

**Notes from Meeting with Ministry of Housing, Communities and Local Government
(MHCLG) – Requirements and Uses of 2016-based Variant Household Projections**

Attendees

Joanna Harkrader (JH) – ONS (Population Statistics Division)

██████████ – MHCLG (Planning and Land Use Analysis)

██████████ – MHCLG (Local Housing Need policy)

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Overall messages

The discussions at the meeting were quite wide ranging, so this note summarises the main points by theme rather than chronologically.

The main MHCLG needs identified were for a variant that helps demonstrate the potential impact of concealed families and for some way (through variant household projections and/or ONS communications around them) of making the figures more “relatable” and accessible. The latter ties in well with another of the main recommendations from the OSR compliance check. MHCLG’s uses of variant household projections would be to provide nuance to local debate about housing need and to help users (including local councillors) to understand how the projections work and relate them to their areas.

MHCLG were supportive of the ONS blog about what household projections really show and highlighting that they are not a direct measure of how many houses are required. MHCLG were supportive of having variant household projections to support a wider range of uses, rather than adjusting the main projections methodology to address measuring housing need.

Concealed families

MHCLG are most interested in a variant that will help people understand the additional number of households that would form if concealed families formed their own households – and the subsequent impact that has on housing need. This was also raised at the Central and Local Information Partnership (CLIP) population meeting in December 2018.

JH explained that in the short-term, this would likely be met by making an adjustment to the household projections based on the number of concealed families. For example, a proportion of the “Other households with two or more adults” could be added to the household projections, or an adjustment made based on Demographic Analysis Unit (DAU) data from the Labour Force Survey (LFS). JH also explained that in the long-term, ONS could look at producing “family representative rates” or some sort of projection using family reference persons (FRPs) instead of household reference persons (HRPs), but that there would be a lot of demographic considerations to think about in doing this, not least considering marital status.

From MHCLG’s perspective, their interest in this variant comes from wanting a set of household projections that are a better reflection of housing need than the principal projection. This would also encourage more nuanced use of the household projections,

which take in to account (to some extent) the suppression of household formation in recent years and the related move to multi-family and/or multi-generational households.

Having this variant might enable local authorities who would like to build more to justify building more, above and beyond the minimum local housing need that the MHCLG policy sets out. We discussed that the policy aims to simplify the planning process and reduce the extent to which figures are contested has resulted in a much more simplistic approach to using household projections (an unintended consequence). The minimum local housing need figure is coming to be seen as a target, which makes it difficult for growth minded areas to justify building beyond this level (as well as the challenges for areas who would like to build less than the minimum).

MHCLG noted that the local housing need policy is about the provision of homes in general, as opposed to specifically being about home ownership. Local authorities also need to consider what type of housing shortage there is (by tenure). This would benefit from having a variant which is more representative of actual housing need.

Given the requirement for a variant that accounts for concealed families, we mainly discussed two of the variant options presented in the survey:

- Household representative rates for households headed by those **aged 25 to 44 are higher; and**
- Numbers of **family units** are projected, as opposed to numbers of households.

Household representative rates for households headed by those aged 25 to 44 are higher
[REDACTED]'s main concern about a variant in which household representative rates (HRRs) are increased was the relative lack of understanding among users and more widely about what HRRs mean and what they actually represent. He was also concerned about the risks of picking HRRs from a point in time (such as 2001, a point from the 2008-based projections or a point at which the affordability ratios were closer to four than they are now) to project back to, as the point in time would be better for some local authorities than others. ONS's choice of point in time could be seen as quite political. There is also a risk that people become nostalgic about a particular point in time and inherently think the housing market can be "rolled back" to the conditions of that point in time. JH explained that there is some inherent arbitrariness to making assumptions for projections (as discussed in the past with [REDACTED] relating to population projection assumptions) and that to some extent we have to go with expert or user opinion.

Numbers of family units are projected, as opposed to numbers of households

We discussed that many users of household projections do not realise the extent to which the formation of a household is so constrained by the availability of dwellings (part of our communications should therefore include raising awareness of what a "household" is). Therefore, MHCLG felt that a variant that looks at families would help people further understand those constraints, with families seen as an easier concept for people to understand.

MHCLG were interested in the recent ad hoc data produced by DAU, providing data on [“Family units not containing the HRP for the household population aged 16 years and over”](#), as this type of information might help shed light on the number of concealed families requiring housing. ■ also referred to Eurostat data on concealed households, which went down to quite local authority level. DAU are providing data for Eurostat as part of a Eurostat request on data for cities.

■ and ■ also asked whether the potential increases in average household size have been offset by the number of (older) people living on their own for longer. Could we break down the average household size by age of HRP? This may not be possible using household projections data, because household projections data do not show how many of the household population are living in households headed by a particular age group. However, this is may be possible using Census or LFS data (or the Eurostat data already mentioned). ■ explained that, given changes in the household projections, the increase in average household sizes seemed relatively underwhelming.

Accessibility and “relatability” of household projections

The second main requirement discussed was the need to help users understand what household projections actually mean in terms of planning and meeting housing needs. For example, “the HRR for 25 to 29-year-old males in Southampton in 2030 is projected to be 0.446” could also be explained as “if things continue as they are, by 2030 just under half of young adult males in Southampton will head a household”. There are limitations to this approach, in that some of the approximately 55% of young adult males will be living with partners or friends who happen to be the oldest economically active person in the household (and so counted as the HRP). Nevertheless, ■ felt that efforts to help explain the household projections in this light would help users understand their implications; for example, what chance might someone have of having their own household/home in a particular local authority? This could provide more nuance than looking at overall figures.

■ explained there is a common perception from a political perspective that the latest household projections are being used as a tool to say that local authorities need to build fewer dwellings than previously thought, for example Wirral local authority arguing that they do not need to release greenbelt land for development. A variant may help to unpick some of these debates and provide more nuance, particularly as the situation varies so much across the country.

JH asked whether these issues existed with the previous set of household projections (using the previous methodology), as the definitions of a household are the same. ■ responded that the policy changes have made users focus in more detail on the household projections figures than they had done previously.

Communal establishment assumptions

There is less interest from an MHCLG perspective in variants using different communal establishment (CE) assumptions. The group briefly discussed wanting the potential impact of ageing and people staying in their own homes for longer in the future. One need might be for a variant that allows users to vary the proportion of older people living in CEs.

Variant subnational population projections (SNPPs)

JH explained that the variant SNPPs are due to be published on 9 April 2019 and what they include. MHCLG work less directly on international migration (it's not their policy area), but acknowledged many local authorities would be interested in these variants.

Variants analysis tool

■ was in favour of a publicly available tool or approach where users can choose their own HRRs (as long as we can explain what they mean), as it could provide more nuance to discussions and increase transparency. At present the methodology is complicated to understand and simpler arguments tend to win out over more nuanced ones. ■ pointed out a risk that the tool could simply be used to help people create the variant figures that most suit their needs. Variants could create political statements by accident (though this could also be argued of principal projections, of both population and households).

■ asked whether the tool could change elements of the methodology over time; for example, could we take forward trends from particular points in time or make changes at different points in a time period? Could the tool include an adjustment for family units?

Should we provide variant household projections for past years as well as future years?

■ raised the question of whether variant household projections should provide data for past years as well as future years (as the principal household projections do), given that this would cast doubt on the data for past years. On the other hand, starting from 2016 may create a step change in the trend.

Population and migration statistics transformation programme

JH explained that ONS are likely to be implementing significant changes to the methodologies for producing population and migration statistics over the next three years, as a result of the 2021 Census and work to put administrative data at the core of population and migration statistics. While we will provide consistent backseries and explain differences, it should be noted that there will be further methodological changes impacting household projections in the future.

Technical consultation and policy next steps

At the time of the meeting, there was no firm date for a response from the technical consultation (*post-meeting note – the consultation response was published on 19 February 2019*).