Summary of Strategic Housing Market Assessment (SHMA) Scenarios

1. Population-Led Scenarios

Scenario A – 2012-based Subnational Population Projections - Baseline

This 'do nothing' scenario reflects the 2012-based subnational population projections and demonstrates that there will be a significant shift in the Borough's population profile if current trends continue over time, with an increasingly ageing population and a steep decline in the number of residents of working age. This would result in an annual housing need of **685** dwellings per year.

Scenario Ai – Sensitivity Test – Partial Catch-up

As Scenario A is purely based on recent trends, it does not take account of the impact of the recession on the supply of housing and the ability of households to form, given the lack of mortgage availability. NLP has therefore tested a scenario which assumes that 'pent up' demand within the younger population (25-34 age groups) is released over time and results in higher household formation which, over the long term, returns to longer term trends. This would result in an annual housing need of **757** dwellings per year.

Scenario B – Long Term Migration Trend

This scenario looks at average migration trends observed in Wirral over a longer time period than under Scenario A, when Wirral experienced higher levels of out-migration than in recent years, particularly from people of working age.

Under this scenario, the population of Wirral is projected to increase by just 66 people between 2014 and 2032, with an increase in households of 7,786 (reflecting increasingly smaller households) and an annual housing need of **451** dwellings.

Scenario C – Zero Net Migration

This scenario models the population impacts of balancing migration, to ensure that the number of migrants coming into the Borough equals the number moving out.

This scenario would lead to a population increase of 3,313 people over the period 2014 to 2032, with an increase in 9,364 new households in Wirral and would generate a need for **542** dwellings per annum up to 2032. Although not feasible in practice, this scenario highlights that it is largely older people who migrate into Wirral and largely working age people who leave.

Scenario D – Natural Change

This scenario examines the consequences of stripping out all the migration both into and out of Wirral over the period 2014 to 2032. As a consequence, the only way the population can change is from the interaction of births and deaths.

Even after removing all migration, the population is still projected to increase by 3,831 residents between 2014 and 2032. This equates to household growth of 8,303, with a requirement for **481** new homes each year. However, due to the ageing population, virtually all of the population growth will be in the older age categories and the number of working age residents will decline. The number of jobs that could be supported by the resident population would therefore fall by 3,014 over time.

Whilst this scenario is again not feasible in practice, it provides a useful indication of the extent to which Wirral's underlying needs are driven by the level of births relative to deaths and underlines the importance of in-migration to support future economic growth.

2. Employment-Led Scenarios

Scenario E – Liverpool LEP OE Job Growth

This scenario models the ''policy-off' economic forecasts produced by Oxford Economics as part of their work for the Liverpool City Region Local Enterprise Partnership, which estimated the loss of 5,500 jobs in Wirral between 2014 and 2032.

To reflect this level of job decline, taking into account current commuting patterns and projected changes in economic activity rates, it is estimated that a large number of working age people would leave the Borough and household growth would only be in the older age groups, generating an annual housing need of **488** dwellings per year.

Scenario Ei – Sensitivity Test

Reducing the net commuting rate over time, by 5% over the Plan period, could moderate the number of new dwellings needed, to **188** dwellings per year, as more of Wirral's existing residents would take up job opportunities in Wirral.

Scenario F – Policy-On Economic Growth Scenario

This scenario uses the "policy-on" Local Enterprise Partnership Oxford Economics forecasts which tested the policy responses that might be necessary to secure a higher level of economic growth within the Liverpool City Region, including potential job growth from major schemes at Wirral Waters and Wirral International Business Park.

This scenario increases the number of jobs in Wirral by 8,800 over the period 2014 to 2032. In the absence of a significant change in commuting patterns or further large reductions in unemployment levels, this level of job growth would require very high levels of net in migration, to generate a significant growth in the working age population and result in a need for a substantial number of new dwellings, up to **1,304** per year.

Scenario Fi – Sensitivity Test

Reducing the net commuting rate over time, by 5% over the Plan period, could moderate the number of new dwellings needed, to **965** dwellings per year.

Scenario G – Job Stabilisation

This scenario examines the number of dwellings that would be necessary to allow the Borough to maintain the same number of jobs throughout the Plan period. Due to the

declining number of economically active residents over time, there would need to be a substantial increase in the level of net in-migration, with a need for **790** dwellings per year.

Scenario Gi – Sensitivity Test
Reducing the net commuting rate over time, by 5% over the Plan period, could moderate the number of new dwellings needed, to **475** dwellings per year.

Scenario H – Past Trends Job Growth

This scenario considers how much housing would be needed if past (negative) trends in job growth were to continue, based on the average decline in the number of jobs of -148 per year between 1997 and 2014.

As the population is ages, more people are required to sustain the workforce, hence even though the number of jobs declines under this scenario, the Borough's working age population would still need to increase to counteract the effect of people leaving the workforce to retire, resulting in an overall need for **641** dwellings per year.

Scenario I – Experian Forecast

This Scenario models the impact of the most up-to-date 'policy-off' Experian economic forecasts for December 2015, which project job growth of 7,730 in Wirral over the period between 2014 and 2032. To support this level of job growth, there would need to be a substantial increase in the size of the labour force through net in-migration, which would generate a need for **1,233** dwellings per year.

Scenario Ii – Sensitivity Test
Reducing the net commuting rate over time, by 5% over the Plan period, could moderate the number of new dwellings needed, to **898** dwellings per year.

3. Policy-Led Benchmarks

Scenario J – Affordable Housing Need

This scenario looks at the level of housing that would be required to meet the level of affordable housing need identified by NLP in the other sections of the SHMA. Assuming that 40 per cent of all new housing would be brought forward as affordable would result in a requirement for **2,585** dwellings per year.

Scenario K – Past Delivery Rates

This scenario calculates the impact on the local population of continuing the past rate of housing delivery between 2003/04 and 2014/15, when a total of 4,596 new homes net of demolitions were delivered in Wirral, at an annual rate of **383** per year. This scenario would result in a population decline, of 3,150 residents to 2032, with a corresponding decline in the number of jobs that could be supported, by 7,321.

Table 1 – Wirral SHMA Update 2016 - Summary of Scenario Outputs

Scenario	Change in Population 2014-2032	Change in Jobs 2014-2032	Total Additional Dwellings 2014-2032	Annual Average Dwellings Required 2014-2032
A - 2012-based SNPP	10,140	-2,085	12,326	685
Ai - 2012 SNPP With Partial Catch Up	10,140	-2,085	13,622	757
B - Long Term Migration	66	-6,295	8,112	451
C - Zero Net Migration	3,313	-4,711	9,756	542
D - Natural Change	3,831	-3,014	8,651	481
E – Oxford Economics 2014 Job Growth	1,486	-5,500	8,792	488
Ei – Oxford Economics 2014 – Sensitivity Test	-11,850	-5,500	5,385	188
F – Oxford Economics 2014 Policy-On Job Growth	37,441	8,800	23,467	1,304
Fi – Oxford Economics 2014 Policy-On – Sensitivity Test	22,390	8,800	17,373	965
G - Job Stabilisation	14,912	0	14,213	790
Gi - Job Stabilisation – Sensitivity Test	928	0	8,549	475
H - Past Trends Job Growth	8,308	-2,664	11,539	641
I - Experian December 2015 Job Growth	34,439	7,730	22,191	1,233
Ii - Experian Job Growth – Sensitivity Test	19,529	7,730	16,156	898
J - SHMA Affordable Housing Needs	-	-	46,530	2,585
K - Past Net Housing Delivery	-3,150	-7,321	6,894	383