



GL Hearn

Part of Capita Real Estate

Mid Mersey SHMA

Addendum for Warrington

October 2016

Prepared by

GL Hearn

280 High Holborn
London WC1V 7EE

T +44 (0)20 7851 4900
glhearn.com

1 ADDITIONAL EMPLOYMENT NEED

- 1.1 GL Hearn have been asked to consider the housing need implications arising from an alternative job growth for Warrington to that set out in the SHMA. The alternative scenario sees an increase of 1,240 additional jobs per year for the period 2014-2037.
- 1.2 The alternative growth assumptions are derived from the Local Enterprise Partnership's devolution proposal which see 31,000 additional jobs delivered in the Borough from 2015 to 2040. This equates to 28,520 additional jobs over the SHMA period to 2037.
- 1.3 This first step is to understand the change in resident workforce required to support this growth. This in itself has two stages. Firstly, we need to understand the number of jobs taken up by people with more than one job. In Warrington this figure is around 3.1%. This gives a double jobbing ratio of 0.969 (i.e. the number of jobs can be discounted by 3.1% to estimate the required change in the workforce).
- 1.4 The next step assumes that Warrington's commuting ratio of 0.88 is held firm i.e. for every 100 jobs created there would be expected to be an increase of 88 working residents within Warrington. Combined these two steps calculate an adjustment factor of 0.85 (0.969×0.88). Multiplying the job growth by this adjustment factor results in a required change in resident workforce of 24,245 over the plan period.
- 1.5 We then need to understand if the demographic growth exceeds this change in resident workforce or not. To calculate what level of increase in resident workforce is supported by the demographic growth we apply economic activity rates to it.
- 1.6 We have taken the current economic activity rate and adjusted it going forward taking into account, population growth, age structure changes, changes to the pensionable age and potential improvements to economic activity rates. The assumed changes are set out in Table 1 overleaf.

Table 1: Changing Economic Activity Rates

	Age	Warrington	
		2014	2037
Males	16-24	56.7%	61.5%
	25-34	85.0%	92.5%
	35-49	88.8%	97.2%
	50-64	76.0%	86.2%
	65+	14.0%	16.5%
Females	16-24	61.2%	66.4%
	25-34	84.1%	96.0%
	35-49	86.5%	98.4%
	50-64	67.5%	81.2%
	65+	9.6%	11.7%

Source: GLH earn

- 1.7 We then apply these assumptions to the demographic projections. This then gives us a growth in economically active population which was lower than that required. If it was higher then no adjustment to the OAN would be necessary.
- 1.8 The demographic model was then adjusted through commensurate changes to in (+1) and out (-1) migration (internal and international) until the level of population growth, when the economic activity rates applied, meets the change in resident workforce of 24,245.
- 1.9 This change to migration also takes into account the age structure of migrants and the likelihood that they are of a younger age group.
- 1.10 Once the revised age structure is settled it is translated into a household growth in the same way as the demographic model i.e. through household representative (headship) rates. That is the propensity of anyone of a given age and sex to be head of a household.
- 1.11 The final step is to include a provision for vacancy within the stock. This multiple effectively takes household growth and translates it into dwellings. **This gives a revised housing need of 984 dwellings per annum.**
- 1.12 It should be noted that this figure has been calculated to assist the Council in their initial consultation on the review of their Local Plan. A more comprehensive update of the SHMA will be required in due course to reflect more recent population and household projections which have been released following publication of the 2016 SHMA.