

## Crawley Borough Council Written Response to Inspector's Matters Issues and Questions: Publication of 2012-Based Household Projections

13 March 2015

- 14.1 Following the release, on 27 February 2015, of the Department of Communities and Local Government's 2012-based Sub-National Household Projections (SNHP), Crawley Borough Council commissioned Chilmark Consulting to review the new projections in order to update Crawley's Objectively Assessed Housing Need (OAHN) for the Local Plan, as part of its examination.
- 14.2 The 2012-based projections are believed by the council to be the appropriate ones to use as the starting point for its OAHN. This is in line with the Planning Practice Guidance which confirms "*household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need*"<sup>1</sup>. It continues to confirm that "*wherever possible, local needs assessments should be informed by the latest available information*" and that "*the 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth*"<sup>2</sup>.
- 14.3 Chilmark Consulting have revised their recently published Objective Assessment of Crawley's Housing and Employment Needs (OACHEN) report in light of these newly published household figures. This updated report<sup>3</sup> reflects the fully assessed housing need figure for Crawley, based on the 2012-based Household Projections. It also includes detailed assessment of the economic growth, potential suppressed demand, vacancy rates and affordable and market signals in accordance with the PPG. This report concludes that Crawley's Objectively Assessed Housing Need, using the 2012-based SNHP is **675 dwellings per annum (dpa)**.
- 14.4 The council supports this assessment and accordingly proposes further modifications<sup>4</sup> (set out in Appendix A). These modifications replace those set out in the council's written statement CBC/003: Matter 3: Housing; Issue 1: Objectively Assessed Housing Need.

### **2012-based Household Projections: Crawley Analysis**

- 14.5 The 2012-based SNHP contain an underlying increase in the number of households forming for Crawley compared with the 2011-based Interim projections. In particular, migration levels continue to 'roll forward' past trends in the later part of the Plan period, which had previously not been the case with the 2008-based SNHP (instead the projections had appeared to indicate the equivalent of zero net-migration levels from 2021 onwards). Furthermore, whilst the profile of change over the 10-year projection periods anticipated by the 2012-based projections is similar to that established by the 2011-based Household Projections, the main difference between the 2012-based and the 2011-based Interim projections is that the 2012-based SNHP indicate a higher rate of household growth over the period 2021-2031 than the analysis presented previously.

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<sup>1</sup> Planning Practice Guidance, Housing and Economic Development Needs Assessments, para 015 (March 2014) DCLG

<sup>2</sup> Planning Practice Guidance, Housing and Economic Development Needs Assessments, para 016 (February 2015) DCLG

<sup>3</sup> LP083b: Objective Assessment of Crawley's Housing and Employment Needs – updated report (March 2015) Chilmark Consulting

<sup>4</sup> Main Modifications MM100-MM105

**Crawley's Objectively Assessed Housing Need Calculation**

- 14.6 The PPG acknowledges that there may need to be some adjustments carried out to the household projection to determine the full OAHN for an area; reflecting this, the base position established by the 2012-based projections is adjusted through consideration of a number of factors, as set out in Table 1 below, to reach the final need figure for the borough. The 2012-based SNHP have also been incorporated into the assessment of suppressed demand, as they provide more actual data to utilise rather than being assumption-based.

**Table 1: Crawley's Objectively Assessed Housing Need (2012-based SNHP)**

2012-based Household Projections 2015 – 2030	582dpa
Vacant Stock (1.7%)	10dpa
Potential Supressed Demand (321 dwellings total + 1.7% Vacancy Rate = 327 dwellings total)	22dpa
Adjustment for Market Signals (10%)	61dpa
<b>Total Objectively Assessed Housing Need 2015 – 2030</b>	<b>675dpa</b>

**Economic and Housing Balance**

- 14.7 The housing need level necessary to meet economic growth projections, even in the highest economic growth scenario, is lower than the need arising from the demographic growth. It is not, therefore, necessary to adjust the OAHN upwards to support the economic growth aspirations of the borough. As the need to meet demographic growth is established and fully understood, and because Crawley experiences a high level of in-commuting, the OAHN is not adjusted downwards in relation to restricting it to provide a balance of housing and economic growth.

**Conclusions and Implications**

- 14.8 In conclusion, the council considers, based on the 2012-based SNHP, the Objectively Assessed Housing Need for the borough is 675dpa. This equates to a total housing need over the 15-year Plan period of 10,125 dwellings.
- 14.9 The OAHN has increased using the 2012-based SNHP as the starting point (which is above that used in the previous modelling runs) due to a variety of factors including: an increase in household formation particularly in the post-2021 period; and an updated position in terms of effects on suppressed demand.
- 14.10 As established by the CBLP<sup>5</sup>, and explained in detail in Topic Paper 3: Housing Supply<sup>6</sup> and the council's written statement in response to the Inspector's Matters, Issues and Questions in relation to Matter 3: Housing; Issue 2; Housing Supply<sup>7</sup>, the council are proposing a Plan with a land-supply constrained housing delivery figure through Policy H1 of a minimum of 5,000 dwellings (49% of the OAHN). Based on the housing trajectory<sup>8</sup> supply figure of 5,010 dwellings, the unmet housing need arising from Crawley to be a total of **5,115 dwellings (341dpa)**.

<sup>5</sup> LP001a: Crawley Borough Local Plan 2015 – 2030, Modifications Draft (November 2014) CBC

<sup>6</sup> LP0012: Topic Paper 3: Housing Supply (2014) CBC

<sup>7</sup> CBC/004: Crawley Borough Council's response to Inspector's Matters, Issues and Questions, Matter 3; Issue 2 Housing Land Supply

<sup>8</sup> LP080: Crawley Housing Trajectory (September 2014) CBC

## APPENDIX A: PROPOSED OBJECTIVELY ASSESSED HOUSING NEED MAIN MODIFICATION

### (Replacing Appendix B of CBC/003 and Modifications MM067-MM069 & MM087-MM089)

#### LOCAL PLAN MARKED-UP MODIFICATIONS EXTRACT

##### *Meeting housing needs*

2.17 Crawley's development as a New Town, in addition to the influence of Gatwick Airport, has significant implications for the future of the town in terms of population growth; and the need to accommodate development remains a key challenge for Crawley. By 2030, to meet the needs of its growing population, the town would need a further 10,125 ~~8,100~~<sup>17</sup> new homes. Accommodating even some of this need involves difficult decisions and invariably places pressure on some of the key features that define Crawley's character.

(MM100)

2.20 Crawley's identified land supply allows for approximately 50 ~~60~~% of its objectively assessed housing needs to be met through new housing developments within the borough boundaries. Half of this is to be delivered through a new neighbourhood on the north eastern edge of the borough (Forge Wood) whilst the remainder will come forward on a number of smaller sites within existing neighbourhoods and the town centre.

(MM101)

2.22 The scale of unmet need of approximately ~~3,000~~ 5,115 dwellings over the Plan period is fully acknowledged and has been discussed with neighbouring authorities in a constructive and effective manner, including across the Gatwick Diamond and Coastal West Sussex.

(MM102)

<sup>17</sup> ~~540 675~~ dwellings per annum x 15years (~~Scenario 'A' Locally Generated Housing Needs Assessment (October 2014) Nathaniel Lichfield & Partners (Objective Assessment of Crawley's Housing and Economic Needs (Chilmark Consulting, 2015)~~ multiplied over the 15 year Plan period)

##### Objectively Assessed Housing Needs

6.11 The Crawley Locally Generated Housing Needs Assessment 2011 (LGHNA 2011) provides a key piece of evidence for the Local Plan. This assessment considered a wide range of scenarios about the level of housing that would be required depending upon differing assumptions on migration, economic growth, commuting patterns and affordable housing needs. The assessment confirmed that high levels of natural change, with births projected to exceed deaths, will be the key driver in growth in the number of households and in the labour force. Unlike many locations in the South East, where the ageing structure of the population means the number of economically active people is projected to fall, in Crawley, the younger structure of the population means natural growth is set to drive increases in the indigenous labour force.

6.12 The demographic baseline scenario, which has been calculated to ensure it meets household and population projections and takes account of migration and demographic change, is considered to be the key determinant of the ~~objectively assessed~~ housing needs of the borough. The LGHNA 2011 identified a requirement for 542 dwellings per

annum over the Plan period under a demographic baseline scenario equalling a total of approximately 8,100 dwellings over the period to 2030.

(MM103)

- 6.13 Additional work was undertaken in early 2014 to determine the ~~objectively assessed demographic~~ housing needs of the borough over the Plan period using the latest population and household projections (2011 Population Projections and 2012 Household Estimates) and 2011 Census data<sup>34</sup>. This update (2014 Second Model Run) identified an annual requirement for 535 dwellings per annum, incorporating refinements to migration in the latter part of the Plan period, from 2025/26 onwards. The Objective Assessment of Crawley's Housing and Employment Needs in early 2015<sup>35</sup> brought together the full range of influences on the level of housing need arising in the borough, including natural growth, economic growth, migration, suppressed demand from previous years, vacancy rates and affordable and market housing signals. On the basis of the existing evidence, the Objectively Assessed Housing Need requirement for the borough is 675 dwellings per annum.

(MM104)

- 6.40 *The constrained nature of Crawley's land supply means that ~~approximately 50~~69% of the borough's predicted demographic housing need over the next 15 years can be met within the borough boundaries. The remaining unmet housing need from Crawley, of ~~3,130~~ 5,115<sup>41</sup> over the Plan period, will be delivered through the Local/District Plans covering the remainder of the northern West Sussex and East Surrey Housing Market Areas, as far as is consistent with planning policies to do so, as agreed through the northern West Sussex Position Statement with Horsham and Mid Sussex District Councils and the Statement of Common Ground on meeting strategic housing needs with Reigate and Banstead Borough Council.*

(MM105)

<sup>34</sup> See Topic Paper 2: Housing Need (~~July~~ November 2014) Crawley Borough Council

<sup>35</sup> Objective Assessment of Crawley's Housing and Economic Needs (February 2015) Chilmark Consulting

<sup>41</sup> 10,125 dwellings objectively assessed housing need (Chilmark Consulting, 2015, OAHN x 15 years) – 5,010 dwellings supply (CBC SHLAA, November 2014) = 5,115 dwellings unmet need