WEST DORSET AND WEYMOUTH & PORTLAND LOCAL PLAN LOCAL PLAN EXAMINATION

Responses to Matters and Issues Identified by the Inspector

Matter 3 – Spatial Strategy

On behalf of A G Jessop Ltd

November 2014

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PLANNING / DESIGN / DELIVERY

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APPENDICES

Matter 3 – Question 3.5

Q3.5) Is the latest assessment of housing robust and representative of needs in the two authority areas?

1.1 We would make the following headline comments in respect of the proposed housing target for West Dorset and Weymouth & Portland, and the evidence base it is underpinned by.

1.2 The Council's housing evidence is the Strategic Housing Report (SHR), published in July 2014 was prepared by Peter Brett Associates (PBA) for the West Dorset and Weymouth & Portland HMA. The SHR establishes that there is a need for 775 dwellings per annum (dpa), which is lower than both the RSS (905 dwellings per annum) and former Structure Plan (834 dwellings per annum) targets.

1.3 The SHR concludes that 775 dpa will support the creation of 1,682 jobs, 2011-2031; less than the SHR's Experian baseline figure of 2,072 jobs, and the most recent Experian forecast (13,070 jobs, 2011-2031); and therefore cannot be said to represent objective assessment of need (OAN) because it will fail to meet job demand.

1.4 The PPG stipulates that plan makers should take account of market signals in assessing housing need. In this instance, all of the key indicators (including house prices and affordability) show worsening trends – clear signals of market dysfunction. Furthermore, as acknowledged in PBA's SHR, it is suggested that the Council need to look towards a higher housing range to address need within the HMA.

1.5 The Council's housing target fails to objectively assess housing need, as required by the PPG, because it neither meets job demand, nor does it fully address market signals.

1.6 To better meet job demand and improve affordability, the OAN evidently exceeds 775 dpa by a considerable margin.

1.7 This remainder of this statement does the following:

- provides a summary of the relevant policy set out in the Planning Practice Guidance (PPG), and relevant Local Planning Policy; and
- reviews the content of the Council's housing evidence (PBA's 2014 Strategic Housing Report, July 2014) base in accordance with national policy and guidance.

A) PLANNING POLICY CONTEXT

Planning Practice Guidance (PPG, 06 March 2014)

1.8 The PPG provides guidance on the assessment of housing development needs (PPG ID: 2a).

1.9 The assessment of need is introduced as an unconstrained objective assessment based on facts and unbiased evidence (2a-004). The area assessed should be the housing market area (HMA) (2a-008), reflecting key functional linkages between places where people live and work (2a-010).

1.10 The PPG methodology for assessing overall housing need (2a-014:029), summarised below, commences with a starting point estimate of overall housing need.

Starting Point Estimate

1.11 The household projections published by the Department for Communities and Local Government (CLG) provide the starting point estimate of overall housing need. CLG projections are trend-based and may require adjustment to reflect factors, such as unmet or suppressed need, not captured in past trends (2a-015).

1.12 The latest household projections (CLG 2011-based interim) only cover the period up to 2021; therefore an assessment of likely trends after 2021 is required to align with development plan periods (2a-016).

1.13 Whether an adjustment to the starting point estimate is required depends on the results of three tests.

Test 1 - Adjusting for Demographic Evidence

1.14 Adjustments to household projection-based estimates of overall housing need should be made if justified on the basis of established sources of robust demographic evidence, such as the latest projections and population estimates published by ONS. Adjustments might include alternative/ updated components of change and household formation rates (2a-017).

Test 2 - Adjusting for Likely Change in Job Numbers

1.15 In addition to demographic evidence, job trends and or forecasts should also be taken into account. The implication is that housing numbers should be increased where this will enable labour force supply to match forecast job growth (2a-018).

Test 3 - Adjusting for Market Signals

1.16 The final test is market signals. A worsening trend in any indicator will require upward adjustment to the starting point estimate of overall housing need. Particular attention is given to the issue of affordability. The more significant the affordability constraints, the larger the additional supply response should be (2a-019:20).

Overall Housing Need

1.17 An objective assessment of overall housing need is therefore a test of whether the household projection (starting point) can be reconciled with a) the latest demographic evidence, b) the ability to accommodate projected job demand, c) the requirement to address worsening market signals. If it cannot be reconciled, then an adjustment should be made.

1.18 The extent of any adjustment should be based on the extent to which it passes each test. That is:

- It will at least equal the housing need number implied by the latest demographic evidence;
- It will at least accommodate projected job demand; and,
- On reasonable assumptions, it could be expected to improve affordability.

West Dorset and Weymouth & Portland Joint Local Plan (July 2014)

1.19 Policy SUS1 of the draft Plan for West Dorset and Weymouth & Portland Council states the following:

> **"In the period 2011-2028, provision will be made in the plan area for a deliverable supply of:**
>
> **a. housing land to accommodate in the region of 13,175 dwellings (775 dwellings a year)."[1]**

[1] Policy SUS 1: The level of economic and housing growth, page 38, Further Proposed Changes to West Dorset, Weymouth and Portland Local Plan, West Dorset and Weymouth & Portland Council, July 2014

1.20 In addition, the draft Plan provides revised text on the jobs target. Paragraph 3.2.3 states:

> **"The economic forecasts originally prepared to inform the plan indicated that an additional 16,100 full time equivalent jobs should be planned for in the period up to 2031. More recent updates, prepared alongside the review of objectively assessed housing needs, suggested that this level was not realistic. It is however important to turn around the recent trend of declining job numbers in the plan area, and the housing numbers proposed will allow for greater in-migration in order to allow for job growth of at least 2,300."**[2] (our emphasis)

Summary

1.21 Plan makers are required to objectively assess housing need as part of the plan making process. The methodology for that assessment is specified in PPG and is one that:

- takes account of the latest demographic evidence;
- will meet job demand in full;
- on reasonable assumption this can be expected to improve affordability.

1.22 The draft Plan seeks to deliver 775 dpa, and support the creation of 2,300 net new jobs 2011-2031.

1.23 Below we summarise the content of the draft Plan's evidence base, in the context of the NPPF and PPG requirements set out above.

B) WEST DORSET AND WEYMOUTH & PORTLAND COUNCILS EVIDENCE CRITIQUE

1.24 The Strategic Housing Report (SHR) assesses housing need in the West Dorset and Weymouth & Portland HMA.

1.25 **The SHR identifies overall need for 775 dpa; lower than both the RSS (905 dpa) and former Structure Plan (834 dpa) targets.**

1.26 The remainder of this section assesses whether 775 dpa can be said to represent OAN. The assessment follows the PPG methodology summarised above and considers the following points in turn:

[2] Policy SUS 1: The level of economic and housing growth, page 38, Further Proposed Changes to West Dorset, Weymouth and Portland Local Plan, West Dorset and Weymouth & Portland Council, July 2014

1. The demographic evidence base
2. Plan period job change
3. Market signals
4. Full OAN

Demographic Evidence (PPG ID 015:017)

1.27 As part of the SHR, PBA tests three migration scenarios:

1. Five year trend (2007-2012);
2. Ten year trend (2001-2011);
3. Economic Growth Migration (2001-2007).

1.28 Of PBA's migration scenarios only the 2001-2007 scenario would increase the workforce over the plan period.

1.29 Scenario 3 (775 dpa) assumes that the level of economic growth experienced between 2001 and 2007, is to continue as a long-term trend. However, there is a likelihood that migration may have been supressed by housing supply due to historic under delivery which covered this economic period, therefore not necessarily representing an objective assessment of housing need within the HMA.

1.30 Taking this into account, it cannot be said that scenario 3 reflects an unconstrained approach to assessing need. This is largely due to the limited labour and economic growth levels achieved; affected by the under delivery of housing which may have restricted in-migration levels between 2001 and 2007.

Plan Period Job Change (PPG ID 018)

1.31 PBA's SHR does not test a jobs-led projections scenario as part of the OAN for the HMA. Instead PBA estimates that scenario 3 will support the creation of 1,682 additional jobs over the plan period. However, this figure is 390 jobs lower than Experian's 'baseline' forecast of 2,072 over the plan period at the time of the SHR's publication.

1.32 The September 2014 Experian workforce jobs for the HMA, is 13,070 jobs over the period (2011-2031). Therefore, in light of the latest job growth projections which are extremely high in comparison to PBA's job forecast, and imply that 775 dpa will not meet job demand

and undersupply by a considerable margin. On that basis, 775 dpa cannot be said to represent OAN.

Market Signals (PPG ID 019:020)

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

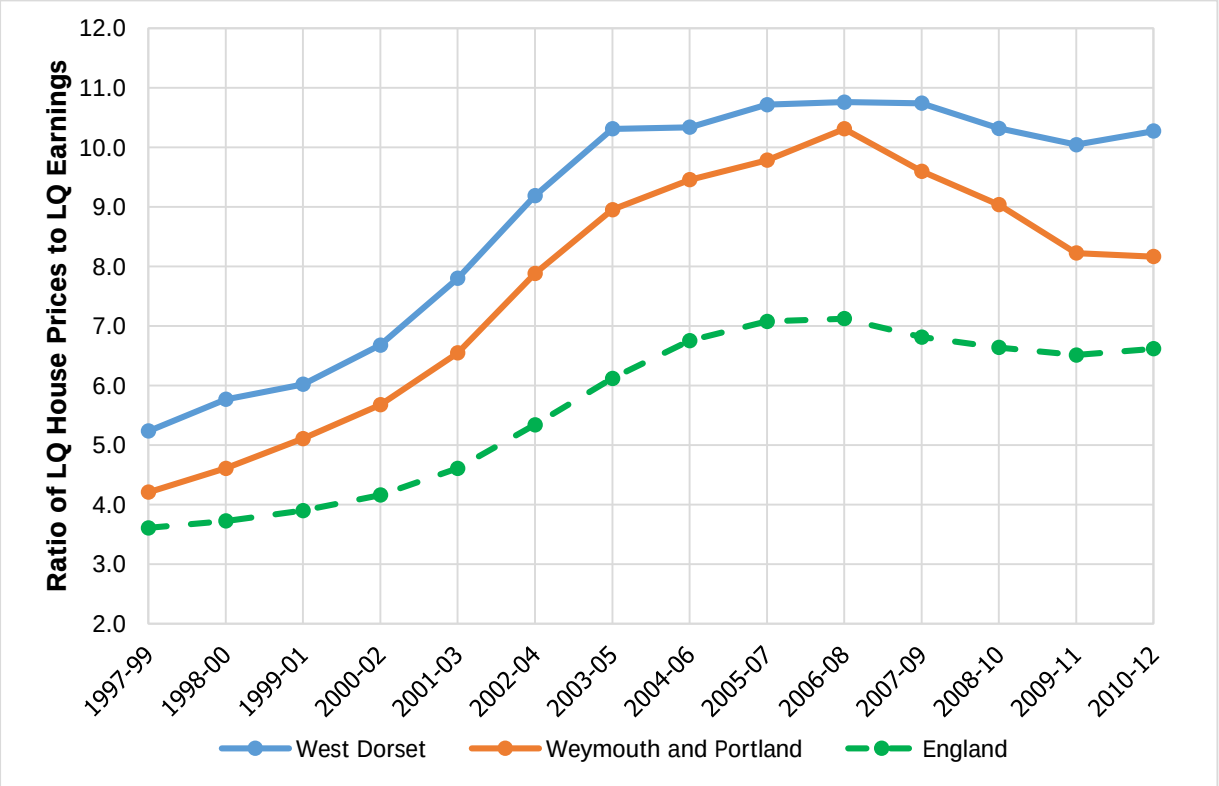
> **"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings."**[3]

1.34 Of the market signals the PPG recommends observing (such as house prices, overcrowding and concealed households), poor/worsening affordability is perhaps the most salient.

1.35 Figure 1.1 below shows changes in affordability (ratio between lower quartile house prices and lower quartile earnings) since 1997. Given that the ratio is a product of two independent data sources, a three year rolling average has been taken to account for volatility in either source.

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

Figure 1.1: Affordability Ratio 1997-2012

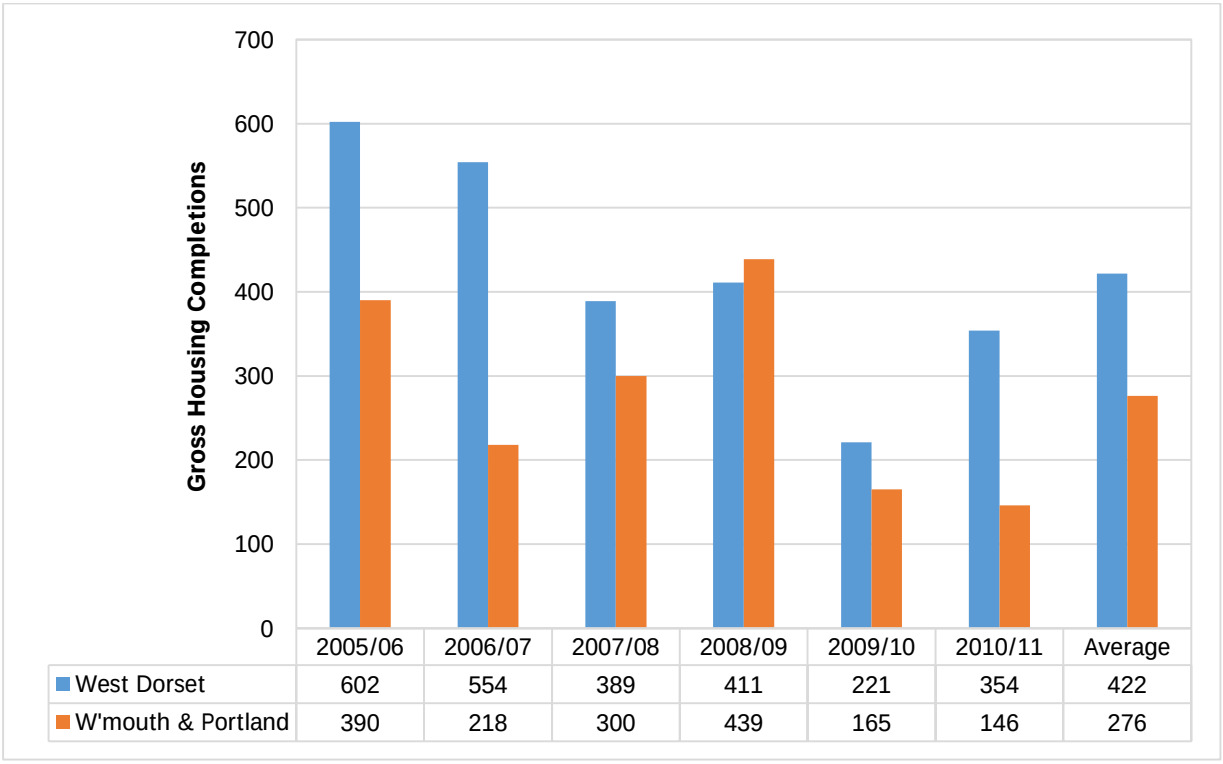


Source: Office for National Statistics/Land Registry, via CLG Live Tables

1.36 Both West Dorset and Weymouth and Portland are significantly less affordable than national average, although affordability in the latter has improved due to prices falling during the recession. On this basis it is likely that access to the private housing market will be severely restricted, placing significant pressure on affordable housing.

1.37 In considering an appropriate response to these severe affordability problems it is important to define the context within which they have occurred. Figure 1.2 below summarises gross housing completions in the two authorities between 2005/06 and 2010/11, as reported in the Housing Evidence Paper.

Figure 1.2: Gross Housing Completions 2005/06 to 2010/11



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Average
West Dorset	602	554	389	411	221	354	422
W'mouth & Portland	390	218	300	439	165	146	276

Source: Pegasus Group, West Dorset and Weymouth & Portland Housing Evidence Base Review Paper

1.38 Over the period analysed, the two authorities combined have delivered an average of 698 gross additional (dpa). On this basis, the OAN of 775 dpa represents an 11% increase above past rates of delivery.

1.39 According to the Barker Review, reducing house price inflation to 1.1% from its 2.7% 20 year trend 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.

1.40 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.

1.41 On this basis, and in the context of the severe affordability problem identified above, the 11% uplift of the Council's? OAN is insufficient.

Household Formation Rates

1.42 Headship rates are required to convert estimates of the projected household population (the total population less the population not in households) into an estimate of the equivalent projected number of households. They are an estimate of how likely, by age group, a person is to form a household of a particular type (single, couple, with dependent children etc.).

1.43 Like the population projections, headship rate projections are based on past trends. They take their base from Census data points and vary over time. At the time of writing, the 2011-based interim household projections provide the most up to date headship rate projections, albeit with a number of fundamental flaws which must be addressed.

1.44 The 2011-based interim household projections represent a significant departure from household growth and rates of household formation predicted by the previous, 2008-based, household projections (CLG 2008), due to the recessionary trends they are underpinned by. The 2008-based household projections extend from 2001 to 2033, and are based on the long run trend of household formation observed through successive Census from 1961-1971 to 1991-2001.

1.45 The 2011 projections are underpinned by data from the 2011 Census, which recorded household numbers and sizes at a time of economic uncertainty and restraint for many families. Evidence published by RTPI suggests that the position recorded by the 2011 Census is artificially low; a 'forced' change brought about by economic and affordability constraints, rather than the result of a 'free choice' not to form households[4].

1.46 RTPI research confirms that most of projected household numbers is in the 25-34 and the 35-44 age groups. It can therefore be concluded that these are the age groups that were most susceptible to economic and affordability constraints on household formation brought about by the recession.

1.47 These constraints have led to an increase in young people living with their parents or in shared accommodation, increasing household size and affecting a rise in concealed households and an increase of unmet housing need.

[4] RTPI, 'Planning for housing in England', Research Briefing No. 3, January 2014

1.48 It can therefore be concluded that, to some degree, the 2011-based household projections embody and amplify suppressed demand or unmet housing need. If this is the case, then they should not be relied upon as a basis for predicting household formation in the future, because to do so would lead to the under provision of housing, undermining the planning system's social role and the social dimension of sustainable development (see NPPF, paragraph 7).

1.49 The RTPI research also provides a toolkit which enables users to examine the extent to which household formation is suppressed in the 2011-based interim household projections, and provides a basis for making any necessary adjustment.

1.50 For the Weymouth & Portland, the toolkit (see Appendix 1) shows that whereas the population growth envisaged by the 2011-based interim household projections is 275% greater than was the case under the 2008-based projections, corresponding household growth is 6% higher.

1.51 Furthermore, the toolkit (see Appendix 2) demonstrates that the population for West Dorset grew by the 2011-based interim household projections is 40% greater than was the case under the 2008-based projections, corresponding household growth is 4% lower.

1.52 Weymouth & Portland is therefore typical of the 2011-based interim projections, presenting slower household growth than expected.

1.53 Furthermore the toolkit shows in the 25-34 age group, the tendency to form households was lower in 2011 than previously expected and that it will fall over the period to 2021, in contrast to expectations, based on the long term trend, that it would rise.

1.54 In light of the available evidence, we can therefore conclude that the deviation from the long term household formation rate trend has arisen due to the short-term trends underpinning the interim 2011-based household projections. During this time severe economic conditions have restricted access to housing and severely affected affordability.

1.55 As identified above, our analysis of market signals identifies increasing affordability issues across the HMA, and specifically within the HMA. In particular both West Dorset and Weymouth & Portland currently have lower quartile affordability ratios significantly above the national average. As a consequence it is not surprising that fewer households have formed, as financial access is restricted.

1.56 In reality, the economy has already improved, surpassing its pre-recession peak in 2014. Significantly increasing housing supply will help improve the acute affordability problems further. Therefore, the assumption should be that the constraints faced by 24-35 year olds in particular will be alleviated over the next 20 years.

1.57 As such a return to the long run formation rates after 2021, taken from the 2008-based household projections, is merited.

Appendix 1

Understanding the Latest DCLG household projections – Weymouth & Portland, RTPI, 2014

Understanding the latest DCLG household projections

Introduction

This tool is designed to enable you to:

- find out how the household projections for any given English local authority have changed between the Department for Communities and Local Government's 2008-based projections and the 2011-based interim projections released in April 2013.
- explore three key factors which are particularly important to understanding the latest projections and how they should be used. The factors are changing household formation trends; increased international migration; and, how the flows between authorities have been estimated. The role they play is discussed more fully in the RTPI report, 'Planning for housing in England: Understanding recent changes in household formation rates and their implications for planning for housing in England' - see http://www.rtpi.org.uk/spire.

It should be emphasised that the purpose of the tool is to enable you to identify the issues that may warrant more detailed investigation rather than to provide a definitive view on how the latest projections should be used for any particular authority.

How to use the tool

The first step is to select the authority you are interested in from the drop down list that appears when you click on the yellow box below.

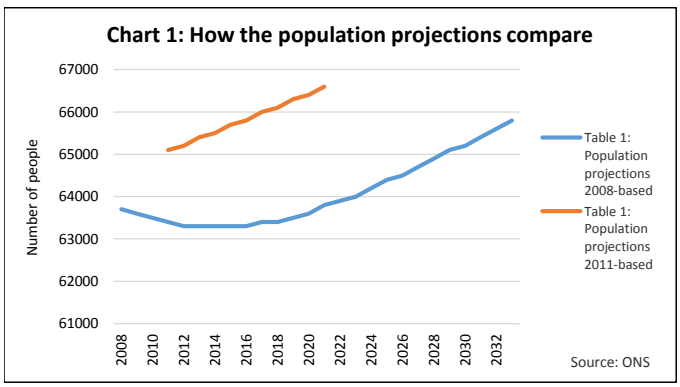
Select a local authority	Weymouth and Portland

All charts and tables are then automatically adjusted to give the data relevant to the authority chosen. The data shown in the charts appears in tables to the right of the charts.

How the new and old projections compare

The tables and charts below give the basic data from the 2008 and 2011-based population and household projections. Typically the 2011-based projections show faster population growth from a higher starting point and the 2011-based household projections show slower household growth from a lower starting point. However, there is considerable variation from authority to authority.

	Average annual growth 2011-21		2011 growth as % increase on 2008	
	Population	Households	Population	Households
2008-based projection	40	144	275%	6%
2011-based projection	150	153		



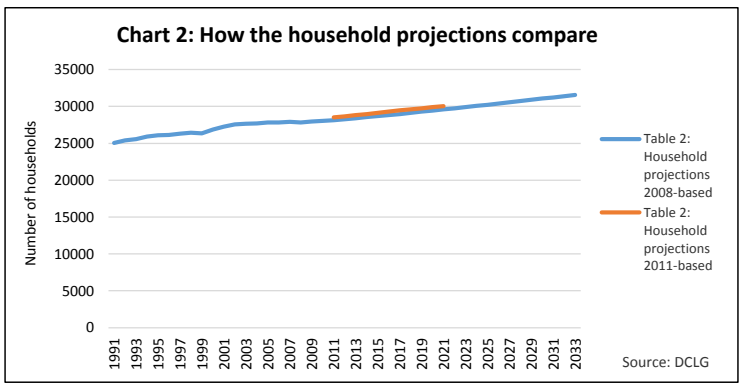


Table 1: Population projections					
	2011	2016	2021	2026	2031
2008-based	63400	63300	63800	64500	65400

Table 2: Household projections									
	1991	1996	2001	2006	2011	2016	2021	2026	2031
2008-based	25059	26142	27246	27829	28145	28809	29587	30388	31234

2011-based	65100	65800	66600		

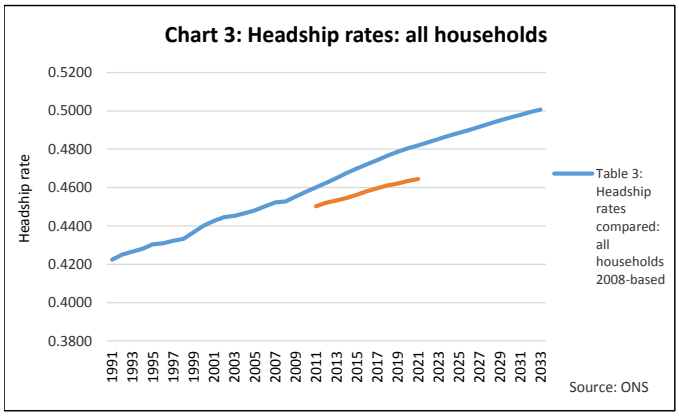
2011-based					28517	29295	30043		

The differences between the 2008-based and 2011-based projections reflect early results from the 2011 census, although in some important areas trends from earlier projections have had to be used because the data to update them was not available.

Changing household formation patterns

Perhaps the most surprising difference is the difference between the population and household projections where, for many authorities, the 2001-based projections suggest faster population growth but either slower household growth or household growth that has increased by much less than the population growth. This is due to significant changes in household formation patterns compared with what was anticipated in the earlier projections.

Charts 3 and 4 illustrate how household formation patterns have changed for the selected authority. Chart 3 shows the overall headship rate i.e. the number of households divided by the number of people living in households - a measure of the tendency to form households. For most authorities the tendency to form households was lower in 2011 than the 2008-projections had suggested and is projected to grow slower than in the latest projections. Chart 4 shows the headships rates for 25-34 year olds, the age group that has been most affected by the changing household formation patterns revealed by the 2011 census. For the vast majority of authorities the latest projections not only suggest that the tendency of this age group to form households was lower than previously expected in 2011 but that it will also fall over the period to 2021.



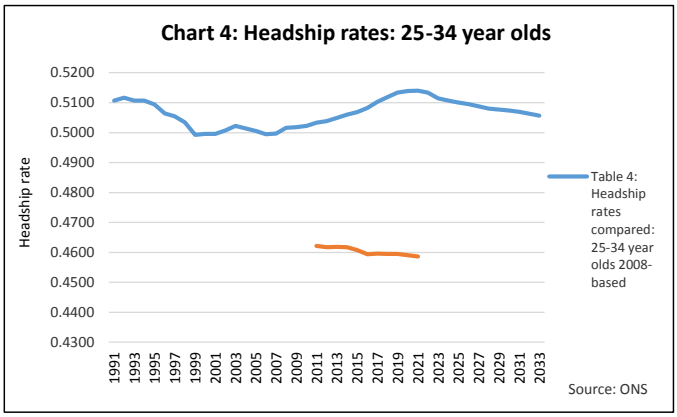


Table 3: Headship rates compared: all households									
	1991	1996	2001	2006	2011	2016	2021	2026	2031
2008-based	0.422	0.431	0.443	0.450	0.460	0.472	0.482	0.490	0.498
2011-based					0.450	0.458	0.464		

Table 4: Headship rates compared: 25-34 year olds									
	1991	1996	2001	2006	2011	2016	2021	2026	2031
2008-based	0.511	0.506	0.500	0.500	0.503	0.508	0.514	0.510	0.507
2011-based					0.462	0.459	0.459		

A key question facing those using the new projections is whether these trends in household formation rates are likely to continue. The RTPI report, 'Planning for housing in England: Understanding recent changes in household formation rates and their implications for planning for housing in England' (http://www.rtpi.org.uk/spire) discusses two reasons for this change:

- increased international migration, which tends to increase average household size as recent migrants tend to live in larger households that the rest of the population.
- a range of changes to how people have been living, including more adult children saying on with parents or sharing homes rather than living on their own.

International migration

The international migration factor is more likely to have affected authorities with relatively large inflows of migrants. The table below give the average annual international migration flow into the chosen authority as a proportion of the total population in that period. The England average is about 1% so figures significantly above this might be thought large. In those cases it is likely to be worth exploring how international migration flows have changed over the last 20-30 years and the impact this may have had on the projections.

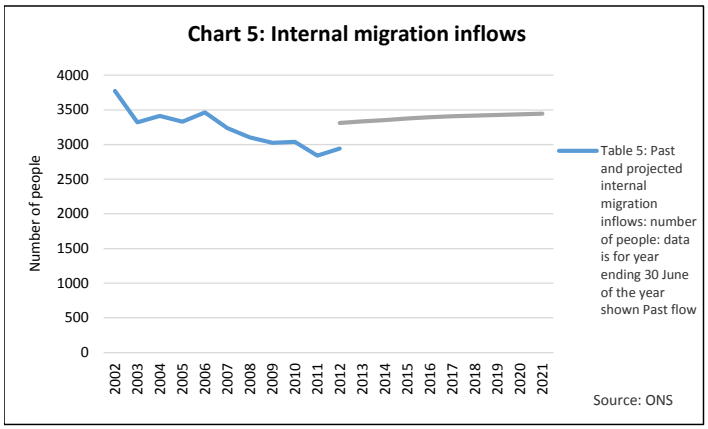
Average annual international migration 2001-11 as percentage of total population	0.32%

Making a judgement household formation rates

Ultimately a judgement needs to be made as to whether it would be prudent to plan on the basis of the projected changes in headships rates, which for most authorities envisage that the tendency of 25-34 year olds to form households will fall. If they do not fall as envisaged the result could be an under provision of housing. To inform this judgement it may be useful to estimate the consequences of assuming either that there is no further fall in headship rates or that headship rates move at least partially back towards the previous long term trend. This can give an indication of the range of outcomes that might occur.

Projected flows between local authorities

The latest DCLG projections are based as far as was possible on the 2011 census results and as such provide the best available starting point for considering how household numbers and types might change in the future. However, in some areas it was necessary to use trend data from previous projections as the data needed to up date those trends was not available from the 2011 census. This may have caused population changes to be either over or under-estimated in some areas. The most significant area for household growth is the projections of population flows between local authorities. For many authorities these flows are a major factor in population growth and small errors in the projected flows can have significant implications for the projected population growth. The following chart enable you to compare the projected flows in the 2008 and 2011-based projections with each other and the past flows. Where there are significant disparities these should be investigated.



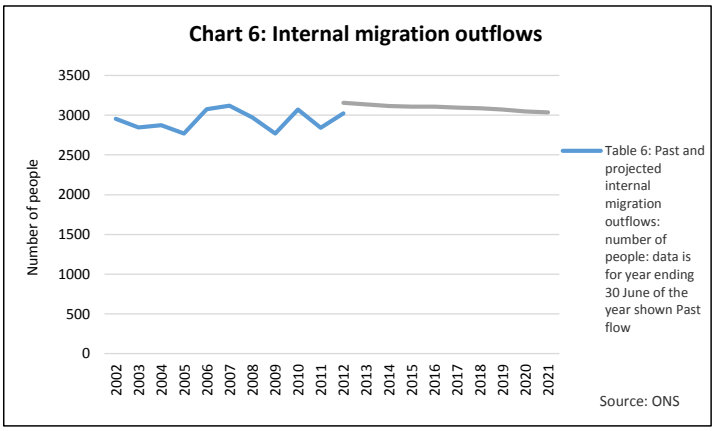
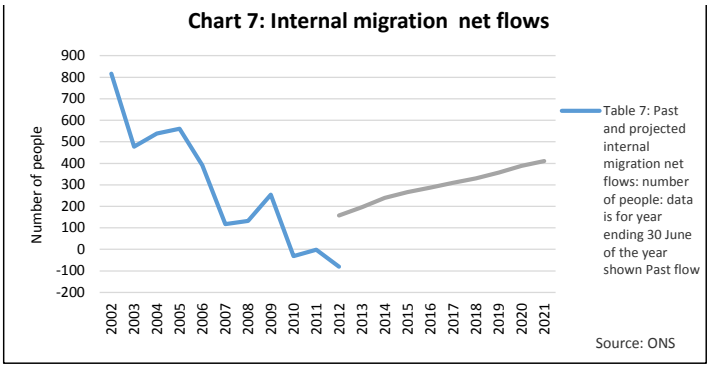


Table 5: Past and projected internal migration inflows

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Past flow	3771	3323	3412	3329	3466	3238	3104	3025	3040	2842	2944									
2011-based											3313	3334	3355	3374	3394	3407	3418	3428	3437	3446

Table 6: Past and projected internal migration outflows

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Past flow	2954	2845	2874	2769	3075	3121	2972	2771	3072	2843	3025									
2011-based											3155	3137	3116	3108	3106	3097	3088	3071	3050	3034



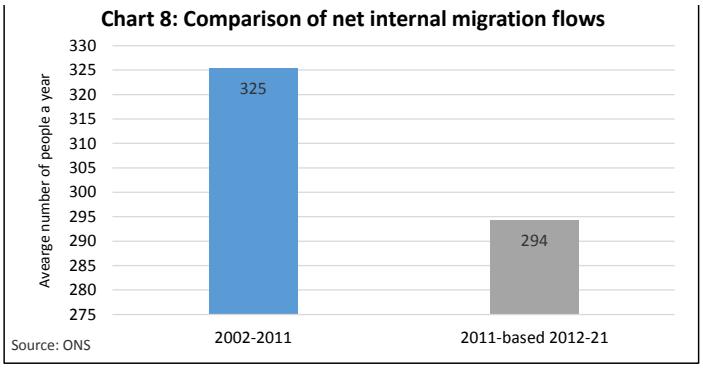


Table 7: Past and projected internal migration net flows																				
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Past flow	817	478	538	560	391	117	132	254	-32	-1	-81									
2011-based											158	197	239	266	287	310	330	357	388	411

Table 8: Average annual internal migration flows compared			
	In	Out	Net
2002-2011	3255	2930	325
2011-based 2012-21	3391	3096	294

Author

This tool was prepared by Neil McDonald, a Visiting Fellow at the Cambridge Centre for Housing and Planning Research and previously Chief Executive of the National Housing and Planning Advice Unit

Disclaimer

Appendix 2

Understanding the Latest DCLG household projections – West Dorset, RTPI, 2014

Understanding the latest DCLG household projections

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It should be emphasised that the purpose of the tool is to enable you to identify the issues that may warrant more detailed investigation rather than to provide a definitive view on how the latest projections should be used for any particular authority.

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Select a local authority	West Dorset

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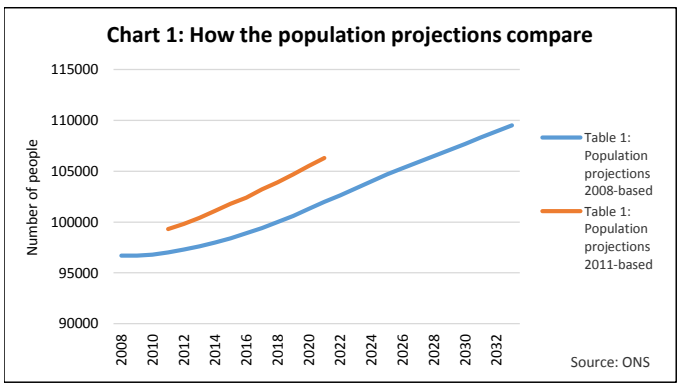
How the new and old projections compare

The tables and charts below give the basic data from the 2008 and 2011-based population and household projections. Typically the 2011-based projections show faster population growth from a higher starting point and the 2011-based household projections show slower household growth from a lower starting point. However, there is considerable variation from authority to authority.

	Average annual growth 2011-21		2011 growth as % increase on 2008	
	Population	Households	Population	Households
2008-based projection	500	438	40%	-4%
2011-based projection	700	419		



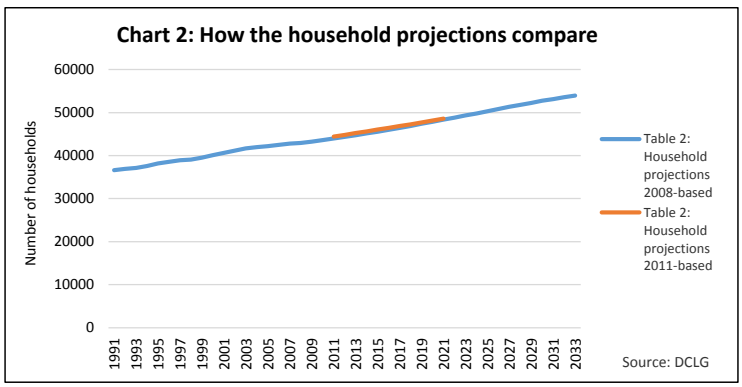


Table 1: Population projections					
	2011	2016	2021	2026	2031
2008-based	97000	98900	102000	105300	108300

Table 2: Household projections									
	1991	1996	2001	2006	2011	2016	2021	2026	2031
2008-based	36636	38534	40644	42484	43953	45973	48337	50816	53166

2011-based	99300	102400	106300		

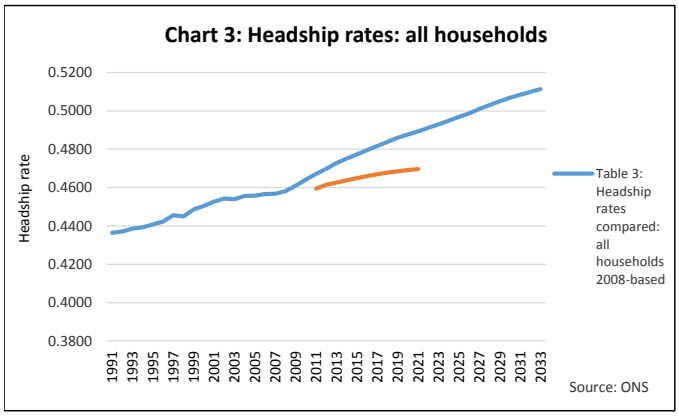
2011-based					44392	46443	48580		

The differences between the 2008-based and 2011-based projections reflect early results from the 2011 census, although in some important areas trends from earlier projections have had to be used because the data to update them was not available.

Changing household formation patterns

Perhaps the most surprising difference is the difference between the population and household projections where, for many authorities, the 2001-based projections suggest faster population growth but either slower household growth or household growth that has increased by much less than the population growth. This is due to significant changes in household formation patterns compared with what was anticipated in the earlier projections.

Charts 3 and 4 illustrate how household formation patterns have changed for the selected authority. Chart 3 shows the overall headship rate i.e. the number of households divided by the number of people living in households - a measure of the tendency to form households. For most authorities the tendency to form households was lower in 2011 than the 2008-projections had suggested and is projected to grow slower than in the latest projections. Chart 4 shows the headships rates for 25-34 year olds, the age group that has been most affected by the changing household formation patterns revealed by the 2011 census. For the vast majority of authorities the latest projections not only suggest that the tendency of this age group to form households was lower than previously expected in 2011 but that it will also fall over the period to 2021.



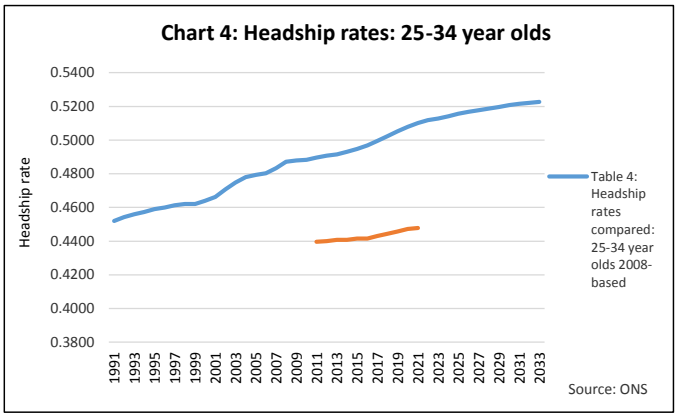


Table 3: Headship rates compared: all households									
	1991	1996	2001	2006	2011	2016	2021	2026	2031
2008-based	0.436	0.442	0.453	0.457	0.467	0.479	0.489	0.499	0.508
2011-based					0.460	0.466	0.470		

Table 4: Headship rates compared: 25-34 year olds									
	1991	1996	2001	2006	2011	2016	2021	2026	2031
2008-based	0.452	0.460	0.466	0.480	0.490	0.497	0.510	0.517	0.522
2011-based					0.440	0.442	0.448		

A key question facing those using the new projections is whether these trends in household formation rates are likely to continue. The RTPI report, 'Planning for housing in England: Understanding recent changes in household formation rates and their implications for planning for housing in England' (http://www.rtpi.org.uk/spire) discusses two reasons for this change:

- increased international migration, which tends to increase average household size as recent migrants tend to live in larger households that the rest of the population.
- a range of changes to how people have been living, including more adult children saying on with parents or sharing homes rather than living on their own.

International migration

The international migration factor is more likely to have affected authorities with relatively large inflows of migrants. The table below give the average annual international migration flow into the chosen authority as a proportion of the total population in that period. The England average is about 1% so figures significantly above this might be thought large. In those cases it is likely to be worth exploring how international migration flows have changed over the last 20-30 years and the impact this may have had on the projections.

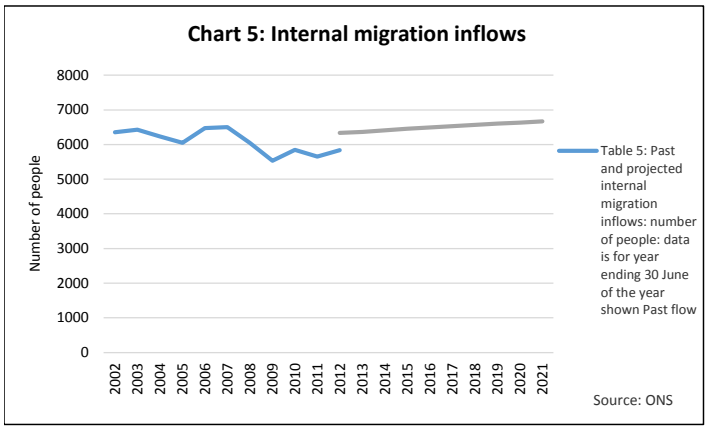
Average annual international migration 2001-11 as percentage of total population	0.39%

Making a judgement household formation rates

Ultimately a judgement needs to be made as to whether it would be prudent to plan on the basis of the projected changes in headships rates, which for most authorities envisage that the tendency of 25-34 year olds to form households will fall. If they do not fall as envisaged the result could be an under provision of housing. To inform this judgement it may be useful to estimate the consequences of assuming either that there is no further fall in headship rates or that headship rates move at least partially back towards the previous long term trend. This can give an indication of the range of outcomes that might occur.

Projected flows between local authorities

The latest DCLG projections are based as far as was possible on the 2011 census results and as such provide the best available starting point for considering how household numbers and types might change in the future. However, in some areas it was necessary to use trend data from previous projections as the data needed to up date those trends was not available from the 2011 census. This may have caused population changes to be either over or under-estimated in some areas. The most significant area for household growth is the projections of population flows between local authorities. For many authorities these flows are a major factor in population growth and small errors in the projected flows can have significant implications for the projected population growth. The following chart enable you to compare the projected flows in the 2008 and 2011-based projections with each other and the past flows. Where there are significant disparities these should be investigated.



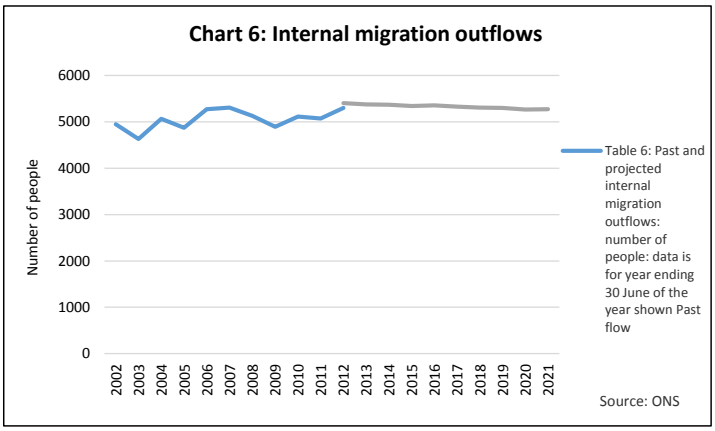
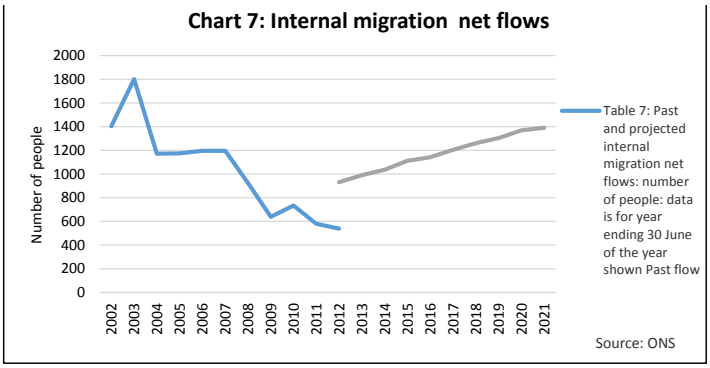


Table 5: Past and projected internal migration inflows

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Past flow	6353	6432	6237	6046	6472	6501	6050	5532	5850	5649	5841									
2011-based											6333	6368	6410	6455	6497	6535	6569	6604	6637	6667

Table 6: Past and projected internal migration outflows

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Past flow	4948	4630	5064	4871	5276	5304	5126	4893	5115	5070	5303									
2011-based											5401	5378	5372	5341	5356	5331	5308	5299	5266	5276



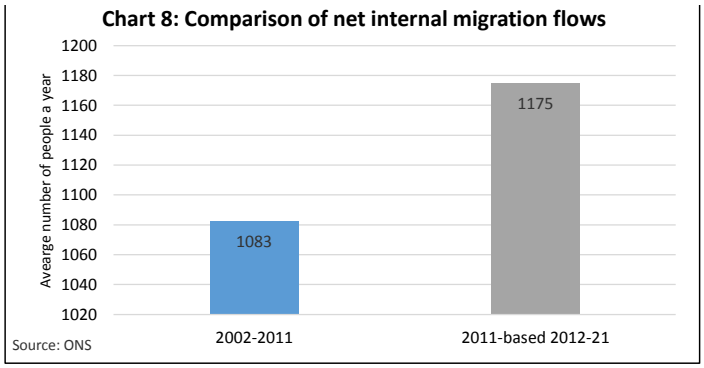


Table 7: Past and projected internal migration net flows																				
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Past flow	1405	1802	1173	1175	1196	1197	924	639	735	579	538									
2011-based											932	990	1038	1113	1141	1204	1261	1305	1371	1392

Table 8: Average annual internal migration flows compared			
	In	Out	Net
2002-2011	6112	5030	1083
2011-based 2012-21	6507	5333	1175

Author

This tool was prepared by Neil McDonald, a Visiting Fellow at the Cambridge Centre for Housing and Planning Research and previously Chief Executive of the National Housing and Planning Advice Unit

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