

VALE OF WHITE HORSE DISTRICT COUNCIL

LOCAL PLAN PART 1 EXAMINATION HEARING

INSPECTOR'S REQUESTS FOR INFORMATION FROM THE COUNCIL

INSPECTOR'S REQUEST:

The SQW report identifies that baseline employment growth will be 9,100 jobs (table 3.2) and the planned economic growth will result in an additional 12,400 jobs (table 5.3). However, the baseline employment growth is based on unadjusted 2010/2011 SNPP, so the report calculates an alternative population growth jobs growth figure (10,600) based on a demographic projection of 17,400 increase in population (table 3.1), which equates to the SHMA's demographic forecast housing requirement of 468dpa for the Vale. The report's forecast jobs growth for the Vale is therefore $10,600 + 12,400 = 23,000$.

GL Hearn's HOU 10 document considers the 2012-based household projections. Fig 2 shows that in terms of demographic trends the 2012-based forecasts imply a need for 432 dpa, as opposed to the 468 dpa identified in the 2014 SHMA. Section 5 of this report then considers an uplift for supporting economic growth and uses the SQW reports forecast of 23,000 jobs to calculate an annual housing need of 1,001.

Is it logical/correct for this calculation to use the 23,000 jobs figure, when this was specifically based on a demographic trends population forecast equivalent to 468dpa? Would it not be more appropriate for the jobs figure to be the sum of 12,400 jobs for planned economic growth plus whatever the 'baseline' jobs calculation is based on a demographic trend increase in population resulting in a requirement for 432 dpa? (estimating this to be somewhere around 9,800 jobs gives a jobs total of $12,400 + 9,800 = 22,200$. Applying the jobs/dpa ratio of approx. 23.3 this would suggest an annual housing need of 952dpa.)

COUNCIL'S RESPONSE:

The GL Hearn HOU10 document considers and assesses whether the 2012 based sub national population and household Projections have a meaningful change to the Vale's housing need, as concluded in the SHMA 2014. It does not replace the SHMA, but instead provides a high level assessment of whether these projections will have a meaningful change on housing need in just the district. The Inspector is correct that the economic growth projections were not reassessed or reconsidered in light of the 2012 based sub national population and household projections in the GL Hearn work. However, the Inspector's calculation, as set out in his request, is not as simple as implied

and the Council therefore commissioned Cambridge Econometrics to provide a revised baseline for the economic projections.

Methodology

The updated baseline economic projections undertaken by Cambridge Econometrics are shown below. They are developed using CE's Local Economy Forecasting Model (LEFM) tailored to the Vale of White Horse economy. The baseline LEFM projections for Vale of White Horse are based on historical growth in the local area relative to the South East region and/ or UK, on an industry-by-industry basis. The modelling assumes that those relationships continue into the future. It further assumes that economic growth in the local area is not constrained by supply side factors, such as population and the supply of labour.

Data Resources

The updated data sources used in the modelling are as follows:

- Population data based on ONS mid-year population estimates to 2014 and growth rates from the latest ONS 2012-based sub-national population projections;
- Employees in employment by industry data taken from the Business Register and Employment Survey (BRES) to 2014 and the earlier Annual Business Inquiry (ABI);
- Agricultural employment data also includes agricultural labour force data from the Department for Environment, Food & Rural Affairs;
- Estimates of self-employment are taken from the Annual Population Survey (APS) from 2004 onwards. The figures are made consistent with more recently-published estimates of jobs at a regional level (quarterly workforce jobs, June figures) published by ONS; and
- GVA data are consistent with sectoral data at NUTS 2 level from the ONS' Regional Accounts.

The outcome of the modelling, is shown in Appendix A.

Summary of Updated Economic Projection

The Table below provides a comparison of the updated projection for 2016, which is based on the 2012 based sub national population projections, to those undertaken in the 2014 SHMA.

Scenario	2011 Population*	2031 Population*	2011-2031 Difference	Total Jobs Growth
SHMA 2014 Baseline	67,200	76,400	9,200 (approx.)	21,900
SHMA 2014 Alternative	67,200	77,900	10,600 (approx.)	23,000
Updated 2016 Baseline	64,300	75,400	11,100 (approx.)	23,500

**rounded figures*

The table suggests that there could be a small uplift of 1.85% against the original SHMA 2014 alternative projection, which has been used by the Council to determine its housing target. The Council considers this to not present a meaningful or material change in the economic projections which might justify a differing housing need, and is consistent with the outcome of HOU10.

Appendix A: Vale of White Horse Employment by Industry (000s)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Agriculture, forestry & fishing	1.0	0.9	0.8	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9
Mining & quarrying	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Food, drink & tobacco	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Textiles etc	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wood & paper	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Printing & recording	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Coke & petroleum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Pharmaceuticals	0.1	0.8	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Non-metallic mineral products	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Metals & metal products	0.3	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Electronics	1.4	1.2	1.3	1.2	1.2	1.2	1.2	1.1	1.1	1.0	1.0	1.0	0.9	0.9	0.8	0.8	0.8	0.7	0.7	0.7	0.7
Electrical equipment	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Machinery	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Motor vehicles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other transport equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other manufacturing & repair	0.8	0.6	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3
Electricity & gas	0.4	0.5	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Water, sewerage & waste	0.8	0.7	0.6	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Construction	4.3	4.2	4.9	5.1	5.2	5.3	5.4	5.4	5.5	5.5	5.6	5.6	5.7	5.7	5.7	5.7	5.8	5.8	5.8	5.9	5.9
Motor vehicles trade	1.1	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Wholesale trade	3.7	3.4	3.2	3.0	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Retail trade	4.3	4.4	4.5	4.7	4.7	4.8	4.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Land transport	0.7	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5
Water transport	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Air transport	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warehousing & postal	1.6	1.8	1.6	1.7	1.8	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.2
Accommodation	0.4	0.4	0.5	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Food & beverage services	3.6	3.2	3.4	3.4	3.5	3.5	3.5	3.6	3.6	3.6	3.7	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.1	4.1	4.1
Media	1.0	1.7	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
IT services	2.9	2.5	2.9	3.3	3.5	3.6	3.6	3.7	3.8	3.8	3.9	4.0	4.0	4.1	4.1	4.1	4.2	4.2	4.2	4.2	4.3
Financial & insurance	1.0	0.9	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Real estate	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.7
Legal & accounting	0.9	1.2	1.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Head offices & management consultancies	1.5	1.6	1.7	2.0	2.5	2.6	2.6	2.7	2.7	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.9	2.8	2.8
Architectural & engineering services	2.5	2.8	3.0	2.6	2.9	3.1	3.2	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other professional services	4.5	4.9	5.4	5.2	5.1	5.1	5.2	5.2	5.2	5.3	5.3	5.3	5.4	5.4	5.4	5.5	5.5	5.5	5.6	5.6	5.6
Business support services	4.6	5.7	5.3	5.6	5.6	5.7	5.7	5.7	5.7	5.8	5.8	5.8	5.9	5.9	6.0	6.0	6.1	6.1	6.2	6.2	6.3
Public Administration & Defence	1.8	1.7	1.7	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6
Education	6.3	6.1	6.3	7.0	7.1	7.1	7.1	7.1	7.1	7.1	7.2	7.2	7.2	7.3	7.3	7.4	7.4	7.5	7.5	7.5	7.6
Health	2.6	2.4	3.2	2.9	2.9	2.9	2.8	2.8	2.7	2.8	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Residential & social	3.3	3.7	3.3	3.3	3.3	3.3	3.3	3.4	3.5	3.5	3.6	3.7	3.7	3.8	3.8	3.9	4.0	4.0	4.1	4.2	4.2
Arts	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Recreational services	1.2	0.9	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other services	2.1	2.2	2.2	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6
Total	64.3	65.9	66.3	68.3	69.7	70.5	71.0	71.6	71.9	72.3	72.7	73.0	73.3	73.6	73.9	74.2	74.5	74.7	74.9	75.2	75.4