

Final Report

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Bradford District Housing Requirements Study

Executive Summary

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City of Bradford MDC

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For and on behalf of GVA Grimley Ltd

Executive Summary

GVA, in partnership with Edge Analytics, were commissioned in August 2012 to prepare a Housing Requirements Study (HRS) for the City of Bradford Metropolitan District Council (CBMDC).

The overall purpose of this HRS is to provide a sound evidence base which enables CBMDC to:

- Obtain independent advice and scrutiny of the future level of new housing needed including an audit and assessment of available data, most notably from the Government's latest population and household projections;
- Develop a robust, transparent and effective means of determining an appropriate and justifiable local housing requirement for the Bradford District; and
- Explore the potential scale of future housing required in the Bradford District to support future population growth and economy of the District.

The findings of this report will represent an important part of the evidence base for the preparation and implementation of the Council's statutory Development Plan and in particular it's Core Strategy.

Methodology

In order to understand the objectively assessed need for housing across the district in line with the NPPF definition, the analysis has considered historic and forecast data relating to economic, demographic and market factors.

The research process has approached the assessment of the objectively assessed needs of Bradford from an authority level. This reflects the guidance in the NPPF and in particular the availability of important projection datasets, including the Sub-National Population Projections (ONS) and the Sub National Household Projections (DCLG), at this geographical level.

The influencing role of different drivers on future change is recognised within the research with a range of alternative scenarios presented in order to produce a more considered view of potential change. Within this research a range of alternative input assumptions have been applied to the nationally produced ONS sub-national population projections (SNPP), 2010 base, in order to produce a number of scenarios of potential projected changes to the growth in the number people and households

over the plan period. This analysis has utilised the POPGROUP suite of software which is recognised as the industry standard demographic model¹.

In developing these scenarios consideration has been given to alignment with other important informing parts of the Council's evidence base such as the Employment Land Review and SHLAA as well as wider Corporate Strategy and Policy documents. In addition consideration has been given to the aspirations set through the Local Enterprise Partnership recognising the important cross-authority dynamics which impact on economic and demographic change within the authority.

The research process has involved local stakeholders. Early in the research process a Stakeholder Workshop event was convened to present stakeholder representatives from the public and private sectors with an opportunity to comment on the proposed methodology to the research and respond to a presentation of the initial outputs of the research examining the strategic drivers of the housing market. This event was well attended and included a good representation in terms of the scope of partners represented.

The Scale of Future Housing Required

Drawing on a detailed analysis of historical and current datasets the modelling of future population and household projections evidenced the following:

- Bradford's population will continue to grow in the future. This growth will be driven to a relatively significant extent by the ongoing balance between natural change factors, births and deaths. Bradford's comparatively youthful population means that without a significant increase in the out-migration of residents the population will grow of its own accord;
- Migration will also continue to play an important role in shaping the growth of Bradford's population. The ONS project a continued net increase in population resulting from international migration with this assumption built into the Re-based 2010 SNPP projection. This is based on a continuation of recent trends. The continued net growth of the population from this component also further reinforces the impact of natural change with this migrant population assumed to include a high proportion of younger persons. Significantly recent mid-year population estimates produced by the ONS have estimated a strong net out migration of residents moving in and out of Bradford from other parts of the UK. This net flow has been consistently high over the last five years or so with the Re-

¹ Additional information on the POPGROUP model is included within Appendix 2

based 2010 SNPP projection therefore assuming that this net flow continues to increase in the future. Collectively these factors continue to show a strong projected growth in the population with the higher levels of natural change linked to international migration as well as the direct effect of this net international migration offsetting the sustained net outflow of migrants to other parts of the UK;

- Importantly in the context of the above the 2011 Census results show that international migration flows are likely to have been stronger than estimated through recent ONS mid-year-population estimates. If this stronger flow is sustained over the plan period this in turn would translate into a higher demographic driven growth projection. The addition of further assumed international migrants into Bradford each year would be likely to have an impact in particular on the working age population of the district;
- The projection forward of historical trends does not however, take account of the relative health of Bradford's future economy. Flows of international migrants into the authority in particular have, at least in part, been attracted by the offer of employment. Recent economic forecasts consistently predict a steady growth of Bradford's economic base, reflected in a growth in employment opportunities, a shift from the impact of recent job losses resulting from the wider UK recession. The modelling of a projection of the population of Bradford constrained to a scenario of future job growth (27,000 additional jobs), illustrates that rather than the district seeing an increasing out-migration of people, the offer of jobs will serve to retain parts of the population which may otherwise choose to move out; and
- The consideration of these two fundamental drivers, demographic change and economic factors, provides a solid evidence base from which to assess and analyse the level of housing which is likely to be required in the authority over the plan period.

On this basis two population and household projections are considered to represent a robust starting point for understanding the potential range of dwelling requirements to be taken forward through policy. These being a Rebased SNPP 2010 (taking account of the latest 2011 Census results) and an Employment-led scenario which constrains future population growth to match forecast levels of employment generation.

Without assumptions around the re-use of vacant stock the translation of household growth projected under these scenarios into dwelling requirements suggests a **dwelling requirement of between 2,210 (Re-based SNPP 2010 scenario) and 2,565 dwellings (Employment-led scenario)** per year as appropriate for Bradford.

The current policy and strategy publications from the Government² highlight a commitment to ensuring that planning continues to support and facilitate the economic growth of the UK. The importance of strengthening the resilience of Bradford's economy is also recognised in the Council's Economic Strategy and other evidence base reports. This would suggest that emphasis should be placed in terms of the setting of a dwelling requirement to support this stated strategy aim.

The initial results of the 2011 Census also reinforce the position to plan for a level of growth above that identified within the re-based 2010 SNPP scenario. As noted through various sections of the report the 2011 Census showed a higher population count than that previously estimated by the ONS and used to underpin their trend based SNPP projections. It is likely that this additional population relates to an increased net in-migration of international migrants. Future iterations of ONS based trend projections are likely to extrapolate forward a higher net level of international migration serving to elevate the overall growth of the projected population. Evidently the future flows of international migration into Bradford are, at least, in part likely to be influenced by the level of job opportunities available in the district again reinforcing the need to consider the outputs of the Employment-Led scenario.

The delivery of housing at this level will serve to increase the labour-force within Bradford and help to stem historic flows of out-migration to other parts of the UK, with particularly strong flows historically evidenced to surrounding authorities.

The sensitivity of aligning population growth with forecast job levels has been evidenced through the presentation of a series of economic sensitivities which show the impact of Bradford making significant headway in addressing current challenges around low economic activity rates and the potential impact of changing commuting patterns. These show that if better use is made of the existing resident latent labour-force that the forecast level of job growth can be accommodated with a reduced level of migration and therefore population growth. This analysis also potentially shows, however, the capacity for the district to accommodate and realise higher employment growth than that currently forecast.

Analysis of recent levels of completions and indeed transactions suggests that the delivery of this level of housing will be challenging in Bradford, especially over the short-term. This is also reinforced through the messages emerging from developers consulted through the preparation of the 2011 SHLAA which suggested that moderated build-out rates be applied to those sites included in the five year supply.

² National Planning Policy Framework (2012), Laying the Foundations: A Housing Strategy for England (2011), The Plan for Growth (2011)

Importantly delivering homes at this rate will lead to a number of positive outcomes including:

- The strong growth of the labour-force representing a significant asset in ensuring the foundation for a more resilient economy in Bradford in the future;
- The potential to generate significant amounts of direct and indirect employment through the development and construction of new housing;
- The capacity to increase local spending power linked to the growth in population helping to support retail and other service sector businesses; and
- Increasing Council tax revenues and payment of New Homes Bonus which can help to support investment in services, infrastructure and environmental improvements.

A failure to at least deliver housing to meet the level of household growth projected under a Rebased 2010 SNPP scenario would lead to potential increased levels of out-migration to other surrounding authorities, undermining the size of the labour-force and therefore the potential to realise the growth of the existing business base and to attract new investment to the district.