Brentwood Borough Council

BRENTWOOD
BOROUGH COUNCIL

Objectively Assessed Housing Needs for Brentwood

Moving towards a Housing Target

December 2014

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Document Control Sheet

Project Name: **Objectively Assessed Housing Needs for Brentwood**
Report Title: **Moving towards a Housing Target**
Project Ref: 28085

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Revision	Date	Description	Prepared	Reviewed	Approved
V1	December 2014	Draft 1	RJP	RJP	CH
V2	January 2015	Client comments	RH	RJP	CH

THIS REPORT IS FORMATTED FOR DOUBLE-SIDED PRINTING.

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1 INTRODUCTION

1.1 This report is in two parts. Firstly, we outline how the National Planning Policy Framework (NPPF) and its approach to setting housing targets have been interpreted in practice. Official guidance is limited to the Planning Practice Guidance but this has been supplemented by advice from the Planning Advisory Service (PAS)[1]. This advice is not 'official' but provides additional help when estimating housing need in any given area.

1.2 Secondly we build on this recent evidence and outline the 'objectively assessed housing needs' figure for Brentwood Borough (OAN).

1.3 It is important to note that this paper does not seek to promote a housing target for Brentwood. As we discuss in the next chapter the housing target should be informed by a wider base of evidence than population, household and economic projections. It should also be informed by a consideration of the area's ability to sustainably accommodate new homes and with knowledge of the potential social and demographic impact of any given housing number.

1.4 This paper instead seeks to identify a NPPF compliant housing needs figure for Brentwood which can, in turn, be used by the Council to help set its housing target.

Note:

1.5 Publication and finalisation of this report was delayed pending publication of the 2012 Department for Communities and Local Government (CLG) household projections. These were expected 'autumn 2014' but are around six months late. They are now due February 2015.

1.6 Peter Brett Associates (PBA) has provided this update to inform consultation of the Council's emerging Local Plan using the best available data. But more work will be needed to confirm the final OAN once the 2012 CLG projections have been released and Essex Planning Officers Association (EPOA) have completed the final round of Essex wide analysis (EPOA Phase 7 by Edge Analytics). This final phase was also delayed by the household projections.

1.7 Where we quote paragraph numbers from the Planning Practice Guidance these relate to paragraphs under the "Methodology: assessing housing need" section of the Practice Guidance unless stated otherwise.

[1] http://www.pas.gov.uk/documents/332612/6363137/Objectively+Assessed+Need+and+Housing+Targets/f22edcc2-32cf-47f1-8e4a-daf50e4412f7

2 BACKGROUND

2.1 Under the previous planning system local authority housing targets were set by Regional Spatial Strategies (RSS). These sought to balance the demand and sustainable supply of new homes across the whole region (East of England). However, the East of England Plan was abolished in January 2013 therefore leaving local planning authorities to set their own targets.

2.2 But there are a number of caveats to this freedom. Any emerging housing target needs to be compliant with national planning policy, as set out in the National Planning Policy Framework (NPPF), published in March 2012.

2.3 Perhaps the key difference between the former regional approach and that promoted by the NPPF is that housing targets are now a matter to be managed within the Housing Market Area (HMA). According to the NPPF, the primary document for setting housing need should be a Strategic Housing Market Assessment (SHMA).

2.4 To this end, in late 2012 the Council and partner local planning authorities (Braintree, Chelmsford, Colchester, and Maldon Councils) commissioned a SHMA from David Couttie Associates (DCA).

2.5 The production of the SHMA was significantly delayed; partly because of new data and guidance (Planning Practice Guidance) emerging as it was being drafted. So the project commenced without a full understanding of the scope and implication of the NPPF, and how a 'new style SHMA' should manage housing need.

2.6 The Brentwood SHMA (2014) extends to over 170 pages, and when viewed alongside the SHMA partners' reports, the whole SHMA extends to over 1,000 pages, most of which deals with affordable housing need following the former (now cancelled) SHMA guidance (2007). So to help Brentwood Borough Council set its housing target this report was commissioned to compliment the SHMA and provide a simpler assessment of housing need in the Borough.

2.7 With reference to the NPPF, Planning Practice Guidance and PAS advice note, this paper draws together a range of household projections commissioned and completed by various parties; for example, PBA (on behalf of Brentwood Borough Council), Edge Analytics (on behalf of the Essex Planning Officers Association) and projections from both the Office for National Statistics (ONS) & CLG. These are tested to develop a range of scenarios that are appropriate and robust for Brentwood Borough.

2.8 In this report, we consider housing need arising from Brentwood as a single district. This is because the SHMA concluded that Brentwood Borough could be considered a self-contained HMA, and thus a single district study can meet the requirements of the NPPF as regards a HMA-wide evidence base.

2.9 However we must accept that that there are clear links with other neighbouring local authorities; including Chelmsford, Basildon and Epping Forest, plus London. But for any potential cross boundary working the Council has a sound evidence base in the extensive EPOA data which covers the whole of Essex.

2.10 We also understand that Brentwood is seeking to accommodate all its need within its own boundary and no potential HMA partner has requested that the Borough help meet their unmet meet, with the potential exception of London which we discuss later.

2.11 As the first step in advising on Brentwood's target, in this chapter we summarise what the NPPF, the Planning Practice Guidance and new PAS advice note requires of local planning authorities.

2.12 For the reader there will be some considerable overlap between the text in the PAS advice note and this paper. This is because the same consultant team drafted both documents.

3 NATIONAL POLICY AND GUIDANCE

3.1 In this section, we review the requirements of the NPPF and guidance from the Planning Practice Guidance and PAS advice note.

National Planning Policy Framework

3.2 Our starting point is national planning policy, as set out in the National Planning Policy Framework (NPPF). Key extracts are quoted below.

3.3 In summary, local planning authorities should make objective assessments of housing need, working jointly with neighbouring authorities who share the same housing market area. Given that the Government wants to see many more houses built, Local Plans should provide land to meet those needs in full, insofar as their areas have the sustainable capacity to do so, as defined by other policies in the Framework. Where this capacity does not exist, need should be 'exported' to neighbouring areas. These neighbouring areas should accept it, as far as is reasonable and consistent with their sustainable capacity.

3.4 The NPPF is brief, covering housing need in only a few select paragraphs. To help deliver the NPPF the Government produced supplementary guidance in the form of the Planning Practice Guidance. This is a new form of guidance and presents new challenges for anyone attempting to comply with its content.

3.5 Of particular note is that the guide is 'live' and can be amended 'when needed'. Some argue that this undermines its use because it removes the certainty formally afforded to published Planning Policy Guidance. There is also some added complication in that both the NPPF and Planning Practice Guidance use the term SHMA. But this was also a term formally used to describe a set technical assessment, which was guided by the 2007 SHMA guidance (now revoked). The 'new style' SHMA is significantly different in approach and this confusion has caused delay in many areas, included (as noted above) across Essex.

National Planning Policy Framework
Housing provision and housing need

'17. Planning should… deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth.'

'47. To boost significantly the supply of housing, local planning authorities should… use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework.'

'159. Local planning authorities should have a clear understanding of housing needs in their area. They should… prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should: identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- *meets household and population projections, taking account of migration and demographic change*
- *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);and*
- *and caters for housing demand and the scale of housing supply necessary to meet this demand.'*

'179. Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework.'

'182. The Local Plan will be examined by an independent inspector whose role it is to assess whether the plan has been prepared in accordance with the Duty To Cooperate, legal and procedural requirements, and whether it is sound. A local planning authority should submit a plan for examination which it considers is "sound" – namely that it is:

- *Positively prepared – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;*
- *….'*

Planning Practice Guidance

3.6 The Planning Practice Guidance section on housing and economic development needs assessments deals with housing in three sub-sections:

- The approach to assessing need
- Scope of assessments
- Methodology: assessing housing need.

3.7 The first two sub-sections provide general guidance, covering both housing and economic development. The third is specific to housing. In paragraph 01 of the first sub-section, the Planning Practice Guidance clarifies that the assessments it describes includes the SHMA required by the NPPF.

3.8 The Planning Practice Guidance puts forward a 'standard methodology' for assessing housing needs. It advises that other methodologies are possible, but the standard one is strongly recommended, and any authority that chooses to depart from it should explain why. In summary, the steps in the method are as follows.

i **Define the housing market area (HMA)**

Where the housing market area covers more than one authority, the housing needs assessment should relate to this larger area, not the individual authority.

ii **Refer to the CLG household projections**

The CLG projections (which in turn are derived from the ONS population projections) provide the 'starting point' estimate of housing need.

iii **Adjust for factors that are not captured by the CLG projections**

This stage may include the following:

a. Update the projection to take account of the latest available information;

b. If using the latest CLG projection, which is the 2011-based interim projection and only extends to 2021, 'assess likely trends after 2021 to align with development plan periods';

c. Adjust for other local circumstances, including exceptional or one-off events either past or expected, such as the building of an urban extension or a new university.

d. If market signals show that planning in the past has undersupplied need, adjust the CLG projection upwards;

e. If the demographic projection does not provide a sufficient labour supply to match the expected growth in jobs, adjust them upwards.

3.9 Explaining why the projections might need adjusting, the Planning Practice Guidance notes that the CLG household projections are trend-based – that is, they carry forward past trends in population and household formation. Accordingly, they cannot predict the impact of changes that are not captured in past trends, such as changing economic circumstances or government policy.

3.10 It is important to note that the Planning Practice Guidance recommended method for needs assessment excludes any analysis of supply constraints that might restrict the delivery of new housing. Indeed in the previous section the guidance emphasises that constraints have no bearing on housing need – though they do of course bear on housing provision targets:

'The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.'

3.11 Following publication of the Planning Practice Guidance a number of Councils (and others) suggested to the Planning Advisory Service that a companion advice note was needed. This was partly because dealing with many of the technical elements of the Practice Guidance was poorly understood by practitioners, particularly the use, limitations and mechanics of the Household Projections (the starting point for housing needs work). This advice was published in June 2014.

PAS advice note

3.12 We will not repeat the content of the PAS note here. But in summary it confirms that while ONS projections are the starting point for setting housing need they need treating with extreme caution and particularly more recent population projections.

3.13 More recent projections are particularly problematic because, as the note explains, ONS projections are not forecasts and as projections they broadly carry forward recent observed past trends. Most volatile is the short 'trend base' period used to estimate future migration.

3.14 The ONS normally only look back five years before projecting forward 10 or 20 years into the future. Clearly the recent five year period is heavily influenced by the recession and credit crunch period and is therefore a poor barometer of longer term demand when the economy should not be so recessionary.

3.15 A further and related difficulty is the choice of headship rate assumptions. As discussed in more detail below there are two sets in common use, the 2011 and 2008 set. Using either (or a mix) has various drawbacks and so need testing.

3.16 The note also provides a more detailed definition of housing need than available in the NPPF or Planning Practice Guidance. The note defines need as:

'The housing that households are willing and able to buy or rent, either from their own resources or with assistance from the state'.

3.17 In this definition, 'need' is synonymous with 'demand', covering the affordable sector as well as market housing. Total need, or demand, equals the total housing that would be provided across both sectors, if land supply was not constrained by planning. This is why the assessed total need is often described as a policy-off estimate.

3.18 Building on the advice note, we pull together and test a range or projections which have over time been prepared for Brentwood and develop a more robust range as a starting point for housing need.

4 UNDERSTANDING THE PAST

Introduction

4.1 The logic of the approach outlined in the PAS advice is to first assess a range of demographic projections, making adjustments and potential corrections in line with the Planning Practice Guidance and then look at market signals to narrow the range of potential housing need scenarios.

4.2 In many places this approach is reasonably simple. But here the range of potential demographic projections is so extensive that it is sensible to first look at the past and also consider market signals before introducing the demographic projections in detail.

4.3 Many of the demographic projections available to Brentwood have been developed for the Essex Planning Offices Association (EPOA) which covers a very large and diverse area extending well beyond any potential Brentwood HMA. But the parameters used in some of the EPOA scenarios may not be appropriate to the local circumstances when tested in more detail.

4.4 With reference to the PAS advice note, there are three main reasons why the resulting household numbers from any projection may not provide a true picture of future housing demand.

- The projections may be technically flawed. For example, the projections may not have caught up with the latest available data, or even these latest data may be open to doubt.
- The projections essentially assume that the external (non-demographic) factors that drive demographic change will be the same as they were in the past. But these factors may change in the future; for example, the economy might improve resulting in more local job opportunities.
- The projections in effect assume that in the base period the demand for housing land was fully met. But in practice it may be that past planning policy constrained housing development in the area, so the planned land supply fell short of demand. Thus, the projections will roll forward that constraint and understate future demand.

4.5 In the rest of this section we look at the past delivery of housing, to see to what extent the Borough met its past ‘quota’ of housing need. We then move on to look at market signals (house prices etc) to see how well past delivery met market demand. The logic in the Planning Practice Guidance (and outlined in the PAS note) is that, regardless of past housing targets, if housing demand outstripped supply then this mismatch should be visible from an analysis of market signals.

Past housing supply

4.6 National policy has long tried to shape and mould housing demand. Since the start of the English planning system, the Government has tried to use policies of restraint (and growth) to move housing demand between localities. The most obvious example is the establishment of the Green Belt.

4.7 Because of this long-term policy led intervention, we have no easy way of establishing the true market demand for housing without any planning policy intervention.

4.8 The Planning Practice Guidance appears to recognise this limitation. By requiring that housing needs analysis commences from official household projections it is clear that the starting point is not 'policy neutral' but 'policy same'. But the complication here is that planning works to a different time horizon than the demographic projections. The ONS projections use a short (five year) base period to inform their trend whereas it is normal for development plans to provide for 15 years with an uneven trajectory. A plan target can be met in totality over the life of the plan but with very different rates of delivery in each five year tranche.

4.9 There are also examples of where Councils have failed to provide land for development in a timely manner and so 'unfairly' constrained delivery below their former planned targets. For example by not adopting a development plan in conformity with the then extant RSS. This omission could result in a low demographic projection because only the 'policy void' period forms the basis of the demographic projection.

Development plan background

4.10 Compared to many local authorities Brentwood benefits from a reasonably recent development plan. Brentwood's last adopted plan was the Brentwood Replacement Local Plan (2005). But by the time the plan was adopted it was nearly time expired. The plan's housing target was taken from the Essex Structure Plan (2001) and had a base date of 1996, ending in 2011. Under the Structure Plan the Borough was required to provide 1,450 dwellings between 1996 and 2011 – 97 dwellings per annum (dpa). Table 4.1 shows the breakdown of supply in the Local Plan.

Table 4.1 Supply of housing in Brentwood, 1996-2011

Urban capacity density assumption	Completions 1996-2001	Outstanding large site permissions (at April 2001)	Discounted urban capacity study	Total supply	Structure Plan provision 1996-2011
Average	414	611	574	1,596	1,450

Source: Brentwood Replacement Local Plan

4.11 The Structure Plan, and Local Plan strategy was one of housing restraint. This mostly reflected the Green Belt and thus development capacity was severely limited. The Structure Plan focus was on delivering the housing needs of Essex elsewhere in the County where the constraints were not as absolute.

4.12 For delivering the housing targets, the Borough was reliant largely on brownfield 'windfall sites' and so housing delivery was not unduly hampered by the late adoption of the local plan which relied on large scale brownfield sites. The table above shows that roughly two-thirds of the plan's target was already completed or in the pipeline by the time the plan was adopted.

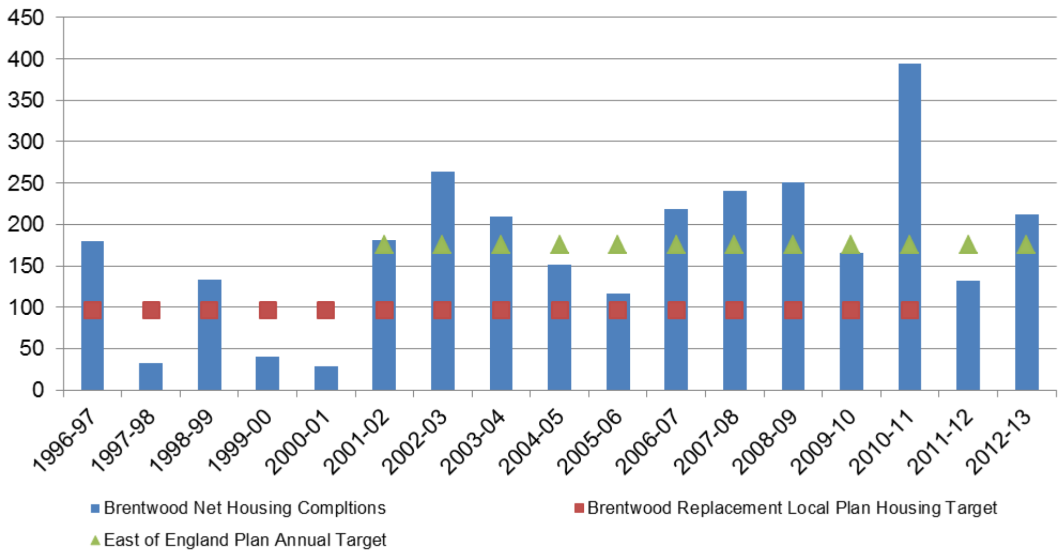
4.13 The remaining third was planned to come forward either on smaller windfall sites or a number of new local plan housing allocations. Although these were classed as allocations most were effectively known brownfield windfall sites. The largest sites were the former Warley Hospital (360 homes), the former Transco Site (350 homes), and Beckett House Baytree Centre (125 homes); all of which were brownfield redevelopment sites.

4.14 In 2008, following adoption of the Local Plan, the East of England Plan (RSS) increased the Brentwood housing target to 175 dpa. However, as we show below this level of housebuilding was already being achieved in the Borough regardless of the lower local plan target. Brownfield sites and sustainable windfall development was sufficient to meet this emerging higher target.

Housing delivery

4.15 Figure 4.1 shows completions in Brentwood Borough against annual targets from the Brentwood Replacement Local Plan and the East of England Plan.

Figure 4.1 Brentwood housing completions, 1996-97 to 2012-13



Source: Brentwood AMRs, Replacement Local Plan, East of England Plan

4.16 For the purposes of this report we can conclude that both of the housing targets, the lower Structure Plan and higher East of England Plan targets, were met or exceeded over their respective plan periods. An early Structure Plan shortfall, prior to 2001, was made up on the latter years of the plan. The higher East of England Plan target was broadly met or slightly exceeded with some year-by-year variations.

4.17 The most obvious variation relates to the 2010-11 year where delivery exceeded the East of England Plan target by a considerable margin. For Brentwood 2010-11 was an especially high 'boom year' with nearly 400 dwellings completed – the highest rate of housing delivery on record. This peak runs counter cyclical to the national trend; in 2010-11 delivery was falling as the credit crunch and recession took hold.

4.18 For the projections, which we discuss in more detail later, understanding the reason for this peak is important. Our normal advice is that the most recent ONS/CLG household projections (2012) should be treated with caution because they reflect low (recessionary) levels of housebuilding. The base period used in the most recent projection is almost entirely recession based where migration out of the main cities was lower, reflecting limited housebuilding and confidence to move (2007-2012). But this simple rule does not apply here: 2010-11 was a local 'boom' year.

4.19 The reason for this local housing delivery boom was that a small number of sites, most noticeably the former Warley Hospital Site were committed for development prior to the full onset of the recession and were unable to be halted. The hospital site had a long and complicated planning history related partly to the wind down of the NHS use but also the fact that parts of the site are listed. The site finally completed 300 units in the 2010-11 monitoring year.

4.20 It is difficult to spot absolute trends with such a small low housing number because the trajectory may be related to wider market signals but is largely dictated by site circumstances. But we can see that development 'slumped' to below peak housing boom levels following the completion of the hospital site. Excluding this special case, housing delivery broadly follows the national trends; i.e. boom in the mid-2000s followed by a recessionary decline.

Summary

4.21 Prior to 2001 the Borough failed to meet its Structure Plan target. But this shortfall was made up in later years. From 2001 onwards, the Council delivered enough housing to satisfy the requirements of the Local Plan. The Borough also delivered enough new housing to meet the higher East of England Plan targets. On average the Borough delivered 211 dpa (2001-2013) compared to an East of England Plan target of 175 dpa.

4.22 The age of the development plan, and its reliance on complicated brownfield redevelopment sites meant that delivery peaked slightly later than the national house building industry. A small number of local plan allocated sites were committed just as the economy entered recession and were completed in 2010/11. The delayed former Warley Hospital site delivered 300 units in the 2010-11 year.

4.23 So, contrary to many other parts of England, the last five years of housing delivery (predating the last round of population projections) was on average higher than longer term trends.

House prices

4.24 Above we concluded that the Borough broadly met, or exceeded, its housing targets since 2001. On this basis, there is no need to 'correct' or upwardly revise any potential demographic projection. However the Planning Practice Guidance requires planners to also test the projection base periods to see whether market conditions have worsened; so whether the past rate of housing delivery and housing targets has unduly constrained the market below demand.

4.25 The focus of this analysis is the rate of change relative to comparator areas as opposed to an absolute comparison. So in the case of house prices the analysis focuses on whether houses have become relatively more expensive compared to comparators. Houses will always be more expensive in some parts of the country when compared to others and it is not the objective of Government Policy to equalise national house prices.

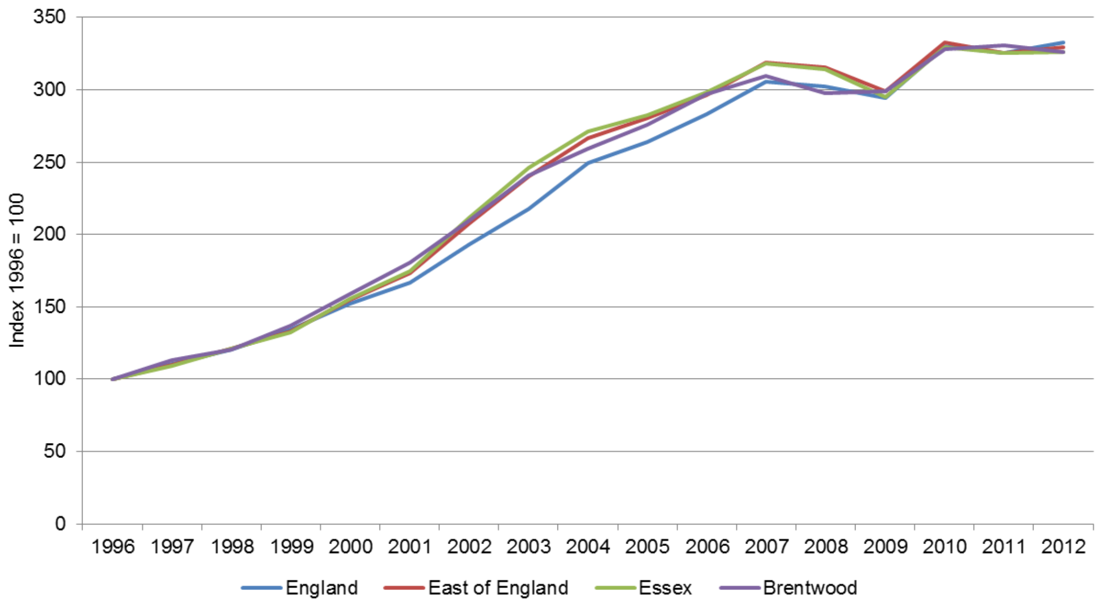
4.26 With reference to Land Registry data, in September 2014 the average house price in Brentwood was £354,821. For comparison, the average house prices were £207,896 in Essex and £177,221 in England and Wales. So average prices in Brentwood are higher than Essex and England and Wales.

4.27 But looking at house price change, this has largely tracked regional and national trends. Figure 4.2 shows mean house prices between 1996 and 2012 indexed. It shows that mean house prices in Brentwood exactly mirrored Essex and the East of England. By 2012 they had all converged with the national rate of increase.

4.28 This shows that while Brentwood remains expensive, the rate of new house building in Brentwood did not unduly constrain the market; the rate of house price increase was no better or worse than the national and regional average.

4.29 The rate of house building broadly met market demand and house prices did not increase at a faster rate because of a lack of housing supply.

Figure 4.2 Mean house prices, 1996-2012 (Indexed)



Source: CLG live table 581

Affordability

4.30 As would be expected given the high house prices, affordability is a concern.

4.31 Figure 4.3 below compares the ratio of lower quartile house prices with lower quartile earnings. A high ratio indicates low affordability, where the cheapest dwellings are less financially accessible to the people on the lowest incomes. Brentwood has had a higher ratio than the county, the region and the country since 2001.

4.32 Local affordability appeared to improve slightly in the middle of the 2000s. The gap between Brentwood and the comparators narrowed between 2001 and 2008. But by 2013 the gap had again reverted.

Figure 4.3 Ratio of lower quartile house price to lower quartile earnings

Source: CLG Table 576

Market rents

4.33 The Valuation Office Agency (VOA) provides data on market rents, but only since 2011. Figure 4.4 shows that rents across England, the East of England and Essex have stayed relatively stable in the past few years, whereas rents in Brentwood have been slightly increasing. Average rents in Brentwood have also been about £200 higher than the comparators, and have been since 2001.

Figure 4.4 Average market rents, 2011-14

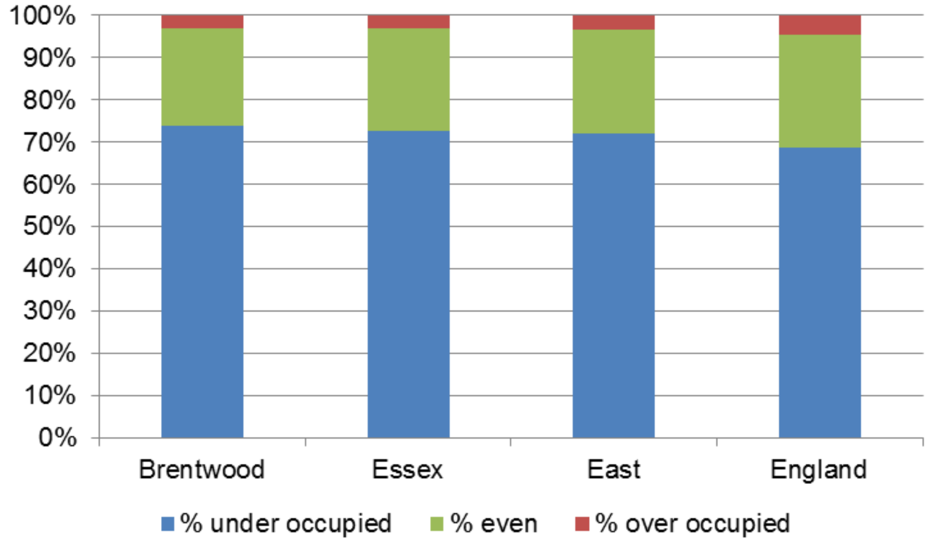
Source: VOA

Overcrowding and concealed households

4.34 The 2011 Census provides new data on the level of 'overcrowding' and concealed households in the housing stock. Although Brentwood is expensive, its housing stock is not overcrowded and there are only 243 concealed families.

4.35 Figure 4.5 shows occupancy ratings, as defined by ONS and calculated from Census data. Starting from the base of the columns, the chart counts the percentages of dwellings that are under-occupied, correctly occupied and over-occupied according to ONS definitions, which are based on numbers of bedrooms.

Figure 4.5 Occupancy rating, 2011



Source: ONS

4.36 Using the ONS definitions, the majority of dwellings in all areas are considered under-occupied. The proportion of over-occupied dwellings is small, at around 3% for Brentwood, Essex and East of England, and slightly higher for England at around 5% for England. Therefore, over-occupation in Brentwood is similar to its local comparators and under the England average percentage.

4.37 The 2011 Census defines a concealed family as a couple or single parent family, living in a multifamily household, where the Family Reference Person (FRP) is not the Household Reference Person (HRP).

4.38 Concealed families include: young adults living with a partner and/or child/children in the same household as their parents; older couples living with an adult child and their family; and unrelated families sharing a household.

4.39 Figure 4.6 shows only the percentage of concealed families by age of FRP from the Census 2011. The 24 and under age bracket has the largest percentage of concealed families – around 13%. The 25-34 age bracket is far lower but still higher than the other age brackets following age 35.

4.40 Despite the 24 and under age bracket being the highest – and therefore most concerning finding – there is little difference between the percentages for each of the comparators areas, showing that concealed families in this age bracket is as much of an issue at the local level as it is with the regional and national level. The same applies to the 25 to 34 age bracket, but here Brentwood is lower than the national percentage.

Figure 4.6 Concealed families by age of Family Reference Person

Source: ONS

Conclusion

4.41 Housing delivery has largely been on target, at least since 2001. The Borough has delivered as many houses as extant planning policy required. So no automatic upward revision to any demographic projection, to adjust for under delivery compared to plan targets, is warranted.

4.42 Despite this record of on target delivery, Brentwood remains an expensive place to buy or rent property. This is clear from our analysis of market signals such as house prices, market rents and the affordability ratio. However the market has broadly tracked comparators over time.

4.43 Housing is no more expensive compared to national and local indicators than it ever was. Following the Planning Practice Guidance an upward revision to a trend based projection is warranted when these indictors have worsened, not simply because an area is expensive.

4.44 Although the analysis suggests an upward revision is not automatically required (paragraph 20 of the Practice Guidance[2]), the lack of absolute affordability could be considered of local concern. Any under-provision of new homes in the future will only compound this problem further. In this regard the risk of under-provision harming local affordability is greater than an area where the starting position is more affordable.

4.45 This would suggest that while no automatic upward revision is required the rest of this report needs to adopt a cautious approach to the assessment of housing need. Any potential under provision of new homes compared to need will make the Borough even less affordable than today.

[2] Paragraph: 020 Reference ID: 2a-020-20140306

5 THE PROJECTIONS

Introduction

5.1 Above we concluded that although Brentwood is an expensive place to live recent levels of housebuilding – which have met extant policies – have not resulted in a worsening of market conditions. Market signals have largely tracked comparator areas. For example house prices have increased but no faster than national increases.

5.2 As such no automatic upward revision to a demographic projection, as per paragraph 20 of the Planning Practice Guidance is warranted. But because of a lack of local affordability the evidence would suggest a cautious approach to assessing need is prudent.

5.3 In this section we examine the range of different projections available to Brentwood. However, it is worth 'recapping' that each projection is only an extrapolation of its base period. Many people can be confused by the fact that projections of different periods can show different levels of 'housing need' without remembering that the main reason is normally that the facts in the base period used to inform the projection are different. If housebuilding, and so migration, was higher in one base period than another the resulting projection will (normally) be higher as a result.

ONS / CLG projections

5.4 As national policy requires, our assessment of housing demand or need considers the official demographic projections from the Office of National Statistics (ONS) and Communities and Local Government (CLG). To set the context for our analysis, we begin with a brief description of these projections.

5.5 The official demographic projections are issued in two separate publications:

- ONS produces the Sub-National Population Projections (SNPP), which show population by age and sex, based on rolling forward past rates of natural change (births minus deaths) and migration for each demographic group.
- CLG then converts the each SNPP into household projections.

5.6 The factors that translate population into households, known as Housing Representative Rates (HRRs, also known as headship rates or housing formation rates), are based on rolling forward past trends for different demographic groups.

5.7 The resulting household numbers are used as a measure of future housing demand, or objectively assessed need.

5.8 The past that the projections carry forward, also known as the base period, or reference period, is defined in different ways for different items. Domestic migration rates are carried forward from the previous five years, as are other local components of change. But assumptions about international migration, births, deaths and household formation also take account of much longer-term trends and of expert opinion. Household headship rates, for example, are based on the five previous Censuses, beginning with 1971.

2008-based projections

5.9 The most recent complete official projections are still the 2008-based projections issued in 2010 ('ONS 2008' and 'CLG 2008'). These figures retain some relevance, because they have not yet been fully updated, as we discuss later. But they cannot be taken at face value, because for many areas the historical data on which they are based have been invalidated by the 2011 Census.

5.10 For Brentwood the CLG 2008 projection shows number of households increasing by **417 dwellings per annum**. However the projections were not evidenced by a Census and relied on a large number of assumptions and extrapolations. Most noticeably the subsequent Census has shown that population estimates were over estimating the Brentwood population and migration flows. In addition the household projections were underestimating the average household size and hence overestimated the numbers of households associated with any given population. In other words, it thought that the population grouped into a larger number of smaller households than was in fact the case.

5.11 The latter error is common across England. It seems that in recent years earlier trends in household formation have broken down. More young adults have been remaining with their parents or sharing accommodation, rather than forming new households. This is probably due to reduced demand in the economic downturn, as household incomes fell in real terms and credit tightened.

5.12 In 2012 ONS released 2010-based population projections ('ONS 2010'), which were based on a major revision of data on past migration. This view of past migration is now superseded by the 2011 Census, which showed that the revised data were not better than the series they replaced. Earlier work for Brentwood was informed by these projections but they have now been replaced in their entirety by the 2011 base projections discussed below.

2011-based projections

5.13 ONS and CLG in 2013 published new, 2011-based demographic projections ('ONS 2011' and 'CLG 2011'), which are badged as 'interim' and only run to 2021. For Brentwood these show **328 dwellings per annum**.[3]

5.14 The interim 2011-based official projections take account of the Census results but only partially. They start from the correct population at 2011, taken from the Census, and use household formation rates updated in the light of the Census. But the

[3] Note – earlier versions of this document were produced before CLG had finalised these numbers following additional data being released from the census. In previous versions the 2011 ONS/CLG number was estimated at 351 dwellings per annum.

migration rates that the new projections roll forward are taken from 2010 estimates[4], which predated the Census.

5.15 For planning policy, the use of these projections is controversial. Most obviously their 'interim' designation and mix of pre and post census data has left them open to significant challenge.

5.16 Another drawback is that the projections use a trend period (for migration) which includes a large amount of the credit crunch period (the 'run' on Northern Rock was in late 2007) and recession[5].

5.17 The 2011 household projections also use headship rates calculated using the 2011 Census. There has been a lot of research discussing the merits of the 2011 headship rates vs the previous 2008 set and this is discussed in the PAS advice note. But in summary the use of the 2011 headship rates is considered pessimistic because by including the 2011 data point in the long term trend analysis the headship rate set assumes households will form more slowly and households will be larger than previous estimates.

5.18 For the EPOA and PBA projections discussed in the next sections, a mix of the two are often used.

2012 household projections

5.19 Both sets of household projections (2008 and 2011 interim) were due to be superseded in 'autumn' 2014 by a comprehensively updated 2012 based household projection series. However the release of these have been delayed until at least February 2015.

5.20 But the underlying population, which drives the majority (almost all) of the household growth in the household projections is available. The ONS 2012 population projections were published earlier in May 2014.

5.21 The 'missing' element of the household projections is therefore the 'headship rate' calculations; the process by which the population is turned to households.

5.22 While the CLG 2012 headship rates remain unknown we know that they are informed by very long term trends in household formation. We understand from CLG[6] that their headship rates are most likely to be similar to the 2011 set; because the method used to derive them has not been changed since the 2011 set were published and they rely on much of the same base data.

5.23 At a number of Examinations in Public (EiPs) a large amount of time is spent discussing the merits of differing headship rate assumptions. To some extent this debate will very soon be superseded when the 2012 Household projections are

[4] These assumptions underpinned the 2010-based ONS population projections, which were never converted into households.

[5] The recession technically ended in late 2009 but for the housing market is widely considered to have depressed demand for a number of years following.

[6] E-mail to Birmingham City Council to inform their recent EiP

released. These will then become the new base projection or starting point for setting OAN.

5.24 In addition, the choice of HRRs makes very little difference in Brentwood. In some areas this can be significant; HRRs are age sensitive and in some areas they make a large difference whereas in others small. In Brentwood's case any variation is well within the large margin of error and uncertainty.

5.25 EPOA have converted the SNPP 2012 projection into households using **the 2008 and 2011 sets. These show 347 and 333 dpa respectively**.

5.26 EPOA also presents an average of the 2008 and 2011 sets. The result is **340 dpa.**

5.27 The data therefore suggests a narrow range – from 333 dpa up to 347 dpa. For the reasons outlined above we expect (TBC) the 2012 household projections to fall at the low end of this range – around 330 dpa.

5.28 An interesting point to note relating to the 2012 projections is that they assume a much higher inward migration trend into Brentwood than would be expected by simply projecting forward to the observed past. Internal migration in the SNPP 2012 is significantly higher (699 people per year) than the past 5 or 10 year periods. In the past 10 years inward internal migration was only 348 people per year and the 5 year 408. We have looked at this in some detail (Appendix B) and found that the most likely reason relates to how the ONS model distributes London outward migration. In summary the model increases inward migration into Brentwood as it responds to high levels of population growth in the Capital and an associated increase in outward migration. The ONS also calculates *migration propensities* only looking at the most recent 5 years and then holds them constant. In the Brentwood case the 5 year migration was higher than the 10 year period. Because of this Brentwood will be given a higher migration propensity than longer term trends may suggest.

5.29 So the normal critique that 2012 projections are 'recessionary' and suppress housing need in boroughs outside of London may not apply here. The SNPP project around a 50% uplift in internal migration flowing into the Borough compared to past trends.

5.30 Given the age of the former household projections (2008 or 2011), and the fact that their main component (population) has been superseded by the new ONS 2012 SNPP this report gives weight to the most recent ONS population projections as a starting point for an assessment of OAN. **While CLG has yet to confirm a new set of headship rate assumptions if they are in line with the 2011 set we would expect them to show around 330 spa as the OAN starting point for Brentwood. This includes an uplift in internal migration over and above past trends.**

5.31 A summary table of the main ONS / CLG projections are shown in Figure 5-1 below:

Table 5.1 ONS/CLG Household Projections Summary

Vintage	Dwellings Per Annum	HRRs Assumptions	Notes / Source
CLG 2008	415	2008	CLG
ONS SNPP 2010	377	2008 Rescaled by EPOA	From EPOA Phase 5. 2011 HRRs were not available when the SNPP were produced
CLG 2011	328	2011	EPOA
ONS SNPP 2012	340	Averaged 2011/2008	2012 SNPP. 'EPOA 'average'
ONS SNPP 2012	347	2008	2012 SNPP EPOA
ONS SNPP 2012	***333***	***2011***	***2012 SNPP EPOA***

Scenarios

5.32 In addition to the official projections Brentwood has the benefit of a large number of relevant scenarios; the EPOA work is now on phase 6 (phase 7 due shortly). PBA have prepared a number of scenarios to inform the evaluation of the plan although many have now been superseded by EPOA or ONS data.

5.33 The Council has also recently updated the economic evidence which also relates to housing need including an 'aligned' housing and jobs number.

5.34 Given the sheer number of projections it is impossible to comment on all of them; in any event many have been superseded by circumstance (new data included the census) or more relevant data to Brentwood (updated economic scenarios). So here we highlight the key scenarios.

5.35 When doing so we include a number of 'illustrative' scenarios. These cannot be taken as measures of housing need but are useful to demonstrate the implication of any given housing number. This group includes the EPOA 'Nil Net migration' and 'natural change'

5.36 A second group is those testing different base periods to that used by the ONS. As noted above the ONS used a very short five year base to inform its trends but EPOA and PBA have tested alternative versions including 10 year projections.

5.37 A third group are economic scenarios. The main one for Brentwood is the updated employment evidence provided by Experian and Nathaniel Lichfield & Partners (NLP). But we also comment on some older EPOA versions for completeness.

5.38 A potential forth group of scenarios are being produced in spring 2015 as part of EPOA phase 7. This will include in more detail the potential for Essex to help meet any 'overspill' needs from London and also the new 2012 Household Projections (due

February 2015). These are not available yet but will be incorporated into the analysis when published.

5.39 A summary of the EPOA projections (Phase 6) is shown in Figure 5.2 below:

Table 5.2 Average Annual Dwelling Requirements, 2012-2037

Scenario	Average annual dwelling requirements, 2012-2037		
	Option A (2011-based)	Option B (2008-based)	Average
Jobs	420	432	426
Employed people	416	429	423
SNPP-2010	360	370	365
SNPP-2012	333	347	340
PG-5Yr	296	309	302
PG-5Yr-X	289	302	295
PG-10Yr	275	287	281
PG-10Yr-X	264	276	270
Natural Change	79	100	89
Net Nil	74	83	79

Source: EPOA

The illustrative scenarios

5.40 We describe the Natural change and Net Nil scenarios as illustrative; they are useful because they show that most of the trend based population and household growth shown in the other EPOA projections (and also the ONS/CLG projections) are ‘fuelled’ by inward migration.

5.41 For planning, providing for this number of new dwellings, in line either these two low scenarios, is not credible. Nor is describing this as ‘need’ as per the NPPF.

5.42 This is because Brentwood cannot restrict migration led housing pressure. Also any such approach would fall foul of the NPPF which requires planners to plan for migration when assessing the need for housing (Paragraph 159).

5.43 For Brentwood the natural change and nil net scenarios are both less than 100 dpa. While these scenarios are of limited use to setting OAN they illustrate that Brentwood’s housing growth is migration led.

The different base period scenarios

5.44 The ONS takes a very short base period to inform its projections. The PAS note, and general best practice encourages planners to test this period and also look at longer term trends.

5.45 These projections can be considered ‘migration led’ in in that they take different trend periods to build both the quantity of migration led population growth but also the profile of that migration. The main variable between these scenarios is therefore the level of migration – natural change being (largely) constant between projections.

5.46 The profile of migration is equally as important to household projections as the quantity. This is because different age profiles have different propensities to form households or have children (who in later years may also seek to form independent households).

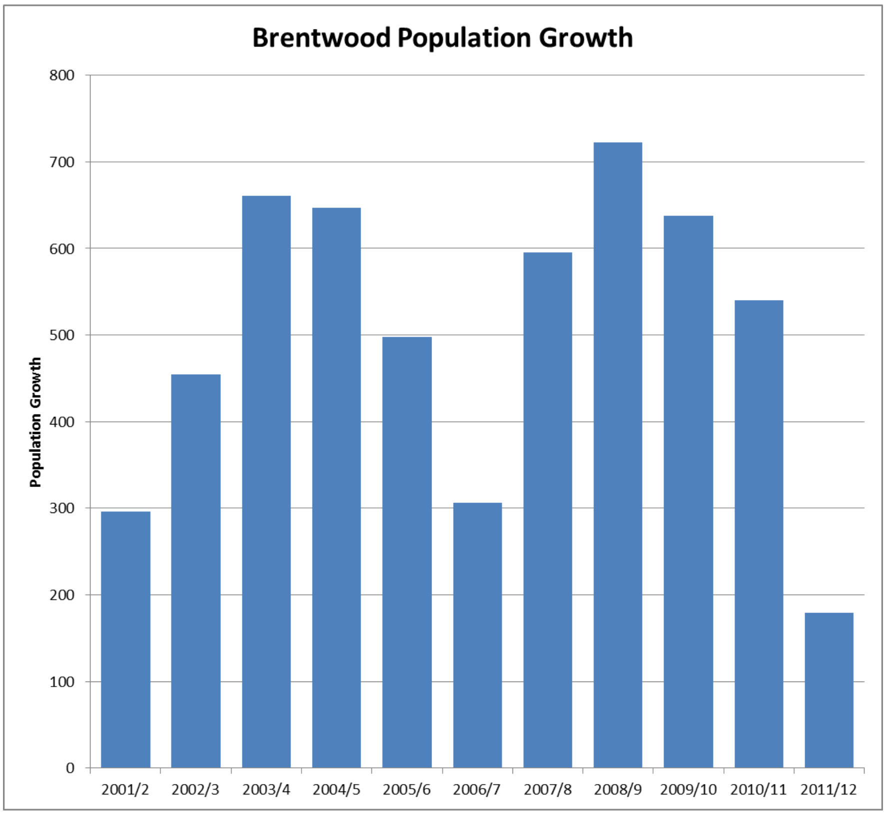
5.47 For the EPOA Phase 6 work two trend periods are used; a short five year period (07-12); similar to that used by the ONS but also a longer 10 year period (02-12).

5.48 For Brentwood the 10 year projections are slightly lower than the five year projections. The main reason is likely to be that short term, past five year, migration in Brentwood has been slightly higher than the longer term trend. The 10 year projection therefore picks up a slightly lower level of net migration than the shorter five year projection.

5.49 This can be seen from an analysis of the detailed components of change presented in the EPOA Phase 6 Report. The data points used in the five year projection (the most recent five years) are on average slightly higher the longer 10 year trend.

5.50 The profile of the migrants will also be a contributing factor; this differs each year.

Figure 5.1 Brentwood Population Change, 2001-11



Source: ONS

5.51 This conclusion is also broadly aligned with our market signal evidence; housebuilding was higher in the short term.

Un-attributable Population Change

5.52 EPOA include two variants of each projection. The difference relates to the treatment of un-attributable population change. The ‘X’ scenarios e’X’clude an element of population change called ‘un-attributable population change’ or UPC.

5.53 In simple terms, this is population change (i.e. people) the Census found resident in the area on Census day but the ONS have no record of how they arrived there. They could be internal or international migration, or were missed from the 2001 census.

5.54 UPC is only an issue for non-official projections. When preparing the Sub National Population Projections (and Household Projection) the ONS/CLG make their own independent and expert view of how to manage this element. In the 2012 projections the ONS exclude UPC.

5.55 But for the EPOA projections the treatment of UPC is less clear cut; partly because the EPOA test different base periods where UPC may be more important than in the 5 year period used by the ONS.

5.56 From a practical perspective in Brentwood the difference (with or without UPC) is small. UPC was only around 40 people per year or less than 10% of the total population growth.

5.57 Although small in this case we consider it sensible to err on the side of caution and include UPC in 'non official' projections. This is partly because above we found that for market signal purposes we should err on the side of caution when making demographic assumptions. But it is also because there remains a risk that the UPC was an error in the ONS migration estimates and actual migration was higher than the ONS recorded. So when looking at the scenarios, in the specific circumstances relating to Brentwood, we would favour the higher scenarios including UPC.

5.58 Including UPC in the projections provides **a 5 year trend projection around 302 dpa and a 10 year projection of 281 dpa using the EPOA average HHRs.**

5.59 As noted above there is little difference if alternative (2011 or 2008) headship rates are used.

PBA and earlier projections

5.60 In earlier work for Brentwood the EPOA and official ONS / CLG projections were supplemented by a number of PBA projections. These were commissioned to preview ONS / CLG projections or later scenarios prepared for the wider area by EPOA. As such most PBA projections have now been superseded by the projections discussed above.

5.61 The PBA 2011 projection, our 'preview' of the 2011 household projections remain relevant to Brentwood because it represented the lowest of a range of scenarios we tested for the emerging development plan (311 dpa). This has now been superseded by the actual 2011 projections and again by the SNPP 2012 discussed above.

5.62 At the high end of the range used to inform the emerging plan was 363 dpa; derived from the highest of the EPOA Phase 3 projections available at the time (ONS 2010 R projection). EPOA Phase 6 still includes a 2010 projection (360 – 370 dpa) but can now be dis-regarded because it has also been superseded.

Economic scenarios

5.63 EPOA Phase 6 includes two 'economic scenarios': a 'jobs led scenario' and 'employed people' scenario. These are similar to the Phase 3 economic scenarios but use a newer version of the Regional Forecasting Model.

5.64 These are presented for illustration with significant caveats. Paragraph 4.13 of the EPOA phase 6 report notes that the model uses migration as the main 'balancing' mechanism. Whereas in the economic models migration may be one element of the integrated balancing mechanism (where the models seek to match job potential with labour force) but the models also use a range of other variables including economic activity rates, commuting and unemployment.

5.65 The East of England Forecasting Model (EEFM) also forecasts dwelling and population demand resulting from the modelled job numbers. This uses a different method from that used by EPOA. The EEFM method presents a very different view of dwellings needed to support the forecast job creation. The EEFM technical report details the method the consultants use to arrive at a household or dwelling number[7]. Their calculations, internally consistent with the job number taken forward to use on the EPOA report, shows that only 198 dwellings per annum are required in Brentwood to support the EEFM job numbers (up to 2031 – the end date of the projections). This is roughly 50% of that generated by Edge Analytics in their work for EPOA. We understand that Phase 7 of the EPOA work is looking in more detail at this.

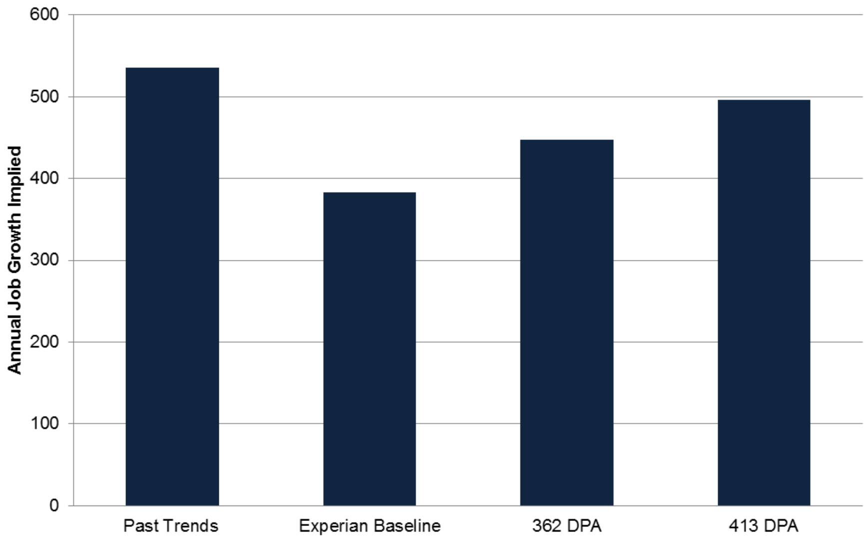
5.66 Partly because of this limitation, Brentwood Borough Council commissioned an update of their economic evidence from Nathanial Litchfield & Partners (NLP). As part of this update NLP worked with Experian to test different levels of housebuilding (and migration) into Brentwood Borough.

5.67 The Brentwood Economic Futures report (2014) presents three different economic scenarios. Firstly the Experian baseline projection; an entirely 'policy off' assessment of the areas future economic potential (NLP Scenario A).

5.68 NLP then tested the number of jobs resulting from the higher of the housing scenarios then being considered: 362 dpa (NLP Scenario B). This results in a higher number of jobs; 447 jobs per annum vs 383 jobs per annum in the baseline.

5.69 Finally NLP tested a higher 'Scenario C' housing number (411 dpa). This was tested to explore the job creation generated from a higher *housing trajectory* once the plan is adopted. The logic being that if 362 dpa is adopted as the OAN its base date would be in the past (for example 2012 will be base date of the household projections due in February 2015). The plan target trajectory would need to be higher than the OAN dpa to make good any shortfall which will have emerged between the base date and the delivery of new homes in line with the plan. This scenario provides the most jobs – 496 – and sees job growth effectively reverting to long-term trends.

Figure 5.2 NLP Job Scenarios



Source: Experian / NLP

[7] http://www.cambridgeshireinsight.org.uk/EEFM

5.70 For our housing analysis this shows that an OAN of around 362 dpa, with a trajectory of 411 dpa, provides a boost in jobs compared to the baseline used by NLP and brings job delivery back into broad alignment with longer term trends.

Summary

5.71 We have considered two ‘illustrative scenarios’. Both are very low for the Borough and only serve to illustrate how most of the population, and household growth, is driven by inward migration into Brentwood.

Table 5.3 Illustrative Scenarios

Scenario	Average annual dwelling requirements, 2012-37		
	Option A (2011-based)	Option B (2008-based)	Average
Natural Change	79	100	89
Net Nil	74	83	79

5.72 EPOA and previously PBA have considered a large number of different trend based scenarios. Many have been superseded by updated data (e.g. SNPP 2010 and 2011 Household Projections).

5.73 Three credible alternatives remain: the SNPP 2012 which form the base for the (soon to be released) household projections, and the benefit of two EPOA projections, developed by Edge Analytics using POPGROUP. One (PG-5YR) presents a continuation of the past five years migration; the other longer term (10 year) trends both including UPC.

5.74 Because inward migration into Brentwood has been increasing the five year projection is higher than the 10 year. The SNPP assumes even higher levels of inward migration.

Table 5.4 Trend Based Scenarios

Scenario	Average annual dwelling requirements, 2012-37		
	Option A (2011-based)	Option B (2008-based)	Average
SNPP-2012	333	347	340
PG-5Yr	296	309	302
PG-10Yr	275	287	281

5.75 The Economic Scenarios are slightly different to the demographic versions. NLP have worked with Experian to test the job yield from different potential housing numbers as part of Experian’s fully integrated economic model.

5.76 These show that providing 362 dpa provides a jobs ‘boost’ in that more jobs are delivered compared to the policy off baseline.

5.77 Providing 413 dpa brings job creation broadly into line with long term past trends.

Table 5.5 Economic Scenarios

Scenario	Jobs pa
Past Trends	523
NLP ‘A’ - Experian Baseline	383
NLP ‘B’ – 362 dpa	447
NLP ‘C’ 413 dpa	496

6 CONCLUSIONS

6.1 The OAN starting point, following the Planning Practice Guidance is the latest set of household projections. However these are currently delayed. They will however be available at some point in 2015 well before the new development plan is finalised.

6.2 So for this report we rely on the EPOA estimate derived from the 2012 SNPP. This provides a narrow range between 333 and 347 dpa depending on headship rate assumptions. Although not yet confirmed the 2012 Household projections are likely to at the lower end of this range, closer to 330 dpa than 350 dpa.

6.3 This potential OAN 'starting point' is significantly higher than both former housing targets in the Borough. Part of the reason for this is the high rate of delivery in the ONS projection base period. In the base period (2007-2012) the borough adjusted from the much lower (former) local plan target to the newer and higher East of England Plan target and delivery. Added to this two major brownfield sites (both former hospitals) were allocated in the 2005 Local Plan, permitted in 2006-2008 and commenced development soon after. They were too advanced to halt when the recession took hold and so were completed in the recession when the rest of the house building industry was stalled. This counter cyclical development activity means that the levels of migration in the most recent ONS population projections were not as heavily impacted by the recession as the regional or national benchmarks.

Significant boost?

6.4 Adoption of an OAN aligned with the 2012 projections (i.e. 330 dpa TBC) would represent a significant boost to housing delivery for the Borough.

6.5 We conclude this because 330 dpa is more than triple the former local plan targets and around double the RSS targets.

6.6 It is also far in excess of delivery seen in the past 10-15 years.

6.7 Finally it is higher than the long term trend scenario we have examined. For example around 280 dpa in the latest EPOA Phase 6 10 year projection.

6.8 But the NPPF (and Planning Practice Guidance) is clear that this should be tested further by looking at market signals and considering economic factors.

Market signals

6.9 Regarding other market signals, our analysis (and that in the SHMA) confirms that Brentwood is an expensive place to live with a problem of local affordability. But this is a long established trend, present in the housing market when the Council was delivering as few as 97 dpa (Local Plan Target).

6.10 Even despite this very low delivery, the affordability picture has not worsened when compared to the region and national indicators. Brentwood has largely tracked comparators.

6.11 The Planning Practice Guidance paragraph 21 requires uplift on projections where there is evidence market conditions have deteriorated[8] not where an area is simply expensive. However this is slightly academic; the lack of affordability in the Borough is acute and so the fact that paragraph 21 may not strictly apply provides limited comfort.

6.12 By providing for a potential OAN aligned with the SNPP 2012 (330 dpa) the Borough is dramatically increasing its rate of delivery and this may be expected to help address local affordability. As noted above this will dramatically increase the rate of delivery in the borough well above past targets and trends; mostly to accommodate higher levels of inward migration in the SNPP. An additional uplift would appear to push the boundaries of 'reasonableness' at the heart of Paragraph 21.

Employment

6.13 The EEFM baseline requires a much lower level of housing delivery than suggested in the SNPP 2012. The baseline requires around 200 dpa. But this has been superseded by more locally specific evidence.

6.14 NLP, in the updated economic futures report, tested the delivery of 362 dpa (OAN at the time of the 2013 Preferred Options consultation). They concluded it delivered more jobs than the 'policy off' Experian baseline.

6.15 They also found that delivering new homes to the trajectory required to meet 362 dpa (i.e. 411 dpa) brings job growth into broad alignment with long term trends.

6.16 An uplift in housing need, over and above the SNPP 2012, could therefore be justified for economic reasons. An OAN figure around 360 dpa supports job growth above the Experian baseline (NLP scenario A), so its self is an 'economic boost but helps support job growth in line with longer term trends.

Next steps

6.17 This work supports an OAN around 360 dpa for Brentwood Borough. Unfortunately it is prepared without full insight of the delayed 2012 household projections. When released they will form the new 'OAN Starting Point' and this work will need to be revised.

6.18 The most significant 'next step' relates to London. We have not considered London in this report; the revised London Plan is still not finalised and surrounding Boroughs / Districts are not yet able to consider the full implication of potentially higher outward migration flows from the capital. EPOA Phase 7 (also delayed by the household projections) will consider this in more detail. In late January 2015 the GLA hosted a 'working meeting' with Consultants working in nearby authorities; much too late to inform this work.

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[8] Paragraph: 021 Reference ID: 2a-021-20140306

6.19 But as an observation to inform future thinking in the Borough, the Greater London Authority (GLA) is expecting outward flows from London to revert back to long term trends. In general short term migration used in the latest ONS population projections show lower levels of outward migration from London. Longer term trends are much higher. But for reasons discussed in this report the latest round of SNPP (2012) assume higher levels of inward migration into Brentwood than long term trends would otherwise suggest.

6.20 EPOA Phase 6 (table at paragraph 5.22) shows that 10 year average internal migration was 348 persons per year, five year 408 persons per year and the SNPP assume a further increase to 599 persons per year. The SNPP 2012 already make a considerable allowance for increase migration into Brentwood Borough than seen the both the last five years and longer 10 year period.

APPENDIX A ACRONYMS

CLG:	Department for Communities & Local Government
DCA:	David Couttie Associates
dpa:	Dwellings per annum
EEFM:	East of England Forecasting Model
EiP:	Examination in Public
EPOA:	Essex Planning Officers Association
FRP:	Family Reference Person
GLA:	Greater London Authority
HHR:	Household Headship Rate
HMA:	Housing Market Area
HRP:	Household Reference Person
HRR:	Housing Representative Rates
NLP:	Nathaniel Lichfield & Partners
NPPF:	National Planning Policy Framework
NPPG:	National Planning Practice Guidance
OAN:	Objectively Assessed Need
ONS:	Office of National Statistics
PBA:	Peter Brett Associates
RSS:	Regional Spatial Strategy (East of England Plan)
SHLAA:	Strategic Housing Land Availability Assessment
SHMA:	Strategic Housing Market Assessment
SNPP:	Sub-National Population Projections
TBC:	to be confirmed
UPC:	Un-attributable Population Change
VOA:	Valuation Office Agency

APPENDIX B SNPP 2012 MIGRATION

Why net internal migration to Brentwood is projected to increase in the 2012 SNPP

The 2012 SNPP based migration within England on estimates made for the 5-year period 2007-12. The base data are a matrix of the average gross flows between each pair of districts by single years of age and gender. The data are accumulated in order to get total outflows by age and gender from each district to the rest of England. These gross flows are converted to age/sex specific probabilities of leaving the district for the rest of England.

In the SNPP in the first year (2012-13) these probabilities are applied to the mid-2012 populations of each district to calculate the gross outflows from each district to the rest of England. These totals are then broken down to each other district destination in England by age/sex using the initial data matrix based on 2007-12. Total inflows to each district are then calculated by summing up all flows to each destination. This process is repeated each year of the projection.

Using 2010-11 as an example, Brentwood received 1,700, 44%, of its gross inflow of 3,860 from the rest of England from London boroughs as a whole, mainly those in the east. It received a further 1,190, 31%, from Essex authorities.

Because of continued high net international migration to London assumed by the 2012 SNPP (about 70k per year) and its high natural increase (averaging over 90k per year) London's population is projected to grow from 8.31m in 2012 to 10.18m in 2031. This is an increase of over 20%. Because the SNPP holds the age/sex specific migration probabilities and the destinations of the outflows constant throughout the projection the projected gross outflow will also grow, with the actual totals determined by the changing age/sex size and structure of the population.

The SNPP shows the gross outflow from London to the rest of England rising from 241k in 2012-13 to 281k in 2030-31. This is about 16% increase. The precise flows to Brentwood will be determined by the outflows from each of the boroughs and particularly Brentwood's main origin boroughs. This process will also apply to the inflows from the Essex authorities.

Overall for Brentwood the 2012 SNPP shows gross inflows from the rest of England rising from 4,000 in 2012-13 to 4,600 in 2030-31. This is about 15%. In the same period the gross outflow rises from 3,600 to 4,000 (c11%) as the population of Brentwood is projected to increase from 74.0k in 2012 to 85.2k in 2030. Overall net migration, including the small net loss due to international moves, rises from 300 to 600 in the same period. (All data rounded to the nearest 100.)