

Date: 18 August 2016
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Mr M Moore
The Planning Inspectorate
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Dear Mr Moore

Household Projections

I write with respect to the 2014-based Household Projections.

You requested a table of the 2014-based Household Projections alongside the previously published 2012-based Household Projections for the District, accompanied by our view as to any implications the new projections may have for the Local Plan.

The CLG 2014-based household projections project future growth averaging 787 households per annum in Canterbury District. This is not dissimilar to the 800dpa revised proposed housing requirement within the Local Plan.

In brief, the Council considers that the current plan (as proposed to be amended), which is before the Inspector, will meet the identified needs, therefore no further amendments are required.

Our note on the household projections is contained overleaf.

Should you require any further assistance, please do not hesitate to contact me.

Yours sincerely
Karen Britton
Planning Policy Manager



The Government Standard



Canterbury Local Plan – 2014-based Household Projections

1.0 Introduction

1.1 On 12th July 2016 CLG published the 2014-based Sub-National Household Projections (SNHP). These project household growth across Local Authorities for the period 2014 to 2039 and have been derived by applying projected rates of household formation to the 2014-based Sub-National Population Projections (SNPP) which were published by ONS on 25th May 2016.

1.2 The implications of the ONS 2014-based SNPP for the Canterbury Local Plan were considered in CDLP 16.29.39 produced by Canterbury City Council (CCC) in June 2016. This note considers the implications of the new SNHP and should be read in conjunction with the previous note, which remains relevant and sets out the position of the Council in respect of the SNPP.

2.0 Planning Practice Guidance

2.1 In respect of assessing housing needs, the Planning Practice Guidance (ID 2a-015) states that the household projections, alongside their counterpart population projection, form the starting point for establishing housing need. The PPG identifies that (ID: 2a-016):

“Wherever possible, local needs assessments should be informed by the latest available information. The National Planning Policy Framework is clear that Local Plans should be kept up-to-date. A meaningful change in the housing situation should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued.” (NLP emphasis)

2.2 It is in the context of this guidance that the release of the 2014-based SNHP must be considered at the current stage of the Examination of the Canterbury Local Plan.

3.0 The 2014-based Household Projections

Household Projections

3.1 The 2014-based SNHP project average growth of 787 households per annum for the period 2014 to 2039 in Canterbury. This compares to 606 households per annum over the period 2012 to 2037 in the 2012-based SNHP. This is shown in Table 1.

Household Formation Rates

3.2 A comparison of the age structure of the household growth projected within the 2012-based and 2014-based SNHP for Canterbury is shown in Table 2. The age of household is based on the household representative (usually the oldest economically active adult living in a household) and is derived from the age specific household formation rates applied within CLG’s modelling. This shows

that a large proportion of the difference between two iterations of the SNHP is associated with the growth of the households in the 25-44 age groups, similar to the trends seen in the underlying SNPP for Canterbury. The 2014-based SNHP show almost exactly the same projected rates of household formation (i.e. the percent of people in a given age group that will form a head of household) as the 2012-based projections. This is shown in Table 3.

- 3.3 This indicates that the main cause of the difference in household growth between the 2012-based and 2014-based iterations of the SNHPs is the population projections which underpin each of SNHPs (i.e. the difference between the 2012-based and 2014-based SNPP).

Populations Not In Household

- 3.4 The 2014-based Household Projections also include projections by Local Authority for the population who are 'not in households' (i.e. living in communal establishments). This includes those living in care homes, military barracks, prisons and halls of residence. These form a separate group of the population (from the household population) and do not contribute to household growth. The 2014-based projections use data from the 2011 Census to determine the 'not in household' population by age and sex (the 2012-based projections also utilised Census data, however more Census data has become available since the publication of those household projections were published, hence there are differences in the two iterations).
- 3.5 The 2012-based household projections projected the communal establishment population aged 15-24 in Canterbury (assumed to be mainly students) to remain constant at 5,663 over the period 2012-37. The 2014-based projections now project this to be slightly higher at 5,826 but still to remain constant. Neither the 2012-based or 2014-based SNHP project the student age 'population not in household' to change over the projection period. With no projected increase in the number of students living in communal establishments over the period to 2039 within the 2014-based SNHP it essentially assumes that any growth in the number of students would be within the household population (i.e. that no additional student accommodation would be available).

Table 1 Comparison of 2012-based SNHP and 2014-based SNHP

Households (CLG Live Table 406)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
CLG 2012-based SNHP: Canterbury	61,433	61,730	62,247	62,760	63,307	63,864	64,431	65,011	65,572	66,145	66,718	67,327	67,980	68,637
CLG 2014-based SNHP: Canterbury			63,310	64,063	64,965	65,833	66,596	67,360	68,088	68,833	69,566	70,305	71,086	71,882
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
CLG 2012-based SNHP: Canterbury	69,337	70,030	70,724	71,405	72,080	72,772	73,438	74,069	74,704	75,336	75,965	76,584		
CLG 2014-based SNHP: Canterbury	72,723	73,555	74,384	75,211	76,041	76,890	77,722	78,488	79,236	79,986	80,752	81,522	82,267	82,995

Source: CLG Live Table 406

Table 2 Difference Between Age Profile of Household Growth of 2012-based and 2014-based projections in Canterbury

Age	2012-based SNHP				2014-based SNHP				Difference in 2014-SNHP
	2012 H'holds	2037 H'holds	Change	% of Change	2014 H'holds	2039 H'holds	Change	% of Change	25yr Change in H'holds
Under 25	3,626	4,078	+452	3.0%	3,873	4,650	+777	3.9%	+325
25-34	7,152	6,205	-947	-6.3%	7,429	7,499	+70	0.4%	+1,017
35-44	9,165	8,623	-542	-3.6%	8,691	9,279	+588	3.0%	+1,130
45-54	10,941	11,849	+908	6.0%	11,381	12,796	+1,415	7.2%	+507
55-64	10,424	11,591	+1,167	7.7%	10,452	12,367	+1,915	9.7%	+748
65-74	9,908	14,081	+4,173	27.5%	10,773	14,504	+3,731	19.0%	-442
75-84	6,993	12,127	+5,134	33.9%	7,278	13,464	+6,186	31.4%	+1,052
85+	3,223	8,029	+4,806	31.7%	3,433	8,436	+5,003	25.4%	+197
Total	61,432	76,583	+15,151	100.0%	63,310	82,995	+19,685	100.0%	+4,534

Source: CLG Live Table 414

Table 3 Comparison of Household Formation Rates (HFR; the % of population that form a 'head of household') in 2012-based and 2014-based Household Projections

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	
2014-based Household Projections	15_24	14.4%	14.3%	14.4%	14.3%	14.3%	14.3%	14.3%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.5%	14.5%	14.6%	14.7%	14.8%	14.8%	14.9%	15.0%	15.1%	15.1%	15.2%	
	25_34	45.9%	45.6%	45.3%	45.0%	44.6%	44.4%	44.2%	44.0%	43.8%	43.6%	43.4%	43.1%	42.9%	42.6%	42.4%	42.1%	41.9%	41.6%	41.3%	41.1%	40.8%	40.6%	40.3%	40.1%	39.8%	39.6%	
	35_44	55.5%	55.5%	55.3%	55.3%	55.1%	55.0%	55.1%	55.3%	55.5%	55.6%	55.7%	55.8%	55.9%	55.9%	55.8%	55.8%	55.7%	55.5%	55.3%	55.1%	54.9%	54.7%	54.5%	54.4%	54.2%	54.1%	
	45_54	58.6%	58.9%	59.1%	59.3%	59.5%	59.7%	60.1%	60.5%	60.9%	61.3%	61.6%	62.0%	62.3%	62.5%	62.8%	63.0%	63.3%	63.4%	63.5%	63.6%	63.7%	63.8%	63.8%	64.0%	64.1%	64.2%	
	55_59	60.3%	60.6%	61.1%	61.2%	61.6%	62.0%	62.3%	62.6%	62.8%	63.1%	63.3%	63.5%	63.8%	64.0%	64.3%	64.6%	64.9%	65.2%	65.5%	65.8%	66.2%	66.4%	66.7%	66.9%	67.1%	67.3%	
	60_64	60.4%	60.5%	60.7%	60.6%	60.7%	60.8%	60.8%	60.8%	60.7%	60.6%	60.5%	60.4%	60.3%	60.2%	60.2%	60.2%	60.3%	60.3%	60.4%	60.5%	60.6%	60.7%	60.7%	60.7%	60.7%	60.7%	60.7%
	65_74	64.6%	64.7%	64.9%	64.9%	65.0%	65.2%	65.2%	65.2%	65.2%	65.1%	65.0%	64.9%	64.8%	64.7%	64.8%	64.8%	65.0%	65.1%	65.2%	65.4%	65.6%	65.7%	65.7%	65.8%	65.8%	65.8%	
	75_84	75.4%	75.6%	76.0%	76.0%	76.3%	76.6%	76.7%	76.8%	76.8%	76.8%	76.7%	76.7%	76.7%	76.7%	76.9%	77.0%	77.3%	77.5%	77.8%	78.1%	78.4%	78.7%	78.8%	79.0%	79.1%	79.3%	
	85+	85.9%	86.0%	86.4%	86.3%	86.6%	86.8%	86.8%	86.8%	86.7%	86.7%	86.5%	86.3%	86.2%	86.1%	86.2%	86.3%	86.4%	86.6%	86.8%	87.1%	87.3%	87.5%	87.5%	87.6%	87.6%	87.7%	
2012-based Household Projections	15_24	14.4%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.2%	14.2%	14.3%	14.3%	14.3%	14.4%	14.4%	14.5%	14.6%	14.6%	14.7%	14.8%	14.9%	15.0%	15.1%	15.1%	
	25_34	45.9%	45.7%	45.5%	45.2%	45.0%	44.8%	44.5%	44.3%	44.1%	43.8%	43.5%	43.3%	43.0%	42.8%	42.5%	42.3%	42.0%	41.7%	41.5%	41.2%	40.9%	40.6%	40.3%	40.1%	39.8%	39.6%	
	35_44	55.6%	55.8%	55.9%	56.0%	56.1%	56.2%	56.3%	56.4%	56.5%	56.6%	56.7%	56.7%	56.7%	56.7%	56.7%	56.6%	56.5%	56.3%	56.1%	55.8%	55.5%	55.3%	55.0%	54.9%	54.7%	54.5%	
	45_54	58.6%	59.0%	59.4%	59.7%	60.1%	60.4%	60.8%	61.2%	61.5%	61.9%	62.2%	62.5%	62.8%	63.1%	63.4%	63.7%	63.9%	64.1%	64.2%	64.2%	64.2%	64.2%	64.3%	64.4%	64.5%	64.6%	
	55_59	60.3%	60.5%	60.7%	61.0%	61.3%	61.6%	61.9%	62.2%	62.4%	62.7%	62.8%	63.1%	63.3%	63.6%	63.9%	64.2%	64.5%	64.8%	65.2%	65.5%	65.8%	66.0%	66.3%	66.5%	66.8%	67.1%	
	60_64	60.4%	60.2%	60.2%	60.1%	60.1%	60.2%	60.1%	60.0%	59.9%	59.8%	59.7%	59.6%	59.5%	59.4%	59.4%	59.5%	59.6%	59.6%	59.7%	59.8%	59.9%	60.0%	60.1%	60.1%	60.1%	60.1%	
	65_74	64.5%	64.4%	64.3%	64.3%	64.4%	64.4%	64.4%	64.3%	64.3%	64.2%	64.0%	63.9%	63.9%	63.8%	63.9%	64.0%	64.1%	64.2%	64.4%	64.6%	64.7%	64.9%	65.0%	65.1%	65.1%	65.2%	
	75_84	75.4%	75.2%	75.3%	75.3%	75.5%	75.6%	75.6%	75.7%	75.6%	75.6%	75.5%	75.5%	75.5%	75.6%	75.7%	75.9%	76.1%	76.4%	76.7%	77.0%	77.3%	77.6%	77.8%	78.0%	78.2%	78.4%	
	85+	85.8%	85.5%	85.5%	85.5%	85.6%	85.6%	85.5%	85.5%	85.4%	85.3%	85.0%	84.9%	84.8%	84.8%	84.8%	84.9%	85.1%	85.3%	85.5%	85.8%	86.0%	86.2%	86.4%	86.5%	86.6%	86.7%	

Source: DCLG 2014-based Stage 2 Household Projections (Households and Household Population)

The 2014-based Sub-National Population Projections

- 3.6 Canterbury City Council provided analysis of the 2014-based SNPP following their publication in May 2016 (CDLP 16.29.39). This showed that, unlike their predecessor (the 2012-based SNPP) the 2014-based SNPP projected a significant increase in the number of people aged 25 to 49. The Council's initial view is that this may be due to an issue with estimating out-migration of student populations. The methodology accompanying the 2014-based SNPP does recognise this issue, concluding (in respect of the issue of students in places with large student populations) that "*users are advised to take this into account when interpreting the projected figures by age*"¹ as is the case when considering household formation and housing needs. ONS also state in its methodology document that this is an area they are looking into further; "*We are continuing research into internal migration, in particular looking at further improving the estimation of students' destinations when they move after leaving study...*"²
- 3.7 The view of the Council set out in the previous letter exploring the 2014-based SNPP (CDLP 16.29.39) still stands following the publication of the 2014-based SNHP. The change in population projection is the key factor affecting the change in projected household growth in the 2014-based SNHP (rather than the household formation rates which remain almost exactly the same).
- 3.8 There are a number of uncertainties in the population projections for Canterbury, particularly in respect of the issue of estimating and projecting student populations – where there is a high turnover of students who move to live in the city to study but who, when they move away, are not always recorded elsewhere (e.g. due to not registering with a new GP). This uncertainty – captured by mid-year estimates produced by ONS each year (which in turn inform the SNPP) – was reflected by the fact that, in light of the Census 2011, the estimated population in 2011 was revised *down* by 4,117 people compared to that which had been estimated in the mid-year estimates for that year. A similar adjustment may turn out to be required in light of the 2021 Census, and there are also related factors associated with Unattributable Population Change (UPC) which would require further investigation, before a conclusion could be reached on the reliability of the new projections specific to Canterbury. The student population is a factor which has previously been examined in the Development Requirements Study (CDLP1.6 paragraph 3.5) and the Housing Needs Review (CDLP5.7 paragraphs 2.8-2.13), but is potentially further compounded in the household projections which assume student numbers in halls of residence will remain constant (and not increase in line with any increase in student populations).

¹ Section 6 of ONS 2014-based SNPP methodology:
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/methodologies/methodologyusedtoproducethesubnationalpopulationprojectionsforengland#internal-migration>

² ONS 2014-based SNPP Methodology, May 2016. Section 6: Internal Migration

4.0 Summary and Implications

- 4.1 The CLG 2014-based sub-national household projections (SNHP) project future growth averaging 787 households per annum in Canterbury District. This is a significant increase on the previous 2012-based SNHP but is not dissimilar to the 800dpa revised proposed housing requirement within the Local Plan. As set out above, this increase in projected household growth appears to be related, at least in part, to an increase in younger age populations likely to be associated with how ONS measure student moves. This is likely to be further compounded in the household projections, which assume no increase in students living in halls of residence/student accommodation over the projection period.
- 4.2 The PPG (ID: 2a-016) sets out that when new projections are released this does not automatically render previous housing assessments as out-of-date. There are also clear benefits in progressing this Local Plan towards adoption, and re-visiting the housing numbers at this stage would likely lead to a significant delay given the complexity of the issue.
- 4.3 The issue of new sets of household projections “*destabilising*” local plans and “*moving the OAN ‘goalposts’ during the process of examination*” is one that was fully recognised by the CLG-established Local Plans Expert Group in their recommendations to Government³ and highlights why the PPG clarifies the role of new household projections. The Council has had to quickly consider the implications of the new sets of projections and strongly considers that the sensible, pragmatic approach to achieving a strategy which significantly boosts housing supply in the District is to progress with the current housing requirement. Such an approach would be consistent with Ministerial advice⁴.
- 4.4 If deemed to be necessary, any concerns could be addressed through an early review of the Plan, as set out in the Council’s previous letter. This would be in the knowledge that 800dpa would meet the OAN robustly identified in the Housing Needs Review (CDLP5.7) for that point in time and would also broadly meet the new household projections in the intervening period before any such review. However, the Council considers that the current plan (as proposed to be amended) which is before the Inspector will meet the identified needs, therefore no further amendments are required.

³ LPEG, ‘Local Plans - Report to the Communities Secretary and to the Housing and Planning Minister’ (March 2016) paragraph 3.22: <http://lpeg.org/wp-content/uploads/2016/02/Local-plans-report-to-governement.pdf>

⁴ Letter from Greg Clark (Secretary of State) to Simon Ridley (Chief Executive of the Planning Inspectorate) 21 July 2015: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/447372/SofS_letter_to_PINS_-_local_plans_TB.pdf