planning and housing enabling functions. However, it will also be important for the Councils to consider all of the options available to help deliver more affordable homes in the area.**

⁴⁹ <https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector#appendix-9-private-rented-sector>

⁵⁰ <http://www.insidehousing.co.uk/business/development/transactions/lq-to-launch-prs-subsiary/7009701.article>

⁵¹ <https://www.gov.uk/government/publications/growing-places-fund-prospectus>

Older People

- 6.17 Planning Practice Guidance states the following in relation to housing for older people:

How should local planning authorities deal with housing for older people?

Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.

Planning Practice Guidance for Housing and Economic Land Availability Assessment 2014, paragraph 37

- 6.18 On this basis, the Councils will need to consider the most appropriate way to count the supply of bedspaces in residential institutions (Use Class C2) as part of their overall housing monitoring, and decide whether this should form part of the overall housing supply.
- 6.19 **It is important to recognise that the identified OAN of 73,000 dwellings does not include the projected increase of institutional population, which represents a growth of 6,767 persons over the 20-year Plan period (4,205 aged 75 or over; the remainder being service personnel).** The increase in institutional population aged 75 or over is a consequence of the CLG approach to establishing the household population⁵², which assumes “that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s” on the basis that “ageing population will lead to greater level of population aged over 75 in residential care homes”.
- 6.20 **On this basis, if bedspaces in residential institutions in Use Class C2 are counted within the housing supply then the increase in institutional population aged 75 or over would need to be counted as a component of the housing requirement (in addition to the assessed OAN).** If these bedspaces are not counted within the housing supply, then there is no need to include the increase in institutional population as part of the housing requirement.
- 6.21 Nevertheless, older people are living longer, healthier lives, and the specialist housing offered today may not be appropriate in future years and the Government’s reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. Therefore, despite the ageing population, current policy means that the number of care homes and nursing homes may actually decline, as people are supported to continue living in their own homes for longer.
- 6.22 Although the institutional population aged 75 or over is projected to increase by 4,205 persons over the Plan period (based on the CLG assumption that there will be a “greater level of population aged over 75 in residential care homes”), it does not necessarily follow that all of this need should be provided as additional bedspaces in residential institutions in Use Class C2 – but any reduction in the growth of institutional population aged 75 or over would need to be offset against higher growth for these age groups in the household population; which would yield more households than assumed when establishing the OAN.
- 6.23 **On this basis, if fewer older people are expected to live in communal establishments than is currently projected, the needs of any additional older people in the household population would need to be counted in addition to the assessed OAN.**

⁵² Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

Gypsies and Travellers

- ^{6.24} Planning Policy for Traveller Sites (PPTS) came into force in March 2012. This document sets out the Government's policy for Gypsies and Travellers and represents the only policy for a particular household group which is not directly covered by the NPPF. However, at paragraph 1 PPTS notes that:

This document sets out the Government's planning policy for traveller sites. It should be read in conjunction with the National Planning Policy Framework.

Planning Policy for Traveller Sites, paragraph 1

- ^{6.25} An April 2015 High Court Judgement, '*Wenman v SSCLG and Waverley Borough Council*', has clarified the relationship between Gypsy and Traveller and Travelling Showpeople Needs Assessments and OAN. At paragraphs 42 and 43, the Judgement notes:

"42. However, under the PPTS, there is specific provision for local planning authorities to assess the need for gypsy pitches, and to provide sites to meet that need, which includes the requirement to "identify, and update annually, a supply of specific deliverable sites sufficient to provide five years' worth of sites against their local set targets" (paragraph 9(a)). These provisions have a direct parallel in paragraph 47 NPPF which requires local planning authorities to use their evidence base to ensure that the policies in their Local Plan meet the full objectively assessed needs for housing in their area, and requires, inter alia, that they "identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing".

"43. The rationale behind the specific requirement for a five year supply figure under paragraph 9 PPTS must have been to ensure that attention was given to meeting the special needs of travellers. Housing provision for this sub-group was not just to be subsumed within the general housing supply figures for the area. Therefore it seems to me most unlikely that the housing needs and supply figures for travellers assessed under the PPTS are to be included in the housing needs and supply figures under paragraph 47 NPPF, as this would amount to double counting."

- ^{6.26} The position proposed by the judgement is correct in that Gypsy and Traveller and Travelling Showpeople households will form part of the household projections, concealed households and market signals which underwrite the OAN calculation. The needs of these households are counted as part of the overall OAN; therefore any needs identified as part of a Gypsy and Traveller and Travelling Showpeople Needs Assessment are a component of, and not additional to, the OAN figure identified by the SHMA.
- ^{6.27} This also means that any land supply for pitches and plots should be counted towards the general 5-year land supply as the needs they are addressing are included within the housing OAN.

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