

## **KNOWSLEY LOCAL PLAN: CORE STRATEGY**

### **KNOWSLEY METROPOLITAN BOROUGH COUNCIL**

#### **HEARING STATEMENT 12A**

#### **1. NEW MATTERS ARISING SINCE NOVEMBER 2013 HEARINGS**

##### **2012-based Population Projections**

1.1 *What are the implications of the new population projections for the objectively assessed need for housing in Knowsley borough?*

##### **Sub-National Population Projections - Update**

1.1.1 The Council has responded to the publication by the Office for National Statistics (ONS) of the 2012-based sub-national population projections by producing an update document entitled "Sub-National Population Projections – Update" (SD31). This document uses the population projections data to set out for Knowsley:

- the overall projected population and the projected population by age group;
- the sources of projected population change, including natural change and migration; and
- the comparisons between the rates of population growth with those projected previously (i.e. in previous iterations of the sub-national population projections) and with those projected in other areas (i.e. neighbouring local authorities, and regional and national comparators).

1.1.2 Document SD31 also sets out a range of key considerations for the Council arising from this data for policy areas including population, housing, health and education, and economic growth. The analysis within the concluding sections of the document focuses in particular on the implications for the preparation of the Knowsley Local Plan Core Strategy (KLPCS).

##### **Sub-national population projections in Knowsley**

1.1.3 The sub-national population projections show a projected increase in the population of Knowsley between 2012 and 2037 of approximately 1800 persons (SD31, para 4.1). The data shows a significant projected increase of older residents, whilst the working age population is expected to decrease (SD31, para 4.2-4.6). In general terms, the projections show a reduced level of projected population growth when compared with previous iterations of the dataset, mainly due to the impacts of assumptions around projected increased rates of out-migration and decreased rates of natural change (see SD31, para 4.10). The rate of projected population growth for Knowsley is also lower than that projected for surrounding local authority areas (SD31, para 5.1-5.3).

- 1.1.4 The projections are trend based and therefore reflect the recent past, including a period of challenging economic conditions in the light of the global recession. The projections do not account for economic recovery, and nor do they account for the potential impact of different ongoing and future national and local policy initiatives, which could include changes to the capacity of an area to accommodate residents, for example through the provision of new residential development. In the Council's view, the projections should therefore not be used as a direct prediction of the future, but should be viewed in their methodological context. The ONS is also clear that the projections become increasingly uncertain as they are carried forward over the longer term.
- 1.1.5 In Knowsley, the 2012-based sub-national population projections reflect a period during which the economic impacts of the global recession were being felt locally. They reflect a period of population loss as demonstrated within the ONS mid-year estimates of population (SD01, para 3.1 and Figure 1). This has been driven primarily by net out-migration, including of working age residents. Appendix 1 of this statement illustrates this issue through the presentation of data on migration between Knowsley and other local authorities in England and Wales, using data from the ONS. This demonstrates the long term trend of net out migration experienced by Knowsley over the period from 1999 to 2013 (Chart 1), as well as showing how the focus of migration activity in recent years has been within the working age population (Charts 2 and 3). In Knowsley, as elsewhere, the construction of new homes slowed during this period, in response to the recession. Therefore, the period reflected in the projections is one characterised by a limited delivery of new homes in Knowsley, particularly when accounting for losses through demolitions (as set out in various documents, including SD22 and TR01). As stated within the emerging KLPCS, and within other Council plans and strategies, a central objective for Knowsley is the development of successful suburban townships with sustainable and diverse populations. Reliance on trend-based population projections as a basis for planning for the future would not represent a sound strategy for the delivery of these wider objectives, and may exacerbate the problems the Council is seeking to address. This is discussed further in paragraph 1.1.8 of this statement.

#### Projections, "objectively assessed needs" and setting a housing target

- 1.1.6 The sub-national population projections are used by the Department for Communities and Local Government (CLG) within the preparation of the sub-national household projections. This process includes the application of a "household representative rate" to the population projections, which translates population projections to household projections. These household projections are a useful starting point for the process of establishing "objectively assessed needs" for housing, as recommended by the National Planning Policy Framework (NPPF) (PG01, para 159) and the Planning Practice Guidance (PPG) (PG01b, section relating to "Housing and economic development needs assessments").

- 1.1.7 The Council's conclusions with respect to the objectively assessed needs for housing, and subsequently the setting of targets for housing development within the emerging KLPCS, have accounted for the most recent relevant household projections, but have also recognised that factors including past under-delivery, and objectives such as rebalancing the housing market, must also be accounted for. This has been reflected in the preparation of the KLPCS to date, as set out in the Technical Report: Planning for Housing Growth (TR01) and the Council's initial hearing statement relating to housing (CH03A). Whilst it is clear that newly published population or household projections should be given due consideration, the Council does not consider that a change in projections should automatically dictate changes to the Council's position with respect to objectively assessed needs and hence targets for housing development.
- 1.1.8 As noted in paragraphs 1.1.4-1.1.5, the CLG household projections are related to the population projections, which are trend based; therefore, the household projections also reflect historic trends. Notwithstanding the aforementioned considerations about the methodology for translating population projections to household projections, to rely on household projections as a basis for planning for the future would not assist the Council in meeting wider objectives. This is particularly the case where projections are influenced by the global recession, and by the historic experience of the issues which the Council is seeking to address, such as an imbalanced housing market, endemic problems of net out-migration and overall population loss. This position was stated by the Council in document CH03A (p3), where the approach to utilising household projections as a "starting point" in assessing needs was set out. The Council continues to consider that translating household projections directly into housing targets would be an inappropriate approach for Knowsley.

#### 2012-based sub-national household projections

- 1.1.9 It is understood that the 2012-based sub-national household projections are due to be published by CLG towards the end of 2014. In the meantime, it is not considered appropriate to assume that a reduced rate of projected population growth (as shown in the 2012-based population projections from ONS) will automatically lead to a reduction in the rate of household growth projected by CLG. For Knowsley, the relationship between the two data sets has not historically been directly proportional, due to the representative household formation rates applied: in recent cases, projected household growth has substantially exceeded projected population growth, when considered as a percentage increase over the baseline number of households or level of population. Table 4 and accompanying commentary within document SD31 (para 7.3) illustrate this, through the comparison of the levels of growth set out in previous population and household projections for Knowsley. This shows an often stark difference between the rate of population growth projected, and the corresponding rate of projected household growth. For example, within the 2004-based projections, a projection of a declining population was translated into a projection of growth in households. Therefore, given the unknowns concerning the methodology, at the current

time, the Council does not consider it appropriate to attempt to predict what the outcomes of the 2012-based sub-national household projections will be.

### Future work

- 1.1.10 As confirmed in document SD31 (para 7.4, p19) and CH03A (para 3.14-3.18), the Council intends to work with neighbouring authorities to review the extent of housing market areas which are currently indicated in the Liverpool City Region Housing Strategy 2007 (PG28). This work will re-affirm over which geographic market areas the Liverpool City Region local authorities will need to work subsequently to review objectively assessed needs for new residential development. This work is expected to form the basis of a new Strategic Housing Market Assessment, which would comply with the NPPF and PPG guidance on this matter. This sub-regional work would provide a robust context for any subsequent sub-regional studies that are progressed, including any sub-regional Green Belt review which may be needed. This evidence would subsequently be incorporated into the review of and/or preparation of future Local Plans covering Knowsley and the other districts in the City Region.
- 1.1.11 The review of the boundaries of the housing market areas referred to above could be undertaken in the short term (potentially completing in early 2015), but it is expected that the following SHMA work would not be undertaken until 2016 and incorporate the findings of the 2014-based sub-national household projections.
- 1.1.12 Given these factors and the urgent need to address the historic under-delivery of housing in Knowsley, it is not considered appropriate to seek to delay the production of the KLPCS in anticipation of the publication of 2012-based household projections, or in anticipation of the expected sub-regional studies referred to above.

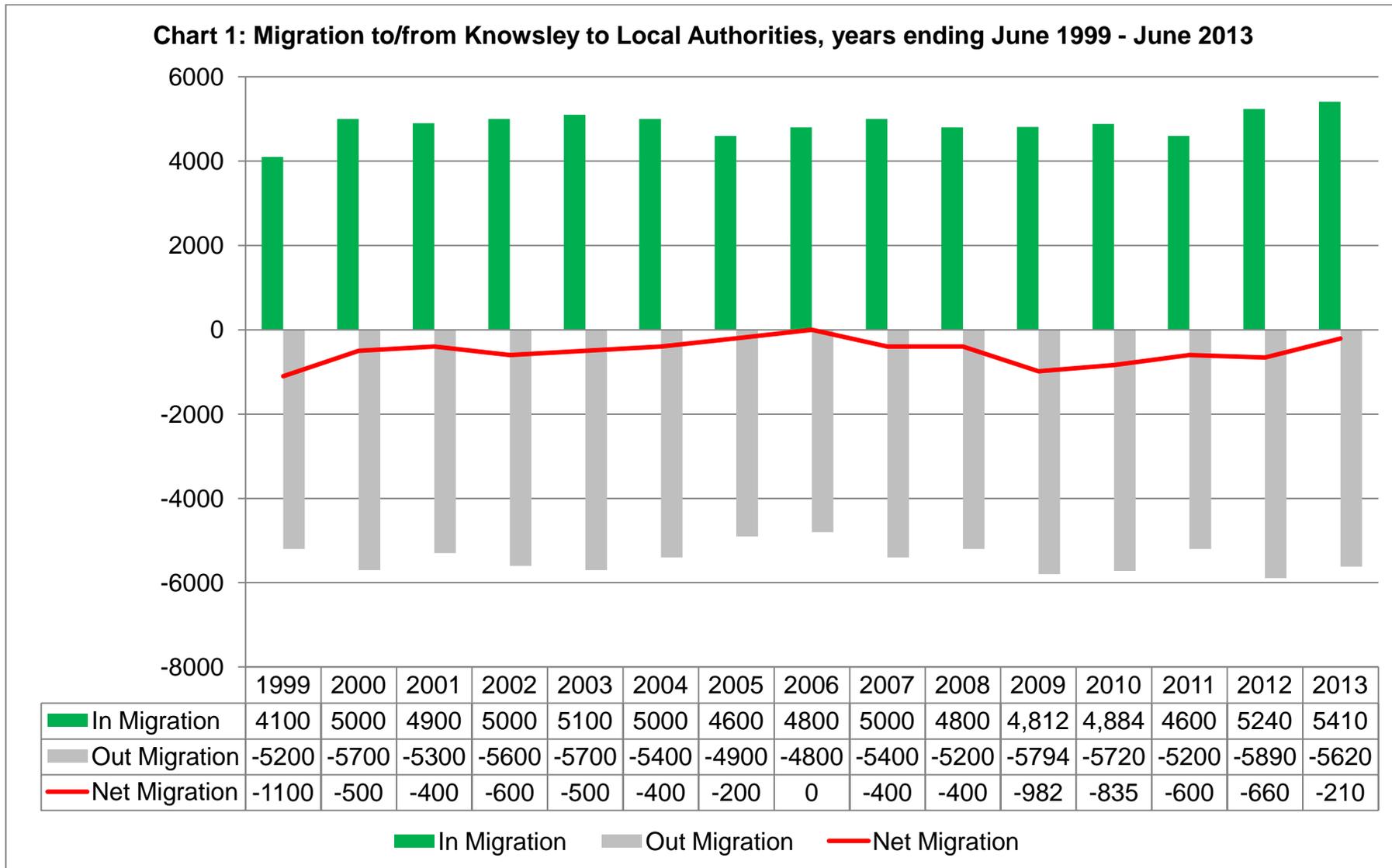
### Conclusions

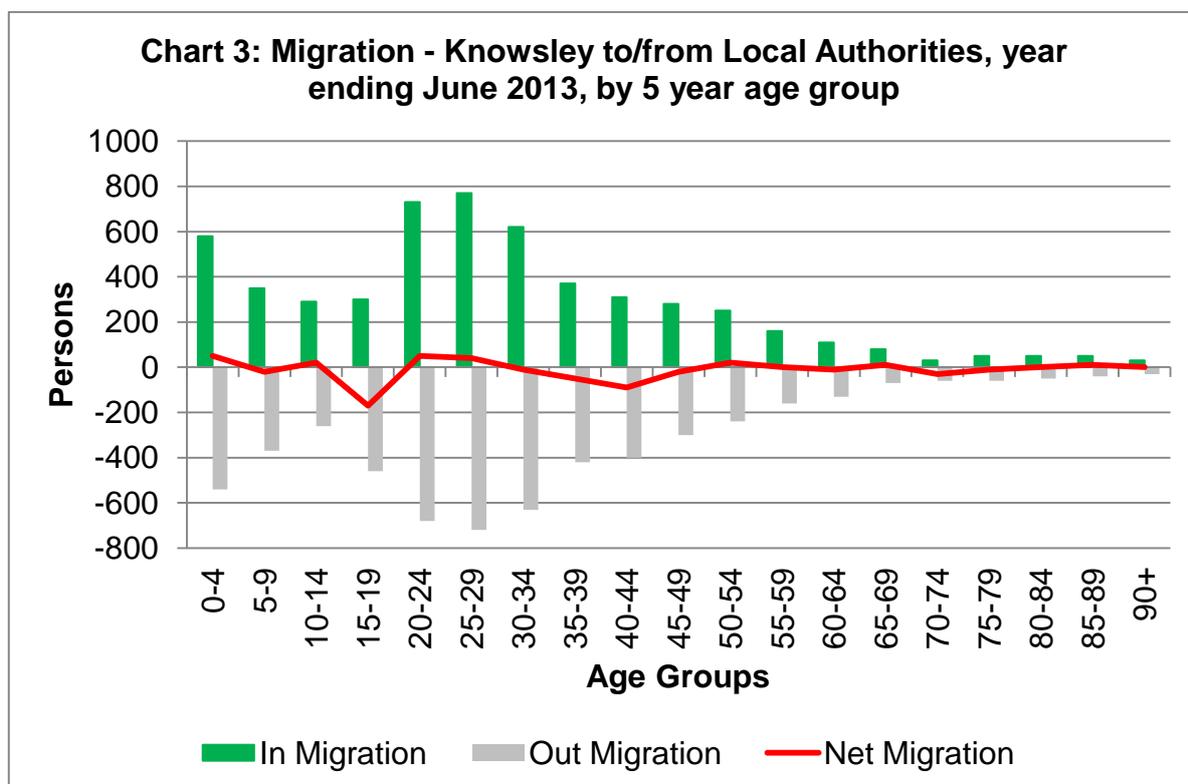
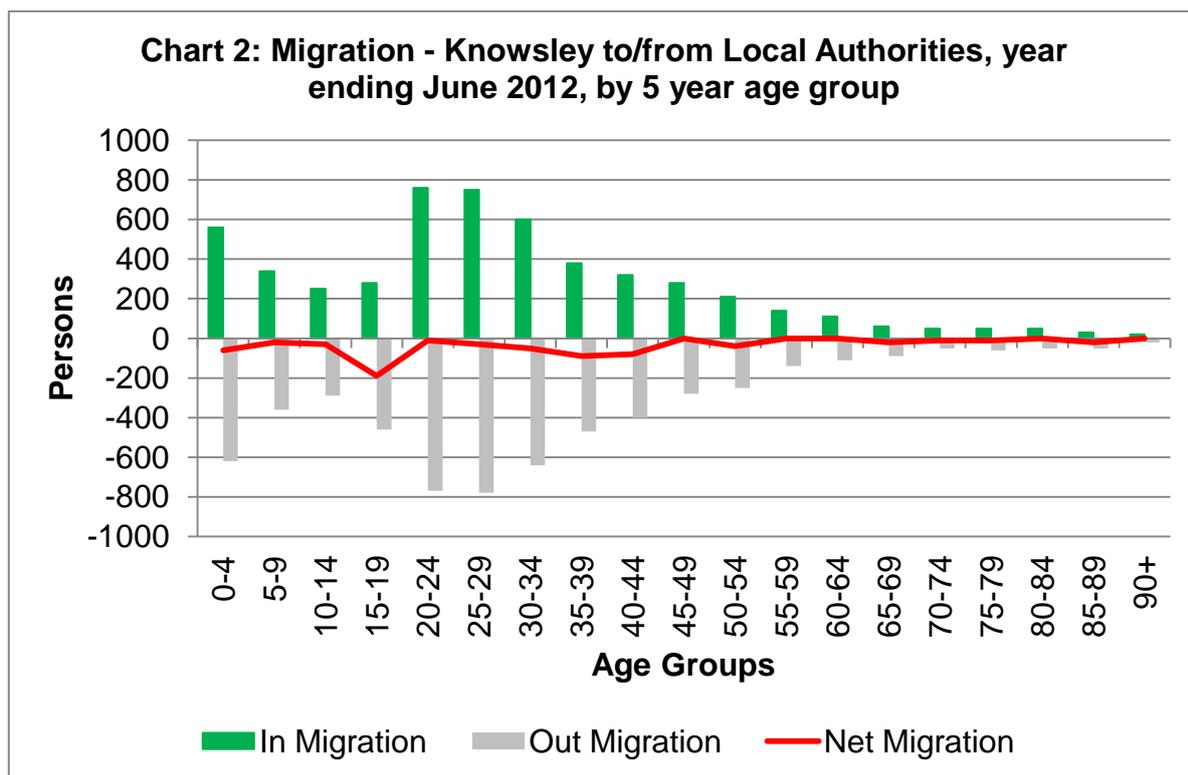
- 1.1.13 In summary, the Council has noted the 2012-based sub-national population projections and their implications for Knowsley. It is the Council's position that:
- There is too much uncertainty concerning the translation of population projections to household projections to adequately seek to predict the outcome of the 2012-based household projections for Knowsley;
  - Whilst these projections represent an important dataset, the Council's consideration of "objectively assessed needs" for housing has accounted for a wider range of factors. The Inspector's Interim Findings (EX26) indicate that the Council's approach to this matter to date is sound;
  - Allowing these projections to dictate the plan making process would risk not adequately addressing the issues experienced by the Borough. This is because projections are trend based and are likely to reflect economic trends, and in Knowsley, significant and longstanding problems of low housing delivery and net out migration. The projections do not reflect the

Council's current policy or vision which includes creating attractive sustainable neighbourhoods with a balanced housing market ;

- The population projections do not present any substantive evidence to indicate that the Council should consider revisions to the KLPCS with respect to the housing requirement, and subsequently there is not a basis for the review of the Plan's spatial strategy or approach to Green Belt review and release; and
- The Council is pursuing a positive and proactive approach to planning for housing growth in Knowsley going forward, including the proposed further joint working to assess housing growth needs across the City Region which will form a basis for future review of the Local Plan. The Council considers that this course of action is compliant with the relevant national policy and guidance.

Appendix 1: Charts showing migration to/from Knowsley from Local Authorities in England and Wales





Source (all): Internal Migration by Local Authorities in England and Wales, various years (ONS, 2014)