

1. Note on Recent Government Projections and the Canterbury OAN

Context

- 1.1 After Stage 1 of the EiP of the Canterbury District Local Plan, the Inspector concluded that, based on the Housing Needs Review carried out for CCC by NLP¹, an OAN of 800 dwellings per annum was appropriate for Canterbury District (16,000 dwellings over the 20 year Plan period).
- 1.2 In May 2016 the Office for National Statistics published 2014-based sub national population projections². In July 2016 the Department for Communities and Local Government then published 2014-based sub national household projections based on the earlier population projections³.
- 1.3 The Inspector examining the Local Plan has invited comments on any implications these projections may have for the Local Plan. This note provides a response from the perspective of Corinthian Mountfield Ltd - the developer promoting the large strategic allocation for 4,000 dwellings at South Canterbury.

The changed projections

- 1.4 The revised population projections were set out in a helpful note produced by Canterbury City Council (CCC). This note contains a helpful analysis of the difference between the 2012-based and 2014-based population projections (CDLP 16.29.39). Over a 20 year period, the rate of population growth is now forecast to be 26,000 instead of the 16,700 before (ie 16% instead of 11% or a rate of growth some 55% higher). Importantly, this faster rate of growth is primarily due to stronger forecast growth in those of working age and children.
- 1.5 As far as future housing need in Canterbury District is concerned, the key factor is what has happened to the official DCLG household forecasts that are based in turn on the changed ONS sub-national population projections. As Table 1.1 shows the official population projections are now for much faster population growth and, as would be expected, for considerably faster household growth. The new DCLG household growth forecasts when translated into dwellings is for growth of around 820 dwellings per annum (dpa). This is slightly higher than the figure the Inspector recommended CCC use for its Local Plan.
- 1.6 The NLP recommendation on the OAN was 803 dwellings per annum. This was based on a scenario aligned with providing a labour force to support CCC's economic futures preferred scenario. The 803 dpa figure was also roughly midway between the NLP estimated demographic plus market signals adjustment scenario based OAN of 744 dpa and an OAN to cater for the economic future preferred scenario, but with higher household formation rates amongst younger age groups of 853 dpa. The 820 dpa based on the latest DCLG projections would fall within this range.

¹ CDLP 5.7 Housing Needs Review

²

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/subnationalpopulationprojectionsexplorabledatasets>

³ <https://www.gov.uk/government/statistics/2014-based-household-projections-in-england-2014-to-2039>

Table 1.1 2012 and 2014-based population and household projections for Canterbury District

Projection basis from ONS/DCLG	Element	20 year increase (000s)	%	Average change per year	Average dwellings per annum @ 3% vacancy
2012-based (2012 to 2032)	Population	16.7	11%	835	
	Housing	12.3	20%	610	630
2014-based (2014 to 2034)	Population	26.0	16%	1,300	
	Housing	15.9	25%	800	820

Source: ONS and DCLG

Implications for Housing Need in Canterbury District

- 1.7 The previous housing OAN for Canterbury District was based in part on population growth, in part on market signals and in part on the extra population growth needed to provide a labour supply to a growing economy. It is important to note that the new demographic projections are for much stronger growth in those of working age in Canterbury District. There is therefore no obvious need to have an OAN over and above the new demographic OAN to cater for economic growth.
- 1.8 Based on PPG the latest DCLG household projections are intended to provide the “starting point” for any calculation of OAN. Arguably the OAN for Canterbury District should move from the proposed 800 dpa to 820 dpa or another 400 dwellings over the Plan period (or an increase of just over 2%). We do not consider that such a change would make a material difference to the Plan.
- 1.9 However, in these times of uncertainty such attempt to “fine tune” the Local Plan housing requirement is unnecessary, given that the new minimum OAN is very close to the revised one on which the Local Plan is proceeding. The arguments would be different if the proposed OAN was materially higher or lower than the new base official household forecast.
- 1.10 To try and make such an adjustment at this stage in the Plan production process would be, in effect, an attempt at a degree of “accuracy” which is not borne out by the quality of the data or robustness of the projections. There are two main reasons for this:
- First, there is a time lag in production of any projections (hence the latest projections are 2014-based, not 2015 or 2016 based) and so any projections will not take into account recent events. Given the uncertainties over the implications of Brexit on the economy and on international migration, there might well be revisions to future assumptions about international migration.
 - Second, it is also noticeable that population projections for Canterbury District have moved around a great deal (in part reflecting the role of international students in the area). They might be subject to further substantial revisions in a few years’ time.
- 1.11 We consider that a better way of dealing with the revised projections and future uncertainty is to have an **early review** of the Plan and housing requirements, in around 2020.

Regeneris Consulting, August 2016