APPENDIX 4:

Employment and Household Forecasts Summary and options

Meeting: Overview, Scrutiny and Policy Development

Date: 1st December 2014

Title: North Tyneside Local Plan – Further Consultation Draft

The Draft Employment Land Review, 2014

Arup have been commissioned to prepare the North Tyneside Employment Land review. To date they have produced a draft findings following engagement with the North East Local Economic Partnership, Council officers, and a range of other stakeholders for North Tyneside.

These draft findings provide a basis on which potential growth in jobs in North Tyneside can be assessed. They take into consideration the level of growth in

Table 1: Forecast Employment Growth 2014 to 2032

	Total growth in jobs 2014 to 2032
Higher – growth to match the NELEP target to 2024 then growth at the mid point between baseline and target growth between 2024 and 2032.	16,443
Medium – growth to match the NELEP target to 2024 then growth at the average baseline growth between 2024 and 2034	12,730
Lower – based on baseline growth in jobs to 2032	6,840

Arup, draft North Tyneside Employment Land Review 2024
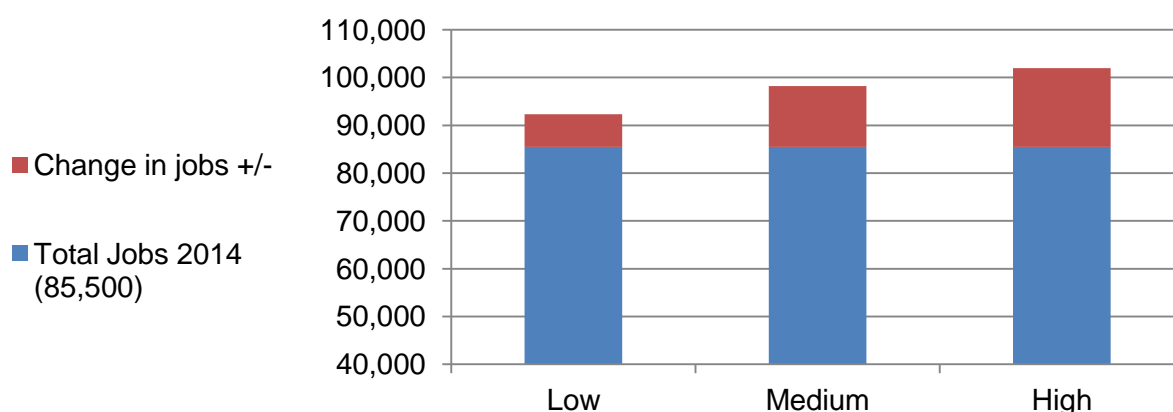
Work is ongoing to determine the final amount of employment land is required as an allocation to ensure this level of job growth can be supported, taking into consideration market attractiveness, and potential losses of existing employment land. However, the table below sets out current estimates of the net increase in land for employment.

Table 2: Net employment land requirements 2014 to 2032

	Low	Medium	High
Office space (B1, a, b)	18.0	33.6	43.4
Industrial space (B1c/B2)	-1.2	-2.1	-2.8
Distribution (B8)	8.0	14.8	19.2
Total B-class space	**24.9**	**46.3**	**59.8**
Total B-class space per annum	**1.38**	**2.57**	**3.32**

Arup, draft North Tyneside Employment Land Review 2024

The Draft Strategic Housing Market Assessment and Housing Forecasts

Arc4 have led on preparation of the Strategic Housing Market Assessment (SHMA). This included a Borough wide Household Survey directly contacting 27,000 households seeking information on householders' income and housing history, and expectations and needs for housing in the future. The SHMA considers this evidence to identify the overall need for affordable housing in North Tyneside and the range and type of homes that would be meet the needs of residents.

The SHMAA also incorporates a series of Housing Forecasts prepared by a specialist consultant. The housing forecasts are based on three basic types of housing forecast:
- A benchmark ONS Projection Forecast – the latest and most up to date projection (ONS 2012) was published in June 2014,
- A Jobs Led forecast - that can be adjusted based on the balance of workers living in the Borough and available jobs, and
- A Migration led forecast - that takes account of observed trends in migration over the recent past and can be adjusted based on possible or known factors that could affect future migration to or from North Tyneside.

The following table sets out the key results of the SHMA and Housing Forecasts. These figures are expressed as annual requirements for the period from 2011 to 2032, fifteen years from the date of planned adoption of the Local Plan.

Table 3 - North Tyneside Housing Forecasts, 2011 to 2032

Scenarios	Housing Growth 2011 to 2032	Average Homes Per Year	Job Growth Per Year
Jobs Led Higher	28,497	1,357	831
Jobs Led Higher (Lower net out commute) SENS3	20,013	953	831
Jobs Led Medium	25,085	1,195	654
Jobs Led Medium (Lower net out commute) SENS3	16,874	804	654
Jobs Led Lower	19,142	912	374
5 Year Migration Trend (PG-5Yr)	17,199	819	233
10 Year Migration Trend (PG10-Yr)	17,021	811	276
Sub-National Population Projection 2012 (SNPP-2012)	15,971	761	204
Sub-National Population Projection 2010 (SNPP-2010)	15,960	760	304
Jobs Led Lower (Lower net out commute) SENS3	11,393	543	374
10 Year Migration Trend (Newcastle) SENS1	11,802	562	276
10 Year Migration (Newcastle & Northumberland) SENS2	10,017	477	276
Natural Change	5,912	282	-272

Through consideration of the evidence informing the various scenarios, six are not considered as representing a reasonable approach to planning for growth in North Tyneside – or do not provide a substantially alternative scenario for growth to be considered.

Table 4: Review of Alternative Forecasts to Dismiss

Alternative Forecasts to dismiss	Reasons this is not considered a reasonable alternative
Jobs Led – not adjusted for commuting. • **High Growth** - 1,357 homes per year, 3x long term average and 831 jobs. • **Medium Growth** - 1,195 homes per year, 2.4x long term average and 654 jobs. • **Low Growth** – 912 homes per year, 2x long term average and 374 jobs.	• Doesn't consider potential for less out-commuting. • Overall delivery considered to vastly exceed capacity of North Tyneside.
• **5 year Migration Trend** o 819 homes per year	• Provides comparison but not required with more robust 10 Year Migration trend forecasts.
• **Reduced Migration Scenario 2** o 477 homes per year o 9,000 fewer residents aged 16-64 compared to ONS 2012 projection	• Scenario equivalent to long term average housing delivery that includes a period of reduced growth. It does not therefore accord with NPPF in boosting housing delivery.
• **Natural Change -** 281 homes per year o No change in workforce / jobs balance o Total population growth of 916 (0.5%)	• Only possible with no migration, therefore not a realistic alternative.

Whilst the scenarios in Table 4 above have not been taken forward to inform potential growth options, the following options have been developed based on the remaining scenarios.

Table 5: Outline of Potential Housing Growth Options

Growth Option A – based on the increased growth in jobs to 2032 – This option is based on the highest potential growth in jobs growth and homes and is based on the scenario Jobs Led Higher (Lower net out commute) SENS3. This option results in a need for 953 homes per year.
Growth Option B – based on increased growth in jobs over the SEP period to 2024, followed by baseline growth to 2032– This option is closest to trend based OAN, and supports the forecast "medium" job growth, this is based on a combination of scenarios; Jobs Led Medium (Lower net out commute) SENS3, 10 Year Migration Trend (PG10-Yr), and Sub-National Population Projection 2012 (SNPP-2012). This option results in a need for 792 homes per year.

> **Growth Option C –** based on baseline growth in jobs to 2032 – Lower than the Borough's starting point set out in national population projections. This option results in a need for 562 homes per year.

Considering the Growth Options

Growth Option A

Key Information
- 953 homes per year and 20,013 from 2011 to 2032
- Estimated 14,286 homes to plan for.
- 831 jobs per year, 16,600 from 2011 to 2032 nearly 99,925 in total.
- At least 60 ha employment land required for job growth.
- 100ha less than currently available.

Population Profile Assessment

Total net in-migration of 24,000 supports working age population.

	2011	2032	Change	Percentage
0 to 14	33,343	36,736	3,393	10%
15 to 64	132,276	138,594	6,318	5%
65 plus	35,587	56,598	21,011	59%
Total	201,206	231,928	30,722	15%

- <u>Commuting Ratio</u> Continued improvement in balance with more new jobs than growth in workforce.
- <u>Health</u> An extra 5,042 over 64's potentially in need of social care supported by growth in working age.
- <u>Education</u> Extra 1,500 primary and 1,400 secondary age children with a need for new provision in the right places.

Land Area Assumptions
- Increase in area of open space to maintain 46 homes per ha.
- At least 5% of the Borough required to meet housing needs.
- Over 1% of the Borough required for employment needs.
- All Safeguarded Land required
- Some green belt required

Growth Option B

Key Information
- 792 homes per year and 16,632 from 2011 to 2032
- Estimated 10,905 homes to plan for.
- 654 jobs per year, 13,800 from 2011 to 2032 about 96,000 in total.
- At least 46ha employment land required for job growth.

- 114ha less than currently available.

Population Profile Assessment

Total net in-migration of 17,700 supports working age population.

	2011	2032	Change	Percentage
0 to 14	33,343	35,289	1,946	6%
15 to 64	132,276	133,601	1,325	1%
65 plus	35,587	55,967	20,380	57%
Total	201,206	224,857	23,651	12%

- Commuting Ratio Continued improvement in balance with more new jobs than growth in workforce – potential for net in commute if job growth stronger.
- Health Extra 4,891 over 64's potentially in need of social care exceed growth in working age
- Education Extra 1,000 primary and 1,000 secondary age children.

Land Area Assumptions
- Increase in area of open space to maintain 46 homes per ha
- 3.5% of the Borough required to meet housing needs.
- Under 1% of the Borough required for employment needs
- Most Safeguarded Land required
- No green belt required.

Growth Option C

Growth Key Information
- 562 homes per year and 11,808 from 2011 to 2032.
- Estimated 6,081 homes to plan for.
- 390 jobs per year, 7,800 from 2011 to 2032 about 90,000 in total.
- At least 25ha employment land required for job growth.
- 135ha less than currently available.

Population Profile Assessment

Total net in-migration of 6,000 sees fall in working age population.

	2011	2032	Change	Percentage
0 to 14	33,343	32,964	-379	-1%
15 to 64	132,276	125,927	-6,349	-5%
65 plus	35,587	54,165	18,578	52%
Total	201,206	213,056	11,850	6%

- Commuting Ratio Continued net-out commute if job growth maintained at this level – potential for net-in commute if job growth stronger.

- <u>Health</u> Extra 4,459 over 64's potentially in need of social care with reducing support from working age population.
- <u>Education</u> Extra 200 primary and 600 secondary age children.

<u>Land Area Assumptions</u>
- Increase in area of open space to maintain 46 homes per ha.
- 2% of the Borough required to meet housing needs.
- About 0.5% of the Borough required for employment needs.
- Some Safeguarded Land required.
- No green belt required.