Response to consultation on 2018-based household projections.
Question
(a) Do you consider that the publication of the 2018-based household projections represents a meaningful change in the housing situation from the situation that existed when I produced my letter of 27 June 2018?
The 2018 National population projections show a further slowing of the population growth rate, with a projected population of 0.4 million less in mid 2028 and 0.9 million less by mid 2043. Together with the reductions seen in 2016, the population in 2028 is now projected to be 1.0 million less by 2028 and close to 3.0 million less by 2043, compared to the 2014 data.
How these latest projections have affected the housing situation is best answered by looking at the following table.

Table 1   **Housing Situation Essex Districts**

	2016 projections		2018 projections		Change
	2018 – 37 Total	2018 – 37 dpa	2018 – 37 Total	2018 – 37 dpa	2016 / 2018 projections dpa
Essex	104873	5520	83961	4419	-1101
Basildon	13655	719	7890	415	-303
Braintree	9226	486	6644	350	-136
Brentwood	4982	262	1102	58	-204
Castle Point	4565	240	2493	131	-109
Chelmsford	10297	542	11624	612	70
Colchester	16732	881	14261	751	-130
Epping Forest	9352	492	5775	304	-188
Harlow	4811	253	2736	144	-109
Maldon	3989	210	4353	229	19
Rochford	5168	272	5129	270	-2
Tendring	13995	737	13422	706	-30
Uttlesford	8099	426	8532	449	23

(Source ONS Household projections 2014,2016 and 2018.)
The above table does not cover the plan period but merely compares the 2018- based projections with that produced in 2016. The projected reduction in population growth and the subsequent reduction in housing requirements, cannot be anything other than a meaningful change.
When you last reviewed the housing situation you found there was no meaningful change in the three districts that make up the North East Essex authorities, although Essex as a whole saw a reduction of 7,936 dwellings over this period. The 2018 projections show a further reduction of 22,020 for Essex, with a corresponding reduction of 5,920 dwellings for the North Essex Authorities since 2016.
I therefore consider there has been a meaningful change in the housing situation since your letter of 27 June 2018.

Local Plan

The following graph shows the changes that have occurred to Colchester's and Braintree's housing needs, since 2013.
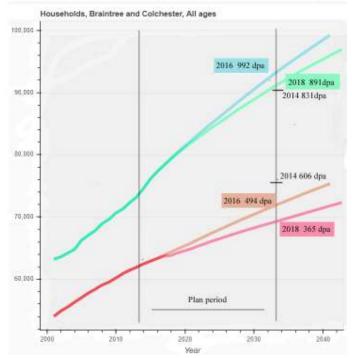*(Source ONS Household Projections Analysis Tool 2016 and 2018.)*

Households, Braintree and Colchester, All ages

2016 992 dpa
2018 891dpa
2014 831dpa
2014 606 dpa
2016 494 dpa
2018 365 dpa
Plan period

Table 2　　　　　　　　　　　　　　　　　　　　　　**Plan Period 2013 - 2033**

	2014 Total	2014 dpa	2016 Total	2016 dpa	2018 Total	2018 dpa	Current Plan	Plan dpa
Essex	122234	6112	110060	5503	91658	4583	-	-
Braintree	12398	620	9874	494	7295	365	14,320	716
Colchester	17105	855	19840	992	17804	890	18400	920
Tendring	12278	614	14416	721	14019	701	11,000	550
NEA's	41781	2089	44130	2207	39118	1956	43,720	2186

(Source ONS Household projections 2014,2016 and 2018.)
Note The current plan used the extended period 2013 -37 to set the housing requirement, consequently the starting points for the districts and the overall housing requirement are different from the above.

The starting points using the period 2013-37 would be 357 for Braintree, 849 for Colchester and 698 for Tendring. A significant difference for Colchester of 820 less dwelling over the plan period. The overall total would be 1040 less using this extended period at 38,078 dwellings.

In the current plan, even though Tendring's allocation is less than the 2014 based projection, the plan was sound as the overall total for the NEA's of 43,720 exceeded the 2014 based total projection of 41,781.

For the current plan to be found sound based on the 2018 projections local non demographic evidence would be needed, to raise the OHN to at least the 2014 minimum total of 41,781 or 2,089 dpa.

Without robust evidence to the contrary, Tendring's allocation would remain at 550 dpa.

Colchester's allocation of 920 dpa was based on economic growth, the 2018 based projection is still less than 920 used originally so without an up to date economic forecast to increase this it should remain the same.

This would mean Braintree's final minimum allocation would be 619 dpa., using the 2013-37 starting point of 357, non demographic evidence would need to be found to increase the base projection by 74%, or 70% using the plan period starting point.

Question

(b) If so, what are the implications of that change for the soundness of the housing requirement figures in the submitted Section 1 Plan?

The 2018 based projections make the current plan unsound, assuming Colchester's and Tendring's allocations remain the same.

An alternative would be to use the 2018 based total for the NEA's of 1956 dpa, a reduction of 6.8% from the 2014 figure. This would seem reasonable as the Essex requirement has fallen by 33.3% over this period.

This would mean Braintree's allocation being 486 dpa, requiring an uplift of either 36% or 33% depending on the base starting point.

In the current plan Braintree's starting point was raised initially by 17 dpa., this would raise the 2018 based starting points to 374 and 382 dpa respectively. The required uplift then being 30% or 28% to reach the minimum requirement of 486 dpa.

Using the same uplift as the current plan of 15% and the starting point related to the plan period of 382 dpa, Braintree's allocation would be 440 dpa.. still 46dpa short of the required minimum number for the NEA's.

A further consideration is creating further delays to the adoption of Section 1, with that in mind you may consider that raising Braintree's allocation to 486 dpa making the overall total sound.

Local Demographic Factors – Market Signals

Housing Provision 2013 - 2018

Table 8   **Requirement**   **Completions**

	2013	2018	Difference	dpa		New Dwellings 2013 -2018	dpa	%
Braintree	61945	63872	1927	385		1655	331	86
	2007	2012	Difference	dpa		New Dwellings	dpa	%
Braintree	59510	61871	2361	472		2021	404	85.6

Source ONS data

Table 9   **Affordability**

House Price	2013	2018	% Change
Braintree	190000	277500	46
Colchester	185500	272000	46.6
Tendring	152000	227500	49.7
Earnings			
Braintree	24628	27836	13
Colchester	24954	28686	15
Tendring	22296	24271	8.9
Ratio			
Braintree	7.71	9.97	29.3
Colchester	7.43	9.48	27.6
Tendring	6.81	9.37	37.6

House price and earnings source ONS

Future Jobs
The current plan used the 2016 EEFM projection to establish a job related housing need.
The 2016 EEFM projections used to inform the current plan are based on the 2014 mid year population data and 2014 jobs forecasts by the Business Register and Employment Survey (BRES).
The later 2017 EEFM projections are based on the 2014 mid year ONS projections but using the mid 2015 projection and 2015 jobs forecast with 2016 regional data, this resulted in change to the housing situation in Braintree of requiring 91 dpa less than the 2016 projections and 202 dpa more for Colchester
If the housing situation can change so dramatically in the space of one year, it would be impossible to make any sound judgement of a job lead housing requirement to compare with the ONS 2018 -based demographic housing numbers, without an updated economic forecast.

The PPG states;
"How should employment trends be taken into account?
Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area. Any cross-boundary migration assumptions, particularly where one area decides to assume a lower internal migration figure than the housing market area figures suggest, will need to be agreed with the other relevant local planning authority under the duty to cooperate. Failure to do so will mean that there would be an increase in unmet housing need."

The previous EEFM projections took any additional housing requirement and related this back to within the district, ignoring the duty to cooperate with neighbouring districts. With Braintree in particular this is a concern, Stansted Airport is by far the largest job creation area but the job related housing is equally likely to be required in Uttlesford.
The other two major employment areas border Chelmsford, which was included in the Peter Brett Objectively Assessed Housing Need update report in 2016 but is not part of the NEA's local plan. Again commuting from the Chelmsford district to these employment locations would be preferable to many parts of the Braintree district.

I don't believe any robust evidence can be provided to support a job lead housing need forecast at this moment in time. The number used in an adopted local plan is a floor not a ceiling. If future economic forecasts present a meaningful change to the housing situation, in any of the districts, this can be addressed at the time without reference to the local plan.

North East Essex Authorities response
NEA018 - NEA Statement on 2018-based Household Projections - 31st July 2020.
In this letter the NEA's offered to remove the 15% uplift from Braintree's OHN, to prevent a further public consultation and delay in the plans adoption.
NEA020 - Further response on 2018 Household projections - 24th August 2020.
In this response the NEA's have concluded that at this time it does not believe there has been a significant change in the housing need situation for Braintree District which represents a meaningful change such that the presented figure would be unsound.

Stantec report
The bulk of this report considers why the 2018 projections are different from the 2014 ONS data.
In Table 3.1 Alternative household projections and past migration for Braintree, show the net migration for the period 2016 -18 as being 9 people. From this they have assumed that the reduction in Braintree's population may be overstated.
Unfortunately, I cannot find any data to substantiate this number.
Table 2 shows the components of population change for the three districts from mid 2018 to 2028.

Table 2   Population Distribution within the NEA's (Subnational population projections for England: 2018-based)

Braintree 2.6%	Colchester 9.7%	Tendring 9.1%
Change between mid-2018 and mid-2028	Change between mid-2018 and mid-2028	Change between mid-2018 and mid-2028
Births:15439.854	Births:22787.683	Births:12950.012
Deaths:15944.585	Deaths:16953.811	Deaths:22688.709
Internal inflow:76577.959	Internal inflow:125132.839	Internal inflow:77183.207
Internal outflow:72553.028	Internal outflow:120042.895	Internal outflow:55445.418
International inflow:3955.676	International inflow:19329.418	International inflow:2780.722
International outflow:2924.023	International outflow:10722.172	International outflow:1287.472
Cross-border inflow:975.779	Cross-border inflow:2494.529	Cross-border inflow:1159.447
Cross-border outflow:1596.595	Cross-border outflow:3180.604	Cross-border outflow:1416.738

Table 3   Population changes by component NEA's 2018/28

	Change in Population	Natural Change	Net Immigration	Within UK	International	Cross Border	% Increase
Braintree	3972	-505	4434	4024	1031	-621	2.6
Colchester	18749	5834	14383	5090	8607	686	9.7
Tendring	13253	-9738	22974	21738	1493	-257	9.1

In Table 3, above, the 2018 subnational population projections show that the net internal migration over the period 2018-28 to be 4024, for Braintree.

I do agree that the 2019 mid year data shows an increase of 951 people but the next household projections will use at least 4 years of data rather than the current 2 years. (I understand the next release may be delayed to account of a possible census in 2021.)

However, the NEA's have used this report as evidence, in their response.
In doing so Braintree would be committing to delivering many more new dwellings than they need and increasing the chances of not meeting their 3 year delivery target once the plan is adopted, leading to speculative development. Defeating the object of having a local plan in the first place.

Duncan Perry
High Garrett Community Association