

Introduction

The Inspector has asked for comments to be submitted following the publication by DCLG on 9th April 2013 of the 2011 based interim household projections.

While the projections represent the most up to date information and are to be accorded considerable weight, there are number of concerns about them in terms of the methodology used, assumptions applied and lack of sensitivity testing that has been undertaken.

The following comments are made:

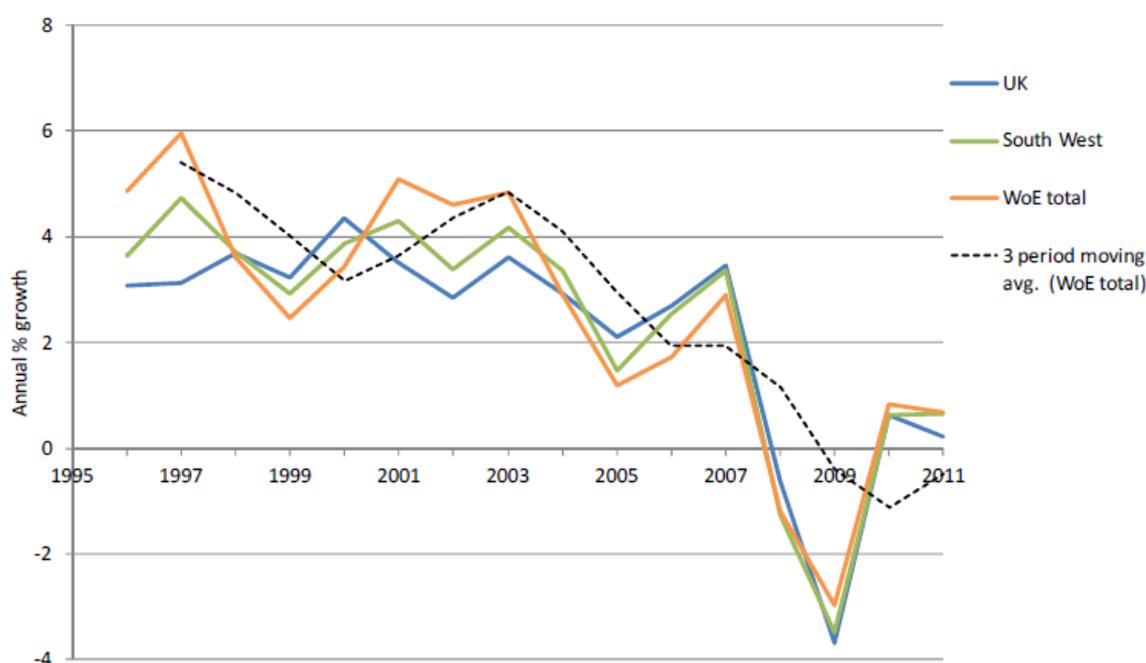
- These projections are ‘interim’ and cover the period 2011 to 2021. Consequently they only cover the short term and do not provide a robust basis on which to plan for the medium to long term which is covered by the plan period.
- As with all projections they are based on trends for the previous 5 years. As the notes to the projections states ‘They are not an assessment of housing need or do not take account of future policies, they are an indication of the likely increase in households given the continuation of recent demographic trends’.
- They are based on the 2011 based interim population projections. ONS highlight that caution should be used in the application of the population projections for planning purposes.
- They are not direct estimates of the actual number of households but rather are a result of a modelling exercise which derives household representative rates and relies on evidence from the labour market survey which demonstrate that household representative rates for some (particularly younger) age groups have fallen markedly since the 2001 Census. Full Census results are not available and have not verified that this assumption is correct.
- There have been no variant household projections produced to accompany this interim set of projections. This means that it not possible to understand the broad indication of the sensitivity of the projections to different demographic assumptions on fertility, life expectancy and net migration.

The projections reflect the period 2006 – 2010 during which the economy has experienced very low rates of economic growth. During this period house building has been at an all time low and migration rates have also been substantially reduced. These circumstances combine to mean that population growth has been low. Given that the population figures are the essential input into the household projections, it follows that the resulting household projections to 2021 represent a low level of growth. The following data provides evidence of this for South Gloucestershire and :

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- In South Gloucestershire only 4,064 houses were built between 2006 and 2011. This average of 813 compares with a requirement of 1558 per annum set out in the Core Strategy
- GVA has shown a dramatic decline according to the evidence presented to the Inquiry in EP21/1

Fig 8 West of England: Comparative annual GVA growth



Source: ONS (Note: 2010 & 2011 missing data for WoE and 2011 for SW generated by projection model)

- Unemployment in South Gloucestershire has risen from 4,200 people in 2006 to 7,100 people in 2011 (source Nomis Annual Population Survey).
- Net migration fell from 1,100 in 2005/06 to 200 people in 2007/08 and rising back to 900 in 2010/11 (source: Mid-2001-2011 Population Estimates: components of population change for local authorities in England and Wales; estimated resident population; revised in light of the 2011 Census.)

The 2011 based interim household projections do not offer a robust basis for South Gloucestershire to set a housing requirement for their plan period. Any attempt to extend or roll forward these projections should be treated with considerable care. A simple doubling of the requirement is entirely inappropriate. It is not a robust approach to multiply the projections by two to get a figure for 2031, because it is not necessarily appropriate to continue the assumptions used beyond 2021. Household formation rates and average household size are key components which should to be considered in detail rather than



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merely rolled forward. In this respect it is imperative to understand whether the assumptions relating to household representative rates are verified by the full Census 2011 results.

In terms of average household size at 2011 it is currently calculated as 2.4 and is projected to reduce to 2.37 by 2021. It is highly likely that the reduction in household size will continue beyond 2021 and may even speed up as houses start to be built and need is addressed within South Gloucestershire. If the level of houses that are proposed in the five year land supply are actually delivered this will make a contribution to providing affordable and much needed housing for existing residents and will also provide houses for new employees required to deliver the jobs growth expected within the area. Consequently, it is expected that the average household size will reduce more quickly compared with previous rates.

To conclude, the interim projections are not forecasts and in no way purport to illustrate the objectively assessed need for South Gloucestershire over the plan period as required by the National Planning Policy Framework.