



Our ref: TB/smc/

25 March 2015

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The Planning Inspectorate
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Dear Sirs

The 2012 Household Projections (HP) were published on 27 February 2015 and provide a trend based projection for future household growth over the 25 years from 2012. They are based principally on the 2012-based Sub-national Population Projections ('2012 SNPP') (which cover the same projection period) and utilise household formation assumptions ('headship rates') from the 2011 Census and the UK Labour Force Survey.

Critically, both the 2012 HP and the 2012 SNPP project forward recent past trends. The 2012 SNPP projects forward migration and natural change trends from the last 6 years (2007 to 2012). The 2012 HP, whilst utilising Census data dating back to 1971, has been significantly and demonstrably affected by the economic climate at the time of the 2011 Census.

The extent to which these projections are appropriate for understanding future population and household growth depends, almost entirely, on the extent to which the trends that they project are reasonable reflections of what might happen in the future. There are a number of reasons why this might not be the case. In the case of 2012 HP, the 2011 Census data used in the headship rates was recorded in the middle of the deepest and longest recession since the Second World War. In the case of the 2012 SNPP, over the six years to 2012 the Council has delivered 3,623 against a requirement / needs for 4,025 (402 fewer than required). If an average household size of 2.3 persons per households is used (the average household size in Herefordshire in 2012) this equates to almost 900 persons (once a vacancy rate is accounted for (3%)) of population and consequent household growth lost due to under-delivery of housing.

The Planning Practice Guidance¹ recognises that factors affecting local demography may not be captured by past trends and therefore past trends might not be an appropriate reflection of future needs. In this case the PPG recommends

¹ Reference ID: 2a-015

that adjustments are made to household projections ("the starting point for any objective assessment of housing need") to make up for that uncertainty. In addition, the PPG recognises that adjustments should be made to account for, inter alia:

- **Longer Term Migration Trends:** Longer term migration trends show potential for higher level of future migration than that suggested by the latest population projections (2012)
- **The Likely Change in Job Numbers:** job trends and / or forecasts should be taken into account when assessing overall housing need. The implication is that housing numbers should be increased where this will enable labour force supply to match projected job growth. There is forecasted to be significant job growth in the County over the period up to 2031.²
- **Market Signals:** A worsening trend in any indicator will require an upward adjustment the starting point estimate of overall housing need. Particular attention is given to the issue of affordability and affordability is a significant issue in the County.³

The draft Herefordshire Local Plan recognises the issues associated with both employment growth and affordability in the Borough. However it is Gladman Development's position that it has not gone far enough in addressing these issues.

In particular, employment forecasts have been derived which show growth is likely to be significant in excess of that assumed by the Council's Local Housing Requirement Study Update (September 2014).

The increase in housing delivery above household projections proposed by the Local Housing Requirements Study Update is unlikely to address affordability given the significant issues facing the County in this respect.

Notwithstanding disagreements about the scale of these issues, both the Council and Gladman agree that **the latest demographic data based on past trends (including the 2012 HP) do not constitute full objectively assessed needs and upward adjustments are required to take full account of affordability, employment growth and affordable housing.**

Gladman's position remains that to take a full and up to date account of these matters requires an OAN of 980 dwellings per annum.

Yours faithfully,



² Reference ID : 2a-018

³ Reference ID : 2a-019

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