

Ashford Local Plan Examination: Note in Respect of Matters Arising from Issue 4 Hearing

1. GL Hearn has prepared this note on behalf of Ashford Borough Council to address matters arising relating to a) employment growth and the influence of this on housing need; and b) London migration which arose at the Issue 4 hearing on 18th April 2018.
2. GL Hearn's January 2017 OAN Report (SD13) set out on page 17 that the 2014-based Sub-National Population projections would support workforce growth of 13,200 persons (2011-31), as set out in Para 7.3 /Table 11.

Table 1: Expected Workforce Growth in the 2014-Based SNPP

	2011	2031	Change
Ashford	58,110	71,337	13,227

Reverse-Modelling Workforce Growth

3. I explained at the hearing that GL Hearn had undertaken some sensitivity testing, modelling a dwelling-led scenario to consider workforce growth over the plan period.
4. I explained at the hearing that the upward adjustments made from the demographic starting point – the 5% affordability uplift and the 442 additional dwellings related to London migration – could be expected principally to support additional migration, given that household formation rates in Ashford for the 25-34 and 35-44 age groups are already high and projected to rise, returning to 2001 levels (the highest levels seen historically) during the plan period (SD13 2017 Figure 5, p14/15).
5. Some parties at the hearing however questioned the potential for household formation to increase. GL Hearn has therefore run two scenarios to consider workforce growth, one using the 2014-based household formation rates as published by MHCLG; and a second whereby a 'part return to trend' towards 2008-based headship rates amongst those aged 25-34 and 35-44 is modelled. This sees a 50% return towards the 2008-based headship rates by 2030 amongst these age groups.
6. We have therefore modelled dwelling led scenarios taking the 2014-based SNPP as a base, and adjusting migration to support the actual number of net completions in the Borough to 2016 (2,481 dwellings), and the residual projections completions (13,639 dwellings) to be delivered over the remainder of the plan period to meet the Local Plan's housing requirement of 16,120 dwellings (2011-30).
7. We use consistent assumptions on employment rates (the proportion of people of different ages in employment) to SD13 SHMA/OAN Studies. These are set out below:

Table 2: Employment Rate Changes, 2011-30

	Male		Female	
	2011	2030	2011	2030
16-24	61.3%	61.3%	60.1%	60.1%
25-34	88.8%	89.1%	74.5%	80.7%
35-49	89.9%	91.0%	78.4%	84.4%
50-64	77.7%	82.6%	62.9%	73.3%
65+	16.7%	19.8%	9.3%	12.1%

- Using the 2014-based headship rates, the plan would support workforce growth of 14,850 over the plan period (782 pa), with workforce growth averaging 867 persons per annum looking from 2016 forwards.
- The inclusion of an upward adjustment to headship rates, which I would consider to be a particularly cautious approach, has a minor downward impact on workforce growth. In this scenario, the Borough's workforce would increase by 14,350 persons over the plan period (833 pa), with workforce growth averaging 755 persons per annum between 2016-30.

Table 3: Workforce Growth supported by the Plan

Headship Rate Assumptions	2014-based	Part Return to Trend
Dwelling Growth, 2011-30	16120	16,120
Workforce Growth, 2011-16	2,717	2,682
Workforce Growth, 2016-30	12,135	11,664
Workforce Growth pa, 2016-30	867	833
Workforce Growth, 2011-30	14,851	14,347
Workforce Growth pa, 2011-30	782	755

Employment Growth

- The Council, along with other East Kent local authorities, have worked together on the review of the East Kent Growth Framework. As part of this Lichfields has prepared an Evidence Report, dated May 2017. This report considered more recent economic forecasts from Experian, dated Sept 2016.
- Paragraph 2.23 in the report sets out that projected employment growth of 36,500 jobs was expected across East Kent between 2016-36. Figure 2.11 indicates that of this 34% jobs growth in the sub-region was expected to be in Ashford. This implies around 12,400 jobs in Ashford (around 620 per year).
- The forecast jobs growth in Ashford in this Study (34% of the East Kent total) is significantly higher relative to the existing level of jobs in Ashford which stands at 24% of the sub-region total in 2016 (Figure 2.3), indicating that the forecasts expect Ashford to grow more strongly than other parts of the sub-region.
- The level of jobs growth in this Experian jobs forecast at around 620 per annum, looking from 2016 forwards, is evidently well below the workforce growth of over 755 - 782 persons per

annum expected (see Table 3 above). It is also below the workforce growth of around 660 persons per annum implied by the 2014-based SNPP on an annualised basis (see 2017 OAN Study, Table 11) albeit recognising that these relate to different timeframes.

London Migration

14. Having discussed the derivation of the 442 dwelling “future proofing” allowance for additional in-migration from London with ABC (as shown in Table 1 in the Plan and described in Paragraphs 3.20.1 – 3.20.3), I understand that this has been derived by ABC using Table 23 in the 2017 OAN Report. The Council calculated this taking 794 from 828, giving 34 dwellings per annum, and then applied multiplied this by 13 to reflect the number of years from 2017-30.
15. Having reviewed this, the Council and GL Hearn agree that there has been an error in the calculation as the 794 figure relates to household growth per annum, and the 828 figure to the level of dwelling growth per annum required to support this (the difference being the vacancy allowance).
16. The correct figure should have been 42 dwellings per annum, this being the difference between the London Migration Scenario (828 dpa, Table 23) and the 2014-based SNPP (786 dpa, Table 8). This would result in a figure of 546 dwellings (42 x 13) applied from 2017-30 leading to an additional 104 dwellings to be included within the Plan’s housing target.
17. For the reasons explained at the Hearing and in the Council’s Issue 4 Statement (Paras 33-38), the Council does not consider that this allowance for additional in-migration is necessary for the plan to be found sound, nor is it appropriate for it to be considered part of the OAN not least given that it relates to alignment with a GLA evidence base which has now been superseded. Notwithstanding that the Draft London Plan has yet to be examined, the evidence base underpinning it including the 2017 London SHMA is a material consideration. As set out in Para 36 in the Council’s Matters Statement a demographic scenario aligned to the London Plan evidence would require 714 dpa in Ashford. This is derived from the GLA’s 2016-based Central Projection.

Table 4: GLA 2016-based Central Projection for Ashford

	GLA 2016-based Central Projection
Household Growth, 2011-30	13058
Vacancy Uplift	4.20%
Dwelling Growth, 2011-30	13607
Dwellings per Annum	716

18. Notwithstanding this more recent projection, the Council considers that whilst an adjustment for increased out-migration from London is not necessarily required to make the plan sound, a proposed uplift of 546 dwellings, however it has been derived, represents positive planning.

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