A review of demographic change in the context of Housing Need for the Isle of Wight

on behalf of the

The Isle of Wight Campaign for the Protection of Rural England (CPRE)

By Piers Elias

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1. Piers Elias - Personal Biography

1.1. Piers Elias has a joint honours degree in Mathematics and Economics (Loughborough, 1981-84) and has over 21 years' experience in Local Government working for the Tees Valley Joint Strategy Unit and then the Tees Valley Local Enterprise Partnership (now Tees Valley Combined Authority) providing demographic insight and projections for school rolls, electors for Ward Boundary reviews, household, population and labour force projections for Local Plans and the Tees Valley Strategic Economic Strategy.

1.2. He currently works as an independent demographer providing advice and guidance on a range of demographic issues including projections and methodology - his website can be viewed here[1]. He has an excellent working knowledge of the POPGROUP software, having been a user since 2006 and worked briefly for Edge Analytics, the current licence holder, in 2015.

1.3. During his time in Local Government he sat on Office for National Statistics (ONS) working groups for small area estimates, Local Authority population estimates and Census definitions. He was also the Local Authority lead on the Central and Local Information Partnership (CLIP) Population sub-group for 10 years and is well versed in ONS methodology.

1.4. He is a strong supporter of the Census and was the Local Authority representative for the Independent Working Group on the future of the Census[2] and also represented Local Government at a Public Administration Select Committee (PASC)[3] and at a Parliamentary Office Science & Technology (POST) seminar[4]; this lobbying helped in securing funding for a 2021 Census. He sat on the Census Advisory Group as a Local Authority representative for six years.

1.5. He is currently President of the British Society for Population Studies and was re-appointed to the CLIP Population sub-group, acting as an independent advisor in 2016. He also acted as non-academic grants assessor for the Economic and Social Research Council between 2016 and 2019.

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2. Introduction and Background to the Report

2.1. This report is written on behalf of the Isle of Wight CPRE. It constitutes an assessment of the current demographic position for the Isle of Wight in light of the new MHCLG standard method for assessing housing need[5] and examines the proposals set out in the Housing Need Assessment (Final Report - April 2018) by GL Hearn[6]. The report considers the demographic factors that should go into the calculation for housing need, the exceptional circumstances that the Isle of Wight presents as well as the flaws inherent with using the Standard Formula. Recommendations and a summary of key points are given in Chapter 3.

2.2. The recent change to calculating the starting point for assessing housing need is now a simple formula exercise. This may be more transparent than the old methodology but it removes the link between trends in migration, households and jobs that ensures a consistency across projections that make the planning process achievable and realistic.

[1] www.demographicsupport.co.uk
[2] independent-working-group
[3] http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-administration-select-committee/news/future-of-the-census-1/
[4] https://www.parliament.uk/documents/post/The%20future%20of%20the%20Census%2025%20Nov13,%20POST%20flyer.pdf
[5] https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments
[6] https://www.iow.gov.uk/azservices/documents/2782-IWC-HNA-April-2018.pdf

2.3. The report (Chapters 4 to 10) looks at the demographic trends that would normally feed into the starting point for assessing local housing need. It examines, in detail, the age structure of the current population and the exceptional circumstances that the Isle of Wight faces. It discusses the recent changes from the Ministry for Housing, Communities and Local Government (MHCLG) on the Standard Formula and it considers how the latest estimates (up to Mid 2018) and projections (2016 Based), from the Office for National Statistics (ONS), have impacted on the projections and recommendations in the GL Hearn Housing Need Assessment which uses 2014 Based data, in line with MHCLG recommendations.

2.4. The report also looks at commuting patterns from the 2001 and 2011 Censuses and recent trends in housing completions as well as Unattributable Population Change (Chapters 11, 12 & 13) and challenges the deliverability of above-trend projections.

2.5. The report also looks at the migration changes up to and including data to Mid 2018 for moves between the Isle of Wight and the rest of the United Kingdom (internal migration) as well as moves with the rest of the world (international migration).

2.6. This report deals exclusively with the exceptional demographic factors faced by the Isle of Wight; other exceptional circumstances may well limit the *deliverability* of housing. Such factors include an array of fixed Island infrastructure such as transport networks, fixed utility infrastructure (e.g. water transfers from the mainland will have to increase 4 fold by 2050 [7]) and cross-Solent transport links, but are outside the scope of this report.

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3. Recommendations & Key Comments (Ch.nn refers to the Chapter & Point)

3.1. *Isle of Wight should use the latest (2016 based) ONS projections[8], not data based on 2014 projections as stated in the Standard formula. This is for reasons of statistical integrity and the exceptional circumstances relating to the age profile of the Island.*
Ch5.7: Isle of Wight has an exceptionally old age profile with a median age 10 years above the national average (50.1 vs. 40.1). Current migration trends mean that the Isle of Wight will also age faster than the UK as a whole. See also Ch7.5 & 7.6. This exceptional age profile is exacerbated by the use of out-dated projections.

3.2. A *vacancy rate of 2.1% should be used to convert households to dwellings for the plan period, - holiday/second homes should* ***NOT*** *be included.*
Ch8.6 to 8.8:Vacancy Rate should be 2.1%, not 9.2% as used by used GL Hearn [9]; it should be revised to **exclude** holiday/second homes for new housing. This would reduce the annual housing need as identified by GL Hearn by 7.1% or 46 dwellings per annum (dpa). Even this figure (641 - 46 = 595) will lead to an over-supply.

3.3. *The Isle of Wight* ***starting point*** *for housing need should therefore be* ***470 dwellings per annum****, rather than 641 or 595.*
Ch8.4: Prior to the change in MHCLG housing need assessment calculations, the starting point for Isle of Wight housing need would have been 470 dwellings per annum. Using the latest ONS projections provides a fully objective and nationally consistent starting point.

[7] *https://www.southernwater.co.uk/media/default/PDFs/water-futures.pdf*
[8] *https://www.statisticsauthority.gov.uk/wp-content/uploads/2016/06/National-Statisticians-Guidance-Management-Information-and-Official-Statistics.pdf Section 4.3*
[9] *https://www.iow.gov.uk/azservices/documents/2782-IWC-HNA-April-2018.pdf (See 2.51)*

3.4. *Affordability as justification for increasing supply is misplaced.*
Ch5.2 & Ch6.4: Population growth is driven entirely by migration - migration within the UK is adding to the ageing of the Isle of Wight by taking away younger population (Median Age 29 for OUT migrants) and adding to the older age groups (Median Age 42 for IN migrants). Pursing policies to help retain younger Islanders, may serve to combat the ageing of the Island and promote greater demographic balance. It is notable that 11 of the top 15 Local Authorities for OUT migrants are LESS AFFORDABLE than the Isle of Wight (Ch5.1 - Table 2), suggesting housing affordability is not the primary reason for outward migration.

3.5. *Adopt policies to manage the ageing of the Isle of Wight.*
Ch9.14: The Isle of Wight has the 5th **lowest** (i.e. 5th most affordable) affordability ratio of the 67 Local Authorities in the South East Region[10]. This may add to the attractiveness of the Isle of Wight as a retirement destination and it has recently been cited as the best place to retire[11]. This has Local Authority policy implications for transport, public health and nursing care, social services and appropriate housing to suit the ageing population.

3.6. *Isle of Wight Council should develop policies to reduce commuting.*
Ch11.6: Creating more jobs aimed at Isle of Wight residents would reduce the numbers of new dwellings needed, as well as reduce traffic emissions and congestion. The alternative is that new jobs have to be taken by new migrants or commuters, adding to congestion and / or housing demand.

3.7. *Unattributable Population Change should be considered*
Ch13.5 & CH13.6: Unattributable Population Change should be noted. There is a risk that ONS population estimates are continuing to over-estimate the population which could lead to an over-supply of 75 households pa if it is of the same order in 2021 as it was 2011. Both 2016 and 2018 MYEs are higher, by a similar amount to the over-estimate in 2011, when compared to the respective SNPPs from 2014 (for 2016) and 2016 (for 2018). See Table 4 in Ch7.1.

Key Comments

3.8. Ch7.6: By 2034 almost 50% of the population of the Isle of Wight will be over 55 (Median Age 54.2), compared to 35% across the UK (Median Age 42.8). 2016 Based.

3.9. Ch10.6: By 2034 the Isle of Wight will have over 50% of its households headed by someone over the age of 65, some 15 percentage points above the national profile. 2016 Based.

3.10. Ch10.7: As all the growth in Household numbers is in the Over 65 age group, Developers should be building smaller, age-friendly houses and policies should be developed to encourage downsizing.

3.11. Ch12.3: Developers should be challenged to explain their current build rate - providing extra housing land supply allows developers to cherry pick the sites that maximise profits rather than the needs of resident of the Isle of Wight.

[10] https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian/current/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian.xls

[11] https://www.countypress.co.uk/news/17817319.isle-wight-voted-top-place-country-retire/

3.12. CH9.4:The decision by MHCLG to retain the 2014 SNHPs as the starting point for housing need[12] calculations is flawed. The decision went against 55% of organisations stating they were not happy with that decision, and it goes against UK Statistics Authority (UKSA) advice, that advocates the use of the "latest" information[13].

3.13. Ch9.7: MHCLG need to review their use and interpretation of projection data. On understanding projections, Richard Pereira, Deputy Director, ONS Centre for Ageing & Demography says *"Therefore, household projections are not a measure of how many houses would need to be built to meet housing demand; they show what would happen if past trends in actual household formation continue."*(October 2018 [14]).

3.14. Ch9.9: MHCLG will be reviewing the Standard Method and the use of national data over the next 18 months (Para 3, Government Response to the Technical Consultation Question 1 [15]). This creates a period of uncertainty for planning local housing need.

3.15. CH9.15: The standard formula leads to an increase above the trend (i.e. house prices are more than 4 time median workplace earnings) in **98% of Local Authorities** in England (321 out of 326). This is simply not sustainable, nor indeed possible without higher national projections - and the only way to grow that is through higher international migration as UK net flows must sum to zero.

3.16. Ch9.16.1: All Household growth is due to Population change. Changes to Household Representative Rates (HRRs) do not add to household growth.

3.17. Ch9.16.2: All Local Authorities are competing for extra residents to fulfil economic growth ambitions and to fill the above-trend increases in the housing supply - within the UK, migration must balance - migrants cannot be in two (or more) places at once.

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4. Current Estimates - Base data

4.1. **Population**: Population estimates are produced by the Office for National Statistics (ONS) in June of each year for the previous mid year period. Data for Mid 2018 was published on 26th June, 2019[16] and provides information on the components of change that make up the population i.e. Births and Deaths, Migration within the UK and International Migration. There are also a few minor adjustments for changes to prison populations, Armed Forces personnel and Asylum Seekers.

4.2. Table 1 overleaf shows the components of change from the ONS Mid Year Estimates from Mid 2011 up to Mid 2018.

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[12] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779792/LHN_Gov_response.pdf

[13] https://www.statisticsauthority.gov.uk/wp-content/uploads/2016/06/National-Statisticians-Guidance-Management-Information-and-Official-Statistics.pdf *Section 4.3*

[14] https://blog.ons.gov.uk/2018/10/19/what-our-household-projections-really-show/

[15] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779792/LHN_Gov_response.pdf

[16] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/mid2018/relateddata

Table 1 : Components of Change 2011 to 2018 Based Population Estimates for Isle of Wight.

Component	mid-2011	mid-2012	mid-2013	mid-2014	mid-2015	mid-2016	mid-2017	mid-2018
Population	138,390	138,830	138,560	139,330	139,760	140,260	140,980	141,540
Births	1,340	1,270	1,290	1,320	1,220	1,210	1,130	
Deaths	1,680	1,840	1,580	1,760	1,730	1,840	1,820	
Natural Change	-330	-570	-290	-440	-510	-630	-690	
Internal In	4,770	4,270	4,770	4,590	4,610	5,320	5,180	
Internal Out	4,020	3,630	3,890	3,850	3,840	4,150	4,170	
Internal Net	750	640	890	740	770	1,170	1,010	
International In	350	350	370	400	410	370	430	
International Out	370	300	200	240	180	180	230	
International Net	-10	50	180	160	230	190	200	
Special	30	-400	0	-30	10	0	40	

Source: ONS 2018 MYEs © Crown Copyright. *Note: Figures are rounded to nearest 10. The loss of 400 in mid 2012/13 was due to the reduction of prison capacity on the Isle of Wight.*

4.3. **Births** - the numbers of births had been between 1,210 and 1,340 up until the most recent mid year period when it fell below 1,200 to 1,130. To get an idea of equivalence with national trends, the Generalised Fertility Rate (GFR - Births per 1,000 women of child bearing age 15-44) should be looked at and while 2017 show that the overall rate is similar to the national rate (60.6 vs 61.0 for England & Wales)[17], the GFR for 2018[18] for Isle of Wight had fallen to 56.7 (vs 60.1 for England & Wales). Birth rates can vary from year to year for areas with small numbers of births.

4.4. **Deaths** - whilst the Isle of Wight has a high number of deaths relative to its population with a crude rate of 13.1 (deaths per 1000 population) vs. 9.1 per 1000 for England & Wales, when standardised by age and sex (Standardised Mortality Rate - SMR), the rate is 958 vs. an England & Wales figure of 965 i.e. broadly the numbers of deaths you would expect given the age and sex profile of the Isle of Wight. (Note UK is now standardised against European Countries [= 1,000] so England & Wales has a lower SMR than Europe as a whole)[19].

4.5. Births minus Deaths = **Natural Change** which for the Isle of Wight is negative - current estimates from the MYEs show natural change (Births - Deaths) has been negative (i.e. more deaths than births) for all years since 2011. If there were no migration at all, the Population would decline by between 300 and 700 per annum.

4.6. **Internal Migration** - this covers all moves to and from Local Authorities in the United Kingdom (UK). This is measured using a combination of General Practice (GP) patient moves as recorded by National Health Service (NHS Digital) from GP returns and Higher Education Statistical Agency (HESA) data to adjust for Student moves. Ch4.7 to Ch4.12 look at the moves in more detail.

4.7. **International Migration** - numbers of International migrants, to and from the Isle of Wight are small (in the mid hundreds) with net flows also small (in the low hundreds).

[17] https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/datasets/birthcharacteristicsinenglandandwales/2017/birthcharacteristicsworkbook2017.xls

[18] https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland/mid20182019laboundaries/ukmidyearestimates20182019ladcodes.xls

[19] https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/datasets/deathsregisteredbyareaofusualresidenceenglandandwales/2017/deathsregisteredbyareaofusualresidence2017.xls

Detailed age/sex data is available here[20], with very small numbers at five year age bands, and confirms that the main concentration of migrants is in the 20 to 39 age group; flows for the over 60s are minimal.

4.8. The overall international migration figures tie in with administrative data such as registrations with GPs and National Insurance Registrations which are used by ONS to distribute the national flows. These flows are having a small impact on the overall age structure of the Isle of Wight, but in a downward direction. For more detail on the types of data used by ONS, see the Local Area Migration Indicators file referenced here[21].

4.9. **Other Adjustments** - The only significant change was between Mid 2012 and Mid 2013 when there was a loss of prisoner accommodation at Camp Hill prison in 2013[22] which is reflected in the Communal Establishment population figures used to calculate Household Population.

4.10. **Household Estimate**s – ONS do not produce estimates for the numbers of Households alongside MYEs, though it has been requested and the other devolved Statistical agencies of National Records Scotland (NRS), the Welsh Government and Northern Ireland Statistical Research Agency (NISRA) all do. Household Estimates for England only appear every two years with the Sub-national Household Projections.

4.11. **Estimates of Numbers of Dwellings** are released by MHCLG each year and are based on Local Authority Council Tax returns and completions data. These are available as Live Tables on the MHCLG website[23].

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[20] https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/analysisofpopulationestimatestool/mid2018/theanalysisofpopulationestimatestool2018.xlsx *(Large file).*

[21] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets/localareamigrationindicatorsunitedkingdom

[22] https://www.gov.uk/government/news/changes-to-prison-capacity-announced

[23] https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants

5. *Detailed analysis of Internal Migration Mid 2012 to Mid 2018*

5.1. Table 2 looks at the Moves OUT of Isle of Wight - Mid 2012 vs. Mid 2018, and shows a very similar pattern over time with 14 of the same 15 Local Authorities in the Top 15, all with at least 1% of the total moves in that year.

Table 2 : 2012 and 2018 Moves OUT of the Isle of Wight to LAs in the UK - Top 15.

In_Region	IN_LA_Name	Mid 2018	Mid 2018	Affordability	In_Region	IN_LA_Name	Mid 2012	Mid 2012
Grand Total	ALL Moves OUT of IoW	4174	% of Moves	Ratio - 2018	Grand Total	ALL Moves OUT of IoW	4018	% of Moves
South East	Portsmouth	232	5.6%	7.09	South East	Southampton	174	4.3%
South East	Southampton	188	4.5%	7.67	South East	Portsmouth	153	3.8%
South East	Winchester	99	2.4%	12.25	South East	Winchester	111	2.8%
South East	Eastleigh	92	2.2%	9.82	South West	Wiltshire	85	2.1%
South East	New Forest	89	2.1%	11.40	South East	New Forest	78	1.9%
South East	Brighton and Hove	87	2.1%	12.46	South West	Plymouth	73	1.8%
South West	Wiltshire	84	2.0%	9.46	Scotland	Scotland	64	1.6%
Scotland	Scotland	78	1.9%	#N/A	South East	Brighton and Hove	59	1.5%
South West	Bournemouth	75	1.8%	8.48	South West	Bournemouth	58	1.4%
South West	Plymouth	74	1.8%	5.91	South West	Cornwall	56	1.4%
South West	Cornwall	67	1.6%	9.17	South East	Havant	56	1.4%
South West	Bristol, City of	59	1.4%	8.74	South East	Eastleigh	54	1.4%
South East	Fareham	54	1.3%	9.12	South East	Fareham	49	1.2%
South East	Havant	50	1.2%	9.33	South East	Arun	49	1.2%
South East	Chichester	47	1.1%	12.92	South West	Bristol, City of	44	1.1%

LAs not in Both Years

Source: ONS Detailed Migration Data Mid 2012 & Mid 2018, Crown Copyright & ONS Ratio of house price (existing dwellings) to workplace-based earnings (lower quartile and median), 1997 to 2018.
Note: Scotland combines all Local Authorities within Scotland

5.2. Most of the moves are to Local Authorities close to the Isle of Wight, and predominantly in the South East and South West of England. It is notable that 11 of the top 15 LAs for OUT migrants are LESS AFFORDABLE than the Isle of Wight (Ratio 8.19), suggesting housing affordability is not the primary reason for outward migration.

5.3. Table 3 looks at the Moves INTO of Isle of Wight - Mid 2012 vs Mid 2018 and also shows a similar pattern with 11 of the same 15 Local Authorities in the Top 15, again, all with at least 1% of the total moves in that year.

Table 3 : 2012 and 2018 Moves INTO of the Isle of Wight to LAs in the UK - Top 15.

Out_Region	Out_LA_Name	Mid 2018	Mid 2018	Affordability	Out_Region	Out_LA_Name	Mid 2012	Mid 2012
	ALL MOVES INTO IoW	5179	% of Moves	Ratio - 2018		ALL MOVES INTO IoW	4772	% of Moves
South East	Southampton	216	4.2%	7.67	South East	Portsmouth	171	3.6%
South East	Portsmouth	163	3.1%	7.09	South East	Southampton	157	3.3%
South East	Winchester	96	1.9%	12.25	South East	New Forest	85	1.8%
South East	Eastleigh	94	1.8%	9.82	South West	Wiltshire	84	1.8%
South East	New Forest	89	1.7%	11.40	Scotland	Scotland	74	1.6%
South East	Fareham	89	1.7%	9.12	South East	Chichester	62	1.3%
South East	Chichester	84	1.6%	12.92	South East	Winchester	61	1.3%
South East	Brighton and Hove	75	1.4%	12.46	South West	Cornwall	60	1.3%
South West	Bournemouth	74	1.4%	8.48	South East	Havant	54	1.1%
South East	Gosport	70	1.3%	7.44	London	Bromley	54	1.1%
Scotland	Scotland	67	1.3%	#N/A	London	Hillingdon	54	1.1%
South West	Cornwall	63	1.2%	9.17	South East	Milton Keynes	53	1.1%
South East	Havant	61	1.2%	9.33	South East	Brighton and Hove	53	1.1%
South West	Wiltshire	59	1.1%	9.46	South East	Arun	50	1.0%
South East	Arun	59	1.1%	11.88	London	Croydon	47	1.0%

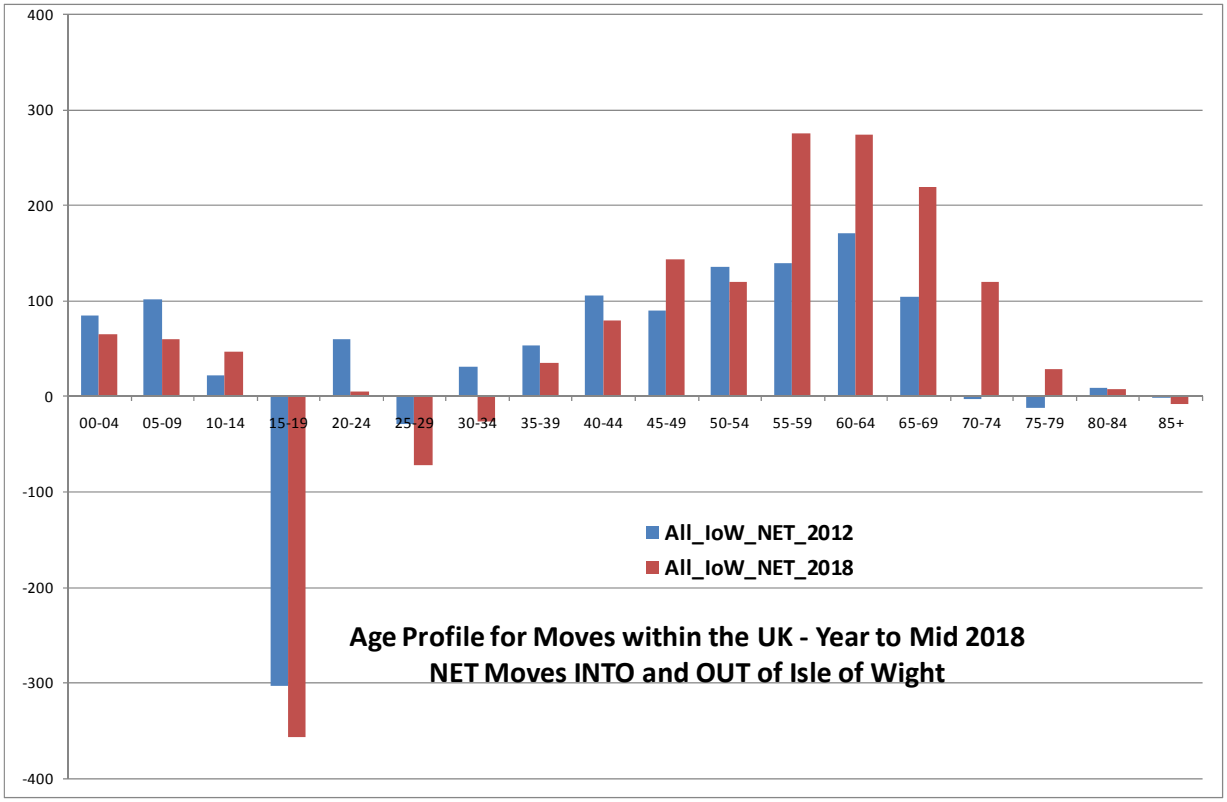
LAs not in Both Years

Source: ONS Detailed Migration Data Mid 2012 & Mid 2018, Crown Copyright & ONS Ratio of house price (existing dwellings) to workplace-based earnings (lower quartile and median), 1997 to 2018.
Note: Scotland combines all Local Authorities within Scotland

5.4. It is more or less the same Local Authorities from where UK migrants come from as they go to with 12 out of the same 15 Local Authorities in both lists for 2018. . Again, it is notable that 11 of the top 15 LAs for IN migrants are LESS AFFORDABLE than the Isle of Wight (Ratio 8.19), suggesting affordability could be a factor for inward migration.

5.5. Chart 1 Compares the Age Profile of movers (Net flows) in Mid 2012 with those in Mid 2018.

Chart 1 : Age Profile of movers - Mid 12 vs. Mid 2018. Net Flows by Five Year Age Group



Source: ONS Detailed Migration Data Mid 2012 & Mid 2018, Crown Copyright.
[Detailed_Estimates_2018_IoW.xlsx Sheet Ch_Net_2012vs_2018]

5.6. Internal Moves - From Table 1 above (Section 4.2), overall net flows have increased slightly from around 750 pa in Mid 2012 to 1,000 pa in Mid 2018. Chart 1 above shows that there has been shift to higher net inflows for the over 55 age groups and higher net outflows of 15-19s and 25-29s which is contributing to an older age profile for Isle of Wight.

5.7. This trend of an ageing profile for net UK moves, coupled with an older age profile to start with (see Chart 3), has led to an increase in the overall median age (the age at which half the population is older/younger) for the Isle of Wight from 44.7 in 2001 (vs. 37.9 for the UK) to 46.7 in 2011 (vs. 39.6 for the UK) and now to 50.1 in 2018 vs. 40.1 for the UK; the gap is widening.
Isle of Wight has an exceptionally old age profile with a median age is 10 years above the national average (50.1 vs. 40.1). Current migration trends mean that the Isle of Wight will also age faster than the UK as a whole.

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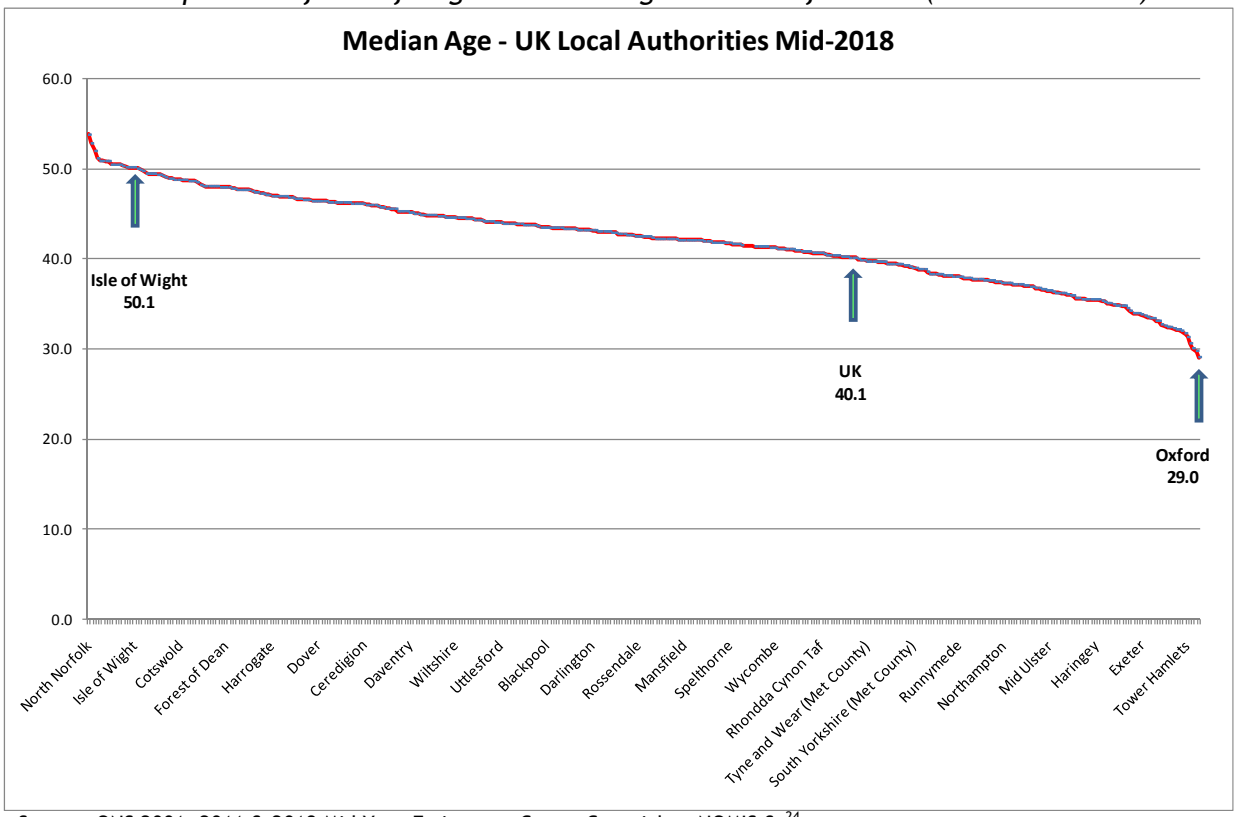
6. *Exceptional Nature of Isle of Wight's Age Structure*

6.1. The impact of an ever ageing population has serious implications for the Isle of Wight in terms of provision of services to the elderly; transport, housing enabled for people with disabilities, public health and social care provision.

6.2. Chart 2 (below) demonstrates the exceptional nature of the current age profile of the Isle of Wight.

Chart 2 - Comparison of Isle of Wight's Median Age vs. Rest of the UK (388 Authorities) - 2018



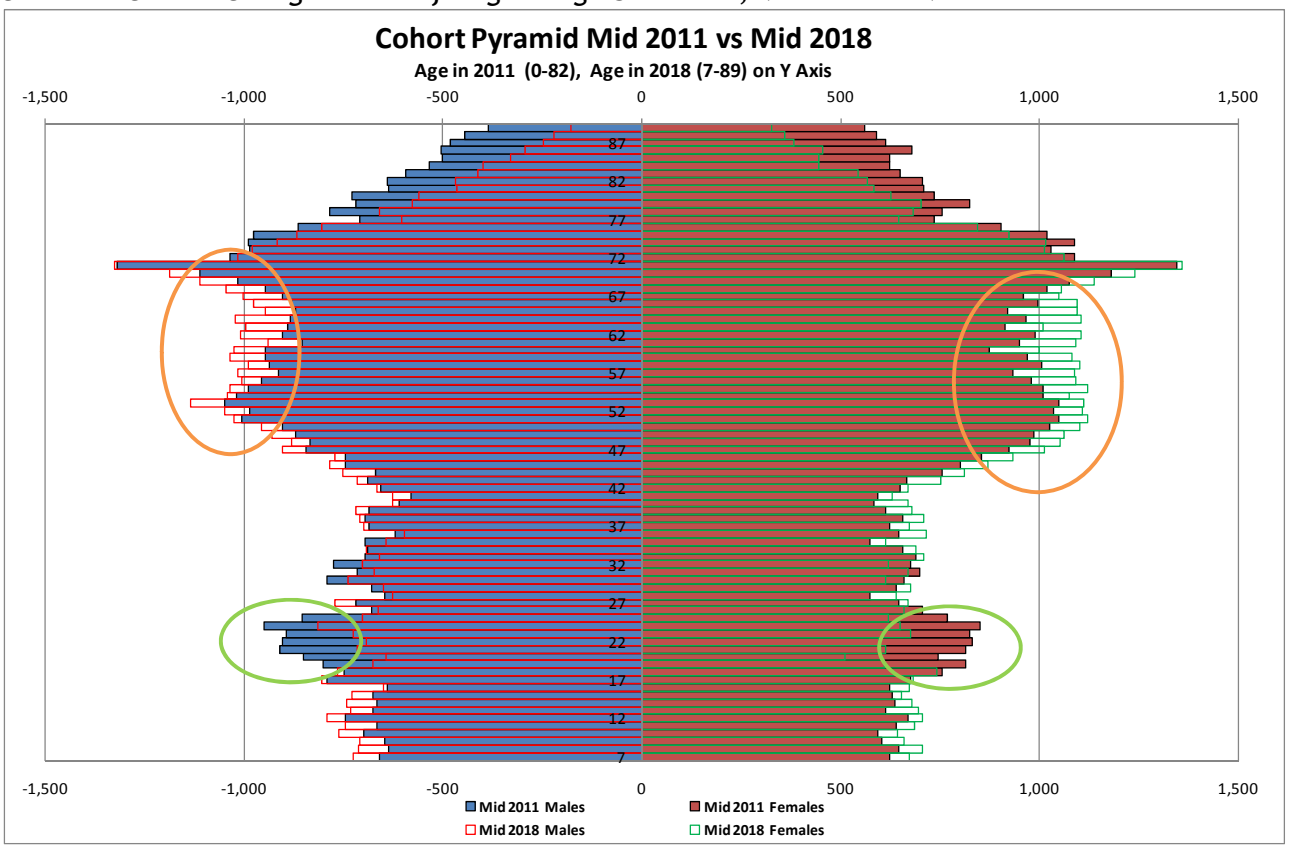
Source: ONS 2001, 2011 & 2018 Mid Year Estimates, Crown Copyright. NOMIS & [24].
[2018_MYE_ukmidyearestimates20182019ladcodes_inc_CoC_SYOA.xlsx - Sheet Ch_Median2018]

6.3. The Isle of Wight is in the top 5% of highest median age for all Local Authorities in the UK, ten years older that the UK as a whole and one of only a handful of Local Authorities with a median age of over 50.

6.4. The change in age/sex profile, driven by internal migration, over just seven years can be seen in Chart 3 (below) which compares the same cohort from 2011 MYEs with the 2018 MYEs.

[24] https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland/mid20182019laboundaries/ukmidyearestimates20182019ladcodes.xls

Chart 3 - Cohort Change in Isle of Wight's Age Structure, Mid 2011 to Mid 2018



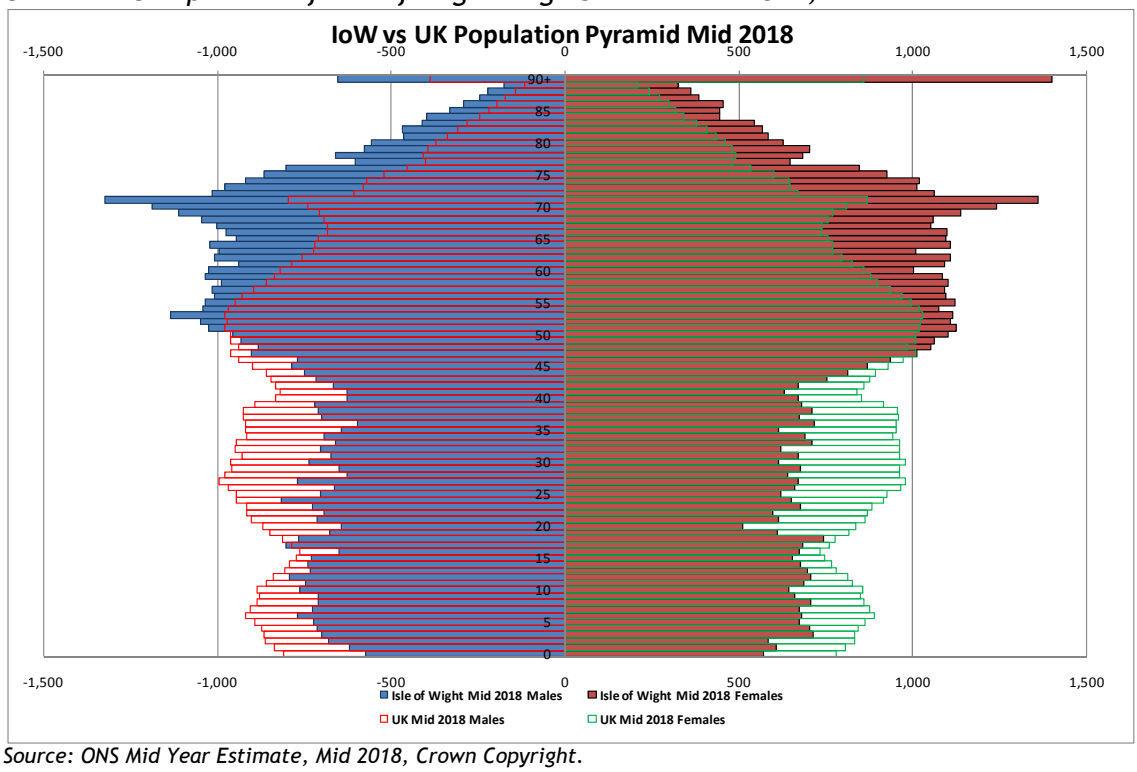
Source: ONS MYEs 2011 & 2018, Crown Copyright.
File: BSPS_Current_Sex_Ratios_Pop_Pyramid_Template_IoW.xlsx [Ch2_Cohort_2011-18]

6.5. The un-shaded bars represent the current population while the solid bars are for the same cohort, but from seven years earlier i.e. it compares 2018's 27 year olds with 2011's 20 year olds. The gaps on either side represent either net migration, for the under 70s, while for the over 70s, it is difficult to identify exactly when mortality overtakes net migration.

6.6. The green ovals show how the numbers of 17 to 26 year olds are now much lower compared to 2011 i.e. Isle of Wight is losing its younger student and working age population and the orange ovals show growth in the 45 to 70 age group.
Migration within the UK is adding to the ageing of the Isle of Wight by taking away younger population (Median Age 29 for OUT migrants) and adding to the older age groups (Median Age 42 for IN migrants). The median age for a migrant nationally (England & Wales) is 29.

6.7. The exceptional age profile of the Isle of Wight can be seen when it is compared to the age profile for the UK, again in the form of a Population Pyramid, see Chart 4.

Chart 4 - Comparison of Isle of Wight's Age Structure vs. UKs, 2018



Source: ONS Mid Year Estimate, Mid 2018, Crown Copyright.
File: BSPS_Current_Pop_Pyramid_IoW_vs_UK [Ch3_Pyramid_IoWvsUK_2018]

6.8. The UK's population for Mid 2018 was scaled to the Isle of Wight male/female totals to give a comparative profile. The un-shaded bars are for the UK and are wider for all age groups up to 51 for Males and 48 for females. All ages above these are where the Isle of Wight has relatively more population in that age group.

6.9. Compared the UK age profile, the Isle of Wight has (proportionally) 20% fewer children aged 0-17, 36% fewer 18-29 year olds, 27% fewer 30-49 year olds but then 15% more 50 to 64 years olds, 35% more 65 to 74 year olds and 33% more 75+.

6.10. The spikes at age 71 and 53 are the post war baby boomers phase 1 and 2 and are clearly visible in both dataset, as are the low periods of births of the late 1970s (now aged 43) and the early 2000s (now 17). International migration will also bulk out the UK figures for the young working age groups while the older migration age profile will add to the relative figures for the older age groups. The real impact will be seen in Ch7.3, Chart 5 where the projected comparison for 2034 is shown.

Contents

7. Population Projections

7.1. Table 4 below shows most recent estimates and projections for Isle of Wight's population up to 2034.

Table 4 : 2014, 2016 & 2018 Based Population Estimates & Projections for Isle of Wight.

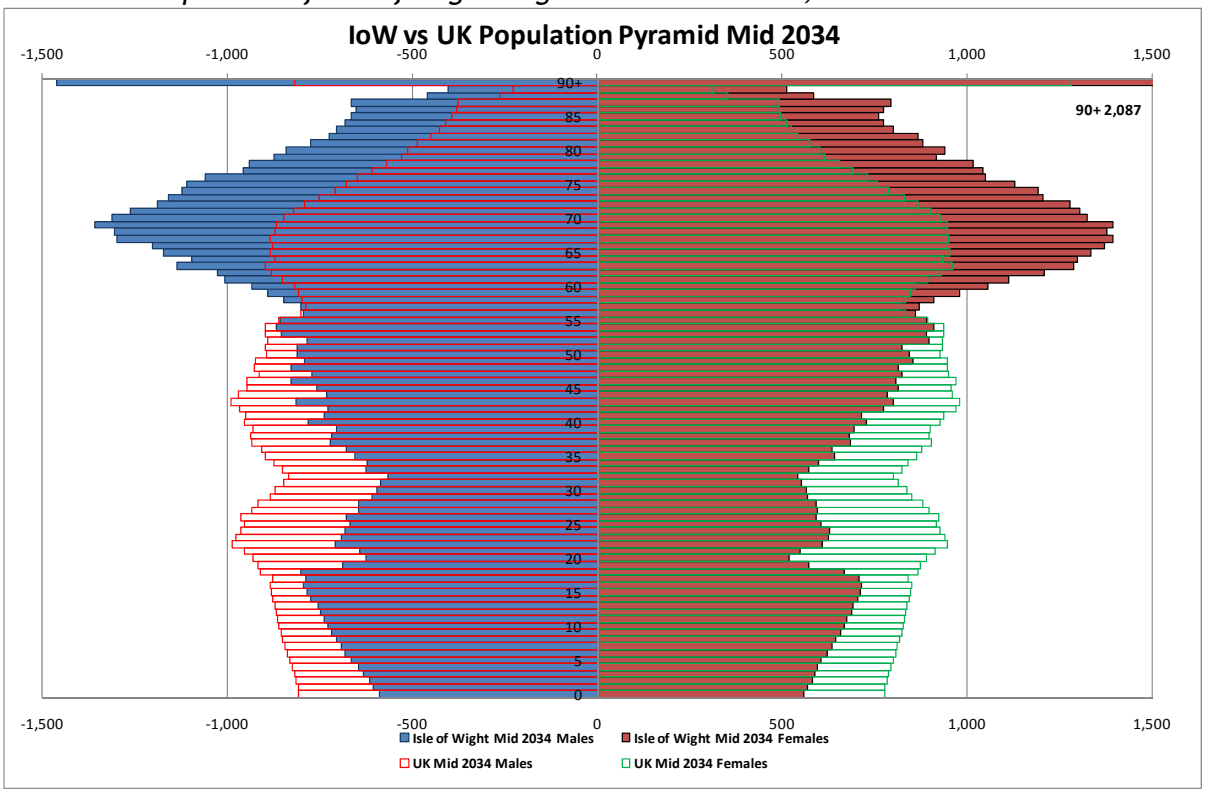
Local Authority	Base	Source	Mid 2014	Mid 2015	Mid 2016	Mid 2017	Mid 2018	...	Mid 2034	Change 2016-2034	Annual Change Mid 2016-34
Isle of Wight	2014 Based	ONS SNPPs	139,110	*139,450*	*139,920*	*140,450*	*141,020*	...	*151,870*	11,950	700
Isle of Wight	2016 Based	ONS SNPPs	139,330	139,760	140,260	*140,640*	*141,100*		*149,640*	9,370	550
Isle of Wight	2018 Based	ONS MYEs	139,330	139,760	140,260	140,980	141,540	...	*N/A*	*N/A*	*N/A*

Source: ONS 2014 & 2016 based SNPPs and ONS 2018 MYEs © Crown Copyright. *Note: Figures are rounded to nearest 10.*

7.2. The most recent set of population projections, the 2016 based SNPPs are some 150 people **lower** per annum than the 2014 SNPPs, which reflects the slower rate of growth in the 2016 National Population Projections (NNPs)[25] on which the SNPPs are based: At the UK level, international migration is projected to be lower, births are lower and deaths are higher at 2034.

7.3. The impact of the changes over time, including the ageing migration profile can be seen in the following population pyramid (Chart 5), again compared to the UK age structure but now in 2034.

Chart 5 - Comparison of Isle of Wight's Age Structure vs. UKs, 2034



Source: ONS 2016 Based NPPs & SNPPs, Crown Copyright.
[BSPS_Current_Pop_Pyramid_IoW_vs_UK - Ch4_Pyramid_IoWvsUK_2034]

7.4. The UK's population was scaled to the Isle of Wight male/female totals to give a comparative profile. The un-shaded bars are for the UK and are wider for all age groups up to 51 for Males and 48 for females. All ages above these are where the Isle of Wight has relatively more population in that age group.

7.5. Compared to the UK age profile in 2034, the Isle of Wight has (proportionally) 24% fewer children aged 0-17, 46% fewer 18-29 year olds, 30% fewer 30-49 year olds but then 6% more 50 to 64 years olds, 32% more 65 to 74 year olds and 38% more 75+.

7.6. The low periods of births of the late 1976 (aged 58 in 2034) and 2000 (aged 34) are still visible while the high birth years of 1947, the post war baby boomers, are only just still visible (aged 89) with the second phase (69 in 2034) very clearly defined. *By 2034 almost 50% of the population of the Isle of Wight will be over 55 (Median Age 54.2), compared to 35% across the UK (Median Age 42.8).*

Contents

[25] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/tablea11principalprojectionuksummary

8. Household Projections and Vacancy Rates

8.1. GL Hearn's paper on Housing Need Assessment (Final Report) uses the now out of date 2014 based sub-national population projections from ONS (SNPPs) which fed the MHCLG 2014 Sub-National Household Projections (SNHPs)[26].

8.2. Data for the 2016 based sub-national population projections (SNPPs) were not available until May 2018 and the SNHPs, which ONS took over responsibility for, were not available until September 2018[27] and since then, ONS have published 2016 Based Variant population[28] (April 2019) and Variant household projections[29] (May 2019), 2017 Mid Year Estimates (MYEs - June 2018[30]) and 2018 MYEs (June 2019[31]).

8.3. **Households Projections:** MHCLG 2014 and ONS 2016 Based sub-national household projections (SNHPs) are shown and compared in Table 5 below.

Table 5 : 2014 & 2016 Based Household Estimates & Projections for Isle of Wight.

Local Authority	Base	Source	Mid 2014	Mid 2015	Mid 2016	Mid 2017	Mid 2018	...	Mid 2034	Hhlds Change 2016-34	HHlds Per Annum 2016-34	Dwellings Per Annum 2016-34
Isle of Wight	2014 Based	MHCLG SNHPs	62,130	62,520	63,040	63,520	64,020	...	72,350	9,310	550	560
Isle of Wight	2016 Based	ONS SNHPs	62,070	62,480	62,970	63,420	63,870	...	70,770	7,800	460	470
Isle of Wight	Difference	Difference	-70	-30	-60	-100	-150	...	-1,580	-1,510	-90	-90

Source: MHCLG 2014 based SNHPs & ONS 2016 Based SNHPs © Crown Copyright. Figures are rounded to nearest 10.
Note: Dwellings converted using a vacancy rate of 2.1% (See Sections 8.6 to 8.8)

8.4. The ONS 2016 based SNHPs result in significantly lower numbers of projected households, by around 90 households per annum, or 16% lower, compared to the MHCLG 2014 based SNHPs.
Prior to the change in MHCLG housing need assessment calculations, the starting point for Isle of Wight would have been, and should really be, 470 dwellings per annum. This figure uses the latest projections and provides an objective and nationally consistent starting point.

8.5. The two main reasons for the lower results are both to do with changes introduced by ONS into the methodology to update the sub-national household projections for the 2016 based set. ONS used:
i) a shorter time series for Household Representative Rates (HRRs) 2001 & 2011 Censuses only rather than going back to 1971 due to mismatches in Census definitions for Households in earlier Censuses and
ii) Fixed HRRs at the 2021 rates from 2022 onwards i.e. no further changes to household formation are made [32].

8.6. **Vacancy Rates**: Numbers of households are converted to dwellings using the vacancy rates (Dwellings = Households/(1-Vacancy Rate) which are derived from

[26] https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections#based-live-tables
[27] https://www.ons.gov.uk/releases/2016basedhouseholdprojectionsinengland
[28] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/variantsubnationalpopulationprojectionsforengland/2016based
[29] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/articles/varianthouseholdprojectionsforengland/2016based
[30] https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland/mid2017/ukmidyearestimates2017finalversion.xls
[31] https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland/mid20182019laboundaries/ukmidyearestimates20182019ladcodes.xls
[32] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/methodologies/methodologyusedtoproducehouseholdprojectionsforengland2016based

two sources; the 2011 Census, which measures Household spaces (Table KW01) and MHCLG Tables 125 (Dwellings) and Tables 615 (Vacant)[33], which in turn are based on Council Tax returns.

8.7. Figures from the 2011 Census show Isle of Wight had a vacancy rate of 9.7%, reflecting the large number of holiday/second homes which are effectively **excluded** from the available housing supply. MHCLG Table 615 (which excludes holiday/second homes) show the numbers of vacant dwellings at 2,500 for 2011 and these have fallen to 1,500 in 2018.

8.8. Therefore, vacancy rates for the addition of new dwellings should not include any allowance for holiday/second homes and the vacancy rate that should be used is the figure from the most recent MHCLG vacancy statistics of 2.1% (2018).
A vacancy rate of 2.1% should be used to convert households to dwellings for the plan period - holiday/second homes should NOT be included. Using 9.2%, as used by GL Hearn, incorrectly adds 46 dpa based on their calculation of housing need of 641.

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9. *The new Standard Method for Assessing Local Housing Need*

9.1. A new methodology was introduced by MHCLG in July 2018 which aimed to provide a minimum starting point for assessing housing need. For each 1% increase in the ratio of (median) house prices to (workplace) median earnings, where the ratio is above 4 (the standard multiple used by most mortgage lenders), the average household growth should be increased by a quarter of a percent. No adjustment is applied where the ratio is 4 or below. Where an adjustment is to be made, the precise formula is as follows:

*[Adjustment Factor = 1/4 *[(Local Affordability-4) / 4]+1] to be applied to the average household change over a 10 year period, 2019 to 2029. See Ch8.3, Table 5 for the figures that are produced.*

9.2. The new method originally advised using "the most recent projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being the first year)." Paragraph: 004 Reference ID: 2a-004-20180913.

9.3. However, in November 2018, this changed following the release of a technical consultation (held between Friday 26 October 2018 Friday 7 December 2018 [34]), the results of which have just been published [35]. This advised using the 2014 Based Household projections, rather than the 2016 based household projections which contradicts MHCLG's own Planning Guidance recommendations from July 2018. This contradiction remains. The reason for this decision is that the 2014 SNHPs give a number closer to the Government's overall housing target.

[33] https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants

[34] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751810/LHN_Consultation.pdf

[35] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779792/LHN_Gov_response.pdf

9.4. *The decision by MHCLG to retain the 2014 SNHPs as the starting point for housing need*[36] *calculations is flawed. The decision went against 55% of organisations stating they were not happy with that decision, and it goes against UK Statistics Authority (UKSA) advice, that advocates the use of the "latest" information*[37]. This is to ensure consistency so that all organisation and Government departments that are reliant on national statistics are:-

9.4.1. using the same data.

9.4.2. the latest trends are taken account of

9.4.3. include any changes in ONS methodology, that are implemented periodically to remove errors that may have come to light, or to allow for new data sources.

9.5. This decision also undermines advice from the UK Statistics Authority (UKSA), the body responsible for assessing the validity of National Statistics. The UKSA advises the use of the latest information; under the General Principles on guidance for information and official statistics from the UKSA, the body governing ONS, the section labelled "Maximum value", 4.3 states..."*When making important decisions, the best available data should be used."*[38].
The MHCLG decision to use 2014 based data is fundamentally flawed with the National Audit Office concerned that the Government department is failing to deliver [39].

9.6. It should also be noted that the MHCLG and the ONS SNHPs are not designed to assess housing need at a Local Authority level, rather, they form a statistically consistent starting point for all Local Authorities to demonstrate what would happen if current trends continued (note: the sub-national population projections are controlled to the national population projections, which are completed as a separate exercise, to ensure consistency[40]).

9.7. ONS have also published a blog, which was included in the Consultation document, explaining what the new Household projections actually mean...."*Household projections are based on trends in actual numbers of households. They do not take account of how many people may want to form new households, but for whatever reason aren't able to, such as young adults wanting to move out of their parents' house, or people wanting to live on their own instead of in a house share. Therefore, household projections are not a measure of how many houses would need to be built to meet housing demand; they show what would happen if past trends in actual household formation continue." Richard Pereira, Deputy Director, ONS Centre for Ageing and Demography (October 2018)* [41].

9.8. It is clear that MHCLG will have to reconsider how the ONS household projections are interpreted and used when assessing housing need and how to make best use of the new projections; as it stands the only reason MHCLG have chosen to use 2014 based data is that it results in a higher figure; this is not good use of national statistics.

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[36] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779792/LHN_Gov_response.pdf

[37] https://www.statisticsauthority.gov.uk/wp-content/uploads/2016/06/National-Statisticians-Guidance-Management-Information-and-Official-Statistics.pdf Section 4.3

[38] https://www.statisticsauthority.gov.uk/wp-content/uploads/2016/06/National-Statisticians-Guidance-Management-Information-and-Official-Statistics.pdf Section 4.3

[39] https://www.nao.org.uk/press-release/planning-for-new-homes/

[40] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/nationalpopulationprojections/2016basedstatisticalbulletin

[41] https://blog.ons.gov.uk/2018/10/19/what-our-household-projections-really-show/

9.9. Indeed, MHCLG will be reviewing the Standard Method and the use of national data over the next 18 months (Para 3, Government Response to the Technical Consultation Question 1 [42]). This creates a period of uncertainty for planning local housing need.

9.10. The method ignores the transition from households to dwellings and assumes that the minimum annual local housing need figure is the result of the formula in Ch9.1.

9.11. Table 6 below shows the results of using the 2014 and the 2016 based projections for the calculation of the starting point for housing need.

Table 6: Isle of Wight: Comparison of MHCLG Standard Methods using 2014 & 2016 based projections:

MYE	SNPP Base	SNHP Base	Average 2019-29 Households Per Annum	Ratio House Prices to Earnings	Adjustment Required	Minimum Annual Local Housing Need
2014	2014	2014	533	7.52	22.00%	650
2016	2016	2016	446	8.19	26.19%	563

Source: ONS 2016 based & MHCLG 2014 based household projections. ONS House Prices to Earnings[43]

9.12. The housing need per annum figure from the 2014 base gives 650 and is close to the 641 quoted in the GL Hearn report on Housing Need. The impact of using the latest household projections reduces the Housing Need by 87 houses per annum to 563.

9.13. The figure generated from the more recent 2016 based projections, 563 per annum, is still well above what ONS recommend should be the starting point for assessing housing need of 470 per annum. The report by ONS on 2016 based Household projections in England states[44]
"*Household projections are not a prediction or forecast of how many houses should be built in the future. Instead, they show how many additional households would form if the population of England keeps growing as it did between 2011 and 2016 and keeps forming households as it did between 2001 and 2011. Therefore, household projections should be used as a starting point for calculating the future housing needs of a local area.*"

9.14. The Isle of Wight has a relatively low affordability ratio for the South East Region with the 5th lowest ratio (8.1) of the 67 Local Authorities in the SE Region which ranges from 7.1 in Portsmouth to 18.6 in Chiltern.
This may add to the attractiveness of the Isle of Wight as a retirement destination and it has recently been cited as the best place to retire[45]*. This has Local Authority policy implications for transport, public health and nursing care, social services and appropriate housing to suit the ageing population.*

9.15. The standard formula leads to an increase above the trend (i.e. house prices are more than 4 time median workplace earnings) in 98% of Local Authorities in England (321 out of 326).
This is simply not sustainable, nor indeed possible without higher national

[42] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779792/LHN_Gov_response.pdf

[43] https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/housing/datasets/housepriceexistingdwellingstoworkplacebasedearningsratio/current/ratioofhousepriceexistingdwellingstoworkplacebasedearningslowerquartileandmedian.xls

[44] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/2016basedhouseholdprojectionsinengland/2016basedhouseholdprojectionsinengland/pdf

[45] https://www.countypress.co.uk/news/17817319.isle-wight-voted-top-place-country-retire/

projections - and the only way to grow that is through higher international migration as UK net flows sum to zero.

9.16. If the MHCLG formula is applied across all Local Authorities in England, the average uplift in Housing Need above ONS trend based projections is 32%. The implication is for a large increase in population at each Local Authority to fill these houses. As ONS sub-national population projections are controlled to the National Population Projections, MHCLG are essentially advocating higher national projections, as the extra households need to be filled by someone. However it would need:

9.16.1. A huge change to the existing projected HRRs, BUT in the 2016 Household Projections, changes to HRRs accounted for a reduction (-5%) in household growth[46] 2016 to 2041 while all the growth (105%) was due to population change. For the Isle of Wight, the equivalent figures are -1% due to HRRs and 101% due to population change. (See ONS Table 415[47]).

9.16.2. More migrants from within the UK - BUT each move to a destination Local Authority must be offset by a reduction in the origin Local Authority so there is no scope from within the UK, to boost population numbers - Local Authorities are competing for migrants.

9.16.3. The only solution is an increase in international migration net inflows, above the national projection trends.

Contents

10. Household Representative Rates and Changes over time

10.1. The Household Representative Rate (HRR) is the proportion of a population group by gender, age and relationship that 'represents' a household. A set of rules determine which household member is the representative. In households containing just one couple the male is the representative, where there are two or more couples the oldest male is the representative. Therefore females in couples may not represent the couple and their HRRs are zero. HRRs were formerly called household headship rates.

10.2. The Household projections were, up until January 2017, produced by Department for Communities and Local Government (DCLG). ONS has now taken on the responsibility for production and the move is welcomed to help improve timeliness, consistency and quality assurance.

10.3. The projections are done in two stages. Stage One produces summary household numbers based on demographic trends since 2001 and acts as a control for Stage 2 which gives a more detailed breakdown of household type and is also based on data since 2001.

10.4. ONS produce the numbers of households by age (HRRs * Household Population) and looking at Stage One of the projections it reveals that the growth in the households headed by Over 65 is, not surprisingly, much higher in the Isle of Wight.

[46] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/536702/Household_Projections_-_2014_-_2039.pdf

[47] https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/householdprojectionsforengland/2016based/maintablesupdatedniupdated.xlsx

Table 7: Proportions of Households by Age Group. Isle of Wight compared to England.

Proportions by Age Group	Age Group	Mid 2016	Mid 2034	% Change 2016 - 34	Notes
Isle of Wight	*Total Households*	*62,970*	*70,770*	*12.4%*	
	% Up to 24	**2.5%**	**2.0%**	-0.5%	% Point Change
	% 25 to 39	**14.5%**	**12.2%**	-2.3%	% Point Change
	% 40 to 54	**26.0%**	**20.3%**	-5.7%	% Point Change
	% 55 to 64	**18.4%**	**16.2%**	-2.1%	% Point Change
	% Over 65	**38.7%**	**49.2%**	10.5%	% Point Change
England	*Total Households*	*22,884,530*	*25,827,010*	*12.9%*	
	% Up to 24	**3.3%**	**3.0%**	-0.3%	% Point Change
	% 25 to 39	**21.9%**	**18.6%**	-3.4%	% Point Change
	% 40 to 54	**29.7%**	**26.7%**	-3.0%	% Point Change
	% 55 to 64	**16.7%**	**16.2%**	-0.5%	% Point Change
	% Over 65	**28.3%**	**35.5%**	7.1%	% Point Change

Source: ONS 2016 Based Sub National Household Projections, Stage 1. Crown Copyright.
C:\Users\SONY\Documents\Piers\Home Work\017_IsleofWight\2016_ ONS S1 Households.xlsx

10.5. Overall household growth for the Isle of Wight is similar to England for the period 2016 to 2034, and both the Isle of Wight and England are showing proportionally fewer households in the under 65 age group.

10.6. However the higher percentage point change between 2016 and 2034 (10.5% vs 7.1%) and the current proportion of Over 65 (Head of Household is Over 65) Households relative to the national figure in 2016 (39% vs 28%) demonstrates how much older the households on the Isle of Wight are, with the gap widening, compared to the national picture.
By 2034 the Isle of Wight will have over 50% of its households headed by someone over the age of 65, some 15 percentage points above the national profile.

10.7. All the growth in numbers of households between 2016 and 2034 is in the Over 65s age group.
Developers should be building smaller, age-friendly houses and policies should be developed to encourage downsizing.

Contents

11. Commuting

11.1. Commuting figures come from the decennial censuses and show the relationship between jobs where the worker lives. Table 8 shows the overall travel to work flows for jobs within the Isle of Wight from the 2001 and 2011 Censuses.

Table 8: Commuting and Jobs. Isle of Wight. 2001 & 2011 Census data

Jobs & Commuters - Ages 16-74	2001 Census	2011 Census	Notes
Isle of Wight Residents with Jobs	54,153	46,491	A
Total Jobs in Isle of Wight	51,716	44,041	B
Lives & Works in Isle of Wight	50,468	41,944	C
Lives in IoW Isle of Wight, Works Outside	3,685	4,547	A - C = D
Works in Isle of Wight, Lives outside	1,248	2,097	B - C = E
Net Commuter (Negative=Outflow)	-2,437	-2,450	B - A = F

Source: 2001 census - UK travel flows T101 & 2011 Census WU02UK - Location of usual residence and place of work by age, Crown copyright.

11.2. The numbers of jobs have fallen significantly, reflecting the ageing population and the high proportion of retired people. At the same time, the working age

population has become more mobile with more moves in each directions, either seeking work outside the Isle of Wight, or coming to the Isle of Wight to work.

11.3. Table 9 shows the commuter patterns from the 2001 and 2011 Censuses. These data come from the travel to work dataset and map Local Authority to Local Authority commutes.

Table 9: Local Authority Commutes to and from Isle of Wight. 2001 and 2011 Censuses.

Area of Residence = Isle of Wight		Area of Residence = Isle of Wight	
Area of Work	**2001**	**Area of Work**	**2011**
Isle of Wight	50,468	Isle of Wight	41,944
Portsmouth	797	Portsmouth	731
Southampton	567	Southampton	520
Bournemouth	187	Test Valley	365
New Forest	119	Westminster,City of	201
Poole	112	Poole	178
Westminster	105	New Forest	143
Fareham	91	Winchester	145
Winchester	89	Gloucester	131
Gosport	81	Bournemouth	120
Eastleigh	69	Eastleigh	108
Havant	62	Fareham	101

Area of Work = Isle of Wight		Area of Work = Isle of Wight	
Area of Residence	**2001**	**Area of Residence**	**2011**
Isle of Wight	50468	Isle of Wight	41,944
Bournemouth	139	Newport	283
Poole	122	Christchurch	120
Southampton	98	Southampton	178
Portsmouth	90	Portsmouth	175
New Forest	51	Poole	134
Fareham	43	Bournemouth	68
Eastleigh	38	Fareham	68
Christchurch	28	Caerphilly	70
Winchester	25	Chichester	24
Gosport	22	Winchester	37
Havant	18	Cardiff	69

Source: 2001 census - UK travel flows T101 & 2011 Census WU02UK - Location of usual residence and place of work by age, Crown copyright.

11.4. The left hand side of Table 9 shows those who live in the Isle of Wight and work elsewhere. Eight out of the top 10 destinations for work outside the Isle of Wight are the same in 2011 as in 2001.

11.5. The right hand side of Table 9 shows those who work in the Isle of Wight and where they commute in from. Some seem unlikely, but with four of the top 10 origins different in 2011 from 2001, it does suggest a more mobile work force.

11.6. Policies that can help match or enhance the skills of the existing workforce to the available jobs within the Isle of Wight is a sustainable way of boosting the local economy and offsets the need for jobs-led housing, as well as reducing carbon emissions through travelling. There is potentially a pool of around 2,500 workers. Creating more jobs aimed at Isle of Wight residents would reduce the numbers of new dwellings needed, as well as reduce traffic emissions and congestion.

Contents

12. *Housing Completions*

12.1. Housing completions give a good indication of what the capacity for house building is within an area. Figures for Isle of Wight are shown in Table 10 and are based on MHCLG Live Tables on net completions up to 2018.[48]

[48] https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants

Table 10 - Dwellings & Net Completions

Year	Dwelling Stock	Net additions	Rolling Five Year Average	Standard Formula Using 2014 Data	Standard Formula Using 2016 Data	ONS 2016 Projections
	Table 125	Table 122				
2001	61,449					
2002	61,937	488				
2003	62,352	414				
2004	62,833	481				
2005	63,143	310				
2006	63,913	769	493			
2007	65,535	1,622	720			
2008	66,111	576	752			
2009	66,716	605	777			
2010	67,108	391	793			
2011	67,506	398	719			
2012	68,028	522	499			
2013	68,454	426	469			
2014	68,759	305	409			
2015	69,267	508	432			
2016	69,684	417	436			
2017	70,005	321	395			
2018	70,378	373	385	641	560	470

Source: Dwelling Stock MHCLG Live Tables 122 & 125

12.2. Taking a five year average and looking at the years after the housing crisis of 2008, net completions have not been above 500 since 2008-2012, with the average below 400 for the most recent five years (2014-2018).

12.3. The slow rate of build demonstrates that the available supply of housing land is not being fully exploited by developers as they have a vested interest in maintaining a shortage in the supply to keep prices high and maintain profits for shareholders, a point acknowledged in the Government paper on "This Broken Housing Market"[49]. This was picked up by the Guardian[50] and the Independent [51]. There is no evidence to suggest that this is not still the case.
Developers should be challenged to explain their current build rate - providing extra housing land supply allows developers to cherry pick the sites that maximise profits rather than the needs of resident of the Isle of Wight.

Contents

13. Unattributable Population Change (UPC)

13.1. ONS publish Mid Year Estimates (MYEs) for every year, including Census year with the Rolled Forwards Estimates from the 2001 Base for Mid 2011 compared with the 2011 Census Estimates (ONS add on estimates for Births, Deaths and Migration for the period between Census Day (27th March 2011) and the Mid Year (30th June 2011).

13.2. The difference between the two identifies the gap that cannot be explained by the estimates for births, deaths and migration and is therefore described as

[49] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf
[50] https://www.theguardian.com/business/2016/mar/01/developers-restricting-supply-of-new-home-to-boost-profits
[51] https://www.independent.co.uk/news/uk/home-news/uk-housebuilders-restricting-the-supply-of-new-houses-to-keep-prices-unnecessarily-high-a6906016.html

"Unattributable Population Change" (UPC). In 2011 the extent of UPC was estimated at 134,700 while in 2001, UPC was estimated 291,000 (219,000 after the Local Authority Studies were completed). It is not always possible to attribute the error to any of the possible causes which are:

13.2.1. Estimates from the 2001 Census were incorrect
13.2.2. Estimates from the 2011 Census were incorrect.
13.2.3. Estimates of Migration were incorrect.
13.2.4. Births and Deaths are considered of very high quality and so are excluded from the list of possible errors

13.3. There is likely to be a discrepancy when the 2021 Census based estimates are published but the errors will be for different reasons:
13.3.1. ONS has changed its MYE methodology (Mid 2013), and in the Mid 2017 MYEs (June 2018).
13.3.2. The 2021 Census will be conducted in a different way (mainly on-line) which will affect how errors or biases occur.

13.4. ONS argue that UPC should not be included beyond 2011 and their paper to justify this can be found here. SNPP Accuracy Paper, Annex B.[52]

13.5. Looking at the UPC for the Isle of Wight, the difference represented 1.3% of the overall population - the Rolled forwards Estimates were some 1,800 (1.3%) too high suggesting an over estimate in the Migration or that the 2001 Census was too high. As the latter is unlikely, due to the "missing millions[53]" (undercount in the 2001 Census) and the Isle of Wight was not one of the Local Authorities adjusted in the LA Studies[54], the likely cause of the error is in migration estimates. If those errors have continued in to the 2012 MYEs and beyond, then the trends used for the projections will be too high. The UPC, if continuing, could be adding 180 people per year too many, and lead to an extra 180 / 2.3 = 75 Households pa for people who aren't there. This won't be known until 2022 when the first results of the 2021 Census are released.
There is a risk that ONS population estimates are too high which could lead to an over-supply of 75 households pa if it is of the same order in 2021 as it was in 2011.

13.6. The possibility of continuing over-estimation are seen in successive projection sets with the 2016 MYEs 340 above the projected figure from the 2014 SNPPs and the 2018 MYEs 440 above the projected figures from the 2016 SNPPs as seen in Table 4 in Ch7.1.
These figures are of the same order (around 200 pa higher) as the UPC (over-estimate) in 2011.

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[52] https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/populationandmigration/populationprojections/methodologies/subnationalpopulationprojectionsaccuracyreport/snppaccuracyreportfinaltcm774144461.pdf
[53] https://www.theguardian.com/uk/2002/oct/01/britishidentity.johncarvel
[54] https://webarchive.nationalarchives.gov.uk/20160128195726/http://www.ons.gov.uk/ons/guide-method/method-quality/specific/population-and-migration/pop-ests/local-authority-population-studies/index.html

Glossary

BSPS - British Society for Population Studies
CLIP - Central and Local Information Partnership
CPRE - Campaign to Protect Rural England
DPA - Dwellings per annum.
DWP - Department for Work and Pensions
GFR - General Fertility Rate
GP - General Practice
HESA - Higher Education Statistics Agency
HMA - Housing Market Area
HMRC - Her Majesty's Revenue and Customs
HRR - Household Representative Rates = Headship Rates
LAMI - Local Authority Migration Indicator (ONS Tool for Migration analysis)
LTIM - Long Term International Migration
MHCLG - Ministry for Housing, Communities and Local Government
MYEs - Mid Year Estimates (ONS)
NAO - National Audit Office
NHS - National Health Service
NINO - National Insurance Number
NOMIS - National Online Manpower Information System (ONS)
NRS - National Records Scotland
NPP - National Population Projections (ONS)
NPPF - National Policy Planning Framework
OAHN - Objectively Assessed Housing Need = OAN
OBR - Office for Budgetary Responsibility
ONS - Office for National Statistics
PASC - Public Administration Select Committee
POST - Parliamentary Office Science & Technology
RFMYEs - Rolled Forwards Mid Year Estimates (ONS)
SHGBA - Isle of Wight Green Belt Association
SHELMA - Strategic Housing and Employment Land Market Assessment
SHMA - Strategic Market Housing Assessment
SHLAA - Strategic Housing Land Availability Assessment
SMR - Standarised Mortality Rate
SNPPs - Sub-National Population Projections (ONS)
SNHPs - Sub-National Household Projections (2014 Based MHCLG, 2016 Based ONS)
SPA - State Pension Age
T&CP - Town & Country Planning
UKSA - United Kingdom Statistics Authority
UPC - Unattributable Population Change

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