

2012-based DCLG Household Projection Model for Bradford

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For the attention of:

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1. Introduction

Context

- 1.1 In September 2014, Edge Analytics produced a range of demographic forecasts for the City of Bradford Metropolitan District Council (CBMDC). Six scenarios were developed using POPGROUP technology, including the 2012-based sub-national population projection (SNPP) from the Office for National Statistics (ONS) as the official 'benchmark' scenario.
- 1.2 The household-growth implications of each of the six scenarios were assessed using assumptions from both the 2008-based and 2011-based (interim) household projection models from the Department for Communities and Local Government (DCLG). Scenario outcomes were presented under an 'Option A' alternative, in which the 2011-based interim household headship rates were applied, and an 'Option B' alternative, in which the 2008-based household headship rates were applied.

2012-based Household Projection Model

- 1.3 In February 2015, the 2012-based household projection model from DCLG was released¹, replacing the earlier 2011-based interim household projection model. A 'two-stage' methodology has been used by DCLG, consistent with that used in the 2011-based interim and 2008-based household projection models. 'Stage One' produces the national and local projections for the total number of households by age-group and relationship status group over the projection period. 'Stage Two' provides the detailed household type breakdown by age.
- 1.4 The 2012-based household projections are underpinned by the 2012-based SNPP and include detail from the 2011 Census (including detail on household population, communal population and household representative statistics) and the 2012 Labour Force Survey (LFS)².

¹ 2012-based household projections in England, 2012 to 2037. DCLG 27th February 2015.
<https://www.gov.uk/government/statistics/2012-based-household-projections-in-england-2012-to-2037>

² 2012-based household projections: methodology, DCLG 2nd March 2015.
<https://www.gov.uk/government/statistics/2012-based-household-projections-methodology>

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- 1.5 Detail on the headship rate assumptions used within the 2012-based household projection model is yet to be released, but the headline statistics on household growth, household size and household population from Stage One have been made available.
 - 1.6 Importantly, DCLG have stated that additional data from the 2011 Census have been commissioned to fully update the household projection model but that this has, at this stage, not been included. The implications of these data are unknown, but DCLG plan to release a secondary publication later in 2015, after further interrogation of the data.

Requirements

- 1.7 CBMDC has requested a short note outlining the outcomes of the newly-available household projection model for Bradford, with commentary on the differences between this and the earlier household projection models.

2. 2012-based Household Projections

Official DCLG Household Projections

- 2.1 The official 2012-based DCLG household projection model for Bradford suggests that the number of households will increase by 22% over the 25-year projection period (2012–2037)³, equivalent to an additional 44,836 households (approximately 1,793 households per year). With a 14% increase in the size of the household population, average household size is projected to fall from 2.58 in 2012 to 2.40 by 2037.
- 2.2 The 2012-based household projection model, which is under-pinned by the 2012-based SNPP from ONS, replaces the earlier 2011-based interim household projection model, which is under-pinned by the 2011-based interim SNPP. Under the 2011-based household projection model, household growth was predicted to average 1,590 households per year 2011–2021. Household size was projected to increase slightly from 2.59 to 2.61, with an 8.8% increase in the household population.
- 2.3 Under the earlier 2008-based household projection model, which is under-pinned by the 2008-based SNPP, household growth was predicted to average 2,780 households per year 2008–2033. As in the 2012-based model, average household size was expected to fall, from 2.56 in 2008 to 2.41 by 2033.
- 2.4 In order for a meaningful comparison of the official household projections to be made, the same underlying population should be used. In its September 2014 report, Edge Analytics assessed the household-growth implications of each demographic scenario using household-growth assumptions from both the 2011-based (interim) household projection model (under an ‘Option A’ alternative) and the 2008-based model (under an ‘Option B’ alternative). As the ‘benchmark’ scenario, the 2012-based SNPP was presented (referred to as the ‘SNPP-2012’ scenario). In the following section, the household-growth outcomes of the new 2012-based household projection

³ The number of households in England is projected to increase by 23.5% over the 2012–2037 projection period.

model are therefore compared to the 'Option A' and 'Option B' outcomes of the 'SNPP-2012' scenario.

Comparison with the Edge Analytics 'SNPP-2012' Scenario

- 2.5 In this section, the household-growth trajectory of the new 2012-based household projection model is presented alongside the outcomes of the 'Option A' and 'Option B' outcomes of the Edge Analytics 'SNPP-2012' scenario (i.e. the scenario that replicates the 2012-based SNPP for Bradford). For detail on the assumptions used in this scenario, please refer to the Edge Analytics September 2014 report.
- 2.6 In the 'Option A' alternative of the 'SNPP-2012' scenario, the 2011-based headship rates have been applied, trended after 2021. In the 'Option B' alternative, the 2008-based headship rates have been applied, re-scaled to the DCLG 2011 household total. These results are presented for the CBMDC Plan Period, which extends from 2011 to 2030 (Figure 1 and Table 1).

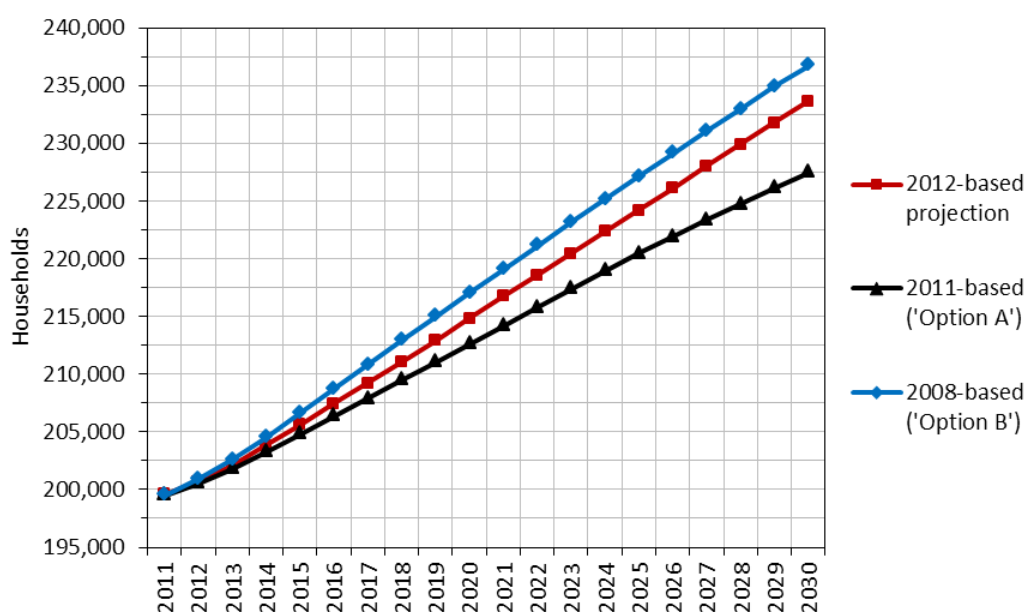


Figure 1: Household-growth outcomes of the 2012-based SNPP using the 2012-based, 2011-based interim and 2008-based household-growth assumptions. (Source: DCLG and Edge Analytics).

- 2.7 Under the 2012-based household projection model, the number of households in Bradford is expected to increase by 17.1% between 2011 and 2030, from 199,617 households in 2011, to 233,660 households in 2030. This is *higher* than the level of household growth implied by the

2011-based rates (as in 'Option A', at 14% 2011–2030) and *lower* than the level of growth implied by the 2008-based rates (as in 'Option B', at 18.7% 2011–2030).

Table 1: Comparison of household growth outcomes for the 2012-based SNPP

Household Projection Model Assumptions	Number of Households		Change	% Change	Annual Change
	2011	2030			
2012-based	199,617	233,660	34,043	17.1%	1,792
2011-based*	199,514	227,494	27,980	14.0%	1,473
2008-based[†]	199,517	236,767	37,250	18.7%	1,961

Source: Edge Analytics and DCLG. *Edge Analytics 'SNPP-2021 Option A' scenario alternative; [†]Edge Analytics 'SNPP-2012 Option B' scenario alternative.

2.8 In the September 2014 Edge Analytics report, the dwelling-growth outcome of each scenario was assessed through the application of a 'vacancy rate' to the household-growth outcome. A vacancy rate of 3.8% was applied, derived from the 2011 Census and fixed throughout the forecast period. When applied to the household-growth outcome of the 2012-based household projection model for Bradford, a vacancy rate of 3.8% results in an annual average dwelling requirement of 1,863 dwellings per annum (d.p.a.) 2011–2030 (Figure 2). This sits within the range indicated by the 'Option A' and 'Option B' outcomes for the 'SNPP-2012' scenario, slightly higher than the average of the two outcomes (Figure 2).

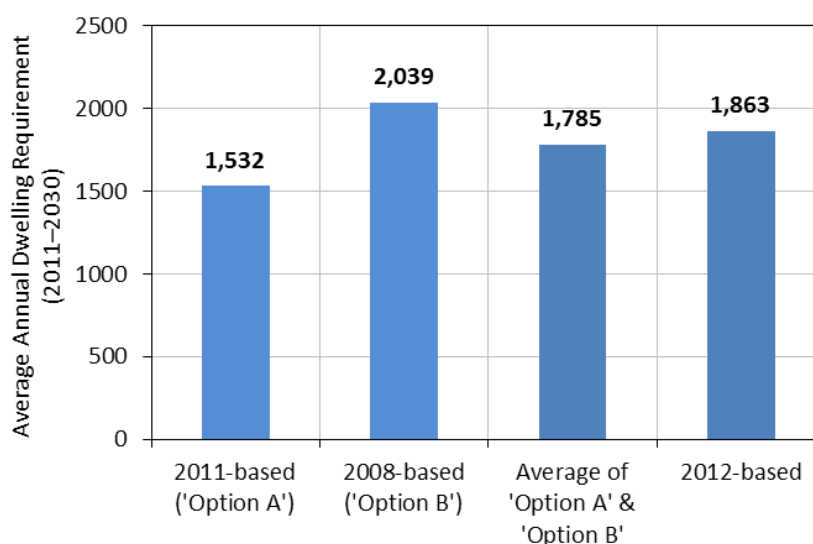


Figure 2: Dwelling-growth outcomes of the 2012-based SNPP, assuming a dwelling vacancy ratio of 3.8%. (Source: DCLG and Edge Analytics).
(Source: DCLG and Edge Analytics).

Conclusions

- 2.9 Since the 2011-based interim household projections were released, showing lower rates of household formation than in the earlier 2008-based model, there has been continued debate around the ‘appropriateness’ of these rates and their continuation post-2021.
- 2.10 The 2012-based household projections provide a timely update to the evidence base, using 2011 Census evidence on households, under-pinned by the latest 2012-based SNPP from ONS.
- 2.11 These new data provide a more definitive perspective on likely household-growth outcomes and, in line with the Planning Practice Guidance (PPG)⁴, should form the ‘starting point’ for the assessment of future housing requirements. The PPG allows for adjustments to the assessment of likely number of future households, through matching housing growth to economic aspirations, or in adjusting for market signals. It is recommended that local data are considered and alternative scenarios and options are assessed against this starting point. However, the PPG also states that:

“Wherever possible, local needs assessments should be informed by the latest available information. The National Planning Policy Framework is clear that Local Plans should be kept up-to-date. A meaningful change in the housing situation should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued.”

(PPG Paragraph 2a-016-20150227)

- 2.12 The level of household growth in the 2012-based household projection model for Bradford is *lower* than in the 2008-based model but *higher* than in the 2011-based model. Using the same vacancy rate as assumed in the September 2014 Edge Analytics report results in an annual average dwelling requirement that sits towards the upper end of the ‘Option A’ and ‘Option B’ range for the ‘SNPP-2012’ scenario (i.e. closer to the 2008-based growth outcome than the 2011-based growth outcome).

⁴ Planning Practice Guidance <http://planningguidance.planningportal.gov.uk/>