

Harlow Local Plan EiP

Response to the Inspector's Question about the 2018 projections

The Inspector notes that with the passage of time the 2018 based population projections have now been published, although (query) not the household projections?

Question 2.2 of the Matters & Questions asked "The starting point for the 2017 SHMA is the 2014 based household projections. Should the 2016 based household projections released in September 2018 be taken into account, and if so does the objectively assessed need require adjustment?" This question should now obviously refer to the latest projections. In the light of this, does the response in paragraphs 51-57 of the Council's statement require any adjustment, and do the comments in paragraphs 58-63 in relation to the 10 year migration trend and 14% uplift still apply?

As the Council is aware the Inspector's report should be up to date when published and, assuming the MM consultation responses can be processed rapidly and do not raise any significant new issues, he is hoping to issue it about the end of June. Will the 2018 household projections emerge by then?

1. The PPG on "Housing and economic development needs assessments" which accompanied the 2012 NPPF stated:

What is the starting point to establish the need for housing?

Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need. [ID 2a-015-20140306]

2. However, responsibility for the Household Projections was transferred to the Office for National Statistics (ONS) as of 23 January 2017;¹ so these now provide the starting point estimate.
3. The ONS published the 2018-based sub-national population projections (SNPP) in March 2020; but the associated household projections have not yet been published and the ONS has only issued a provisional release date of June to July 2020.² Given this context, **the ONS 2016-based household projections continue to provide the current starting point estimate of overall housing need** and paragraphs 51-57 of the Council's statement still apply.
4. Nevertheless, it is possible that the 2018-based household projections will be published before the Inspector's report is issued at about the end of June. Therefore, despite the starting point not having changed as yet, the Council has considered the implications of the 2018-based population projections as these provide an important input to the household projections; and any significant change to the population projections is likely to impact the household projections.

¹ <https://www.gov.uk/government/collections/household-projections>

² <https://www.ons.gov.uk/releases/householdprojectionsforengland2018based>

5. The table below summarises the projected population for the Housing Market Area by the end of the Plan period in 2033 based on numerous official projections:
- » The 2012-based projections, the starting point for the original 2015 SHMA;
 - » The 2014-based projections, the starting point for the 2017 SHMA update;
 - » The 2016-based projections, considered in the Council's hearing statement; and
 - » The 2018-based projections, which have led to the Inspector's current question.
6. The table also summarises the projected population based on the original and updated SHMA projections.

Figure 1: Total population in 2033 based on official projections and SHMA projections

Total population 2033 (persons)	ONS sub-national population projections				SHMA projections based on 10-year migration trends	
	2012-based	2014-based	2016-based	2018-based	Original SHMA	SHMA Update
East Herts	168,431	170,526	166,733	158,041	158,638	166,451
Epping Forest	153,177	155,027	147,072	138,204	139,420	145,183
Harlow	96,988	98,779	94,796	90,541	90,947	95,361
Uttlesford	104,152	106,015	101,544	102,970	101,189	105,278
HMA TOTAL	522,748	530,347	510,145	489,756	490,194	512,274

7. It is clear that the 2018-based projections are much lower than the other official projections, so it is likely that the 2018-based household projections will be much lower too. This would reduce the starting point estimate of overall housing need, but a number of other factors would also have to be considered.
8. It is notable that the 2018-based figures are comparable with the baseline population projections from the Original SHMA; both for Harlow (90,541 cf. 90,947 persons) and for the HMA overall (489,759 cf. 490,194). Based on that projection, the original SHMA concluded (paras 5.43-5.44):

Taking account of existing commuting patterns and changes to unemployment recorded over the period 2011-15, the demographic projections (without any uplift for market signals) would provide around 18,600 extra workers locally whereas 26,400 extra workers would be needed.

Therefore, there is need to increase housing delivery to ensure that there will be enough workers for the likely increase in jobs in the area.

An extra 7,800 workers would need a further 5,600 dwellings to be provided over the 22-year period 2011-33, increasing the housing need from 38,400 dwellings to 44,000 dwellings (equivalent to an uplift of 14.6%).

9. Whilst we have not undertaken any detailed analysis of the alignment between jobs and workers in the context of the 2018-based projections, it is likely that there would again be a shortfall that would require an uplift comparable to that identified by the Original SHMA. Therefore, even if the housing need starting point was to reduce, it is likely that this would be offset against a need to uplift to align jobs and workers.

10. Considering the population projections from the SHMA Update, whilst these are considerably lower than the 2014-based projections (which provided the starting point for that analysis) they are broadly in line with the average of the four official projections that are now available as summarised in the table; both for Harlow (95,361 cf. 95,276 persons) and the HMA overall (512,274 cf. 513,249 persons). This suggests that the 10-year migration trends are having the intended consequence of smoothing out any peaks or troughs that are evident within the cycle.

11. The SHMA Update concluded (para 2.26, emphasis added):

*The updated projections identified a growth of 43,759 households and a housing need of 45,507 dwellings over the 22-year period 2011-2033 with net migration averaging a gain of 2,040 persons each year. **This population would provide sufficient workers to align with the jobs forecast, therefore no uplift was needed.***

12. We can therefore conclude that the SHMA Update projections continue to provide an appropriate basis for determining the Objectively Assessed Need for housing, given that the figures are clearly in line with recent official projections when considered collectively, and provide alignment between jobs and workers without any adjustment being needed.

13. Relying on the 2018-based population projections (and associated household projections once published) is likely to lead to a shortfall in workers – so any reduction in the starting point is likely to be offset against a need to uplift to align with planned jobs growth. On this basis, we can conclude that the latest 2018-based projections will not lead to any “*meaningful change in the housing situation*” in the context of PPG [ID 2a-016-2050227]; and the issue of the new household projections will not render the housing assessment outdated.

14. Given this context, **the SHMA Update projections remain the most appropriate basis** for determining the Objectively Assessed Need for housing.

15. The Council can also confirm that the comments in paragraphs 58-63 in relation to the 10-year migration trend and 14% uplift also continue to apply.