



UNDERSTANDINGDATA

2.SHMA UPDATE (HOUSING NEED)

STANDARDISED METHODOLOGY FOR ASSESSING HOUSING NEED— THE
PROPOSED NEW APPROACH

MAY 2018 UNDERSTANDING DATA

2. Isles of Scilly SHMA UPDATE (Housing Need) standardised approach

This report is one of two:

1. SHMA UPDATE Data a focused update of available demographic and market signals data available since the publication of the SHMA (2016)
2. SHMA UPDATE (Housing Need) Standardised Methodology (this report)

1. Introduction

Full Objectively Assessed Housing Need (FOAHN)

1.1. The National Planning Policy Framework (NPPF) requires Local Planning Authorities to undertake a full and objective assessment of housing need to identify the total number of net additional dwellings that are required to meet needs over a specified period. The resultant housing need identified through this assessment is termed a full objectively assessed housing need (FOAHN).

1.2. The NPPF also specifies that “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”¹. Consequently, whilst the FOAHN does not represent a housing requirement, once identified it will form the basis upon which a housing requirement is identified for the Local Authority Area and within the Development Plan.

Assessment of the OAN for Isles of Scilly

1.3. David Couttie Associates undertook a FOAHN assessment in 2016. This assessment was undertaken using a methodology consistent with the best practice guidance available at the time of the assessment, specifically that within the National Planning Policy Guidance (NPPG) on Housing and Economic Development Needs Assessments (HEDNA)²; and the Objectively Assessed Need and Housing Targets – Technical Advice Note³.

1.4. The Isles of Scilly Council SHMA was published in July 2016⁴. The assessment of need was expressed as:

“This would result in an OAN figure of 120 units over the Plan period to 2030⁵.”

1.5. This was contextualised by Para 6.2.5 which stated that

“The new forming households unable to access the market of 7 per annum is 105 by 2030 is virtually the level of the OAN projection modelling and suggests that there would be restrictions on virtually all of the potential new delivery to 2030.”

1.6. The SHMA equates the need (OAN target) derived as it is from a growth scenario aimed at both retaining population on the Islands and providing affordable accommodation for key workers and residents unable to access housing, and the “new” affordable need as the same total.

A New Methodology for the FOAHN

1.7. Since the publication of the Isles of Scilly Council SHMA (2016), Government announced its intention to introduce a new standard methodology for the assessment of housing need.

1.8. In September 2017, the Department for Communities and Local Government (CLG) published its consultation document: Planning for the right homes in the right places⁶: consultation proposals. Within this document, a proposed standard methodology is presented.

¹ CLG, (2012), The NPPF - Paragraph 17

² CLG, (2015), The National Planning Practice Guidance: Housing and Economic Development Needs Assessments, www.gov.uk/guidance/housing-and-economic-development-needs-assessments

³ PAS, (2015), Objectively Assessed Need and Housing Targets – Technical Advice Note, 2nd Edition

⁴ <http://www.scilly.gov.uk/sites/default/files/document/planning/Isles%20of%20Scilly%20Final%20SHMA%20Report%202016.pdf>

⁵ Para 6.1.15 SHMA 2016

⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/652888/Planning_for_Homes_Consultation_Document.pdf

1.9. Sub national household projections (2014 based)⁷ were released on 12th July 2017.

1.10. In March 2018 the Department for Housing, Communities & Local Government published a Draft revised National Planning Policy Framework⁸ for further consultation.

Purpose of this document

1.11. This document has been produced to:

- Set out a way to provide the results of the proposed standard methodology for assessing housing need for Isles of Scilly.

2. A new approach – from Full Objectively Assessed Need to Local Housing Need

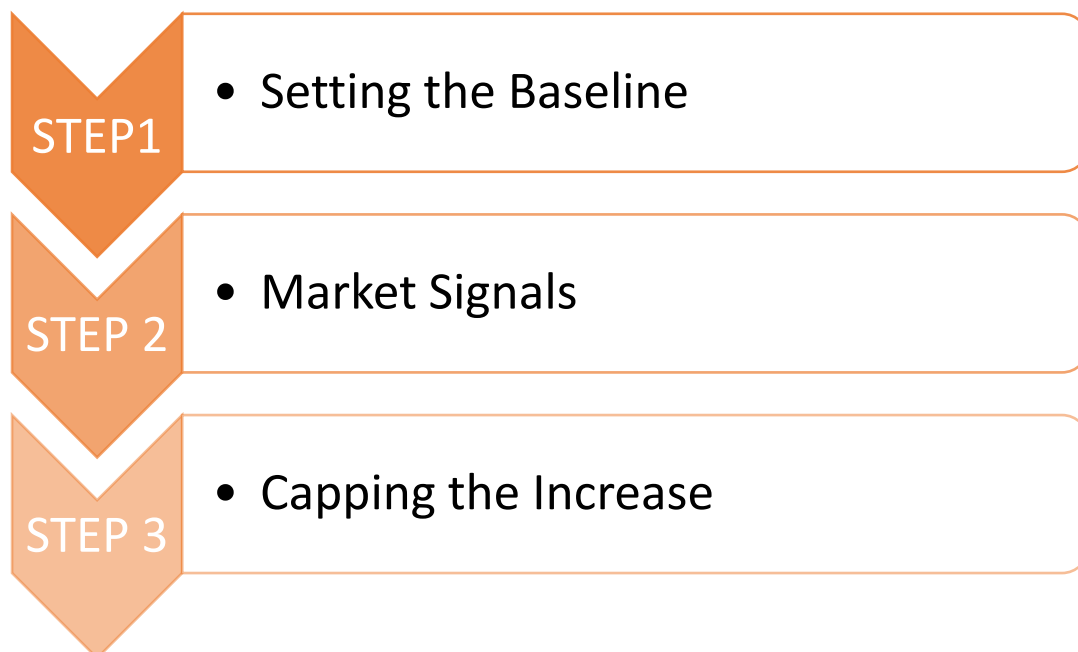
2.1. The stated intention of the proposed standard methodology for the assessment of housing need identified within the CLG consultation document: Planning for the right homes in the right places: consultation proposals is to:

- Provide a clear and transparent process for local people and other interests to understand.
- Base the assessment on publicly available data⁹.
- Ensure the assessment is realistic and reflects the actual need for homes in each area, considering the affordability of homes locally.

A Summary of the Methodology

2.2. The key stages within the proposed standard methodology for the Local Housing Need (LHN) can be summarised as follows:

Figure 1 – the proposed standardised methodology for the assessment of housing need.



⁷ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

⁸ <https://www.gov.uk/government/consultations/draft-revised-national-planning-policy-framework>

⁹ As this paper shows, some of this data is not currently available for the Isles of Scilly.

Step 1: Setting the Baseline

2.3. The demographic baseline should be calculated using the Sub-National Household Projections (SNHP), produced for Local Authority areas. This data should be used to identify the annual average household growth over a 10-year period, for the period 2016-2026.

2.4. The demographic baseline should be calculated using the most recent SNHP published, this is currently the 2014-based SNHP. 2016 based household projections are due to be published in the Autumn 2018.

2.5. This approach is intended to ensure effective planning during the preparation and implementation of the plan and reflects Government's expectation that all plans are reviewed every five years.

2.6. There is an expectation that local authorities can increase the standardised methodology figure to provide more homes, with an expectation that any such increase would be deemed to be a sound approach, unless there are compelling reasons to indicate otherwise.

2.7 The available guidance does not address directly in the main body of the text, the impact of negative household projections, that is a decline, even though the accompanying (to the 2017 consultation) document – Housing Need Consultation Data Table¹⁰ contained two local authorities where this was the case, the Isles of Scilly and Barrow (Cumbria). The reference is contained within a footnote on page 10, and reads:

“In some areas the projected household growth will be negative. In these places, the demographic baseline should be taken to be zero.”

Step 2: An adjustment to take account of market signals

2.6. Household growth on its own is considered insufficient as an indicator of demand as:

- Household formation is constrained to the supply of available properties.
- People may want to live in an area in which they do not currently reside.

2.7. The guidance requires an assessment of whether an upward adjustment is necessary. The proposed methodology identifies the workplace-based median house price to median earnings ratio⁷¹¹ produced by the Office for National Statistics (ONS) as the most appropriate indicator of the need for an adjustment. When undertaking this assessment, the most recent year for which data is available should be used.

2.8. The need for an adjustment will be determined by whether the workplace-based median house price to median earnings ratio exceeds 4, which is considered appropriate as the maximum amount that can typically be borrowed for a mortgage is four times a person's earnings.

2.9. In situations where this is the case, each 1 per cent increase in the ratio above 4 results in a quarter of a per cent increase in need above projected household growth. This achieves the overall

¹⁰https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/644783/Housing_Need_Consultation_Data_Table.xlsx

¹¹www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian

level of delivery that most external commentators believe is needed, whilst ensuring it is delivered in the places where affordability is worst.

2.10. The precise formula for this adjustment is as follows:

$$\text{Adjustment Factor} = (\text{Local Affordability Ratio} - 4) / 4 * 0.25$$

2.11. The overall housing need figure for the Local Authority area can then be calculated as follows:

$$\text{Local Housing Need} = (1 + \text{Adjustment Factor}) \times \text{Projected Household Growth}$$

Step 3: Capping the level of any increase

2.12. The methodology recognises that applying the proposed methodology may in some locations lead to a significant increase in the potential housing need. To help ensure that the methodology and the resultant housing need are deliverable, a cap is proposed on the increase that applies to particular authorities.

2.13. This cap will accord to the status of the Local Plan, as follows:

- For those Authorities that have adopted their Local Plan in the last five years, the local housing need figure should be capped at 40 per cent above the annual requirement within their current Local Plan.
- For those Authorities that have not adopted their Local Plan in the last five years, the local housing need figure should be capped at 40 per cent above either the demographic baseline identified using this proposed methodology or the annual housing requirement within their current Local Plan, whichever is higher.

2.14. For the Isles of Scilly there are significant difficulties with this approach.

- Taking a single year of data for house prices sees considerable year to year fluctuation because of the small number of overall sales (average around 20 a year) – an average over a period of time would be more robust
- There is no published earnings data in the officially signposted source of data to carry out this adjustment. Earnings data is not published in the source (Annual Survey of Hours and Earnings) due to sample size.

3. Applying the Proposed Methodology

3.1. Whilst the proposed standard methodology for calculating the housing need is still subject to the results of consultation, it is considered appropriate to consider its implications for the Isles of Scilly, to allow work on the Local Plan Review to continue to progress. The 2018 revisions to the NPPF support its implementation.

3.2. An assessment of housing need has been undertaken using this proposed methodology, and this is presented below.

Results

Step 1: Setting the Baseline

3.3. Consistent with the proposed standard methodology, the starting point for this calculation of need should be the data available within the most recent SNHP. At the time of this assessment, the most recent SNHP published was the 2014-based SNHP.

3.4. The proposed standard methodology then stipulates that the demographic baseline be calculated using the annual average household growth over a 10-year period. This assessment has been undertaken in accordance within this requirement. Specifically, as the Local Plan Review will cover the period from 2016-2036, the relevant ten-year data period which has informed this assessment was that from 2016 to 2026.

3.5. According to the 2014-based SNHP, household growth over this period will equate to (negative) -51 households for 2016-2026. Appendix A sets out workings looking at available projections to enable the use of a positive household change baseline.

3.6. The 2016 based HH projections are not expected to be available until the Autumn 2018. The recently released (24th May 2018) population projections however give an indication of the likely direction of travel of the 2016 based household projections.

3.7. Appendix A sets out how a “proxy” figure has been constructed by combining outputs from the SHMA growth scenario and the Greater London Authority household projections¹² (5 yr, 10yr and 15yr migration scenarios) published for all local authorities.

3.8. The equivalent positive household change baseline should be **+4.6 (5)** households per year.

3.9. An adjustment to convert households into a dwelling equivalent should be made at this stage, and the case to do so is set out in Appendix C. The standardised methodology does not include this adjustment. This acts to increase the baseline to **+5.9 (6)** dwellings a year. Subsequent working present the standardised methodology results without this adjustment.

Step 2: An adjustment to take account of market signals

3.9. In accordance with the proposed standard methodology, the need for a market signals adjustment to this calculation of the housing need is based on the workplace-based median house price to median earnings ratio is available. This is not available for the Isles of Scilly. Appendix B sets out issues around data availability and suggests an alternative affordability ratio that can be used in this calculation. It does not have the same standing as officially published statistics.

3.10. In circumstances where this ratio exceeds 4, then an adjustment is required.

3.11. Within Isles of Scilly the most recent year for which this data available is 2016. The specified affordability ratio for 2015-17 is **15** (See Appendix B). As this ratio exceeds 4 an adjustment is required.

3.12. The calculation for this adjustment is specified within the proposed standard methodology, as follows:

$$\text{Adjustment Factor} = (\text{Local Affordability Ratio} - 4) / 4 * 0.25$$

$$\text{Local Affordability Ratio} = 15$$

Workings

$$\text{A } 15 - 4 = 11$$

$$\text{B } 11/4 = 0.685$$

¹² These projections are not official projections and use different methodology to ONS/CLG and different assumptions. They do remain the only nationally available alternative projections.

3.13. Using the calculation within the proposed standard methodology, the housing need in Isles of Scilly has been calculated as follows:

Local Housing Need = (1+ Adjustment Factor) X Projected Household Growth

Isles of Scilly Housing Need = (1+ 0.685) X 4.6 = 8¹³ dwellings per annum

3.14. The annual housing need for Isles of Scilly, using the proposed standard methodology is 8 dwellings per annum.

3.15. If a vacancy adjustment was applied to the standardised methodology this would lead to a figure of 10 dwellings (1.685x5.9¹⁴=9.94 (rounded 10))

Step 3: Capping the level of any increase

3.16. Following on from the “logic” of the current new approach it is necessary to assess whether a cap is necessary.

3.17 The Isles of Scilly Local Plan was adopted in November 2005. From the guidance consulted on by government this would qualify as the second of the two “capping options”

- for authorities that have adopted their local plan in the last five years their new annual local housing need figure should be capped at 40 per cent above the annual requirement figure currently set out in their local plan; or
- for those authorities that do not have an up-to-date local plan (**i.e. adopted over five years ago**), the new annual local housing need figure should be capped at 40 per cent above whichever is higher of the projected household growth for their area over the plan period (using Office for National Statistics’ household projections), or the annual housing requirement figure currently set out in their local plan.

3.18. A cap is derived from a figure either 40% above the projected household growth (ten-year figure averaged) or above the local plan current target

3.19. The 2005 Local Plan did not have an adopted plan target however the AMR implies an annual target of 6 (100 dwellings for the period 2004-2020).

3.20. The possible capping is set out for both the household projection annual figure used in this calculation and the implied previous Local Plan “target” below:

HH projection annual = (equivalent adjusted figure is 8) 40% applied gives a possible upper cap of 14

LP target annual = (equivalent implied target of 6) 40% applied gives a possible upper cap of 8

3.21. The highest of these is therefore 14¹⁵. Implementing the cap is not required in this case, as the standardised methodology figure is not higher than the “cap”.

¹³ Actual figure 7.75 rounded to 10

¹⁴ See paragraph 3.9 above

¹⁵ It goes without saying that it is entirely likely that the detail of the standardised methodology was not intended to operate with figures of this scale

Context

3.22. In addition to the publication of the proposed standard methodology for the housing need CLG has also published a table illustrating the calculation of the local housing need figure for each Local Authority, using the proposed standard methodology.

3.23. This calculation has a 2016 base date and uses the data sources identified within the proposed standard methodology to identify the demographic baseline and need for a market signal adjustment.

3.24. The CLG calculation identified that the housing need in Isles of Scilly is some **0** dwellings; this is because of the negative household projections and the lack of data to assess any adjustment through the affordability ratio. Paragraphs 3.1-3.21 set out the workings of a standardised methodology consistent approach, with alternative data sources to show positive household growth and an affordability ratio.

4. Isles of Scilly's Housing Need

Introduction

4.1. This paper has identified a housing need for Isles of Scilly using two different approaches,

Table 1 Housing Need identified for Isles of Scilly

Using the Current Best Practice and the Proposed Standard Methodology

	SHMA (2016 Approach)	Standardised methodology
Dwellings (Annual)	8	8

Conclusion

4.2. This paper sets out the narrative and rationale to enable a “standardised methodology” consistent assessment of housing need to be set out. This is informed by an appropriate assessment of housing need given the lack of official published data, and in response to the issues set out in the original SHMA, namely:

- the negative nature of the household projections,
- the clear concern of the Isles of Scilly Council to address issues around depopulation,
- vitality of services,
- the strength of the local economy
- and the need to provide affordable housing.

Caveat

The lack of official data, the likelihood that the Standardised Methodology wasn't designed to “allow” for areas with negative household change, means elements of this working have had to be subjective within a framework intended to be objective.

APPENDIX A Household Projections

A1. The following household projections are available for the Isles of Scilly

- 2012 based Sub-national household projections (published by CLG)
- 2014 based Sub-national household projections (published by CLG)

A2. A static and growth scenario – commissioned as part of the 2016 SHMA and set out in chapter 3 – paragraphs 3.17.2-3

The original SHMA stated:

“3.18.2 Following analysis of the current trends in terms of natural change, migration and the overall issues around the age structure of the islands, two additional scenarios were developed to provide counter evidence to the SNPP 12 and SNHP 12 projected decline in both population and households.

3.18.3 This was given extra weight by the age structure discrepancies found when considering the ONS estimates and the GP register data for the Isles of Scilly.

3.18.4 The two scenarios are:

- Modest growth – (linked to a ten-year average of net migration), and
- Static or no overall growth”

A3. A long term, short term and central scenario published as alternatives to the ONS/CLG approach by the Greater London Authority See Appendix D for brief description of the methodology.

A4. 2016 based HH projections are expected to be published in the Autumn 2018. The linked sub national population projections were released on the 24th of May. See Appendix E for a short analysis of these, and the likely impact on the expected household projections later in 2018.

Table A1 (all figures rounded)

	2016-2026 HH Change	Annual Average HH Change	with Vacancy Adjustment added	Affordability Adjustment to HH proj annual	Affordability Adjustment to Vacancy adjusted HH Proj
	Col 1	Col 2	Col 3=Col2 +28.8	Col 4 =Col2*1.685	Col 5=Col3 *1.685
	Col 1	Col 2	Col 3	Col 4	Col 5
2012 based (CLG)	-71	-7			
2014 based (CLG)	-51	-5			
GLA Long	30	3	4	5	7
GLA Short	85	9	11	14	18
GLA Central	25	2	3	4	5
SHMA static scenario	4	0	1	1	1
SHMA growth scenario	44	4	6	7	10

Rounded to Whole Numbers

A5. Considering a method to set out a single “growth focused” could blend all available projections. However, it has been decided that the best fit with the spirit of the existing and proposed guidance is to focus on projections which give a positive outcome. The following projections have been blended.

- SHMA growth scenario
- GLA Short term

A6. The results of this are set out below with adjustments included for the affordability adjustment (Appendix B) and a vacancy adjustment (Appendix C – and applied to convert households to dwellings).

Table A2

	Total Change 2016-2026 Households	Annual Change Households	With Affordability adjustment Dwellings p.a (rounded)
SHMA Growth	85	8.5	
GLA Short	44	4.4	
GLA Long	30	3.0	
GLA Central	25	2.5	
Blended		4.6	7.75 (8)

Note – were a vacancy adjustment to be inserted to convert households to dwellings (See paragraph 3.9 and Appendix C) then the blended approach would result in a final figure of 10.

APPENDIX B Constructing an affordability ratio

B1. There are two published elements in the CLG standardised methodology which comprise to make the “affordability” replacement of previously applied “market signals” adjustments.

B2. These are median house prices and median earnings data, which are then combined as follows to create an affordability ratio

$$\text{Median house prices} / \text{median earnings} = \text{affordability ratio}$$

B3. The guidance suggests that that median affordability ratios, published by the Office for National Statistics at a local authority level, provide the best basis for adjusting household projections. The affordability ratios compare the median house prices (based on all houses sold on the open market in a given year in a local authority) to median earnings (based on full-time earnings for those working in that local authority area).

B4. For the Isles of Scilly this presents the following challenges

- Earnings Data – since 1997 only two years have had earnings data published – 1998 and 2009. The data published was only at a weekly level, not at the annual level.

B5. The workplace earnings data for the Isles of Scilly is extremely limited and is not robust. The data suggests that the number surveyed is as little as 1 or 2 people in the data that makes up the Annual Survey of Hours and Earnings, who work on the Isles of Scilly.

B6. There is no published alternative annual earnings data which is the measure referenced by MHCLG in the standardised methodology.

B7. The 2016 SHMA contains data on earnings from the household survey. This contains data from 282 respondents – which is broadly 8% of the total population. While not ideal, and for a single year (2015) it presents an opportunity to use this data to calculate a proxy affordability ratio.

Figure B1 SHMA extract

4.17 Existing Household Incomes

Table 4-11 Gross Annual Income of all Existing Households
Question 16c

Annual income		All Existing Households	
		%	Cum %
None		2.9	2.9
Under	£10,000	6.8	9.7
	£10,000 - £15,000	12.1	21.8
	£15,001 - £20,000	13.2	35.0
	£20,001 - £30,000	22.7	57.7
	£30,001 - £45,000	20.9	78.6
	£45,001 - £75,000	17.6	96.2
	£75,001 - £100,000	2.6	98.8
	Above £100,000	1.2	100.0

Note: Excluding benefits / allowances Source: 2015 Household Survey (282 raw data cases)

- 4.17.1 The response rate to the income question from existing households was 82.4% (808 implied). This gives a very good indication of the income levels on the Islands.

B8. It is possible to derive a median earnings figure (for 2015) from this data. The median figure would be in the “20,001-30,000” range. It is likely to be at the lower end of this range.

B9. Looking at Local Authority Districts across the South West and taking a robust three-year average shows the following.

Table B1.

	2015-2017 Average £
Cotswold	No Data
East Dorset	No Data
Isles of Scilly	No Data
West Somerset	No Data
South Gloucestershire	30,248
Swindon	30,021
Tewkesbury	29,463
Bristol, City of	28,506
Stroud	28,167
Exeter	28,159
Gloucester	28,025
Poole	27,717
Bath and North East Somerset	27,608
Plymouth	27,256
Cheltenham	27,243
Purbeck	27,208
North Somerset	26,699
Bournemouth	26,388
Wiltshire	26,060
Taunton Deane	25,553
Christchurch	25,464
North Dorset	25,302
East Devon	25,270
South Somerset	24,920
West Dorset	24,618
Weymouth and Portland	24,100
Mid Devon	24,056
Torbay*	23,322
Cornwall	23,072
South Hams	22,783
Forest of Dean	22,695
Sedgemoor*	22,665
Teignbridge	22,550
North Devon	22,456
Mendip	22,153
West Devon	21,658
Torrige	20,420

*Data only available for 2 of the three years

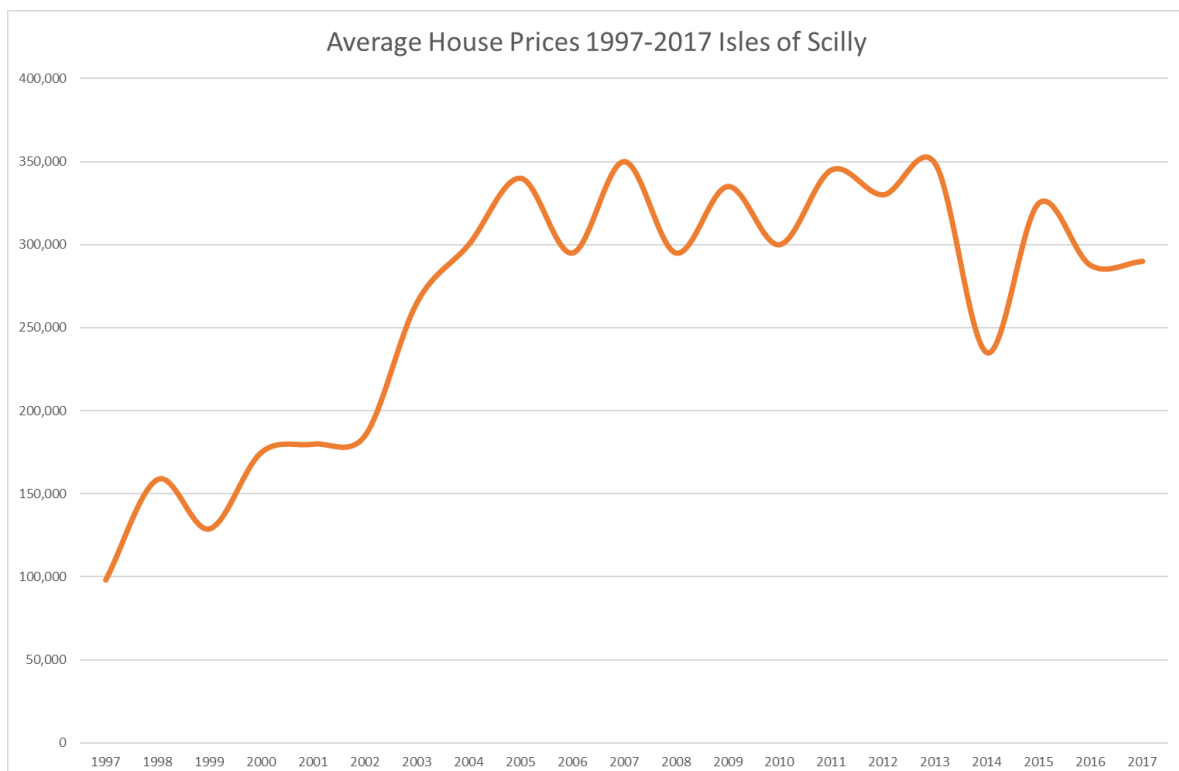
B10. Using the household survey data to estimate the Isles of Scilly gross earnings at approximately £20,000 looks a reasonable judgement based on comparisons against other rural other South West Districts.

House Price Data

B11. There is available house price data, and this is published in the standardised methodology Housing Affordability dataset.

B12. The data for the Isles of Scilly is however based on very small numbers of annual sales, this presents significant variations in annual data as shown below. The figure below presents as a median average for years ending in September for the years 1997-2017. The variations are clear.

Figure B2



B13. Since 2003 average house prices have fluctuated from £250,000 -£350,000 (except for 2014 where the average price dipped to £235,000).

B14. It is recommended that £300,000 is taken as a realistic long-term average (the 2003-2017 average is £309,000)

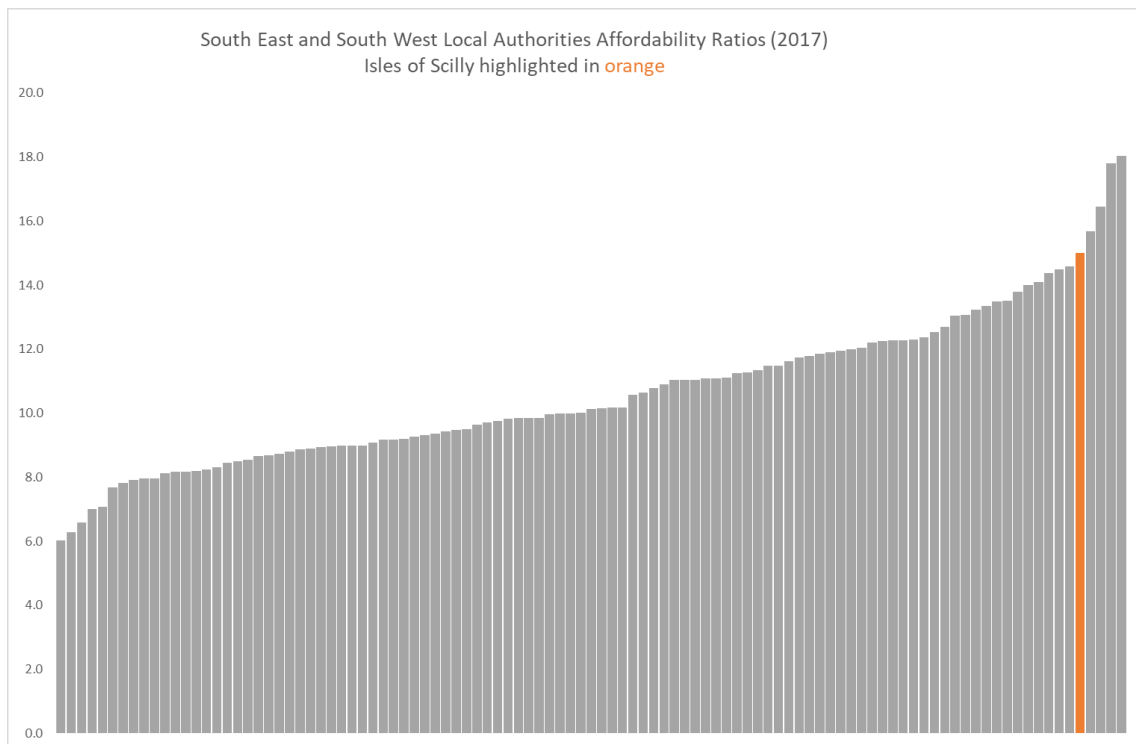
Affordability Ratio

B15. Using the standardised methodology “formula” gives an affordability ratio of

$$\frac{£300,000}{£20,000} = 15.$$

B16. This would give the Isles of Scilly an affordability ratio higher than the rest of the South West but broadly comparable with South Hams, and East Dorset.

Figure B3. South East and South West comparable affordability Ratios



B17. While the historical data on affordability (1998 and 2009) both ranked the Isles of Scilly at the most unaffordable end of the scale – without robust data for the intervening years, it is not felt that this ranking can be replicated without further evidence. The alternative set out here is a good proxy, uses the SHMA (2016) household survey, and gives a good indication (if likely underestimate) of an affordability ratio.

Appendix C The sense in making a “vacancy adjustment”

C1. The DCLG methodology has presented an OAN estimate for each local authority in England for a 3.42016–2026 plan period (at present there are no guidelines published for Council’s with an extended Local Plan period or a base date prior to 2016). The published OAN figures are ‘household’ estimates and do not consider vacant properties and second homes in the OAN calculation.

C2. The methodology clearly states that in those areas where “...projected household growth will be negative...the demographic baseline should be taken as zero” (DCLG, p10).

C3. The relationship between households and dwellings is typically modelled using a ‘vacancy rate’, sourced from the 2011 Census. The vacancy rate is calculated using statistics on households (occupied household spaces) and dwellings (shared and unshared). This allows for the conversion of “new” households to a measure of housing need “dwellings”.

C4. It would be good practice to include this adjustment in normal circumstances.

C5. The following Census table shows the severity of unoccupied (or vacant) household spaces found on the Isles of Scilly compared to the rest of the South West. This strengthens the need to adjust and reflect through the expression of housing need in the plan.

Figure C1. Source: QS417EW - Household spaces 2011 Census

Area	Household spaces	Household spaces with at least one usual resident	Household spaces with no usual residents	% Vacant
Isles of Scilly	1,389	989	400	29
South Hams	43,245	36,858	6,387	15
Purbeck	22,140	19,583	2,557	12
West Somerset	17,594	15,623	1,971	11
Cornwall	259,346	230,389	28,957	11
North Devon	44,559	40,001	4,558	10
West Dorset	49,339	44,386	4,953	10
Cotswold	39,968	36,236	3,732	9
Torridge	30,729	27,986	2,743	9
Torbay	64,370	59,010	5,360	8
Weymouth and Portland	31,043	28,535	2,508	8
West Devon	24,697	22,725	1,972	8
East Devon	63,956	59,071	4,885	8
Christchurch	23,142	21,475	1,667	7
Teignbridge	57,816	54,003	3,813	7
North Dorset	30,416	28,670	1,746	6
Forest of Dean	36,175	34,167	2,008	6
Bournemouth	87,016	82,374	4,642	5
South Somerset	73,410	69,501	3,909	5
Mendip	48,719	46,157	2,562	5
Tewkesbury	37,065	35,126	1,939	5
Taunton Deane	49,321	46,907	2,414	5

Gloucester	52,946	50,363	2,583	5
Cheltenham	53,430	50,929	2,501	5
Poole	66,646	63,530	3,116	5
Stroud	49,983	47,794	2,189	4
Sedgemoor	50,921	48,801	2,120	4
North Somerset	91,954	88,227	3,727	4
Wiltshire	202,145	194,194	7,951	4
Bristol, City of	189,885	182,747	7,138	4
Plymouth	113,528	109,307	4,221	4
Bath and North East Somerset	76,304	73,515	2,789	4
East Dorset	38,979	37,564	1,415	4
Mid Devon	33,990	32,758	1,232	4
Exeter	51,020	49,242	1,778	3
Swindon	91,227	88,360	2,867	3
South Gloucestershire	110,024	107,538	2,486	2

APPENDIX D GLA Population Projections

The Greater London Authority projections used in Appendix A have 3 key differences from ONS projections (see: GLA 2016-based population projections Explanatory note (July 2017))

1. Top-down vs bottom-up model hierarchies

The GLA notes that the method used by ONS in the SNPP is to first produce national-level projections and then produce subnational projections that are consistent with these (a top-down approach). The GLA model is however different in that the primary geographic unit is the local authority with results for higher level geographies being produced by aggregating results for the constituent local authorities (a bottom-up approach).

2. Length of migration trend used

One difference between the GLA model and ONS is the time period used to look at migration. As noted by GLA, they use three periods (5-, 10- and 15-years) whereas ONS uses data for the past 5-/6-years (years to 2014). It should however be noted (as per the comments above) that ONS also use trends over a 25-year period to get a baseline national position and the past trends over the last 5-/6-years are used as a way of assigning population rather than as actual levels.

3. Rates-based approach to international outmigration

The GLA describes its approach to international outmigration as being 'rates based' and this is explained as 'In the ONS model international outmigration is calculated as an average of six years' migration outflows. In the GLA model international outmigration is calculated dynamically within the model using probabilities based on past outmigration rates (in the same way as domestic migration). This means that international outflows respond to changing population size and structure in the GLA model in a way in which the exogenous static flow approach adopted by ONS does not'.

The more important aspect of the GLA approach however is the fact that the projections are not linked to ONS' views about migration trends. At a national level, ONS project for net migration to fall moving forward (a position confirmed in the 2016-based national projections) and that this trend will play out across individual local authorities.

END

Understanding Data June2018