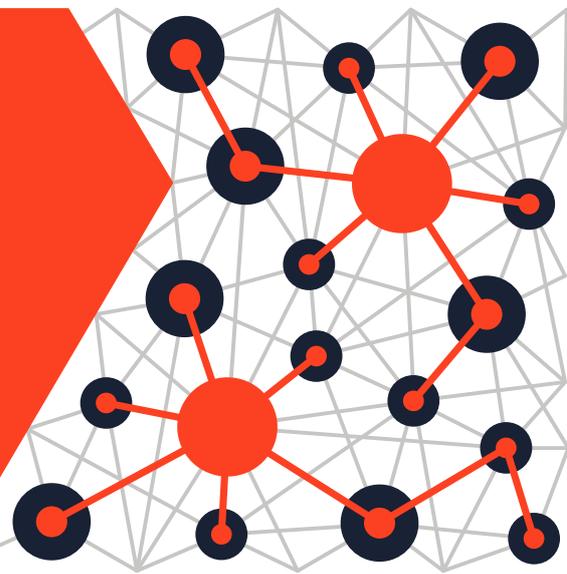


Monmouthshire

Affordable Housing Evidence

November 2020



Nexus | Discovery Way | University of Leeds | Leeds | LS2 3AA
0113 819 5087 | www.edgeanalytics.co.uk

Acknowledgements

Demographic statistics used in this report have been derived from data from the Office for National Statistics licensed under the Open Government Licence v.3.0.

The authors of this report do not accept liability for any costs or consequential loss involved following the use of the data and analysis referred to here; this is entirely the responsibility of the users of the information presented in this report.

Contents

Acknowledgements.....	i
Contents.....	ii
1 Context.....	1
Context.....	1
Approach.....	1
2 Scenario Definition	2
3 Demographic Outcomes	4
Population, Households and Migration	4
Linking Population and Employment.....	6
4 Household Growth.....	7
5 Summary.....	8

1 Context

Context

- 1.1 This Addendum Report extends Monmouthshire’s demographic evidence and should be read in conjunction with the main RLDP Demographic Evidence report, produced for Monmouthshire County Council in November 2020.
- 1.2 The Council are seeking additional evidence on the impact of policy-driven affordable housing provision, based upon the projected dwelling requirements of the Council’s chosen scenario options.
- 1.3 The Council’s chosen scenario options, presented in the previous analysis, are as follows:
 - Net Nil (MR, CR_R)
 - WG-2018 (Principal)
 - WG-2018 (Principal) (MR, CR_R)
 - Dwelling-led (5yr)
 - PG Long Term Adj 5yr (MR, CR_R)
 - Employment-led RSC (Higher) (CR_R)

Approach

- 1.4 POPGROUP technology has been used to configure a range of additional **dwelling-led** scenarios for Monmouthshire, considering a range of policy-led affordable housing options.
- 1.5 Section 2 of this Addendum outlines the assumptions used in the configuration of the policy-led affordable housing scenarios.
- 1.6 Section 3 illustrates the demographic and employment outcomes of the policy-led affordable housing scenario, accounting for ‘market’ housing only.
- 1.7 Section 4 presents the household growth outcomes of the policy-led affordable housing scenarios that incorporate both the ‘market’ and ‘affordable’ housing elements.
- 1.8 A summary of the evidence is provided in Section 5.

2 Scenario Definition

- 2.1 Twelve additional **dwelling-led** scenarios have been configured. The scenarios use the Council's chosen scenario options as a starting point, applying a dwelling growth uplift to account for policy-led affordable housing provision (Table 1).
- 2.2 Under each policy-led affordable housing scenario, the base year is consistent with the Council's respective chosen scenario, presented in the previous analysis.
- 2.3 All household and labour force assumptions are also consistent with the previous analysis, including sensitivities applied to household membership rates and the commuting ratio. These assumptions are detailed in the previous RLDP Demographic Evidence report.

Table 1: Scenario Definition

1. Dwelling-led -43 dpa (Net Nil (MR, CR_R))	Models the demographic and employment impact of an average dwelling growth of -43 dpa. Average dwelling growth is based on a total uplift of +396 dwellings to the projected dwelling growth under the Net Nil (MR, CR_R) scenario, reflecting 396 additional 'market' homes over the plan period, from policy-led affordable housing provision.
2. Dwelling-led -17 dpa (Net Nil (MR, CR_R))	Models the demographic and employment impact of an average dwelling growth of -17 dpa. Average dwelling growth is based on a total uplift of +792 dwellings to the projected dwelling growth under the Net Nil (MR, CR_R) scenario, reflecting 396 additional 'market' homes and 396 additional 'affordable' homes over the plan period.
3. Dwelling-led 226 dpa (WG-2018 (Principal))	Models the demographic and employment impact of an average dwelling growth of 226 dpa. Average dwelling growth is based on a total uplift of +533 dwellings to the projected dwelling growth under the WG-2018 (Principal) scenario, reflecting 533 additional 'market' homes over the plan period.
4. Dwelling-led 262 dpa (WG-2018 (Principal))	Models the demographic and employment impact of an average dwelling growth of 262 dpa. Average dwelling growth is based on a total uplift of +1,066 dwellings to the projected dwelling growth under the WG-2018 (Principal) scenario, reflecting 533 additional 'market' homes and 533 additional 'affordable' homes over the plan period.

-
- | | |
|---|--|
| 5. Dwelling-led 280 dpa
(WG-2018 (Principal)
(MR, CR_R)) | Models the demographic and employment impact of an average dwelling growth of 280 dpa. Average dwelling growth is based on a total uplift of +570 dwellings to the projected dwelling growth under the WG-2018 (Principal) (MR, CR_R) scenario, reflecting 570 additional ‘market’ homes over the plan period. |
| 6. Dwelling-led 318 dpa
(WG-2018 (Principal)
(MR, CR_R)) | Models the demographic and employment impact of an average dwelling growth of 318 dpa. Average dwelling growth is based on a total uplift of +1,140 dwellings to the projected dwelling growth under the WG-2018 (Principal) (MR, CR_R) scenario, reflecting 570 additional ‘market’ homes and 570 additional ‘affordable’ homes over the plan period. |
| 7. Dwelling-led 362 dpa
(Dwelling-led 5yr) | Models the demographic and employment impact of an average dwelling growth of 362 dpa. Average dwelling growth is based on a total uplift of +601 dwellings to the projected dwelling growth under the Dwelling-led (5yr) scenario, reflecting 601 additional ‘market’ homes over the plan period. |
| 8. Dwelling-led 402 dpa
(Dwelling-led 5yr) | Models the demographic and employment impact of an average dwelling growth of 402 dpa. Average dwelling growth is based on a total uplift of +1,202 dwellings to the projected dwelling growth under the Dwelling-led (5yr) scenario, reflecting 601 additional ‘market’ homes and 601 additional ‘affordable’ homes over the plan period. |
| 9. Dwelling-led 460 dpa
(PG Long Term Adj (5yr)
(MR, CR_R)) | Models the demographic and employment impact of an average dwelling growth of 460 dpa. Average dwelling growth is based on a total uplift of +702 dwellings to the projected dwelling growth under the PG Long Term Adj 5yr (MR, CR_R) scenario, reflecting 702 additional ‘market’ homes over the plan period. |
| 10. Dwelling-led 507 dpa
(PG Long Term Adj (5yr)
(MR, CR_R)) | Models the demographic and employment impact of an average dwelling growth of 507 dpa. Average dwelling growth is based on a total uplift of +1,404 dwellings to the projected dwelling growth under the PG Long Term Adj 5yr (MR, CR_R) scenario, reflecting 702 additional ‘market’ homes and 702 additional ‘affordable’ homes over the plan period. |
| 11. Dwelling-led 542 dpa
(Employment-led RSC
(Higher) (CR_R)) | Models the demographic and employment impact of an average dwelling growth of 542 dpa. Average dwelling growth is based on a total uplift of +933 dwellings to the projected dwelling growth under the Employment-led RSC (Higher) (CR_R) scenario, reflecting 933 additional ‘market’ homes over the plan period. |
| 12. Dwelling-led 604 dpa
(Employment-led RSC
(Higher) (CR_R)) | Models the population impact of an average dwelling growth of 604 dpa. Average dwelling growth is based on a total uplift of +1,866 dwellings to the projected dwelling growth under the Employment-led RSC (Higher) (CR_R) scenario, reflecting 933 additional ‘market’ homes and 933 additional ‘affordable’ homes over the plan period. |
-

3 Demographic Outcomes

Population, Households and Migration

- 3.1 In this section, the demographic and employment growth outcomes are presented for the policy-led affordable housing scenarios that account for ‘market’ housing provision only.
- 3.2 The 2001–2033 population growth trajectories for the scenarios are presented in Figure 1. In Table 2, each of the scenarios is summarised in terms of population and household growth outcomes for the 2018–2033 RLDP period, alongside the average annual net migration outcomes.
- 3.3 Over the plan period, the additional policy-led affordable housing provision results in greater average annual net migration and population growth than the Council’s chosen scenarios, with population growth ranging from -5.4% to 18.5% under the **Dwelling-led -43 dpa (Net Nil (MR, CR_R))** and **Dwelling-led 542 dpa (Employment-led RSC (Higher) (CR_R))** scenarios, respectively.
- 3.4 The **Dwelling-led 542 dpa (Employment-led RSC (Higher) (CR_R))** projects the highest population growth of all the policy-led affordable housing scenarios at 18.5%.
- 3.5 The **Dwelling-led 460 dpa (PG Long Term Adj (5yr) (MR, CR_R))** scenario, incorporating adjusted household membership rates, estimates population growth of 13.2%.
- 3.6 Based on the **Dwelling-led 5yr** scenario, the **Dwelling-led 362 dpa (Dwelling-led 5yr)** scenario estimates population growth of 11.3% over the plan period, with average annual net migration of +1,110 people.
- 3.7 The **Dwelling-led 226 dpa (WG-2018 (Principal))** scenario estimates population growth of 6.4%. Accounting for higher rates of household formation in the young adult age-groups, the **Dwelling-led 280 dpa (WG-2018 (Principal) (MR, CR_R))** projects population growth of 6.5%.
- 3.8 Based on the **Net Nil (MR, CR_R)** scenario, the **Dwelling-led -43 dpa (Net Nil (MR, CR_R))** scenario projects population *decline* over the plan period, with decline of 5.4% estimated.

Monmouthshire Growth Outcomes 2018–2033

Policy-led Affordable Housing Scenarios

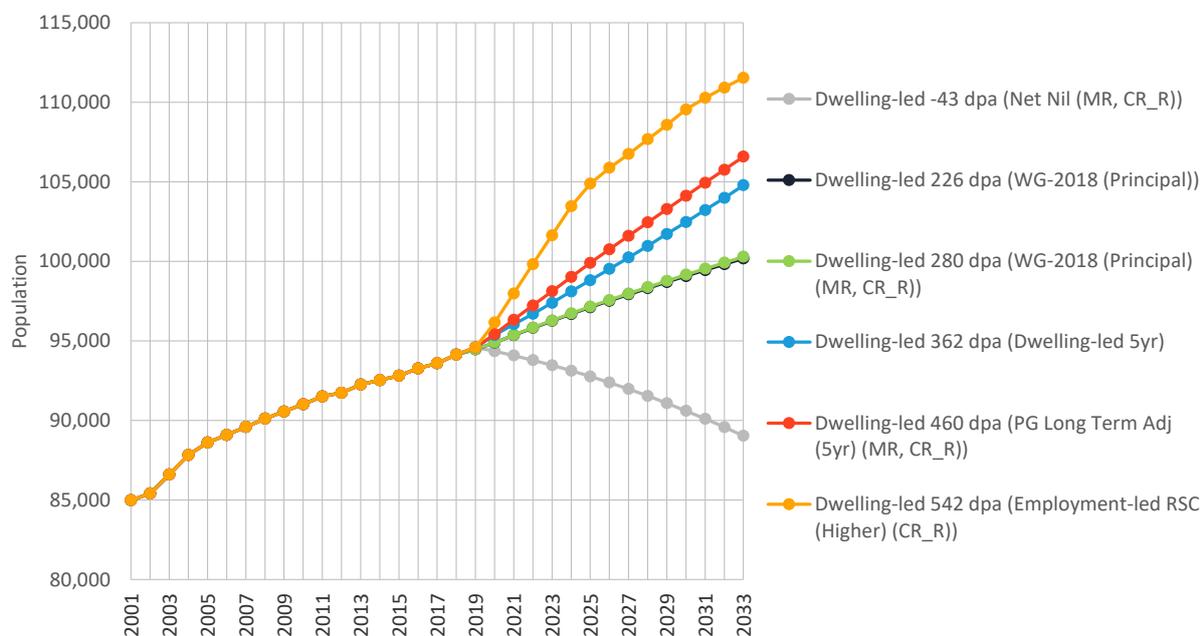


Figure 1: Monmouthshire Population Growth Scenarios, 2001–2033

Table 2: Population, Household, Migration, and Dwelling growth under each scenario, 2018 –2033

Scenario	Change 2018–2033				Average per year	
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings
Dwelling-led 542 dpa (Employment-led RSC (Higher) (CR_R))	17,403	18.5%	7,762	19.3%	1,524	542
Dwelling-led 460 dpa (PG Long Term Adj (5yr) (MR, CR_R))	12,443	13.2%	6,585	16.4%	1,223	460
Dwelling-led 362 dpa (Dwelling-led 5yr)	10,641	11.3%	5,054	12.6%	1,110	362
Dwelling-led 280 dpa (WG-2018 (Principal) (MR, CR_R))	6,147	6.5%	4,007	10.0%	825	280
Dwelling-led 226 dpa (WG-2018 (Principal))	6,047	6.4%	3,240	8.1%	818	226
Dwelling-led -43 dpa (Net Nil (MR, CR_R))	-5,110	-5.4%	-618	-1.5%	108	-43

Linking Population and Employment

- 3.9 The estimated impact of each policy-led affordable housing scenario upon employment growth in Monmouthshire, is presented for the plan period 2018–2033.
- 3.10 Estimates of average annual employment growth have been calculated using a combination of economic activity rates, an unemployment rate and a commuting ratio for the UA. In each scenario, the labour force assumptions are consistent with those applied in the Council’s respective chosen scenario.
- 3.11 Over the 2018–2033 plan period, the policy-led affordable housing scenarios result in a range of employment growth outcomes that varies from a decline of -120 per year under the **Dwelling-led -43 dpa (Net Nil (MR, CR_R))** scenario to average annual employment growth of +642 under the **Dwelling-led 542 dpa (Employment-led RSC (Higher) (CR_R))** scenario (Figure 2).

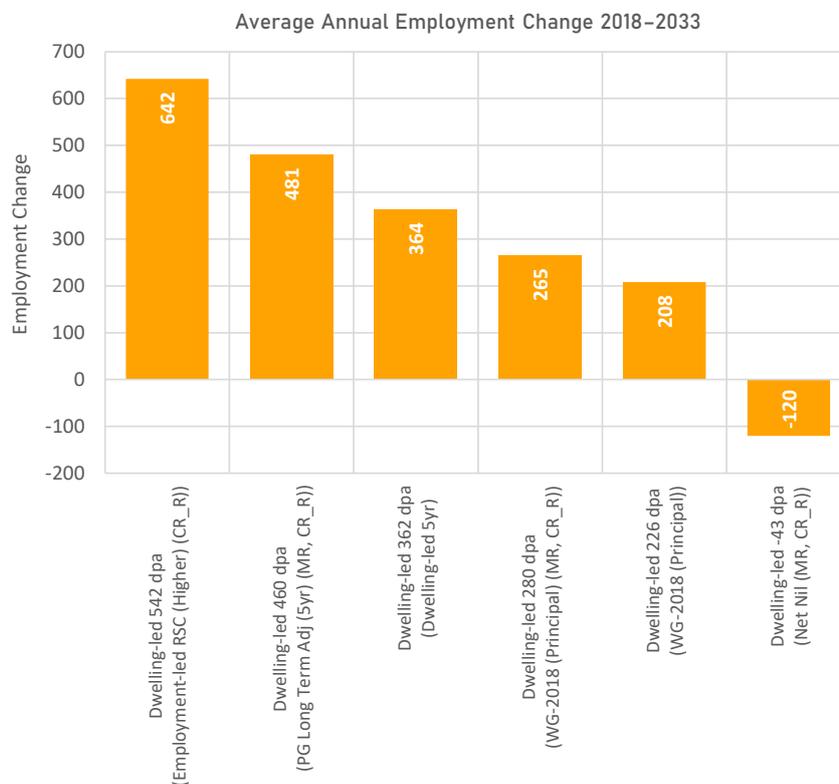


Figure 2: Average Annual Employment Change, 2018–2033

4 Household Growth

- 4.1 Section 4 outlines the household growth, by household type, under the policy-led affordable housing scenarios that include both the ‘market’ and ‘affordable’ housing elements.
- 4.2 Under each scenario, the change in households (by type) over the 2018–2033 plan period is presented in Table 3. Household growth is estimated under all policy-led affordable housing scenarios, with the exception of the **Dwelling-led -17 dpa (Net Nil (MR, CR_R))**. Under all scenarios, one and two-person (no children) households have been projected to increase the most in absolute terms.

Table 3: Household Change by Household Type, 2018–2033

Household Type	Household Change 2018–2033					
	Dwelling-led -17 dpa (Net Nil (MR, CR_R))	Dwelling-led 262 dpa (WG-2018 (Principal))	Dwelling-led 318 dpa (WG-2018 (Principal) (MR, CR_R))	Dwelling-led 402 dpa (Dwelling-led 5yr)	Dwelling-led 507 dpa (PG Long Term Adj (5yr) (MR, CR_R))	Dwelling-led 604 dpa (Employment-led RSC (Higher) (CR_R))
1 person	1,074	1,680	2,372	2,145	3,104	2,914
2 person (No children)	248	1,372	1,718	1,928	2,537	2,845
2 person (1 adult, 1 child)	-72	24	73	80	156	169
3 person (No children)	-367	91	-30	241	159	454
3 person (2 adults, 1 child)	-244	136	174	306	414	578
3 person (1 adult, 2 children)	-24	90	70	131	124	198
4 person (No children)	-89	132	33	192	101	272
4 person (2+ adults, 1+ children)	-366	65	209	289	537	661
4 person (1 adult, 3 children)	-10	42	24	57	44	84
5+ person (No children)	-67	108	-41	133	-27	164
5+ person (2+ adults, 1+ children)	-322	-17	-64	94	84	271
5+ person (1 adult, 4+ children)	-1	25	13	32	21	44
Total	-240	3,749	4,551	5,628	7,255	8,653

5 Summary

- 5.1 POPGROUP technology has been used to configure a range of additional **dwelling-led** scenarios for Monmouthshire, which consider the impact of additional policy-driven affordable housing provision, based upon the projected dwelling requirements of the Council’s chosen scenario options. For each scenario, population, household, migration, dwelling and employment growth is presented over a 2018–2033 plan period.
- 5.2 Under each of the scenarios, household and labour force assumptions are consistent with the Council’s respective chosen scenario.
- 5.3 Over the 2018–2033 plan period, the uplift in policy-led housing provision, incorporated in the scenarios, results in higher population growth outcomes than the Council’s chosen scenario options. Accounting for both ‘market’ and ‘affordable’ policy-led housing provision, population change of 18.5% to -5.4% is estimated, with corresponding household growth of 21.6% to -1.5% (Figure 3).

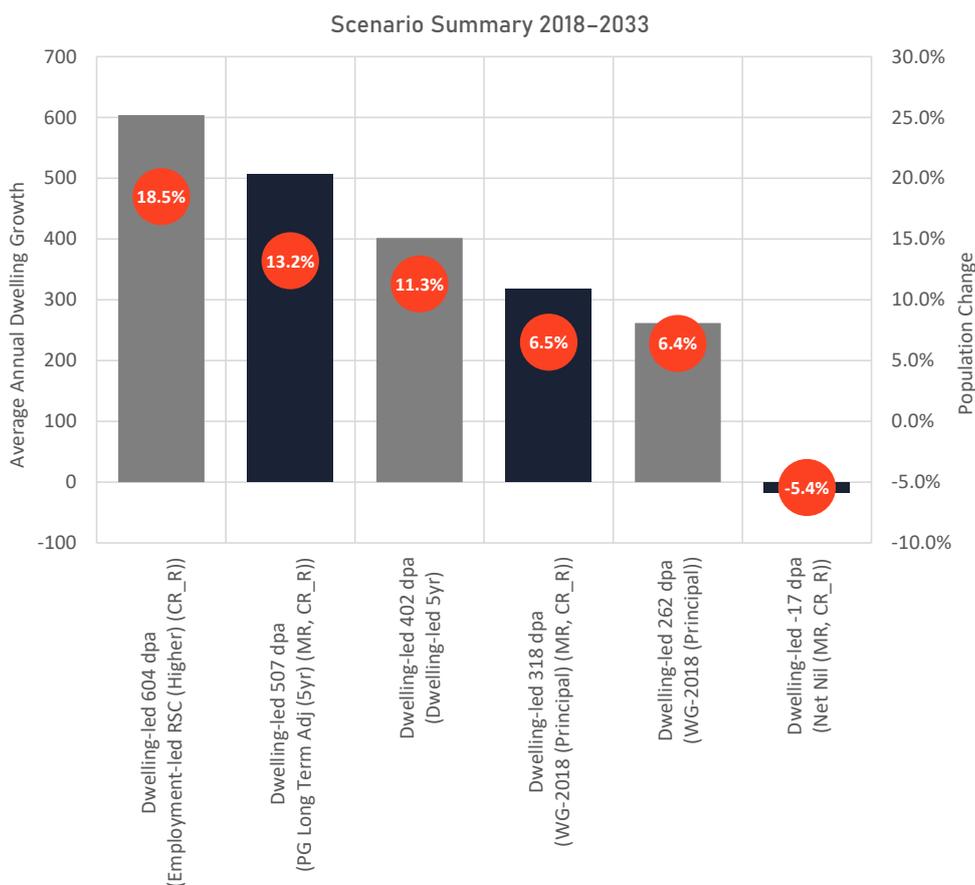
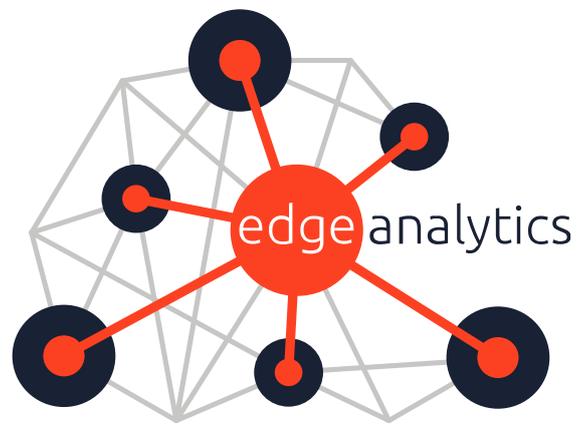


Figure 3: Scenario Summary, 2018–2033



Edge Analytics Ltd

Nexus | Discovery Way | University of Leeds | Leeds | LS2 3AA

www.edgeanalytics.co.uk