

Submission by Radley Parish Council: August 2015

Matter 2 – Objectively Assessed Needs for Housing and Employment Land

National Policy dictates that the SHMA should use as its starting point the official household projections as produced by the Department of Communities and Local Government (DCLG). Allowance is made for adjustments for local data and market signals but these need to be reasonable and we find those in the SHMA to be excessive. They lead from an annual increase in housing of 367 using the DCLG figures to an annual increase of 1028 using the “committed economic growth” projection (SHMA table 39).

2.1a Are the SHMA demographic adjustments to the 2011 CLG Household projections soundly based?

We would argue that they are not.

Most people would acknowledge that rises in house prices have given rise to a slowdown in household formation most evidenced by the increasing numbers in their 20s and 30s living with their parents or in shared rented accommodation. We do not have to rely on anecdote as the census statistics back this up showing a slight rise in average household size between 2001 and 2011.

Rather than recognising the reasons for this rise G L Hearn consider that it must be an anomaly. On the basis of no acknowledged evidence they project a fall in average household size from 2.51 to 2.39 over the plan period (SHMA figure 51). Their argument seems to be that we should ignore the last 10 years and plan on the basis of pre 2001 trends. This is in stark contrast to the rationale for some of their other “adjustments” and suggests that they are only interested in moving the final figure in one direction.

SHMA table 26 shows a level of vacant and second homes in Oxfordshire of 4.2%. Rather than accept that measures may be brought forward to try to reduce vacant homes G L Hearn propose that an extra 4.2% of homes should be built to retain this level.

2.1b Is it appropriate to include an allowance for addressing past shortfalls in delivery of housing against the SE plan housing requirements

We feel that the danger of this is that it takes no account of whether the previous plan requirements were in fact justified. While not commenting specifically on the previous projections we are sure that the current SHMA exaggerates the housing requirement. In 20 years time will an adjustment be made for shortfall on the current plan be made in such a manner, or will there be some account taken of the way the previous figure was arrived at? There seems to be a danger of forever trying to catch up with unrealistic forecasts.

Matter 2.1 ci. Is the SHMA adjustment to take account of forecast economic growth as in the CE/SQW document soundly based?

We would argue that it is not.

By far the largest increases in the assessed housing requirement for the Vale comes from the expectation of economic growth. Whilst the baseline expectation of global growth of 4.5% for the next 20 years seems optimistic, it pales into insignificance compared to the aspirational figures for individual industries in the District.

These figures all come from a study by Cambridge Econometrics and SQW. They appear to have based their assessments primarily on optimistic bid documents rather than actual statistics.

The Cambridge Econometrics/SQW document is difficult to criticise in detail as it includes very little of the

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background data and assumptions and no details of the model used for the projection as this is considered commercially confidential. We are simply asked to put our trust in experts.

We have looked in detail at two sectors of the economy and find the forecasts deeply questionable. We have no reason to believe the forecasts for other sectors are more credible.

The first sector is agriculture. Table 2.2 predicts a 109% increase in agricultural employment during the period 2011-2021. This can be set against decades of statistics showing a steady decline in agricultural employment. Also in our Parish alone three strategic sites are planned for prime agricultural land and as that is replicated across the district that adds a significant risk of a further reduction of employment in the sector. When G L Hearn were questioned on this they made the following reply, which we quote in full if only because it is the only reply from G L Hearn that has reached the public domain:

“The agricultural employment data at district level is based on the Business Register and Employment Survey (BRES), which does not include farm agriculture. This data, however, is scaled to more robust regional data published by ONS. The baseline predictions are based on the assumption that historical relationships between growth in the local area relative to the South East or UK (depending on which area that industry has the strongest relationship with), on an industry-by-industry basis, continue into the future. Thus if growth in agriculture in the local area outperformed agriculture in the region (or UK) as a whole in the past, then it will be assumed to do so in the forecast period. Similarly if it underperformed the South East (or UK) in the past then it will be assumed to underperform the region (or UK) in the future. The projections are consistent with CE's latest forecast for the regions and nations of the UK at the time of work, which was the May 2013 forecast”

We find this explanation deeply obscure and unconvincing.

The second sector we looked at is space science and satellite technologies. On page 21 of their report CE confidently predict 10,000 new jobs in space science and satellite technologies in and around Harwell by 2031. They do make allowance that some of these jobs will be outside the Vale district and that some have already been included as part of the Science Vale Enterprise Zone (EZ) figure. One might expect such a figure to be based on a careful independent study of the sector but it looks more like a back of an envelope calculation.

The only source quoted is a press release from the Department of Business, Innovation and Skills from November 2012: “UK space industry set to rocket with £240 million of investment”. This press release was timed to coincide with a speech by George Osborne to the Royal Society at a time when he was under pressure for cutting core science funding.

CE claim “The government estimates that space science will grow from a £9bn industry now to one worth £40bn by 2031, generating 100,000 new jobs.” What David Willetts, Minister for Science and Universities, actually talked of was an ambition (not a certainty) for a £30bn industry by 2030, £10m less than the figure CE claim as a formal Government estimate¹. The figure of 100,000 jobs comes from the co-chair of the Space Leadership Council, who might reasonably be considered to have an interest in talking up the potential of his industry. The recently published “Case for Space” states that current UK wide space employment stands at 37,000.

¹ Department for Business, Innovation and Skills Announcement. [UK space industry set to rocket with £240 million of investment](#). 9 November 2012.

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CE then claim that “a reasonable assumption is that one tenth of the national growth in space science jobs by 2031 will be based in and around Harwell”. There is absolutely no statistical justification for this assumption.

The EZ has been running for three years. The figure of 5040 net extra jobs by 2030 is taken straight from the bid document. No account has been taken of actual progress. The minutes of the Executive Board of the Oxfordshire Local Enterprise Partnership (LEP) from 12/05/15 state that since the start of the EZ Harwell's growth has been slow and behind forecast. The original Joint Venture partners Goodmans were replaced 18 months ago but the new partners do not seem to be doing any better.

Matter 2.1 c ii Is there evidence that the forecast employment growth would give rise to demand for new housing within the Vale of White Horse district?

There are two issues here. First in paragraph 5.55 of the SHMA it states that no adjustments will be made to take account of changes in commuting ratio since the 2001 census figures. It seems curious as it would not seem unreasonable to assume that increases in house prices in the district may have led to a higher number of employees commuting into the district from cheaper areas.

Also it is not clear how the extra number of jobs has been converted into extra requirement for housing. While the current jobs: housing ratio in the Vale is 1.3 this includes a large percentage of retired people, and also many who bought property when it was less expensive as a proportion of average income. As most of the new jobs will be taken by people moving to the district, we question whether enough account been taken of the fact that to purchase or rent property in the district now generally needs at least two incomes per household.