
VALE OF WHITE HORSE DISTRICT

LOCAL PLAN 2031

EXAMINATION IN PUBLIC

RESPONSE OF BARTON WILLMORE

(ON BEHALF OF RADLEY COLLEGE AND KIBSWELL HOMES)

TO MATTER 2: OBJECTIVELY ASSESSED NEEDS FOR HOUSING AND
EMPLOYMENT LAND

August 2015

**VALE OF WHITE HORSE DISTRICT
LOCAL PLAN 2031
EXAMINATION IN PUBLIC**

**RESPONSE OF BARTON WILLMORE (ON BEHALF OF RADLEY COLLEGE AND KIBSWELL
HOMES) TO MATTER 2: OBJECTIVELY ASSESSED NEEDS FOR HOUSING AND EMPLOYMENT
LAND**

Project Ref:	21979/A5/DU/DM
Status:	Final
Issue/Rev:	01
Date:	AUGUST 2015
Prepared By:	DU/DM
Checked By:	DM/DU
Authorised By:	GC

Barton Willmore LLP
The Observatory
Southfleet Road
Ebbsfleet
Dartford
DA10 0DF

Tel: (01322) 374660
Fax: (01322) 374661
E-mail: research@bartonwillmore.co.uk

Ref: 21979/A5/DM
Date: August 2015

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

PAGE

Responses of Barton Willmore (On Behalf Of Radley College and Kibswell Homes) To Matter 2: Objectively Assessed Needs for Housing And Employment Land

1

APPENDICES

Appendix 2.1 – 2008, 2011 and 2012 Household Formation Rates By Age Group For Vale Of White Horse

Matter 2: Objectively Assessed Needs for Housing and Employment Land.

2.1 Is the identified objectively-assessed need for housing of 20,560 new dwellings (an average of 1028 per year), as set out in policy CP4, soundly based and supported by robust and credible evidence? In particular:

- 1.1 Overall, we broadly support the OAN proposed by the Council and consider the level of housing and job growth to be in balance. However, in order to more fully address the issue of household suppression in the younger age groups (detailed in response to questions 2.1a and 2.1d below) we consider a slight uplift to the proposed OAN is appropriate.
- 1.2 The implication of such an adjustment is not fundamental enough to undermine the Plan or to warrant it unsound, but is something that we recommend should be considered at Examination of the Plan.

(a) Are the SHMA's demographic adjustments to the 2011 CLG Household Projections soundly based?

- 1.3 The 2014 Oxfordshire SHMA (**HOU01**) applies an adjustment in respect of household formation rate assumptions as set out in Figure 51 (page 93). At the time **HOU01** was published (April 2014), the 'interim' 2011-based household projections were the most up-to-date available. These projections were 'interim' and only projected over a 10-year period. **HOU01** acknowledges that the 2011-based figures include some degree of suppression in headship rates when compared to the previous 2008-based series.
- 1.4 To address the issue of suppression, the assessment of housing need in **HOU01** uses 2008-based household formation rates, rebased to 2011, across all age groups.
- 1.5 We are now able to draw upon the updated full (25-year) 2012-based household projections (published 27 February 2015). The 2012-based household formation rates continue to show suppression in household formation particularly for those aged 25-34 and 35-44 years, when compared to the 2008-based rates (see Appendix 2.1).
- 1.6 For this reason it is considered that an adjustment to the underlying household formation rates is required. However, it is considered unsound to rebase the 2008-based rates to 2011 for all age groups in light of the 2012-based household formation rates which project higher household formation for those aged 55 years and over in Vale of White Horse (VoWH) than

the 2008-based rates. Rebasing all age groups inadvertently suppresses household formation compared to the latest 2012-based rates.

- 1.7 However, given the 2012-based rates continue to show suppression in household formation in VoWH for the younger age groups, an adjustment is still required. It is our belief that a gradual full return to the 2008-based rates by 2031 for those aged 25-44 year olds is most appropriate.
- 1.8 **HOU01** also makes a further adjustment in respect of the population projections that underpin the CLG Household Projections. Again, at the time **HOU01** was published the 'interim' 2011-based Sub National Population Projections (SNPP) were the latest available and covered the period 2011-2021. The 2011-based SNPP were based on the same migration trends that underpinned the 2010-based SNPP which were those observed over the period 2005-2010. For this reason, the trends are considerably out of date and warrant adjustment.
- 1.9 **HOU01** proposes an adjusted SNPP based on net migration recorded in VoWH between 2001 and 2011. This increases the migration assumption to +419 net migrants per annum from +324 net migrants per annum as in the 'interim' 2011-based SNPP. This adjustment is considered sound in light of more recently published migration data (2013 and 2014 Mid-Year Population Estimates) which when taken into account to produce the most recent 10-year trend, estimate net migration to average +455 per annum (2004-2014) which demonstrates net migration to VoWH is increasing.

(b) Is it appropriate to include an allowance for addressing past shortfalls in the delivery of housing against the South East Plan housing requirements?

- 1.10 In terms of the objective assessment of housing need, which is separate to the calculation of the 5 year housing land supply (and the application of a 5% or 20% buffer), the PPG does state that rate of development is one of the market signals that needs to be addressed in establishing full OAN. This is set out as follows 'If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan' (paragraph ID 2a-019-20140306).

(c) Is the SHMA's adjustment to take account of forecast economic growth as set out in the Cambridge Econometrics/SQW report soundly based?

- 1.11 The 2014 SHMA proposes an uplift of +520 dwellings per annum above the demographic-led assessment of housing need in order to support economic growth of 1,150 jobs per annum. This results in an overall housing need of 1,028 dwellings per annum over the period 2011-2031.

1.12 Independent modelling by Barton Willmore has found that in order to support growth of 1,150 jobs per annum in VoWH (2011-2031) an additional 1,033 dwellings per annum would be required based on the application of 2012-based household formation rates without any adjustment to alleviate suppression. However, as outlined in response to question 2.1a it is considered appropriate to adjust the 2012-based rates to address suppression in household formation of 25-44 year olds. If this adjustment is applied, housing need increases to 1,085 dwellings per annum.

1.13 On this basis, it is considered that the adjustment made in **HOU01** is necessary, albeit a slightly higher adjustment is required to the one proposed in order to alleviate household suppression inherent with the latest CLG household projections.

(i) Are the report's forecasts of employment growth in the District realistic?

1.14 Employment growth projections in **HOU01** have been produced by Cambridge Econometrics and SQW who are one of the leading economic forecasting houses and therefore from a reputable robust source.

1.15 Two scenarios for future economic growth are considered in **HOU01** – a baseline and a Committed Economic Growth scenario. The job growth proposed meets the PPG requirement to take into account employment trends (ID 2a-018-20140306) and plans above this by favouring the Committed Economic Growth scenario (the higher of the two) which takes into account the growth potential across the county of Oxfordshire as outlined in **HOU01** (paragraph 4.20, page 64). In this respect it can be considered that the Council is planning positively (NPPF, paragraph 157) and that the Local Plan is being aspirational but realistic (NPPF, paragraph 154).

(ii) Is there evidence that the forecast employment growth would give rise to demand for new housing within the Vale of White Horse district?

1.16 The 'starting point' estimate of need as required by PPG are the CLG 2012-based household projections. These project growth of 393 households per annum over the period 2011-2031 in VoWH (which equates to a housing need of 409 dwellings per annum once an adjustment has been applied for vacancy, second homes and sharing). The adjusted SNPP scenario in **HOU01** projects growth of 468 dwellings per annum.

1.17 Modelling work undertaken by Barton Willmore has found that the household growth projected by the CLG 2012-based household projections would only support circa 200 jobs per annum, which is below the baseline forecast from Cambridge Econometrics (531 jobs per

annum). Therefore, in order to support economic growth in line with baseline employment forecasts there is clear evidence of a need to increase housing supply.

- 1.18 In order to provide the necessary workforce to support the Baseline Economic Growth scenario, **HOU01** suggests 623 dwellings per annum would be required in VoWH over the period 2011-2031. To support the Committed Economic Growth a total of 1,028 dwellings per annum would be required. Regardless of which economic growth scenario is selected, an uplift to the demographic starting point is required.
- 1.19 The NPPF requires the planning system to 'support sustainable economic growth' (paragraph 19) and furthermore PPG states that where 'the supply of working age population that is economically active is less than the projected job growth, this could result in unsustainable commuting patterns' (ID 2a-018-20140306).
- 1.20 **HOU01** has taken account of commuting patterns which indicate that VoWH is marginally a net exporter of labour. In this respect, it can be considered that employment growth in VoWH would give rise to demand for housing within VoWH.

(d) What are the implications of the 2012-based CLG Household Projections for the objectively-assessed need for housing?

- 1.21 The CLG 2012-based household projections were published on 27 February 2015 and therefore have not been taken account of in **HOU01**.
- 1.22 The 2012-based household projections project growth of 409 dwellings per annum (once an allowance for vacancy, sharing and second homes has been applied). The adjusted SNPP scenario in **HOU01** projects growth of 468 dwellings per annum in VoWH over the period 2011-2031. In this respect the demographic assessment of housing need presented in **HOU01** is above the 'starting point estimate' of need as indicated by the PPG.
- 1.23 However, the 2012-based household projections continue to project suppression in household formation of those people aged 25-44 years and if an adjustment is applied to address this issue the housing need increases to 444 dwellings per annum.
- 1.24 As outlined in response to question 2.1a, it is not considered that the adjustment made in **HOU01** to address household suppression is sufficient as rebasing the 2008 household formation rates to 2011 for all age groups inadvertently suppresses household formation for 55+ year olds compared to the latest 2012-based rates.

- 1.25 Given the 2012-based household formation rates project higher household formation for those aged 55+ years than the 2008-based rates (see Appendix 2.1) it is recommended that account is taken of these. However, it is suggested that these should not be taken at face value and that a further adjustment is applied to the 2012-based household formation rates for those aged 25-44 years in order to address the suppression which is still inherent. Our recommended approach is to apply a gradual full return to the 2008-based rates by 2031 for those aged 25-44 years. The implication of such an adjustment is to slightly increase the housing need of VoWH to 1,085 dwellings per annum, rather than 1,028 dwellings per annum as presented in **HOU01**.

APPENDIX 2.1

Analysis of Household Representative (HR) Rates

Comparison of HR rates for persons aged 15+, by 10 year age band, 15 to 74 and for persons 75+ is presented in the panels below. The HR rates shown are taken from the DCLG 2008-based (blue line), interim 2011-based (red line) and 2012-based projections (green line). Although the position on a scale of 0 to 1 (0 to 100%) varies, the range on each left hand axis is the same (0.3 or 30%) so that like for like comparison can be made.

By way of explanation, a rate of 0.5 means that 50% of persons in that age group are said to represent a household, so that a hypothetical 100 persons is assumed to represent 50 households.

Local Authority: **Vale of White Horse**

