Strategic Housing Market Assessment Addendum: Implications of 2012-based Population Projections & Need for Care Homes

Tonbridge and Malling Borough Council, Maidstone Borough Council and Ashford Borough Council

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Prepared by

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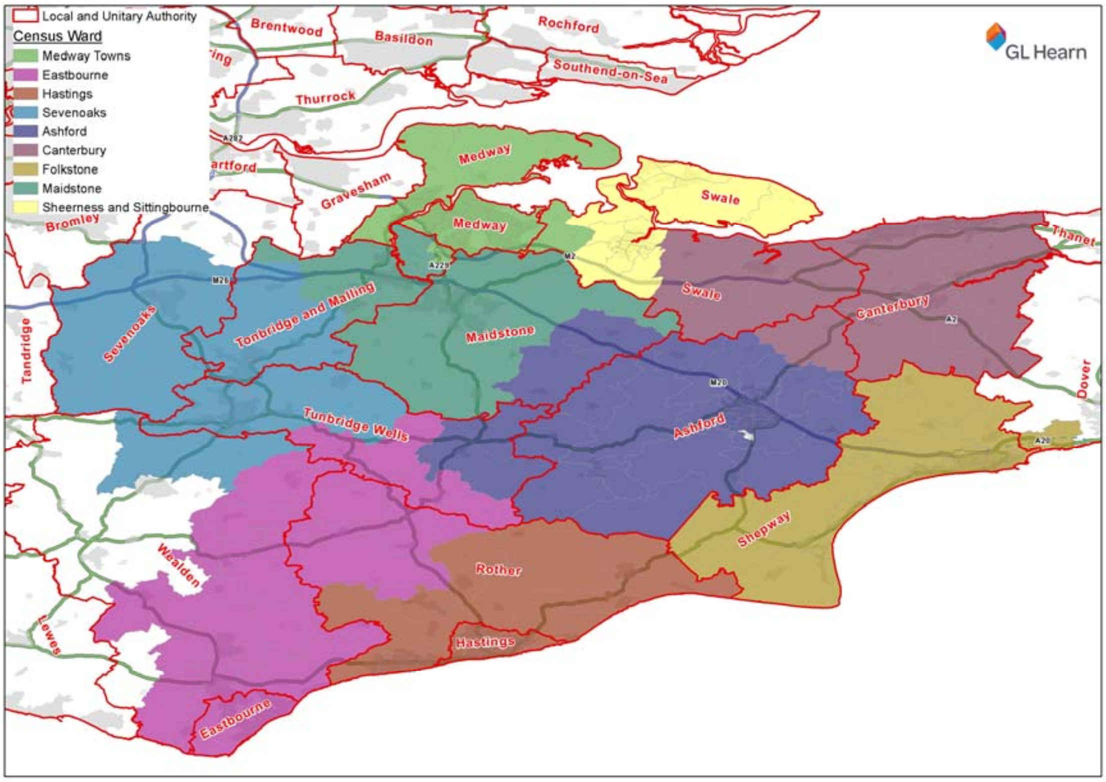
1. INTRODUCTION

1.1. In 2013 GL Hearn undertook work for Ashford Borough Council, Maidstone Borough Council and Tonbridge & Malling Borough Council to prepare Strategic Housing Market Assessments (SHMAs) covering these authorities and the Housing Market Areas (HMAs) in which these sit.

1.2. The work undertaken defined three Housing Market Areas; the first focused on Ashford; the second on Maidstone; and a third West Kent HMA which included Sevenoaks, Tonbridge and Tunbridge Wells. The HMAs cut across local authority boundaries, as shown in Figure 1.

Figure 1: Housing Market Areas



Source: CURDS, 2010

1.3. A SHMA was produced for each of the commissioning authorities, which identified the Objectively Assessed Housing Need (OAN) in each of the three respective authorities, and in each of the defined HMAs. The three reports prepared were:

- Ashford Strategic Housing Market Assessment (January 2014);
- Maidstone Strategic Housing Market Assessment (January 2014);
- Tonbridge and Malling Strategic Housing Market Assessment (March 2014).

The 2014 SHMA Reports

1.4. The three reports took account of the draft Planning Practice Guidance on *Assessment of Housing and Economic Development Needs*, published by Government in August 2013. The final version of this Guidance was issued by Government in March 2014.

1.5. The SHMA Reports established the 'Objectively Assessed Need' (OAN) for housing following the approach in the Draft Planning Practice Guidance. The process was as follows:

1. The starting point for this was the latest household projections (the 2011-based Interim Household Projections published by Government in March 2013). These are based on the Office for National Statistics' (ONS) 2011-based Sub-National Population Projections;
2. The SHMA reports then sought to consider the latest demographic evidence. This included more recent data on in- and out-migration, and ONS revised components of population change data for the 2001-11 period (taking account of the 2011 Census). The reports set out updated population projections taking this new data into account;
3. Driven by the draft Planning Practice Guidance the SHMA then considered whether there was a case for adjusting housing provision. It did so by considering three tests:
   - Is there evidence that household formation rates in the projections have been constrained? Do market signals point to a need to increase housing supply?
   - How do the demographic projections 'sit' with the affordable housing needs evidence, and should housing supply be increased to meet affordable needs?
   - What do economic forecasts say about jobs growth? Is there evidence that an increase in housing numbers would be needed to support this?

1.6. The reports found evidence that levels of household formation over the 2001-11 period had diverged from long-term trends. This was considered to be partly a function of international migration and different household structures in new migrant households; and partly a reflection of economic and affordability issues, including the impact of the economic recession in the latter part of the decade. Taking account of the analysis of demographic trends and market signals it was considered appropriate to model higher levels of household formation than shown in the CLG 2011-based Household Projections. On this basis the SHMA Reports' conclusions were based on modelling household formation trends moving forwards which sat at the 'midpoint' between those shown in the CLG 2008- and 2011-based Household Projections.

1.7. For Ashford Borough, the SHMA Report identified an Objectively Assessed Need for between 720-730 homes per annum (2011-30). This was based on the amended demographic projections. It identified an affordable housing need for 335 homes per annum, but taking account of the current level of private rented sector lettings (246 per annum) and the potential for some households to spend over 30% of their income on housing costs it found no basis for adjusting the overall assessment of need upwards to take account of affordable housing delivery. The analysis identified that this level of housing need was capable of supporting growth in labour supply of around 13,000 persons to 2030. This was above baseline economic forecasts; with the report concluding that housing provision would only need to be increased further should the Council's target higher levels of economic growth or need to contribute to meeting unmet needs in other areas in accordance with the Duty to Cooperate.

1.8. A need for 980 homes per annum (2011-31) was identified for Maidstone Borough. This was based on the amended demographic projections. It concluded that it would be feasible to meet the identified affordable housing need for 322 affordable homes per annum within this; and that it would not be necessary to adjust the level of housing provision upwards to support the economic growth forecasts.

1.9. The Tonbridge and Malling SHMA Report identified a need for between 580-650 homes per annum (2011-31). The core demographic projection developed identified a need for 573 homes per annum. An affordable housing need for 277 homes per annum was identified. The market signals analysis identified higher house prices and more acute affordability issues than in the other areas. Taking account of the more acute affordability issues, and the affordable housing need, the SHMA Report identified a case for considering an upward adjustment to housing provision to 650 homes per annum. Of this assessment of housing need, 47% was identified as arising in those parts of the Borough which fall within the Maidstone HMA and 53% within those parts of the Borough which fall within the Sevenoaks, Tonbridge and Tunbridge Wells HMA.

Planning Practice Guidance

1.10. The Planning Practice Guidance was issued by Government in March 2014. The Guidance is relatively similar in content to that of the draft Guidance (Aug 2013). There were however a small number of key changes:

- The wording regarding taking account of economic trends had been amended. The draft Guidance set out specifically that plan makers would need to consider increasing housing numbers where labour force supply was less than projected job growth. This wording was amended to put greater emphasis on considering sustainable transport links in considering the relationship between growth in jobs and labour supply. However overall joint guidance on assessing housing and economic development needs and Paragraph 158 in the NPPF still promote coordinated planning and strategies for housing and the economy;
- The Guidance requires assessment and quantification of the need for residential institutions (Use Class C2). It should include a breakdown of older persons housing needs;
- The Guidance sensibly clarifies that not every new set of demographic projections will trigger a need to review a plan, indicating that "*Local Plans should be kept up-to-date, and a meaningful change in the housing situation should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued*."

Purpose and Status of this Report

1.11. There are two key drivers of this report. The first is the release of 2012 Sub-National Population Projections by ONS in May 2014. The second is the requirement introduced by the final version of the Planning Practice Guidance to quantify the need for C2 (care home) bed spaces.

1.12. The report is presented as an addendum to the three SHMA Reports (as identified in Para 1.3 above).

1.13. The report does not necessarily negate or replace the findings of the SHMA Reports but seeks to provide a "sensitivity analysis" which takes account of the more recent demographic projections. The Planning Practice Guidance is clear that new projections do not necessarily render existing evidence outdated. The issue depends on the degree to which the new projections and demographic evidence are materially different to that in the SHMA. GL Hearn is however mindful that:

- The 2012-based Sub-National Population Projections are the first set of ONS demographic projections which take full account of the 2011 Census results and what this tells us about population change;
- The Planning Practice Guidance does emphasise the use of official ONS/ CLG population and household projections.

1.14. Household projections are typically released around six months after the ONS population projections. We would thus expect new official household projections to be issued in Autumn 2014.

1.15. The ONS 2012-based Sub-National Population Projections use past trends to project forward the population to give an indication of the future population to 2037. Nationally, the projected population is expected to be much lower than previous projections, although in some local authorities the 2012-projections expect stronger population growth taking account of local population dynamics.

1.16. This report seeks to quantify the level of need and supply of residential care homes (C2 Use Class) in each of the three local authorities. This includes residential care and nursing homes, It does not include residential homes where care is provided in-situ for six residents or fewer.

Report Structure

1.17. Following this introduction the remainder of this report is structured as follows:

- **Section 2:** Contains our assessment of future housing need based on the 2012-SNPP projections;
- **Section 3:** Assesses existing care strategies as well the supply of residential care homes;
- **Section 4:** Assesses the future need for residential care homes, this includes an assessment of prevalence rates within different age groups and analysis of demographic projections;
- **Section 5:** Summarises the previous sections and makes recommendations for the scale of overall need and for residential care homes.

2. POPULATION PROJECTIONS

Introduction

2.1. The latest set of Sub-National Population Projections (SNPP) were published by ONS on the 29th May 2014. These are 2012-based projections. They replace the 2010- and 2011-based Projections. The SNPP provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2012-based national population projections.

2.2. The projections are not forecasts and do not attempt to predict the impact that future government or local policies, changing economic circumstances or other factors might have on demographic behaviour. The primary purpose of the subnational projections is to provide an estimate of the future size and age structure of the population of local authorities in England. These are used as a common framework for informing local-level policy and planning in a number of different fields as they are produced in a consistent way.

2.3. This report uses a consistent approach to relating growth in population to growth in housing and housing need as adopted in the main SHMA Reports. It applies household formation rates to the growth in population in different age groups to project household growth. An allowance for vacant and second homes is then added to the household growth to project need for homes (dwellings). Consistent with the SHMA, the report projects household formation rates based on a 'midpoint' between trends shown in the 2008- and 2011-based CLG Household Projections.

2.4. This section first interrogates the 2012-based SNPP to consider in effect what the new official projections tell us about expected population growth. These projections are compared with those in the SHMA, assessing in particular assumptions regarding migration; and how the working population is expected to change. Household growth and the need for homes is then projected.

2.5. The 2012-based SNPP take mid-2012 as a start point. However for consistency with the SHMA and emerging local plans, the analysis in this report takes a mid-2011 start point.

2.6. On the 26th June 2014 ONS published new Mid-Year Population Estimates (MYEs) and so population growth in the 2011-13 period has been taken from ONS MYEs and hence the 'projection' part of the work only begins from 2013 onwards. This means that population levels differ slightly from those in the published 2012-based SNPP although any differences are fairly minor. Where regional and national comparisons are made these are taken from data in the 2012-based SNPP and have not been updated to take account of the new mid-year population estimates.

2.7. For consistency with the SHMA Reports and planning timeframes, the projections are analysed up until 2031 although the SNPP itself does provide data for six additional years to 2037.

2.8. The outputs for all three areas can be compared with figures in the three SHMA reports – such comparisons have been made at the relevant parts of the analysis.

2.9. In the SHMAs a range of different scenarios were undertaken to look at levels of housing need for each local authority. The scenarios considered different assumptions about migration and demographic change as well as considering the link between population/housing growth and changes to the resident labour force. The comparisons in this report compare the 2012-based outputs with the core demographic projection in the SHMAs. For consistency, dwelling comparisons are made on the basis of midpoint headship assumptions. It should however be noted that for the Ashford SHMA data was taken from the 2011-based CLG household projections and so it is this comparison which is made when studying household and dwelling growth. For Ashford (as shown in the SHMA) there is very little difference in the outputs linked to different headship scenarios.

Overall Population Growth

2.10. Table 1 below shows projected population growth from 2011 to 2031 in each of the three local authorities, the South East and England. The data shows that the population of all three areas is expected to grow more strongly than seen across the region and nationally. Population growth over the 20-year period ranges from between 19.5% (Tonbridge & Malling) and 21.7% (Maidstone). Population growth of 21.5% is expected in Ashford. These figures compare with 15.3% for the South East and just 13.8% across England.

Table 1: Projected Population Growth in 2012-based SNPP (2011-2031)

	Population 2011	Population 2031	Change in population	% change
Ashford	118,405	143,892	25,487	21.5%
Maidstone	155,764	189,575	33,811	21.7%
Tonbridge & Malling	121,087	144,722	23,635	19.5%
South East	8,652,800	9,979,900	1,327,100	15.3%
England	53,107,200	60,418,800	7,311,600	13.8%

Source: ONS

2.11. Table 2 shows population growth in the 2011-31 period from both the core projections in the SHMA reports (those which were used in deriving conclusions) and as developed in this report linked to the 2012-based SNPP.

2.12. The analysis shows very little difference between figures for Ashford whilst population growth in Maidstone is now shown to be lower; and in Tonbridge & Malling slightly higher. These latter findings may to some degree be due to the approach taken in the SHMA to Unattributable Population Change (UPC).

2.13. UPC is the difference between the recorded population growth in the Census (adjusted to a mid-year figure) and the sum of the various components of population change recorded by ONS (mainly natural change and net migration) over the 2001-11 period. Where UPC is negative it implies that the recorded components are higher than the actual recorded population growth with the opposite being the case where a positive figure is shown. It is not possible from the data available to be certain whether UPC is due to the poor recording of a particular component (e.g. migration) or because of problems with Census estimates (either in 2001 or 2011).

2.14. The projections within the SHMA Report made some adjustments to population projections to take account of UPC on the basis that this was most likely to be associated with recording of migration (and particularly international migration).

2.15. It is noteworthy that ONS through a consultation process has now identified that UPC should not feature as an adjustment in population projections. Thus the 2012-based SNPP does not make any adjustments to future levels of migration based on UPC.

2.16. Overall, across the three local authority areas the levels of population growth shown in the 2012-based SNPP and the SHMAs is not significantly different particularly set against the level of year-on-year variance in levels of migration. The variance for individual districts – specifically Maidstone and Tonbridge & Malling is however significant.

Table 2: Population growth (2011-31) in SHMA and based on 2012-based SNPP

Area	Population growth (SHMA)	Population growth (2012-based)	Difference
Ashford	25,385	25,487	102
Maidstone	35,867	33,811	-2,056
Tonbridge & Malling	21,240	23,635	2,395

Migration Inputs to the 2012 SNPP

2.17. It is worthwhile to consider the differences between population growth in the SNPP and the SHMA projections. Whilst some of the difference will be due to ONS updating future assumptions about fertility and mortality rates, the key reason for differences will be around the assumptions for migration moving forward. Changes in fertility rates are unlikely to have a particular impact on assessment of housing need over the period to 2031 as few people born will become a head of a household over this period.

2.18. In the SHMA reports, migration over the 2007-12 period was considered when developing projections. However, the actual levels of migration themselves were not used in the modelling. The methodology in the SHMA was to compare levels of migration in the 2005-10 period (which fed into ONS 2011- and 2010-based Projections) with how it was projected forward and make an adjustment for the level of migration observed in the 2007-12 period. For example, if migration in the 2005-10 period was 1,000 per annum and for 2007-12 it was 800 each year then the modelling assumed that the projection should run with migration at 200 per annum lower than in the SNPP (regardless of what the actual migration levels were). Hence whilst the SHMA considered migration patterns over the same period as the 2012-based SNPP, the way these were applied to data is not consistent.

2.19. In addition, the SHMA took account of Unattributable Population Change (UPC) which does not feature in the ONS projections. Generally this does not have a huge impact on figures in the three local authority areas. Below we have provided a broad overview of the migration data for each area.

2.20. Table 3 below shows average levels of net migration from past trends (looking at both the 2005-10 period which fed into the last SNPP and also the 2007-12 period which fed into the 2012-based SNPP) and the average projected level in the 2011-31 period in each of the SHMAs and the 2012-based SNPP.

Table 3: Past and Projected Levels of Net Migration per Annum

	Net migration (2005-10)	Net migration (2007-12)	Net migration (2011-31) – SHMA	Net migration (2011-31) – 2012-based SNPP
Ashford	977	788	733	734
Maidstone	1,519	1,280	1,313	1,186
Tonbridge & Malling	1,250	872	660	740

Source: ONS and SHMAs

2.21. In Ashford, the average level of net migration in the 2011-31 period is 734 people per annum. This is virtually the same as was modelled in the SHMA which assumed a figure of 733 each year. Looking at the 2007-12 period which feeds into the 2012-based SNPP it can be seen that the average level of net migration was 788 per annum – this is slightly higher than the level being projected by ONS moving forward, albeit consistent with net migration levels expected in the early part of the projection period. Net migration is expected by ONS to generally decrease over time in Ashford.

2.22. In Maidstone the average level of net migration in the 2011-31 period is 1,186 people per annum. This is slightly lower than was modelled in the SHMA which assumed a figure of 1,313 each year. Part of this difference will be due to how the SHMA took account of Unattributable Population Change (UPC) which increased modelled levels of net migration by around 110 per annum. The 2012-based SNPP does not take any account of UPC. Looking at the 2007-12 period which feeds into the 2012-based SNPP it can be seen that the average level of net migration was 1,280 per annum – this is slightly higher than the level of net migration being projected by ONS moving forward.

2.23. In Tonbridge & Malling, the average level of net migration in the 2011-31 period is 740 people per annum. This is slightly higher than was modelled in the SHMA which assumed a figure of 660 each year. Part of this difference will be due to how migration is expected to change over time. In the SHMA (linked to 2011- and 2010-based SNPP), it was expected that net migration would fall over time whereas the 2012-based SNPP expects net migration levels to be more constant. In addition, the SHMA took account of Unattributable Population Change (UPC) which reduced modelled levels of net migration by around 30 per annum. The 2012-based SNPP does not take any account of UPC. Looking at the 2007-12 period which feeds into the 2012-based SNPP, it can be seen that the average level of net migration was 872 per annum – this is somewhat higher than the level being projected by ONS moving forward.

2.24. Overall, we would conclude that the migration figures in the 2012-based SNPP are not significantly out-of-line with past trends although it should be observed for all areas that ONS is projecting net migration to be at a level which is slightly below recent trends. ONS projections for migration take account of a number of factors, including:

- Expectations for international migration in their 2012-based Population Projections;
- Changes in the age structure of the population in different areas and how this will influence migration flows over time.

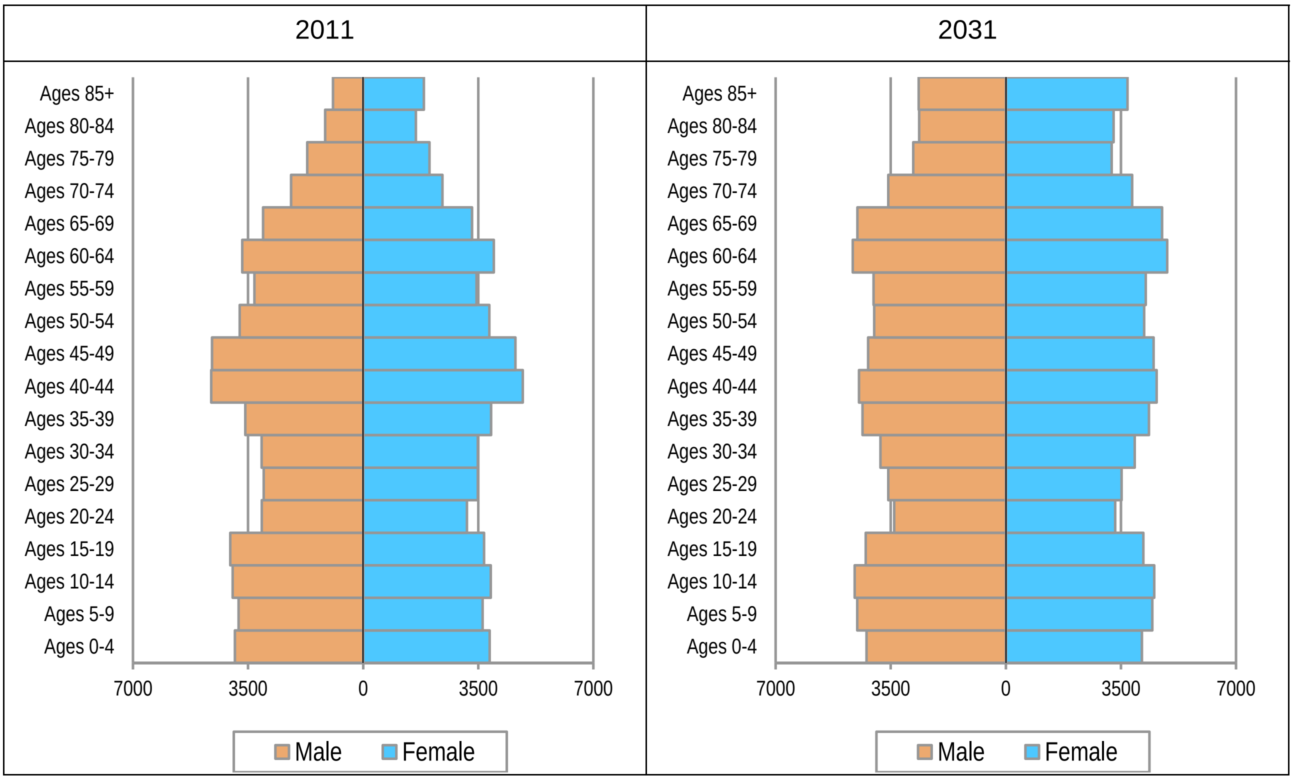
2.25. Thus population dynamics in other areas where there is typically an out-migration to one of the three authorities considered here can influence the projections; as can how the population in these authorities is expected to change over the period to 2031 (and the implications of this on out-migration).

Age Structure Changes

2.26. With the overall change in the population will come changes to the age profile. The figures below show population pyramids for 2011 and 2031 based on the 2012 SNPP. The ‘pyramids’ clearly show the growth in population overall and highlight the ageing of the population with a greater proportion of the population expected to be in age groups aged 60 and over (and even more so for older age groups) - in particular the oldest age group (85+) shows an increase of 130%-142% depending on location.

2.27. The population shown in Figures 2 - 4 and Tables 4 - 6 includes all usual residents – those both within the household population and living in residential institutions.

Figure 2:Distribution of Population 2011 and 2031 – Ashford



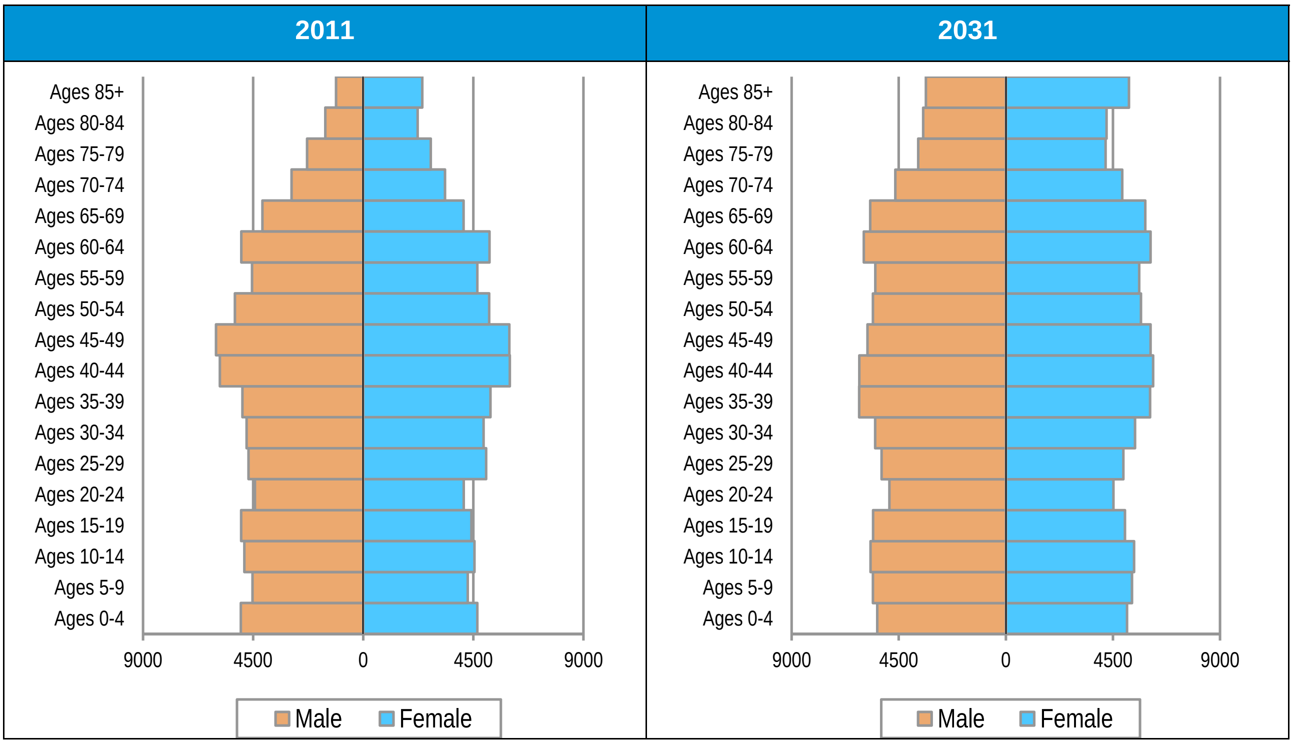
Source: ONS

Table 4: Population Change 2011 to 2031 by Five Year Age Bands – Ashford

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 5	7,746	8,373	627	8.1%
5-9	7,418	8,971	1,553	20.9%
10-14	7,849	9,109	1,260	16.1%
15-19	7,715	8,440	725	9.4%
20-24	6,239	6,718	479	7.7%
25-29	6,507	7,094	587	9.0%
30-34	6,574	7,730	1,156	17.6%
35-39	7,473	8,712	1,239	16.6%
40-44	9,474	9,048	-426	-4.5%
45-49	9,224	8,681	-543	-5.9%
50-54	7,592	8,207	615	8.1%
55-59	6,753	8,276	1,523	22.5%
60-64	7,648	9,564	1,916	25.1%
65-69	6,353	9,264	2,911	45.8%
70-74	4,600	7,414	2,814	61.2%
75-79	3,715	6,033	2,318	62.4%
80-84	2,760	5,912	3,152	114.2%
85+	2,765	6,347	3,582	129.5%
Total	118,405	143,892	25,487	21.5%

Source: ONS

Figure 3: Distribution of Population 2011 and 2031 – Maidstone



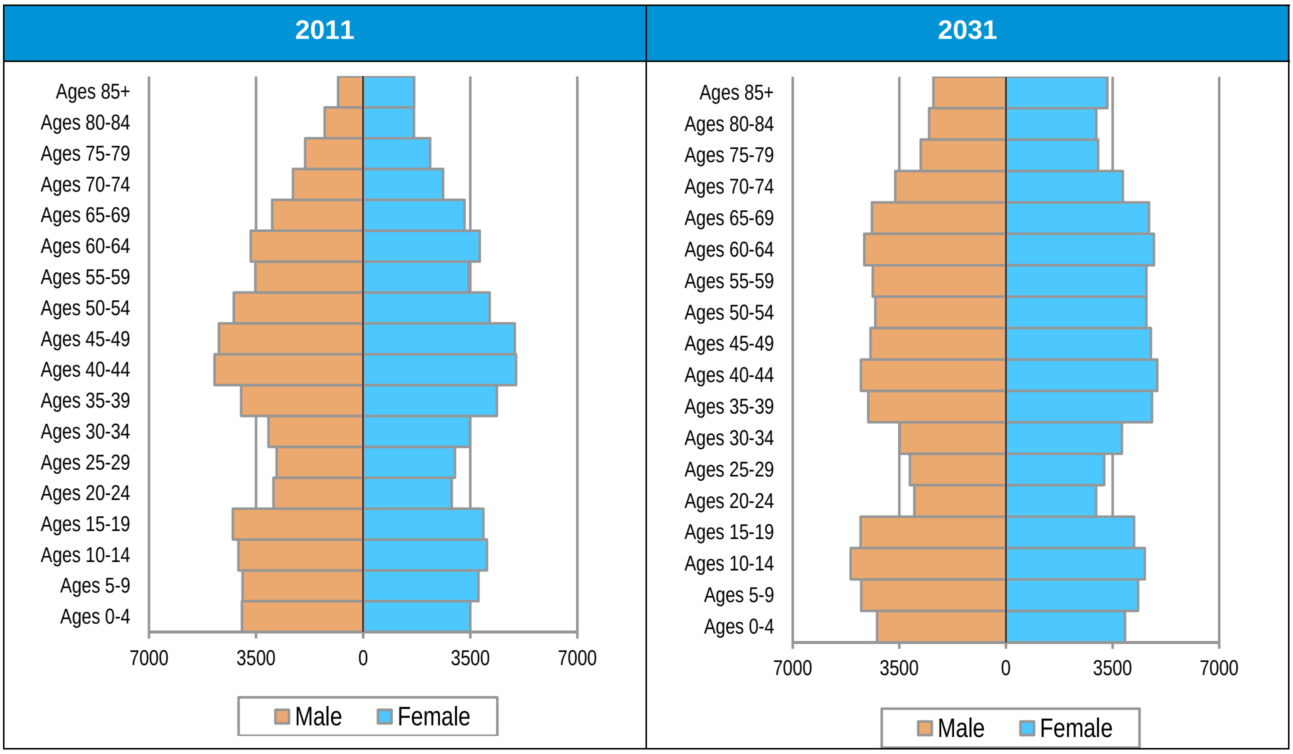
Source: ONS

Table 5: Population Change 2011 to 2031 by Five Year Age Bands – Maidstone

Age group	Population 2011	Population 2031	Change	% change from 2011
Under 5	9,664	10,497	833	8.6%
5-9	8,796	10,887	2,091	23.8%
10-14	9,403	11,072	1,669	17.8%
15-19	9,405	10,582	1,177	12.5%
20-24	8,537	9,411	874	10.2%
25-29	9,710	10,162	452	4.6%
30-34	9,687	10,920	1,233	12.7%
35-39	10,134	12,222	2,088	20.6%
40-44	11,851	12,341	490	4.1%
45-49	11,986	11,891	-95	-0.8%
50-54	10,388	11,258	870	8.4%
55-59	9,210	11,090	1,880	20.4%
60-64	10,145	12,049	1,904	18.8%
65-69	8,224	11,560	3,336	40.6%
70-74	6,269	9,532	3,263	52.1%
75-79	5,058	7,870	2,812	55.6%
80-84	3,774	7,702	3,928	104.1%
85+	3,523	8,530	5,007	142.1%
Total	155,764	189,575	33,811	21.7%

Source: ONS

Figure 4: Distribution of Population 2011 and 2031 – Tonbridge & Malling



Source: ONS

Table 6: Population Change 2011 to 2031 by Five Year Age Bands – Tonbridge & Malling

Age group	Population 2011	Population 2031	Change	% change from 2011
Under 5	7,453	8,136	683	9.2%
5-9	7,712	9,090	1,378	17.9%
10-14	8,124	9,657	1,533	18.9%
15-19	8,187	8,977	790	9.7%
20-24	5,824	5,968	144	2.5%
25-29	5,824	6,378	554	9.5%
30-34	6,587	7,300	713	10.8%
35-39	8,356	9,312	956	11.4%
40-44	9,849	9,725	-124	-1.3%
45-49	9,671	9,202	-469	-4.9%
50-54	8,361	8,898	537	6.4%
55-59	6,975	8,984	2,009	28.8%
60-64	7,482	9,508	2,026	27.1%
65-69	6,286	9,091	2,805	44.6%
70-74	4,908	7,473	2,565	52.3%
75-79	4,085	5,818	1,733	42.4%
80-84	2,921	5,494	2,573	88.1%
85+	2,482	5,711	3,229	130.1%
Total	121,087	144,722	23,635	19.5%

Source: ONS

Changes to the Employed Population

2.28. The analysis above has suggested that there will be an ageing of the population moving forward with a greater proportion of the population being in age groups 65 and over. This may have an impact on the available labour force supply.

2.29. How the labour supply changes (influenced by changes in the population age structure) could influence economic performance. The SHMA Reports estimated the number of people in employment and this analysis has been updated for the new 2012-based SNPP.

2.30. By applying assumptions about employment rate changes to the population change data it is possible to calculate the working (employed) population. The assumptions used for improvements in employment rates are consistent with those used in the SHMA Reports and set out therein.

2.31. Table 7 below shows that the number of people in employment is expected to increase by about 12,700 in Ashford, 17,300 in Maidstone and 12,500 in Tonbridge & Malling.

Table 7: Employed Population (2011-31)

Year	Ashford	Maidstone	Tonbridge & Malling
2011	57,956	78,090	60,326
2012	58,623	78,439	60,515
2013	59,311	79,333	61,002
2014	59,948	80,209	61,694
2015	60,661	81,151	62,362
2016	61,357	82,153	63,156
2017	62,057	83,152	63,823
2018	62,717	84,039	64,513
2019	63,355	84,934	65,271
2020	63,960	85,843	66,003
2021	64,578	86,698	66,699
2022	65,087	87,458	67,270
2023	65,689	88,289	67,874
2024	66,340	89,191	68,541
2025	67,004	90,077	69,175
2026	67,639	90,998	69,829
2027	68,237	91,964	70,392
2028	68,869	92,892	70,997
2029	69,479	93,772	71,610
2030	70,058	94,564	72,168
2031	70,652	95,386	72,785
Change 2011-31	12,696	17,296	12,459

Source: Derived from ONS data

2.32. Table 8 below shows projected changes to the number of people in employment in the 2011-31 period from both the core demographic projection in the SHMA (on which the conclusions are based) and as developed in this report linked to the 2012-based SNPP. The analysis again shows relatively little difference between figures for Ashford; whilst employment growth in Maidstone is now shown to be lower and in Tonbridge & Malling slightly higher. These findings will be strongly linked to the overall level of population change expected in each area although age structure differences will also have an impact.

Table 8: Change in Working Population (2011-31) in SHMA and based on 2012-based SNPP

Area	Growth in working population (SHMA)	Growth in working population (2012-based)	Difference
Ashford	12,360	12,696	+336
Maidstone	20,016	17,296	-2,720
Tonbridge & Malling	11,272	12,459	+1,187

2.33. We can compare this against the various economic forecasts considered in the SHMA Reports. In Maidstone job growth of 14,400 is forecast between 2011-31. In Tonbridge and Malling job growth of between 7,700 – 9,100 is forecast over this period. In Ashford the economic scenarios developed over the last few years include baseline forecasts for between 6,900 – 12,600 jobs. The Enhanced Performance/Productivity Scenarios set out in the Strategic Employment Options Report for 15,200 – 16,600 jobs might however require higher levels of housing provision. As set out in the SHMA Report this is principally a policy choice for the Council.

2.34. Whilst accepting that there are commuting interactions with other adjoining areas and London which may influence the relationship between homes and jobs; the economic evidence available does not indicate a particular need to adjust the assessment of OAN (consistent with the findings of the SHMA Reports).

Household Growth Projections

2.35. Having studied the population size and the age/sex profile of the population the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of headship rates is used. Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

2.36. The method in developing the household projections (both in the SHMA Reports and herein) is to separate out projections of the households population and institutional population. Housing need (for C3 dwellings) is assessed in this section by applying household formation rates to the household population. There is no double counting between the assessment of OAN for housing and the report's conclusions regarding the need for care homes which are treated as part of an institutional population within the demographic projections.

2.37. The methodology for looking at headship rates is based on a midpoint between the rates in the 2011-based CLG projections and those in the earlier 2008-based projections. This method is justified on the basis of CCHPR research (as discussed in the SHMA reports) which shows nationally that roughly half of constraints are due to market factors and half due to higher levels of international migration. In Ashford, headship rates were based on the 2011-based CLG household projections; as noted in the SHMA report there is very little difference between the 2008- and 2011-based trends for Ashford and so using the 2011-based figures is considered to be a sound approach. In this report the figures for Ashford are therefore based on 2011-based rates. The approach to modelling household formation rates in this report is consistent with that in the SHMA Reports.

2.38. Table 9 below shows estimated household growth linked to the 2012-based SNPP for each of the local authorities. Data has been provided for five-year tranches along with overall household growth and annual figures. In Ashford, the analysis shows an increase in households of 713 per annum, with figures of 905 and 607 households per annum shown for Maidstone and Tonbridge & Malling respectively.

Table 9: Projected Household Growth based on 2012 SNPP, 2011-31

	Year	Ashford	Maidstone	Tonbridge & Malling
Households	2011	47,960	63,697	48,250
	2016	51,753	68,260	51,155
	2021	55,424	73,086	54,527
	2026	58,981	77,574	57,633
	2031	62,213	81,788	60,398
Annual household growth	2011-16	759	913	581
	2016-21	734	965	674
	2021-26	711	898	621
	2026-31	646	843	553
Total growth		14,253	18,091	12,148
Per annum		713	905	607

Housing Need

2.39. As well as providing estimates of household growth, it is also possible to make estimates of the number of additional homes this might equate to. To do this a vacancy allowance is included in the data. Consistent with the approach used in the SHMA Reports, the household figures have been uplifted by 3% to take account of vacant properties. It is assumed that such a level of vacant homes will allow for movement within the housing stock and includes an allowance for second homes.

2.40. Table 10 below therefore shows estimates of the likely dwelling requirements in each area. On a per annum basis the figures vary from 626 in Tonbridge & Malling up to 932 in Maidstone. In Ashford a need for 734 homes per annum is identified.

Table 10: Projected Housing Need based on 2012-SNPP

		Ashford	Maidstone	Tonbridge & Malling
Dwelling growth	2011-16	3,907	4,700	2,992
	2016-21	3,781	4,971	3,473
	2021-26	3,663	4,623	3,199
	2026-31	3,329	4,340	2,847
Annual dwelling growth	2011-16	781	940	598
	2016-21	756	994	695
	2021-26	733	925	640
	2026-31	666	868	569
Total growth		14,680	18,634	12,513
Per annum		734	932	626

2.41. Table 11 compares estimates of housing need on a per annum basis identified in the SNPP with that from the main projections in the SHMA Reports. The differences identified reflect the different projections for population growth.

2.42. In Ashford, the level of housing need is shown to be 8 homes per annum higher than shown in the SHMA Projections, in Maidstone, the housing need is shown to be 48 per annum lower, whilst in Tonbridge & Malling it is 53 higher.

Table 11: Housing Need Per Annum (2011-31) in SHMA and based on 2012-based SNPP

Area	Annual housing need (SHMA)	Annual housing need (2012-based)	Difference
Ashford	726	734	+8
Maidstone	980	932	-48
Tonbridge & Malling	573	626	+53

Housing Needs across Housing Market Areas

2.43. Whilst the bulk of analysis has been based on outputs for each of the three local authority areas there are cross-boundary implications that also need to be considered. In particular, a larger part of Tonbridge & Malling is considered to be within a Maidstone Housing Market Area (HMA) whilst much of the Borough is part of a wider Sevenoaks, Tonbridge, Tunbridge Wells HMA. Additionally a small part of Maidstone Borough is considered to be part of an Ashford HMA.

2.44. The definition of HMAs has generally followed those developed as part of the 2010 CLG research by[1] CURDS 'The Geography of Housing Market Areas in England'. In this research document a series of local level HMAs were developed on the basis of ward boundaries. These local HMAs have generally been followed in this analysis although there are some small differences; these include one ward (Frant/Withyham) in Wealden which is considered to be part of the Sevenoaks, Tonbridge, Tunbridge Wells HMA but has not been included in our analysis and one ward in Tonbridge & Malling (Blue Bell Hill & Walderslade) which according to the CLG research is in a Medway HMA but for the purposes of analysis here is considered as part of the Maidstone HMA (but within Tonbridge & Malling). Overall, these small differences on the borders of the HMAs will make little difference to the analysis that follows.

2.45. For clarity, the tables below show the wards included in each of the three HMAs which have an impact on the study area.

Table 12: Wards within Ashford HMA

Ashford	All wards
Maidstone	Harrietsham & Lenham, Headcorn

Table 13: Wards within Maidstone HMA

Maidstone	All wards other than Harrietsham & Lenham, Headcorn
Tonbridge & Malling	Aylesford, Blue Bell Hill & Walderslade, Burham, Eccles & Wouldham, Ditton, Downs, East Malling, Kings Hill, Larkfield North, Larkfield South, Snodland East, Snodland West, Wateringbury, West Malling & Leybourne

Table 14: Wards within Sevenoaks, Tonbridge, Tunbridge Wells HMA

Sevenoaks	Brasted, Chevening & Sundridge, Cowden & Hever, Dunton Green & Riverhead, Edenbridge North & East, Edenbridge South & West, Halstead, Knockholt & Badgers Mount, Kemsing, Leigh & Chiddingstone Causeway, Otford & Shoreham, Penshurst, Fordcombe & Chiddingstone, Seal & Weald, Sevenoaks Eastern, Sevenoaks Kippington, Sevenoaks Northern, Sevenoaks Town & St John's, Westerham & Crockham Hill
Tonbridge & Malling	Borough Green & Long Mill, Cage Green, Castle, East Peckham & Golden Green, Hadlow, Mereworth & West Peckham, Higham, Hildenborough, Ightham, Judd, Medway, Trench, Vauxhall, Wrotham
Tunbridge Wells	Brenchley & Horsmonden, Broadwater, Capel, Culverden, Paddock Wood East, Paddock Wood West, Pantiles & St Mark's, Park, Pembury, Rusthall, St James', St John's, Sherwood, Southborough & High Brooms, Southborough North, Speldhurst & Bidborough

2.46. To develop projections for the HMAs a two-staged approach has been taken. The first was to develop projections in exactly the same way and using the same sources/methodology for Sevenoaks and Tunbridge Wells. The second stage is to consider the proportion of the household and housing growth likely to arise in each of the local authorities within each HMA. To do this

[1] Centre for Urban and Regional Development Studies, Newcastle University

analysis has been undertaken on the basis of the proportion of households in each area shown in the 2011 Census. Table 15 below shows the proportion figures used in each area. This shows for example that 75.6% of Tunbridge Wells Borough is in the Sevenoaks, Tonbridge, Tunbridge Wells HMA whilst Tonbridge & Malling is split roughly 50:50 between two different HMAs. The approach used is consistent with that in the SHMA reports.

Table 15: Proportion of Local Authorities in each Housing Market Area

HMA / Local authority	Ashford	Maidstone	Sevenoaks, Tonbridge, Tunbridge Wells
Ashford	100%	0%	0%
Maidstone	6.9%	93.1%	0%
Tonbridge & Malling	0%	51.0%	49.0%
Sevenoaks	0%	0%	58.5%
Tunbridge Wells	0%	0%	75.6%

Source: Derived from 2011 Census data

2.47. Table 16 below shows the estimated level of housing need in each of the three HMAs (figures being based on midpoint headship assumptions for all areas other than Ashford). The data shows an annual need for 798 homes in Ashford HMA, 1,187 in Maidstone (of which about 27% fall within Tonbridge & Malling) and 1,047 in the Sevenoaks, Tonbridge, Tunbridge Wells HMA (with 29% falling within Tonbridge and Malling).

Table 16: Estimated Housing Need in each Housing Market Area

HMA / Local authority	Ashford	Maidstone	Sevenoaks, Tonbridge, Tunbridge Wells
Ashford	734	0	0
Maidstone	64	868	0
Tonbridge & Malling	0	319	307
Sevenoaks	0	0	294
Tunbridge Wells	0	0	446
TOTAL	**798**	**1,187**	**1,047**

Source: Derived from 2011 Census data

Implications

2.48. Taking the three authorities as a whole, the new demographic projections are very similar to those in the SHMA Reports. The implications are thus principally an issue of one of distribution of housing across the three authorities.

2.49. For Ashford Borough, the modelling undertaken on the basis of the 2012 SNPP shows a need for 734 homes per annum to 2031 compared with an equivalent figure of 726 homes per annum in the

SHMA Projections. The difference is minimal and we consider that there are no substantive implications for the Ashford SHMA Report conclusions regarding ObjectivelyAssessed Need for Housing.

2.50. For Maidstone Borough, the 2012 SNPP projects a lower level of population growth than the core population projections in the SHMA. Modelling this through to growth in households, the demographic projections result in a need for 932 homes per annum compared to 980 homes per annum (2011-31) identified in the SHMA Projections. This continues to support a level of growth in the workforce which is above projections for economic growth meaning there is no evidence of a need to adjust upwards the assessment of need to support economic growth. The SHMA identified a need for 322 affordable homes per annum. 35% affordable housing provision would be needed with housing provision of 933 homes per annum to support this level of housing delivery however it is reasonable to assume that the private rented sector will continue to support some households with an affordable housing need. Taking this into account there is no justification for adjusting the overall assessment of need to enhance affordable housing delivery. We therefore consider that the objectively assessed need for housing is for 930 homes per annum in Maidstone Borough (18,600 homes over the 2011-31 period).

2.51. For Tonbridge and Malling Borough, the 2012 SNPP projects a higher level of population growth than the core projections used in the SHMA. An annual housing need for 626 homes per annum is identified compared to 573 per annum (2011-31) in the SHMA Projections. The SHMA identified an affordable housing need for 277 homes per annum which represents 44% of the 2012 SNPP projection. The Borough has the lowest current proportion of private rented sector stock, but this can be expected to continue to make some contribution to meeting the identified need for affordable housing. The SHMA however additionally identified that significantly above median prices and rents and more acute affordability issues would justify an upwards adjustment to the level of need identified. This remains the case. We have modelled the implications of an improvement in affordability and the implications of this on household formation rates for those aged 25-34 (based on returning the headship rate for those aged 25-34 to 2001 levels by 2031). To improve affordability our modelling indicates a need for 665 homes per annum (2011-31). This level of housing provision will increase delivery of market and affordable housing relative to the demographic projections. We would consider this to represent the OAN for the Borough following the approach in the Guidance.

2.52. Our conclusions relate to Objectively Assessed Housing Need. In translating this into a housing target within development plans, the Councils will additionally need to consider any unmet housing needs from adjoining areas through the Duty to Cooperate as set out within the NPPF.

3. ASSESSING REGISTERED CARE NEEDS

3.1. The next part of this Addendum Report moves on to consider and seek to quantify the need for residential care accommodation, falling within the C2 Use Class (Residential Institutions). The analysis responds to the recently published Planning Practice Guidance that states:

> *Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.*

3.2. In order for C2 uses to count against the local authorities housing requirements, then they must also be factored into the local need. It is important that there is consistency in how C2 uses are treated in terms of both need and supply. This and subsequent sections of the Addendum Report quantify the need.

3.3. Our approach recognises that there are a range of ways in which older persons' housing needs can be met, including through adaptations to people's homes to meet their changing needs; through provision of sheltered housing; extra care housing; or through residential/ nursing care provision. A choice of options is important.

3.4. In interpreting the analysis it is important to recognise that public policy, public spending restraints and improvements in technology may influence the way in which older persons needs may be met in the future and the balance of support, specialist housing and residential/nursing care provision sought. Against this context our initial analysis considers current policy, existing and pipeline provision before looking in greater detail at future needs.

KCC Adult Accommodation Strategy

3.5. Kent County Council (KCC) recently published its "Adult Accommodation Strategy" (Health and Housing Partnership, July 2014), the purpose of which was to develop evidence to help shape the approach to the provision of housing and care homes within Kent.

3.6. The report provided estimates the need for accommodation for people with physical disabilities, sensory disabilities, learning difficulties, autism and people who use mental health services within Kent and estimates the availability of accommodation for these client groups. More importantly for this Addendum Report, the Adult Accommodation Strategy also demonstrates the need for accommodation for older people (aged 55/65 and over) in the County and the supply available.

Current Service Provision (Residential and Non-Residential) for Older Persons

3.7. According to the Kent County Council Adult Accommodation Strategy there are around 20,700 older people who have a service provided by Kent County Council. This is around 8% of the population aged 65 and over, however in practice the majority of these are in older age groups (75-84 and

85+).The proportion of people in these older age groups receiving a service is likely to be much higher, approaching 50% for those aged 85 and over. This figure includes people who receive residential services, respite care, community services (e.g. domiciliary care). It also includes 'direct payment' customers – i.e. those who arrange their own care.

3.8. There are approximately 4,350 people in residential and nursing care in Kent who are funded by the County Council. This includes approximately 2,850 bed spaces in residential care homes and 1,500 bed spaces in nursing care homes. Table 17 profiles those receiving support in the three local authorities.

Table 17: Kent County Council-Funded Residential and Nursing Care Bedspaces (2013)

District	Residential	Nursing	Total	Per 1,000 aged 65 and over
Ashford	134	166	300	15.0
Maidstone	219	259	478	18.0
Tonbridge & Malling	84	38	122	4.3
Kent	**2,850**	**1,500**	**4,350**	**16.6**

Source: Kent County Council

3.9. There are approximately 300 people in Ashford, 480 in Maidstone, and 120 in Tonbridge and Malling within residential or nursing care units who are supported by KCC. Per head of population Tonbridge and Malling only has 4.3 people per 1,000 people aged 65+ receiving support; whereas Maidstone has 18 persons per 1,000 population aged 65 and over. The reason why Tonbridge and Malling has a lower number of beds per 1,000 head of population aged over 65 is, according to KCC, related to the supply and cost of land in the Borough. This is likely to continue for the foreseeable future.

3.10. Approximately 6,900 people receive some form of community service – primarily domiciliary care – which enables them to live independently in their own home. Some of these clients may receive more than one service and may be counted more than once in this category. Whilst this needs to be borne in mind when interpreting the data, it nevertheless reflects a true picture of the demand for different services – the fact that some individuals receive more than one service is part of the overall demand for the purposes of considering service provision.

3.11. There are 260 adults living in supported accommodation in the County who are supported by KCC. Typically these are people living in small clusters of flats or shared accommodation with a live in or visiting carer. These are not included in the C2 category but are counted as part of the wider housing stock and fall into a C3 Use Class.

Table 18: Older People Receiving In-Situ Service from Kent County Council (2013)

	Supported accommodation (1 adult placement)	Community Service	Direct Payment	Total
Ashford	30	460	40	530
Maidstone	30	590	60	680
Tonbridge and Malling		490	60	560
Total	**260**	**6,870**	**760**	**7,890**

Source: Kent County Council

3.12. At a district level there are approximately 680 people in Maidstone receiving in-situ (care) services to meet their needs. The majority of these are receiving 'Community Service' assistance. This is approximately 8% of the population. This is care provided to people in their own home. The number of people receiving care in their own home is slightly lower in Ashford (530) and Tonbridge and Malling (560). This reflects the slightly younger population and overall population size.

3.13. There are also approximately 9,000 further persons who do not live in Council specialist accommodation, but receive social work support, help with equipment and adaptations or receive direct payments to part-fund or arrange their own care. This figure will include some of the 7,580 residents who live in specialist private accommodation. It has not been possible to break these figures down by District.

3.14. The evidence in KCC's Adult Accommodation Strategy clearly demonstrates that:

- Whilst supply of specialist accommodation can target persons aged over 55/ 65, the majority of need arises from persons in older age groups: those 75-84 and particularly over 85;
- The needs of these groups include support needs which range from support in adapting properties to meet changing needs, provision of care in the home through to specialist accommodation and care/nursing home provision.

3.15. In projecting future need for specialist accommodation (including sheltered, extra care and residential care provision) it should be borne in mind that future changes in funding and technology (such as telecare) may influence future needs.

Current Stock of Specialist Accommodation for Older Persons

3.16. There are approximately 31,200 bed spaces in Kent dedicated to the older population. In addition there are approximately 16,600 adopted properties for the same group and 1,400 homes built to the life time homes standard.

Table 19: Older Persons Bed Spaces in Kent (2013)

2013	Older People
Residential care home	8,200
Nursing care home	3,700
Extra care	400
Intermediate Care	770
Sheltered housing	17,900
Supported housing	260

Source: Kent County Council

Sheltered Housing Stock

3.17. There are over 17,900 sheltered units for older people in Kent in private and public accommodation. This housing is specialist accommodation for older people and not part of the mainstream housing stock in the respect that occupancy is restricted to older people. However, sheltered housing does not usually include any onsite care provision, beyond a visiting or live in warden, and so in many respects it is no different to mainstream housing. It falls within a C3 Use Class.

3.18. Of the total sheltered housing in Kent in 2013, approximately 10% is in Maidstone Borough (1,780 properties), 8.5% in Ashford Borough (1,530 properties); and 7% in Tonbridge and Malling (1,240 properties).

Table 20: Private and Public Sheltered Accommodation for Older People, 2013

District	Total	Per 1,000 population 75+
Ashford	1,530	167
Maidstone	1,780	145
Tonbridge & Malling	1,240	133
Kent Total	**17,900**	**144**

Source: Kent County Council

3.19. Relative to the population aged over 75, the strongest levels of provision of sheltered accommodation are found in Ashford with 167 spaces per 1,000 population aged over 75. This compares to 133 spaces per 1,000 people over 75 in Tonbridge and Malling. Maidstone is broadly in line with the rest of Kent with 144 spaces per 1,000 persons over 75.

Residential Care and Nursing Homes

3.20. There are approximately 260 care homes across Kent, 21 of which are in Maidstone, 16 in Ashford and 12 in Tonbridge and Malling.

3.21. These care homes accommodate around 8,200 bedspaces across the County. Table 21 shows the level in each authority. There are 590 bedspaces across 16 care homes in Ashford; 670 bedspaces in 21 care homes in Maidstone; and 450 bedspaces in 12 care homes in Tonbridge & Malling. Ashford (590 beds) has the highest service levels at 64.7 beds per 1000 head of population aged 75 and over. This compares to 54.5 spaces per 1000 in Maidstone.

Table 21: Private and Public Residential Care Homes for Older People

District	Care Homes	Beds	Per 1,000 65+	Per 1,000 75+
Ashford	16	590	29.7	64.7
Maidstone	21	670	25.2	54.5
Tonbridge & Malling	12	450	23.5	47.5
Kent Total	**260**	**8,200**	**31.3**	**65.7**

Source: Kent County Council.

3.22. The lowest provision levels are found in Tonbridge and Malling with 47.5 per 1,000 head of population over 75. However provision levels in all three Boroughs' are below the county level of 65.7 beds per 1,000 persons over 75.

3.23. Nursing Care homes comprise the third largest number of specialist older person accommodation. There are 74 Nursing Care homes in the County which accommodate approximately 3,700 bed spaces.

Table 22: Private and Public Nursing Care Homes for Older People

District	Care Homes	Beds	Per 1,000 65+	Per 1,000 75+
Ashford	4	220	11	24
Maidstone	8	480	18	39
Tonbridge & Malling	5	290	15	31
Kent Total	**74**	**3,730**	**14**	**30**

Source: Kent County Council.

3.24. The highest service levels for this type of accommodation are within Maidstone (39 bed spaces per 1,000 head of population aged over 75). Ashford has the lowest provision levels at 24 bed spaces per 1,000 head of population aged over 75. This is significantly lower than the 30 bed spaces per 1,000 head of population aged over 75 across the county. In Tonbridge and Malling there are 31 bedspaces per 1,000 population aged over 75 – just above the Kent average.

Other Specialist Housing

3.25. In addition to the above categories, the KCC data indicates that there are 770 units providing intermediate care; 400 extra care units; and 260 units of supported housing across Kent.

Current Occupancy Levels

3.26. Occupancy rates across the County are at around 97% in private accommodation which is accessible to KCC to place people. This falls to around 90% in private homes. Vacancy rates in private residential care homes which KCC can access are as follows in 2013:

- Ashford - 2% which would equate to 12 bedspaces out of 590 beds in residential care units;
- Maidstone - 1% which would equate to 7 bedspaces out of 670 beds in residential care units;
- Tonbridge and Malling - 1% which would equate to 5 bedspaces out of 450 beds in residential care units.

3.27. Across the three authorities we calculate a current capacity for 24 bedspaces in residential care units.

Pipeline Supply

3.28. Across the three authorities there is an unimplemented permitted supply of 140 bedspaces of C2 accommodation for older persons in net terms. This excludes provision of hospital bedpsaces.[2] This comprises a net pipeline (taking off expected losses of existing C2 accommodation through redevelopment or change of use) of 37 units in Ashford, 66 units in Tonbridge and Malling and 165 units in Maidstone Borough. Table 23 provides details.

Table 23: Pipeline of Residential Care (C2) Bedspaces, March 2013

Mar-13	Ashford	Maidstone	Tonbridge & Malling
New - Under Construction	0	0	0
New - Not Started	37	203	203
Losses - Not Started	0	38	137
Net Pipeline C2 Residential Care	37	165	66

Source: KCC Commercial Information Audit Reports 2012/13

Analysis of Need in the SHMA Reports

3.29. The main SHMA reports estimates the need for specialist housing, overall and by tenure. This takes data from the Housing Learning and Improvement Networks (Housing LIN) Strategic Housing for Older People (SHOP@) toolkit.

3.30. Of the three categories of specialist housing identified, residential care falls within a C2 Use Class. Sheltered accommodation falls within a C3 use class and is treated as dwellings. Extra care housing can fall within either C2 or C3 uses, depending on the level of care provided.

[2] In pipeline in Tonbridge and Malling BC

Table 24: Estimated Need for Specialist Housing in Ashford Borough – 2014 SHMA

Ashford	Current Need	Additional Need to 2030	Total Need
Sheltered	635	1160	1795
Extra Care	211	199	410
Residential Care	345	880	1225
Total	1191	2239	3430

Table 25: Estimated Need for Specialist Housing in Tonbridge & Malling – 2014 SHMA

Tonbridge & Malling	Current Need	Additional Need to 2030	Total Need
Sheltered	520	1029	1549
Extra Care	193	177	370
Residential Care	701	781	1482
Total	1414	1987	3401

Table 26: Estimated Need for Specialist Housing in Maidstone Borough – 2014 SHMA

Maidstone	Current Need	Additional Need to 2030	Total Need
Sheltered	348	1508	1856
Extra Care	223	260	483
Residential Care	137	1144	1281
Total	708	2912	3620

3.31. The Housing LIN work is based on the now outdated 2010-based population projections. It also uses prevalence rates from the More Choice Greater Voice report and toolkit produced by the CLG. This uses national prevalence rates and amends them to reflect local conditions such as the age structure of the population, current provision and local commissioning strategies. This addendum updates the figures using the latest 2012-based Sub-National Population Projections.

Current Need and Hidden Demand

3.32. The 'current need' identified in the above tables (Tables 24-26) is based on the Housing LIN Toolkit which considers what level of provision might be expected using national prevalence ratios; and compares this to current supply. In regard in particular to residential care provision, it is however appropriate to consider how this relates to the situation 'on the ground.'

3.33. Consultation with Kent County Council's (KCC) housing team has confirmed that there is no hidden or unmet demand in the County. The County Council reported that there is no waiting list for residential care home properties in the County.

3.34. This is further demonstrated by poor occupancy rates within existing care and nursing homes, particularly those in public sector management. Overall occupancy rates are at around 60% in council run care homes. If demand is higher then they would be in a position to meet this demand.

3.35. Occupancy rates rise to 90% in all private care homes and 97% in those private care homes which are accessible to Kent County Council. Some private care homes are not accessible to KCC to place people in due to their poor quality and not meeting the standards required for public funding.

3.36. Anecdotally there are unlikely to be high vacancy rates in commercial care homes. In order to gain funding/loans, KCC advised that banks required a business plan which saw the care home operating at a minimum of 85% occupancy rates.

4. REVIEWING FUTURE RESIDENTIAL CARE HOME NEED

4.1. Our calculations of future need use the updated population projections set out in Section 2, which are based on the ONS 2012-based Sub-National Population projections. To these we apply prevalence rates as set out in the Projecting Older People Population Information System (POPPI). This is a web-based resource developed to help understand demographics and model the needs for older persons housing and support. The POPPI data itself uses the 2011-based Interim Population Projections for the period 2012 to 2020 to calculate prevalence rates.

4.2. We have focussed on the growth of those aged 65-74, 75-84 and those aged 85 and over. We have also reviewed the institutional population aged 75 and over, as calculated in the Sub-National Population Projections for comparison purposes.

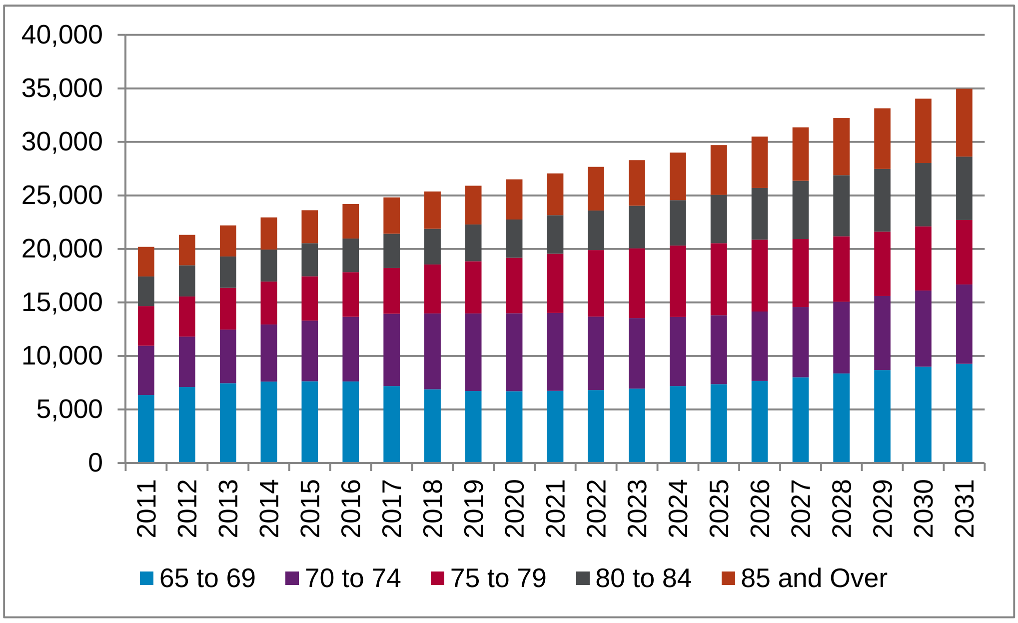
Older Population Growth

4.3. A key driver of increased need for specialist accommodation for older persons, including nursing/ care home provision is the ageing of the population, particularly of those in their 70s and 80s. This is particularly driven by improvements in longevity (people living longer).

4.4. We have used the demographic projections developed to consider what growth in the population of older persons is expected.

4.5. The population in the older age groups (over 65) is expected to increase by 73% in Ashford. In both absolute (3,500) and percentage terms (130%), the largest growth is within the 85 and over age group (linked to improving life expectancy). By 2031 the elderly population in the Borough is expected to be almost 35,000.

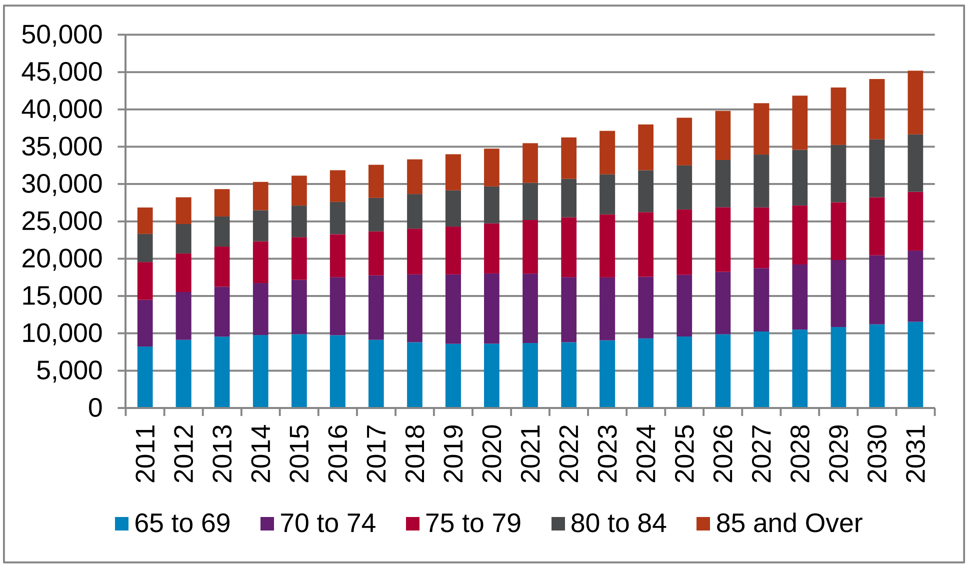
Figure 5: Ashford Population Change in Elderly Age Groups (2011-2031)



Source: Demographic Projections (based 2012-SNPP)

4.6. The population in the older age groups (over 65) is expected to increase by 68% in Maidstone. As with Ashford, in both absolute (5,000) and percentage terms (142%), the largest growth is within the 85 and over age group. By 2031 the elderly population in the Borough is expected to be just over 45,000.

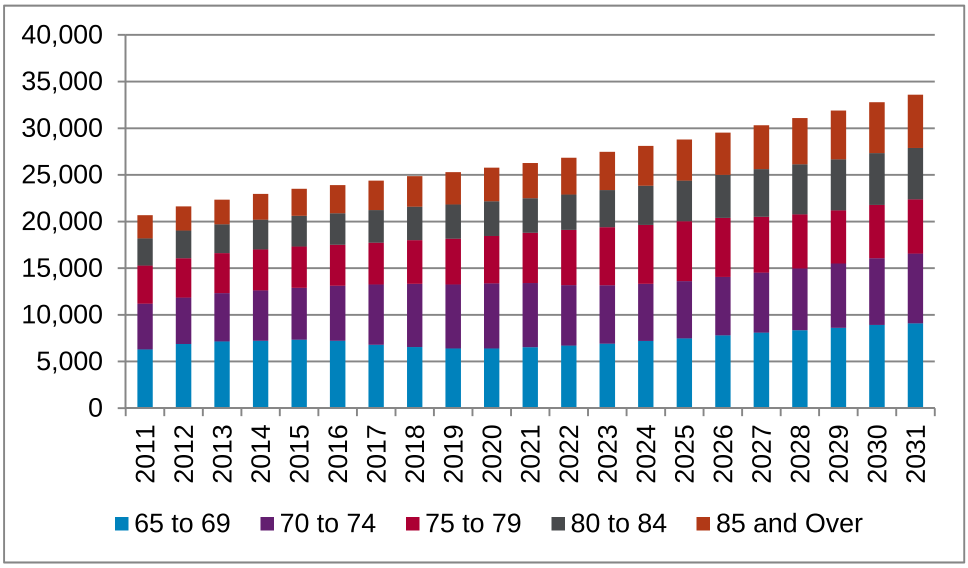
Figure 6: Maidstone Population Change in Elderly Age Groups (2011-2031)



Source: Demographic Projections (based 2012-SNPP)

4.7. Overall population growth in the older age groups (over 65) is expected to increase by 62% in Tonbridge and Malling. Again in both absolute (3,200) and percentage terms (130%), the largest growth is within the 85 and over age group (linked to life expectancy improvements). By 2031 the elderly population in the Borough is expected to be almost 34,000.

Figure 7: Tonbridge and Malling Population Change in Elderly Age Groups (2011-2031)



Source: Demographic Projections (based 2012-SNPP)

4.8. Between 2011 and 2031 overall growth across the three local authorities within the over 65 age group is expected to grow by around 46,000 people, with the over 85s contributing almost 12,000 of that growth.

Table 27: Change in Elderly Population (2011-2031)

	Ashford		Maidstone		T&M	
	Change	% Change	Change	% Change	Change	% Change
65 to 69	2,911	45.8%	3,336	40.6%	2,805	44.6%
70 to 74	2,814	61.2%	3,263	52.1%	2,565	52.3%
75 to 79	2,318	62.4%	2,812	55.6%	1,733	42.4%
80 to 84	3,152	114.2%	3,928	104.1%	2,573	88.1%
85 and Over	3,582	129.5%	5,007	142.1%	3,229	130.1%
Over 65	14,777	73.2%	18,345	68.3%	12,905	62.4%
Total (all ages)	25,487	21.5%	33,811	21.7%	23,635	19.5%

Source: Demographic Projections (based 2012-SNPP)

Projections based on Current Prevalence Rates

4.9. Using POPPI data we have looked at the prevalence rates of people living in care homes. The prevalence rate is the percentage of population in a specific age group in each authority that are living in a care home. This includes all local authority and private care homes with or without nursing. It does not include sheltered accommodation, which comprises the largest percentage of elderly population accommodation.

4.10. We can use the POPPI data to consider the current care home population, as a percentage of the total population in key age groups. The data indicates that a higher proportion of the population in Maidstone lives within a care home than in the other two authorities.

Table 28: Current Prevalence Rates by Local Authority, 2012

2012	Ashford	Maidstone	Tonbridge & Malling
All Aged 65-74	11,800	15,500	11,900
Aged 65-74 Living in Care Home	37	90	63
Prevalence Rates Aged 65-74	0.3%	0.6%	0.5%
All Aged 75-84	6,700	9,100	7,200
Aged 75-84 Living in Care Home	137	275	164
Prevalence Rates Aged 75-84	2.0%	3.0%	2.3%
All Aged Over 85	2,900	3,600	2,600
Aged Over 85 Living in Care Home	367	615	357
Prevalence Rates Aged Over 85	12.7%	17.1%	13.7%

Source: POPPI

4.11. We can compare these current prevalence rates with those for Kent and England, which are shown in Table 29 below. The analysis suggests that the proportion of people aged 65-74 and 75-84 living in care homes in all three authorities is below the Kent and England average. In Maidstone the proportion aged over 85 living in a care home is however above the national average, but below that for Kent.

Table 29: Current Prevalence Rates in Kent and England, 2012

2012	Kent	England
People 65-74 living in Care Home	0.8%	0.7%
People 75-84 living in Care Home	3.7%	3.3%
People 85+ living in Care Home	18.2%	16.2%

Source: POPPI

4.12. These differences in prevalence rates could reflect either better health locally; or a shortage in care home provision. However the County Council has not indicated any current shortfall. Care home provision across Kent is above the national average, but we would expect this to reflect greater provision in the coastal authorities within the County.

4.13. We consider that the most appropriate approach to projecting future care home provision would be on the basis of the national prevalence rates, these being:

- 3.3% of persons aged 75-84
- 16.2% of persons aged 85+

4.14. The analysis indicates that whilst there may be some persons aged 65-74 who live in care homes, the growth in numbers is expected to be minimal. On this basis, our future projections have focused on those aged 75 and over.

4.15. As the above analysis demonstrates, we consider that local prevalence rates are unduly affected by current levels of supply which differ between areas.

4.16. If we apply these rates to the population projections (as shown in Figures 5-7) we derive the following assessment of future need for care home provision.

Table 30: Projected Future Need for Care Home Provision (Bedspaces) based on National Prevalence Rates, 2011-31

2011-31 Change/ Age	Ashford	Maidstone	Tonbridge & Malling	Total
75-84	181	223	143	547
85+	580	811	523	1914
Total	761	1034	666	2461

Source: GL Hearn based on POPPI and Demographic Projections

4.17. The prevalence rates analysis indicates a net need for 761 care home bedspaces in Ashford, 1034 in Maidstone and 666 in Tonbridge and Malling between 2011-31. This is a reflection of the expected growth in the population in the age groups considered over this period.

Table 31: Projected Future Care Home Bedspace Need compared to Current Stock

	Care Home Spaces, 2012	Growth in Spaces 2011-31	% Growth
Ashford	541	761	141%
Maidstone	980	1034	106%
Tonbridge & Malling	584	666	114%

Source: GL Hearn

4.18. The above analysis is based on applying current national prevalence ratios for care home provision to expected growth in the population. However there are factors which may influence levels of need, including improved health of older residents, technological improvements which reduce reliance on care, as well as policy and funding issues which for instance might promote provision of extra care accommodation rather than care homes. It is not possible to full predict what impact these factors will have, but the level of need will be sensitive to them.

4.19. Based on improvement in heath and telecare and provision of extra care housing we consider that it is most likely that over time the prevalence rates for care home provision will fall.

4.20. To investigate this further we have sought to consider the assumptions regarding growth in the institutional population from the 2011-based CLG Household Projections, which can then be compared against the above analysis.

Projected Growth in Institutional Population

4.21. A further measure of potential residential care home need is the growth in the institutional population within those aged 75+. While there will be some cases of younger aged population within residential care homes, the institutional population in these groups is not expected to grow over the next twenty years.

4.22. Whilst it is possible that some of the institutional population in the 75+ age group will not just be in registered care homes, e.g. the elderly prison population or those in religious institutions, it is expected that the numbers in these other groups will be relatively minor. Indeed interrogation of 2011 Census data shows that looking at those aged over 75 within the institutional population that 100% are in care homes in Ashford, 98% in Maidstone and 95% in TM; with the remainder in a 'medical and care other' category,

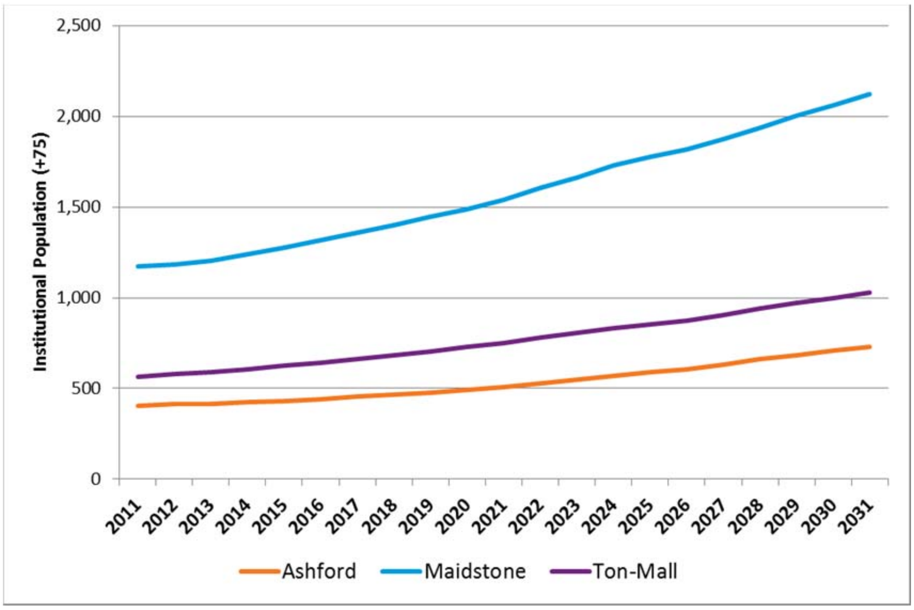
4.23. The ONS definition of institutional population suggests there are three types of people were recorded as living in communal establishments: (a) 'staff or owners', (b) 'relatives of staff or owners' and (c) 'other' which comprises different groups of people depending on the type of establishment: for example, in educational establishments such as halls of residence they would be students, whereas in general or psychiatric hospitals they would be patients.

4.24. Communal establishments are split into two broad categories: Medical and Care and Other. The other category includes prisons, boarding schools, defence bases and hostels. The medical and care facilities include hospitals, children's homes and (more relevant to this study) nursing and residential care homes both in the private and public sector.

4.25. We have set out below projections for growth in the institutional population aged 75 and over. These are based on applying projections for the proportion of people by age and sex from the 2011-based Household Projections to the population projections set out in this report (and based on the ONS 2012-based SNPP). The trend in the proportion of people by age and sex who are expected to fall within an institutional population beyond 2021 has been modelled based on extending the projected trends over the 2011-21 period.

4.26. As Figure 8 illustrates the growth in the elderly institutional population is higher in gross terms in Maidstone in comparison to the other two local authorities. However as a percentage, growth in all three local authorities was around 82%.

Figure 8: Projected Institutional Population Aged 75 and Over (2001-2031)



Source: ONS/ JGC

4.27. Table 32 sets out the projected growth in the institutional population within the demographic projections modelling.

Table 32: Growth in Institutional Population in Demographic Projections, 2011-31

	75+	% Change (75+)
Ashford	326	81%
Maidstone	950	81%
Tonbridge & Malling	462	82%
Total	1,737	81%

Source: ONS, CLG, JGC

4.28. Overall, the institutional population in the elderly age groups (75+) is expected to grow by 950 people in Maidstone Borough. In comparison the projected growth in Ashford and Tonbridge and Malling is only 326 and 462 respectively.

4.29. The rates of growth as outlined above are slightly lower than those in the POPPI based projections for Maidstone (1,034 people). However the level of growth in Ashford and Tonbridge and Malling respectively are notably lower than that shown by projecting need using the current national prevalence ratios.

Comparing the Two Projection Approaches

4.30. Table 33 compares the data the results of projecting care home need using the two respective methodologies:

- Growth in institutional population based on past demographic trends; and
- Using current national prevalence ratios.

Table 33: Comparing the Two Projection Approaches – Care Home Need 2011-31

2011-31 Change/ Age	Ashford	Maidstone	Tonbridge & Malling	Total
Care Home Bedspace Need Based on POPPI Prevalence Ratios	761	1034	666	2461
Care Home Bedspace Need Institutional Population in Demographic Projections	326	952	462	1740
Difference	435	82	204	721
% Difference	133%	9%	44%	41%

Source: GLH

4.31. The modelling approach using national prevalence ratios results in a need which is around 40% higher across the three authorities than modelled using the institutional population in the demographic projections. The differences are most significant for Ashford, followed by Tonbridge and Malling.

4.32. In interpreting the findings, we would consider that:

- The modelling approach using POPPI prevalence ratios is more likely to over-estimate need, as we would expect that improvements in health, technology and cost/funding issues are likely to reduce the proportion of persons living in care home accommodation. We would expect to over time more people living at home for longer (supported by care in the community and telecare) and an increase proportion living in extra care housing rather than residential care provision.
- On the other hand for Ashford and Tonbridge and Malling, the projections for institutional population could arguably be influenced by current levels of provision; which as our analysis has shown is lower within these two authorities than in other comparators. On this basis the projections based on the institutional population for these authorities could under-estimate need.
- As a result of the range of factors which may influence the relationship between care home need and accommodation of older persons (C2 Use Class) within general or specialist housing (C3 Use Class), it is not possible to be precise regarding future needs.

4.33. As a policy approach for planning we would recommend that the projections based on growth in the institutional population are used to provide minimum figures for care home needs as follows:

- Ashford: 320 care home bedspaces 2011-31 (16 per annum);
- Maidstone: 960 care home bedspaces 2011-31 (48 per annum);
- Tonbridge & Malling: 460 care home bedspaces 2011-31 (23 per annum).

4.34. Where these minimum figures for future provision are exceeded, this could be expected to release housing within the respective local authority for other groups within the population and thus provision would contribute to housing numbers (and meeting the objectively assessed housing need identified).

4.35. In effect, provision of care home bedspaces above these levels would imply stronger growth in the institutional population than modelled, and would contribute to meeting housing need by releasing existing homes. figures set out are for minimum net additional provision of care home bedspaces over the 2011-31 period. To calculate the net additional need, delivery to date; planning permissions; and recent/ expected losses will need to be considered in line with the normal plan, monitor and manage approach.

4.36. The POPPI-based Projections should be considered as providing a sensitivity test to the projections of growth in the institutional population and a top-level estimate of the need for care home provision.

5. SUMMARY

5.1. The analysis in this report has been based on studying the implications of the 2012-based subnational population projections (SNPP).

5.2. Taking the three authorities as a whole, the new demographic projections are very similar to those in the SHMA Reports. The implications are thus principally an issue of one of distribution of housing across the three authorities.

5.3. Table 34 provides a comparison of the demographic projections set out herein against the core projections in the SHMA Reports.

Table 34: Comparison of Demographic Projections – Housing Need per Year, 2011-31

Area	SHMA Core Projections	SNPP 2012-based Projections	Difference
Ashford	726	734	+8
Maidstone	980	932	-48
Tonbridge & Malling	573	626	+53

Source: ONS, JGC, 2014

5.4. The report has then considered the implications of this for determining the Objectively-Assessed Need (OAN) for Housing to inform work on plan-making.

Objectively-Assessed Housing Needs

5.5. For Ashford Borough, the modelling undertaken on the basis of the 2012 SNPP shows a need for 734 homes per annum to 2031 compared with an equivalent figure of 726 homes per annum in the SHMA Projections. The difference is minimal and we consider that there are no substantive implications for the Ashford SHMA Report conclusions regarding Objectively-Assessed Need for Housing.

5.6. For Ashford Borough, the modelling undertaken on the basis of the 2012 SNPP shows a need for 734 homes per annum to 2031 compared with an equivalent figure of 726 homes per annum in the SHMA Projections. The difference is minimal and we consider that there are no substantive implications for the Ashford SHMA Report conclusions regarding Objectively-Assessed Need for Housing.

5.7. For Maidstone Borough, the 2012 SNPP projects a lower level of population growth than the core population projections in the SHMA. Modelling this through to growth in households, the demographic projections result in a need for 932 homes per annum compared to 980 homes per annum (2011-31) identified in the SHMA Projections. This continues to support a level of growth in the workforce which is above projections for economic growth meaning there is limited evidence of a need to adjust upwards the assessment of need. The SHMA identified a need for 322 affordable homes per annum. 35% affordable housing provision would be needed with housing provision of 933 homes per annum to support this level of housing delivery however it is reasonable to assume that the private rented sector will continue to support some households with an affordable housing need. Taking this into account there is no justification for adjusting the overall assessment of need. We therefore consider that the objectively assessed need for housing is for 930 homes per annum in Maidstone Borough (18,600 homes over the 2011-31 period).

5.8. For Tonbridge and Malling Borough, the 2012 SNPP projects a higher level of population growth than the core projections used in the SHMA. An annual housing need for 626 homes per annum is identified compared to 573 per annum (2011-31) in the SHMA Projections. The SHMA identified an affordable housing need for 277 homes per annum which represents 44% of the 2012 SNPP projection. The Borough has the lowest current proportion of private rented sector stock, but this can be expected to continue to make some contribution to meeting the identified need for affordable housing. The SHMA however additionally identified that significantly above median prices and rents and more acute affordability issues would justify an upwards adjustment to the level of need identified. This remains the case. We have modelled the implications of an improvement in affordability and the implications of this on household formation rates for those aged 25-34 (based on returning the headship rate for those aged 25-34 to 2001 levels by 2031). To improve affordability our modelling indicates a need for 665 homes per annum (2011-31). This level of housing provision will increase delivery of market and affordable housing relative to the demographic projections. We would consider this to represent the OAN for the Borough following the approach in the Guidance.

5.9. Our conclusions relate to Objectively Assessed Housing Need. In translating this into a housing target within development plans, the Councils will additionally need to consider any unmet housing needs from adjoining areas through the Duty to Cooperate as set out within the NPPF.

Residential Care Home Needs

5.10. The report has included projections for care home needs using two methodologies – growth in the institutional population based on the demographic projections; and modelling future need based on national prevalence ratios. The results of this are shown below.

Table 35: Comparing the Two Projection Approaches – Care Home Need 2011-31

2011-31 Change/ Age	Ashford	Maidstone	Tonbridge & Malling	Total
Care Home Bedspace Need Based on POPPI Prevalence Ratios	761	1034	666	2461
Care Home Bedspace Need Institutional Population in Demographic Projections	326	952	462	1740

5.11. The modelling approach using national prevalence ratios results in a need which is around 40% higher across the three authorities than modelled using the institutional population in the demographic projections. The differences are most significant for Ashford, followed by Tonbridge and Malling.

5.12. In interpreting the findings, we conclude that:

- The modelling approach using POPPI prevalence ratios is more likely to over-estimate need, as we would expect that improvements in health, technology and cost/funding issues are likely to reduce the proportion of persons living in care home accommodation. We would expect to over time more people living at home for longer (supported by care in the community and telecare) and an increase proportion living in extra care housing rather than residential care provision.
- On the other hand for Ashford and Tonbridge and Malling, the projections for institutional population could arguably be influenced by current levels of provision; which as our analysis has shown is lower within these two authorities than in other comparators. On this basis the projections based on the institutional population for these authorities are more likely to under-estimate need.
- As a result of the range of factors which may influence the relationship between care home need and accommodation of older persons (C2 Use Class) within general or specialist housing (C3 Use Class), it is not possible to be precise regarding future needs.

5.13. As a policy approach for planning we would recommend that the projections based on growth in the institutional population are used to provide minimum figures for care home needs as follows:

- Ashford: 320 care home bedspaces 2011-31 (16 per annum);
- Maidstone: 960 care home bedspaces 2011-31 (48 per annum);
- Tonbridge & Malling: 460 care home bedspaces 2011-31 (23 per annum).

5.14. Provision at these levels would be “additional” to the figures identified above for Objectively Assessed Housing Need. There is no double counting in respect of these figures for care home need and the figures for Objectively-Assessed Need for housing (either in this report of the SHMA Reports).

5.15. The figures set out are for minimum net additional provision of care home bedspaces over the 2011-31 period. To calculate the net additional need, delivery to date; planning permissions; and recent/ expected losses will need to be considered in line with the normal plan, monitor and manage approach.

5.16. Where these minimum figures for future provision are exceeded, this could be expected to release some housing within the respective local authority for other groups within the population and thus provision would contribute to housing numbers (and meeting the objectively assessed housing need identified). In effect, provision of care home bespaces above these levels would imply stronger growth in the institutional population than modelled, and would contribute to meet housing need by releasing existing homes.