EXAMINATION OF THE MALDON DISTRICT LOCAL DEVELOPMENT PLAN

RESPONSES OF BARTON WILLMORE (ON BEHALF OF GLADMAN DEVELOPMENTS LIMITED) TO MATTER 2: STRATEGIC HOUSING GROWTH – OVERALL NUMBERS (S1 AND S2)

January 2015

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Project Ref:	23609/A5/MR	23609/A5/MR
Status:	First Draft	Final
Issue/Rev:	01	02
Date:	05 January 2015	08 January 2015
Prepared By:	MR/DU	MR/DU
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Ref: 23609/A5/MR/
Date: 08 January 2015

CONTENTS

APPENDICES

Issue: Whether Plan's policy S2, Housing Trajectory, and associated text concerning the District's objective housing needs and overall housing target are positively prepared, justified by the evidence, consistent with national policy, and effective.

(Note: Question text totalling 1,042 words has been excluded from the word count)

1. *The Plan proposes to provide a minimum of 4,410 dwellings (2014-2029). What is the basis, justification, assumptions and methodology for the proposed level of housing provision, having regard to the supporting evidence (including the SHMA & SHLAA), recent population/household projections, demographic change, migration, household formation rates, housing market area, key housing drivers, housing demand and market signals, the need for affordable housing and the relationship with the economic strategy, in line with the guidance in the NPPF (paragraphs 14, 17, 47-55; 159) and the PPG (ID: 2a and 3)?*

Policy S2 states that a minimum 4,410 dwellings, 2014-2029 (294 dpa) is required to meet objectively assessed housing need (OAN) in full. Although this figure was presented recently (September 2014) in the final SHMA (**EB010f**), it is now outdated (being based on demographic modelling from July 2012, itself based on the ONS 2010-based SNPP – see responses to Q5 for further detail). Notwithstanding this, the figure appears to be based purely on demographic evidence, and as such:

- **Fails to accommodate both the Council's economic strategy and policy-off employment forecasts**. According to the detailed evidence from Phase 3 of the EPOA Greater Essex Demographic Forecasts (**EB042c**), Scenario *SNPP 2010 – R* would accommodate employment growth of just 54 (jpa), compared with Policy E1's 2,000 jobs 2014-29 (133 jpa) and the Experian Economics forecast of 221 jpa set out in Barton Willmore's Colchester HMA OAN Report (Appendix 1). According to the most recent EPOA Demographic Forecasts (Phase 6 – September 2014; **EB043f**), even to accommodate 100 jpa would require between 324 and 365 dpa, dependent on headship rate assumptions. Adopting a housing target of 294 dpa would therefore undermine Policy E1 and endanger economic growth more generally.

- **Does not take account of OAN for the Housing Market Area**. Appendix 1 contains detailed analysis of published research into HMA definitions (from NHPAU/CURDS) and commuting/migration flows, and concludes that there is strong evidence to support the existence of a Colchester HMA (incorporating Maldon plus Braintree, Chelmsford, Colchester and Tendring). Neither the Plan nor the supporting SHMA (**EB010f**) provide any HMA-wide demographic modelling, and it is not established whether any of these

HMA authorities are likely to require assistance to meet their own OAN. This is contrary to NPPF paragraph 47, which calls for Local Plans to meet the full, objectively assessed need for market and affordable housing in the **housing market area**.

- **Does not discuss meeting any unmet need from Greater London**. It has become increasingly clear in recent months that local authorities in the area surrounding Greater London are likely to be called upon to help accommodate unmet need from the capital. Paragraph 57 of the comments made by the Inspector examining the Further Alterations to the London Plan (FALP) conceded that:

> **"In my view, the Mayor needs to explore options beyond the existing philosophy of the London Plan. That may, in the absence of a wider regional strategy to assess the options for growth and to plan and co-ordinate that growth, include engaging local planning authorities beyond the GLA's boundaries in discussions regarding the evolution of our capital city"**

It is difficult to quantify exactly what Maldon's fair share of this unmet need should be, but given its status as an authority in Essex (a county immediately adjoining Greater London) which is relatively unconstrained by green belt, it is likely to be significant. Independent research commissioned by Gladman Developments (Appendix 4) indicates that Maldon could be expected to accommodate between 0.35% and 1.06% of London's unmet need (estimated at 6,600 dpa within FALP), dependent on the extent to which green belt-dominated authorities are able to contribute. This equates to between 23 and 70 dpa over a 20 year period.

- **Would not meet the need for Affordable Housing in full**. The SHMA identifies annual affordable need of between 154 and 201 dpa. Even assuming the Council's target for 40% of housing to be affordable is met, this would equate to between 390 and 518 total units being required per annum – both significantly higher than the 294 dpa proposed within Policy S2. The SHMA cites 'informal' guidance from the Planning Advisory Service (PAS) which suggests that existing households in affordable need (i.e. the backlog) should not be included in the OAN calculation, as there will inevitably be some double counting. We consider this approach to be extremely heavy-handed, given that many of those in backlog need will be a concealed household (living with family and friends) and therefore count as net additional need. This is also contrary to Government guidance from CLG (**PPG ID: 2a-023**) which states that current unmet need (backlog) and projected future need should be added together. Whilst this is arguably a policy-laden consideration (and therefore not part of OAN on a strict policy-off basis), it is important that paragraph 47 of the NPPF as discussed above is adhered

to. Furthermore, the PPG states at ID: 2a-029 that "An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes". An increased housing figure for Maldon would have a realistic chance of meeting affordable need in full.

- **Does not respond to adverse market signals**. The SHMA does not provide a discussion of market signals as described in PPG ID: 2a-019. As such, the target of 294 dpa does not incorporate any element of adjustment to account for adverse market signals. Barton Willmore's OAN Report (Appendix 1, Chapter 7) concludes that both Maldon and the HMA have issues with affordability, demonstrated by the ratio between lower quartile house prices and lower quartile earnings (8.7 for Maldon and 8.2 for the HMA, compared with a national average of 6.6). It is therefore highly likely that the supply of housing will need to be boosted significantly in order to reduce house price inflation relative to earnings and widen access to the private market. The Inspector examining the Eastleigh Borough Local Plan stated in his preliminary conclusions note (Appendix 2, paragraph 36), for example, that an uplift of 10% over and above the base demographic-led assessment of need could be considered a modest (but appropriate) response to adverse market signals in that local authority. The Inspector in Uttlesford concurred with this conclusion, stating that the uplift be 'at least 10%' (Appendix 3, page 1).

For the reasons listed above, we consider that the figure of 294 dpa is not compliant with the NPPF and PPG. In an attempt to rectify this, the council has provided further evidence, which is discussed in further detail in the responses to Questions 5 and 6 below.

2. *Does policy S2 establish an appropriate, clear, effective and soundly based distribution of development and growth to the towns and settlements in the District, which is fully justified with robust and up-to-date evidence and which will deliver development in sustainable locations? How else should it be done?*

3. *Is this the right strategy in policy S2 to meet the objective assessment of housing need (OAN)? Are there other housing growth options that have not been properly explored (not individual alternative sites – please see later question)? If so, what?*

4. *Are the strategic allocations too large and complex to be delivered on time? If so, why?*

Whilst supporting the general principle of directing growth the main settlements of Maldon, Heybridge and Burnham-on-Crouch, we question whether Policy S2 provides an appropriate, effective and justified strategy for meeting Maldon's housing needs.

The Local Development Plan seeks to meet a significant proportion of the district's housing requirements through the Maldon and Heybridge Garden Suburbs. Whilst recognising the general principle and sustainability benefits of these proposals, their development is associated with overcoming a number of significant delivery and infrastructure constraints, with large developer funding requirements. We therefore question their ability to come forward in the timescales envisaged by the Council. Although the LDP makes provision for reserve sites, we query whether these will be effective in meeting any delivery shortfall.

The LDP fails to recognise the need and ability to direct a greater level of sustainable growth to the districts rural settlements. To provide a continuous supply of housing in the district and address Maldon's full objectively assessed needs, we submit that the Council should be seeking to bring forward further development in its rural areas, through a range of small to medium sized sites, which can deliver housing in the short to medium term.

Gladman welcome the identification of Burnham-on-Crouch as a location for further growth in the district. As the second largest town in the district after the Maldon and Heybridge conurbation, it acts as an important centre for employment, retail provision and community facilities and benefits from access to the Crouch Valley rail line. We submit that Burnham-on-Crouch has the ability to support further sustainable growth, in light of the authority's full objectively needs and the requirement to ensure a sufficient supply of housing land in the district.

Please refer to our Matter 7 Hearing Statement for further submissions in this regard.

5. *The Plan's OAN is primarily based on the 2010 Office of National Statistics update to the Sub National Population Projections, which indicates a housing need for the District of 294 dpa (paragraphs 4.6 and 5.1 in EB078). Is this methodology consistent with national policy? If not, why not?*

Although in broad terms the methodological approach taken is reasonable (housing need has been modelled using industry standard forecasting software and incorporates official ONS data sources), the use of such dated population projections is highly questionable, especially when more recent information (both ONS releases and subsequent EPOA Demographic Forecast phases) was available. In addition, for the reasons discussed in our response to Question 1, there are many other factors which have not been adequately accounted for within the assessment. As such, it is considered that the approach taken to identifying the figure of 294 is not consistent with national policy.

6. *Since the Plan was submitted the Council has presented additional OAN evidence - EB010f, EB010g, EB043e, EB043f, EB098a, EB098b, EB098c and the CED10 Report (Additional Housing Evidence). The Council concludes that it would be prudent to set the housing need at the top of the suggested range, i.e. 310 dpa. Does this new evidence make the Plan's OAN consistent with national policy if it was modified accordingly? If not, why not?*

The new evidence submitted by the council addresses some (but not all) of the concerns set out in our response to Question 1. Phase 6 of the EPOA Demographic Forecasts (**EB043f**) provides up-to-date demographic modelling, and no longer relies on the ONS 2010-based SNPP. Phase 6 also provides modelling which incorporates 2008-based and 2011-based headship rates.

In addition to new demographic modelling, the Council has commissioned NM Strategic Solutions Ltd. to produce a report entitled 'Assessing Maldon's Housing Requirements' (**EB098a**), which provides further evidence of housing need. A supplementary statement (**EB098c**) was also provided to further clarify some key issues. These two documents are considered together here.

The new housing evidence recommends the adoption of a target of 310 dpa based on a continuation of 10 year trends in net migration. However, this new evidence is not considered to represent a full OAN, and conflicts with national policy for the following reasons:

- **Fails to accommodate both the Council's economic strategy and policy-off employment projections**. Although additional employment-led modelling is provided in Phase 6 (**EB043f**), which produces a housing requirement of between 324 and 365 dpa, the number of jobs supported (100) falls short of both Policy E1 and the Experian Economics policy-off forecast.

- **Does not take account of OAN for the Housing Market Area**. Again, Phase 6 (**EB043f**) provides numbers for all local authorities within the East of England, but the initial housing requirements report (**EB098a**) fails to incorporate a HMA wide assessment. This is not rectified by the supplementary statement. As a consequence, evidence of housing need for the HMA as a whole has not been provided or acknowledged by the Council at any point.

- **Does not respond to adverse market signals**. The initial housing requirements report (**EB098a**) does not take market signals into account. The supplementary statement does provide an assessment of market signals, but in spite of clearly

worsening trends (especially in terms of Affordability and House Prices) no adjustment to the recommendation of 310 dpa is made.

- **Would not meet the need for Affordable Housing in full**. Neither element of the new housing evidence provides an update to the affordable housing need assessment contained within the SHMA. Given that it was established within the SHMA that between 154 and 201 net additional affordable dwellings were required (equating to between 390 and 518 dwellings of all tenures) in order to meet future and backlog affordable need in full, the move from 294 to 310 dpa makes negligible difference.

- **Acknowledges, but potentially under-estimates, unmet need from Greater London**. A simple analysis of Maldon's potential exposure to unmet need from Greater London has been carried out, suggesting that 0.16% of London's unmet need (based on its current share of all domestic out-migration from the capital) could need to be accommodated within Maldon. This equates to between 16 and 32 households per year, according to paragraph 72 of the initial report. Whilst this approach appears relatively sensible, current indications suggest that only those authorities within London's sphere of influence are likely to be required to accommodate London's unmet need in a formal capacity. As such, more distant flows should be excluded from the calculation. The effect of this is that the exposure is likely to be higher – perhaps closer to the level indicated by the independent research commissioned by Gladman Developments (Appendix 4). In spite of this, there is no upward adjustment made to the OAN.

The failure of both the SHMA and the subsequent housing requirements research to properly account for all aspects of OAN suggests that neither the figure of 294 nor the figure of 310 can be considered to be robust.

7. *The Government is due to shortly produce 2012-based household projections which will take account of 2011 Census data, covering the same period as the ONS 2012-based Sub-National Population Projections (i.e. 2012- 2037). These should be more reliable than the 2011-based interim projections as presently used. Council: please update your figures once these new projections are released, and publish them.*

CLG has now provided a provisional release date of February for the 2012-based household projections. This will have a significant impact on the OAN, and it is therefore considered that an appropriate opportunity for all parties to consider the implications is provided.

8. *Council: On the SHMAs - EB010g says EB010e is superseded, but does the new SHMA (EB010f and EB010g) supersede the previous SHMAs (EB010a to EB010f)?*

   The previous SHMAs should now be afforded no weight in determining OAN in the context of this examination given that they incorporate data which are significantly out of date, prepared at a time when policy-on Regional Spatial Strategies were part of Government policy and that they pre-date the NPPF.

9. *Do I understand correctly that the Plan's housing target in S2 is to fully meet the OAN? Does this take account of the known constraints in the District, such as flooding and highway issues?*

   Policy S2 does not meet OAN in full for reasons discussed in our responses to Questions 1, 5 and 6. In fact, Policy S2 does not even reflect the Council's latest position on OAN. It will therefore need to be amended.

   Appendix 1 to this statement provides a full objective assessment of overall housing need for Maldon District and the surrounding HMA. Table 10.1, page 72 of Appendix 1 shows a requirement for 435 dpa in Maldon District to meet demographic and economic led need, and alleviate worsening market signals. This figure would need increasing to 520 dpa to meet affordable need in full (see paragraph 9.15 to 9.19 of Appendix 1).

10. *Council: is the revised OAN figure of 310 dpa a suggested main modification for my consideration? If not, why not? If it is, what other consequential modifications to the Plan are necessary?*

    Notwithstanding our objections to the figure of 310 dpa (see responses to Questions 5 and 6), the Council will need to consider the implications of altering the housing target on site allocations and its 5-year Housing Land Supply position.

11. *Following the Council's 'Assessment of Historic and Future Windfall Housing Delivery in the Maldon District' (EB001b) the Council is proposing a modification to policy S2 to reduce windfall allowance from 22dpa to 20dpa. Does this study satisfy NPPF paragraph 48? And is the Council's suggested modification acceptable?*

    The Council must ensure that it can demonstrate compelling evidence that windfall sites will continue to provide a reliable source of supply going forward. Reviewing the findings of the authority's revised Assessment of Historic and Future Windfall Delivery, we note that an average of 17 dpa were provided through windfall development between 2001/02 and 2013/14, lower than the average rate of 20 dpa claimed by the Council.

12. *EB096b Five-Year Housing Land Supply Statement May 2014 shows there is not a 5 year housing land supply – a 1.8 years of housing supply. Has this changed?*

    It is the case that the Council cannot currently demonstrate a five-year housing land supply. Although the Council's evidence suggests that a five supply can be achieved once its proposed LDP allocations have been taken into account, we question whether this is the case given our concerns in relation to the delivery of the Maldon and Heybridge Garden suburbs, the timescales for the preparation of the Rural Allocations DPD and the need to provide a higher level of housing that takes account of the authority's full objectively assessed needs.

13. *Is the Council right in paragraph 2.37 of the Plan that a 5% NPPF paragraph 47 buffer applies? If not, please provide figures. Council: please provide figures for this.*

    The Council has met its East of England Plan housing target of 120 dpa once over the past five years. It has failed to meet its submitted housing target of 294 dpa in any year from its base date of 2011. On this basis it would be appropriate to apply a 20% buffer when assessing the Council's five-year housing land supply.

14. *How does the Plan address the need for a 5% buffer to the 5-year housing land supply?*

    This is a question for the Council.

15. *Council: What is the current and future 5, 10 & 15-year housing land supply position over the Plan period, including existing commitments, future proposed provision, allowance for windfalls, phasing, balance between brownfield and greenfield sites, and provision identified in the latest SHLAA? Normally this is dealt with in a Housing Implementation Strategy (NPPF 47). Has the Council produced such a Strategy, even if it is not called by that name? Is it found in the Updated Appendix F in EB096b and the CED10 Appendix 13: Update to Table 11 of the May 2013 IDP (EB059d)?*

    This is a question for the Council.

16. *The Housing Trajectory at the Plan's Figure 4 (and in SD04b) consists solely of a simple bar chart which does not provide the above implementation information. Most councils also provide a table setting out implementation information to accompany the bar chart as part of the Trajectory in the Plan (accepting, of course, that this is only a 'snapshot' that will alter over time in Monitoring Reports). This could be taken wholly or in part from the table in Appendix 1 of DOC103. Please would the Council prepare such a Housing Trajectory table modification showing the S2 implementation by sites, in numbers and over time.*

This is a question for the Council.

17. *Are the Council's suggested modifications to the supply table in policy S2 and the Housing Trajectory bar chart (Figure 4) at Refs 045 and 046 in SD04b acceptable? In particular, in showing that delivery from the Rural Allocations Plan and large site allocations are adjusted backwards to begin in 2016/17?*

Whilst welcoming the suggested modifications to the supply table in Policy S2, we continue to question this the proposed delivery rates are realistic, taking account of our concerns over the development of the Maldon and Heybridge Garden Suburbs and the timescales for the preparation of the authority's Rural Allocations DPD in particular.

18. *How does the Plan address previous shortfalls in housing provision between the evidence base date and the adoption of the Plan? What is that shortfall?*

The current shortfall of housing in the district would be 846 dwellings when assessed against the 2010 base date for the Council's submitted housing requirement, as set out in Phase 3 of the Greater Essex Demographic Forecasts series. Addressing this shortfall over five years and applying a 20% buffer for persistent under delivery would require the provision of a further 524 dwellings in addition to the sources of supply indicated in Policy S2, as proposed to be modified.

19. *Does policy S2 effectively address cross-boundary housing issues, particularly the highway issues arising from the proposed strategic allocations?*

Gladman note the cross boundary infrastructure issues relating to the B1019/B1137 junction at Hatfield Peverel and the A414 between Maldon and Chelmsford, associated with development in the Maldon and Heybridge area. Whilst noting the work undertaken between Maldon, Chelmsford, Braintree and Essex County Councils in this regard, we query whether this has provided adequate solutions to the highway impacts that could constrain and arise from providing further development in these two locations.

20. *Are the principles for sustainable development outlined in policy S1 appropriate, justified, effective, soundly based and consistent with national policy?*

The majority of the provisions set out in Policy S1 were established prior to the introduction of the Framework and the Presumption in Favour of Sustainable Development. Whilst supporting the general principle of achieving sustainable development, we would be opposed to the detailed criteria of this policy if these would only serve to prevent development from going ahead.

21. *Are there any other alternative sites to those listed in the Plan's policy S2? If so, how would these fit into the Plan's overall growth strategy for housing?*

In light of our concerns over the delivery of the Maldon and Heybridge Garden Suburbs, the level of housing required to meet the Council's full objectively assessed needs in particular, we submit that there is now a need to identify additional housing sites in the district. In accordance with our responses to Questions 2-4 above and Matter 7 Hearing Statement, we particularly submit that greater proportion of growth should now be directed to the authority's rural settlements.

The LDP makes a specific allocation of 75 dwellings to North Fambridge. Whilst supporting the general principle of providing further growth in the district's Smaller Villages, we question the basis for this decision, particularly when there are other, Larger Villages in the authority's rural area, which could accommodate this development in accordance with the Settlement Hierarchy set out in Policy S8.

The decision to overlook Southminster as a specific location for further housing has been made in our previous representations to the Council. In light of our recent application for up to 240 dwellings on Land off North End, Southminster and the revised Joint Position Statement between Anglian Water and the Environment Agency on sewerage capacity, we submit that there are no justifiable reasons for overlooking the village as a specific growth location for the purposes of Policy S2.

22. *If so, are there any compelling reasons why any of alternative/additional "omission" sites should be allocated for development in the Plan and, if so, are they fully justified, available, developable, sustainable, viable and deliverable within the Plan period?*

Please see response to Question 21 above.

APPENDIX 1

BARTON WILLMORE

COLCHESTER HMA OBJECTIVE ASSESSMENT OF HOUSING NEED

NOVEMBER 2014

COLCHESTER HOUSING MARKET AREA

OBJECTIVE ASSESSMENT OF HOUSING NEED

NOVEMBER 2014

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PLANNING / DESIGN / DELIVERY

COLCHESTER HOUSING MARKET AREA

OBJECTIVE ASSESSMENT OF HOUSING NEED

Project Ref:	23609/A5/MR
Status:	Final
Issue/Rev:	02
Date:	24 November 2014
Prepared By:	MR
Checked By:	JD/VL
Authorised By:	JD

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Ref: 23609/A5/MR/
Date: 24 November 2014

CONTENTS

EXECUTIVE SUMMARY

i. This Objective Assessment of Housing Need for the Colchester Housing Market Area (CHMA) has been prepared by Barton Willmore LLP on behalf of Gladman Developments. The study fully complies with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

ii. According to research from the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University, CHMA comprises the following five Local Planning Authorities (LPAs) on a 'best fit' basis:

- Braintree
- Chelmsford
- Colchester
- Maldon
- Tendring

iii. This HMA definition has been independently verified through analysis of commuter flows and migration patterns.

Local Planning Policy Context

iv. All five of the HMA LPAs have commissioned new SHMAs or SHMA updates since the publication of the NPPF. However, it is considered that none provide full objective assessments of housing need, either for their subject districts or for the wider HMA. All five SHMAs are based on out-of-date modelling from Edge Analytics (carried out in 2012), despite some of the new SHMAs being published in 2014.

v. With the exception of Maldon, all of the LPAs above have adopted/emerging housing targets which are lower than the overall housing requirements set out in the SHMAs. Four of these five targets are also below the figure set out in the former East of England Regional Spatial Strategy.

Demographic, Economic and Housing Market Baseline Conditions and Forecasts

vi. Growth in population and households has been similar to national average between censuses. Over the most recent 10 year period for which data are available, net migration into the HMA

has averaged 4,972 people per annum. It is on this basis that the 'starting point' of the OAN has been defined.

vii. The 2012-based SNPP forecasts annual population growth of 5,300 per annum 2011-21 – substantially lower than forecasted by the previous 2011-based SNPP (7,700 per annum). Further analysis of the most recent projection indicates that it may be constrained due to it being based upon recessionary trend data, and also incorporates an under-estimation at the national level of net international migration.

viii. Between 2001 and 2011, the number of workforce jobs in the HMA grew by 26,690 or 9.6%, according to data from Experian Economics. Over the assessment period (2011-31), job growth is forecast to accelerate slightly, with 72,800 jobs set to be created over the 20 years.

ix. Properties in CHMA tend to be slightly larger than national average, and there is a specific shortage of Private and Social rented properties.

x. All constituent LPAs of the HMA are less affordable than national average, both in terms of the ratio between lower quartile earnings and house prices and in terms of annual lower quartile rent as a percentage of earnings; the latter measure may be exacerbated by the relative lack of rented stock. In all cases, affordability has worsened significantly since 1997. Analysis of Market Signals indicates that supply has not kept pace with demand, and that a significant increase in housing development is likely to be required (in line with the PPG).

Modelled Housing Requirements

xi. The study uses the PopGroup demographic forecasting model to estimate future housing need across the HMA, taking into account key demographic and economic data inputs including (but not limited to) headship rates, migration trends, employment forecasts and economic activity rates. These are set out in detail in Chapter 8 of this report.

xii. The demographic-led forecast has been subjected to a number of tests to ensure that it supplies a sufficient labour force to meet forecast demand and responds positively to adverse market signals.

xiii. Given the HMA's proximity to Greater London, it is also likely that CHMA will be called upon by the Greater London Authority (GLA) to help address the capital's anticipated housing shortfall – estimated to be in the region of 7,000 to 20,000 dwellings per annum. According

to independent research commissioned by Gladman Developments, the CHMA authorities could be expected to accommodate between 3,301 and 28,748 dwellings of unmet need from Greater London over a ten year period. It has been calculated that the economic-led scenario has capacity (at HMA level) to provide 372 dwellings per annum for London out-commuters. As such, the OAN could meet the lowest unmet need scenario but would need to be boosted to meet the higher scenarios. However, until such a time as the GLA confirms the true scale of its unmet need, it is not considered appropriate to make any further adjustments in the context of OAN.

xiv. The economic-led scenario was also found to make an acceptable contribution towards alleviating adverse market signals observed across the HMA.

xv. The table below summarises the resulting assessment of housing need.

OAN Summary - Dwellings per annum

	Starting Point	Adjustments to Account For...				=
	CLG 2011 HH Projections	ONS 2012-based SNPP	Net Migration Trends	Job Forecast	Market Signals	Full OAN (per annum)
Braintree	777	+34	+13	+200	**Included in other adjustments**	1,024 pa
Chelmsford	674	+179	-120	+481		1,215 pa
Colchester	1,258	-293	+447	-204		1,207 pa
Maldon	285	+1	-78	+226		435 pa
Tendring	1,073	-428	+98	+337		1,080 pa
CHMA Total	**4,068**	**-508**	**+361**	**+1,040**		**4,961 pa**

Source: Barton Willmore

xvi. This OAN would:

- Accommodate the housing need number implied by the latest demographic evidence;
- Meet projected job demand; and
- On reasonable assumptions, improve affordability.

xvii. As such, it is considered that the OAN represents the full, objectively assessed level of housing need for CHMA. By contrast, the assessments made within the SHMAs for the HMA authorities:

- Do not incorporate the latest demographic or economic evidence;
- Do not take account of the wider HMA context;
- Do not directly address market signals or unmet need from London; and
- With the exception of Braintree, do not recommend OAN scenarios that would accommodate forecast economic growth.

1.0 INTRODUCTION

1.1 In the Government's 'Laying the Foundations: A Housing Strategy for England' report, published in November 2011, it was established that for decades Britain has not built enough housing. The economic and social consequences of this failure to build have affected millions: costing jobs, forcing growing families to live in cramped conditions, and leaving many young people without much hope that they will ever own a home of their own[1].

1.2 This study has been prepared by Barton Willmore LLP on behalf of Gladman Developments. It is intended to provide an in-depth understanding of the dynamics and future requirements of the Colchester Housing Market Area (CHMA), culminating in a full objective assessment of housing need for the Housing Market Area (HMA). The study fully complies with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG), and follows many of the same principles as a Local Authority-produced Strategic Housing Market Assessment (SHMA). At present, there is no NPPF-compliant SHMA in place for this area, contrary to national policy and guidance.

Report Structure

1.3 This study is intended to be comprehensive, complying with national policy and guidance in the assessment of housing need. This report is divided into several chapters.

1.4 Chapter 2, **National Policy Context and Methodology**, introduces the relevant aspects of national planning policy and guidance, demonstrating how this study meets the required standard for an objective assessment of housing need. The chapter also sets out the methodological approach taken in carrying out the required analysis.

1.5 Chapter 3, **Assessment Area Definition**, provides the rationale behind analysing specific authorities, and, more specifically, how published research into HMA boundary definitions has been translated into a functional study area.

1.6 Chapter 4, **Local Policy Context**, critically evaluates existing/emerging council policy (and associated evidence) relating to housing, and provides key baseline data (including housing targets, affordable housing quotas and past delivery rates) against which this OAN is benchmarked. The key aims and objectives of the Local Enterprise Partnership are also summarised in this chapter.

[1] HM Government, 'Forward', Laying the Foundations: A Housing Strategy for England, 2011, p.vii

1.7 Chapters 5, **Demographic Trends and Projections** and 6, **Economic Trends and Forecasts** provide the key socio-economic data upon which the objective assessment of housing need is based. The data contained within these chapters also provide useful additional context for the more qualitative elements of this assessment.

1.8 Chapter 7, **Housing Characteristics and Market Signals**, provides detailed analysis of how the housing market functions locally, including a review of existing housing stock characteristics and analysis of key market signals.

1.9 Chapter 8, **Modelled Housing Need**, brings together the evidence gathered and commented on in earlier parts of the report to model the future need for housing. This exercise establishes the starting point from which the objective assessment of housing need is carried out. This 'starting point' is then adjusted to reflect the most up-to-date demographic evidence and tested to identify the extent to which it will supply sufficient labour to meet demand as identified in Chapter 6.

1.10 Chapter 9, **Addressing Affordable Need, London's Unmet Need and Market Signals**, assesses the modelled housing requirements identified in Chapter 7 in the context of affordable housing need and market signals, and identifies the extent to which the modelled housing requirements may need to be adjusted to account for these additional factors.

1.11 Chapter 10, **Objective Assessment of Housing Need**, brings together the modelled need established in Chapter 8 and any affordable need/market signals adjustments established in Chapter 9 to arrive at a full, objective assessment of housing need for CHMA over a period of 20 years. This Chapter also includes a conclusion, providing an overview of key themes and a discussion of the implications for the local authorities within the HMA.

1.12 Key supporting tables and documents are also provided as appendices.

2.0 NATIONAL POLICY CONTEXT AND METHODOLOGY

2.1 The requirement for all Local Planning Authorities (LPAs) to base their housing targets on objective assessments of need is rooted in national planning policy – specifically the National Planning Policy Framework (NPPF). Additionally, the Planning Practice Guidance (PPG) released in March 2014 provides supporting guidance, promotes best practice and provides further clarity on the policies contained within the NPPF.

National Planning Policy Framework (NPPF, 27 March 2012)

2.2 The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these are expected to be applied. The presumption in favour of sustainable development is said to sit at the heart of the NPPF, and this requires that local planning authorities should positively seek opportunities to meet the development needs of their area, and that local plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change.

2.3 In respect of housing requirements, the NPPF (paragraph 47) confirms the need for local authorities to significantly boost the supply of housing. In doing so, it confirms that local authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed need for market and affordable housing.

2.4 Furthermore, paragraph 50 states that to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

- **"plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and**
- **Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand."** [2] (Our emphasis)

2.5 The NPPF also states that LPAs are required to clearly understand housing needs in their area, and that to do this, they need to prepare a SHMA in conjunction with neighbouring authorities where housing market areas cross administrative boundaries.

[2] Paragraph 50, page 13, National Planning Policy Framework, 27 March 2012

2.6 On this Duty to Cooperate, the NPPF states that:

> **"Public bodies have a Duty to Cooperate on planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities set out in paragraph 156[3]. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities."**[4]

2.7 The NPPF also provides more specific guidance on the content a SHMA should contain, including identification of the scale, mix and tenure of development needed to:

> - **"[Meet] household and population projections, taking account of migration and demographic change;**
> - **[Address] the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);**
> - **[Cater] for housing demand and the scale of housing supply necessary to meet this demand;"**[5]

2.8 The approach taken in the preparation of this study is consistent with the NPPF's assertion that the supply of housing needs to be increased though objective assessment underpinned by a robust (but proportional) evidence base.

Planning Practice Guidance (PPG, 06 March 2014)

2.9 The Planning Practice Guidance (PPG) was issued in its final form on 6th March 2014 and contains updated planning practice guidance to support the interpretation of the NPPF.

2.10 In terms of assessing housing requirements the PPG states the following:

> **"The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. <u>Plan makers should not apply constraints to the overall assessment of need,</u> such as limitations imposed by the supply of land for new development, historic under performance infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans." [6]** (Our emphasis)

[3] Paragraph 156 sets out a list of strategic priorities which must be covered by local plans, including the homes and jobs needed in the area.
[4] Paragraph 178, page 42, National Planning Policy Framework, 27 March 2012
[5] Paragraph 159, page 38, National Planning Policy Framework, 27 March 2012
[6] Paragraph: 004 Reference ID: 2a-004-20140306, Planning Practice Guidance, 06 March 2014

2.11 The PPG is therefore clear that the objective assessment of need should not be constrained. The consideration of whether the need can be supplied in the area will be addressed once the full objective assessment of need has been determined.

2.12 The PPG also clarifies the extent to which local planning authorities should seek to work together when assessing housing needs, as follows:

> **"Local planning authorities should assess their development needs working with the other local authorities in the relevant housing market area or functional economic market area in line with the Duty to Cooperate. This is because such needs are rarely constrained precisely by local authority administrative boundaries."**[7] (Our emphasis)

2.13 The PPG therefore highlights the requirement to assess need across local authority boundaries and not just within an individual authority.

2.14 The PPG moves on to address the methodology for assessing housing need, stating the following:

> **"Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need."**[8] (Our emphasis)

2.15 Although the official CLG household projections should therefore be considered, they only represent the starting point for assessing need. This is due to a number of reasons as the PPG explains:

> **"The household projections are trend based, i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour."** [9] (Our emphasis)

2.16 In this context the PPG explains how the household projection-based estimates of housing need may require adjustment for a number of reasons, as follows:

> **"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography**

[7] Paragraph: 007 Reference ID: 2a-007-20140306, Planning Practice Guidance, 06 March 2014
[8] Paragraph: 015 Reference ID: 2a-015-20140306, Planning Practice Guidance, 06 March 2014
[9] Paragraph: 015 Reference ID: 2a-015-20140306, Planning Practice Guidance, 06 March 2014

> **and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing."** [10] (Our emphasis)

2.17 Furthermore the methodology section of the PPG establishes the potential requirement to adjust household formation rates when assessing needs, as follows:

> **"Plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates."** [11]

2.18 Alongside demographic assumptions, the PPG clearly identifies the responsibility placed on local authorities to consider economic growth and the link with housing requirements.

> **"Plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area."** [12]

2.19 The PPG explains how housing numbers may need to be increased due to economic growth:

> **"Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems."**[13] (Our emphasis)

2.20 This guidance supports the policies of the NPPF, in respect of ensuring that Plans are 'positively prepared' (paragraph 182), the economic prospects of an area are considered (paragraph 158), and ensuring that a lack of housing does not create a barrier to economic investment (paragraph 21), as summarised above.

2.21 Market Signals, according to the PPG, should also be taken into account in objective assessments of housing need, and adjustments made where key market indicators (such as house price and rent increases) suggest that they are warranted:

[10] Paragraph: 015 Reference ID: 2a-015-20140306, Planning Practice Guidance, 06 March 2014
[11] Paragraph: 017 Reference ID: 2a-017-20140306, Planning Practice Guidance, 06 March 2014
[12] Paragraph: 018 Reference ID: 2a-018-20140306, Planning Practice Guidance, 06 March 2014
[13] Paragraph: 018 Reference ID: 2a-018-20140306, Planning Practice Guidance, 06 March 2014

> **"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand."**[14]

Barton Willmore Methodological Approach

2.22 The primary purpose of this study is to provide an objective assessment of housing development needs for the Colchester HMA. In support of this, a comprehensive programme of analysis has been carried out to ensure that local demographic, employment and housing market characteristics are properly represented. The 2011 census has been used as the starting point for much of the baseline analysis, as it represents the most robust, comprehensive and up-to-date information available.

2.23 Where future projections have been made, a standard forecast period of 20 years (between 2011 and 2031) has been assumed, which is in line with many adopted and emerging local plan periods across the country. Where forecasts deviate from this period, it has been clearly noted. For a discussion of the data inputs into this modelling process and assumptions made see Chapter 8.

Stage 1 – Adjusting the Demographic Starting Point

2.24 The 'starting point' is defined using the most up-to-date CLG Household projections. The PopGroup demographic forecasting model is then used to estimate the number of dwellings likely to be required over the study period across the HMA taking account of the most up-to-date demographic evidence (such as ONS SNPP and trends in net migration). PopGroup has over 90 users in the public and private sector and has been deemed a sound basis for objective housing need assessments by many planning inspectors.

Stage 2 – Testing Capacity for Economic Growth

2.25 To identify the extent to which labour demand forecasts will be accommodated by the demographic-led modelling described above, a comparison is made between the size of the workforce arising from the model and job creation forecasts, taking into account 'policy-off' job growth forecasts from Experian Economics and potential changes in unemployment and economic activity rates over the plan period.

[14] Paragraph: 019 Reference ID: 3-030-20140306, Planning Practice Guidance, 06 March 2014

2.26 If the size of the arising workforce is less than the forecasted number of jobs, it is likely that a further uplift in the dwelling target would be required. Should this occur, an additional 'economic-led' PopGroup scenario will be modelled, which identifies the population growth (and therefore number of dwellings that would need to be built) to supply the required workforce.

Stage 3 – Market Signals Adjustments

2.27 Analysis of key market signals, such as affordability and overcrowding, has also been carried out. However, this study does not attempt to quantify the precise uplift to housing numbers that would be required to improve affordability. Instead, and in the knowledge that house building will need to be boosted by 86% at the national level in order to reduce house price inflation to 1.1% per annum, local evidence of worsening market signals and a need to improve affordability is used to verify an overall assessment of need, arrived at objectively through stages 1 and 2.

Stage 4 – Bringing it all together

2.28 Overall housing need is identified by distilling the elements discussed above into a single Objective Assessment of Housing Need (OAN) for the period 2011-2031. This figure, by definition, does not take into account policy considerations which may place constraints on supply or limit the deliverability of housing.

Stage 5 – Assessment of affordable housing need

2.29 Finally, the extent to which the OAN arrived at through the previous stages would meet affordable need is assessed. Where the local authority SHMA has provided a recent and detailed account of affordable need which draws on primary research (something not carried out as part of this OAN), this is used as the basis for much of the analysis.

Chapter Summary

2.30 The approach of national policy and guidance clearly states the importance of objectivity in the assessment of housing requirements, and emphasises the need for plans to be positively prepared in order to achieve aspirations for growth. Furthermore, the NPPF sets out a 'Duty to Cooperate', under which LPAs must work together on major issues with cross-border implications; this includes the supply of housing.

2.31 This study has been prepared in accordance with this approach, and uses data and methodologies (where possible) which can be traced and replicated. The ultimate output of this study is a clear, unambiguous recommendation for housing development in CHMA which is supported by a robust evidence base and sound assumptions.

3.0 ASSESSMENT AREA DEFINITION

3.1 This chapter describes the steps taken to define an assessment area, for which an objective assessment of housing need has been carried out. The relationship between this assessment area and surrounding areas (both in functional economic terms and political terms) has also been considered to provide further context.

3.2 As established in the previous chapter, LPAs are required to assess need within their wider HMAs, rather than simply within their own boundaries.

3.3 In defining 'What is a housing market area?', the PPG states:

> **"A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the Duty to Cooperate."**[15]

3.4 However, there is no single definition of where the boundaries for each HMA fall.

Published Housing Market Area Definitions

3.5 This study draws on research carried out by the Centre for Urban & Regional Development Studies (CURDS) at Newcastle University. The research was funded by the National Housing and Planning Advisory Unit at CLG, and focuses on creating a robust set of HMA definitions with a tiered structure:

- The upper tier (Strategic) covers the whole country, providing appropriate areas for modelling and analysis relating to strategic housing policy. Strategic HMAs are defined by long distance commuting flows and the long term spatial framework within which housing markets operate. The researchers also state that the Strategic tier is particularly useful for modelling affordability.

- The lower tier (Local) applies primarily to heavily urbanised regions, splitting the Strategic HMA boundaries into smaller areas for detailed local analysis.

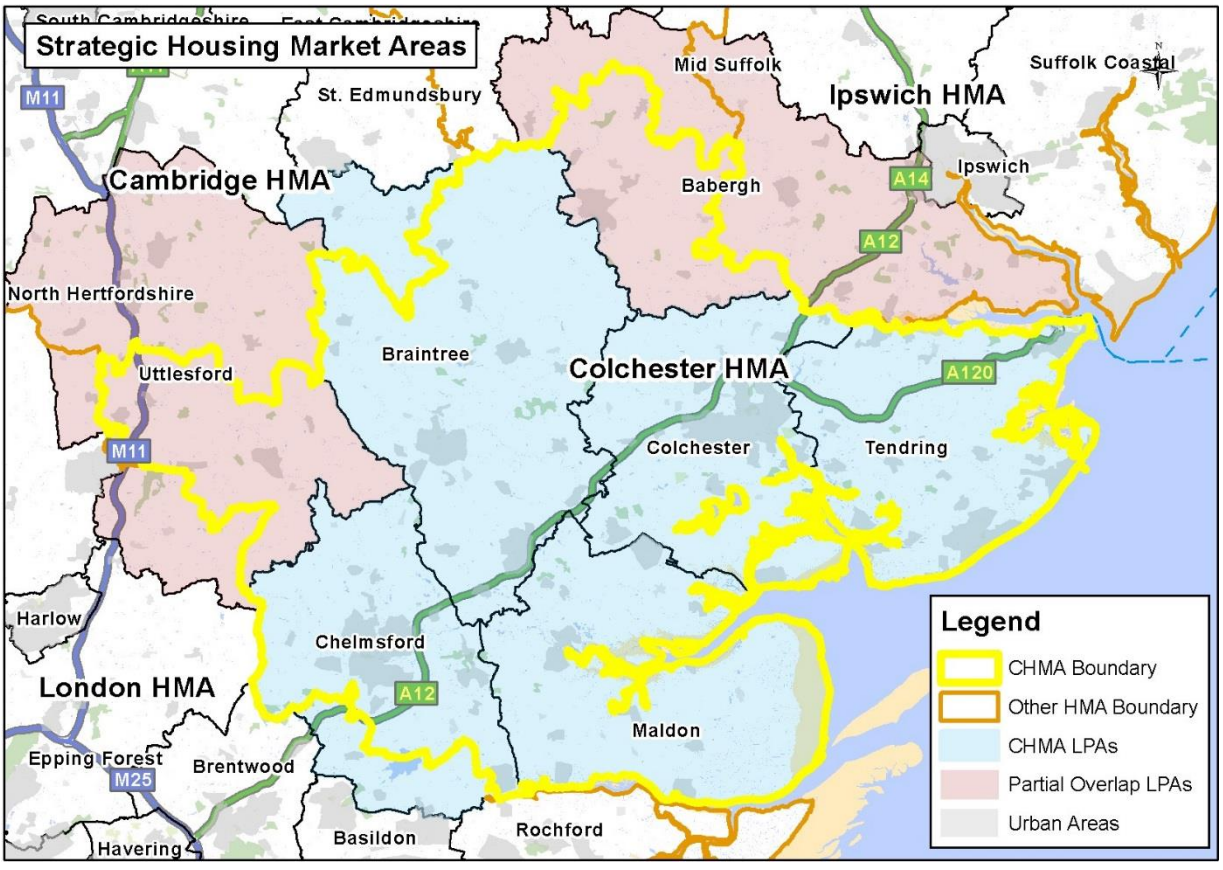
[15] Paragraph: 010 Reference ID: 2a-011-20140306, Planning Practice Guidance, 06 March 2014

3.6 These sets of HMAs are termed 'gold standard' because their boundaries are defined to the maximum possible level of detail. They are built up from c.9000 wards using detailed migration and commuting statistics, which were made available to the CURDS researchers from the 2001 Census (similar data from the 2011 census have not yet been released). Given that this study is primarily concerned with informing strategic housing policy, the Strategic HMA definitions represent the most logical and appropriate option.

3.7 In addition to the 'gold standard' definitions, a set of 'silver standard' definitions were also produced, providing a best fit between the detailed HMA definitions described above and LPA boundaries.

3.8 Figure 3.1 shows the 'gold standard' Strategic HMA boundary (in yellow) in the area surrounding Colchester and Chelmsford, with the Colchester HMA highlighted. The five LPAs which form the 'silver standard' Colchester HMA have also been highlighted in blue. Two LPAs which partially fall within the 'gold standard' boundary (Uttlesford and Babergh) are also shown.

Figure 3.1: Housing Market Areas and LPA Boundaries



Source: CURDS, Experian, Contains OS/ONS data © Crown Copyright 2014

3.9 The HMA incorporates five districts:

- Braintree
- Chelmsford
- Colchester
- Maldon
- Tendring

3.10 In total, 91% of the 'gold standard' HMA population lives within these five districts, and 98% of the population of the five districts lives within the HMA. Within the 'partial overlap' authorities, only 44% of the population falls within the 'gold standard' boundary, meaning there is not a strong case for their inclusion in the study.

3.11 The HMA shares boundaries with four other Strategic HMAs:

- London HMA
- Cambridge HMA
- Bury St. Edmund's HMA
- Ipswich HMA

3.12 Given that CHMA is situated immediately adjacent to the London HMA it is highly likely that the Greater London Authority (GLA) will call upon the HMA LPAs to help address London's housing shortfall, under the Duty to Cooperate described in Chapter 2. This Shortfall is estimated at between 7,000 and 20,000 dwellings per annum, and is described in further detail in Chapter 9. The potential share of unmet need apportioned to the five CHMA LPAs is discussed in further detail in Chapter 9.

3.13 The HMA definition based on the CURDS research appears to be conclusive, with a strong fit between the 'gold standard' boundary and the five LPA boundaries. However, given that the CURDS analysis is underpinned by data from the 2001 census, it is important to confirm the definition through other data sources to ensure that the linkages remain relevant.

Spatial Patterns of Commuting and Migration

Commuting Patterns

3.14 Table 3.1 below summarises the net commuting flows and commuting ratios (working residents per local job) for the five LPAs, according to the 2011 Annual Population Survey. A

commuting ratio of greater than 1 suggests that the LPA is a net exporter of labour, whilst a ratio of less than 1 indicates that the LPA is a net importer of labour.

Table 3.1: Net Commuting Flows and Commuting Ratios – 2011

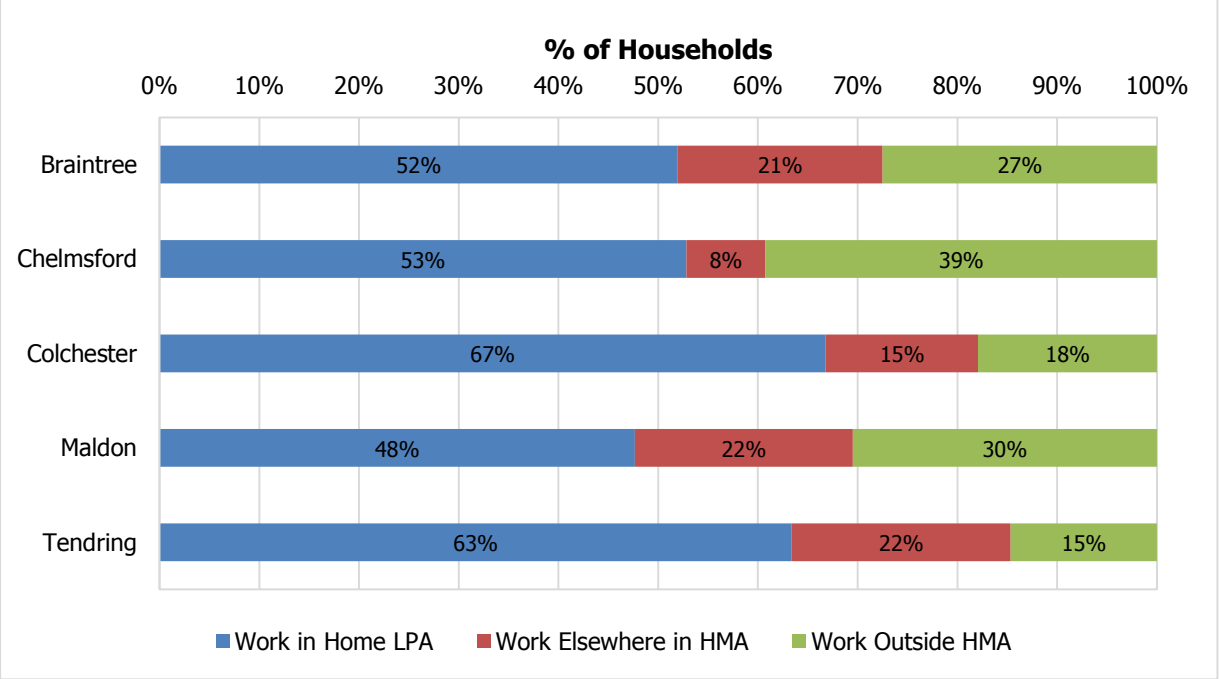
	Working Residents (Retained or Out-Commuting)	Jobs (Workers Retained or In-Commuting)	Net Flow	Commuting Ratio
Braintree	72,241	54,612	-17,629	1.32
Chelmsford	84,477	78,453	-6,024	1.08
Colchester	95,451	89,112	-6,339	1.07
Maldon	26,392	17,886	-8,506	1.48
Tendring	59,583	44,142	-15,441	1.35

Source: Annual Population Survey – Commuter Flows 2011

3.15 All five LPAs are net exporters of labour, meaning that more people commute out of the district than commute in. This is unsurprising given the HMA's proximity to London and direct rail connections to the City of London.

3.16 Figure 3.2 below shows the proportion of working residents in each of the five LPAs who work within their home LPA, elsewhere in the HMA or outside the HMA. A high proportion of residents working elsewhere in the HMA suggests strong economic linkages with other parts of the HMA.

Figure 3.2: Place of Work for LPA Working Residents

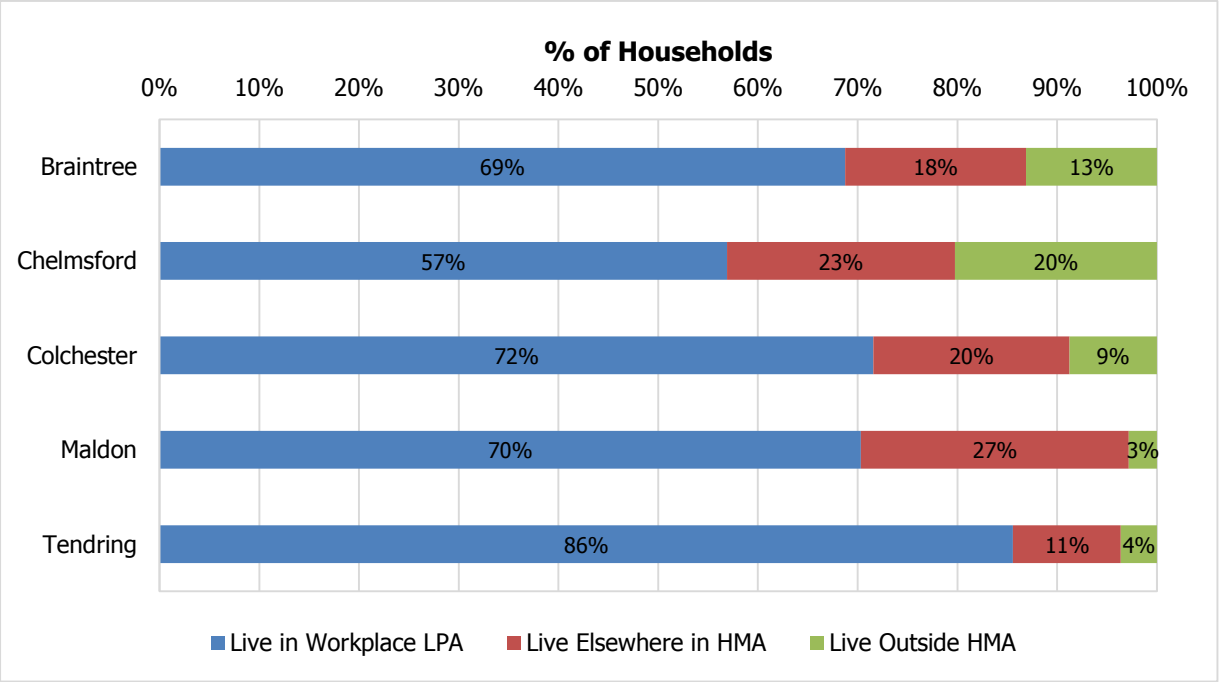


Source: ONS, Annual Population Survey (2011 Data)

3.17 Chelmsford and Maldon, the two authorities located closest to Greater London, show the highest proportions of workers commuting outside of the HMA, whilst Colchester retains more than two thirds of its resident workforce. Relatively high proportions of workers from Maldon, Tendring and Braintree commute to other parts of the HMA.

3.18 Figure 3.3 shows the home locations of people employed in each LPA.

Figure 3.3: Place of Residence for those employed within LPA



Source: ONS, Annual Population Survey (2011 Data)

3.19 Very high proportions of local jobs are filled by local workers. This is due to the number of jobs being somewhat lower than the number of workers; many are commuting out of the HMA.

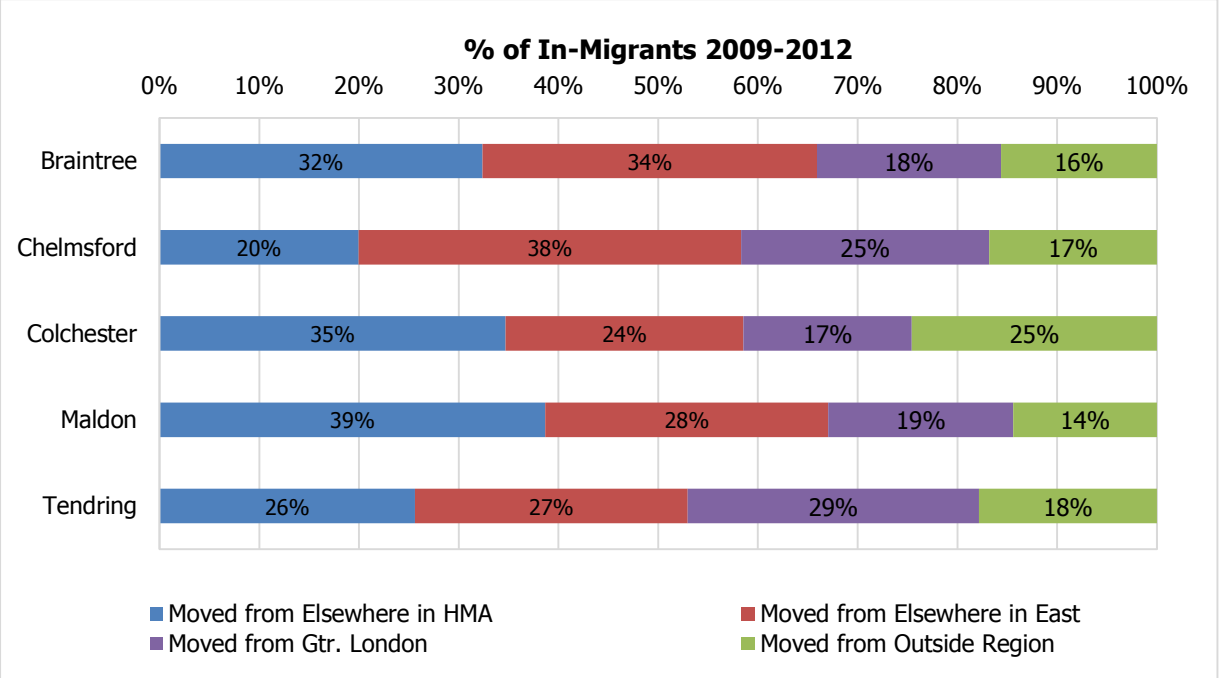
3.20 Across the HMA as a whole 74% of HMA working residents work in one of the five HMA LPAs.

Migration Flows

3.21 Figure 3.4 below summarises total internal (domestic) in-migration flows, excluding 18-24s[16]. This is based on Local Authority-level data for the period 2009-2012 from the ONS. Flows from Greater London and the rest of the East of England region are also shown.

[16] Migration analysis has been restricted to reduce the influence of student migration, which is often short-term

Figure 3.4: Origins of In-Migrants



Source: ONS, Internal Migration by Local Authorities in England and Wales, Years Ending June 2009-2012 (Average)

3.22 More than a quarter of Tendring and Chelmsford in-migrants moved from Greater London over the period analysed. Colchester, Maldon and Braintree demonstrate the strongest in-flows from elsewhere in the HMA.

Chapter Summary

3.23 The five LPAs of the Colchester Housing Market Area (CHMA) demonstrate strong economic linkages through interwoven commuting and migration patterns. As such, the HMA represents a sound study area for this OAN.

3.24 The HMA is a popular destination for Greater London out-migrants, and coupled with strong rail links to the City of London, the HMA is likely to be called upon to help address London's housing shortage under the Duty to Cooperate, as set out in the NPPF (see Chapter 9 for further details).

4.0 LOCAL POLICY CONTEXT

4.1 This chapter reviews key local planning policy and evidence base documents relating to housing. First, the key evidence base document – the local authority Strategic Housing Market Assessment – is reviewed, followed by an overview of adopted/emerging LPA local plans and core strategies. A summary of key housing policy and evidence base data can be found in the Chapter's conclusion.

Adopted/Emerging Local Plans and Core Strategies

4.2 The five HMA LPAs each have Local Plans/Core Strategies at different stages of their respective lifecycles, and are summarised below.

Braintree District Council: Core Strategy (September 2011)

4.3 In September 2011, Braintree District Council (BDC) adopted its Core Strategy. Policy CS1 of the Core Strategy outlines the Council's 'Housing Provision and Delivery' plans for the plan period 2009 to 2026. The Council's housing requirement is set at **272 dwellings per annum** (2009-2026). However in his report the Inspector examining the Core Strategy stated the following:

> **"There is an ongoing need for substantial numbers of affordable homes and recent national household projections for the District are well in excess of the planned increase in dwellings. <u>The planned building rate would be less than that based on a zero net migration forecast</u> produced for an intended review of the RS." [17]**
> (Our emphasis)

4.4 Setting a housing target based on <u>less than</u> zero net migration led growth wholly conflicts with the requirements of the NPPF to consider demographic change and migration, and the past trends experienced in the District, which show high levels of net in-migration to the District over the past ten years. Furthermore the housing target is based on out of date evidence underpinning the Regional Strategy from circa 2003.

4.5 Policy CS2 addresses the provision levels of affordable housing within Braintree:

> **"1. <u>A target of 40% affordable housing provision on sites in rural areas</u>, excluding the Parishes of Sible Hedingham and Great**

[17] Paragraph 18, page 6, Report On The Examination Into Braintree District Council Core Strategy Development Plan Document, 28 July 2011

> **Notley and the proposed growth location in the Parish of Rivenhall.**
>
> **2. A target of 30% affordable housing provision on sites in the urban wards of Braintree and Bocking and Witham; including the proposed growth locations and in Halstead, the parishes of Sible Hedingham and Great Notley and the proposed growth location in the parish of Rivenhall."**[18] (our emphasis)

4.6 In Policy CS4, the Council adopted a jobs target of **14,000 new jobs** between 2001 and 2026, in an aim to reduce the number of people commuting outside the District to work.

Chelmsford City Council: The Core Strategy and Development Control Policies Focused Review Development Plan Document (FRDPD, December 2013)

4.7 Chelmsford City Council adopted the Core Strategy and Development Control Policies Focused Review Development Plan Document (FRDPD) in December 2013. The FRDPD acts as a replacement for specific policies and text in the existing Core Strategy and Development Control Policies Document (adopted in 2008). Furthermore, additional text has been included in the FRDPD. The FRDPD does not review the Council's current adopted housing requirement of **700 dwellings per annum (2001 to 2021),** as set out in the existing version of the Core Strategy.

4.8 Policy DC31 of the FRDPD, sets out the Council's plans to accommodate and make amendments to affordable housing provision policy in Chelmsford City. Policy DC31 states that:

> **"The City Council will require the provision of 35% of the total number of residential units to be provided and maintained as affordable housing within all new residential development sites which:**
>
> - **have a capacity of 15 or more dwellings; or**
> - **comprise an area of 0.5 ha or larger; or**
> - **lie within a small rural Defined Settlement and have a capacity for 5 or more dwellings**."[19] (our emphasis)

Colchester Borough Council: Local Plan Focused Review (October 2013)

4.9 In October 2013, Colchester Borough Council (CBC) submitted the Local Plan Focused Review document to the Planning Inspectorate for public examination. This was undertaken to

[18] Policy CS2, Page 51, Local Development Framework – Core Strategy, Braintree District Council, September 2011

[19] Policy DC31, Page 24, Colchester Local Plan: Focused Review of Core Strategy and Development Policies (Draft submission document), Colchester City Council, August 2013

ensure the policies from the Core Strategy (December 2008) are up-to-date and are in line with the NPPF. The Focused Review was adopted on 16th July 2014.

4.10 The Local Plan Review maintains the same housing and employment targets set out in the 2008 Core Strategy. The Council states that in line with the NPPF it will:

> **"promote sustainable development and regeneration to deliver at least 14,200 jobs between 2001 and 2021 and at least 19,000 homes between 2001 and 2023." (our emphasis)**

4.11 The Council states this review is Stage One of its two stage process to review the Local Plan.

4.12 In Policy H4 of the Local Plan, the Council establishes an affordable housing target of 20% of new dwellings built within the Colchester borough.

Maldon District Council: Pre-Submission Local Development Plan 2014-2029 (January 2014)

4.13 Maldon District Council published its Pre-submission Local Development Plan in January 2014 for a six-week consultation period.

4.14 The emerging LDP identifies in Policy S2, that:

> **"To meet the objectively assessed housing need for the District, the Council will plan for a minimum of 4,410 dwellings between 2014 and 2029 (294 per annum) including provision for market housing, affordable housing, housing for an ageing population and other types of housing for specialist needs." (our emphasis)**

4.15 In addition, Policy H1 establishes the affordable housing requirement set by the Council for Maldon District, in which 25%-40% of:

> **"All housing developments that provide a gross of five or more homes, or comprise an area of 0.5 hectares or larger, will be expected to contribute towards affordable housing provision to meet the identified need in the locality and address the Council's strategic objectives on affordable housing."**[20]

4.16 Furthermore, the Council highlights its ambitions for economic growth in the District by stating that:

[20] Policy H1 – Affordable Housing, Page 78, Pre-Submission Local Development Plan 2014-2029, Maldon District, January 2014

> **"The Council will encourage employment generating developments and investment in the District to support the long term growth vision outlined in the Council's Economic Prosperity Strategy (EPS). A minimum of 2,000 net additional jobs will be created in the District by 2029 through the regeneration, modernisation and expansion of existing employment sites, and through the provision for new employment sites at the strategic allocations and South Maldon Garden Suburbs and other high quality and sustainable locations."**[21] **(our emphasis)**

Tendring District Council: Pre-submission Focussed Changes to the Local Plan (November 2013)

4.17 In November 2013, the Full Council for Tendring District Council agreed on a number of changes to the Local Plan, these changes were incorporated into the 'Pre-submission Focussed Changes to the Local Plan', before submission to the Planning Inspectorate for examination in 2015.

4.18 One of the major changes to the emerging Plan is the change in plan period to 2014-2029. Moreover, the vision of the emerging Local Plan is that:

> **"In 2029, Tendring will be a vibrant, healthy and attractive place to live, work and visit. It will have a thriving, resilient and prosperous economy making sustainable use of its natural and historic assets, maritime connections and popularity as a visitor destination."**[22]

4.19 Policy PEO1 'Housing Supply' proposes an additional 5,625 dwellings over the plan period 2014-2029, in order to support economic growth and according to the Council *'meet, as far as is sustainable, achievable and practical, objectively assessed requirements for future housing in the district'*.[23] In addition, the emerging local plan seeks to deliver at least 5,000 new jobs 2014-2029.

4.20 In Policy PEO10, the Council seeks to accommodate provision for council housing which will work effectively as a vehicle to provide affordable rented housing, to **'address the housing needs of people and families with lower incomes who cannot afford to buy or rent housing on the open market'**[24]. In which case, the Council will manage and control this

[21] Policy E1 – Employment, Page 63, Pre-Submission Local Development Plan 2014-2029, Maldon District, January 2014

[22] A Positive Vision for the Tendring District, Page 21, Draft Tendring Local Plan (further changes), Tendring District Council, January 2014

[23] Policy PEO1: Housing Supply, Page 70, Draft Tendring Local Plan (further changes), Tendring District Council, January 2014

[24] Policy PEO10: Council Housing, Page 86, Draft Tendring Local Plan (further changes), Tendring District Council, January 2014

form of new 'Council Housing' either on its own or in partnership with registered providers. In the context of Council Housing, the Council seeks:

> **"For development proposals involving the creation of 10 or more (net) dwellings, the Council will expect 25% of new dwellings, (including conversions) to be made available to Tendring District Council or its nominated partner(s) to acquire at a proportionate discounted value for use as Council Housing.**
>
> **As an alternative, the Council will accept a minimum 10% of new dwellings, (including conversions) to be made available to Tendring District Council or its nominated partner(s) to acquire at a proportionate discounted value for use as Council Housing alongside a financial contribution toward the construction or acquisition of property for use as Council Housing (either on the site or elsewhere in the district) equivalent to delivering the remainder of the 25% requirement."[25]** (our emphasis)

Strategic Housing Market Assessments

4.21 The Strategic Housing Market Assessment (SHMA) is one of the key evidence base documents upon which a local authority's housing development policies are based. In 2013/14, four of the five HMA authorities (Braintree, Chelmsford, Colchester and Maldon) plus Brentwood (which falls outside of the HMA) jointly commissioned David Couttie Associates (DCA) to carry out a new SHMA. The remaining HMA authority, Tendring, commissioned a separate SHMA update (following on from an original 2008 study) from Fordham Research, which was published in May 2013.

Braintree District, Chelmsford City, Colchester Borough and Maldon District Councils – Strategic Housing Market Assessments (2014)

4.22 The new SHMAs for Braintree, Chelmsford, Colchester and Maldon were published as individual reports, and although the authorities were said to have cooperated with each other, it is stressed in the introduction that the SHMAs are "not intended to be a sub-regional study"[26]. DCA also contend that the LPAs each constitute single market areas on the basis of migration and commuting self-containment (based on 2001 Census data), which in terms of commuting is as low as 51% in Maldon. This approach is contrary to the CURDS HMA definition and independent verification discussed in Chapter 3 of this study.

[25] Policy PEO10: Council Housing, Page 86, Draft Tendring Local Plan (further changes), Tendring District Council, January 2014

[26] DCA, Colchester SHMA, p.15

4.23 Each of the four DCA SHMAs follows a similar format, taking into account the overall need for housing (based on modelling carried out by Edge Analytics) and the need for affordable housing, in addition to providing detail on several other housing market characteristics. As such, the assessments are considered together.

Objective Assessment of Overall Housing Need

4.24 The four DCA SHMAs draw on research carried out by Edge Analytics on behalf of the Essex Planning Officers Association (EPOA). Although further modelling work has recently been published (in September 2014), the SHMAs draw on earlier work published in June 2012. As a result, the figures quoted in the DCA SHMAs are out of date by a considerable margin, and do not take into account ONS and CLG estimates of population and households published in the interim.

4.25 The annual housing need figure quoted for three of the four authorities (Chelmsford, Colchester and Maldon) is based on the '2010-R' scenario, which constrains population growth to the 2010-based ONS SNPP (with 'scaled' headship rate adjustments). Braintree's figure on the other hand is based on an economic-led scenario ('Economic-R'), meaning that job creation forecasts are taken into account.

4.26 The approach taken in the DCA SHMAs cannot be considered to represent a full objective assessment of housing need as established in national policy and guidance, as it is based on out-of-date data and takes an inconsistent approach (between the four LPAs) to accounting for economic growth. Indeed, Paragraph 4.10.10 of the Braintree report states that the figure is intended to represent a "starting point to estimate future housing requirements"[27].

4.27 The annualised housing requirement figures quoted in the DCA SHMAs are summarised in Table 4.3 in the conclusion section of this chapter.

Market Signals

4.28 Section 6 of the DCA SHMA reports, entitled 'The Active Market', provides a detailed overview of some of the key Market Signals described in the PPG, but stops short of directly addressing the underlying issues.

4.29 The period over which these indicators are analysed (2007-2012) also disguises the key issue of worsening affordability. House price growth is shown to have remained relatively muted

[27] Braintree District Council, Strategic Housing Market Assessment, p.42

(and in the case of Maldon and Braintree prices were shown to have fallen), and there is no acknowledgement of relative affordability issues (prices compared to incomes). However, analysis set out in Chapter 7 of this study clearly demonstrates a worsening over the longer term.

4.30 No formal acknowledgement is made to the PPG's references to market signals – a further indication that the SHMAs do not constitute full objective assessments of housing need.

Affordable Housing Need

4.31 All four of the DCA SHMAs also provide affordable housing need assessments, which have been carried out using the 'CLG Needs Assessment Model' methodology as set out in the 2007 SHMA guidance.

4.32 The assessments are carried out in three stages. The first stage, Current Housing Need, identifies the number of households that are currently homeless or living in overcrowded/unsuitable accommodation. The second stage, Future Need, estimates the number of newly forming households (stemming from the Edge Analytics/EPOA research) that are expected to be unable to afford market housing. This is based on analysis of house prices and household income distribution. The final stage, Affordable Housing Supply, estimates the number of affordable dwellings expected to become available through re-lets or through new development.

4.33 The output is two scenarios – one where the backlog of affordable need is met within 5 years, and another where the backlog is met within 15 years.

Summary

4.34 The DCA SHMAs relating to Braintree, Chelmsford, Colchester and Maldon are detailed studies, but ultimately do not provide full objective assessments of housing need. As such, any future local plans using these SHMAs within their evidence bases are likely to require further work to be done to provide full NPPF-compliant assessments of need.

4.35 The affordable need assessments contained in the SHMAs represent the most up-to-date evidence on affordable housing need provided by the HMA LPAs. As such, the results have been incorporated into the affordable housing provision test carried out in Chapter 9.

Tendring District Council – Strategic Housing Market Assessment (May 2013)

4.36 Tendring was the only authority of the five not to commission a new SHMA from DCA. Instead, the council opted to commission an update to its 2008 SHMA from HDH Planning and Development, and the findings were published in May 2013.

4.37 As with the DCA SHMAs, the Tendring SHMA draws on modelling undertaken by Edge Analytics, as well as the CLG Household projections that were available at the time (2008-based). The SHMA acknowledges that the household projections indicate a need for 1,100 dwellings per annum, but dismisses this figure as 'wholly unrealistic' due to it being significantly in excess of pre-recession delivery rates[28]. The SHMA concludes that the full, objectively assessed housing need for Tendring is 685 dwellings per annum, 2013-29.

4.38 As with the DCA SHMAs, the Tendring SHMA employs the CLG needs assessment model to identify the number of affordable units required per annum. The SHMA considers two scenarios – one strictly following the CLG methodology, and another with less onerous affordability criteria. Under the 'strict' methodology, net affordable need per annum is estimated at 2,474 per annum, whilst under the more lenient methodology need is estimated at just 177 per annum. This highlights the sensitivity in the assumptions made.

4.39 Given that the SHMA was published prior to the either the 'beta' National Planning Practice Guidance (NPPG) or final PPG being released, there is no specific assessment of market signals.

Edge Analytics/Essex Planning Officers Association Demographic Forecasts

4.40 As stated above, the five LPA SHMAs have drawn on a June 2012 report from Edge Analytics/Essex Planning Officers Association as the source of their objectively assessed housing need figures. More recently (in September 2014), a further report (Phase 6) was published detailing the results of a new phase of forecasting, covering the period 2012-37. Phase 6 was the first to incorporate the ONS 2012-based SNPP.

4.41 The September 2014 report provides a number of scenarios across two models – one based on the 2008-based CLG Household Projections, and another based on the Interim 2011-based CLG Household Projections. Tables 4.1 and 4.2 below summarise the model outputs for the five HMA LPAs.

[28] Tendring District Council, Strategic Housing Market Assessment Update – May 2013, p.69

Table 4.1: EPOA Phase 6 Forecasts – Option A: 2011-based CLG Household Model (Dwellings per Annum)

Scenario	Braintree	Chelmsford	Colchester	Maldon	Tendring
Jobs	857	1,238	1,031	324	791
Employed People	837	1,204	996	310	795
Migration-led 10yr	674	635	884	196	525
Migration-led 10yr X	651	613	976	223	791
SNPP-2010	725	702	1,156	255	905
SNPP-2012	653	661	867	193	689
Migration-led 5yr	604	624	870	154	284
Migration-led 5yr X	578	603	948	185	530
Natural Change	217	393	550	-33	-224
Net Nil	200	371	432	-35	-145

Source: Edge Analytics/EPOA – Phase 6 (September 2014)

Table 4.2: EPOA Phase 6 Forecasts – Option B: 2008-based CLG Household Model (Dwellings per Annum)

Scenario	Braintree	Chelmsford	Colchester	Maldon	Tendring
Jobs	919	1,289	1,059	365	794
Employed People	898	1,254	1,023	351	799
Migration-led 10yr	733	676	906	233	526
Migration-led 10yr X	709	653	1,000	261	793
SNPP-2010	785	742	1,174	293	902
SNPP-2012	710	699	891	231	693
Migration-led 5yr	661	659	891	192	287
Migration-led 5yr X	634	637	970	224	533
Natural Change	281	429	547	10	-226
Net Nil	244	401	446	-3	-142

Source: Edge Analytics/EPOA – Phase 6 (September 2014)

4.42 In most cases, the 'Jobs' scenario produces the highest housing requirement. Given that only the Braintree SHMA draws on an economic-led forecast, it is unlikely that the OANs drawn on by the other SHMAs will adequately support economic growth.

Chapter Summary

4.43 Although all five of the HMA LPAs have commissioned new SHMAs or SHMA updates since the publication of the NPPF, it is considered that none of them provide full objective assessments of housing need, either for their subject districts or for the wider HMA. All five are based on

out-of-date modelling from Edge Analytics, despite some of the new SHMAs being published in mid-2014.

4.44 Although affordable need is generally assessed within the methodology set out by CLG in 2007, there appears to be little more than superficial acknowledgement of the provisions made in the PPG regarding uplifts to housing numbers on grounds of affordable housing provision or adverse market signals.

4.45 Table 4.3 below summarises the key policy data relating to housing for the five LPAs:

Table 4.3: Key Housing Policy Data

	Braintree	Chelmsford	Colchester	Maldon	Tendring
Date of most recent plan	September 2011	December 2013 (focused review)	July 2014 (focused review)	January 2014	November 2013
Status	Adopted	Adopted	Adopted	Emerging	Emerging
Plan Period	2009-26	2001-21	2001-23	2014-29	2014-29
Adopted/Emerging Annual Housing Target	272	700	830	294	375
East of England RSS Housing Target	385	800	855	120	425
Affordable Housing Policy % (major schemes)	30-40%	35%	35%	25-40%	25%
SHMA Housing Requirement	824	758	1,244	294	685
SHMA Affordable Need	399	331	334	182	177 - 2,474

Source: LPA Local Plans, East of England RSS

4.46 With the exception of Maldon, all of the LPAs above have adopted/emerging housing targets which are lower than the overall housing requirements set out in the SHMAs. Four of these five targets are also below the figure set out in the former East of England Regional Spatial Strategy.

5.0 DEMOGRAPHIC TRENDS AND PROJECTIONS

5.1 This chapter reviews key demographic data relating to the assessment area, including past trend analysis (looking at change between 2001 and 2011 censuses) and official forecasts. Official estimates and projections of demographic change provide an important starting point from which a full objective assessment of need can be carried out.

Past Trends and Current Estimates

Population

5.2 Table 5.1 shows the populations of the five LPAs and CHMA as a whole at the time of the 2001 and 2011 Censuses and establishes the percentage change between census years.

Table 5.1: Population Growth between Census Years

	2001 Census	2011 Census	% Change
Braintree	132,169	147,084	11%
Chelmsford	157,060	168,310	7%
Colchester	155,795	173,074	11%
Maldon	59,418	61,629	4%
Tendring	138,545	138,048	0%
CHMA	**642,987**	**688,145**	**7%**

Source: ONS, 2001 & 2011 Census

5.3 Over the 10 years, Braintree and Colchester demonstrated the largest growth in population (both 11%) in the HMA, followed by Chelmsford (7%). The population in Tendring declined marginally over the decade. Comparing growth against national average (7.9%), CHMA has grown more slowly, due to low population growth in Maldon and Tendring.

Households

5.4 Similar past trend analysis for household growth is demonstrated in Table 5.2.

Table 5.2: Household Growth between Census Years

	2001 Census	2011 Census	% Change
Braintree	54,329	61,043	12%
Chelmsford	64,570	69,667	8%
Colchester	63,706	71,634	12%
Maldon	24,187	25,817	7%
Tendring	61,415	62,105	1%
CHMA	**268,207**	**290,266**	**8%**

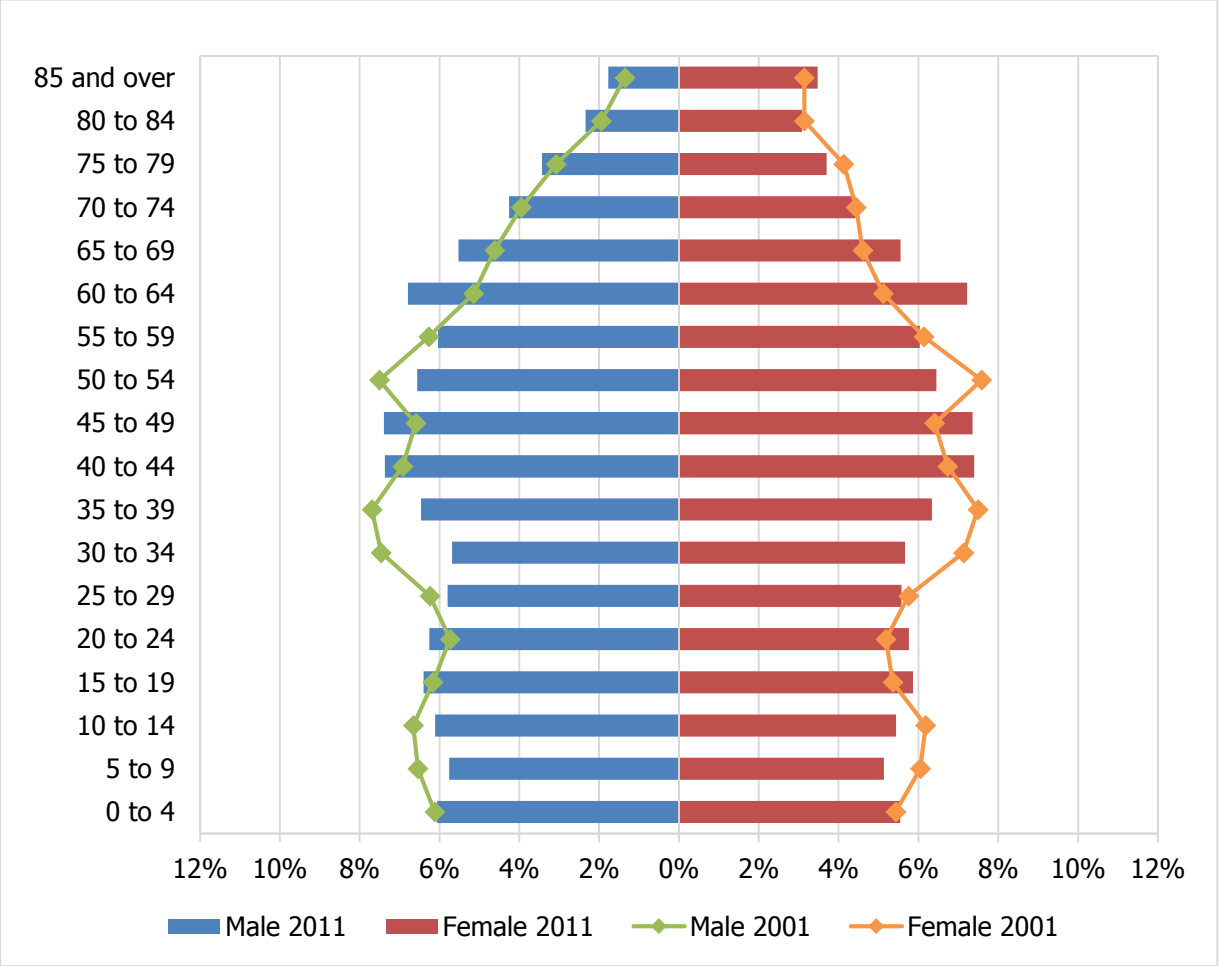
Source: ONS, 2001 & 2011 Census

5.5 Household growth has followed a similar pattern to population growth, with Braintree and Colchester growing the most between censuses. At HMA level, the rate of household growth was marginally higher than population growth. Between 1981 and 1991 censuses, the number of households in CHMA grew by 19%, and between 1991 and 2001 the growth rate was 14%.

Age

5.6 Figure 5.1 below shows the age structure of CHMA in 2011 (represented by the bars) compared against the age structure in 2001 (represented by the lines).

Figure 5.1: Age Structure – Census 2001 vs. Census 2011

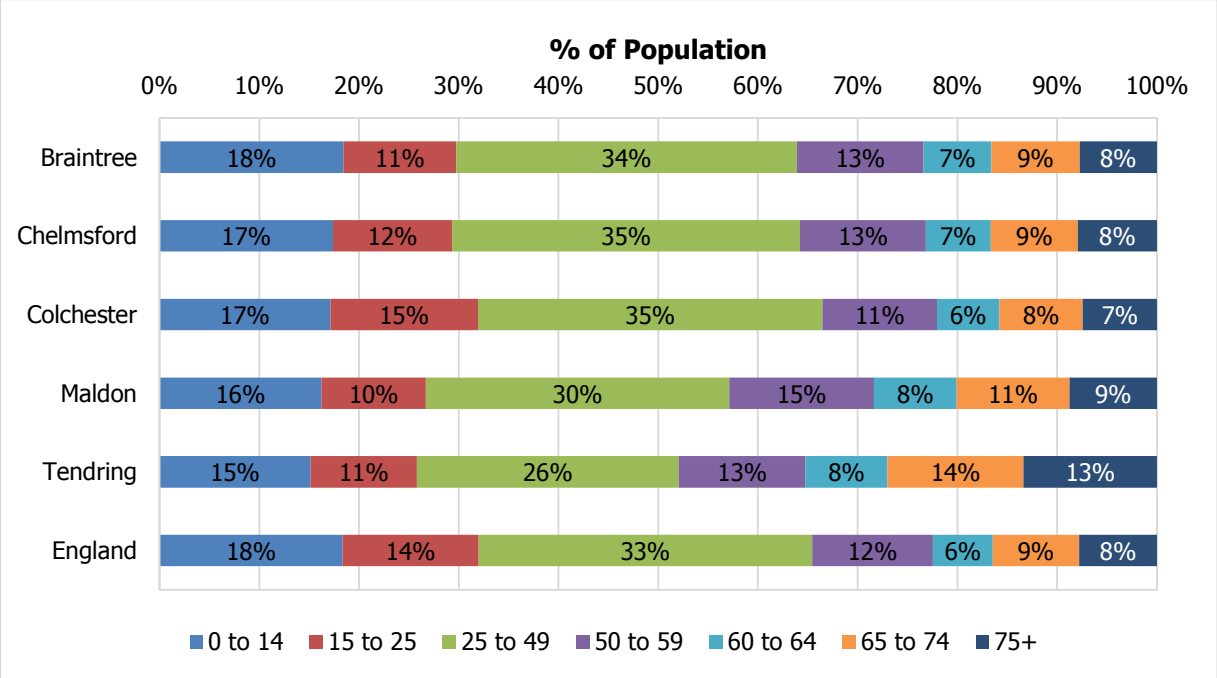


Source: ONS, Census 2001/2011

5.7 CHMA, much like the rest of the county, is ageing, with higher proportions of people of early retirement age (60-69) than in 2001. Likewise, the large cohort aged 30-39 in 2001 are now aged 40-49; by the end of the plan period, this cohort will be reaching retirement age.

5.8 Figure 5.2 below shows the age profile of the five constituent LPAs in 2011.

Figure 5.2: Age Profile of Constituent LPAs – Census 2011



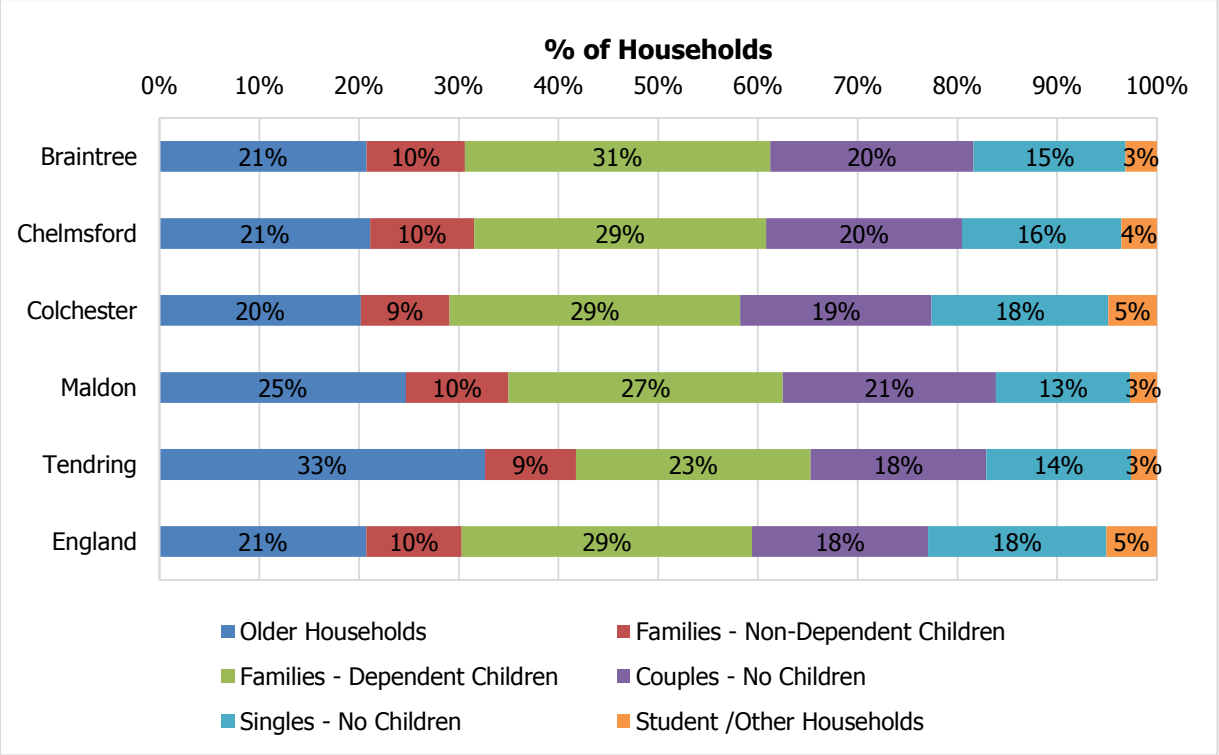
Source: ONS, Census 2011

5.9 Maldon and Tendring demonstrate significantly older age profiles than the remaining three LPAs and national average, with very low proportions of 25 to 49s. In the context of an aging population, these are likely to suffer as a result of a declining labour force.

Household Composition

5.10 Figure 5.3 below summarises household composition within CHMA, derived from Census 2011 data.

Figure 5.3: Household Composition of Constituent LPAs – Census 2011



Source: ONS, Census 2011

5.11 As demonstrated in the age profile analysis, Figure 5.3 also shows that Maldon and Tendring have high proportions of older households and low proportions of Families. Colchester, which is home to the University of Essex, has the highest proportion of Student/other households.

Migration

5.12 The most recent ONS mid-year estimates (revised in the light of the 2011 Census) demonstrate a trend for significant net in-migration to CHMA over the past decade, equating to 4,972 people per annum over the period 2002/03 to 2011/12. Table 5.3 below summarises this trend.

5.13 In comparison to this, the ONS 2012-based SNPP projects forward net migration of 4,572 people per annum across the HMA as a whole, around 8% lower than the long term trend.

Table 5.3: Net Migration into CHMA, 2002/3 to 2011/12

	Braintree	Chelmsford	Colchester	Maldon	Tendring	CHMA
2002/03	1,270	1,053	1,232	273	2,502	6,330
2003/04	1,313	1,533	1,533	483	2,351	7,213
2004/05	1,330	470	3,327	435	2,092	7,654
2005/06	1,274	-515	1,675	385	2,057	4,876
2006/07	754	-191	1,648	589	1,955	4,755
2007/08	965	-174	1,870	423	1,687	4,771
2008/09	149	378	697	220	985	2,429
2009/10	679	453	2,276	185	1,197	4,790
2010/11	858	331	1,497	31	884	3,601
2011/12	448	190	1,608	256	802	3,304
Long Term Trend (pa)	**904**	**353**	**1,736**	**328**	**1,651**	**4,972**

Source: ONS, Mid-Year Population Estimates

Future Projections

Office for National Statistics (ONS) Sub-national Population Projections

5.14 Table 5.4 sets out the official ONS SNPP in chronological order from the 2008-based series to the most recent 2012-based series (published in May 2014). The Interim 2011-based SNPP was the first projection data supplied since the 2011 Census was published in July 2012. For consistency, growth is shown per annum over the period 2011-21 (the 'interim' 2011-based series only extended to this end year).

Table 5.4: Sub National Population Projections – Growth per Annum

	2008-based series, 2011-2021	2011-based series (Interim), 2011-2021	2012-based series, 2011-2021
Braintree	1,660	1,500	1,200
Chelmsford	1,930	1,200	1,100
Colchester	3,100	2,600	1,900
Maldon	650	500	300
Tendring	1,840	1,900	800
CHMA	**9,180**	**7,700**	**5,300**

Source: ONS, Sub-national Population Projections

5.15 The 2011-based SNPP demonstrated a lower level of population growth than the 2008-based series for CHMA, and the 2012-based series shows lower growth still. The overall annualised

growth figure based on the 2011 series was 16% lower than the 2008-based projection. Over the same period, the 2012-based series projects 31% lower population growth than the 2011-based series.

5.16 These latest projections represent an important piece of information in determining future population growth, and associated demands on housing. There are, however, two fundamental issues which cast doubt on the reliability of these projections:

- They are based upon recent trends in population change which have been heavily influenced by the recent recession. The extent to which the projections are representative of longer term population change over a series of economic cycles is questionable.

- They reflect the 2012-based national projections in assuming net international migration of 150,000 people per annum across England. However, as a consequence of the recently revised international migration estimates, both the 2012-based national and sub national population projections are considered to significantly underestimate net international migration trends. Net international migration totalled 212,000 in 2013, some 62,000 higher than the latest sub national population projections assume in 2013.

Communities and Local Government (CLG) Household Projections

5.17 As demonstrated by Table 5.5, the CLG-produced, 2011-based household projections indicate that a lower level of household growth is anticipated by the Interim 2011-based projections than was indicated by the 2008-based series. The annualised growth figure based on the 2011 series is 25% lower than the 2008-based projection. At the time of writing, the household projections accompanying the 2012-based SNPP had not yet been released.

Table 5.5: CLG Household Projections

	2008-based series, 2011-2031	2011-based series (Interim), 2011-2021
Braintree	1,000	800
Chelmsford	1,100	600
Colchester	1,600	1,200
Maldon	400	300
Tendring	1,100	1,000
CHMA	**5,200**	**3,900**

Source: CLG, Household Projections

5.18 The household formation rates underpinning the latest 'interim' CLG 2011-based household projections are considered to be unrealistically low in the younger age groups when compared to the previous 2008-based CLG projections. This comparison is set out by the ONS in Table 5.6. It shows how 26,300 fewer households per annum are projected to be formed in England in the 25-34 age group alone. Incorporating the 35-44 age group (7,500 less households per annum) this would sum to a total of 33,800 fewer new households being formed in the 25-44 age group per annum.

5.19 This reduction in household formation in the younger age groups is due to the 'Interim' 2011-based CLG projections being underpinned by recessionary trends over the past five years. It is not expected that these recessionary trends will continue in the long-term, and in this context it is not considered prudent to plan on this basis over a 15 to 20-year period, particularly in the context of the NPPF's aspirations to 'boost significantly the supply of homes', 'promote economic growth' and encourage positively prepared Local Plans.

Table 5.6: Household growth in England per annum, 2011-2021: Interim 2011-based CLG household projections vs. 2008-based CLG household projection

Age of Household Representative Person	2011-based projection Average annual change 2011-2021	2008-based projection Average annual change 2011-2021	Difference*
Under 25	-2,000	-6,000	3,200
25-34	23,000	49,000	-26,300
35-44	15,000	22,000	-7,500
45-54	17,000	11,000	6,600
55-64	50,000	47,000	3,100
65-74	46,000	48,000	-2,500
75-84	40,000	41,000	-1,400
85+	32,000	33,000	-200
All households	**221,000**	**245,000**	**-24,900**

*Indicative values; Source: Table 8, Page 17, CLG Housing Statistical Release, 9 April 2013

5.20 Indeed the Planning Advisory Service (PAS) (10 July 2013) published 'Ten principles for owning your housing number: finding your objectively assessed needs', and state the following (paragraph 6, page 6) in respect of the use of projections when formulating housing targets as part of an NPPF-compliant objective assessment:

> **"caution should be applied if the trends experienced in the past five years reflect a period of particular economic decline or likewise economic buoyancy. Projecting forward a recessionary trend may lead to concealed households not being catered for and an underestimate of the true level of household change. It is also important to understand how this may impact on any economic**

> **recovery and growth ambitions that the council have."**[29] (Our emphasis)

5.21 The guidance of the PAS has been reinforced by the PPG, which states the following in respect of the CLG household projections:

> **"Household projections published by the Department for Communities and Local Government should provide the <u>starting point</u> estimate of overall housing need."**[30] (Our emphasis)

5.22 This clarifies that CLG household projections should be the starting point for an objective assessment of need. As we have set out above the latest 'Interim' 2011-based CLG household projection is underpinned by low household formation rates due to recessionary conditions. In this respect the PPG goes on to state the following:

> **"The household projection-based estimate of housing need <u>may require adjustment</u> to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing."** [31] (Our emphasis)

5.23 It is therefore considered that the household formation rates of the 2008-based CLG household projections remain of value in assessing future household growth, assisting in providing the sensitivity testing referred to in the PPG. In this context we provide modelling based on the 'interim' 2011-based projections up to 2021 (the extent of the projection series), with a return to the 2008-based CLG household formation rates post-2021, in Section 7 of this study. This is considered a prudent approach, as pre-recessionary trends in household formation could return before 2021.

Chapter Summary

5.24 CHMA as a whole has experienced a similar rate of population growth to the national average. The most recent population projections from the ONS (2012-based) predict a lower rate of population growth (5,300 people per annum) than the previous set of projections (2011 – 7,700 people per annum).

[29] Page 6, Ten key principles for owning your housing number – finding your objectively assessed needs, Local Government Association, July 2013
[30] Paragraph: 015 Reference ID: 2a-015-20140306, Planning Practice Guidance, 06 March 2014
[31] Paragraph: 015 Reference ID: 2a-015-20140306, Planning Practice Guidance, 06 March 2014

5.25 Trends in net migration observed over the last 10 years indicate an average of 4,972 people move into the HMA each year. This is around 10% higher than the net migration component of the 2012-based SNPP. As such, it is important that both are taken into account when carrying out demographic-led modelling for the HMA.

5.26 Analysis of the household formation rates underpinning the 'interim' 2011-based CLG household projections indicates a high level of suppressed household formation when compared with the previous 2008-based projection, particularly within the 25-34 age group. This has been taken into account in the modelled need chapter of this study (Chapter 8).

6.0 ECONOMIC TRENDS AND FORECASTS

6.1 The relationship between job growth and housing supply is important especially in light of an ageing population, with potential to frustrate job growth or increase commuting if too few houses are built to support growth. The PPG clearly identifies the responsibility placed on local authorities to consider economic growth and the link with housing requirements:

> **"Plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area."** [32]

Past Trends

6.2 Table 6.1 below shows the growth in number of jobs within CHMA between census years.

Table 6.1: Total Workforce Jobs (thousands) 2001 – 2011

	2001	2011	Total Change 2001-11	Per Annum	% Change 2001-2011
Braintree	52,657	57,232	4,575	458	8.7%
Chelmsford	84,584	95,927	11,343	1134	13.4%
Colchester	81,342	87,068	5,726	573	7.0%
Maldon	21,173	22,311	1,138	114	5.4%
Tendring	38,427	42,332	3,905	391	10.2%
CHMA	**278,183**	**304,870**	**26,687**	**2,669**	**9.6%**

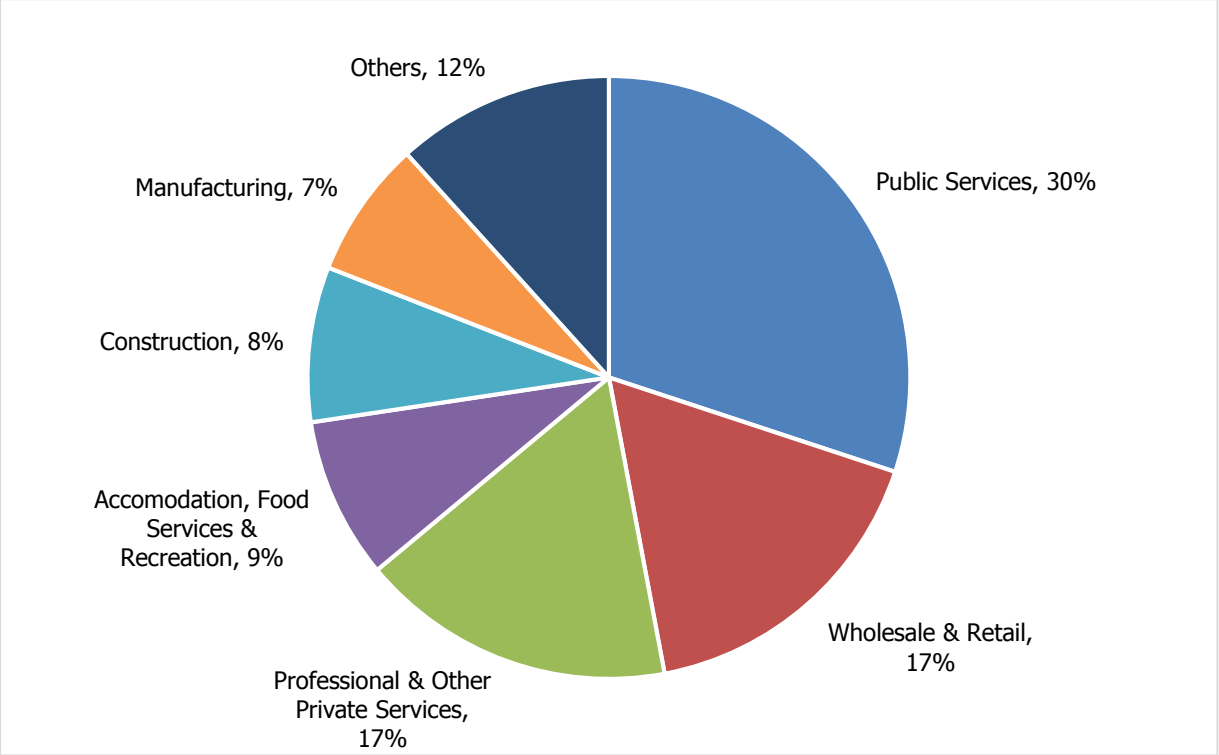
Source: Experian Economics, June 2014 RPS (Local Market Quarterly)

6.3 Between 2001 and 2011, the number of workforce jobs increased by an estimated 26,687 (9.6% growth). This level of growth was significantly above national average (4.8%). Chelmsford experienced the highest growth in jobs, both in percentage and absolute terms.

6.4 Figure 6.1 below shows the profile of employment by industry across CHMA in 2011.

[32] Paragraph: 018 Reference ID: 2a-018-20140306, Planning Practice Guidance, 06 March 2014

Figure 6.1: Workplace Employment by Industry (2011)



Source: Experian Economics, March 2013 RPS (Local Market Quarterly)

6.5 Public Services, Professional & Other Private Services and Wholesale & Retail are the three largest employment sectors in CHMA, accounting for a total of 64% of employment. Other significant industry sectors include Accommodation, Food Services & Recreation (9%), Construction (8%) and Manufacturing (7%).

Forecasts

6.6 This study draws on job growth forecasts from Experian Economics, which provide employment projections (total workforce jobs) to the year 2031, in order to estimate likely future employment levels in CHMA.

6.7 The Experian Economics forecasts represent a 23.9% uplift (72,797 jobs) on 2011 workforce job levels, which equates to 1.1% per annum. This represents a significant increase over past trends, and indicates that the HMA should perform strongly as the economy returns to pre-recession growth rates.

6.8 Table 6.2 below summarises the potential number of jobs created in each district according to the Experian Economics forecasts.

Table 6.2: Experian Economics Job Forecasts

	2011	2031	Total Change 2011-31	Per Annum	% Change 2011-2031
Braintree	57,232	70,525	13,293	665	23.2%
Chelmsford	95,927	116,755	20,828	1041	21.7%
Colchester	87,068	109,124	22,056	1103	25.3%
Maldon	22,311	26,733	4,422	221	19.8%
Tendring	42,332	54,530	12,198	610	28.8%
CHMA	**304,870**	**377,667**	**72,797**	**3,640**	**23.9%**

Source: Experian Economics, March 2014 RPS (Local Market Quarterly)

6.9 All five HMA LPAs are expected to show strong growth. Chelmsford and Colchester, which incorporate the HMA's two largest settlements, are expected to deliver in excess of 1,000 workforce jobs per annum.

Economic Activity Rates

6.10 According to the 2011 census there were 310,150 economically active residents of working age living within CHMA at the time of the survey – 76% of all working age people. Of those economically active, i.e. residents actively participating in the labour market, 21,475 people were unemployed – 6.5% unemployment. Table 6.3 below compares economic activity rates for CHMA against benchmarks for the region and England.

Table 6.3: Economic Activity Rates – 2011 Census

	Working Age Pop.	Economically Active:			Economically Inactive
		Total	Employed	Unemployed	
Braintree	88,516	83.6%	94.0%	6.0%	16.4%
Chelmsford	103,255	83.5%	94.4%	5.6%	16.5%
Colchester	108,372	79.7%	93.4%	6.6%	20.3%
Maldon	35,803	82.3%	94.8%	5.2%	17.7%
Tendring	72,140	76.9%	91.0%	9.0%	23.1%
CHMA	408,086	81.3%	93.5%	6.5%	18.7%
East	3,523,104	81.3%	93.5%	6.5%	18.7%
England	32,713,954	78.9%	92.3%	7.7%	21.1%

Source: ONS, Census 2011

6.11 Unemployment is currently in line with the regional average, and below national average. For the purpose of this assessment, it has been assumed that a decrease in unemployment will take place between the start of the study period (2011) and 2021. This reduction would bring unemployment down to 5% at HMA level – a realistic target slightly above the pre-recession average of 4.5% (according to modelled backcast data from Experian Economics).

Chapter Summary

6.12 It is important that economic growth (and therefore job creation) is not undermined by insufficient housing being built to accommodate a growing workforce. The total number of workforce jobs in CHMA grew by 10% between 2001 and 2011, and forecasts suggest an average of 3,640 additional jobs will be created per year between 2011 and 2031.

6.13 These employment forecasts have been incorporated into the objective assessment of housing need, and are compared against growth in workforce capacity arising from the demographic modelling exercise in Chapter 8.

7.0 HOUSING CHARACTERISTICS AND MARKET SIGNALS

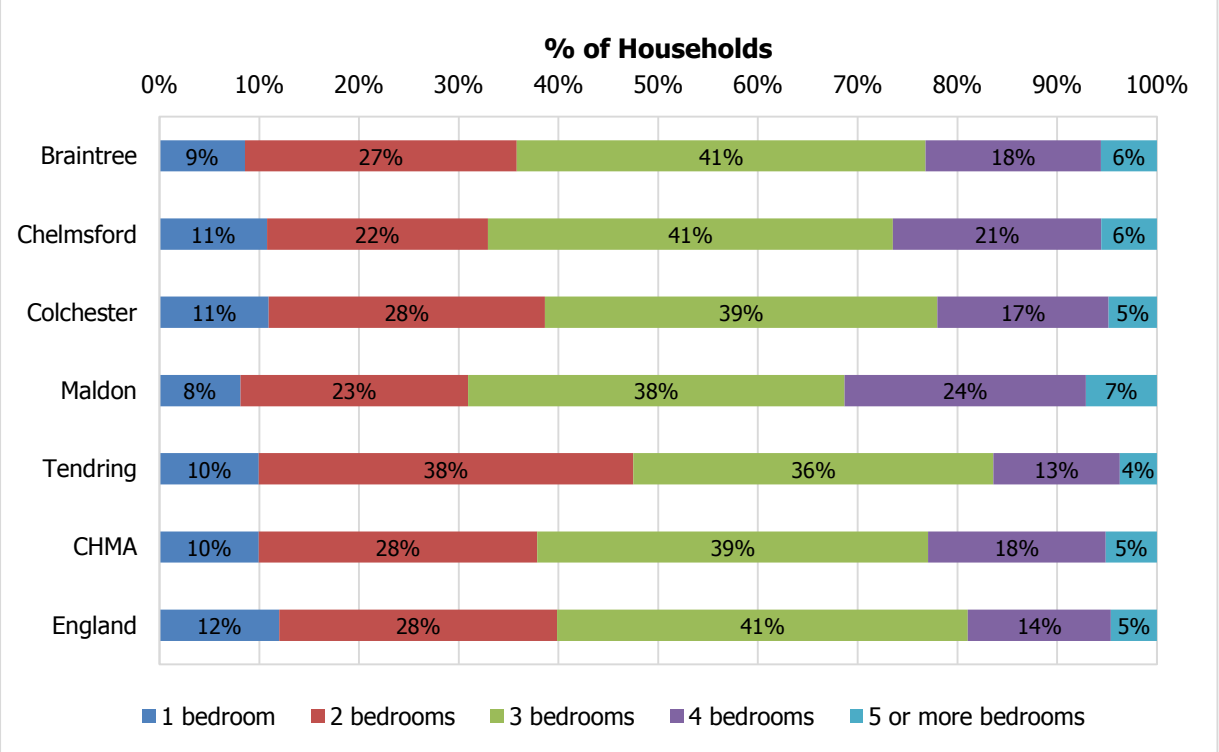
7.1 This chapter analyses in detail the key characteristics and trends relating to the CHMA housing market, and identifies the extent to which the supply of dwellings over recent years has kept pace with demand. The findings of this analysis inform the extent to which the Objective Assessment of Housing Need for CHMA may need to be adjusted to take into account market dysfunction observed through analysis of market signals.

Housing Characteristics – 2011 Census

Number of Bedrooms

7.2 Figure 7.1 below shows the size profile of dwellings occupied by CHMA households and constituent LPAs, according to the 2011 Census.

Figure 7.1: Number of Bedrooms – 2011 Census



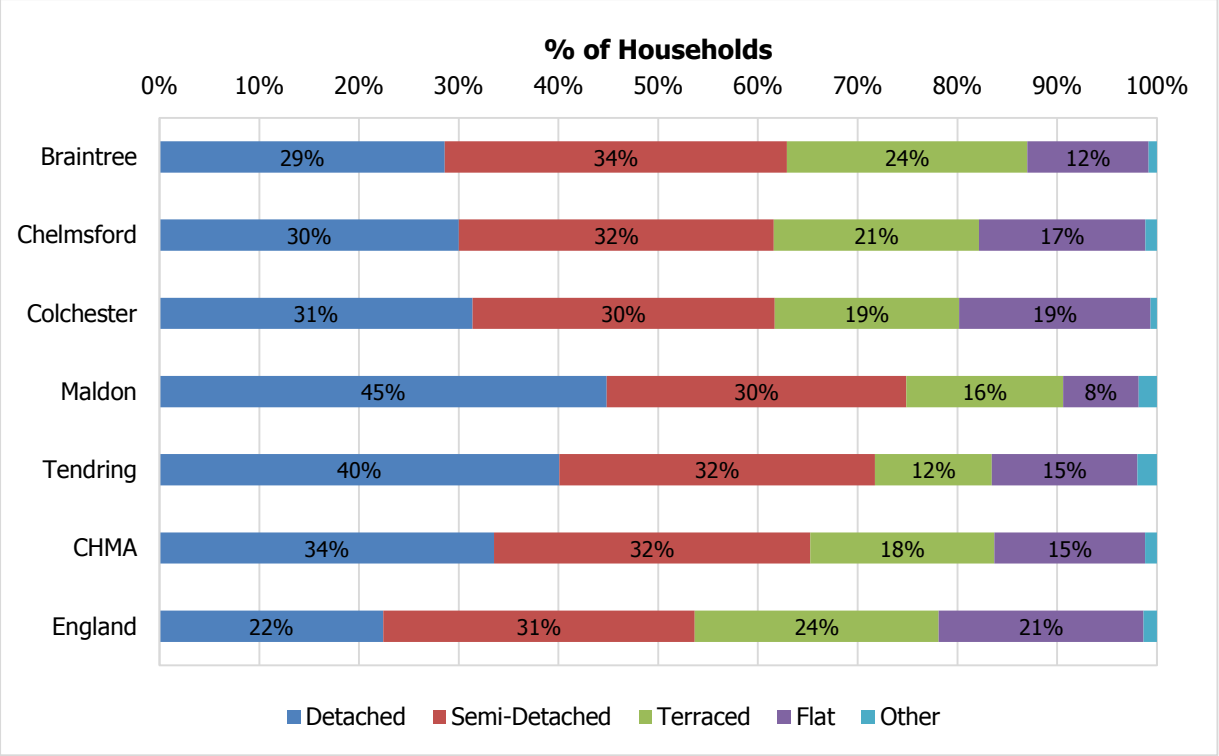
Source: ONS, Census 2011 (Table DC1402EW)

7.3 At HMA level, the average dwelling size (by number of bedrooms) is broadly similar to national average. Tendring has a very high proportion of 2-bed properties, potentially due to the large number of older households.

Type

7.4 Figure 7.2 shows the profile of dwelling types occupied by CHMA households, compared against the average for England.

Figure 7.2: Type of Dwelling - 2011 Census



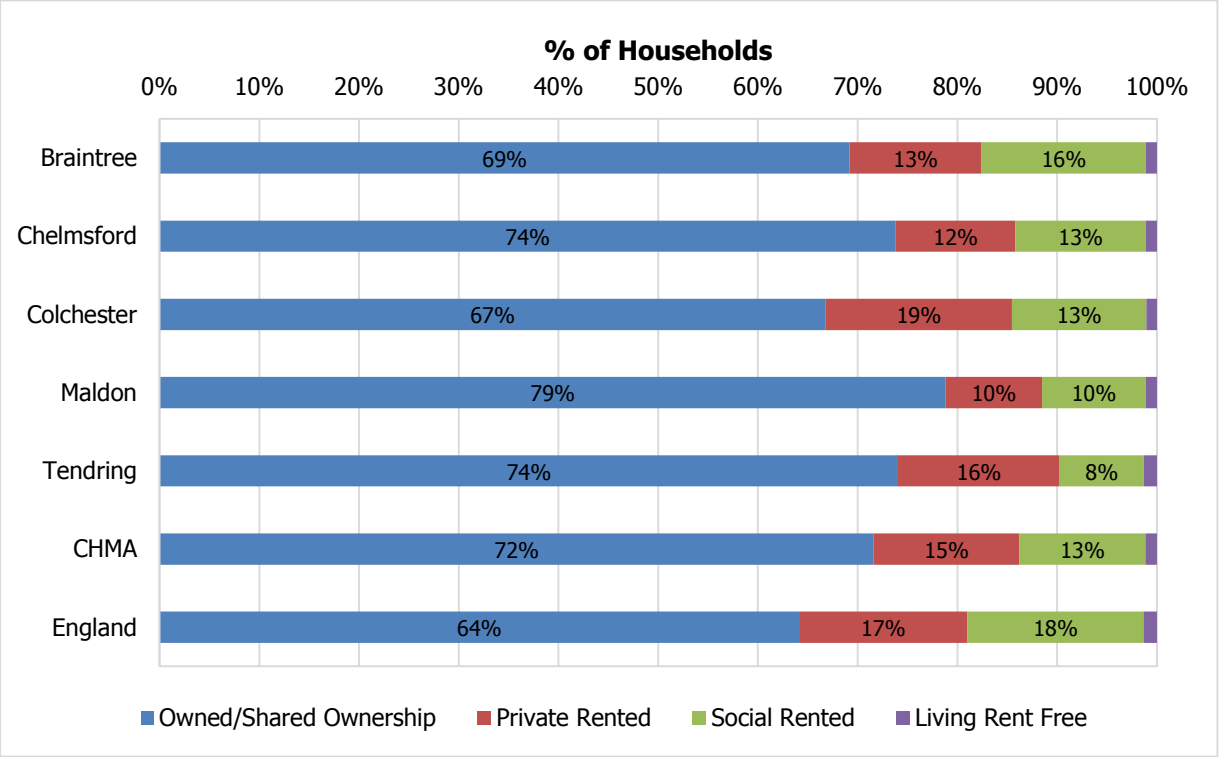
Source: ONS, Census 2011 (Table KS401EW)

7.5 Compared against national average, CHMA has a higher proportion of households living in detached properties (significantly higher in Maldon and Tendring).

Tenure

7.6 Figure 7.3 shows the profile of tenure within CHMA, again compared against national average.

Figure 7.3: Household Tenure - 2011 Census



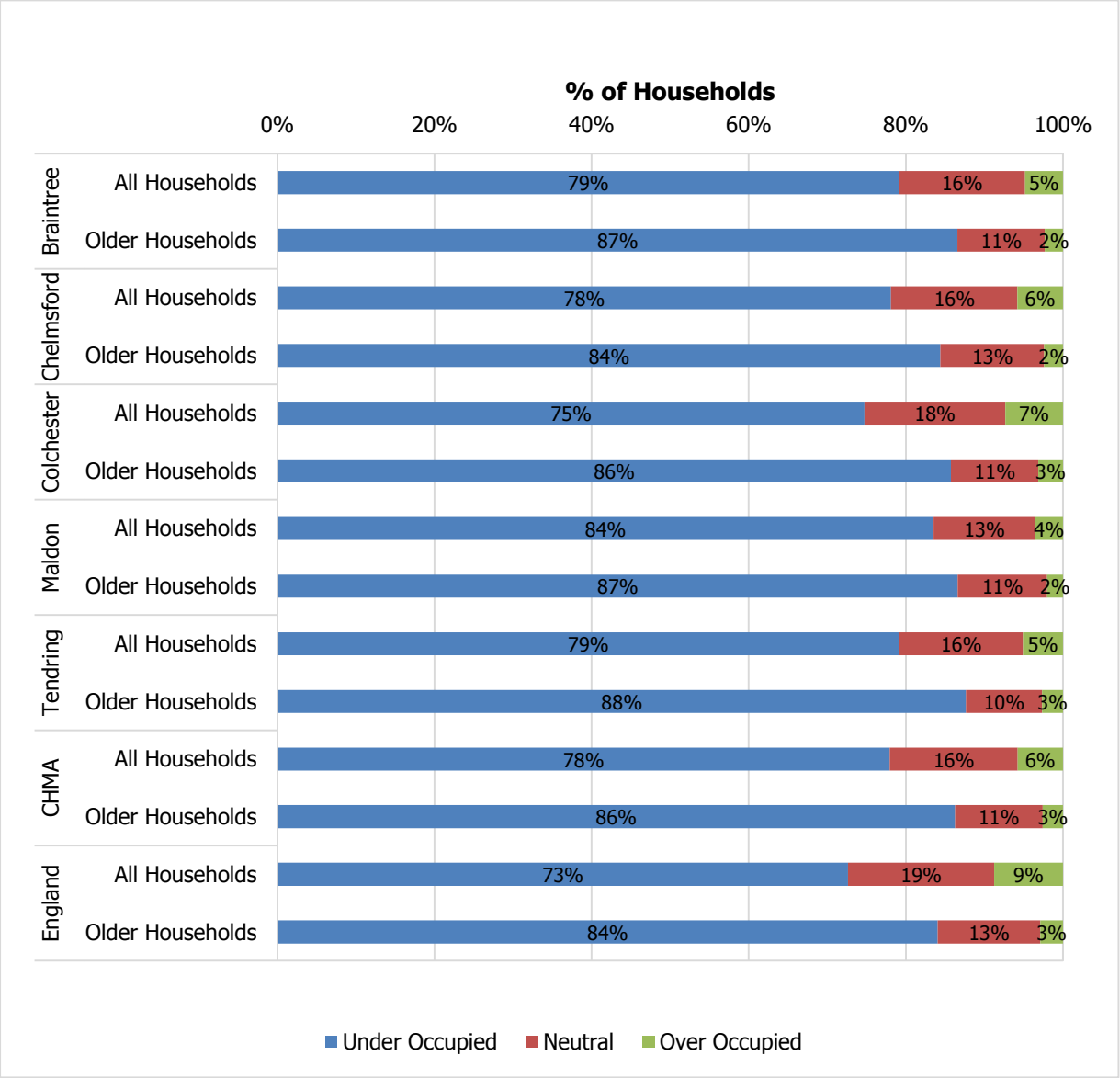
Source: ONS, Census 2011 (Table KS402EW)

7.7 The profile of tenure in CHMA shows high proportions of owner occupation. The Private Rented sector is smaller than average in all five LPAs, whilst the social rented sector is smaller than national average in all authorities apart from Colchester.

Occupancy Rating

7.8 Figure 7.4 below shows the profile of household occupancy for all households and Older Households in isolation, based on data from the 2011 census. An over-occupied household has fewer rooms than required, whereas an under-occupied households has more rooms than required.

Figure 7.4: Occupancy Rating - 2011 Census



Source: ONS, Census 2011 (Table DC4104EWla)

7.9 Across the HMA and in all five authorities individually, over-occupation is below national average. Colchester and Chelmsford show the highest levels of over-occupation. Under-occupation is particularly common among older households, many of whom remain living in large family homes long after their children have moved out.

7.10 The extent to which over-occupancy has worsened since 2001 is analysed in the market signals section below.

Market Signals

7.11 The problems arising from historic under-delivery of housing across the country can be observed locally through analysis of market signals. The PPG provides an overview of the ways in which assessments of housing need should take market signals into account.

7.12 The PPG states that market signals should be assessed in context, with appropriate comparisons made both over time and between locations. Furthermore, the guidance declares that:

> **"A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections."**[33]

7.13 More specifically, it is suggested that the local housing supply targets should be proportionally increased based on the extent to which prices are rising and affordability ratios are widening. It is not, however, necessary to calculate the exact number of houses that would need to be built to alleviate a given problem:

> **"Plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period."**[34]

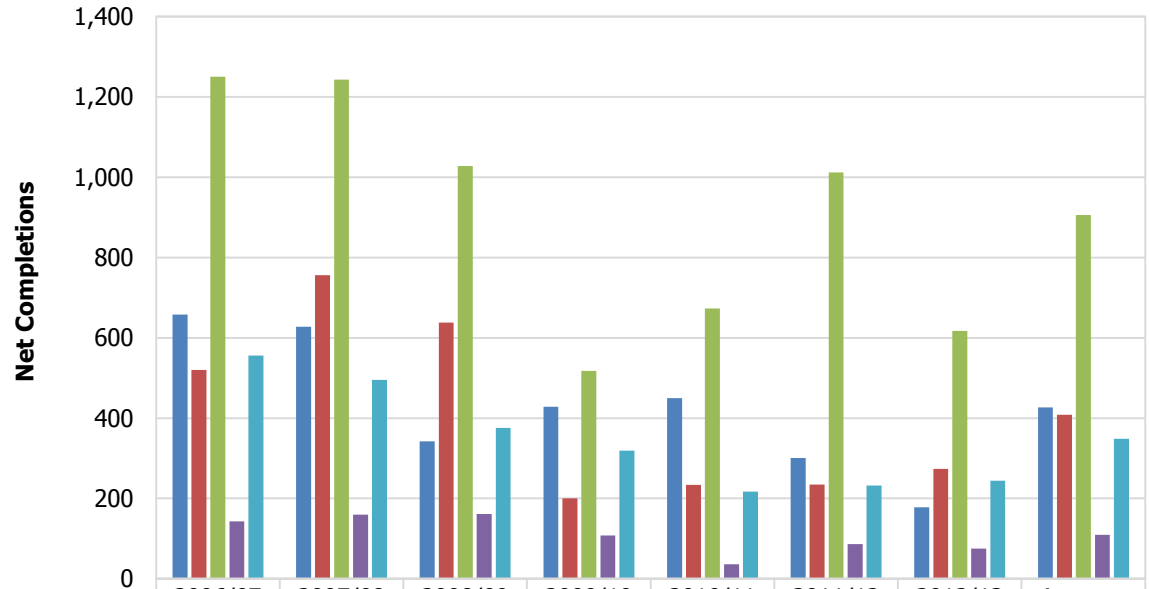
7.14 Five key market signals have been taken into consideration – Rate of Development, House Prices, Affordability, Residential Rents and Overcrowding.

Rate of Development

7.15 The first indicator taken into account is rate of development. Local Authorities which have permitted their dwelling stock to grow significantly over an extended period of time should, in theory, see house prices rise more slowly than those authorities which have seen smaller increases in dwelling stock. Figure 7.5 below summarises net housing completions within the HMA for the period 2006/07 to 2012/13, as reported by the LPAs in their Annual Monitoring Reports.

[33] Paragraph: 020 Reference ID: 2a-020-20140306, Planning Practice Guidance, 06 March 2014
[34] Ibid.

Figure 7.5: Net Completions 2006-13



	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Average
Braintree	658	628	342	428	450	301	178	426
Chelmsford	520	756	638	200	234	235	274	408
Colchester	1,250	1,243	1,028	518	673	1,012	617	906
Maldon	143	160	161	108	36	86	75	110
Tendring	556	495	376	319	217	232	244	348

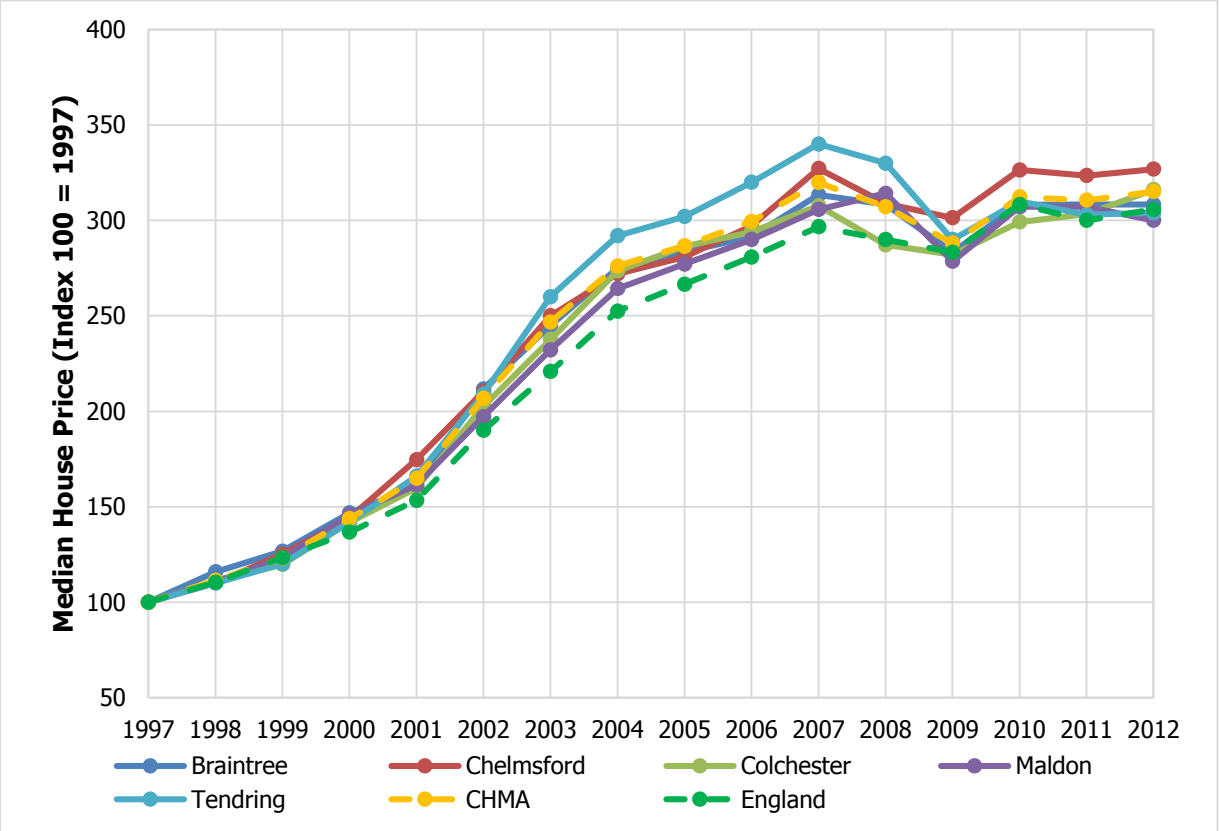
Source: LPA AMRs.

7.16 The average net completion rate for the HMA as a whole over the period analysed was 2,199 dwellings per annum – 15% lower than the previous RSS-based target of 2,585 dwellings per annum. This average rate is, however, positively influenced by strong delivery performance in the earlier years; the 5-year trend is significantly lower at just 1,796 dwellings per annum – 30% lower than the RSS-based target.

House Prices

7.17 The second indicator taken into account is median house price. House prices are influenced by a wide variety of factors and can vary significantly within a district; the median house price has been used to limit the influence of extreme high and low values. Figure 7.6 tracks the median house price for each district over the period 1997-2012, indexed against their 1997 levels, whilst Table 7.1 summarises sales values at 5 year intervals.

Figure 7.6: Median House Price 1997-2012 (Index 100 =1997 prices)



Source: Office for National Statistics/Land Registry, via CLG Live Table 586

Table 7.1: Increases in Median House Price 1997-2012

	1997	2002	2007	2012	Total Increase 1997-2012		Total Increase 2002-2012	
Braintree	£60,000	£127,000	£188,000	£185,000	£125,000	208%	£58,000	46%
Chelmsford	£68,000	£143,000	£222,500	£222,250	£154,250	227%	£79,250	55%
Colchester	£58,500	£118,500	£180,000	£184,950	£126,450	216%	£66,450	56%
Maldon	£70,000	£138,000	£214,000	£210,000	£140,000	200%	£72,000	52%
Tendring	£50,000	£104,500	£170,000	£152,000	£102,000	204%	£47,500	45%
CHMA	£59,976	£124,071	£191,823	£189,000	£129,024	215%	£64,929	52%
England	£60,000	£114,000	£178,000	£183,500	£123,500	206%	£69,500	61%

Source: Office for National Statistics/Land Registry, via CLG Live Table 586

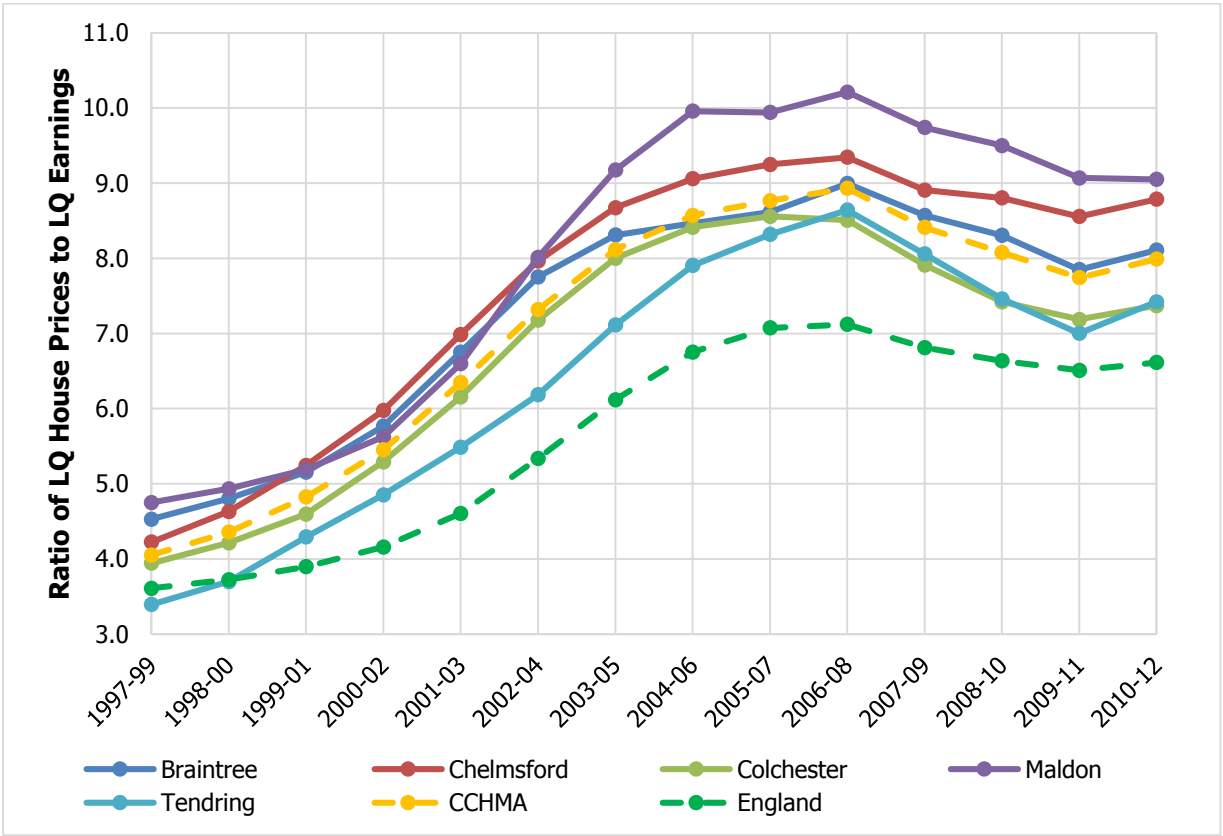
7.18 The median house price across CHMA in 2012 was slightly higher than national average. Over the total fifteen year period, £123,500 was added to the median price – an increase of 206%. Over the last decade, however, growth has been slightly lower than national average, with median prices growing by 52% 2002-2012, compared with 61% nationally. The largest increases in price were in Chelmsford and Maldon.

7.19 Colchester, which was shown in Figure 7.5 to have delivered the most housing over the period analysed has tracked close to the national average median price since 1997.

Affordability – Lower Quartile

7.20 The third indicator taken into account is affordability, assessed using the ratio between lower quartile house prices and lower quartile earnings. This indicator is particularly salient given the well-publicised barriers to ownership faced by many first time buyers and low-earners. Figure 7.7 below tracks the affordability ratio for each LPA 1997-2012. Given that the ratio is a product of two independent data sources, a three year rolling average has been used to limit the effects of volatility in either data source. Table 7.2 shows the differential between the ratio in 1997/2002 and 2012.

Figure 7.7: Ratio of Lower Quartile House Prices to Lower Quartile Earnings 1997-2012, 3-year rolling average



Source: Office for National Statistics/Land Registry, via CLG Live Table 57

Table 7.2: Affordability ratio change 2002-2011

	1997	2002	2007	2012	Total Change 1997-2012		Total Change 2002-2012	
Braintree	4.4	6.6	8.9	8.3	3.9	88%	1.8	27%
Chelmsford	3.9	6.8	9.5	8.8	4.9	124%	2.1	31%
Colchester	3.9	6.0	8.7	7.4	3.5	91%	1.4	23%
Maldon	4.4	6.3	10.0	8.7	4.3	97%	2.4	39%
Tendring	3.3	5.1	8.5	8.2	4.9	146%	3.1	60%
CHMA	3.9	6.1	8.9	8.2	4.3	109%	2.1	34%
England	3.6	4.5	7.2	6.6	3.0	85%	2.1	48%

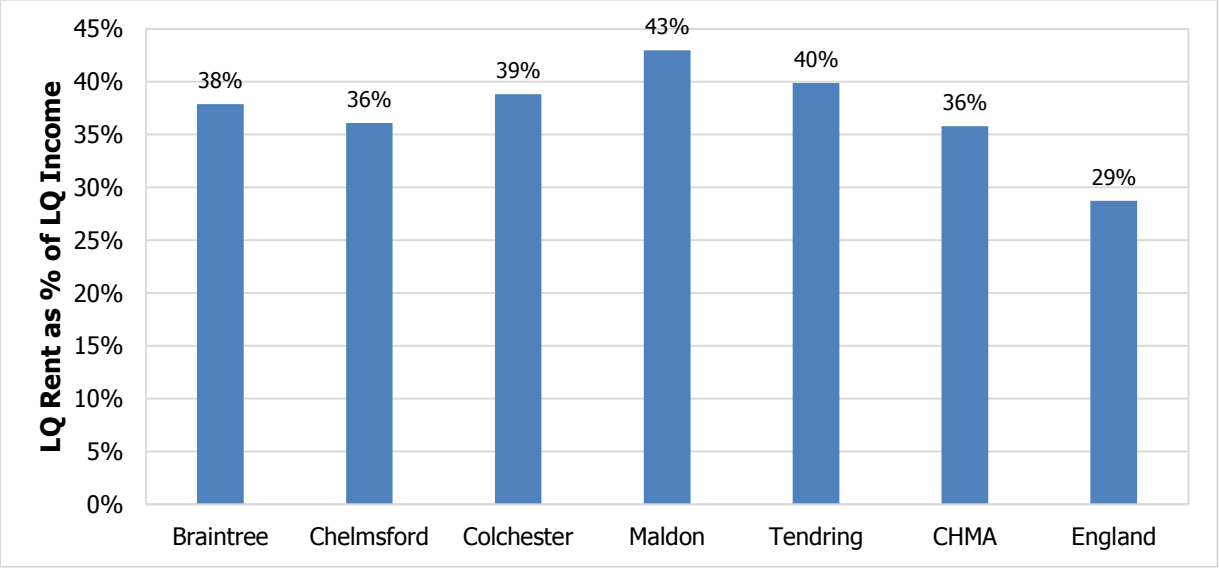
Source: Office for National Statistics/Land Registry, via CLG Live Table 576

7.21 The affordability ratio has worsened for all areas assessed, including England as a whole, as a result of lower quartile house prices rising more quickly than lower quartile earnings. In 1997, the affordability ratio for the HMA (3.9) was only marginally higher than the typical mortgage borrowing multiplier of 3.5, meaning that for many buying a house was a realistic prospect. By 2007 (the pre-recession peak in many areas) the affordability ratio had reached 8.9 at HMA level, an impassable barrier for many newly forming households. Although affordability improved slightly during the recession, Figure 7.6 indicates that house prices are beginning to rise again, which in turn will put further pressure on affordability.

Residential Rents

7.22 The fourth indicator taken into account is residential rent. Figure 7.8 below shows the ratio between Lower Quartile personal income and Lower Quartile private rent, both annualised.

Figure 7.8: LQ Residential Rents as % of LQ Annual Earnings – 2010/11



Source: Valuation Office Agency

7.23 Across CHMA as a whole, a Lower Quartile private rented property costs (on average) 36% of Lower Quartile Earnings (on the same basis as the purchase affordability calculation shown in Figure 7.7) – slightly higher than national average. Private rents are highest (relative to earnings) in Tendring and Maldon, which have very small private rented sectors. Although Colchester has the largest private rented sector, private rents are still significantly less affordable than national average. Table 7.3 analyses growth in residential rents between 2010/11 and 2012/13.

Table 7.3: Residential Rents (per Month) 2010/11 – 2012/13

	Lower Quartile			Median		
	2010/11	**2012/13**	**% Change**	**2010/11**	**2012/13**	**% Change**
Braintree	£525	£560	6.7%	£625	£670	7.2%
Chelmsford	£595	£595	0.0%	£725	£720	-0.7%
Colchester	£530	£525	-0.9%	£625	£625	0.0%
Maldon	£575	£575	0.0%	£695	£695	0.0%
Tendring	£500	£500	0.0%	£600	£600	0.0%
CHMA	£535	£543	1.3%	£642	£651	1.3%
England	£450	£455	1.1%	£575	£595	3.5%

Source: Valuation Office Agency, Private Rental Market Statistics – All property types, data for year ending 30th September.

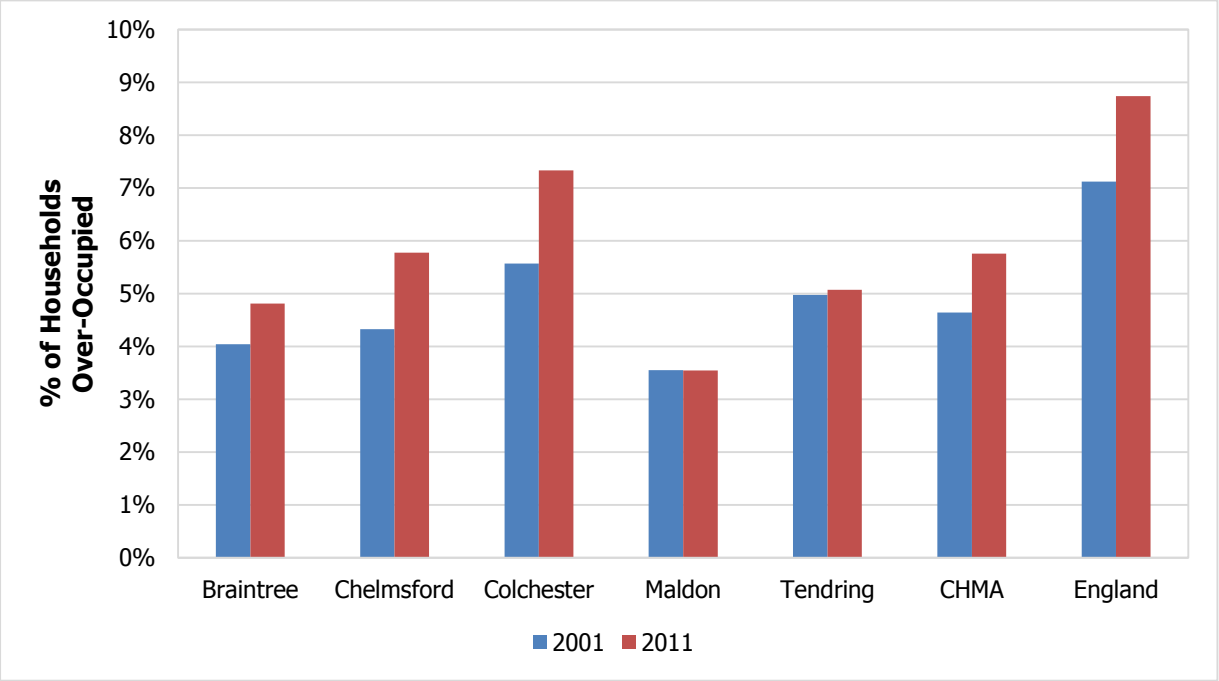
7.24 Compared with the average for England, Lower Quartile rents were 19% higher in CHMA in 2012/13, whilst Median rents were 9% higher. Between 2010/11 and 2012/13, lower quartile rents increased by 1.3% (compared to a 1.1% increase across England), whilst Median rents also grew by 1.3% (3.5% across England as a whole). In absolute terms, rents in Chelmsford were highest, whilst rents in Tendring were lowest.

Overcrowding

7.25 The final indicator is overcrowding, taking into account the proportion of households which are over-occupied (i.e. having fewer rooms than required for the number of usual residents) and Concealed households (multiple households living in a single dwelling).

7.26 Figure 7.9 below compares the proportion of households classified as over occupied in the 2011 census compared against the 2001 census.

Figure 7.9: Over-occupation, 2001 vs. 2011

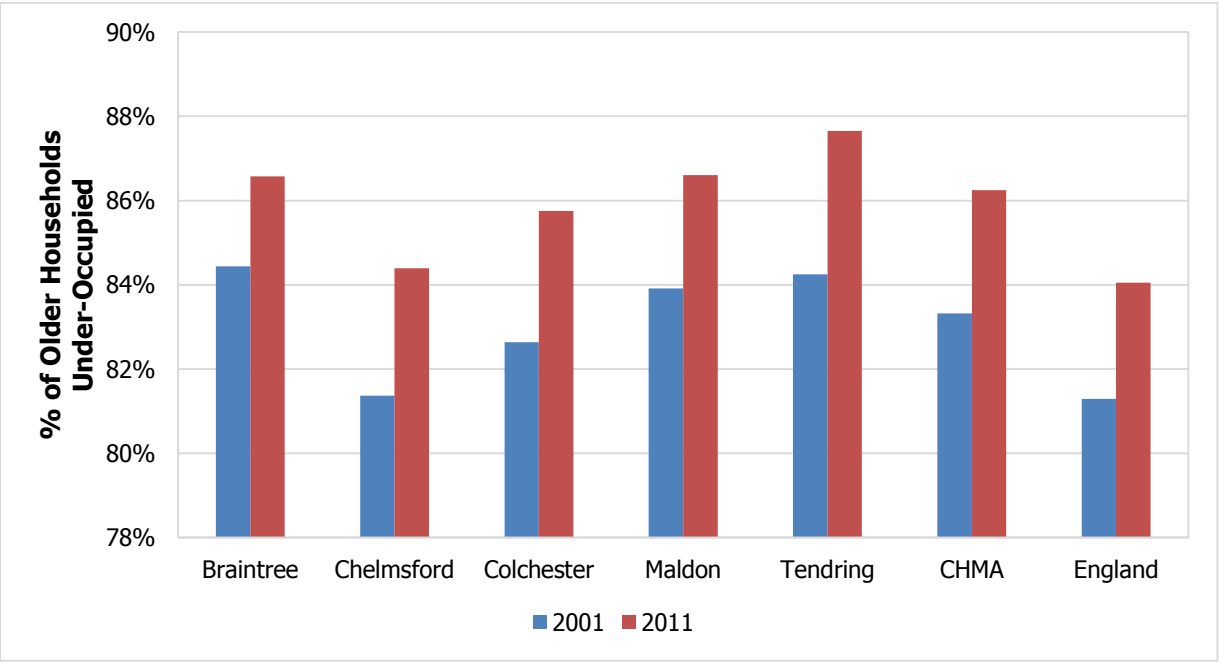


Source: Office for National Statistics, Census 2001/2011

7.27 Although over-occupation across CHMA as a whole is below national average, the proportion has increased by 24%.

7.28 Figure 7.10 shows the proportion of Older Households which were under-occupying in 2011 compared against the proportion in 2001.

Figure 7.10 – Under-occupation (older households), 2001 vs. 2011



Source: Office for National Statistics, Census 2001/2011

7.29 Under-occupation among Older Households has also increased between censuses, and remains higher than national average. This trend suggests that as the population ages, the shortage of larger properties available for families will worsen further.

7.30 The second aspect of overcrowding taken into account is Concealed households. One dwelling typically houses a single household. Concealed households occur when multiple households occupy the same dwelling, often due to affordability issues, although in some cases there are strong cultural traditions of extended families living together in the same dwelling. Table 7.4 summarises the number of concealed families within CHMA.

Table 7.4: Concealed Households by age of Family Reference Person (FRP) – Census 2001/11

	Concealed - FRP Under 25 (2011)	Concealed - FRP 25-34 (2011)	Concealed - All Ages (2011)		Concealed - All Ages (2001)
Braintree	10.7%	2.7%	1.1%		0.5%
Chelmsford	12.8%	2.7%	1.1%		0.6%
Colchester	6.7%	2.2%	1.0%		0.6%
Maldon	16.6%	3.8%	1.3%		0.8%
Tendring	9.8%	3.3%	1.2%		0.9%
CHMA	10.0%	2.7%	1.1%		0.7%
England	12.8%	4.0%	1.9%		1.2%

Source: ONS, Census 2001/11

7.31 The proportion of Concealed households in CHMA is below national average, but has worsened in all parts of the HMA since 2001. The age group with the highest proportion of concealed households is 24 and under, a reflection of the difficulties faced by young people in being able to afford their own homes.

7.32 In addition to concealed families, there are many concealed individuals who would like to form their own household but have not been able to due to the recession. Whilst it is not possible to derive the number of these individuals from the Census, research by Bramley et al. (2010) suggests that single adults account for around half of concealed households[35].

Chapter Summary

7.33 The profile of current households (including number of bedrooms, type and tenure) across CHMA is fairly typical, with slightly higher proportions of owner-occupied and detached properties than national average. Colchester has a large private rented sector, but this may be influenced by the presence of a university. The remaining four LPAs all have smaller

[35] Bramley et al. (2010), Estimating housing need, Department for Communities and Local Government

private rented sectors than national average. Given growing affordability problems, the lack of suitable rented accommodation may cause rents to increase and or further suppress household formation.

7.34 In terms of market signals, the rate of housing delivery since 2006/07 has averaged at a level slightly below the RSS figure for the HMA. However, this is skewed significantly by higher delivery in the earlier years; delivery over the last 5 years is 30% lower than the RSS target. House Prices across the HMA have tracked slightly above the national average since 1997, although some parts of the HMA (Chelmsford and Maldon) are above average. At HMA level, affordability (measured in terms of the ratio between lower quartile house prices and earnings) is worse than national average, with a lower quartile-priced property costing 8.2 times the lower quartile income in 2012. Maldon is the least affordable LPA, with the ratio exceeding 10 in the pre-recession peak.

7.35 Overcrowding is not as significant a problem as in some of the country's more built up areas, but still remains an issue (and has worsened between censuses). Maldon in particular shows high proportions of concealed households where the family reference person is aged under 25 – a clear indicator that household formation among younger people in particular is being suppressed by poor affordability.

7.36 This analysis of market signals suggests that CHMA requires a significant increase in housing supply to improve affordability and widen access to the private housing market. Failure to improve the affordability of house purchasing will inevitably cause increases in rents as demand for the relatively low supply of this tenure grows.

7.37 It is likely that the future supply of housing will need to significantly exceed delivery rates experienced in the recent past in order to alleviate the pressures on the housing market observed through market signals – this is explored in greater detail in Chapter 9.

8.0 MODELLED HOUSING NEED

8.1 The first stage in producing an Objective Assessment of Housing Need is to model future housing requirements based on key demographic inputs. This study uses POPGROUP, an industry standard demographic model used to forecast population, households and the labour force.

8.2 POPGROUP has over 90 users, including academic and public service organisations in housing, planning, health, policy, research, economic development, and social services. The model uses standard demographic methods of cohort component projections, household headship rates and economic activity rates. Its flexibility allows integration of official statistics produced by the ONS.

8.3 More information about POPGROUP can be found at http://www.ccsr.ac.uk/popgroup/.

Input Assumptions

8.4 Figure 8.1 below summarises the initial POPGROUP forecasting process.

Figure 8.1: POPGROUP Forecasting Process

	Starting population (ONS)
minus	**Population not in households**
	(interim 2011 CLG household projections)
times	**Headship rates**
	(interim 2011 based CLG household projections to 2021;
	pre recession 2008-based rates post 2021)
equals	**Number of households**
times	**vacancy/ shared/ second homes factor (Census 2011 based)**
equals	**Dwelling requirement**

Source: Barton Willmore

Starting Population

8.5 The 2010 mid-year population estimate (ONS 2013), revised in light of the 2011 Census is used as the starting population. It is entered into the model as unrounded data by single year of age and gender. The fertility and mortality rates used are the latest available from ONS.

Headship Rates

8.6 In converting the population to households, the population that is not in households (e.g. communal establishments, armed forces etc.) is deducted to give a household population, to which headship rates are applied.

8.7 The headship rates that have been applied to the household population are those published in the 'interim' 2011-based CLG household projections between 2011 and 2021, reverting back to the 2008-based rates by the end of the assessment period (2022-2031). This is considered a prudent scenario for growth, as the 'interim' 2011-based CLG formation rates are underpinned by recessionary trends in household formation, which may recover before 2021.

Labour Force

8.8 The PPG advises that plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.

> **"Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems."**[36]

8.9 For the purpose of assessing labour force capacity, labour force supply is taken as the population aged between 16 and the state pension age. It has been assumed that the proportion of men and women in the workforce will gradually increase in line with increase in the state pension age (67 at the end of the plan period). Economic Activity Rates from the 2011 census are then applied to the entire cohort of working age population to reveal the numbers who are likely to be able to take up employment. It has been assumed that the activity rates for those of working age will remain constant throughout the plan period, with the unemployed portion gradually declining from 6.5% to 5% by 2021 in line with the analysis shown in Chapter 6.

[36] Paragraph: 018 Reference ID: 2a-018-20140306, Planning Practice Guidance, 06 March 2014

Migration

8.10 All migration assumptions have been sourced from 'Components of population change; Detailed time series 2002 to 2012 England and Wales, local authorities, sex and age' ONS October 2013.

8.11 The time series supplies annual mid-year population estimates and estimated components of population change for England and Wales, local authorities, by sex and single year of age, 30 June 2001 to 30 June 2012.

8.12 Examination of past trends in migration reveals that in the last ten years, net migration into the housing market area has averaged 4,972 persons per annum. It is on this basis that the demographic led 'Long Term Net Migration' scenario presented here is run. The model constrains growth to net in-migration of 4,972 people per annum, which in turn generates household growth and dwelling requirements. This represents an increase over the net migration component of the ONS 2012-based SNPP (4,572 per annum).

Adjustment for Vacancy

8.13 In order to convert the projected number of households into a dwelling requirement, adjustments must first be made to account for vacancy (caused primarily by dwellings being temporarily vacant due to occupiers moving), plus shared homes (multiple households living within the same dwelling) and second homes. The adjustments made for each Local Authority are as follows:

Table 8.1: Adjustment Factors

	Second Homes		Vacant		Shared		Adjustment
Braintree	0.38%		2.45%		0.02%		2.82%
Chelmsford	0.37%	+	1.91%	-	0.01%	=	2.28%
Colchester	0.75%		2.45%		0.06%		3.14%
Maldon	1.25%		2.32%		0.00%		3.56%
Tendring	2.76%		3.47%		0.04%		6.19%

Source: ONS, Census 2011 (Shared); CLG, CTB 2013 (Second Homes); CLG Live Table 125/615 (Vacant)

PopGroup Model Output – Starting Point

8.14 The 'interim' 2011-based CLG household projections forecast growth of 4,068 households per annum (adjusted for vacant, second and shared homes) across the HMA. This represents the 'starting point' of the OAN.

8.15 Table 8.2 below summarises the results of the first stage of the POPGROUP modelling exercise. Full model output tables can be found in Appendix 1.

Table 8.2: POPGROUP Model; Summary Output – Long Term Net Migration

	2011	2016	2021	2026	2031	2011-2031 (per annum)
Population	689,401	723,928	756,403	785,816	811,370	121,969 (6,098)
Households	290,802	308,665	326,021	347,027	366,484	75,682 (3,784)
Dwellings	**301,580**	**320,113**	**338,117**	**359,873**	**380,015**	**78,435 (3,922)**

8.16 The results of this modelling exercise show how a continuation of the long-term net-migration trend over the Plan period will result in population growth of 121,969 people (6,098 people per annum) in the HMA. This translates to a requirement for at least 78,435 dwellings over the 20 year period – an average of 3,922 per annum. However, this only represents the starting point in an objective assessment of need.

8.17 As an additional sensitivity test, a scenario constrained to the 2012 SNPP has been modelled. The results of this additional scenario are shown in Table 8.3 below.

Table 8.3: POPGROUP Model; Summary Output – 2012-based SNPP

	2011	2016	2021	2026	2031	2011-2031 (per annum)
Population	689,401	714,618	743,025	771,232	797,548	108,147 (5,407)
Households	290,802	305,369	321,086	341,005	359,557	68,755 (3,438)
Dwellings	301,580	316,656	332,945	353,573	372,788	**71,208 (3,560)**

8.18 Under this scenario, the overall dwelling requirement for CHMA falls by 9% to 3,560 dwellings per annum. Both scenarios (on a dwellings per annum basis) fall short of the CLG 'interim' 2011-based household projections at HMA level.

Testing Capacity for Economic Growth

8.19 Chapter 6 provided an overview of economic growth forecasts, expressed in terms of Workforce Jobs. It is important that future economic growth is not undermined by a lack of housing provision; a comparison has therefore been made between the jobs forecasts and labour force growth arising from the modelling exercise outlined in this chapter. Where the

growth in labour force (economically active) is lower than the growth in jobs at HMA level, there is likely to be a requirement to boost the housing requirement on economic grounds. Table 8.4 below summarises this comparison.

Table 8.4: Workforce Job forecasts vs. Labour Force Growth

Arising Labour Demand	
Total Employment Forecast	72,797
Commuting Ratio	1.19
Economically Active, Population Required to meet forecast	86,626
Arising Labour Supply – Long Term Net Migration Scenario	
Labour force growth	59,844
Plus Reduced unemployment	5,757
Shortfall	**21,025**
Arising Labour Supply – SNPP 2012 Scenario	
Labour force growth	43,830
Plus Reduced unemployment	5,595
Shortfall	**37,201**

Source: Barton Willmore, Experian Economics, APS 2011

8.20 On the basis of this analysis, neither scenario would supply sufficient labour. In order to supply 86,626 economically active, employed residents over the forecast period, additional dwellings will need to be built to encourage further net in-migration and support economic growth.

PopGroup Model Output – Economic-led Scenario

8.21 Table 8.5 below summarises the results of the 'economic-led' POPGROUP modelling scenario. In this scenario, the model calculates the increase in population, households and dwellings needed to supply a given labour force. Full model output tables can be found in Appendix 2.

Table 8.5: POPGROUP Model – Economic-led scenario; Summary Output

	2011	2016	2021	2026	2031	2011-2031 (per annum)
Population	689,401	734,367	765,787	820,353	863,736	174,335 (8,717)
Households	290,802	312,301	329,139	359,555	386,494	95,693 (4,785)
Dwellings	301,580	323,885	341,344	372,881	400,807	**99,227 (4,961)**

8.22 Under the economic-led scenario, an additional 1,401 dwellings per annum would need to be constructed across the HMA, over and above the 2012-based SNPP scenario (and 1,040 above the Long Term Net Migration scenario). This would therefore supply sufficient dwellings to meet both demographic need and economic need.

8.23 As a further sensitivity test an additional economic-led scenario has been modelled, under which unemployment remains constant at the level indicated by the 2011 census. Table 8.6 below summarises the results of this scenario.

Table 8.6: POPGROUP Model – Economic-led scenario (No reduction in Unemployment); Summary Output

	2011	2016	2021	2026	2031	2011-2031 (per annum)
Population	689,401	739,267	776,527	832,600	876,832	187,431 (9,372)
Households	290,802	314,068	333,110	364,267	391,628	100,826 (5,041)
Dwellings	301,580	325,718	345,464	377,767	406,130	**104,550 (5,228)**

8.24 Should employment take-up from the latent supply of labour (i.e. those economically active but unemployed) fall short of expectations, it is likely that additional in-migrants would need to be attracted to the HMA. This would further increase the requirement for additional dwellings to be built.

Chapter Summary

8.25 The modelling exercise described in this chapter forms the basis of an objective assessment of need, which itself is the key output of this study. An objective approach has been taken in the selection of input variables, ensuring that any unduly positive or negative influences are fully accounted for.

8.26 Population growth of 108,147 people over the period 2011-2031, in accordance with 2012-based SNPP, results in a requirement for 71,208 net additional dwellings to be built. This includes an adjustment for vacancies, second homes and shared homes.

8.27 Analysis of labour force growth relative to economic forecasts suggests that there is a requirement to boost housing numbers at HMA level on economic grounds. In order to supply a labour force of sufficient size to meet job creation forecasts, a total of 99,227 dwellings will need to be built across the plan period – an average of 4,961 per annum. If unemployment does not fall as expected over the period to 2021, up to 267 additional

dwellings may need to be built across the HMA per annum to accommodate additional growth.

8.28 The distribution of this number between LPAs is summarised in Chapter 10.

9.0 ADDRESSING MARKET SIGNALS, LONDON'S UNMET NEED AND AFFORDABLE NEED

9.1 The PPG makes clear provisions for plan makers to adjust their objective assessments of housing need to take account of adverse market signals:

> **"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings."**[37]

9.2 On the issue of securing affordable housing provision, the PPG advises the following:

> **"The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. <u>An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes</u>."**[38]
> (Our Emphasis)

9.3 In addition to this, LPAs also have a Duty to Cooperate on key strategic issues including the provision of housing. On this issue, the NPPF states:

> **"Public bodies have a Duty to Cooperate on planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities."**[39]

9.4 These three issues are considered in turn below.

Market Signals

9.5 Having taken demographic-led and economic-led need into account, the final OAN component – Market Signals – are taken into account. Chapter 7 provided a detailed overview of the extent to which key Market Signals had changed over the last decade, and found that affordability, house prices, rents and overcrowding/concealed households had all worsened. On this basis, a significant increase in housing development will be required to bring house

[37] Paragraph: 019 Reference ID: 3-030-20140306, Planning Practice Guidance, 06 March 2014
[38] Paragraph: 029 Reference ID: 2a-029-20140306, Planning Practice Guidance, 06 March 2014
[39] Paragraph 178, page 42, National Planning Policy Framework, 27 March 2012

prices (and therefore affordability) back under control and widen access to the private housing market.

9.6 Table 9.1 below compares the OAN (economic-led scenario) against past delivery performance, as evaluated in Chapter 7.

Table 9.1: OAN vs. Past Delivery (Per Annum)

	OAN (Per Annum)	Average Past Delivery	Difference
Braintree	1,024	426	+140%
Chelmsford	1,215	408	+198%
Colchester	1,207	906	+33%
Maldon	435	110	+296%
Tendring	1,080	348	+210%
CHMA	**4,961**	**2,199**	**+126%**

Source: Barton Willmore modelling, LPA AMRs/5YLS reports

9.7 **The economic-led figure of 4,961 is more than double the average delivery rate achieved in the period 2006/07 to 2012/13 – a very significant uplift.**

9.8 As the Barker Review findings illustrate, only a significant increase in supply will have an appreciable impact on affordability in the medium term.

9.9 According to Barker, reducing house price inflation to 1.1% from its 2.7% 20 year trend rate would price an additional 5,000 English households into the market by 2011 (from a base year of 2003). Such an outcome would only be achieved if 120,000 more (86%) additional homes were completed than there were housing starts in the base year. Reducing house price inflation to 1.8% would only have such an effect by 2021[40].

9.10 Evidently, it is reasonable to assume that reducing house price inflation to 1.1%, and meeting the benchmark 86% increase in supply through which it was to be achieved, could help to alleviate the affordability problem observed through market signals.

9.11 Further, it is clear that the Barker Review findings are of enduring relevance; albeit that more recent assessments find that Barker's '120,000 more starts' has not been achieved, implying that an increase greatly in excess of 86% would be required to reduce house price inflation to 1.1%.

[40] Barker, K/ODPM (2004), 'Review of Housing Supply', p.7

9.12 First, in March 2014, the Home Builders Federation marked the fact that a decade has passed since the Barker Review was published with an assessment of what it would now take to reduce house price inflation to 1.1%[41]. They found that the situation has deteriorated; implying that housing starts would need to increase by 178% over the average number of starts recorded between 2003 and 2013.

9.13 Second, Mark Carney, Governor of the Bank of England, referenced the Barker Review during a speech made on 12 June 2014. He stated that '*the underlying dynamic of the housing market reflects a chronic shortage of supply*' and in that context referenced the Barker Review finding that '*260,000 homes a year would be necessary to contain real house price growth at 1% per annum*'. He then adds that '*far fewer have in fact been built in the years since… supply constraints are likely to put increasing pressure on prices in a now rapidly growing economy*.' [42]

9.14 Based on the evidence reviewed above, the economic-led scenario would deliver an increase in supply that falls between the original Barker threshold of 86% and the updated HBF threshold of 178%. **As such, the OAN for CHMA would make a significant positive response to the adverse market signals identified in Chapter 7, and no additional uplift would be required.**

Affordable Housing Need

9.15 The five SHMAs discussed in Chapter 4 all include assessments of affordable housing need. The results of these assessments have been compared against affordable housing policy quotas also identified in Chapter 4 to reveal the number of dwellings that would need to be built to meet affordable need. Table 9.2 below summarises this analysis. Note that where affordable housing quotas are provided as a range, the mid-point has been taken.

[41] Home Builders Federation (2014), 'Barker Review – A decade on', p.11
[42] Bank of England, Transcript of 'Speech given by Mark Carney, Governor of the Bank of England at the Lord Mayor's Banquet for Bankers and Merchants of the City of London at the Mansion House, London, 12 June 2014', p.6

Table 9.2: Summary of Affordable Need Assessments

	Net Affordable Need Per Annum (From LPA SHMAs)	Affordable Housing Quota (for major sites)	Equivalent Total Dwelling Requirement
Braintree	399	35%	1,140
Chelmsford	331	35%	946
Colchester	334	35%	954
Maldon	182	35%	520
Tendring	177	25%	708
CHMA	**1,423**	**33%**	**4,268**

Source: LPA SHMAs and Local Plans/Core Strategies

9.16 Based on this assessment, affordable need could be met at HMA level by the output of the OAN, which indicates need for 4,961 dwellings per annum. However, the assessment of affordable need is sensitive to the assumptions made in the SHMA and the deliverability of affordable housing at the quotas shown. As a sensitivity test, a further (more pessimistic) scenario has been tested under which the net affordable need is increased by 10% and the affordable housing quota decreased by 10%.

Table 9.3: Summary of Affordable Need Assessment – Sensitivity Test

	Net Affordable Need Per Annum (From LPA SHMAs, plus 10%)	Affordable Housing Quota (for major sites, minus 10%)	Equivalent Total Dwelling Requirement
Braintree	439	32%	1,393
Chelmsford	364	32%	1,156
Colchester	367	32%	1,166
Maldon	200	32%	636
Tendring	195	23%	865
CHMA	**1,565**	**30%**	**5,216**

Source: SHMA, LPA Local Plans/Core Strategies

9.17 On this basis, supply would need to be increased above the level of the OAN to accommodate affordable need in full. This highlights the sensitivity in the affordable need assessment, and demonstrates the small margin for under-delivery.

9.18 Table 9.4 below compares the LPA-level data against the economic-led modelled need set out in Chapter 8.

Table 9.4: Surplus/Deficit of Affordable Housing Provision by LPA (per annum)

	Dwellings required to deliver sufficient affordable housing	OAN (Per Annum)	Surplus/Deficit
Braintree	1,140	1,024	-116
Chelmsford	946	1,215	269
Colchester	954	1,207	253
Maldon	520	435	-85
Tendring	708	1,080	372
CHMA	**4,268**	**4,961**	**693**

Source: LPA SHMAs, Barton Willmore Modelling

9.19 Although a surplus would be delivered at HMA level, Braintree and Maldon both show small deficits. In order to meet affordable need in full, these local authorities would need to increase their housing targets to a level higher than the OAN set out in this report. This, however, is arguably a 'policy-on' consideration, and it is therefore considered prudent not to recommend that an uplift is applied to the OAN. Nevertheless, this adds further weight to the conclusion that the economic-led scenario should be considered as a minimum.

London's Unmet Need

9.20 It has become increasingly clear in recent months that London has a substantial future housing need which it cannot meet. As a consequence the Greater London Authority (GLA) has consulted with all local authorities within the former South East and East of England regions to establish how much of this unmet need could be accommodated. In consulting with surrounding local authorities the Mayor has expressed an expectation[43] that local authorities within the South East and East of England will need to cooperate in meeting London's unmet need.

9.21 This is a significant issue to all local authorities within London's sphere of influence, as this will undoubtedly place increased pressure on local housing markets as people seek to find accommodation outside London in greater proportions than is currently the case.

9.22 In January 2014, the Mayor of London published the draft version of the Further Alterations to the London Plan (FALP) for consultation over a 12 week period.

9.23 The FALP was prepared in light of the 2011 Census, released since the publication of the London Plan (July 2011), which indicates the need to address key employment and housing

[43] FALP Wider SE Consultation Event, January 2014, Mayor of London presentation slides.

issues facing London. The Mayor has identified capacity for 42,000 dwellings per annum over the period 2015 – 2025.

9.24 In paragraph 3.16b of the FALP, the Mayor acknowledges that:

> **"The central projection in the SHMA indicates that London will require between approximately 49,000 (2015 – 2036) and 62,000 (2015 – 2026) more homes a year. This range incorporates different levels of population change over the period, the time taken to address current need (backlog) and the anticipated under delivery between 2011 and 2015. The 2015 – 2036 figure of 49,000 additional homes a year provides the basis for the detailed housing need figures set out in the Plan. In light of the projected higher need, especially at the start of the plan period, this figure should be regarded as a minimum." [44]**

9.25 The FALP housing provision level of 42,000 dwellings per annum results in between 7,000 – 20,000 dwellings of unmet need per annum.

9.26 Independent research from Nathaniel Lichfield and Partners (commissioned by Gladman Developments) provides an indication of the share of this unmet need that could be apportioned to local authorities in the South East and East of England regions. Further to this, two versions of the distribution model are provided – one with and one without Green Belt exclusions. The results of the models indicate the following levels of unmet need for the three CHMA authorities:

Table 9.5: Potential Unmet Need from London – NLP Model

	With Green Belt Exclusion	Without Green Belt Exclusion
Braintree	2,139 – 6,110	702 – 2,005
Chelmsford	3,977 – 11,362	1,305 – 3,728
Colchester	1,992 – 5,690	653 – 1,867
Maldon	741 – 2,118	243 – 695
Tendring	1,214 – 3,468	398 – 1,138
CHMA	**10,063 – 28,748**	**3,301 – 9,433**

Source: Nathaniel Lichfield and Partners

9.27 According to the model, CHMA could be expected to accommodate a total of between 3,301 and 28,748 dwellings over a ten year period, dependent on whether or not the authorities which are dominated by Green Belt can be excluded and the speed with which the backlog of unmet need can be cleared. This equates to between 330 and 2,875 per annum. If authorities dominated by Green Belt are excluded from the distribution of unmet need, the

[44] Paragraph 3.16, Page 86, Draft Further Alterations to the London Plan, January 2014

CHMA authorities would be liable for a very high proportion of unmet need. This is because many of the other authorities neighbouring Greater London are dominated by Green Belt, meaning that the CHMA authorities are among the closest unconstrained authorities to the Capital.

9.28 It is considered that the OAN set out in this study is already meeting London's unmet need to an extent by virtue of the uplift to basic demographic-led need made on economic grounds. A proportion of this uplift is made to accommodate those who choose to live in CHMA and commute to jobs in greater London.

9.29 In order to quantify this, a further economic-led scenario has been provided whereby the commuting ratio (defined in Chapter 5) is adjusted to remove those commuting out to London. This, in effect, isolates the need arising from 'Local' employment growth, allowing the uplift made to accommodate London out-commuters to be determined. Table 9.6 below summarises the results of this exercise.

Table 9.6: Determining Capacity within OAN to meet London's unmet need

	CHMA	Braintree	Chelmsford	Colchester	Maldon	Tendring
Demographic-led need (dpa)	3,922	811	734	1,412	209	743
Full Economic-led need (dpa)	4,961	1,020	1,215	1,207	435	1,080
Total Economic-led uplift (dpa)	1,039	209	481	-205	226	337
'Local' Economic-led need (dpa)	4,589	962	1,053	1,126	402	1,046
Uplift to Demographic-led need accommodate 'Local' economic needs only (dpa)	667	151	319	-286	193	303
Supply potentially available to accommodate London Out-Commuters (dpa)	**372**	**58**	**162**	**81**	**33**	**34**

Source: Barton Willmore Modelling, ONS

9.30 On this basis, 372 dwellings per annum would be provided across the HMA to accommodate London out-commuters. At HMA level, this would be sufficient to accommodate only the lowest level of unmet need indicated by the NLP study, assuming that all of those moving out to CHMA from London choose to retain their jobs within the Capital. In reality, however, it is likely that some of those leaving London will take on new jobs in CHMA, meaning that the OAN's capacity to help meet London's unmet need could be higher than 372 dpa.

9.31 It is important that the issue of London's unmet need is properly addressed by the CHMA local authorities through the local plan-making process. However, until such a time as the GLA confirms the true scale of its unmet need, it is not considered appropriate to make any

further adjustments in the context of OAN. Once the scale of unmet need is confirmed, it may be reasonable to provide uplifts to the OAN should the share apportioned to each local authority exceed the capacity indicated in Table 9.6.

9.32 In the event that CHMA's share of unmet need is confirmed at 2,875 dwellings per annum (the maximum amount identified by NLP) the OAN would need to be boosted to at least 6,797 dwellings per annum to accommodate London's unmet need – more than three times the average rate of delivery for the HMA observed between 2006/07 and 2012/13.

Chapter Summary

9.33 As suggested by the PPG, this chapter has performed two 'tests' of the economic-led housing number modelled in the previous chapter. In addition to these tests, the likely requirement for the five LPAs to assume unmet need from Greater London has been assessed.

9.34 The first test, relating to market signals, revealed that the economic-led scenario would deliver an increase in supply of 126%. This falls between the original Barker review threshold to improve affordability nationally of 86% and the revised benchmark calculated by the HBF of 178%. Accordingly, it can be concluded that housing supply of 4,961 dwellings per annum over the plan period will improve affordability and no further amendment is made, confirming the OAN at 4,961 dwellings per annum..

9.35 The second test, which determines the capacity of the OAN forecast to accommodate affordable housing need, found that the level of affordable housing need estimated in the LPA SHMAs, could be accommodated at HMA Level. In Maldon and Braintree, however, the authority-level OANs would supply insufficient affordable housing, meaning that these local authorities may need to boost their housing targets to a higher level than indicated in this OAN to meet affordable need in full.

9.36 According to independent research commissioned by Gladman Developments, the CHMA authorities could be expected to accommodate between 3,301 and 28,748 dwellings of unmet need from Greater London over a ten year period. It has been calculated that the economic-led scenario has capacity (at HMA level) to provide 372 dwellings per annum for London out-commuters. As such, the OAN could meet the lowest unmet need scenario but would need to be boosted to meet the higher scenarios. However, until such a time as the GLA confirms the true scale of its unmet need, it is not considered appropriate to make any further adjustments in the context of OAN.

9.37 The additional factors assessed in this chapter all suggest that the OAN based on the economic-led modelling scenario should be considered an absolute minimum.

10.0 OBJECTIVE ASSESSMENT OF HOUSING NEED

10.1 This study has provided evidence to demonstrate the key housing market dynamics of the Colchester Housing Market Area (CHMA) and its constituent Local Planning Authorities (LPAs). CHMA incorporates five LPAs – Braintree, Chelmsford, Colchester, Maldon and Tendring. These five LPAs have been found to have strong socio-economic ties with each other, and form a logical and robust study area. The evidence presented has been prepared objectively and in accordance with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

10.2 Having assessed key contextual data, and having carried out an objective demographic modelling exercise, a full Objective Assessment of Housing Need for CHMA has been formulated.

10.3 The primary purpose of this assessment has been to quantify overall housing need at the Housing Market Area level, as opposed to assessing the five local authorities in isolation. The requirement to do this is rooted in national policy and guidance, and there are several cases where local authorities which have failed to take into account the potential needs of their strategic neighbours have had their local plans fail on the Duty to Cooperate at examination. The proximity of these five authorities to Greater London also means that they are likely to be called upon to help address the Capital's housing shortage.

10.4 As the recommendations made by this objective assessment will need to be implemented by local planning authorities, key data have been provided at authority level to provide an indication of how need might be distributed. The PPG states that plan-makers may need to consider how the location of housing development could help alleviate problems of local labour force deficiency. This study therefore suggests how the recommended HMA-level dwelling target arising from the OAN might be distributed between constituent local authorities in order to deliver growth in the parts of the HMA where it is needed most. This will reduce reliance on unsustainable long distance commuting and increase the resilience of local business[45]. In practice, constraints on supply are likely to have a strong influence on where the identified need can feasibly be delivered. This, however, is beyond the scope of an OAN.

10.5 Table 10.1 summarises the steps taken in the calculation of housing requirements for CHMA.

[45] Paragraph: 018 Reference ID: 2a-018-20140306, Planning Practice Guidance, 06 March 2014

Table 10.1: Objective Assessment of Housing Need

		CHMA	Braintree	Chelmsford	Colchester	Maldon	Tendring
A	**CLG 2011-based 'interim' Household Projections (dwellings pa)**	4,068	777	674	1,258	285	1,073
Demographic Change	**Projected Population Growth (SNPP 2012)**	108,147 (5,407 pa)	23,912 (1,196 pa)	22,416 (1,121 pa)	35,511 (1,776 pa)	6,499 (325 pa)	19,808 (990 pa)
	Projected Household Growth	62,164 (3,108 pa)	15,763 (788 pa)	16,681 (834 pa)	12,097 (605 pa)	5,526 (276 pa)	12,097 (605 pa)
	Projected Dwelling Requirement	71,208 (3,560 pa)	16,219 (811 pa)	17,069 (853 pa)	19,294 (965 pa)	5,731 (287 pa)	12,895 (645 pa)
B	**Adjustment to (A) required to accommodate ONS 2012-based SNPP**	**-508 dpa**	**+34 dpa**	**+179 dpa**	**-293 dpa**	**+1 dpa**	**-428 dpa**
Net Migration	**ONS 2012-based SNPP Net Migration Projection Component**	4,572	941	598	895	486	1,652
	10-year Net Migration Trend (ONS MYE 13)	4,972	904	353	1,736	328	1,651
	Migration-led Dwelling Requirement	78,435 (3,922 pa)	16,486 (824 pa)	14,675 (734 pa)	28,236 (1,412 pa)	4,180 (209 pa)	14,859 (743 pa)
C	**Adjustment to (A+B) required to accommodate 10yr net migration trend**	**+361 dpa**	**+13 dpa**	**-120 dpa**	**+447 dpa**	**-78 dpa**	**+98 dpa**
Economic Growth	**Total Job Growth Forecast 2011-31**	72,797	13,293	20,828	22,056	4,422	12,198
	Commuting Ratio (Census 2011)	1.19	1.32	1.08	1.07	1.48	1.35
	Required Labour Force	86,626	17,584	22,427	23,625	6,525	16,465
	Labour Force Arising from (A+B+C)	59,844	12,611	9,518	28,702	679	8,333
	Economic-led Dwelling Requirement	99,227 (4,961 pa)	20,477 (1,024 pa)	24,301 (1,215 pa)	24,150 (1,207 pa)	8,693 (435 pa)	21,606 (1,080 pa)
D	**Adjustment to (A+B) Required to accommodate Economic growth**	**+1,040 dpa**	**+200 dpa**	**+481 dpa**	**-204 dpa**	**+226 dpa**	**+337 dpa**
Market Signals Test	**Subtotal Dwellings per Annum (A+B+C+D)**	4,961	1,024	1,215	1,207	435	1,080
	Average delivery rate 2006/7 – 2012/13	2,199	426	408	906	110	348
	Increase/Decrease vs. Average Annual Delivery 2006-12	**126%**	**140%**	**198%**	**33%**	**296%**	**210%**
	Difference vs. Barker Review Threshold (86%)	**+40%**	**+54%**	**+112%**	**-53%**	**+210%**	**+124%**
=	**FULL OBJECTIVELY ASSESSED NEED 2011-31 (A+B+C+D)**	**99,227 (4,961 pa)**	**20,477 (1,024 pa)**	**24,301 (1,215 pa)**	**24,150 (1,207 pa)**	**8,693 (435 pa)**	**21,606 (1,080 pa)**
	% increase in Housing Stock	33% (1.4% pa)	33% (1.4% pa)	34% (1.5% pa)	33% (1.4% pa)	32% (1.4% pa)	33% (1.4% pa)
Affordable Housing Test	**Affordable Housing Policy Rate**	33%	35%	35%	35%	35%	25%
	Potential Affordable Housing supply from (A + B + C + D)	32,569	7,167	8,506	8,452	3,043	5,401
	Total Net Affordable Housing Need 2011-31	28,460	7,980	6,620	6,680	3,640	3,540
	% of total affordable need met over plan period	114%	90%	128%	127%	84%	153%

Source: BW Research, ONS, CLG, Experian

Conclusions

10.6 Based on the objective assessment of need documented in this study, it is recommended that at least **99,227 dwellings** are planned across CHMA over the period 2011-2031. This equates to an annualised target of **4,961 dwellings per annum**.

10.7 On this basis, dwelling stock growth of around 33% would be required 2011-31 to meet demographic and economic needs. Should delivery rates of the recent past continue, it is estimated that only around 15% dwelling stock growth would be delivered. Under such a low growth rate, it is likely that market signals would continue to worsen, and even greater numbers of households would be unable to access the private housing market.

10.8 This OAN represents an accelerated rate of growth - exceeding recent delivery performance by 126%. As a result, it is likely to create some downward pressure on house prices, which in turn will begin to address affordability issues. The Barker Review of Housing Supply, for example, indicated that an 86% increase in house building would be required to bring house price inflation down to the European average (1.1%):

> **"Achieving the desired improvement in the housing market would, it was asserted, require an additional 120,000 housing starts per year on top of the 140,000 in 2002/3, taking the annual total to 260,000. According to the Review's modelling, this scenario would see between 5,000 and 15,000 newly formed households priced into the market in each year between 2011 and 2021."**[46]

10.9 The level of need identified for the HMA would exceed the Barker Review benchmark of 86%, meaning that if it were to be delivered there could be a reasonable expectation that house price inflation would be reduced. **The OAN, therefore, is considered to represent a robust response to the adverse market signals identified in Chapter 7 without applying any further uplifts.**

10.10 **Analysis of affordable housing need (based on the individual LPA SHMAs) indicates that affordable need could be accommodated by the OAN figure at HMA level**, but would fall short in Braintree and Maldon; these authorities should seek to work with neighbouring authorities to ensure that the backlog of affordable need does not grow. Sensitivity testing, however, indicates a narrow margin for under-delivery of affordable housing, indicating that overall housing supply may need to be increased above the OAN level to secure the required quantum of affordable dwellings.

[46] Home Builders Federation (2014), 'Barker Review – a decade on', p.7

10.11 Finally, the extent to which the CHMA authorities could be called upon to help meet unmet housing need from London has been considered. Based on research from NLP commissioned by Gladman Developments, up to 28,748 dwellings may be required in these authorities over a ten year period. **Some of London's unmet need would already be met by virtue of the uplift made to accommodate employment growth, but if the CHMA authorities were to accommodate the full 2,875 dwellings per annum, the OAN would need to be boosted to at least 6,797 dwellings per annum during these ten years. The situation will therefore need to be closely monitored and appropriate adjustments made to the OAN once the GLA confirms the scale of its unmet need and the speed with which it plans to clear its backlog.**

10.12 It is clear from this analysis that the supply of housing in CHMA needs to be boosted significantly, in line with the NPPF and PPG. This has been demonstrated using objective analysis of robust, official data sources and prudent modelling assumptions.

10.13 This OAN would:

- Accommodate the housing need number implied by the latest demographic evidence;
- Meet projected job demand; and
- On reasonable assumptions, improve affordability.

10.14 As such, it is considered that the OAN represents the full, objectively assessed level of housing need for CHMA.

APPENDIX 1:

POPGROUP DEMOGRAPHIC LED SCENARIO OUTPUT

APPENDIX 1: POPGROUP OUTPUT; LONG TERM NET MIGRATION

Births	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030*
Male	4,183	4,256	4,270	4,257	4,218	4,194	4,164	4,141	4,125	4,103	4,079	4,052	4,020	3,987	3,952	3,919	3,899	3,889	3,883	3,885
Female	3,984	4,053	4,067	4,054	4,017	3,994	3,966	3,944	3,929	3,907	3,885	3,859	3,829	3,797	3,764	3,733	3,713	3,704	3,698	3,700
All Births	8,167	8,309	8,337	8,311	8,235	8,188	8,131	8,085	8,053	8,010	7,965	7,910	7,849	7,784	7,716	7,652	7,612	7,593	7,581	7,584
TFR	2.00	2.03	2.02	2.01	1.98	1.96	1.94	1.92	1.91	1.90	1.89	1.88	1.87	1.86	1.84	1.83	1.83	1.83	1.82	1.82
Deaths																				
Male	3,041	3,065	3,093	3,144	3,161	3,193	3,234	3,275	3,315	3,356	3,402	3,455	3,504	3,561	3,617	3,675	3,739	3,801	3,856	3,924
Female	3,217	3,239	3,241	3,241	3,248	3,264	3,280	3,293	3,309	3,332	3,362	3,389	3,421	3,458	3,500	3,545	3,601	3,663	3,727	3,797
All deaths	6,258	6,303	6,335	6,385	6,409	6,457	6,514	6,568	6,625	6,688	6,764	6,844	6,925	7,019	7,117	7,220	7,340	7,464	7,583	7,721
SMR: males	93.1	90.6	88.4	86.9	84.6	82.7	81.0	79.4	77.8	76.2	74.8	73.6	72.3	71.2	70.1	69.0	68.1	67.2	66.1	65.4
SMR: females	92.0	90.3	88.1	86.0	84.1	82.4	80.8	79.0	77.3	75.7	74.3	72.8	71.4	70.1	68.8	67.6	66.5	65.5	64.6	63.8
SMR: male & female	92.5	90.4	88.2	86.4	84.3	82.5	80.9	79.2	77.6	76.0	74.6	73.2	71.9	70.7	69.5	68.3	67.3	66.3	65.4	64.6
Expectation of life	81.7	81.9	82.1	82.2	82.4	82.6	82.7	82.8	83.0	83.1	83.2	83.3	83.4	83.5	83.7	83.8	83.8	83.9	84.0	84.1
In-migration from the UK																				
Male	17,751	17,776	17,790	17,830	17,835	17,850	17,890	17,917	17,939	17,964	17,976	17,997	18,021	18,025	18,014	18,002	17,994	18,002	17,984	17,959
Female	19,199	19,174	19,160	19,120	19,115	19,100	19,060	19,033	19,011	18,986	18,974	18,953	18,929	18,925	18,936	18,948	18,956	18,948	18,966	18,991
All	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950	36,950
SMigR: males	51.1	50.7	50.3	49.9	49.5	49.3	49.1	49.0	48.9	48.8	48.7	48.6	48.5	48.3	48.1	47.8	47.5	47.2	46.8	46.4
SMigR: females	54.4	53.9	53.5	53.2	53.0	52.8	52.5	52.4	52.2	52.1	52.0	51.7	51.4	51.2	50.9	50.6	50.2	49.8	49.4	49.0
Out-migration to the UK																				
Male	15,920	15,940	15,969	16,014	16,056	16,087	16,127	16,144	16,152	16,182	16,194	16,198	16,198	16,208	16,188	16,182	16,171	16,160	16,151	16,129
Female	17,290	17,270	17,241	17,196	17,154	17,123	17,083	17,066	17,058	17,028	17,016	17,012	17,012	17,002	17,022	17,028	17,039	17,050	17,059	17,081
All	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210	33,210
SMigR: males	45.9	45.5	45.1	44.9	44.6	44.4	44.3	44.1	44.0	44.0	43.9	43.8	43.6	43.5	43.2	43.0	42.7	42.4	42.0	41.6
SMigR: females	48.9	48.5	48.2	47.8	47.5	47.3	47.1	46.9	46.9	46.7	46.6	46.4	46.2	46.0	45.8	45.4	45.1	44.8	44.5	44.1
In-migration from Overseas																				
Male	2,513	2,516	2,518	2,522	2,524	2,526	2,529	2,530	2,531	2,531	2,530	2,531	2,531	2,532	2,532	2,533	2,535	2,536	2,536	2,536
Female	2,201	2,198	2,196	2,192	2,190	2,188	2,185	2,184	2,183	2,183	2,184	2,183	2,183	2,182	2,182	2,181	2,179	2,178	2,178	2,178
All	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714
SMigR: males	106.0	104.9	103.8	103.0	102.3	101.8	101.4	101.2	101.1	101.1	101.1	101.2	101.2	101.3	101.1	100.9	100.6	100.1	99.4	98.7
SMigR: females	93.6	92.7	91.9	91.3	90.9	90.6	90.4	90.4	90.5	90.7	90.9	91.0	91.1	91.2	91.1	90.8	90.4	89.8	89.3	88.7
Out-migration to Overseas																				
Male	1,900	1,899	1,899	1,900	1,899	1,899	1,901	1,902	1,904	1,904	1,905	1,904	1,904	1,904	1,905	1,906	1,906	1,907	1,908	1,909
Female	1,582	1,583	1,583	1,582	1,583	1,583	1,581	1,580	1,578	1,578	1,577	1,578	1,578	1,578	1,577	1,576	1,576	1,575	1,574	1,573
All	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482	3,482
SMigR: males	80.1	79.2	78.3	77.6	77.0	76.5	76.3	76.1	76.0	76.0	76.1	76.1	76.2	76.2	76.1	75.9	75.6	75.2	74.8	74.2
SMigR: females	67.3	66.7	66.3	65.9	65.7	65.5	65.4	65.4	65.4	65.5	65.7	65.8	65.9	65.9	65.8	65.6	65.4	65.0	64.6	64.0

APPENDIX 1: POPGROUP OUTPUT; LONG TERM NET MIGRATION

Migration - Net Flows																					
UK	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	+3,740	
Overseas	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	+1,232	
Summary of population change																					
Natural change	+1,908	+2,005	+2,002	+1,926	+1,826	+1,731	+1,616	+1,516	+1,429	+1,322	+1,200	+1,066	+924	+765	+598	+432	+272	+129	-2	-137	
Net migration	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	+4,972	
Net change	+6,880	+6,977	+6,974	+6,898	+6,798	+6,703	+6,588	+6,488	+6,401	+6,294	+6,172	+6,038	+5,896	+5,737	+5,570	+5,404	+5,244	+5,101	+4,970	+4,835	
	2011	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030*	*2031*
0-4	39,971	41,069	41,874	42,670	43,150	43,660	43,673	43,472	43,189	42,896	42,632	42,372	42,118	41,852	41,554	41,230	40,891	40,570	40,293	40,071	39,928
5-10	45,182	45,783	47,315	48,549	49,906	50,947	52,147	53,464	54,346	55,149	55,569	56,022	55,937	55,636	55,264	54,868	54,509	54,143	53,779	53,399	52,987
11-15	40,173	39,765	38,774	38,319	38,054	38,371	38,989	40,128	41,372	42,471	43,634	44,405	45,603	46,480	47,338	47,861	48,380	48,367	48,118	47,775	47,425
16-17	16,987	16,607	16,645	16,573	16,386	16,037	15,693	15,223	15,109	15,683	16,132	16,679	17,025	17,540	18,070	18,422	18,639	19,018	19,644	19,831	19,821
18-59Female, 64Male	391,247	392,250	393,486	395,069	397,108	398,936	400,619	401,554	402,768	403,520	404,121	404,725	405,169	405,574	406,117	406,762	407,115	408,030	408,725	410,001	411,277
60/65 -74	94,052	97,385	100,073	102,143	103,995	106,208	107,863	109,052	109,440	109,978	110,620	108,929	108,889	110,043	111,724	114,019	116,630	118,802	121,201	123,616	125,772
75-84	43,470	44,402	45,406	46,502	47,297	47,664	48,719	50,637	53,063	55,003	57,242	61,897	65,212	67,496	69,208	70,911	72,085	72,789	72,967	73,125	73,341
85+	18,319	19,020	19,685	20,408	21,235	22,106	22,928	23,689	24,421	25,409	26,452	27,546	28,661	29,888	30,971	31,744	32,972	34,746	36,839	38,717	40,818
Total	689,401	696,281	703,259	710,232	717,130	723,928	730,631	737,219	743,708	750,109	756,403	762,575	768,613	774,509	780,246	785,816	791,220	796,464	801,565	806,535	811,370
Households																					
Households	290,802	294,442	297,880	301,437	304,989	308,665	312,305	315,776	319,302	322,658	326,021	330,479	334,768	338,973	343,013	347,027	350,809	354,692	358,607	362,492	366,484
Change over previous year		+3,640	+3,438	+3,557	+3,552	+3,677	+3,639	+3,471	+3,526	+3,356	+3,363	+4,458	+4,289	+4,205	+4,040	+4,014	+3,781	+3,883	+3,915	+3,886	+3,992
Dwellings	301,580	305,356	308,923	312,614	316,299	320,113	323,888	327,490	331,147	334,628	338,117	342,734	347,176	351,532	355,716	359,873	363,788	367,809	371,863	375,884	380,015
Change over previous year		+3,776	+3,568	+3,690	+3,686	+3,813	+3,775	+3,602	+3,658	+3,481	+3,488	+4,617	+4,443	+4,356	+4,184	+4,157	+3,916	+4,021	+4,053	+4,022	+4,131
Working age number																					
Working Age	408,896	411,598	415,072	418,761	422,781	426,514	430,570	434,748	442,780	449,813	452,669	454,597	456,546	458,481	460,407	464,003	470,528	476,033	477,687	479,435	480,754
Change over previous year		+2,703	+3,474	+3,689	+4,021	+3,733	+4,055	+4,178	+8,032	+7,034	+2,856	+1,927	+1,949	+1,935	+1,926	+3,596	+6,525	+5,505	+1,654	+1,748	+1,319
Employed	310,768	313,293	316,409	319,687	323,230	326,566	330,159	333,855	340,505	346,403	349,123	350,587	352,067	353,542	355,009	357,764	362,754	366,976	368,254	369,596	370,612
Change over previous year		+2,525	+3,115	+3,278	+3,543	+3,336	+3,593	+3,696	+6,650	+5,899	+2,720	+1,463	+1,480	+1,475	+1,468	+2,755	+4,990	+4,223	+1,278	+1,342	+1,015

APPENDIX 1: POPGROUP OUTPUT; 2012-BASED ONS SNPP

Births	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030*
Male	4,183	4,242	4,242	4,216	4,168	4,139	4,105	4,080	4,064	4,042	4,021	3,997	3,970	3,943	3,915	3,890	3,876	3,869	3,864	3,864
Female	3,984	4,040	4,040	4,015	3,970	3,942	3,910	3,886	3,870	3,850	3,830	3,807	3,781	3,755	3,728	3,705	3,691	3,685	3,680	3,680
All Births	8,167	8,283	8,282	8,231	8,138	8,081	8,015	7,966	7,934	7,892	7,851	7,804	7,752	7,698	7,643	7,595	7,567	7,554	7,545	7,544
TFR	2.00	2.03	2.02	2.01	1.98	1.96	1.94	1.92	1.91	1.90	1.89	1.88	1.87	1.86	1.85	1.84	1.84	1.84	1.83	1.83
Deaths																				
Male	3,041	3,035	3,048	3,093	3,105	3,132	3,167	3,206	3,247	3,287	3,334	3,388	3,438	3,497	3,556	3,616	3,682	3,746	3,804	3,874
Female	3,217	3,211	3,190	3,183	3,184	3,192	3,206	3,218	3,234	3,258	3,289	3,317	3,353	3,393	3,436	3,483	3,541	3,604	3,668	3,739
All deaths	6,258	6,246	6,238	6,276	6,289	6,325	6,373	6,425	6,481	6,544	6,623	6,705	6,791	6,890	6,992	7,099	7,222	7,350	7,473	7,613
SMR: males	93.1	90.6	88.4	86.9	84.6	82.8	81.1	79.5	78.0	76.4	75.0	73.8	72.5	71.4	70.3	69.2	68.3	67.4	66.4	65.7
SMR: females	92.0	90.3	88.2	86.0	84.2	82.6	81.0	79.2	77.5	76.0	74.5	73.0	71.7	70.4	69.1	67.8	66.7	65.7	64.8	64.0
SMR: male & fe	92.5	90.4	88.3	86.5	84.4	82.7	81.0	79.4	77.8	76.2	74.8	73.4	72.1	70.9	69.7	68.5	67.5	66.6	65.6	64.8
Expectation of l	81.7	81.9	82.1	82.2	82.4	82.6	82.7	82.8	83.0	83.1	83.2	83.3	83.4	83.6	83.7	83.8	83.9	83.9	84.0	84.1
In-migration from the UK																				
Male	14,885	15,179	15,466	15,635	15,911	16,030	16,188	16,279	16,380	16,484	16,600	16,719	16,834	16,958	17,098	17,233	17,352	17,471	17,596	17,727
Female	16,818	16,590	16,894	17,043	17,249	17,360	17,492	17,550	17,612	17,678	17,757	17,844	17,938	18,064	18,201	18,345	18,483	18,623	18,762	18,897
All	31,703	31,769	32,361	32,677	33,160	33,390	33,680	33,829	33,991	34,162	34,357	34,562	34,772	35,023	35,299	35,578	35,835	36,094	36,358	36,625
SMigR: males	42.9	43.6	44.2	44.5	45.1	45.2	45.5	45.6	45.8	46.0	46.2	46.4	46.5	46.7	46.8	47.0	47.0	47.0	47.0	47.1
SMigR: females	47.6	46.7	47.5	47.9	48.4	48.6	48.8	48.9	49.0	49.2	49.3	49.3	49.4	49.5	49.5	49.6	49.6	49.6	49.6	49.5
Out-migration to the UK																				
Male	14,648	14,645	14,667	14,730	14,805	14,840	14,896	14,920	14,953	14,981	15,037	15,082	15,150	15,234	15,296	15,394	15,480	15,577	15,671	15,765
Female	15,852	15,896	15,862	15,864	15,882	15,881	15,902	15,916	15,946	15,926	15,967	16,022	16,089	16,167	16,257	16,379	16,481	16,604	16,717	16,843
All	30,501	30,541	30,529	30,594	30,687	30,722	30,798	30,836	30,899	30,907	31,004	31,105	31,239	31,401	31,552	31,773	31,960	32,181	32,388	32,608
SMigR: males	42.2	42.1	42.0	41.9	41.9	41.9	41.8	41.8	41.8	41.8	41.8	41.8	41.9	41.9	41.9	41.9	41.9	41.9	41.9	41.9
SMigR: females	44.9	44.8	44.6	44.6	44.5	44.4	44.4	44.4	44.4	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.2	44.2	44.2	44.1
In-migration from Overseas																				
Male	2,471	2,464	2,458	2,454	2,446	2,442	2,442	2,439	2,437	2,432	2,427	2,424	2,421	2,416	2,411	2,406	2,403	2,399	2,393	2,385
Female	2,166	2,167	2,156	2,145	2,135	2,127	2,121	2,116	2,112	2,106	2,101	2,095	2,091	2,086	2,081	2,076	2,073	2,069	2,064	2,058
All	4,637	4,631	4,614	4,599	4,581	4,569	4,563	4,555	4,549	4,539	4,528	4,519	4,511	4,502	4,492	4,482	4,476	4,468	4,457	4,443
SMigR: males	104.2	103.5	102.7	102.1	101.4	100.8	100.6	100.2	100.1	99.9	99.7	99.6	99.5	99.3	98.9	98.5	98.0	97.3	96.5	95.6
SMigR: females	92.1	91.6	90.9	90.2	89.7	89.3	89.0	88.9	88.8	88.7	88.6	88.4	88.3	88.1	87.9	87.4	87.0	86.4	85.7	84.9
Out-migration to Overseas																				
Male	1,756	1,772	1,789	1,807	1,832	1,858	1,855	1,851	1,848	1,844	1,840	1,836	1,833	1,828	1,824	1,820	1,817	1,814	1,812	1,809
Female	1,462	1,485	1,500	1,515	1,536	1,558	1,552	1,549	1,544	1,541	1,536	1,533	1,529	1,524	1,521	1,517	1,516	1,513	1,511	1,507
All	3,218	3,257	3,289	3,322	3,367	3,416	3,407	3,400	3,392	3,384	3,377	3,369	3,362	3,352	3,345	3,337	3,333	3,327	3,322	3,316
SMigR: males	74.1	74.5	74.8	75.2	75.9	76.7	76.4	76.1	75.9	75.7	75.6	75.5	75.3	75.1	74.9	74.5	74.1	73.6	73.1	72.5
SMigR: females	62.2	62.8	63.2	63.7	64.5	65.4	65.2	65.0	64.9	64.8	64.8	64.7	64.6	64.4	64.2	63.9	63.6	63.2	62.7	62.2

APPENDIX 1: POPGROUP OUTPUT; 2012-BASED ONS SNPP

Migration - Net Flows																					
UK	+1,202	+1,228	+1,831	+2,084	+2,473	+2,668	+2,882	+2,993	+3,093	+3,256	+3,353	+3,458	+3,534	+3,622	+3,747	+3,805	+3,875	+3,912	+3,970	+4,017	
Overseas	+1,418	+1,373	+1,325	+1,276	+1,213	+1,154	+1,156	+1,155	+1,157	+1,154	+1,151	+1,150	+1,150	+1,149	+1,147	+1,144	+1,143	+1,140	+1,135	+1,127	
Summary of population change																					
Natural change	+1,908	+2,037	+2,044	+1,955	+1,849	+1,757	+1,642	+1,541	+1,453	+1,347	+1,228	+1,098	+961	+808	+651	+496	+345	+203	+72	-69	
Net migration	+2,621	+2,601	+3,156	+3,360	+3,686	+3,822	+4,038	+4,148	+4,249	+4,410	+4,504	+4,607	+4,683	+4,771	+4,894	+4,949	+5,018	+5,053	+5,105	+5,144	
Net change	+4,529	+4,638	+5,200	+5,315	+5,535	+5,579	+5,680	+5,689	+5,702	+5,757	+5,732	+5,706	+5,644	+5,579	+5,545	+5,445	+5,363	+5,256	+5,177	+5,075	
Summary of Population estimates/forecasts																					
	2011	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030*	*2031*
0-4	39,971	40,596	40,781	41,066	41,152	41,315	41,381	41,574	41,683	41,760	41,824	41,855	41,860	41,841	41,804	41,754	41,691	41,620	41,548	41,483	41,438
5-10	45,182	45,807	47,126	48,158	49,253	50,146	50,847	51,456	51,765	52,129	52,279	52,494	52,585	52,812	52,946	53,038	53,113	53,146	53,147	53,117	53,065
11-15	40,173	39,822	38,934	38,515	38,256	38,528	39,064	40,048	41,138	42,024	42,967	43,566	44,299	44,524	44,872	45,047	45,245	45,322	45,549	45,690	45,797
16-17	16,987	16,544	16,573	16,450	16,308	15,993	15,702	15,304	15,162	15,650	16,030	16,530	16,875	17,289	17,660	17,859	18,072	18,237	18,274	18,251	18,399
18-59f/64m	391,247	391,017	391,117	391,752	392,940	394,146	395,236	395,674	396,393	396,718	396,934	397,163	397,180	397,224	397,351	397,568	397,504	397,852	398,100	398,655	398,942
60/65 -74	94,052	97,159	99,719	101,806	103,609	105,765	107,430	108,664	109,166	109,816	110,521	108,917	108,991	110,169	111,947	114,295	116,930	119,209	121,615	124,037	126,274
75-84	43,470	44,272	45,173	46,247	47,057	47,442	48,495	50,392	52,773	54,709	56,969	61,667	64,983	67,356	69,124	70,898	72,130	72,921	73,283	73,593	73,899
85+	18,319	18,713	19,144	19,775	20,507	21,284	22,042	22,765	23,487	24,463	25,500	26,565	27,689	28,892	29,983	30,774	31,992	33,733	35,780	37,646	39,733
Total	689,401	693,930	698,568	703,768	709,083	714,618	720,197	725,877	731,566	737,268	743,025	748,757	754,463	760,107	765,686	771,232	776,677	782,040	787,296	792,473	797,548
Households																					
Households	290,802	293,519	296,165	299,202	302,217	305,369	308,534	311,648	314,841	317,923	321,086	325,302	329,389	333,381	337,223	341,005	344,630	348,303	352,038	355,734	359,557
Change over previous year		+2,718	+2,646	+3,037	+3,016	+3,152	+3,165	+3,113	+3,193	+3,082	+3,164	+4,215	+4,087	+3,992	+3,842	+3,782	+3,625	+3,673	+3,735	+3,696	+3,823
Dwellings	301,580	304,387	307,125	310,269	313,392	316,656	319,935	323,161	326,471	329,665	332,945	337,310	341,542	345,677	349,656	353,573	357,328	361,133	365,002	368,829	372,788
Change over previous year		+2,808	+2,737	+3,144	+3,123	+3,264	+3,279	+3,226	+3,310	+3,195	+3,280	+4,365	+4,232	+4,134	+3,979	+3,918	+3,755	+3,805	+3,869	+3,828	+3,958
Total Economically Active																					
Working age	354,813	356,228	356,826	359,109	360,316	362,927	363,963	365,942	371,725	372,465	373,339	373,692	374,243	374,976	375,877	382,708	383,851	385,005	385,894	386,914	387,793
Change over previous year		+1,415	+598	+2,283	+1,208	+2,611	+1,036	+1,979	+5,783	+740	+873	+353	+551	+733	+901	+6,831	+1,143	+1,154	+889	+1,020	+878
Employed	331,817	333,669	334,755	337,422	339,088	342,076	343,591	345,996	352,004	353,253	354,632	354,967	355,489	356,183	357,037	363,512	364,596	365,690	366,532	367,500	368,332
Change over previous year		+1,851	+1,086	+2,667	+1,666	+2,988	+1,515	+2,405	+6,008	+1,249	+1,379	+335	+522	+694	+854	+6,475	+1,083	+1,094	+843	+967	+832

APPENDIX 2:

POPGROUP ECONOMIC LED SCENARIO OUTPUT

APPENDIX 2: POPGROUP OUTPUT; ECONOMIC LED (REDUCING UNEMPLOYMENT)

Births	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030*
Male	4,183	4,299	4,345	4,359	4,341	4,343	4,332	4,325	4,263	4,208	4,214	4,239	4,258	4,272	4,283	4,269	4,225	4,205	4,241	4,284
Female	3,984	4,094	4,138	4,151	4,134	4,136	4,126	4,119	4,060	4,008	4,014	4,037	4,055	4,069	4,079	4,066	4,024	4,005	4,039	4,080
All Births	8,167	8,393	8,483	8,510	8,475	8,479	8,458	8,444	8,322	8,216	8,228	8,276	8,313	8,341	8,362	8,335	8,249	8,210	8,280	8,365
TFR	2.00	2.03	2.03	2.01	1.98	1.96	1.94	1.93	1.92	1.91	1.90	1.89	1.88	1.87	1.85	1.84	1.84	1.84	1.83	1.83
Deaths																				
Male	3,041	3,072	3,106	3,160	3,180	3,217	3,260	3,303	3,333	3,366	3,420	3,486	3,547	3,617	3,687	3,751	3,812	3,874	3,944	4,026
Female	3,217	3,249	3,257	3,262	3,272	3,293	3,312	3,328	3,332	3,346	3,385	3,427	3,473	3,525	3,581	3,634	3,685	3,747	3,827	3,912
All deaths	6,258	6,321	6,363	6,422	6,452	6,509	6,572	6,632	6,664	6,712	6,805	6,913	7,020	7,142	7,268	7,385	7,497	7,621	7,770	7,938
SMR: males	93.1	90.6	88.4	86.9	84.6	82.7	81.0	79.4	77.8	76.2	74.8	73.6	72.3	71.2	70.1	69.0	68.1	67.1	66.1	65.4
SMR: females	92.0	90.3	88.1	86.0	84.1	82.4	80.8	79.0	77.3	75.7	74.3	72.8	71.4	70.1	68.8	67.6	66.5	65.5	64.6	63.8
SMR: male & female	92.5	90.4	88.2	86.4	84.3	82.5	80.9	79.2	77.6	76.0	74.5	73.2	71.9	70.7	69.5	68.3	67.3	66.3	65.4	64.6
Expectation of life	81.7	81.9	82.1	82.2	82.4	82.6	82.7	82.8	83.0	83.1	83.2	83.3	83.4	83.6	83.7	83.8	83.8	83.9	84.0	84.1
In-migration from the UK																				
Male	17,741	17,477	17,498	17,450	17,809	17,735	17,768	15,228	15,862	18,651	19,909	20,088	20,324	20,529	19,593	17,731	18,492	21,247	21,349	21,870
Female	19,192	18,886	18,899	18,781	19,162	19,052	19,008	16,250	16,850	19,721	21,035	21,208	21,437	21,668	20,721	18,784	19,576	22,443	22,620	23,252
All	36,932	36,364	36,397	36,231	36,970	36,787	36,776	31,478	32,713	38,372	40,944	41,296	41,761	42,197	40,314	36,516	38,068	43,690	43,969	45,121
SMigR: males	51.1	49.5	48.9	48.2	48.6	48.0	47.7	40.6	42.5	50.2	53.1	53.0	52.9	52.8	49.8	44.6	46.4	53.0	52.5	53.0
SMigR: females	54.3	52.7	52.1	51.4	52.1	51.4	51.1	43.5	45.5	53.6	56.7	56.4	56.2	56.0	52.7	47.3	49.1	55.9	55.5	56.0
Out-migration to the UK																				
Male	14,475	14,720	14,897	15,071	15,229	15,353	15,474	15,543	15,471	15,428	15,574	15,761	15,967	16,190	16,380	16,562	16,609	16,706	16,930	17,186
Female	15,729	15,988	16,136	16,246	16,345	16,424	16,476	16,516	16,384	16,254	16,393	16,611	16,852	17,087	17,347	17,549	17,594	17,703	17,977	18,314
All	30,204	30,707	31,033	31,317	31,574	31,777	31,951	32,060	31,855	31,682	31,967	32,372	32,819	33,277	33,727	34,111	34,203	34,409	34,907	35,500
SMigR: males	41.7	41.7	41.6	41.6	41.6	41.5	41.5	41.5	41.5	41.5	41.6	41.6	41.6	41.6	41.6	41.7	41.7	41.7	41.6	41.6
SMigR: females	44.5	44.6	44.5	44.4	44.4	44.3	44.3	44.2	44.2	44.1	44.2	44.2	44.2	44.2	44.2	44.2	44.1	44.1	44.1	44.1
In-migration from Overseas																				
Male	2,471	2,495	2,510	2,521	2,521	2,522	2,524	2,522	2,496	2,474	2,479	2,499	2,520	2,541	2,562	2,569	2,559	2,551	2,567	2,580
Female	2,166	2,183	2,193	2,196	2,193	2,192	2,189	2,185	2,154	2,131	2,139	2,161	2,183	2,205	2,227	2,232	2,215	2,204	2,222	2,237
All	4,637	4,678	4,703	4,717	4,715	4,714	4,712	4,707	4,650	4,604	4,618	4,660	4,703	4,746	4,789	4,801	4,774	4,756	4,789	4,817
SMigR: males	104.2	103.2	102.2	101.3	100.2	99.3	98.7	98.2	98.0	97.7	97.4	97.4	97.3	97.2	97.0	96.6	96.2	95.6	94.8	93.8
SMigR: females	92.1	91.3	90.5	89.7	88.9	88.3	87.9	87.6	87.4	87.3	87.4	87.5	87.5	87.5	87.3	86.9	86.3	85.6	85.0	84.2

APPENDIX 2: POPGROUP OUTPUT; ECONOMIC LED (REDUCING UNEMPLOYMENT)

Out-migration to Overseas																					
Male	1,756	1,793	1,828	1,861	1,896	1,930	1,931	1,931	1,913	1,898	1,903	1,915	1,929	1,941	1,957	1,964	1,957	1,954	1,969	1,982	
Female	1,462	1,496	1,526	1,553	1,584	1,613	1,612	1,610	1,588	1,572	1,576	1,591	1,606	1,619	1,634	1,639	1,631	1,627	1,640	1,651	
All	3,218	3,289	3,354	3,414	3,479	3,544	3,543	3,540	3,500	3,470	3,480	3,507	3,534	3,561	3,590	3,603	3,588	3,581	3,608	3,633	
SMigR: males	74.1	74.2	74.4	74.8	75.4	76.0	75.6	75.2	75.1	74.9	74.8	74.6	74.5	74.3	74.1	73.9	73.6	73.2	72.7	72.1	
SMigR: females	62.2	62.5	63.0	63.4	64.2	65.0	64.7	64.5	64.4	64.4	64.4	64.4	64.3	64.2	64.1	63.8	63.5	63.2	62.7	62.2	
Migration - Net Flows																					
UK	+6,728	+5,656	+5,364	+4,915	+5,397	+5,010	+4,825	-582	+858	+6,690	+8,977	+8,924	+8,942	+8,920	+6,587	+2,405	+3,865	+9,280	+9,062	+9,621	
Overseas	+1,418	+1,389	+1,349	+1,303	+1,235	+1,170	+1,169	+1,167	+1,149	+1,135	+1,139	+1,153	+1,169	+1,185	+1,199	+1,198	+1,186	+1,175	+1,180	+1,184	
Summary of population change																					
Natural change	+1,908	+2,072	+2,119	+2,088	+2,023	+1,969	+1,886	+1,812	+1,658	+1,504	+1,423	+1,364	+1,293	+1,199	+1,094	+950	+752	+589	+510	+426	
Net migration	+8,146	+7,045	+6,713	+6,218	+6,632	+6,180	+5,994	+585	+2,007	+7,825	+10,116	+10,077	+10,111	+10,105	+7,786	+3,603	+5,050	+10,455	+10,242	+10,805	
Net change	+10,055	+9,118	+8,832	+8,306	+8,655	+8,149	+7,880	+2,397	+3,665	+9,329	+11,539	+11,441	+11,403	+11,304	+8,880	+4,553	+5,802	+11,044	+10,752	+11,232	
Summary of Population estimates/forecasts																					
	2011	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030*	*2031*
0-4	39,971	41,279	42,267	43,267	43,946	44,723	44,990	45,009	44,486	44,010	43,987	44,158	44,349	44,539	44,718	44,708	44,340	44,033	44,126	44,263	44,523
5-10	45,182	45,929	47,562	48,889	50,327	51,486	52,803	54,284	55,029	55,792	56,544	57,497	57,932	58,151	58,278	58,237	57,992	57,835	57,999	58,116	58,245
11-15	40,173	39,889	38,974	38,575	38,344	38,714	39,370	40,544	41,629	42,617	43,909	44,921	46,390	47,594	48,824	49,655	50,317	50,514	50,694	50,772	50,851
16-17	16,987	16,663	16,730	16,685	16,518	16,191	15,858	15,396	15,221	15,757	16,241	16,853	17,269	17,873	18,507	18,921	19,142	19,575	20,384	20,758	20,934
18-59Female, 64Male	391,247	394,552	397,325	400,212	403,215	406,270	408,851	410,546	408,826	407,616	410,188	414,304	418,223	422,075	426,044	428,524	427,934	428,855	433,125	437,876	443,035
60/65 -74	94,052	97,569	100,367	102,520	104,421	106,719	108,431	109,661	109,692	109,958	110,743	109,340	109,600	111,098	113,157	115,719	118,282	120,527	123,435	126,354	129,081
75-84	43,470	44,492	45,555	46,702	47,529	47,941	49,033	50,987	53,300	55,166	57,510	62,355	65,853	68,315	70,195	71,990	73,100	73,779	74,127	74,447	74,841
85+	18,319	19,084	19,793	20,555	21,412	22,325	23,180	23,968	24,611	25,542	26,665	27,898	29,151	30,525	31,750	32,600	33,800	35,590	37,863	39,919	42,225
Total	689,401	699,456	708,573	717,406	725,712	734,367	742,516	750,396	752,793	756,458	765,787	777,326	788,767	800,170	811,474	820,353	824,906	830,709	841,753	852,505	863,736
Working age number																					
Working age	408,896	413,962	419,012	424,046	429,064	434,067	439,054	444,025	448,981	453,921	458,846	464,477	470,107	475,737	481,367	486,998	492,628	498,258	503,888	509,518	515,149
Change over previous year		+5,066	+5,050	+5,034	+5,018	+5,003	+4,987	+4,971	+4,956	+4,940	+4,925	+5,630	+5,630	+5,630	+5,630	+5,630	+5,630	+5,630	+5,630	+5,630	+5,630
Employed	310,768	315,098	319,428	323,758	328,088	332,418	336,748	341,078	345,408	349,738	354,068	358,398	362,728	367,058	371,388	375,718	380,048	384,378	388,708	393,038	397,368
Change over previous year		+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330	+4,330
Households																					
Households	290,802	295,538	299,714	303,919	307,962	312,301	316,459	320,394	322,426	324,739	329,139	335,510	341,761	348,047	354,205	359,555	363,142	367,390	373,708	379,917	386,494
Change over previous year		+4,737	+4,175	+4,206	+4,043	+4,338	+4,158	+3,935	+2,031	+2,314	+4,399	+6,371	+6,251	+6,287	+6,157	+5,350	+3,587	+4,249	+6,317	+6,209	+6,578
Dwellings	301,580	306,496	310,830	315,192	319,385	323,885	328,198	332,282	334,383	336,778	341,344	347,950	354,431	360,951	367,335	372,881	376,591	380,992	387,547	393,986	400,807
Change over previous year		+4,916	+4,334	+4,362	+4,194	+4,499	+4,313	+4,083	+2,102	+2,395	+4,566	+6,605	+6,481	+6,520	+6,384	+5,546	+3,710	+4,401	+6,555	+6,438	+6,821

APPENDIX 2: POPGROUP OUTPUT; ECONOMIC LED (STATIC UNEMPLOYMENT)

Births	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030*
Male	4,183	4,310	4,368	4,394	4,388	4,403	4,405	4,410	4,359	4,316	4,334	4,359	4,377	4,389	4,396	4,377	4,327	4,300	4,329	4,365
Female	3,984	4,105	4,160	4,185	4,179	4,193	4,195	4,200	4,152	4,111	4,128	4,151	4,168	4,180	4,186	4,168	4,121	4,095	4,123	4,157
All Births	8,167	8,415	8,528	8,580	8,568	8,596	8,600	8,610	8,511	8,427	8,462	8,510	8,545	8,569	8,582	8,545	8,448	8,395	8,452	8,522
TFR	2.00	2.03	2.03	2.01	1.98	1.96	1.94	1.93	1.92	1.91	1.90	1.89	1.88	1.87	1.86	1.84	1.84	1.84	1.83	1.83
Deaths																				
Male	3,041	3,074	3,110	3,167	3,189	3,228	3,273	3,319	3,351	3,386	3,443	3,509	3,570	3,641	3,711	3,776	3,837	3,900	3,970	4,053
Female	3,217	3,251	3,263	3,270	3,283	3,306	3,328	3,346	3,352	3,369	3,410	3,452	3,498	3,550	3,605	3,658	3,709	3,771	3,851	3,936
All deaths	6,258	6,326	6,373	6,437	6,471	6,533	6,601	6,665	6,703	6,755	6,853	6,961	7,068	7,191	7,316	7,434	7,547	7,671	7,821	7,989
SMR: males	93.1	90.6	88.4	86.9	84.6	82.7	81.0	79.4	77.8	76.2	74.8	73.6	72.3	71.2	70.1	69.0	68.1	67.1	66.1	65.4
SMR: females	92.0	90.3	88.1	86.0	84.1	82.4	80.8	79.0	77.3	75.7	74.3	72.8	71.4	70.1	68.8	67.6	66.5	65.5	64.6	63.8
SMR: male & female	92.5	90.4	88.2	86.4	84.3	82.5	80.9	79.2	77.6	76.0	74.6	73.2	71.9	70.7	69.5	68.3	67.3	66.3	65.4	64.6
Expectation of life	81.7	81.9	82.1	82.2	82.4	82.6	82.7	82.8	83.0	83.1	83.2	83.3	83.4	83.5	83.7	83.8	83.8	83.9	84.0	84.1
In-migration from the UK																				
Male	18,175	17,944	17,997	17,985	18,380	18,343	18,412	15,896	16,566	19,405	20,220	20,402	20,640	20,842	19,892	18,006	18,763	21,528	21,617	22,129
Female	19,661	19,398	19,453	19,379	19,804	19,737	19,733	16,997	17,636	20,563	21,412	21,580	21,803	22,024	21,056	19,089	19,873	22,748	22,909	23,528
All	37,836	37,342	37,450	37,364	38,184	38,080	38,145	32,893	34,202	39,968	41,632	41,982	42,442	42,866	40,948	37,095	38,637	44,276	44,526	45,657
SMigR: males	52.4	50.7	50.1	49.4	49.8	49.2	48.9	41.9	43.8	51.4	53.0	52.9	52.9	52.7	49.7	44.6	46.3	52.9	52.3	52.8
SMigR: females	55.7	54.0	53.4	52.7	53.4	52.7	52.4	44.9	46.9	54.9	56.6	56.3	56.1	55.9	52.7	47.2	49.0	55.8	55.3	55.8
Out-migration to the UK																				
Male	14,475	14,745	14,947	15,148	15,333	15,484	15,632	15,728	15,682	15,665	15,839	16,027	16,234	16,457	16,646	16,827	16,873	16,969	17,192	17,447
Female	15,729	16,022	16,205	16,350	16,483	16,595	16,679	16,750	16,646	16,544	16,712	16,924	17,160	17,388	17,643	17,839	17,879	17,984	18,255	18,591
All	30,204	30,767	31,152	31,498	31,815	32,079	32,311	32,478	32,328	32,209	32,551	32,951	33,393	33,845	34,289	34,666	34,752	34,953	35,447	36,038
SMigR: males	41.7	41.7	41.6	41.6	41.6	41.5	41.5	41.5	41.5	41.5	41.5	41.5	41.6	41.6	41.6	41.7	41.7	41.7	41.6	41.6
SMigR: females	44.5	44.6	44.5	44.4	44.4	44.3	44.3	44.2	44.2	44.2	44.2	44.2	44.2	44.1	44.1	44.2	44.1	44.1	44.1	44.1
In-migration from Overseas																				
Male	2,471	2,500	2,521	2,537	2,542	2,548	2,554	2,557	2,535	2,516	2,526	2,544	2,564	2,583	2,603	2,609	2,597	2,589	2,604	2,616
Female	2,166	2,189	2,205	2,213	2,216	2,220	2,221	2,222	2,195	2,176	2,188	2,208	2,228	2,248	2,268	2,271	2,253	2,241	2,258	2,272
All	4,637	4,689	4,725	4,750	4,758	4,767	4,775	4,779	4,730	4,692	4,714	4,752	4,792	4,831	4,871	4,880	4,850	4,830	4,861	4,889
SMigR: males	104.2	103.2	102.2	101.3	100.3	99.3	98.8	98.2	98.0	97.7	97.4	97.3	97.3	97.1	96.9	96.5	96.1	95.5	94.7	93.8
SMigR: females	92.1	91.3	90.5	89.7	89.0	88.4	87.9	87.6	87.4	87.4	87.4	87.4	87.4	87.4	87.2	86.8	86.2	85.5	84.9	84.2
Out-migration to Overseas																				
Male	1,756	1,797	1,835	1,871	1,910	1,949	1,953	1,956	1,941	1,929	1,938	1,950	1,963	1,975	1,989	1,996	1,988	1,985	1,999	2,012
Female	1,462	1,499	1,533	1,564	1,599	1,633	1,635	1,636	1,617	1,604	1,612	1,626	1,640	1,652	1,665	1,670	1,661	1,655	1,667	1,678
All	3,218	3,296	3,368	3,436	3,509	3,581	3,588	3,592	3,558	3,534	3,550	3,576	3,602	3,627	3,655	3,665	3,649	3,640	3,666	3,690
SMigR: males	74.1	74.2	74.4	74.7	75.3	76.0	75.5	75.1	75.0	74.9	74.8	74.6	74.4	74.2	74.1	73.9	73.6	73.2	72.7	72.1
SMigR: females	62.2	62.5	63.0	63.4	64.2	65.0	64.7	64.5	64.4	64.4	64.4	64.4	64.3	64.2	64.1	63.8	63.5	63.1	62.7	62.1

APPENDIX 2: POPGROUP OUTPUT; ECONOMIC LED (STATIC UNEMPLOYMENT)

Migration - Net Flows																					
UK	+7,632	+6,576	+6,298	+5,867	+6,369	+6,001	+5,834	+416	+1,874	+7,759	+9,082	+9,031	+9,049	+9,021	+6,659	+2,428	+3,885	+9,323	+9,079	+9,619	
Overseas	+1,418	+1,393	+1,357	+1,315	+1,250	+1,186	+1,187	+1,187	+1,171	+1,159	+1,164	+1,176	+1,190	+1,204	+1,216	+1,215	+1,201	+1,190	+1,195	+1,199	
Summary of population change																					
Natural change	+1,908	+2,090	+2,155	+2,143	+2,097	+2,063	+1,999	+1,945	+1,808	+1,672	+1,609	+1,550	+1,477	+1,378	+1,266	+1,111	+901	+724	+631	+533	
Net migration	+9,050	+7,969	+7,655	+7,181	+7,618	+7,187	+7,021	+1,603	+3,045	+8,918	+10,246	+10,207	+10,239	+10,225	+7,875	+3,643	+5,086	+10,513	+10,274	+10,817	
Net change	+10,958	+10,059	+9,810	+9,324	+9,715	+9,250	+9,020	+3,547	+4,854	+10,590	+11,855	+11,757	+11,716	+11,603	+9,141	+4,754	+5,987	+11,237	+10,905	+11,350	
Summary of Population estimates/forecasts																					
	2011	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030*	*2031*
0-4	39,971	41,351	42,426	43,524	44,312	45,209	45,604	45,750	45,351	44,999	45,104	45,324	45,551	45,764	45,950	45,929	45,526	45,173	45,215	45,292	45,484
5-10	45,182	45,978	47,666	49,057	50,569	51,811	53,226	54,822	55,694	56,597	57,501	58,556	59,091	59,403	59,617	59,649	59,463	59,350	59,544	59,672	59,792
11-15	40,173	39,922	39,040	38,674	38,478	38,887	39,587	40,812	41,955	43,008	44,376	45,431	46,954	48,223	49,529	50,441	51,189	51,471	51,733	51,886	52,032
16-17	16,987	16,677	16,757	16,725	16,571	16,256	15,936	15,486	15,325	15,881	16,387	17,007	17,433	18,052	18,704	19,137	19,380	19,838	20,682	21,094	21,306
18-59Female, 64Male	391,247	395,188	398,613	402,162	405,840	409,583	412,861	415,260	414,231	413,719	417,023	421,210	425,198	429,117	433,152	435,682	435,115	436,069	440,392	445,193	450,406
60/65 -74	94,052	97,628	100,488	102,708	104,679	107,053	108,847	110,160	110,276	110,630	111,508	110,126	110,414	111,944	114,032	116,625	119,213	121,479	124,407	127,344	130,085
75-84	43,470	44,515	45,601	46,771	47,620	48,054	49,170	51,152	53,497	55,396	57,776	62,645	66,162	68,642	70,542	72,358	73,490	74,191	74,559	74,898	75,313
85+	18,319	19,101	19,827	20,607	21,482	22,414	23,288	24,095	24,756	25,708	26,852	28,084	29,335	30,709	31,932	32,779	33,978	35,770	38,046	40,103	42,413
Total	689,401	700,359	710,418	720,228	729,552	739,267	748,517	757,537	761,084	765,938	776,527	788,382	800,140	811,855	823,458	832,600	837,354	843,341	854,577	865,482	876,832
Working age number																					
Residents of working age	408,896	414,615	420,334	426,053	431,772	437,491	443,210	448,929	454,648	460,367	466,086	471,805	477,524	483,244	488,963	494,682	500,401	506,120	511,839	517,558	523,277
Change over previous year		+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719	+5,719
Residents of working age	310,768	315,098	319,428	323,758	328,088	332,418	336,748	341,078	345,408	349,738	354,068	358,398	362,728	367,058	371,388	375,718	380,048	384,378	388,708	393,038	397,368
Households																					
Number of Households	290,802	295,857	300,365	304,921	309,336	314,068	318,639	323,006	325,477	328,239	333,110	339,640	346,048	352,488	358,788	364,267	367,954	372,291	378,700	384,985	391,628
Change over previous year		+5,055	+4,508	+4,556	+4,415	+4,732	+4,571	+4,368	+2,471	+2,762	+4,871	+6,530	+6,408	+6,440	+6,300	+5,478	+3,687	+4,337	+6,408	+6,285	+6,643
Number of Dwellings	301,580	306,827	311,505	316,231	320,810	325,718	330,460	334,991	337,548	340,408	345,464	352,234	358,878	365,556	372,088	377,767	381,581	386,074	392,723	399,241	406,130
Change over previous year		+5,247	+4,679	+4,726	+4,579	+4,908	+4,741	+4,532	+2,557	+2,860	+5,056	+6,770	+6,644	+6,679	+6,532	+5,679	+3,814	+4,493	+6,650	+6,517	+6,889

APPENDIX 2

EASTLEIGH BOROUGH LOCAL PLAN 2011-2029 EXAMINATION

ID/4: INSPECTOR'S PRELIMINARY CONCLUSIONS ON HOUSING NEEDS AND SUPPLY AND ECONOMIC GROWTH (POST HEARING NOTE 2)

28 NOVEMBER 2014

EASTLEIGH BOROUGH LOCAL PLAN 2011-2029 EXAMINATION

ID/4: INSPECTOR'S PRELIMINARY CONCLUSIONS ON HOUSING NEEDS AND SUPPLY AND ECONOMIC GROWTH (POST HEARING NOTE 2)

Introduction

1. Following the hearings held between 10-13 November 2014, I set out below my preliminary conclusions on housing needs and supply and economic growth. These are published now to ensure that the Examination proceeds in the most efficient and effective manner. I have found that the Council has not recognised the full extent of affordable housing need in the Borough and, as a consequence, has not considered all options to seek to better address that need. There are also market signals which indicate that some additional market housing is required. The five year land supply position is inadequate because a 20% buffer is required and the overall supply position is tight, with no flexibility to respond to changing circumstances.

2. I consider that this Plan should respond to these matters now rather than delaying such consideration to a review of the Plan in several years time. I explain at the end of the note the options available to the Council, but in the light of the further work that would be required if this Plan is to be progressed, I do not intend to proceed with the hearings in January.

Derivation of the housing requirement in the Plan

3. The National Planning Policy Framework (the Framework, paragraph 159) requires Councils in their local plans to meet in full their area's housing needs. Those needs should be established by a Strategic Housing Market Assessment (SHMA) based on an objective assessment of housing needs involving neighbouring authorities where housing market areas (HMA) cross administrative boundaries. The only provision in the Framework (paragraph 14) for not fully meeting needs is if any adverse impacts of doing so would significantly and demonstrably outweigh the benefits or the specific policies in the Framework which indicate that development should be restricted.

4. This Local Plan has a protracted history with the original draft plan being published three years ago. Since then there have been significant changes in the planning context: publication of the PUSH South Hampshire Strategy (SHS) 2012; publication of the Framework; and revocation of the South East Plan. The submitted Plan proposes in policy S2 a minimum of 10,140 new dwellings in the plan period of 2011 – 2029 which equates to 564 dwelling per annum (dpa). How this figure has been derived and justified is summarised in the *Housing Background Paper* H1 EBC/H1 (July 2014) and in the *Sustainability Appraisal* EBC/G2 (10.2.3 -10.2.9). The figure of 10,140 is derived from the apportionment made to Eastleigh Borough in the PUSH SHS 2012, increased by 5%. The SHS was <u>not</u> based on an objective assessment of housing need in an up to date SHMA and thus, whilst reflecting a positive co-operative approach by all authorities in the sub-region, was not compliant with Framework.

5. Irrespective of how the 10,140 was originally derived, I consider that the relevant test now is whether, in practice, in the light of all the evidence available it meets

the requirements of the Framework. The Council's position is somewhat ambiguous as to whether it considers there is an objective assessment appropriate for Eastleigh Borough to inform this Plan.

The PUSH SHMA and PUSH Strategy

6. The South Hampshire SHMA January 2014 (EBC/H4A) was published just before the publication of the pre-submission Plan. It was produced on behalf of all the PUSH authorities in the South Hampshire sub-region and covers needs in the period 2011-2036. It identifies two HMAs within the PUSH area. Eastleigh Borough is wholly within the Southampton HMA. I have seen no evidence to justify a different definition of an HMA for Eastleigh. The SHMA includes nine different projections to explore objectively assessed needs. Some, such as *zero net migration* or *zero employment growth* are so at odds with Framework as to not be worth putting forward, but they have not been used to determine the recommended outcome. I note that many local residents support much lower projections of housing need, but these would not be consistent with national policy.

7. In relation to household/population projections the methodology used in the SHMA is not fundamentally criticised. Its conclusion is that needs amount to 2,115 dpa in the Portsmouth HMA and 2,045 in the Southampton HMA (11.24). Appendices to the SHMA set out all nine projections individually for the local authorities (or parts thereof) within the PUSH area. For Eastleigh Borough the recommended projection amounts to 615 dpa (SHMA, Appendix U, Table 19) this equates to 11,070 dwellings for the Local Plan period to 2029 (EBC/H1 paragraph 4.68), 930 more than the Plan proposes.

8. The SHMA focuses on assessing needs on the basis of the two identified HMAs. This is consistent with the approach to preparing SHMAs in the Framework. However, to progress a local plan a Council needs to determine the needs within its area. The SHMA states that the figures it provides for individual Boroughs should be used with caution. The Council highlights this cautionary approach in resisting the use of the 615 dpa figure referred to above in determining its housing need/requirement. However, there needs to be some basis to do so and, in my view, the PUSH SHMA and the JGC Study (see below) provide a reasonable starting point. If the Council consider that the Borough-based assessments are fundamentally inadequate then it would have to withdraw this Plan and undertake what further work it considered necessary.

9. The Council see the PUSH Spatial Strategies as the tool to derive the requirements for each Borough in a manner which meets the Duty to Co-operate. But as I have already noted, the 2012 Strategy was not based on an objective assessment of need compliant with the Framework, which weakens its suitability for this purpose. The PUSH authorities have agreed a programme of work to prepare a new PUSH Spatial Strategy. This envisages public consultation on options in summer 2015 and consultation on a final strategy early in 2016.

10. The Borough Council see this new Strategy as the appropriate means to address the spatial response to the PUSH SHMA 2014 and to determine housing needs and requirements at a Borough level. Accordingly, it is has already included in its

Local Development Scheme a review of the Local Plan to be published in 2016 to respond to the new Strategy. This intention shows a commendable commitment to co-operative working in the future. I recognise that a planned review can be a relevant consideration in assessing the soundness of a plan. However, the planned review is at least 2 years away and the timetable for the finalisation of the new PUSH Strategy could easily slip, given the number of authorities involved and the complex and potentially controversial issues it needs to address. Similarly, the long gestation period of the current Local Plan inevitably raises uncertainty over the Council's ability to deliver a review so tightly aligned to the finalisation of the new PUSH Strategy.

11. Accordingly, I consider that for the short/medium term at least, this Local Plan should seek to meet the expectations of the Framework and any significant shortcomings should be addressed now and not be postponed to the review. A planned review cannot make an unsound plan sound.

12. The Council estimates (EBC/H1 Table 5.1) that existing local plans covering the Southampton HMA are proposing to deliver nearly enough housing to meet the SHMA's recommended need for the period 2011-2026, with a shortfall averaging 50 dpa (750 dwellings overall). Of the Councils covering at least part of this area, only Test Valley has not got an adopted plan in place for this period. Southampton City is the largest single provider of housing within the HMA and Eastleigh Borough is second. The contributions from the other authorities are much smaller, reflecting that only part of those authorities are in the Southampton HMA. The current shortfall estimated by the Council for the Portsmouth HMA is much greater at nearly 500 dpa (EBC/H1 Table 5.2).

13. No Councils within PUSH object to the scale of housing provision proposed in this Local Plan and none have requested Eastleigh Borough to accommodate any of their housing needs. In this context, I do not see the Duty to Co-operate as requiring Eastleigh Borough to anticipate whether or not other authorities in PUSH will be able to meet their housing needs. To do so would involve drawing conclusions about the ability of those authorities to deliver housing which neither the Council nor I are in a position to do. Such assumptions would not reflect a co-operative approach.

14. It is a legitimate role for the PUSH strategy, as an expression of the Duty to Co-operate to assign all unmet needs within the HMA beyond 2026 and, if required, between the 2 HMAs. Provided that a new PUSH Strategy is finalised in 2016 there would be sufficient time for all plan reviews to roll forward provision on the agreed basis from 2026. The difficulty is with the modest shortfall emerging in the short/medium term, as the timing of the PUSH Strategy and subsequent reviews of plans will unacceptably delay that shortfall being addressed. I consider this further below after considering the JGC Study.

15. The PUSH authorities clearly have the structure in place and a commitment to working together in the future as they have done in the past. The PUSH structure and work it has produced and intends to produce demonstrate an admiral co-operative approach. But the process is time consuming and there is a danger of building-in delay to local plans. This is why it is essential that this Plan responds as fully as possible to the identified needs for Eastleigh.

The JGC Study

16. Subsequent to the publication of the Local Plan and the PUSH SHMA, the Council commissioned further work on population projections - the JGC Study *An Analysis of Objectively Assessed Needs in the light of the 2012 based Sub-national Population Projections* EBC/H1A) June 2014. As its name implies, this took account of the recent publication of the 2012 SNPP which were not available for the PUSH SMHA. The JGC Study produces a new household projection for Eastleigh Borough and the Southampton HMA. Fig 8.3 shows a need for 549 dpa for Eastleigh Borough when calculated for the plan period to 2029. This equates to a need for 9,882 dwellings for Eastleigh Borough (see EBC/H1, 4.90). For the Southampton HMA, the Study projects a need for 2,019 dpa 2011-2029 (EBC/H1A, paragraph 8.4), which would reduce the deficit on delivery in the HMA to 2026 to about 26 dpa.

17. There are three important points to note about the difference between the projection in the JGC Study and the favoured projection in the PUSH SHMA. Firstly, the Study was published after the consultation period on the Local Plan. There is no indication that other planning authorities within Southampton HMA agree with its analysis. Whilst the figure for Eastleigh Borough is materially lower than that in the PUSH SHMA, the figure for the whole HMA is only slightly lower, indicating that Eastleigh is generating a lower proportion of the housing needs in the HMA. If these figures are used for the housing requirement in Eastleigh, a greater proportion of needs would be met in the rest of the HMA than suggested in the SHMA. My understanding is that it is the PUSH SHMA that will primarily inform the work on the revised PUSH Strategy and it is not clear whether there will be any general updating of projections on a PUSH-wide basis. Accordingly, it would not be wise to rely solely on the JGC Study.

18. Secondly, the SHMA had included within the projection of future migration the ONS's *Unattributable Population Change* factor which had to be added (or subtracted) to the ONS's Mid Year Estimates to ensure that there is alignment in all the data across the country between the 2001 and 2011 Censuses. For Eastleigh, the UPC is a significant positive figure suggesting likely under-recording of past in-migration. However, ONS has not included the UPC component in the 2012 SNPP, hence the population projections for Eastleigh are lower than before. ONS consider that the UPC should not be attributed to migration because, as its name implies, the reasons for the adjustment is unknown. Given this advice and ONS' approach to its own projections, it is reasonable for the JGC study to follow the same approach. Over time the significance of the UPC will decline and ONS has improved its methodology for assigning international migration. Nevertheless, UPC may represent higher than accounted for migration into Eastleigh in the past, which may continue in the future. This is not reflected in the 2012 SNPP and thus not in the JGC Study's outputs. The higher figure for the recommended projection in the SHMA represents, at least in part, this possibility.

19. Thirdly, the JCG Study carried out a more detailed analysis than the SHMA on the local reasons behind the slowing of the trend of household formation (headship rates) revealed in the 2011 Census. In the light of this analysis, it recommends a part return to the underlying long term trend to reach 73% of the 2008-based rate by the end of the projection period. I consider that this is a well-informed

analysis consistent with the evidence and with other Inspectors' conclusions on this issue. The recommended projection in the SHMA had not assumed such a high degree of convergence and so the application of this analysis to its population projection would result in more new households, particularly towards the end of the projection period.

20. In relation to the starting point of a demographic projection, I consider that whilst the JGC Study is a robust piece of work in this regard, the projection in the PUSH SHMA should not be ignored. Thus demographic evidence indicates that Eastleigh should be providing between about 550 – 615 dpa. For the reasons given above the most robust approach would be a figure toward the upper end of the range. The proposed rate in the Local Plan of 564 dpa sits within this range, but I consider that it is marginally too low.

21. On the Council's evidence there is a shortfall in housing supply of between 400-750 dwellings between 2011 -2026 in the Southampton HMA, depending on whether the PUSH SHMA or the JGC Study is used. Considered in isolation, Eastleigh Borough does not have to accommodate all this shortfall, but it should seek to accommodate some of it so as to reduce the extent to which any PUSH Review has to address a backlog of provision. More importantly in the light of my conclusion in relation to affordable housing below, this shortfall in the HMA suggests that on demographic projections alone there is some scope to increase the provision of market housing to deliver more affordable housing. The shortfall in the HMA clearly provides an opportunity for housing provision in Eastleigh to be increased without any wider impact on the HMA, although I see no reason why any such uplift would need to be capped as this shortfall figure.

22. The demographic projections are only the starting point for determining housing need and ultimately the housing requirement. I thus turn below to these other relevant matters.

Affordable Housing

23. Affordable housing for planning purposes is defined in the Framework's Glossary.

24. The PUSH SHMA was not published until close to the publication date of the Plan. Whilst the Council was aware of its preliminary findings prior to publication, it is clear that much of the early preparatory work for this Plan was not informed by an up-to-date understanding of the need for affordable housing in the district.

25. The PUSH SHMA identifies 1,661 households pa in the Southampton HMA in need of affordable housing, of which the need in Eastleigh Borough is 509 pa (SHMA Appendices, Table 34, p79). The SHMA notes (8.78) that accommodation in the private rented sector (PRS), where households are in receipt of the local housing allowance (LHA, housing benefit) is <u>not</u> a recognised form of affordable housing. It suggests that the extent to which Councils wish to see the PRS being used to make up for shortages of affordable housing is ultimately a local policy decision. Nevertheless, the SHMA goes on to assume that the current role of the PRS continues. On that basis, the SHMA reduces the need for affordable housing by discounting from assessed need an estimate for future lettings in the PRS to households in receipt of the LHA (SHMA, Appendices, Table 36, p81). Accordingly, it substantially reduces overall affordable housing needs in the

Southampton HMA to 400 dwellings of which the need in Eastleigh Borough is 310.

26. On the basis of these reduced figures, it concludes that there is no PUSH-wide need to increase housing provision to meet affordable housing needs (paragraph 11.9), but for Eastleigh Borough it comments (8.79): *even assuming the current role of the private rented sector continues we identify a need to deliver around 310 affordable homes pa which would require overall housing provision in the region of 1,000 to 1,100 dpa*. The Council, however, does not consider that any increase in housing provision to meet affordable needs is justified in this Plan. I consider below the three key assumptions leading to these conclusions.

27. Firstly, the PUSH SHMA assumes (EBC/H4A, 8.6) 30% of gross income spent on housing is the threshold for households in need of affordable housing. Many developer interests consider that this is too high and highlight the reference to a 25% threshold in the 2007 DCLG SHMA Guidance, but that is now cancelled. National Policy Guidance (the Guidance) does not specify a threshold. I note that 30% of the estimated income required to access market housing in Eastleigh would be (just) insufficient to rent an entry level two bedroom property. Three bedrooms would be out of reach. Thus a proportion of families would not be able to secure accommodation of adequate size when spending 30% of income on housing (SHMA Appendices, Tables 24, p74 and Table 18, p70). A 30% threshold should thus be seen as the upper end of a possible range.

28. A 25% income threshold would increase the identified need for affordable housing using the SHMA methodology to about 624 dpa for Eastleigh (prior to any role assigned to the PRS). This highlights the sensitivity of the threshold used. Accordingly, the figure in the SHMA of 509 dpa should be seen as a baseline, with actual needs recognised as potentially greater. In this context, I see no justification for the Council assuming that more than 30% of income could reasonably be spent on housing. Some households may be forced to do so, but that does not make it a justified approach to assessing need.

29. Secondly, there is no justification in the Framework or Guidance for reducing the identified need for affordable housing by the assumed continued role of the PRS with LHA. This category of housing does not come within the definition of affordable housing in the Framework. There is not the same security of tenure as with affordable housing and at the lower-priced end of the PRS the standard of accommodation may well be poor (see for example: *Can't complain: why poor conditions prevail in the private rented sector,* Shelter March 2014, provided by Tetlow King on behalf of Landhold Capitol).

30. The Framework requires planning authorities to meet the housing needs of its area including affordable housing needs. The availability of accommodation within the PRS where households are in receipt of the LHA is outside the control of the Council, being determined by the willingness of private landlords to let to tenants in receipt of the LHA. The operation of the LHA is determined by the government. I recognise that I and other Inspectors elsewhere have previously accepted an on-going role for the PRS with LHA to discount the assessment of affordable housing needs, but I am no longer persuaded that this approach is justified. I have no doubt that households in need of affordable housing readily

perceive a substantial difference between these two types of housing for the reasons already given. Accordingly, affordable housing needs in Eastleigh Borough are at least 509 dpa and would be higher if a more cautious approach were to be taken to the proportion of income which it is assumed is reasonable to spend on housing.

31. Most of this need for 509 dpa is not additional to the 550 – 615 dpa arising from the demographic projections. It is a requirement for a distinct type of housing. I recognise that much of the need may be households in accommodation which is inadequate for their needs, but which may be adequate for other households. The SHMA's assessment takes account of the release of an affordable unit for those needing to move who are already in affordable housing (EBC/H4A, 8.32). Whilst, similarly, a move of a household from an unsuitable private rented unit to a suitable affordable unit would free-up that private rented unit, such moves cannot happen unless affordable homes are available.

32. In relation to affordable housing provision over the plan period, the Council notes that 323 affordable units had been delivered between 2011-2014; existing planning permissions have secured a further 686 units; and on the basis of the percentages in policy DM28, a further 2,000 could be secured from future permissions, resulting in about 3,000 new affordable housing units over the plan period. This is the maximum likely to be delivered. Actual delivery might be less as it depends on the viability of specific sites to deliver at 35%. The Council's estimate equates to an average of 167 pa, substantially below the need for affordable housing and below even the SHMA's figure of 310 pa where the role of the PRS with LHA was assumed to be meeting part of the need.

33. The failure of the Council to recognise the true scale of need for affordable housing and therefore the consequential failure to consider how it might be addressed is a serious shortcoming.

Market signals

34. The Framework and Guidance indicates that household projections should be adjusted to take into account market signals. The Guidance refers to appropriate comparison of indicators both in absolute levels and rates of change. The SHMA (EBC/H4A, 6.90-6.97) highlights Eastleigh and Fareham among the core PUSH authorities as experiencing the highest median prices for most property types and where affordability issues are more acute. Overall, it concludes that market signals are not significant for most of the core authorities, but identifies modest market pressure in Eastleigh and Fareham.

35. Developer interests highlight a range of market signals (see, for example, Table 5.3 in Nathaniel Lichfield and Partners work for Gladman Developments). Not all signals demonstrate that Eastleigh is worse than the national or regional/sub regional averages. But on some crucial indicators it is. Between 1997-2012, the affordability ratio for Eastleigh worsened by 97%. For the Southampton HMA and England the figures are 92% and 85% respectively (Barton Wilmore, Open House October 2014, Table 6.4, for Hallam Land). Time series rental data from the Valuation Office Agency is available only between 2011 and 2013, but indicates rents rising by 7.4% in Eastleigh compared with 4.4% nationally and 6.9% in

Hampshire (Open House, paragraph 5.12). Overall, market signals do justify an upward adjustment above the housing need derived from demographic projections only.

36. It is very difficult to judge the appropriate scale of such an uplift. I consider a cautious approach is reasonable bearing in mind that any practical benefit is likely to be very limited because Eastleigh is only a part of a much larger HMA. Exploration of an uplift of, say, 10% would be compatible with the "modest" pressure of market signals recognised in the SHMA itself.

Accommodating economic growth

37. Local Economic Partnerships (LEPs) are the lead body for promoting local economic development. In this case, it is the Solent LEP, which covers a similar geographic area to PUSH. I consider that a key test of the economic strategy of the Plan is compatibility with the intentions of the LEP, given its role, which includes control of substantial public funds to support economic development. The LEP's current strategy is the *Solent Economic Plan 2014-2020* (EBC/G1) published in March 2014. This sets out a number of economic aspirations, including job growth, drawn from economic projections provided by Oxford Economics (*Solent LEP Economic Outlook*, March 2014). This included a baseline forecast and preferred growth scenario. The LEP's *Economic Plan* mostly seeks to achieve the headline indicators of the preferred scenario (comparing p6 of EBC/G15 with 4.1 of the *Economic Outlook*).

38. An important element of the LEP strategy is the promotion of various *key sites* for economic development. There are seven key sites identified for 2015-2017. None are in Eastleigh Borough. There are a further five sites identified as *Future Pipeline Sites.* One of these, described as: *Ford site, Eastleigh Riverside and Southampton Airport* extends over a large area which straddles the boundary between Southampton City and Eastleigh Borough. The Ford factory which closed in 2013 is not in Eastleigh and its redevelopment is not dependent on any proposals within Eastleigh. The submitted Local Plan includes proposals for facilitating various types of economic development at *Eastleigh Riverside* (E9, mainly business areas for redevelopment), *Development opportunities adjoining Eastleigh Riverside side* (E10, 9.60 ha of greenfield land) and *Southampton Airport* (E12, including 21 ha of undeveloped land north east of the runway).

39. The site-specific merits of these three allocations and the requirements of each policy have yet to be explored at the hearings. The main area of dispute/uncertainty concerns achieving a new access road to facilitate major greenfield development and the requirements to accommodate such a potential future road in any redevelopment of other areas. Because of the current uncertainty, the Council has not included the allocated greenfield employment land as part of its employment land supply for the plan period, but sees it as an opportunity for more economic development if economic circumstances are favourable. Given the scope for redevelopment on the Ford site and parts of the allocations in Eastleigh, I see nothing at odds between the intentions of the LEP in identifying Ford/Airport/Riverside and the Plan.

40. In the summer of 2014, the LEP received substantial public funding to help bring forward a number of its identified key sites. But there was no such funding for the Ford/Airport/Riverside area. Delivery of the LEPs preferred growth scenario will therefore depend on delivery on these sites outside Eastleigh and in various generic measures. The LEP has not commented on the Plan. (It did comment on the adjoining Test Valley Local Plan which was published at a similar time so, I do not regard this lack of comment as an omission). I conclude that the LEP is content with the economic intentions of the Plan and that in the short-medium term, the most likely opportunities for achieving aspirational growth in the LEP area are largely outside Eastleigh Borough.

41. The Plan proposes a minimum of 133,000 sq m of employment development (which is largely intended to be within the B use class). Table 3 in the Plan indicates that total anticipated new floorspace exceeds this minimum at about 148,000 sq m. (Appendix 5 of EBC/2 gives details of the sites which make up this figure.) The Council has taken into account a wide variety of evidence in initially identifying and subsequently justifying this level of provision in the Plan (see, in particular, *Employment Land Strategy Report* July 2014 EC1c). The minimum floorspace figure in the Plan is made up of two components. The *Employment Land Requirements Study* January 2012 (EC1b) identified a need for about 92,500 sq m net additional employment floorspace. The Council identified a need for an additional 40,700 sq m of B class floorspace to replace anticipated losses of existing major employment sites (over and the past trends for such losses - see section 3.3, EC1c).

42. An *Employment Land Requirements Study Update* was published in May 2014 (EC1b1), after the publication of the Plan. This took into account an updated job growth forecast from Experian of March 2014. This economic forecast resulted in a much higher forecast for additional B class floorspace of nearly 228,000 sq m (Table 2.13). However, whilst being mindful that this new evidence may point to greater economic potential of the Borough, I largely accept the Council's reasons, summarised below, for not seeking to increase employment floorspace to match this new forecast.

43. Economic forecasts have a high degree of uncertainty and, in isolation, do not provide a robust basis for planning land use requirements. The floorspace projections based on this most recent forecast seem particularly out of step with a range of other forecasts and methods of assessing future floorspace needs (as illustrated in Table 3.9, reproduced in EC1c, p20). It is also preferable for economic forecasts to be based on the functional economic area rather than an individual district and the LEP/PUSH best reflect this approach.

44. In addition, the scale and type of new employment provision proposed in the Plan (not including the replacement floorspace) broadly aligns with what Eastleigh Borough is expected to deliver in the PUSH South Hampshire Strategy 2012 (90,000 sq m for manufacturing and distribution and only 2,000 sq m for offices - Policy 6, EBC/G7). That strategy envisaged substantial office development in Southampton and Portsmouth, with notable large scale office and other B1 development also at: the new community north of Fareham, at Whitley (Winchester District), Havant and Gosport. This strategy reflects a "city-first" priority and existing or emerging commitments at the time. Even if little weight

were to be given to the 2012 Strategy as a policy document, the scale of provision envisaged in Policy 6 is now largely embedded in the adopted Core Strategies of other PUSH authorities and, in some places, is being taken forward in greater detail in local plans such as that for Welborne (the new community north of Fareham), currently at Examination. The key sites for economic development being targeted by the LEP with public financial support also largely reflect the PUSH strategy and these development plans.

45. Given that Eastleigh Borough is part of this wider functional economic area, if employment floorspace in Eastleigh Borough were to be substantially increased it could well undermine the delivery of these other sites for economic development. This would also undermine the wider strategies of which these employment sites form part. Such a potential consequence is highly undesirable.

46. This context is also why I am not persuaded by the desire of Hampshire Chamber of Commerce for more employment land to be allocated in this Plan, particularly land close to the motorway for offices or logistics. Offices are a use which should first be accommodated in town centres and this is reflected in the PUSH Strategy. I accept that demand for major office development in Southampton City appears weak, but such demand is only likely to be undermined further by greenfield allocations on the edge of the City in Eastleigh Borough. There would seem substantial provision being made across the economic area for manufacturing and distribution in locations close to the motorway to respond to the needs of the logistics sector.

47. Accordingly, I consider that the scale of new employment floorspace is justified bearing in mind that: it is expressed as a minimum; there are further opportunities for intensification and redevelopment of existing employment premises supported by other policies in the Plan; and longer term opportunities may exist for additional employment development on parts of the Eastleigh Riverside allocations.

48. I am also satisfied on the basis of the Council's calculations (EBC/G12) that the proposed level of housing provision would provide more than enough workers to support employment development of the scale proposed in the Plan. Such calculations are however fraught with uncertainty and can only be a broad guide. The close economic relationship between Eastleigh Borough and adjoining parts of the economic area are reflected in high daily flows of residents to work outside the Borough and inflows of workers to Eastleigh from elsewhere. In these circumstances, I do not see a pressing need for job growth and population growth to necessarily be closely matched. Some increase in the overall housing requirement in the Plan arising from my conclusions in relation to affordable housing and market signals would not undermine the economic strategy for the area and may help to support it.

Housing supply and delivery

49. A housing trajectory is included as an Appendix to the Plan. Table 2 in the Plan sets out expected delivery of housing by Parish from different categories of supply: *completions*, *specific urban sites*, *broad areas* (also urban); and *greenfield allocations*. The figures in the Plan are now out of date. More detail on

the sites and sources contributing to these categories is in the SHLAA (EBC/G4 July 2014) which updates the position to 1 April 2014. Detail on how the Council has been calculating the five year supply and a trajectory for the delivery of the allocated sites is in the Council's paper: *Five Year Land Supply Position/Housing Implementation Strategy* September 2014 (H15). For sites allocated in the Plan a year-by-year trajectory for the first five years is included as an Appendix to the Council's pre-hearing statement on this matter. I comment below only on those sources of supply where I consider that the Council's approach is not justified.

50. The category of *broad areas* includes additional dwellings from the redevelopment of sites in Eastleigh town centre and three district centres: Fair Oak, Hedge End and West End. The total supply relied on by the Council from these sources is 300 for the former and 226 for the latter group. None of this supply is included in the five year supply calculation (SHLAA, EBC/G4 paragraph 4.38 and Table 4.8). More detail on these centres is in SHLAA Appendices 7 and 8. In relation to Eastleigh town centre, the SHLAA refers to the challenge to be overcome *including a degree of inertia demonstrated by the fact that private owners have been reluctant or unable to bring schemes forward, particularly within the central block during the last 25 years*. Given this context, the only evidence that there are *reasonable prospects* (the relevant test in the Framework, paragraph 47, Footnote 12) of some delivery coming forward here is the Council's ownership (or intended acquisition) of sites, given the Council's commitment to change in the town centre. Accordingly, delivery from sites 5, 6, 7, 8 in the table in Appendix 7 is justified (and does not need discounting), but not from any others. The supply is thus 137 not 300.

51. Similarly, the assessment of the supply from the three district centres is too focused on physical capacity rather than providing evidence of *reasonable prospects*. There is nothing to indicate why redevelopment, which was not triggered by the previous economic boom, will happen in the future. The need for land assembly or the existing nature of the premises on some of the sites suggests that delivery is very uncertain. Rather than assess each parcel individually, I have increased the Council's discount on delivery from 25% to 50% to be more realistic. Supply thus falls from 226 to about 150.

52. The Council acknowledges (Hearing Statement, 3.9-3.10) the potential for overlap between the site-size threshold in the SHLA of 0.2 ha (which might be for less than 10 dwellings) and the calculation of the small site windfall allowance of less than 10 dwellings and identifies three such sites. Once the Council's discount is applied, the assumed contribution to supply appears very small, but for accuracy should be removed.

53. The Council has included small site windfall in years 3-5 of the five year supply and from year six onwards. The inclusion of the contribution from windfalls from year three is justified given the Council's evidence on the time within which planning permissions are normally implemented and thus avoids double counting. A 10% discount is applied to the average past supply of small site windfalls. Given that there is no change in the policies in the submitted Plan compared with policies in the adopted Plan, this continuation is realistic in the short term. However, to reflect uncertainty and the possibility of fewer such sites in the future I consider that from year six the discount should be increased to 25%.

54. Contrary to the definition of windfalls in the Framework, the Council had included garden land sites in the windfall assessment for years 6-15. These should be removed (amounting to eight dwellings pa). The Council needs to recalculate the windfall contribution for years 6-15 taking into account the above two points, but it is likely to reduce the assumed 700 to about 520.

55. The Council calculated that at 30 September 2014 there was a total supply of 10,746 dwellings, including the Hamble Lane appeal site (see Council's hearing statement on this matter, EBC/4/3, Appendix 3). In the light of the required reductions, the supply figure is about 10,200, only marginally above the overall requirement. This is not a robust position and I consider this further below, but first I turn to the five year supply. The latter is primarily dependent on whether the anticipated start date and expected annual rate of delivery from the allocated greenfield sites is justified.

56. In general, the Council is showing a clear commitment to working effectively and speedily with landowners/developers to progress planning applications on allocated sites and to encourage speedy commencement (through various conditions). Accordingly, background evidence on the slow delivery of strategic sites elsewhere in the country is not particularly relevant.

57. There is conflicting evidence about delivery rates. Developer interests put the rate at between 40-60 dwellings per site per developer, including the delivery of affordable housing. The Council highlights three large sites in Eastleigh Borough where delivery, including during the recession, was much higher. It thus considers that its assumption of 150 dwellings per annum on the three largest allocations with two developers is reasonable. There is clearly considerable uncertainty about market conditions in the future and what developers will want to achieve from their sites. The landowners and promoters of the three largest allocations in the Plan were at the hearing for this matter and I have given particular weight to their estimates for delivery.

58. Allocation BO1 *Boorley Green* has planning permission. The permission is subject to a legal challenge to be heard in the Court of Appeal on 28 November. If the challenge is successful and the permission is quashed, the Council's current timetable for commencement and delivery would need to be substantially revised. I proceed on the assumption that the permission remains valid. The landowner confirms there are now three developers committed to this scheme who expect to start on site in October 2015. I consider that the Council's expectation of 35 units within 2015/16 is rather tight and thus uncertain, but given the three developers involved, the 150 units for each of the following three years is reasonable.

59. Three different owners control the land making up site E1 *land south of Chestnut Avenue*, Eastleigh. A planning application is due in January 2015. The Council anticipates 50 units in 2016/17 then 100 units each year. The representative of one of the landowners considers that delivery will start a year later than the Council and retains the same stepped increase in delivery. Adopting this later timetable would be more robust give the complexities of the site, the requirements of the allocation policy and the 3 landowners. Somewhat confusingly, for sites <u>without planning permission</u> such as E1, the Council

discounts its figures in the trajectory by 25% before inclusion in the calculation of the housing supply (*H15* paragraph 5.22, table after 5.28 and 7.1). Pushing back delivery by a year would give a robust figure (which does not need any discount) and thus results in only a small reduction in the contribution of this site to Council's five year supply (of about 40 dwellings.)

60. The promoter of site WE1 *land west and south of Horton Heath* intends submitting a planning application by December 2014, which will be progressed in accordance with a performance agreement with the Council. The masterplan envisages two distinct residential areas and thus it is logical to assume two different developers. A new secondary school forms part of this allocation and the County Council requires this to be available by September 2018. This is clearly providing an impetus to progress the development quickly. A start on site mid-2016 seems realistic. The developer envisages 60 units per developer per year, not as much as the 155/160 units in the Council's trajectory. As this site is without planning permission Council's housing supply calculation has discounted the figures in the trajectory by 25%. Thus the discounted delivery rate is very similar to that of the developer and is reasonable.

61. On some other allocated sites, I consider that delivery might be delayed by a year compared with Council's assumptions, but still take place within five years years, thus not reducing overall supply in this period.

62. In the three years since the base date of the Plan (2011), less than the Plan's average of 564 dpa has been delivered. The shortfall to 30 September 2014 is 790 homes (H15, 4.14). The Guidance states Council's should aim to deal with any undersupply within the first five years of the plan where possible. Where this cannot be met they will need to work with neighbouring authorities under the Duty to Co-operate. The Council considers that the undersupply should be made-up over more than five years and to do otherwise is unrealistic. It cites the on-going effects of the recent recession; shortages of materials and skills; and the cycle of local plan production, resulting in previously allocated sites having been built out. However, in publishing the Guidance last year the Government would have been mindful of national circumstances in the house-building industry. The delay in having an up-date local plan is the Council's responsibility and does not justify delay in making good the shortfall. I have seen no evidence that it is not possible to achieve the preferred approach of the Guidance. Accordingly on the basis of the submitted plan the shortfall should be made up in the first five years (the "Sedgefield" method).

63. I recognise that if the housing requirement were to be increased to help deliver more affordable housing, the shortfall would be greater and there would be a need to deliver even more in the first five years. Whether in that scenario such increased delivery would be *possible* would need to be considered in the light of the evidence at the time. The Council should have regard to the totality of the Guidance on this matter.

64. The Framework (paragraph 47) requires a buffer to be added to the five year supply of either 5%, or 20% where there has been persistent under delivery of the housing requirement. The assessment of past delivery needs to be considered over at least a 10 year period so as to cover a full economic cycle. In

addition, as none of the plans required a specific target to be met each year, it is appropriate to consider delivery not just on an annual basis but over a whole plan period or phase if this is possible, so as to better iron-out up and downs in delivery. In this case the adopted Local Plan Review covers the period 2001-2011 and so total delivery during this period can be compared with the overall requirement.

65. The Council has set out the past requirements and delivery from 2001-2 based on the Hampshire Structure Plan (421pa), the adopted Local Plan (561pa, excluding the reserve sites), and the South East Plan (SEP) (354 dpa). For the period 2001-2006 I consider that the requirement is that set out in the adopted Local Plan as this was adopted after the Structure Plan and reinterpreted that Plan's requirements, whilst remaining in conformity with it (see the complex explanation of the housing figures in the adopted Plan at 5.2-5.4, 5.10-5.18).

66. I requested a post-hearing note from the Council on the interpretation of the requirements of the SEP. Participants were given the opportunity to comment on the Council's interpretation and I have taken into account all relevant comments. The Council considers that the requirement during the period 2006-2013 (when the SEP was finally revoked) should be 354 pa, as a result of excluding any requirement arising from the Strategic Development Area (SDA) for 6,000 dwellings proposed for north/north east of Hedge End. Policy SH5 of the SEP sets out the annual average for the districts of South Hampshire and the SDAs over the period 2006-2026. For the Hedge End SDA the figure is 300 dpa implying an expected even supply from 2006. For this reason, developer interests consider that this figure should be added to the figure for Eastleigh Borough to create an overall requirement of 654 pa from 2006. The Council highlight that SEP Policy SH1 and supporting text 16.5 makes clear that delivery from the SDA was not expected to occur until 2016 (because of the required long lead-in to get development underway). There is clearly a tension in these different policies which makes their proper interpretation difficult for the exercise here.

67. It is important to bear in mind that the Framework's requirement for a 20% buffer is intended to assist delivery where Councils have experienced difficulty in the past delivering what they planned to deliver. Given the context in which the SEP was approved (recognising, as it did, that it was not meeting all housing needs in the South East), it would be perverse if the requirements of the SEP were to be interpreted for the purpose of this exercise as setting a housing requirement substantially below what was required at the time in the adopted Local Plan. That Plan had been adopted as recently as May 2006 and, until 2009 when the SEP was actually approved, the Council could not have been certain of what the requirement in the SEP would be. The Local Plan reflected what the Council thought it could deliver during this time and there is no suggestion that once the SEP was published the Local Plan was abandoned. I therefore consider that it would be fair and more relevant to the issue at hand to test delivery against the requirement of the Local Plan (561 dpa) rather than either of the interpretations of the SEP (354 dpa or 654 dpa).

68. For the 10 year period 2001-2011 the Local Plan's annual average was met in only two years and overall delivery fell well short of the required total. This is clear evidence of persistent under delivery. I have already noted that there has

been under delivery since 2011 of the requirement identified in the submitted Plan. (Even if the lower requirement in the first draft of this local plan is used, delivery fell short, see footnote 8 in the Council's pre-hearing statement EBC/4/3). If the last years of the adopted Local Plan are replaced with the Council's preferred figure from the SEP, then delivery would have been met in 2009-2011, but in my view that is not sufficient to tip the overall balance to adequate delivery, given the shortfall before and since. Accordingly, I consider that a 20% buffer is currently required as part of the five year land supply calculation. Although there was a shortfall in delivery under the adopted Local Plan, I consider that the PUSH SHMA and the adjustments required as a result of all my conclusions represent a comprehensive new starting point for the assessment of needs from 2011 and so I do not add this backlog to the new requirement.

69. With a 20% buffer and making up the shortfall since 2011 within five years (the "Sedgefield" method), the Council calculates that there is only a 4.37 years supply (H15, Table after 5.30). There is, however, the small downward adjustment to be made to delivery from sites BO1 and E1. Accordingly, irrespective of the need to look to increase the overall requirement for the other reasons I have given, there is a need to boost the five year supply. From the evidence before me, I cannot see how the Council would be able to bring forward supply from later in the plan period and so the necessary boost is likely to require additional allocations which are capable of rapid delivery.

70. The overall supply position over the whole plan period is equally tight. This is not a robust position to take the Plan forward. There is no realistic flexibility in the Plan to respond to changing circumstances. It is important to ensure that any small delay in assumed delivery from sites contributing to the five year supply does not too easily result in a less than five year supply being available. The Plan needs to provide confidence that there will a five year supply at adoption and in future years.

71. There might be some large windfall sites in the future, but given that the SHLAA appears to have been very comprehensive in its search for sites this is too uncertain to be relied on as providing flexibility. The major greenfield sites included in the five year supply are being delivered as quickly as possible and there is nothing more that the Council can do to bring this delivery forward. The largest allocated sites expected to commence beyond the five year period (eg BO2 and HE1) are owned, or mainly owned, by the County Council which does not what to the bring forward the land any earlier. Accordingly, the Council has no means of increasing supply if there is a problem other than through a plan review, which is time consuming. Accordingly, the Plan needs to demonstrate that it has some flexibility to respond to changing circumstances.

Conclusions on housing needs and supply

72. I have found two important shortcomings. The first is the failure of the Council to recognise the true scale of need for affordable housing and therefore the consequential failure to consider how it might be addressed. The Framework (paragraph 17, 3rd bullet) requires *every effort* to be made to meet needs. I see no justification for delaying this consideration for 2-3 years pending a review of

the Plan. The second is the inadequacy of the five year supply given that a 20% buffer is required.

73. The Guidance states that: *an increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes*. Increasing market housing to meet all the identified affordable housing need would require a threefold increase in overall provision. I do not consider that this a realistic option to explore. In addition to the inevitable difficulties of securing delivery of such a scale of development, particularly in the short term and of providing sufficient infrastructure, such a scale of provision is much greater than even the most optimistic demographic projection. It would also result in the release back into the market of many dwellings in the PRS currently occupied by tenants in receipt of the LHA. Thus the cumulative effect of such provision over and above underlying demographic change would be very substantial and the consequences for the housing market are difficult to anticipate.

74. However, there is evidence which strongly suggests that some increase in delivery of market housing is achievable and could deliver a significant proportion of affordable housing. As already noted, the developers of the major sites allocated in the Plan and included in the five year supply are keen to start delivering and where planning permission has not already been granted they are intending to submit planning applications very shortly. There is also clearly strong interest from other developers for additional housing sites to be allocated in the Plan and some of these appear likely also to be progressed as planning applications soon.

75. I have indicated that the PUSH SHMA's preferred projection (which equates to 615 dpa for Eastleigh) should not be ignored and that the demographic requirement is best seen as a range. I have also noted that on the basis of that projection, the Council calculates a shortfall in delivery in the HMA of about 750 dwellings to 2026. This background strongly indicates the opportunity for Eastleigh to deliver more housing with no adverse impact on delivery in the rest of the HMA. Market signals also point to both a need to provide more housing and the market's strength to do so.

76. Accordingly, the Council needs to explore the practicality of the delivery of more affordable housing through increased provision for market housing in terms of the ability of sites to start delivery in the short term and their ability, in terms of viability, to deliver a significant proportion of affordable housing. I can make no comment at this stage on the justification for the 35% proportion of affordable housing sought by policy DM28. But given the need to deliver more affordable housing, the extent to which a site was able to deliver at or close to this target or, if that target was generally unachievable, at a high level comparable to the best achievable on other sites, would be a factor to be weaved into the overall balance of the assessment. The ability of registered housing providers to work with developers in providing and subsequently letting and managing additional affordable housing also needs to be taken into account. An iterative process may be required to initially identify what are realistic options for increasing the scale of provision. The Council also has to respond to my conclusions on market signals;

ensure that the Plan has some flexibility to respond to changing circumstances, and to provide a five year supply with a 20% buffer.

77. Once the Council has identified a possible range for what is practical in terms of delivery that range can be tested through Sustainability Appraisal in relation to the environmental impact of development on various sites. I note that the Sustainability Appraisal (EBC/G2) submitted with the Plan includes in Appendix II an assessment of alternative growth options including 11,628-12,060 dwellings, which had been assessed in the SA accompanying the draft plan published in October 2013. Whilst that assessment concluded that this higher level of growth would be *difficult to accommodate without threatening the environmental integrity of the Borough* it is difficult to understand the evidential basis for that conclusion. Equally importantly, that testing did not weigh in the balance the substantial unmet need for affordable housing. Paragraph 14 of the Framework requires an explicit balancing exercise in the terms it sets out.

78. I regard increasing market housing to deliver more needed affordable housing as a policy response to the need, not itself part of the objectively assessed needs. There may be other policy responses open to the Council in addition to some increase in market provision. At the hearing, the Council indicated that it was not relying on other provision to deliver affordable housing, but it may wish to review that approach bearing in mind its significant ownership of development land, the significance of the need identified and any difficulties in achieving substantial additional provision through the allocation of more market housing.

79. If the Examination were to be suspended (see below) to enable the Council to address the shortcomings I have identified, it is likely that the Plan would not be adopted until late 2015/early 2016. If the plan period remained the same (to 2029) the Plan would cover only a 13 year period at adoption, below the 15 years that the Framework considers preferable. However, bearing in mind that the Framework (paragraph 47) requires Council's to have a five year supply of housing and identify a supply of specific deliverable sites or broad locations for growth for years 6-10 and *where possible* (my emphasis) for years 11-15, I consider that there is some flexibility about the plan period.

80. I also give weight to the intention for the Council to review the Plan to take into account the new PUSH strategy and to roll it forward to 2036. The identification of sites for 10 years would take this Plan to 2026 and give the subsequent review the most scope to respond to the intended new PUSH Strategy and to fulfil any requirements arising from the Duty to Co-operate. Nevertheless, the Council should explore whether it is possible to identify sites beyond 10 years.

81. If the Council seeks to progress this Plan with a less than 15 year plan period it is essential that it recognises that there will be on-going need for additional land for housing beyond the plan period. This need is made clear by the SHMA which covers the period to 2036. Accordingly, large sites which could start usefully delivering within the 10 year period, but would continue to deliver beyond the plan period should not be ruled out simply for that reason, since they would become an element of necessary supply in the plan review.

82. I recognise that my conclusions will be a disappointment for the Council, but it would be contrary to the aims of the Framework to let this Plan progress to adoption without the further work described above. I also recognise the benefits of a plan-led system, but that must be based on sound plans. Given the progress that the Council has already made in progressing some of the greenfield allocations in this Plan by granting planning permission, I do not regard the delay as likely to undermine the Council's ability to progress other proposed allocations if it wishes to do so to ensure a five year supply.

The Way Forward

83. In the light of these conclusions, if the Council wishes to progress this Plan it will need to undertake significant further work. Any proposals for additional housing allocations or other material changes to the Plan will need to be the subject of appropriate public consultation.

84. Accordingly, I consider the January hearings (which would have focussed on the housing allocations not yet benefitting from planning permission and some of the other policies in the plan) should not take place. Conducting the January hearings would represent wasteful effort for all concerned. Evidence arising from such hearings might well become out of date by the time I eventually prepare any final report. I could not come to any clear conclusions on either allocations or omissions sites/alternative locations because there would not be the necessary comprehensive evidence to do so. In addition, if any of the omission sites/locations were subsequently proposed as allocations there would be duplication of discussion at the necessary later hearings on those allocations. Accordingly, I am not undertaking any preparatory work for the hearings in January to avoid wasted expense for the Council. The Council should cancel the arrangements made for these hearings and I will ask the Programme Officer to notify representors accordingly.

85. It is for the Council to decide whether it wishes to withdraw this Plan now (and I would do no further work) or whether to seek a suspension to enable it to do the further work required with the intention of formally requesting in due course that I make modifications to the Plan. If the Council wishes to seek a suspension it should provide a timetable for the further work required, the necessary consultation on proposed changes and the appropriate recording of the further representations received. This timetable should factor-in any purdah period that may exist for consultation as a result of the general election. I would be concerned if this timetable required a suspension of more than 6 months. In my experience, longer suspensions make effective resumption of the Examination very difficult for all parties, as evidence becomes out of date. The Council should, however, be aware that I cannot commit to resuming the Examination immediately following a suspension. I would set out a timetable for any further hearings required after I had resumed the Examination and undertaken initial preparation on the new material. It would be helpful if the Council could indicate soon when it would know how it wishes to proceed and when it would be able to provide a timetable for any suspension.

86. On the assumption that a suspension will be sought, I will shortly provide a further note on the remaining matters arising from the recent hearings in relation

to the Habitat Regulations Assessment. I will set out some preliminary concerns about the justification for policy S9 relating to gaps, so that this can also be addressed during any suspension. I will also highlight some matters where the Council needs to be alert to possible changes in national policy, such as in relation to the Code for Sustainable Homes.

The CIL Examination

87. Unfortunately, a suspension of the Local Plan Examination would also necessitate a suspension of the Examination of the Council's submitted Community Infrastructure Levy (CIL) Charging Schedule. The Schedule includes a nil rate for residential development within *Zone B Strategic Sites* which are identified on a map in the Schedule and correspond with the three largest greenfield sites proposed for allocation in the submitted Plan which do not yet have planning permission. I could conclude that this nil rate is justified in those locations only if (among others factors) those sites are to be allocated in the Plan at adoption (or have been granted planning permission in the interim). To determine the CIL in advance would appear to prejudice my fair consideration of the soundness of those allocations in the Examination of the Plan. In addition, it is necessary to consider the assumptions made in the viability evidence underpinning the CIL in the context of key Local Plan policies which affect development values, particularly that for affordable housing (DM28) and any other requirements (eg for sustainable construction in DM2). Accordingly, I can properly consider the Schedule only in the context of my conclusions as to what is necessary to make this Plan sound.

Simon Emerson

Inspector

28 November 2014

APPENDIX 3

EXAMINATION OF THE UTTLESFORD LOCAL PLAN (ULP)
SUMMARISED CONCLUSIONS OF THE INSPECTOR AFTER THE HEARING SESSION ON 3 DECEMBER 2014

Examination of the Uttlesford Local Plan (ULP)

Summarised conclusions of the Inspector after the hearing session on 3 December 2014

This note briefly summarises the conclusions I have reached about the soundness of the plan. It also indicates what I consider likely to be the most positive way forward.

Objectively assessed need for housing (OAN)

Para 47 of the National Planning Policy Framework (NPPF) requires Local Plans to meet the full OAN for market and affordable housing in the Housing Market Area (HMA) as far as consistent with the policies in the NPPF..

The most recent (phase 6) demographic work by Edge Analytics (on the basis of the SNPP-2012 data) indicates an annual dwelling requirement of 508 using 2011-based household formation rates or 549 using 2008-based rates. The average of the two rates gives a requirement of 529pa. In my view this is an appropriate starting point, allowing for some return towards long-term pre-recession trends and avoiding embedding post-recessionary conditions judged to have been reflected in the 2011 Census. In itself this a small addition (6pa) to the plan's provision of 523pa would not be a major issue.

However, Planning Practice Guidance 2a-019 recognises that various factors may require some adjustment to be made to demographically-modelled household projections (e.g. affordable housing needs, employment issues and market signals). The brief for the forthcoming Strategic Housing Market Assessment (SHMA) currently being produced for Uttlesford and its 3 neighbouring authorities in the 'Harlow/M11 corridor' requires PPG compliance on these matters. It remains to be seen how these factors will be considered and weighed in the SHMA.

While evidence on some of these topics is patchy. Taking them in the round and without discussing them in detail here, I consider that an uplift of at least 10% would be a reasonable and proportionate increase in the circumstances of Uttlesford, say to about 580pa.

The submitted plan therefore does not provide for a full PPG-compliant OAN.

Elsenham policy 1 – land north east of Elsenham

The Elsenham strategic allocation emerged as part of the favoured option about 8 years ago at the outset of what has become an extended plan-making process. It is not clear that transparent consideration of other 'new settlement' options took place before the very high level, broad brush comparative Sustainability Assessment (SA) of January 2010, acknowledged by the Council as 'not a full SA'. No further SA of other possible 'new settlement' options took place until June 2014 after the plan had been submitted despite the promoters of other options developing their schemes to varying extents of detail in the intervening period. Whether or not this retrospective exercise meets the requirements of the SEA Regulations as interpreted by subsequent case law, it is questionable whether the Council considered the claims of other candidate locations for growth ('new settlement' or otherwise) to the transparent extent required to constitute 'proportionate evidence' justifying Elsenham as such a major element of what is declared to be the 'most appropriate strategy'.

From all the material produced on this issue by the Council, by the promoters of the site, and by opponents of the allocation, I have severe concerns about the justification for this proposal and thus the soundness of the plan as a whole.

On the basis of its size and level of services the plan regards Elsenham as one of 7 'key villages', the function of which is 'to act as a major focus for development in the rural area, suitable for a scale of development that would reinforce its role as a provider of services to a wide rural area'.

There is no reason in principle why the plan should not propose a step change in the size and status of a key village if this is justified as a sustainable way to meet the district's needs. However, Elsenham is embedded within a rural road network and the areas of the existing and proposed new parts of Elsenham are substantially divided by the railway line, a situation which could become worse if the crossing is closed.

NPPF para 34 says that "Plans …….. should ensure that developments that generate significant movement are located where the need to travel will be minimised and the use of sustainable transport modes will be maximised."

At Elsenham the opportunity to use trains is a definite benefit but this will only affect a small minority of journeys. The current infrequent bus services will be improved but will still only be modest. Designed opportunities for safe walking and cycling on site will be good, but beyond that effectively no better than they are at present. Most travel will be on rural roads heading

mainly west towards Stansted Mountfitchet through roads clearly unsuited for the purpose, or south through the Countryside Protection Zone via the longer route of Hall road to the airport and destinations along the A120.

It is unclear that any of these routes are fit for purpose to the extent that Elsenham would be able to overcome its overall connectivity disadvantages and be regarded as a sustainable location for growth on this scale.

Further concern about the allocation (in this case after the initial phase of 800 houses) arises from the uncertainty attached to the capacity of M11 (J8) as expressed in the representations about the submitted plan by the Highways Agency and the County Council. The Statement of Common Ground (SoCG) indicates that resources are likely to be available to fund improvements to the junction to cater for planned developments before the mid-2020s; however, further work is required to explore capacity after that date. Although more modelling is proposed to investigate this issue, the outcome of this work (and the availability of funding for any further improvements found necessary at the junction which, it is said, could be very substantial) are both currently unknown. In these circumstances it would be premature, and inconsistent with the PPG on transport evidence bases in plan-making, to recommend adoption of the plan.

The Way Forward

Taken together, my concerns about the OAN and the justification for Elsenham mean that I cannot recommend adoption of the plan as submitted. Nor would I be able to recommend Major Modifications under section 20 of the act which could overcome these soundness defects.

My normal strong inclination would be to 'keep the Development Plan process on the road" wherever possible in order to keep the planning process moving along with as little disruption as possible. However, the scale of work which the Council would need to undertake to propose and consult upon changes to deal with these matters would be greater than could be completed within the normal maximum 6-month period of a suspended examination.

The new SHMA, currently being prepared for Uttlesford and its neighbours in the 'Harlow/M11 corridor' should provide a vehicle for up-to-date, PPG-compliant OAN assessments for these authorities both individually and jointly.

There appears to be widespread recognition that some form of new settlement(s) in an appropriate location may form the most appropriate

means for catering for the future long-term growth of the District on a scale bold enough to achieve maximum possible sustainable critical mass and a long term solution, especially as there may well be limits to how far relatively small towns with the characters of Saffron Walden and Great Dunmow grow sustainably, attractively, and in an integrated way through successive phases of peripheral expansion.

I make no comment on the claims of any of the many alternative sites, larger or smaller, that have been promoted in the process over the years , and note that some of those dubbed 'new settlements' may or may not fit that description. Armed with the new SHMA, providing a clearer picture of future needs for Uttlesford and its neighbours, I consider that a revised plan needs to be prepared as soon as possible, in co-operation to any extent necessary with the still-emerging plans of neighbouring authorities.

Roy Foster

3rd December, 2014

APPENDIX 4

NATHANIEL LICHFIELD & PARTNERS

LONDON'S UNMET HOUSING NEEDS:
MEETING LONDON'S OVERSPILL ACROSS THE WIDER SOUTH EAST

APRIL 2014

London's Unmet Housing Needs

Meeting London's overspill across the wider South East.

April 2014

Nathaniel Lichfield & Partners
Planning. Design. Economics.

Contents

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Introduction

The draft Further Alterations to the London Plan (FALP) indicate an unmet housing need within London of between 9,000 and 20,000 homes each year.

Meeting London's housing needs

London faces a significant challenge to meet the need and demand for new homes within the capital. With pressures on housing from London's continued population and economic growth, how those needs are met in accordance with the National Planning Policy Framework (NPPF) is a key issue facing both the Further Alterations to the London Plan (FALP), as well as Local Plans covering locations outwith London's boundaries but with housing market linkages.

The Planning Practice Guidance (PPG) indicates:

"If there is clear evidence that the needs cannot be met locally, it will be necessary to consider how needs might be met in adjoining areas in accordance with the duty to cooperate."

The draft FALP sets out a planned provision of 42,000 dwellings per annum within London, but this falls short of the 49,000 to 62,000 dwellings per annum needs identified within the 2013 London Strategic Housing Market Assessment (SHMA) as required to meet future needs and address the backlog of housing needs. The draft FALP is therefore planning for an unmet need of between 9,000 and 20,000 homes per annum. There are questions about the methodology adopted within the SHMA which may mean the level of unmet need could be even greater.

This unmet need may manifest itself in areas near to London as households unable to meet their needs in London itself seek to move elsewhere in the housing market area which London influences. Recognising this, the NPPF requires such needs to be met in accordance with the duty to cooperate, with areas surrounding London having to meet London's unmet needs.

This report has been prepared by Nathaniel Lichfield & Partners (NLP) and seeks to identify where London's unmet needs may arise within the wider areas surrounding London, identifying the locations with whom the Greater London Authority (GLA) should be engaging and identifying how much additional growth, over and above their own needs, those locations may need to plan for to meet London's unmet need.

Report structure

The remainder of this document is structured as follows:

- **Methodology** sets out NLP's approach to modelling the location where London's unmet needs may need to be addressed, if they cannot be accommodated within London itself;
- **Stages 1 to 4** in line with the methodology, provides the step-by-step analysis undertaken to arrive at a conclusion of where London's unmet housing need could arise across the Housing Market Area (HMA) which London influences;
- **Conclusions** identifies how London's unmet housing needs could be distributed.
- **Appendices** include tables of all the analysis undertaken for the Local Planning Authority (LPA) areas identified within the London HMA.

Methodology – 'A gravity model for London's unmet needs'

There are a range of factors influencing the destination of London's unmet needs, which must inform the approach and outcomes.

Identifying where needs may go

Unmet housing needs in London will increase the need and demand for housing outside of London. The NPPF requires that needs are met and demand is catered for. The key question, therefore, is where will those needs arise and how much (what proportion) of those unmet needs should that location seek to plan for? To consider this, NLP has developed a 'gravity model', which is set out in 4 stages as follows:

1. **Define London's Housing Market Area** – Identifying the functional linkages between places where people live and work.

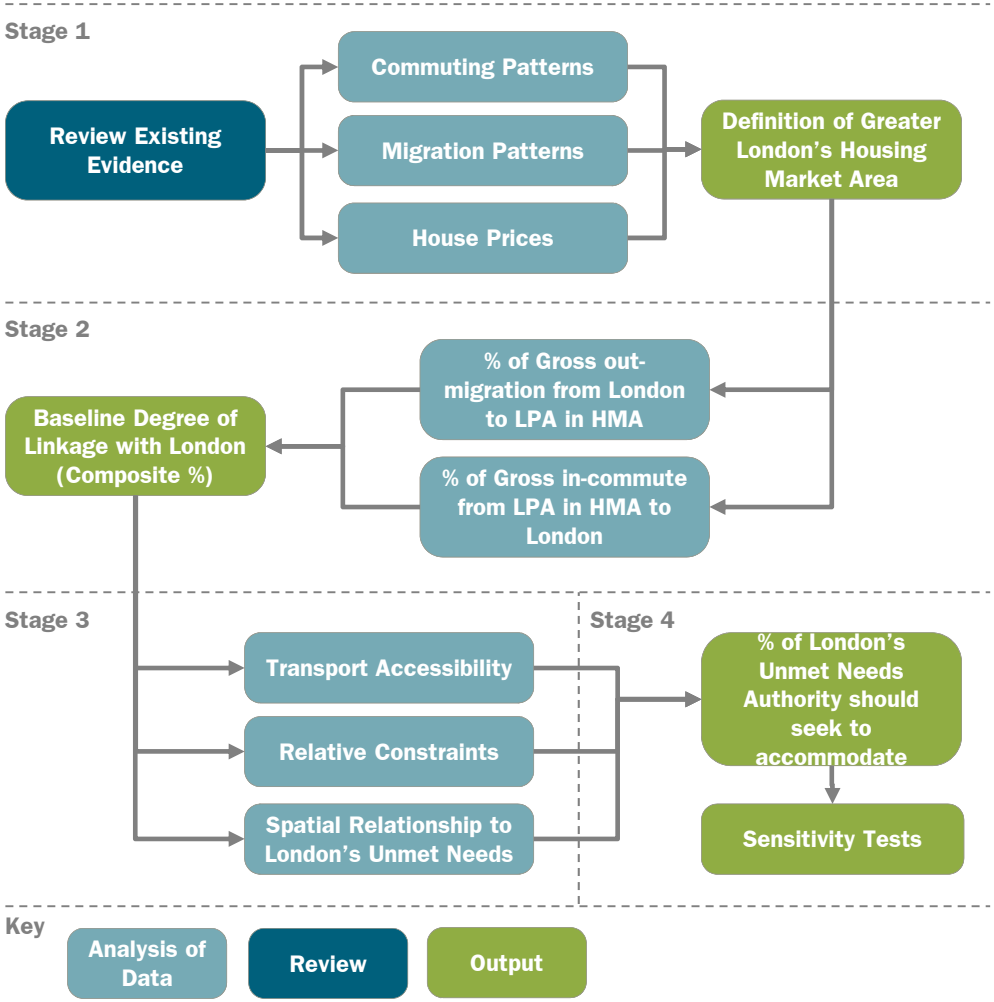
2. **Quantify linkages** – Areas have a different degree of relationship with London. Analysing commuting and migration patterns will quantify the link with London and define a 'base share' of modelled unmet need.

3. **Uplift and restraint factors** - are there other factors which may influence the degree to which it is appropriate for an area to accommodate more or less than its 'base share' of unmet needs?
   - Transport accessibility – whether an area has sustainable transport links to London;
   - Relative constraints – how constrained a location is for accommodating development (with sensitivities including and excluding Green Belt as a constraint);
   - Spatial relationship to London's unmet needs – degree to which an area has specific links to a part of London with high or low unmet needs.

4. **Outcomes** – A conclusion for each LPA within the wider London HMA as to what proportion of London's unmet housing need it may be appropriate for that locality to seek to meet.

Overall the model aims to reflect what choices people may make in terms of where they live and work, if they cannot access housing in London as well as other relevant factors shaping how the wider area beyond London can help accommodate London's overspill.

Figure 1: A Framework for Identifying the destination of London's Unmet Needs



Stage 1: Defining London's Housing Market Area

A review of previous evidence indicates that London's housing market influence stretches well beyond the boundaries of the capital.

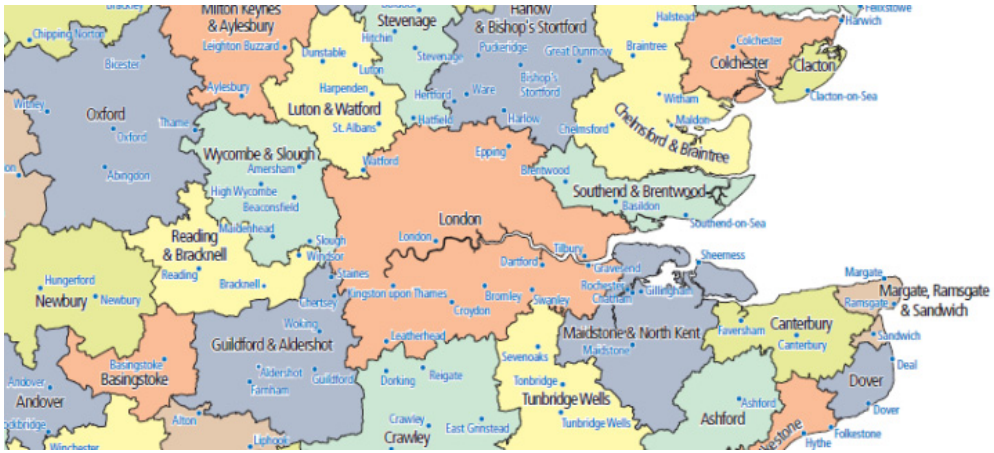
How far does London's housing market extend?

Both the 2013 London SHMA and its predecessor - the Greater London SHMA 2008 - solely focus within the administrative boundaries of London. However, they are not without recognition that London has a wider influence on nearby areas. The CLG paper 'Housing market areas and regional spatial geographies' (Nov 2010) concludes that London should be:

"considered in the context of London's role and position in terms of national housing markets and issues, with London obviously exerting considerable influence on neighbouring housing markets across the neighbouring regions of the South East and East of England and beyond."

The Planning Practice Guidance sets out that house prices, migration and commuting are all relevant factors for defining HMAs, however, relatively little definitive evidence of just how far London's housing market extends has been produced. Whilst ONS work on travel to work areas (TTWAs) indicates London

Figure 2: London Travel to Work Area (TTWA) - Travel-to-Work Areas: the 2007 review, ONS

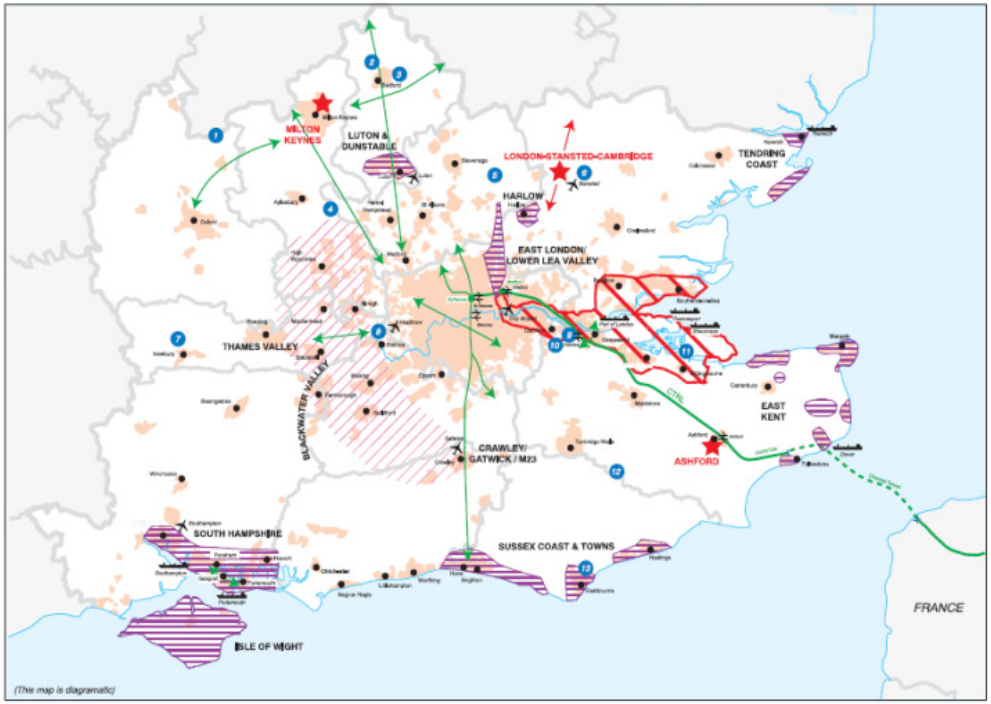


extends beyond its boundaries (Figure 2), it does not reflect the wider impact of London in terms of influencing the economies of nearby TTWAs and how many people will continue to commute to London from such areas.

SERPLAN (RPG9) – A good place to start?

One place to start might be 2001's Regional Planning Guidance for the South East (RPG9) which recognised the role and influence of London, providing a holistic plan for London and the Rest of the South East (ROSE) area. The extent of this area is shown in Figure 3.

Figure 3: Core Strategy Diagram – SERPLAN RPG9, 2001



Stage 1: Defining London's Housing Market Area

Commuting patterns show that London draws its workforce from across the wider South and East, with an inner belt made up of core commuter towns.

Defining London's HMA through commuting

Functionally, London's vibrant economy has a wide reach. People work in London and live in areas throughout England. Analysis of where workers in London Boroughs live suggest a particular focus on the traditional 'home counties' extending north, south, east and west (Figure 4). These areas also have a greater reliance on London as the higher order economic centre, with a greater proportion of their residents commuting to the Capital (Figure 5).

In total over 720,000 of London's 3.8 million jobs at the time of the Census 2001 were filled by in-commuters (19%). Through this dynamic, London's continued growth and economic vitality is placing pressures on local housing markets in areas where there is good commuter access. The areas highlighted on the maps below broadly show the extent of London's reach, with a greater focus on commuter areas to the north east and south east of London, but also commuter areas stretching out as far as the south coast and Cambridgeshire and Bedfordshire in the north.

Figure 4: Where In-Commuters to London come from – Census 2001

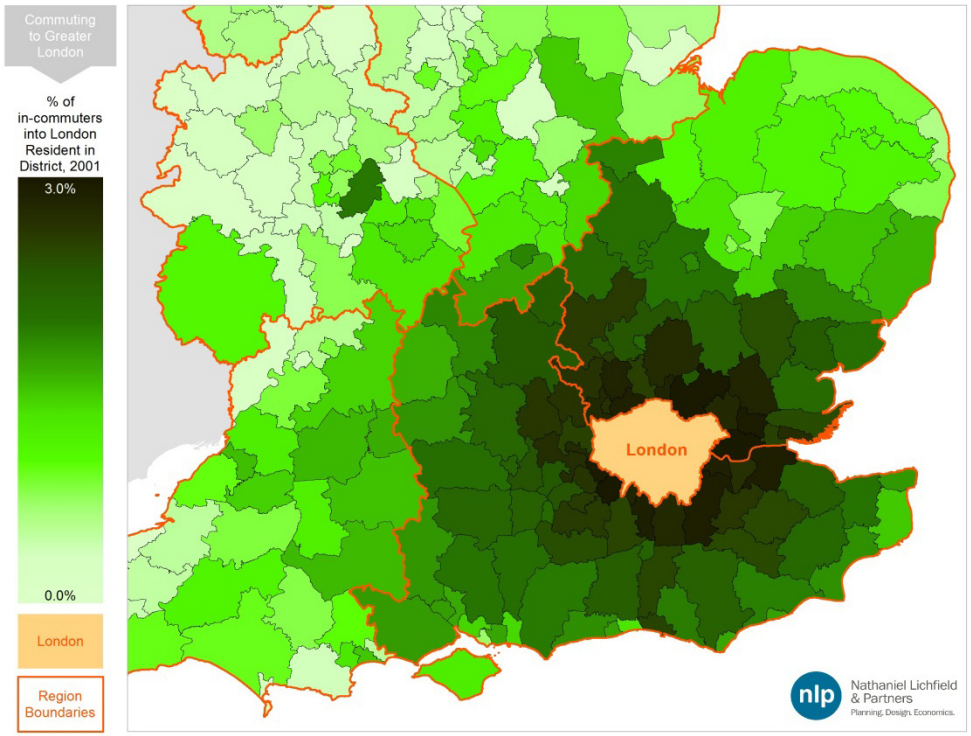
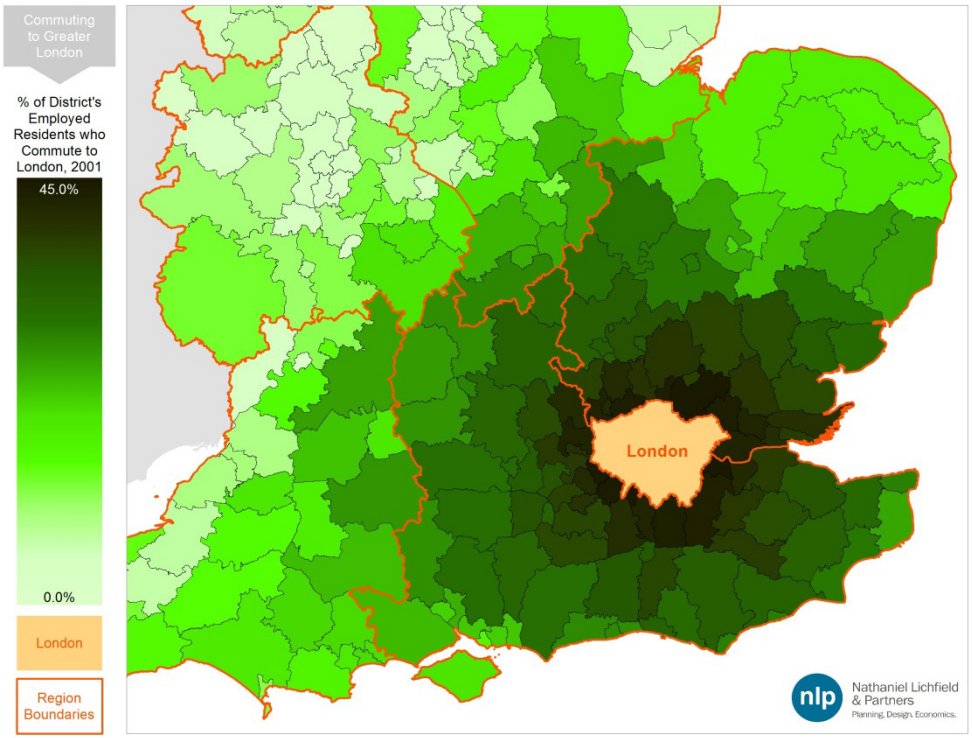


Figure 5: Proportion of District's employed residents commuting to London – Census 2001



Migration patterns demonstrate a radial shift from Central London outwards. London's unmet needs could follow these worn paths of movement.

Defining London's HMA through migration

London and the wider South East have a distinct pattern of migration. Whilst inner London attracts in-migration from far and wide (including internationally) thereafter there is a radial shift outwards from inner London as people move to outer London, the traditional 'home counties' and then beyond reflecting different stages of life and living preferences. This phenomenon is illustrated in Figure 6, which shows significant district to district migration flows. Net migratory patterns with London are shown in Figure 7. Broadly, net outwards shifts in migration from London are experienced to a boundary, with areas beyond this (and further away from London with a lesser housing market relationship) exporting more people to London than they receive. The exception to this are the university towns which experience net migration to London reflecting the flow of graduates to jobs. This 'migration-shed' (like a watershed but for population flows) provides an indicator of the extent of London's HMA and the spatial extent of the geography which London's unmet housing needs might impact.

Figure 6: Radial Migration from London: Significant Migration Flows – ONS

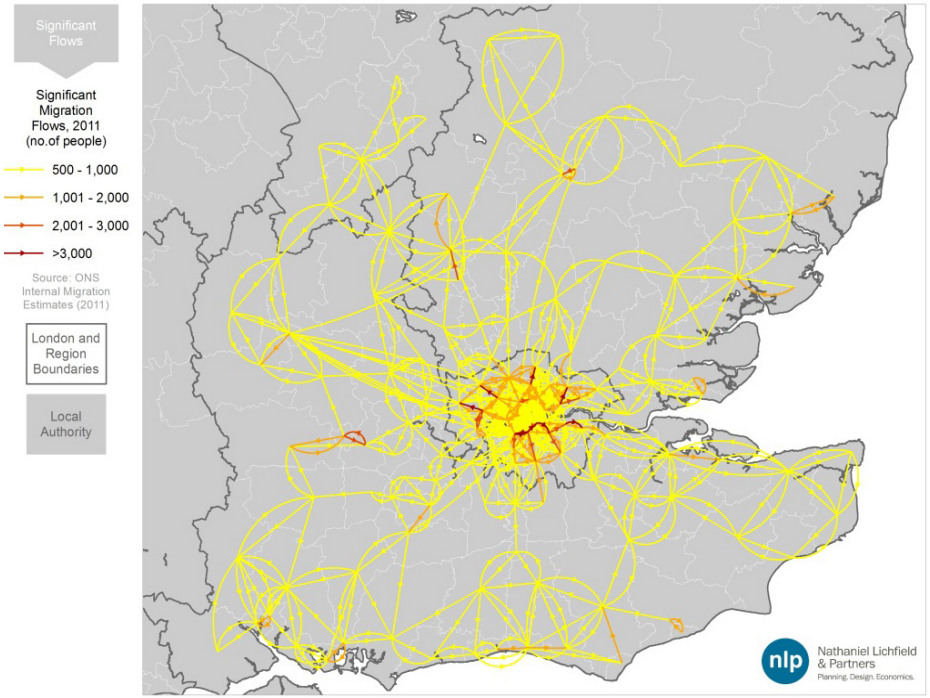
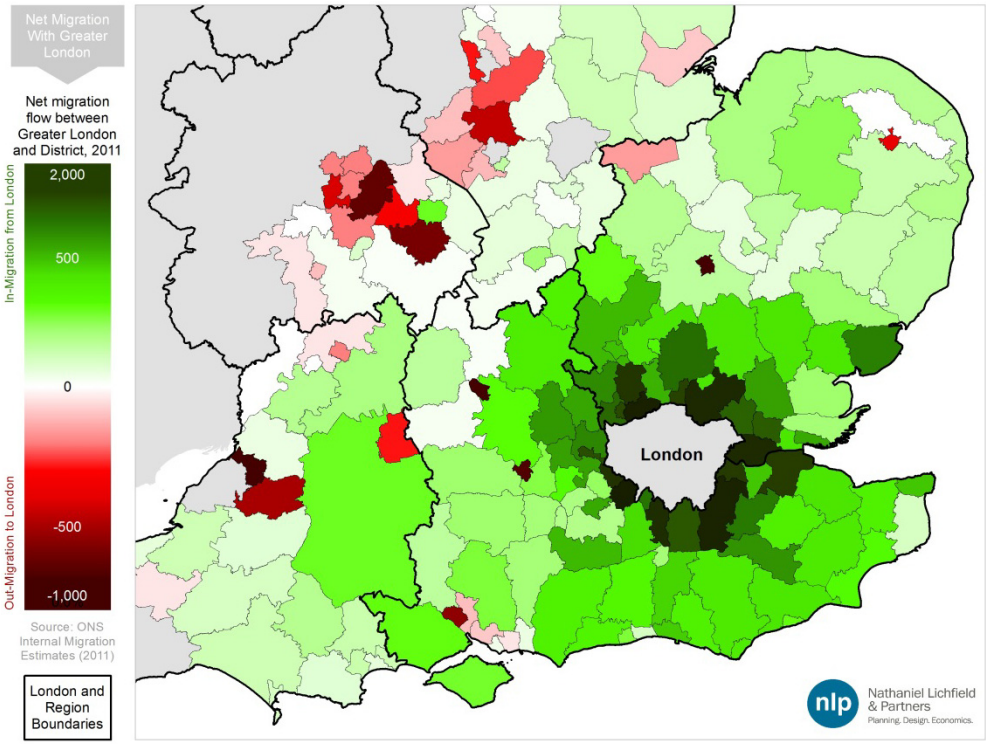


Figure 7: Net Migration Flows with London – ONS



House prices provide an insight into the areas where London's high residential values extend.

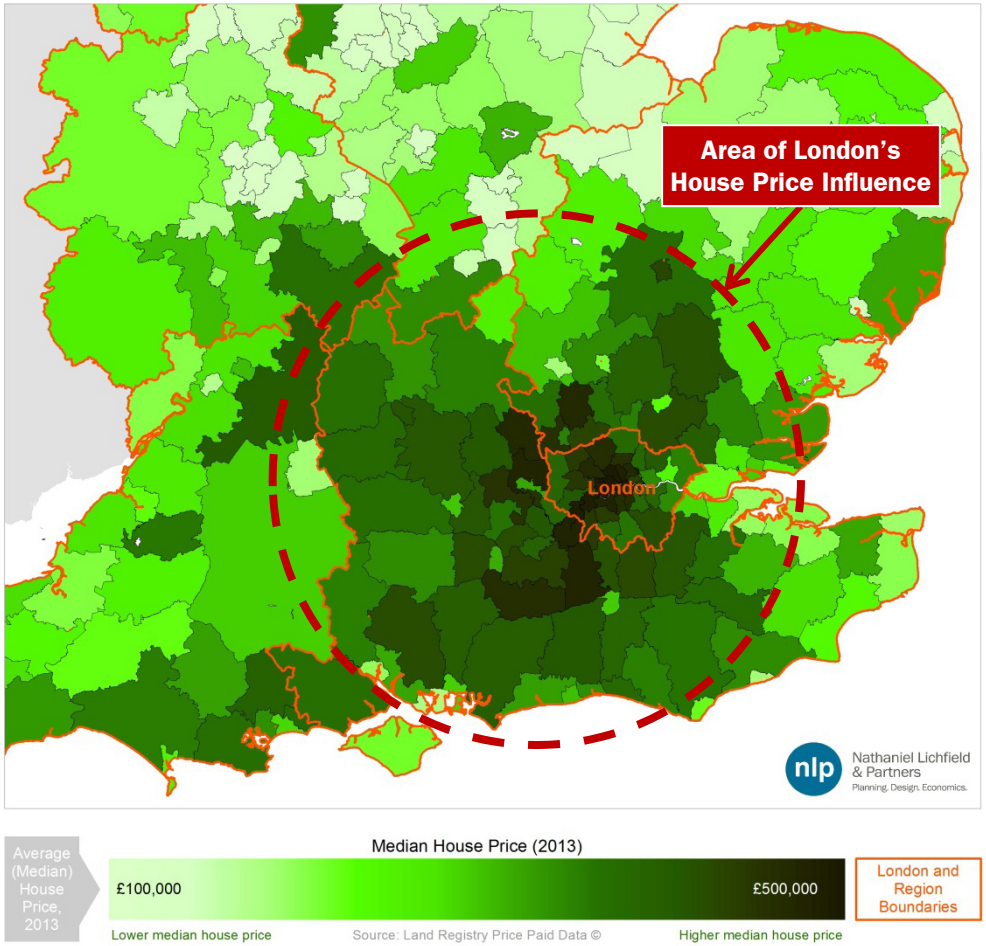
Defining London's HMA through house prices

As well as commuting and migration flows, housing market areas can be identified by assessing patterns in the relationship between housing demand and supply across different locations. Areas with similar price levels are likely to reflect similar demand and supply characteristics and similar housing market characteristics. Such analysis uses house prices to provide a 'market-based' reflection of housing market area boundaries.

House prices within London are varied, but are exceptionally high in comparison with the majority of the rest of the Country; a function of demand far outstripping supply. This also extends out into the areas surrounding London and across the wider South East. There is notable divide between East of London, with more affordable prices around the Thames Gateway, and West of London, where high prices extend into the Surrey, Berkshire and Buckinghamshire fringes of London.

Figure 8 shows clear clusters of areas within different house price bandings. The influence of London is clear across a large part of the wider South East, with higher house prices in many areas close to London. This is, however, punctuated by more moderate house prices within the post-war new towns such as Harlow, Stevenage, Crawley and Milton Keynes; areas which have historically delivered more homes. Bringing this together suggests a 'market based' reflection of London's housing market area encompassing a similar area to that of commuting and migration patterns.

Figure 8: Median House Prices by District 2013 – Land Registry Price Paid Data



Stage 1: Defining London's Housing Market Area

Bringing together patterns of commuting, migration and house prices, we can define the geography of the housing market area which London will continue to influence.

London's wider Housing Market Area

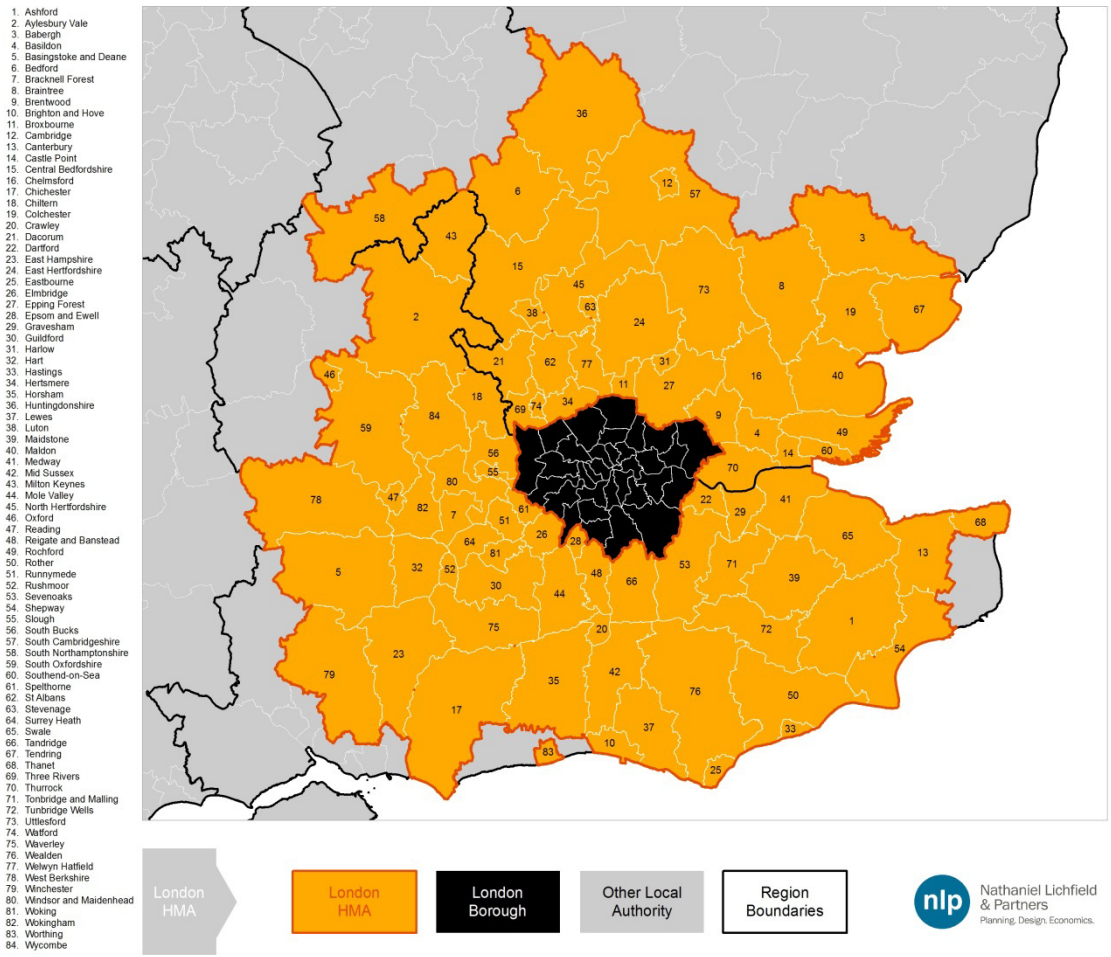
Whilst London itself may act with a degree of self containment as a housing market area, it is also clear that it exerts significant housing market pressures across a much wider area. This was recognised by SERPLAN which identified this area as the Rest of the South East (ROSE) area, but which NLP has defined as London's 'wider HMA' reflecting the fact that London's influence is wider than its administrative boundaries.

Drawing upon the previous analysis, NLP has identified London's wider HMA as illustrated in Figure 9. This area corresponds with:

- The area which has the greatest degree of migratory relationship with London, with all Districts, except the university towns, experiencing net in-migration from London;
- The area with the greatest commuting relationship with London, with all District's within the HMA at least 2.5% of it's resident workforce to the Capital everyday (and some as high as 45%);
- The area of London's house price influence, with the majority of areas featuring similar market characteristics.

London's wider HMA effectively represents the area which London's unmet housing needs will have an influence upon and, therefore, encompasses the areas which will likely need to respond to London's unmet needs within their own Local Plans (e.g. by meeting a share of London's unmet needs). It also represents the Local Planning Authorities with which the Greater London Authority should seek to engage in respect of meeting London's unmet needs. As of March 2014, this process has already began with a letter to Bedford Borough Council (at the northern edge of the HMA).

Figure 9: London's Wider HMA



Within the HMA we can quantify the extent to which each District is linked to London and define a 'base share' of unmet needs that they might need to accommodate.

Quantifying the degree of housing market interdependence with London

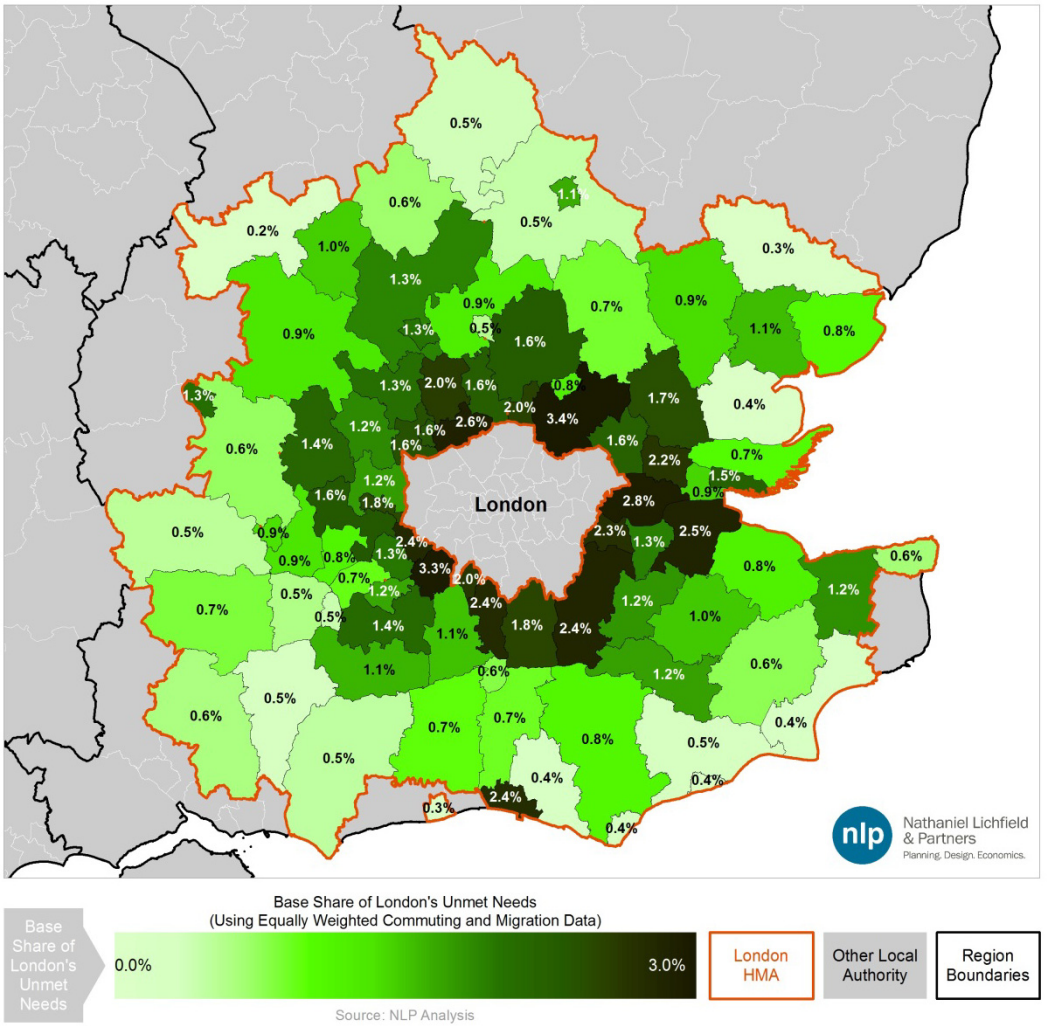
In simple terms, unmet housing needs from within London will place additional pressures on those areas that are linked in housing market terms to London. This is because an undersupply of housing within a London Borough will mean, compared to past trends, either more migration out of the Borough (as people move to seek a home) or less migration to the Borough (as people cannot find a home in London to move to, and therefore chose a different location but commute to a place of work). Areas that are heavily related to London will face greater pressures from London's unmet needs. Identifying how interdependent a location is with the housing market within London is a function of movement, both to live (migration) and to work (commuting).

In order to identify a base position of the share of London's unmet needs each District within the wider HMA could need to accommodate, NLP has looked at two factors:

1. The migration flows from London to that District; and
2. The commuting flow from that District to London.

Each of these is then converted into a simple percentage of what proportion of the migration flow into HMA from London or commuting flow out of the HMA to London is with that District. Averaging these gives a percentage for each District in the HMA, adding up to 100% for the whole HMA. This percentage represents the baseline degree of housing market linkage an area has with London, and therefore is representative of its 'starting share' of London's unmet needs which will need to be met in the HMA. This is illustrated in Figure 10.

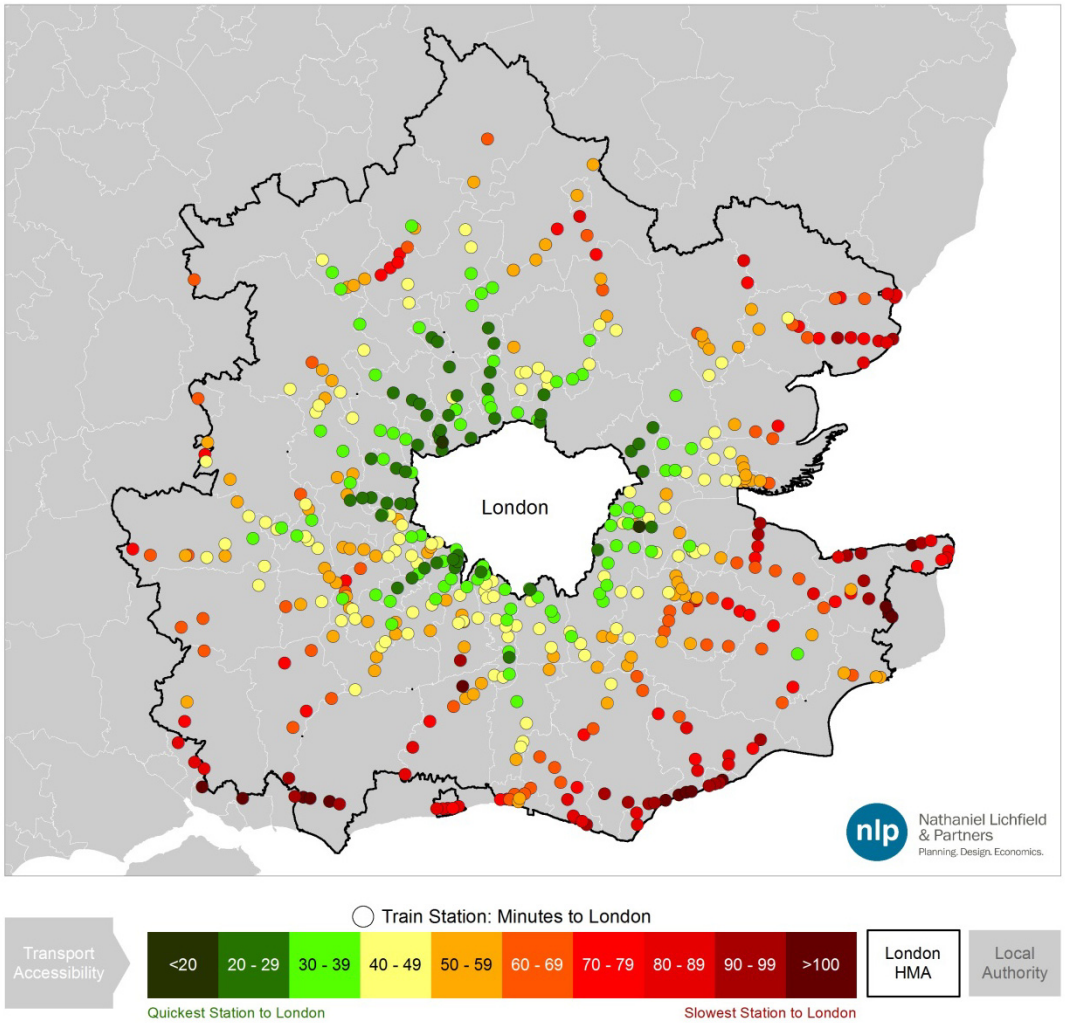
Figure 10: Baseline degree of housing market linkage – 'base share'



Stage 3: Uplift and Restraint Factors

Areas with good public transport links to London provide an opportunity to help deliver London's unmet needs, and support more sustainable commuting patterns.

Figure 9: Train Station with Fastest Journey Time to London



Adjusting for transport links to London

The NPPF sets out an approach to sustainable development patterns, specifically identifying support for patterns of development which facilitate the use of sustainable modes of transport. Across the wider London HMA locations will offer different opportunities for supporting sustainable commuting patterns.

To account for this in the gravity model, rail stations and fastest travel time to a London terminus are used as a proxy for a District's public transport connectivity to London. Figure 9 shows all rail stations across the wider London HMA indicating their fastest commute time to a London terminus. This has informed the uplift factors applied to each District's base share of unmet needs, as illustrated in Table 1 below.

Table 1: Public transport accessibility uplift factors

Time from Station in District to London Terminus (minutes)	Uplift Factor
0-19 minutes	+20%
20-39 minutes	+10%
40-59 minutes	+0%
60-79 minutes	-10%
80+ minutes	-20%

Development constraints will mean parts of the wider London HMA may be better placed to respond to growth pressures than others.

Adjusting for environmental constraints to growth

Very few, if any, Districts are fundamentally constrained to the point where they cannot accommodate any additional growth. Whilst constraints will cover parts of a District, in most areas there are also less environmentally sensitive areas which could potentially accommodate development.

Applying this factor to the gravity model needs to distinguish between those constraints which are fundamental and ultimately would prevent development appropriately being allocated through a Local Plan process (e.g. fundamental environmental constraints) and those that are policy choices (such as Green Belt). Therefore two sensitivities have been undertaken reflecting this position:

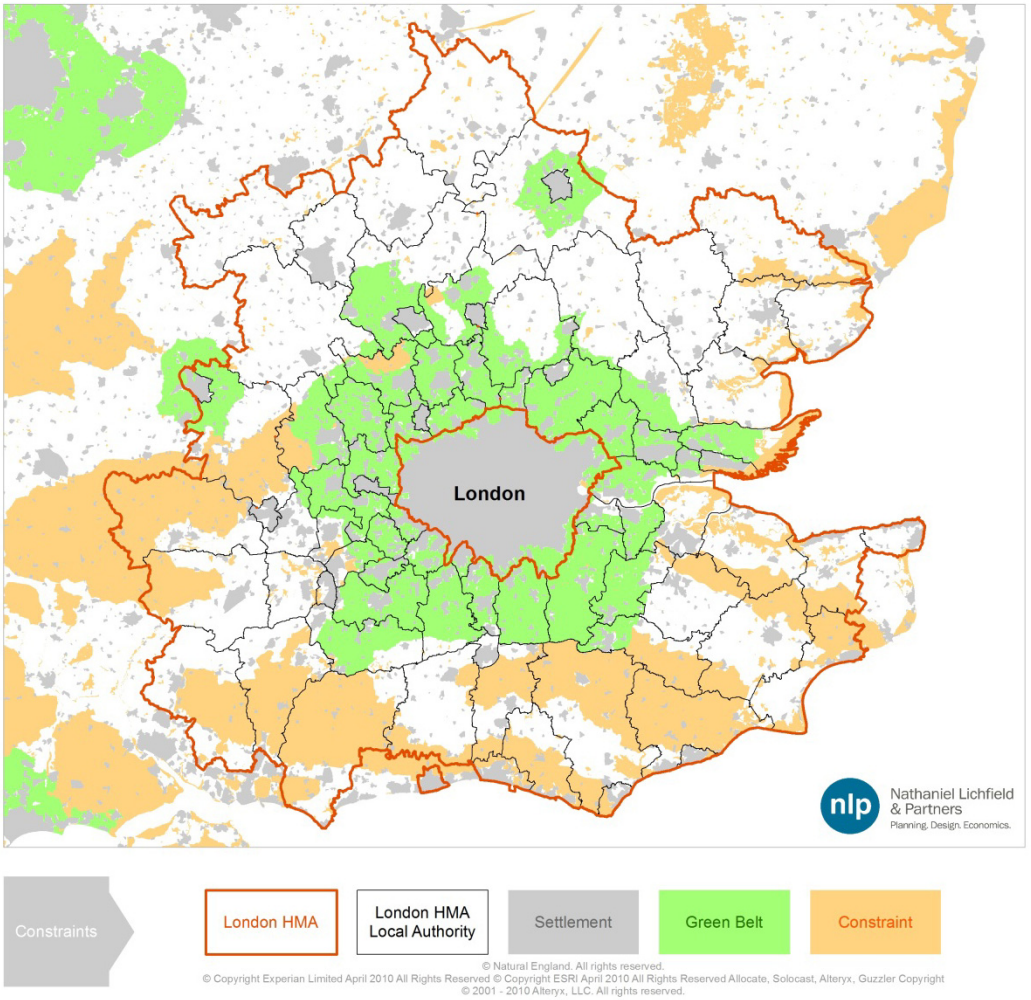
- Sensitivity 1: Fundamental Constraints (e.g. SSSI, AONB, National Park)
- Sensitivity 2: Green Belt as a constraint

By mapping constraints across the wider London HMA for each District the proportion of the District's area that is constrained is identified. Ranking this allows uplift factors to be applied as set out in Table 2. For the Green Belt sensitivity, Green Belt is exercised as an fundamental constraint, with any District wholly within the bounds of the Green Belt ascribed a nil potential for meeting London's unmet needs. This is a proxy assumption as in reality there may be reasons for reviewing Green Belt boundaries.

Table 2: Constraints uplift factors

Relative Fundamental Constraints (% of District Constrained)	Uplift Factor
Top 20%	+20%
Middle-upper 20%	+10%
Middle 20%	+0%
Middle-lower 20%	-10%
Bottom 20%	-20%

Figure 10: Constraints and Green Belt Across wider London HMA



Stage 3: Uplift and Restraint Factors

Some Districts are underbounded and face significant problems in meeting their own needs, making it unlikely they can accommodate London's unmet needs.

No Space to Grow: Underbounded Authorities

As well as traditional environmental constraints a number of Local Planning Authority areas within the wider London HMA face more straightforward capacity constraints. Numerous urban areas are either built up to their administrative boundaries or face insurmountable constraints on what land is left, meaning they have severely limited space to grow and in most cases significant problems meeting their own objectively assessed needs. Such authorities are not likely to be in a position to help meet London's unmet needs.

These authorities mainly include cities and towns where growth is already spilling out into neighbouring authority areas. Some examples are shown in Figure 11, including Cambridge which is built up to its administrative boundaries, Oxford where un-built areas are almost wholly constrained by factors such as flood risk and Crawley and Luton, both tightly bounded and constrained by their respective airports and safeguarding zones. A further example is Brighton, where the South Downs National Park wraps relatively tightly around the urban area, leaving limited opportunities for growth. In Brighton, the Inspector into the Local Plan found that it was unlikely that the City of Brighton would have sufficient capacity to meet its own needs and that some needs would have to be met elsewhere within Brighton's own housing market area.

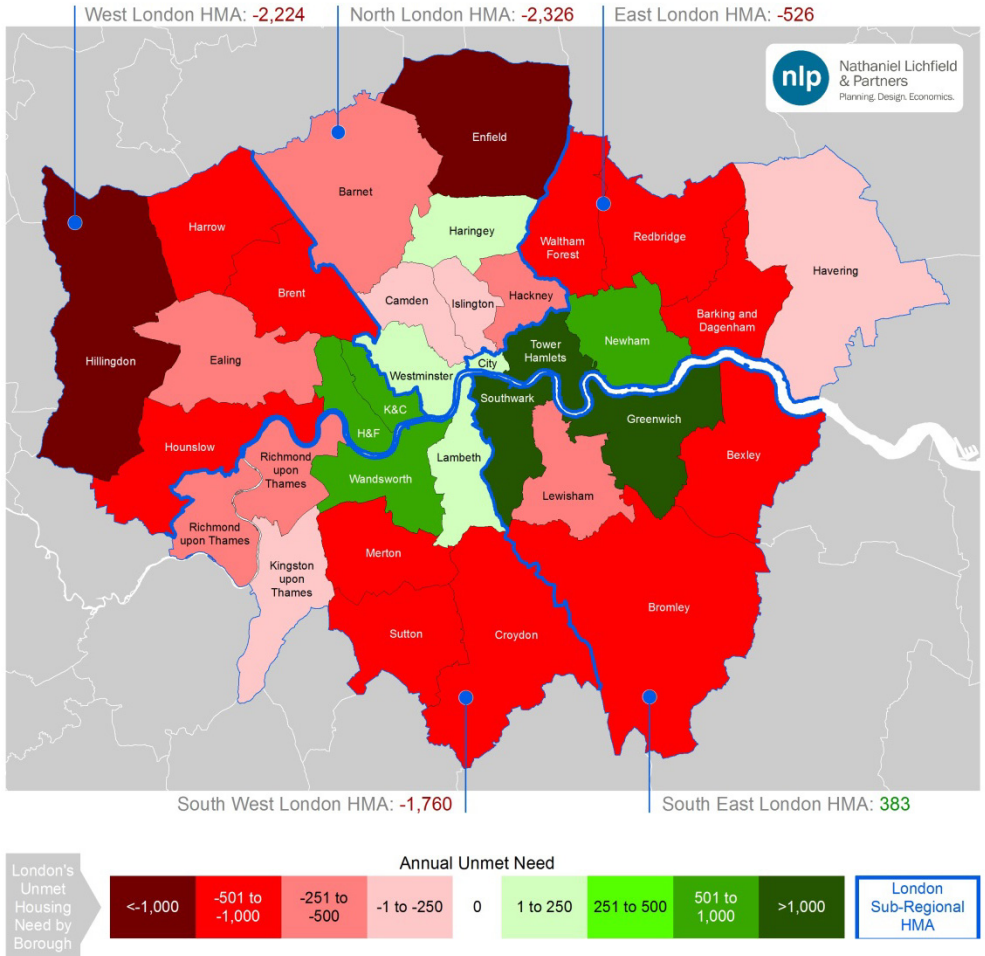
Reflecting the problems such areas face meeting their own needs, these Districts are ascribed a -100% adjustment factor, essentially meaning that the 'gravity model' assumes these areas will be unable to help meet London's unmet needs.

Figure 11: Underbounded Authorities

Stage 3: Uplift and Restraint Factors

London's unmet housing needs are unevenly spread across the London Boroughs. A District's spatial relationship with London's unmet is a further factor to consider.

Figure 12: Spatial distribution of London's unmet need (against 49,000 lower estimate of



Note: 2013 London SHMA does not identify needs by Borough. The 49,000 SHMA lower estimate of annual need has therefore been apportioned to each Borough based upon the distribution of household growth within the SHMA's Central demographic projection.

Adjusting for spatial relationships with London's unmet needs.

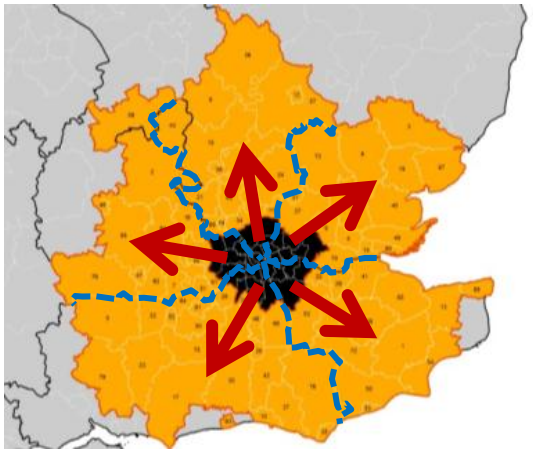
Figure 12 to the left shows that London's unmet housing needs are not uniform across the London Boroughs. Whilst the 2013 London SHMA indicates that London acts as a whole housing market, movement beyond London is typically radial along transport corridors. This means, for example, that unmet needs in West London may not be best met by new homes in the Thames Gateway to the East of London.

To account for this, NLP has split London into its five sub-regional Housing Market Areas (as distinguished in the previous sub-regional SHMAs undertaken for London Borough groups). As East and South East London have lower unmet needs, these are grouped, create four quadrants. Each district in the HMA corresponds to one of these quadrants, linking to them along axes of movement (transport corridors), with these having an uplift factor applied relating to the degree of unmet need. This is shown in Figure 13.

Table 3: Spatial needs uplift factors

Quadrant	Uplift Factor
West London	+10%
North London	+10%
South West London	+5%
South East and East London	-20%

Figure 13: Routes of unmet needs along key corridors



Using the baseline degree of linkage and then applying the uplift and restraint factors provides illustrations of how London's unmet housing might be distributed.

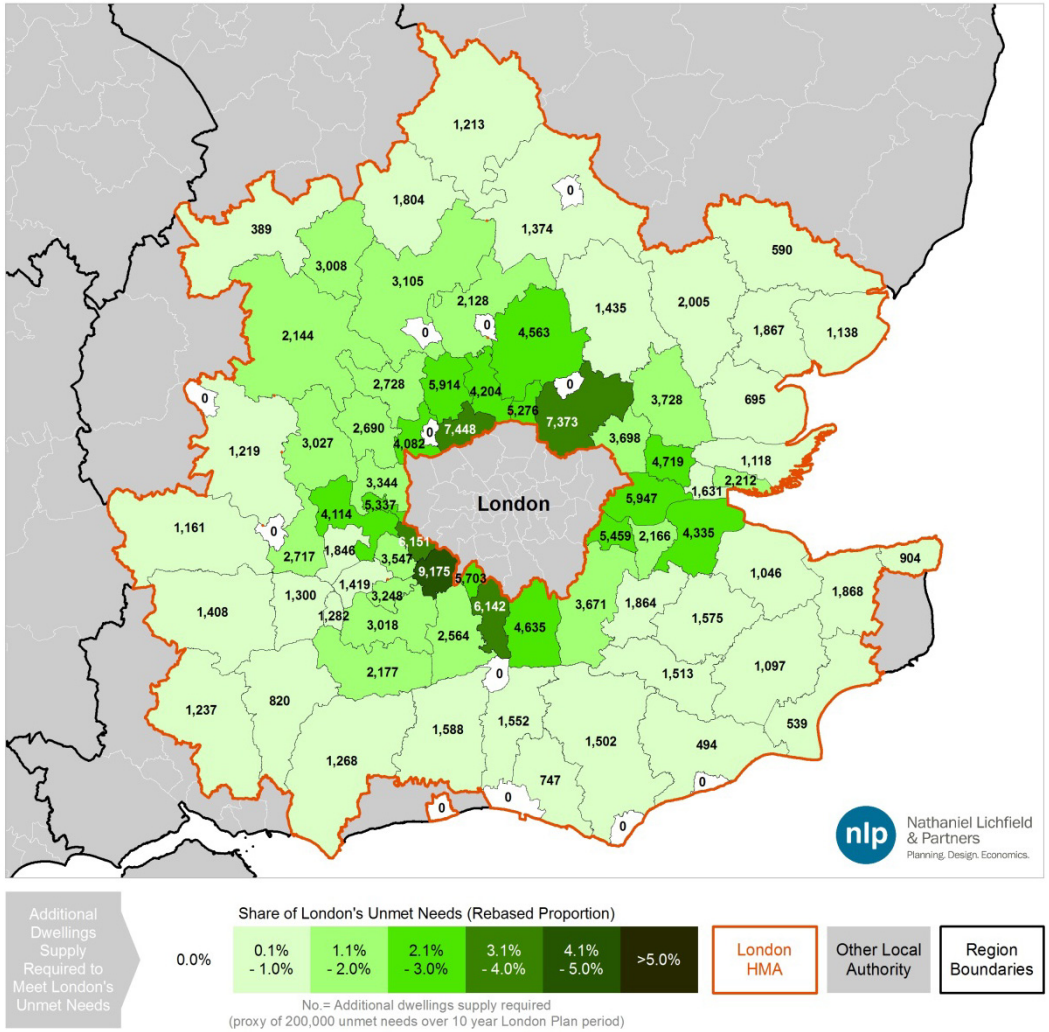
Distributing London's unmet housing needs

Figure 14 illustrates how London's unmet housing needs might be distributed to individual Districts taking account of:

- The degree of commuting and migration relationship with London;
- The degree of environmental and physical capacity constraint;
- The extent of relationship with particular areas of London with unmet needs; and
- The opportunities for delivering growth with sustainable links to London.

Whilst the exact scale of London's unmet needs is currently undetermined (until such time as the Further Alterations to the London Plan are complete) it is clear that based on current evidence this could be at least up to 20,000 dwellings per annum, totalling 200,000 dwellings over the London Plan's 10 year horizon. With these needs to be met within the wider London HMA, a reasonable distribution of these could mean each District supporting London by accommodating between 600 and 9,000 additional new homes, over and above each district's own housing needs.

Figure 14: Meeting London's 200,000 home unmet needs – additional supply by authority.



However, if Green Belt is applied as a fundamental constraint, the implications for those areas beyond the Green Belt becomes stark.

Applying Green Belt as a Constraint

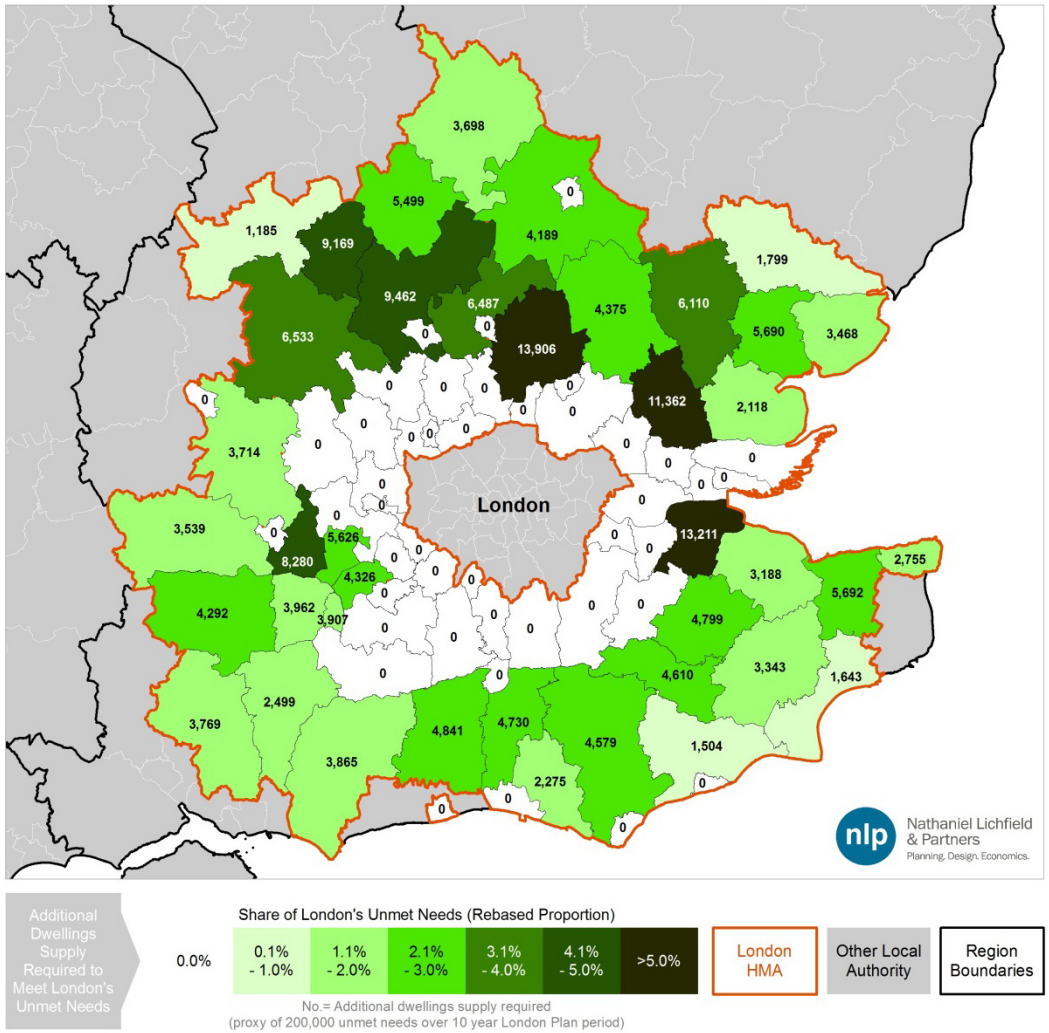
If Green Belt is applied as a fundamental constraint, this has the effect of forcing London's unmet needs into Districts beyond the Metropolitan Green Belt, with those unconstrained areas having to accommodate an even greater share of London's unmet needs. If it is assumed that any authority area which is covered by Green Belt (i.e. the majority of a District's area) cannot accommodate any of London's unmet needs, these needs would be pushed further out away from London.

This outcome would mean locations such as East Hertfordshire, Medway and Chelmsford could be expected to accommodate more than 11,000 additional dwellings over and above their own needs, against an unmet London need of 20,000 dwellings per annum. This would be the equivalent of a new Letchworth Garden City, or an additional Ebbsfleet, for each of those LPAs over a 10 year period. Even then, other areas could be expected to accommodate the equivalent of several new large urban extensions in addition to their own unmet needs.

As Figure 15 illustrates, such a strategy would have a profound effect on the Local Plans of those areas, as unmet needs would effectively jump the Green Belt, with increased commuting back to London.

The potential implications of this do not appear to have been considered by the GLA in the FALP strategy.

Figure 15: Meeting London's unmet needs – additional supply by authority with Green Belt



Conclusions

London's unmet housing needs place pressures on areas beyond Greater London to accommodate additional housing development.

Unmet Needs will Increase Pressure on the Wider South East to Deliver New Homes

If London fails to meet its housing needs (as is implicit in the FALP), the implications are that those needs will not simply disappear: they will either result in increasingly negative housing outcomes for people living in London, or they will mean households have to look elsewhere to meet their housing needs. In respect of planning for future housing needs, the NPPF is also clear that needs should not be ignored but instead be met elsewhere in the housing market area if they cannot be met in a particular location.

The practical implication is that unmet needs in London will mean greater net outward migration from the capital than the ambient trends accounted for within population projections, such as ONS' sub-national population projections. This will affect those areas close to London which are affected by the radial shift in migration out of London. In short, there is every indication that unmet needs in London will necessitate additional delivery of new homes in areas around London.

Cooperating to Meet Objectively Assessed Housing Needs

On the basis of the Draft Further Alterations to the London Plan, London's unmet housing needs will total between 70,000 and 200,000 dwellings over the 10 year Plan Period of the London Plan. In order that objectively assessed housing needs are met for London's wider housing market, the 200,000 dwellings of London's need will have to be delivered beyond the boundary of Greater London. This will necessitate LPA's that have a relationship with London's housing market to plan for both their own needs as well as additional overspill from London.

This is not something the GLA appears to have properly addressed, and the FALP does not deal with the issue. This, and the failure of the FALP to include a Green Belt review, is a significant omission that means the FALP is unsound.

The GLA and those authorities identified within this report as being part of the wider London HMA should work together in order to ensure that these needs are effectively met.

The Appendix to this report sets out the results of a 'Gravity Model' approach to distributing such unmet needs and can be used as a starting point for considering the scale of additional supply Local Planning Authorities should be seeking to make provision for.

Appendix: Data Sets

Appendix: Data Sets

	Stage 2					Stage 3								Stage 4									
	Migration and Commuting					Transport Links		Constraints			Spatial Unmet Needs Relationship			Outcome				Green Belt Sensitivity					
District	Migration flow from London	% of Gross out-migration from London to LPA in HMA	Commuting flow to London	% of Gross in-commute from LPA in HMA to London	Base Share	Fastest Train from District to London Terminus (Mins)	Uplift Factor	Fundamental Constraints (SSSI, AONB, National Park) % Coverage	Underbounded Authorities (Unlikely to meet even their own needs)	Uplift Factor	Quadrant/Axis of London's Unmet Needs	Uplift Factor	Total Uplift Factor	% Following Uplifts	Share of London's Unmet Needs (Rebased Proportion)	Additional Supply Required (proxy of 70,000 unmet needs over 10 year London Plan period)	Additional Supply Required (proxy of 200,000 unmet needs over 10 year London Plan period)	Majority Green Belt Constrained	Uplift Factor	% Following Uplifts	Share of London's Unmet Needs (Rebased Proportion)	Additional Supply Required (proxy of 70,000 unmet needs over 10 year London Plan period)	Additional Supply Required (proxy of 200,000 unmet needs over 10 year London Plan period)
Ashford	1,010	0.76%	3,248	0.51%	0.64%	38	10%	37.42%	No	-10%	SE	-20%	-20%	0.51%	0.55%	384	1,097	No	0%	0.51%	1.67%	1,170	3,343
Aylesbury Vale	1,140	0.86%	5,531	0.87%	0.87%	41	0%	6.00%	No	10%	N	5%	15%	0.99%	1.07%	750	2,144	No	0%	0.99%	3.27%	2,287	6,533
Babergh	430	0.32%	1,422	0.22%	0.27%	80	20%	18.07%	No	0%	E	-20%	0%	0.27%	0.30%	207	590	No	0%	0.27%	0.90%	630	1,799
Basildon	1,990	1.50%	18,292	2.88%	2.19%	30	10%	2.11%	No	10%	E	-20%	0%	2.19%	2.36%	1,652	4,719	Yes	-100%	0.00%	0.00%	0	0
Basingstoke and Deane	990	0.75%	3,563	0.56%	0.65%	42	0%	33.07%	No	-10%	SW	10%	0%	0.65%	0.70%	493	1,408	No	0%	0.65%	2.15%	1,502	4,292
Bedford	1,020	0.77%	2,996	0.47%	0.62%	35	10%	0.35%	No	20%	N	5%	35%	0.84%	0.90%	632	1,804	No	0%	0.84%	2.75%	1,925	5,499
Bracknell Forest	890	0.67%	5,631	0.89%	0.78%	51	0%	16.69%	No	0%	W	10%	10%	0.86%	0.92%	646	1,846	No	0%	0.86%	2.81%	1,969	5,626
Braintree	1,080	0.81%	6,648	1.05%	0.93%	41	0%	0.30%	No	20%	E	-20%	0%	0.93%	1.00%	702	2,005	No	0%	0.93%	3.06%	2,139	6,110
Brentwood	1,700	1.28%	11,681	1.84%	1.56%	23	10%	1.34%	No	20%	E	-20%	10%	1.72%	1.85%	1,294	3,698	Yes	-100%	0.00%	0.00%	0	0
Brighton and Hove	4,710	3.55%	7,618	1.20%	2.37%	52	0%	44.20%	Yes	-100%	SW	10%	-100%	0.00%	0.00%	0	0	Yes	-100%	0.00%	0.00%	0	0
Broxbourne	2,110	1.59%	14,780	2.33%	1.96%	24	10%	4.54%	No	10%	N	5%	25%	2.45%	2.64%	1,847	5,276	Yes	-100%	0.00%	0.00%	0	0
Cambridge	2,690	2.03%	1,590	0.25%	1.14%	50	0%	0.37%	Yes	-100%	N	5%	-100%	0.00%	0.00%	0	0	Yes	-100%	0.00%	0.00%	0	0
Canterbury	2,730	2.06%	2,659	0.42%	1.24%	56	0%	38.24%	No	-10%	SE	-20%	-30%	0.87%	0.93%	654	1,868	No	0%	0.87%	2.85%	1,992	5,692
Castle Point	840	0.63%	7,996	1.26%	0.95%	41	0%	17.54%	No	0%	E	-20%	-20%	0.76%	0.82%	571	1,631	Yes	-100%	0.00%	0.00%	0	0
Central Bedfordshire	1,570	1.18%	8,398	1.32%	1.25%	34	10%	9.90%	No	0%	N	5%	15%	1.44%	1.55%	1,087	3,105	No	0%	1.44%	4.73%	3,312	9,462
Chelmsford	1,690	1.27%	13,885	2.19%	1.73%	34	10%	2.33%	No	10%	E	-20%	0%	1.73%	1.86%	1,305	3,728	No	0%	1.73%	5.68%	3,977	11,362
Chichester	1,030	0.78%	1,866	0.29%	0.54%	93	20%	75.48%	No	-20%	SW	10%	10%	0.59%	0.63%	444	1,268	No	0%	0.59%	1.93%	1,353	3,865
Chiltern	1,440	1.09%	8,964	1.41%	1.25%	30	10%	71.16%	No	-20%	W	10%	0%	1.25%	1.35%	942	2,690	Yes	-100%	0.00%	0.00%	0	0
Colchester	1,750	1.32%	5,380	0.85%	1.08%	49	0%	18.12%	No	0%	E	-20%	-20%	0.87%	0.93%	653	1,867	No	0%	0.87%	2.85%	1,992	5,690
Crawley	840	0.63%	4,205	0.66%	0.65%	28	10%	1.05%	Yes	-100%	SW	10%	-100%	0.00%	0.00%	0	0	No	-100%	0.00%	0.00%	0	0
Dacorum	1,620	1.22%	9,172	1.44%	1.33%	26	10%	42.85%	No	-20%	N	5%	-5%	1.27%	1.36%	955	2,728	Yes	-100%	0.00%	0.00%	0	0
Dartford	2,630	1.98%	16,666	2.62%	2.30%	19	20%	1.77%	No	10%	SE	-20%	10%	2.53%	2.73%	1,911	5,459	Yes	-100%	0.00%	0.00%	0	0
East Hampshire	660	0.50%	2,882	0.45%	0.48%	60	-10%	57.90%	No	-20%	SW	10%	-20%	0.38%	0.41%	287	820	No	0%	0.38%	1.25%	875	2,499
East Hertfordshire	1,750	1.32%	11,545	1.82%	1.57%	35	10%	1.09%	No	20%	N	5%	35%	2.12%	2.28%	1,597	4,563	No	0%	2.12%	6.95%	4,867	13,906
Eastbourne	950	0.72%	1,014	0.16%	0.44%	85	20%	42.45%	Yes	-100%	SW	10%	-100%	0.00%	0.00%	0	0	No	0%	0.00%	0.00%	0	0
Elmbridge	4,050	3.05%	22,217	3.50%	3.28%	25	10%	4.72%	No	10%	SW	10%	30%	4.26%	4.59%	3,211	9,175	Yes	-100%	0.00%	0.00%	0	0
Epping Forest	3,620	2.73%	26,131	4.12%	3.42%	30	10%	5.03%	No	10%	E	-20%	0%	3.42%	3.69%	2,580	7,373	Yes	-100%	0.00%	0.00%	0	0
Epsom and Ewell	2,400	1.81%	14,371	2.26%	2.04%	28	10%	3.50%	No	10%	SW	10%	30%	2.65%	2.85%	1,996	5,703	Yes	-100%	0.00%	0.00%	0	0

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Gravesham	1,280	0.96%	9,836	1.55%	1.26%	23	10%	30.01%	No	-10%	SE	-20%	-20%	1.01%	1.08%	758	2,166	Yes	-100%	0.00%	0.00%	0	0
Guildford	2,000	1.51%	8,216	1.29%	1.40%	34	10%	44.67%	No	-20%	SW	10%	0%	1.40%	1.51%	1,056	3,018	Yes	-100%	0.00%	0.00%	0	0
Harlow	1,010	0.76%	5,479	0.86%	0.81%	30	10%	1.57%	Yes	-100%	E	-20%	-100%	0.00%	0.00%	0	0	Yes	-100%	0.00%	0.00%	0	0
Hart	570	0.43%	4,238	0.67%	0.55%	40	0%	12.52%	No	0%	SW	10%	10%	0.60%	0.65%	455	1,300	No	0%	0.60%	1.98%	1,387	3,962
Hastings	860	0.65%	1,141	0.18%	0.41%	90	20%	21.29%	Yes	-100%	SE	-20%	-100%	0.00%	0.00%	0	0	No	0%	0.00%	0.00%	0	0
Hertsmere	3,220	2.43%	17,106	2.69%	2.56%	20	10%	0.40%	No	20%	N	5%	35%	3.46%	3.72%	2,607	7,448	Yes	-100%	0.00%	0.00%	0	0
Horsham	990	0.75%	4,623	0.73%	0.74%	53	0%	24.70%	No	-10%	SW	10%	0%	0.74%	0.79%	556	1,588	No	0%	0.74%	2.42%	1,694	4,841
Huntingdonshire	710	0.54%	2,820	0.44%	0.49%	55	0%	2.61%	No	10%	N	5%	15%	0.56%	0.61%	425	1,213	No	0%	0.56%	1.85%	1,294	3,698
Lewes	760	0.57%	1,863	0.29%	0.43%	60	-10%	56.98%	No	-20%	SW	10%	-20%	0.35%	0.37%	261	747	No	0%	0.35%	1.14%	796	2,275
Luton	2,190	1.65%	6,097	0.96%	1.31%	25	10%	0.61%	Yes	-100%	N	5%	-100%	0.00%	0.00%	0	0	Yes	-100%	0.00%	0.00%	0	0
Maidstone	1,280	0.96%	7,132	1.12%	1.04%	56	0%	27.40%	No	-10%	SE	-20%	-30%	0.73%	0.79%	551	1,575	No	0%	0.73%	2.40%	1,680	4,799
Maldon	420	0.32%	3,109	0.49%	0.40%	57	0%	18.43%	No	0%	E	-20%	-20%	0.32%	0.35%	243	695	No	0%	0.32%	1.06%	741	2,118
Medway Towns	3,000	2.26%	17,578	2.77%	2.51%	37	10%	32.12%	No	-10%	SE	-20%	-20%	2.01%	2.17%	1,517	4,335	No	0%	2.01%	6.61%	4,624	13,211
Mid Sussex	350	0.26%	7,472	1.18%	0.72%	39	10%	60.15%	No	-20%	SW	10%	0%	0.72%	0.78%	543	1,552	No	0%	0.72%	2.36%	1,655	4,730
Milton Keynes	1,710	1.29%	4,950	0.78%	1.03%	35	10%	0.16%	No	20%	N	5%	35%	1.40%	1.50%	1,053	3,008	No	0%	1.40%	4.58%	3,209	9,169
Mole Valley	1,230	0.93%	7,854	1.24%	1.08%	38	10%	38.91%	No	-10%	SW	10%	10%	1.19%	1.28%	898	2,564	Yes	-100%	0.00%	0.00%	0	0
North Hertfordshire	1,090	0.82%	5,692	0.90%	0.86%	24	10%	6.98%	No	0%	N	5%	15%	0.99%	1.06%	745	2,128	No	0%	0.99%	3.24%	2,270	6,487
Oxford	3,230	2.43%	1,561	0.25%	1.34%	60	-10%	6.10%	Yes	-100%	W	10%	-100%	0.00%	0.00%	0	0	Yes	-100%	0.00%	0.00%	0	0
Reading	1,670	1.26%	3,659	0.58%	0.92%	35	10%	0.01%	Yes	-100%	W	10%	-100%	0.00%	0.00%	0	0	No	0%	0.00%	0.00%	0	0
Reigate and Banstead	2,970	2.24%	15,954	2.51%	2.38%	30	10%	14.57%	No	0%	SW	10%	20%	2.85%	3.07%	2,150	6,142	Yes	-100%	0.00%	0.00%	0	0
Rochford	560	0.42%	6,731	1.06%	0.74%	45	0%	40.17%	No	-10%	E	-20%	-30%	0.52%	0.56%	391	1,118	Yes	-100%	0.00%	0.00%	0	0
Rother	830	0.63%	1,846	0.29%	0.46%	67	-10%	88.42%	No	-20%	SE	-20%	-50%	0.23%	0.25%	173	494	No	0%	0.23%	0.75%	527	1,504
Runnymede	1,570	1.18%	8,566	1.35%	1.27%	39	10%	2.07%	No	10%	W	10%	30%	1.65%	1.77%	1,241	3,547	Yes	-100%	0.00%	0.00%	0	0
Rushmoor	630	0.47%	3,282	0.52%	0.50%	34	10%	12.07%	No	0%	SW	10%	20%	0.60%	0.64%	449	1,282	No	0%	0.60%	1.95%	1,368	3,907
Sevenoaks	2,820	2.13%	17,411	2.74%	2.43%	27	10%	61.35%	No	-20%	SE	-20%	-30%	1.70%	1.84%	1,285	3,671	Yes	-100%	0.00%	0.00%	0	0
Shepway	820	0.62%	1,371	0.22%	0.42%	53	0%	47.25%	No	-20%	SE	-20%	-40%	0.25%	0.27%	189	539	No	0%	0.25%	0.82%	575	1,643
Slough	2,420	1.82%	10,886	1.71%	1.77%	20	10%	0.00%	No	20%	W	10%	40%	2.48%	2.67%	1,868	5,337	Yes	-100%	0.00%	0.00%	0	0
S. Buckinghamshire	1,500	1.13%	7,984	1.26%	1.19%	27	10%	6.71%	No	10%	W	10%	30%	1.55%	1.67%	1,170	3,344	Yes	-100%	0.00%	0.00%	0	0

Appendix: Data Sets

	Stage 2					Stage 3								Stage 4									
	Migration and Commuting					Transport Links		Constraints			Spatial Unmet Needs Relationship			Outcome				Green Belt Sensitivity					
District	Migration flow from London	% of Gross out-migration from London to LPA in HMA	Commuting flow to London	% of Gross in-commute from LPA in HMA to London	Base Share	Fastest Train from District to London Terminus (Mins)	Uplift Factor	Fundamental Constraints (SSSI, AONB, National Park) % Coverage	Underbounded Authorities (Unlikely to meet even their own needs)	Uplift Factor	Quadrant/Axis of London's Unmet Needs	Uplift Factor	Total Uplift Factor	% Following Uplifts	Share of London's Unmet Needs (Rebased Proportion)	Additional Supply Required (proxy of 70,000 unmet needs over 10 year London Plan period)	Additional Supply Required (proxy of 200,000 unmet needs over 10 year London Plan period)	Majority Green Belt Constrained	Uplift Factor	% Following Uplifts	Share of London's Unmet Needs (Rebased Proportion)	Additional Supply Required (proxy of 70,000 unmet needs over 10 year London Plan period)	Additional Supply Required (proxy of 200,000 unmet needs over 10 year London Plan period)
South Cambridgeshire	880	0.66%	2,269	0.36%	0.51%	52	0%	1.05%	No	20%	N	5%	25%	0.64%	0.69%	481	1,374	No	0%	0.64%	2.09%	1,466	4,189
South Northants	210	0.16%	1,078	0.17%	0.16%	61	-10%	1.62%	No	10%	W	10%	10%	0.18%	0.19%	136	389	No	0%	0.18%	0.59%	415	1,185
South Oxfordshire	920	0.69%	3,578	0.56%	0.63%	42	0%	42.77%	No	-20%	W	10%	-10%	0.57%	0.61%	427	1,219	No	0%	0.57%	1.86%	1,300	3,714
Southend-on-Sea	1,710	1.29%	10,441	1.64%	1.47%	45	0%	39.49%	No	-10%	E	-20%	-30%	1.03%	1.11%	774	2,212	Yes	-100%	0.00%	0.00%	0	0
Spelthorne	2,520	1.90%	18,152	2.86%	2.38%	35	10%	14.29%	No	0%	W	10%	20%	2.85%	3.08%	2,153	6,151	Yes	-100%	0.00%	0.00%	0	0
St Albans	2,340	1.76%	14,621	2.30%	2.03%	20	10%	0.45%	No	20%	N	5%	35%	2.74%	2.96%	2,070	5,914	Yes	-100%	0.00%	0.00%	0	0
Stevenage	710	0.54%	3,471	0.55%	0.54%	27	10%	0.01%	Yes	-100%	N	5%	-100%	0.00%	0.00%	0	0	Yes	-100%	0.00%	0.00%	0	0
Surrey Heath	690	0.52%	5,994	0.94%	0.73%	68	-10%	22.82%	No	-10%	SW	10%	-10%	0.66%	0.71%	497	1,419	No	0%	0.66%	2.16%	1,514	4,326
Swale	1,160	0.87%	4,724	0.74%	0.81%	60	-10%	39.83%	No	-10%	SE	-20%	-40%	0.49%	0.52%	366	1,046	No	0%	0.49%	1.59%	1,116	3,188
Tandridge	2,170	1.64%	12,380	1.95%	1.79%	28	10%	16.81%	No	0%	SW	10%	20%	2.15%	2.32%	1,622	4,635	Yes	-100%	0.00%	0.00%	0	0
Tendring	1,430	1.08%	2,736	0.43%	0.75%	60	-10%	14.17%	No	0%	E	-20%	-30%	0.53%	0.57%	398	1,138	No	0%	0.53%	1.73%	1,214	3,468
Thanet	1,320	0.99%	1,293	0.20%	0.60%	74	-10%	7.45%	No	0%	SE	-20%	-30%	0.42%	0.45%	316	904	No	0%	0.42%	1.38%	964	2,755
Three Rivers	1,840	1.39%	12,117	1.91%	1.65%	26	10%	7.27%	No	0%	N	5%	15%	1.89%	2.04%	1,429	4,082	Yes	-100%	0.00%	0.00%	0	0
Thurrock	3,250	2.45%	19,496	3.07%	2.76%	30	10%	4.67%	No	10%	E	-20%	0%	2.76%	2.97%	2,081	5,947	Yes	-100%	0.00%	0.00%	0	0
Tonbridge and Malling	1,500	1.13%	8,514	1.34%	1.24%	40	0%	27.52%	No	-10%	SE	-20%	-30%	0.86%	0.93%	652	1,864	Yes	-100%	0.00%	0.00%	0	0
Tunbridge Wells	1,600	1.21%	7,202	1.13%	1.17%	50	0%	69.01%	No	-20%	SE	-20%	-40%	0.70%	0.76%	529	1,513	No	0%	0.70%	2.31%	1,614	4,610
Uttlesford	850	0.64%	4,392	0.69%	0.67%	41	0%	0.99%	No	20%	E	-20%	0%	0.67%	0.72%	502	1,435	No	0%	0.67%	2.19%	1,531	4,375
Watford	2,290	1.73%	9,303	1.46%	1.60%	18	20%	0.02%	Yes	-100%	N	5%	-100%	0.00%	0.00%	0	0	Yes	-100%	0.00%	0.00%	0	0
Waverley	1,700	1.28%	6,119	0.96%	1.12%	47	0%	54.83%	No	-20%	SW	10%	-10%	1.01%	1.09%	762	2,177	Yes	-100%	0.00%	0.00%	0	0
Wealden	1,130	0.85%	4,431	0.70%	0.77%	49	0%	64.70%	No	-20%	SW	10%	-10%	0.70%	0.75%	526	1,502	No	0%	0.70%	2.29%	1,603	4,579
Welwyn Hatfield	2,450	1.85%	8,097	1.28%	1.56%	25	10%	2.54%	No	10%	N	5%	25%	1.95%	2.10%	1,471	4,204	Yes	-100%	0.00%	0.00%	0	0
West Berkshire	840	0.63%	2,824	0.44%	0.54%	38	10%	74.75%	No	-20%	W	10%	0%	0.54%	0.58%	406	1,161	No	0%	0.54%	1.77%	1,239	3,539
Winchester	1,070	0.81%	2,168	0.34%	0.57%	57	0%	41.32%	No	-10%	SW	10%	0%	0.57%	0.62%	433	1,237	No	0%	0.57%	1.88%	1,319	3,769
Windsor & M'head	1,980	1.49%	10,731	1.69%	1.59%	24	10%	8.39%	No	0%	W	10%	20%	1.91%	2.06%	1,440	4,114	Yes	-100%	0.00%	0.00%	0	0
Woking	1,380	1.04%	8,122	1.28%	1.16%	24	10%	3.98%	No	10%	SW	10%	30%	1.51%	1.62%	1,137	3,248	Yes	-100%	0.00%	0.00%	0	0
Wokingham	1,120	0.84%	6,077	0.96%	0.90%	39	10%	0.17%	No	20%	W	10%	40%	1.26%	1.36%	951	2,717	No	0%	1.26%	4.14%	2,898	8,280
Worthing	690	0.52%	1,129	0.18%	0.35%	78	-10%	23.30%	Yes	-100%	SW	10%	-100%	0.00%	0.00%	0	0	No	0%	0.00%	0.00%	0	0
Wycombe	1,900	1.43%	8,751	1.38%	1.41%	30	10%	71.36%	No	-20%	W	10%	0%	1.41%	1.51%	1,060	3,027	Yes	-100%	0.00%	0.00%	0	0

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