

Matter 2 – Objectively Assessed Needs for Housing and Employment Land

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?

No, the evidence is not robust or credible.

The Local Plan 2011 projected employment growth of more than 5,000 at Harwell Campus and Milton Park, similar to that projected in the 2031 Plan. None of this growth has materialised to date.

Statistics for the Vale of the White Horse since 2001 show zero employment growth, 0.6% growth in population (mainly in the over 64 age group) and an annual growth rate in the number of households of 0.8% (reflecting the move to smaller family units).

It is not credible that projections of the level included in the Local Plan 2031 will be correct now when they were not previously, nor that growth in employment and population will experience such a radical increase.

Background

The Economic Forecasting to Inform the Oxfordshire Strategic Economic Plan [SEP] and Strategic Housing Market Assessment [SHMA], Final report for Vale of White Horse District Council and partners prepared by Cambridge Econometrics formed the basis of the housing projections on which the Vale of the White Horse Local Plan Part 1 is based.

The SEP and the SHMA have defined a number of homes required each year which exceed anything achieved in the District in the past. As the NPPF requires a presumption in favour of development wherever the 5 year land supply is not being achieved, the acceptance of these figures as the basis of the Local Plan would mean that the land supply could never be achieved and would effectively hand planning decisions to developers and property investment companies.

The forecasts were developed in three stages:

- Baseline projections, effectively assuming that historical trends in relative growth in Oxfordshire compared with the wider South East (or UK) economy (on an industry-by-industry basis) seen over the past 15 years or so continue into the future.
- Alternative Population-based projections, in which the input population projections for Oxfordshire are replaced with an alternative set that correct particular anomalies (relating to the student population) in the ONS projections.
- A Planned Economic Growth forecast which reflects policy influences on economic growth such as proposals relating to the Science Vale Enterprise Zone [EZ], Oxfordshire City Deal, NW Bicester Eco Town and other planned infrastructure investment.

Looking at the forecast figures in each stage:

1. Baseline projections: NOMIS figures from 2001 to 2015 show that employment in the Vale of the White Horse has remained static, therefore this should be the baseline for the Plan period not the “0.6% *pa* over the whole period 2011-31” included in the SHMA.

2. Alternative Population-based projections: 2012-based Subnational Population Projections for the Vale of White Horse project a population figure for 2031 of 136,100. This is a growth of 15,100 from 2011. The figures used in the SHMA project a population figure of 139,000 which is now out of date and should have been updated.
3. A Planned Economic Growth forecast: The planned forecast is based heavily on the UK Science Vale Enterprise Zone and ignores the projected growth figures included in the “0.6% pa over the whole period 2011-31” included in the baseline. Furthermore, it makes no allowance for delays in the delivery of key infrastructure which may constrain growth in a part of the County which is primarily rural in nature.

In summary, employment has remained static in the Vale since 2001 and the Planned Economic Growth suggests additional employment in excess of 10,100 at its most optimistic. Given that past plans for the Vale included assumed jobs growth at Harwell by 2016, we assume that these figures have been built into the Alternative Population-based projections. Yet none of this growth has yet materialised. If these figures are included in the Population Projections then this should be sufficient to provide employees for the jobs identified in the Planned Economic Forecast avoiding any potential double counting.

Baseline Projections

The report states:

“The Baseline projections 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 an industry in the local area outperformed the same industry 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 measure of employment in LEFM and throughout this report is **jobs**, some of which are part time; the metric is not full time equivalent jobs. This means that the actual number of **people** employed in each area can be less than this figure, if, for example, someone has more than one part-time job.”*

This is a very simplistic model and takes no account of scientists working here on secondment to a particular project which may only last days or weeks or construction workers who are only employed on particular developments.

“Table 2.3 shows levels, changes in levels, and growth rates, for employment in Oxfordshire, the districts and the South East and UK. It shows that over 2011-31 (2011 is the last year for which official ONS employment data were available for Oxfordshire and the districts at the time the forecast was developed) employment in Oxfordshire is projected to increase by 36,400 (approximately 1,800 jobs per annum, or 0.4-0.5% pa). This is, on average, considerably slower than seen over 2001-11 (about 2,900 jobs pa, or 0.8% pa). This result reflects the industry mix in Oxfordshire and CE’s UK Regional forecast for prospects in particular sectors (especially education, health and residential & social care).”

NOMIS figures for 2001-11 for the Vale of the White Horse show employment changing from 63,000 (2000-2001) to 63,300 (2010-2011), an increase of approximately 0.5% in 10 years. Figures to 2015 (latest available) show that employment has since decreased to 62,700. A decrease in employment

since 2001 of approximately 0.5% in 14 years. On this basis any projection should assume zero growth.

So how can Cambridge Econometrics assume that *“Vale of White Horse is projected to continue to see employment grow faster than the South East as a whole, at 0.6% pa over the whole period 2011-31.”*?

No detail is provided for the Employment projections in Table 2.2, with the source being given as Cambridge Econometrics, therefore it is impossible for us to respond in relation to most sectors of employment. However, we can suggest that the projection of “Agriculture etc.” growing from 2,300 in 2011 to 5,100 in 2031, when the NFU states that employment has been reducing by 2% each year for many years and no change in that trend is anticipated, makes that projection totally incredible. How can we know that the projections for other sectors are any more credible?

Alternative Population-based projections

According to ONS statistics from the 2001 and 2011 census data, as of April 2001 there was a total population of **115,627** in the Vale of the White Horse and in March 2011 the population was **120,988. A growth rate of 4.6% in 10 years.** Comparing this to the employment figures shown above, this reflects the aging population as many people in the Vale moved into the area to work at Harwell in the past and have retired (staying in the area) since 2001.

2012-based Subnational Population Projections for the Vale of White Horse propose a population figure for 2031 of 136,100. As the existing Local Plan 2011 for the Vale includes the following paragraph.

“11.17 There is also significant potential for the creation of jobs through the intensification, redevelopment and modernisation of existing employment sites in both the urban and rural areas of the Vale. For example, the respective landowners at Harwell and Milton Park have estimated that the redevelopment of existing land and buildings, plus the identified vacant land (see above), is likely to give an additional 2,500 jobs at each site by 2011. The major new synchrotron proposal at the Harwell Science and Innovation Campus is likely to bring an additional 200 jobs.”

We assume that these forecast jobs are built into existing Population Projections. Therefore any further growth would be double counting this figure of 5,200 additional jobs.

A Planned Economic Growth forecast

The Planned Economic Growth forecast states that it only takes account of the net change in jobs (ie excluding displacement) resulting from planned economic growth over and above what could be expected on the basis of past trends. Yet the existing plan already includes the creation of 5200 jobs which have not yet materialised (see above).

For the Vale of the White Horse the key components of this planned economic growth include:

“The UK Science Vale Enterprise Zone, which includes 64ha at Harwell and 28ha at Milton Park, is expected to accommodate 8,400 jobs, of which 5,040 are net additional (source: bid submitted by

Oxfordshire Local Enterprise Partnership to the Department for Communities and Local Government, pp 52-53). ... *"In total therefore, we estimate the increase in jobs above trend could be as follows:*

- **5,400 (net) at Harwell and Milton Park**, primarily in the EZ but also on other land at Harwell, including some relatively small scale above trend growth in the research facilities linked in particular to greater University of Oxford involvement there. These jobs should be classified to a mix of Other Professional Services, IT services, electronics and pharmaceuticals"

"The Government estimates that space science will grow from a £9bn industry now to one worth £40bn by 2031, generating 100,000 new jobs. Harwell has a unique concentration of nationally significant research and commercialisation facilities in this sector, which will undoubtedly attract firms and jobs to the area. A reasonable assumption is that one tenth of the national growth in space science jobs by 2031 will be based in and around Harwell.

*This means that there may be approximately 10,000 new jobs in space science and satellite technologies located in and around Harwell by 2031. A proportion of those jobs (say 4,000) will be located on the existing sites at Harwell and Culham and are therefore included in the figures above. Of the remainder, some (say 2,000) will be located outside Oxfordshire".. **"We suggest the assumption should be that 2,500 will locate in Vale of White Horse and 1,500 in Cherwell."***

"In the motorsport sector, some of the firms within Oxfordshire have major expansion potential. For example:

- Caterham F1, ...
- Williams already employ 500 people at Grove and are expanding into other business areas, such as energy efficiency, exploiting the technologies and expertise developed through their motorsport activities. They also have substantial space for expansion..."

Implications for employment forecasts – "500 in Vale of White Horse"

"Despite the general downturn in the High Street retailing sector in recent years as a consequence of both the squeeze on incomes and a shift towards on-line retailing, there is a significant amount of development activity underway and planned in Oxfordshire which suggests that the sector will continue to experience employment growth in future ahead of national trends."

*"These ... retail developments in Oxfordshire could result in an additional (i.e. above trend) ... **200 in Vale of White Horse to 2031.**"*

*"Existing development proposals suggest that there is potential for growth of employment in warehousing and distribution in the order of ... **1,500 in Vale of White Horse.**"*

"There are various major development proposals in surrounding areas which could affect business growth in Oxfordshire, due to competition for scarce skills. These include: ...

- *In Science Vale, competition from employers in Thames Valley for labour supply generally, and IT and engineering skills in particular. The major employers in the Thames Valley are multinationals with strong strategic reasons for retaining their presence in the area (assuming the role of Heathrow as major hub airport is not threatened) and in many cases an ability to pay high salaries to attract and retain good quality staff. The demographics of South Oxfordshire and Vale of White Horse show an ageing workforce with limited growth in working age population, which suggests that competition for staff will increase significantly as the EZ is developed. Competition will also be provided by the proposed University of*

Reading Science Park, which will eventually provide around 80,000 sqm of business space, and for which an access road is expected to be completed in 2016.”

As can be seen from the NOMIS employment statistics employment in the Vale for the last 14 years has been flat with increases in some industries being offset by reductions elsewhere.

The forecast provides 10,100 potential additional jobs, but how many of these would be included in a “normal growth scenario”, how many are included in the plans which are already in place and how many are truly additional?

Furthermore, it states:

“Delays in the delivery of key infrastructure may constrain growth. For example, the Oxfordshire Innovation Engine report identifies congestion on the A34 and in and around Oxford, and broadband access in some of Oxfordshire’s rural areas, as significant concerns for firms. There are also local access issues for some employment sites: for example, around the Peartree site in north Oxford, and access to Harwell remains poor.”

“Over the next 20 years it is certainly possible that failure to improve some key elements of Oxfordshire’s infrastructure could frustrate firms and persuade them to invest elsewhere – and continued reductions in public expenditure are likely to increase the probability of delays to improving key infrastructure.”

“There is a possibility that the housing requirements linked to a high rate of economic growth may be impossible to satisfy due to practical limitations on housebuilding rates. If housing requirements are not met, the consequence would be rising housing costs which could in turn constrain the ability of firms to recruit, and therefore to grow. This would introduce an element of circularity in the forecasts – economic growth forecasts are used to determine housing requirements, but undeliverable housing requirements impact on economic growth potential and therefore lead to a downward revision of the economic growth forecasts.”

Yet the Local Plan Part 1 assumes that historic building rates can be doubled and key infrastructure will be provided without constraints in an environment where all public sector services are facing severe budget reductions.

SUMMARY

Therefore, in summary:

Employment statistics

- Baseline Employment Projections for the Vale of the White Horse from NOMIS show employment as:
 - o 63,000 (2000-2001)
 - o 63,300 (2010-2011)
 - o 62,700 (2014-2015)

Therefore the trend since 2001 is for zero growth in employment.

- The current plan (Local Plan 2011) assumed growth at Milton Park and Harwell of an additional 5,200 jobs. As can be seen from the figures above these positions have not materialised.

- Cambridge Econometrics data suggests a growth in employment between 2011 and 2031 of *5,040 at Harwell and Milton Park and associated positions in other industries to support this*. These figures are in line with the current plan (Local Plan 2011) but cover a longer timescale. Therefore adding the figures from the previous plan (Local Plan 2011) to projected growth in the Plan 2031 is total duplication.

Population statistics

- Population in the Vale of the White Horse from NOMIS is:
 - 115,627 (2001)
 - 120,988 (2011)
 - 124,852 (2014)

Thus showing a growth rate of 0.6% per annum. Figures by age band show that most of the increase is in the retired population:

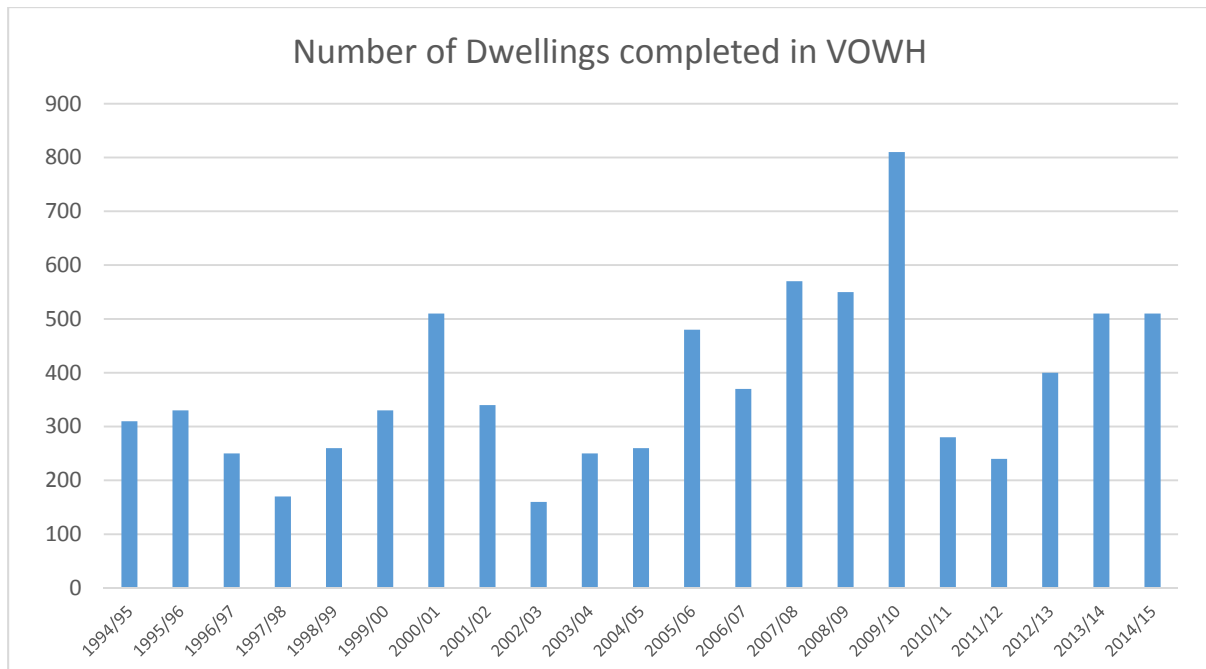
	2013	2011	2001	Annual growth rate
Under 16	23,500	23,121	23,748	-0.09%
16-64	76,500	76,106	74,054	0.27%
Over 64	23,600	21,761	17,825	2.37%
	123,600	120,988	115,627	

Housing statistics

- The housing growth figures included in the Local Plan 2011 were 6,662 in the period 2006 to 2021. An average growth of 444 new dwellings each year.
- Number of households from the Census figures for the Vale of the White Horse are:
 - 45,842 (2001)
 - 49,781 (2011)
 Thus showing an annual growth rate of 0.83%.

Completion Statistics

- The following statistics are from the NOMIS table 253 (Housing building)



Assuming that the housing growth figures in the Local Plan 2011 were sufficient to meet the needs of the employment growth projected then a growth of a further 6,662 homes should be sufficient to meet the needs of the employment growth projected by Cambridge Econometrics. If we add the annual housing growth rate of 0.83% achieved when there was no growth in employment the requirement for the 20 years from 2011-2031 becomes $8,949 + 6,662 = 15,611$. A significant reduction on the figures proposed by Cambridge Econometrics of 20,560.

This gives a slightly more realistic annual housing supply figure of 748 per annum rather than 1028 per annum proposed in the SHMA (still higher than the completion rate achieved in any year except 2009/2010). This can only be achieved if:

- Sufficient construction workers and materials can be found when similar targets are being imposed all around the country,
- Sufficient employment opportunities are forthcoming to provide the demand,
- Sufficient key infrastructure (schools, medical facilities, leisure facilities, public transport etc.) can be provided in a timely manner to make the new dwellings attractive to buyers,
- Sufficient profits are generated for developers to encourage them to continue building at this rate, and
- Incomes are sufficient to make the dwellings affordable.

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