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South Somerset District Council

**Housing requirement for
South Somerset and Yeovil**



Contents

Introduction	2
Approach	3
Demographic projections	5
Economic potential	10
Housing need	22
Environmental capacity	23
Empty homes	24
Housing delivery	25
Housing provision at Yeovil and the rest of the District	32
Conclusion	37

Appendices

- 1 South Somerset employment trends 1998-2008
- 2 Baker Associates estimate of South Somerset housing trajectory on urban extensions 2010 – 2026

1 Introduction

- 1.1 Regional strategies currently provide housing targets for Local Development Frameworks (LDFs). In South Somerset District Council's case, the emerging South West Regional Strategy sought to provide a housing requirement for the District as a whole, and separately for Yeovil.
- 1.2 As the coalition Government pursues its localism and decentralisation agenda, there has been a period of uncertainty about the status of regional strategies. First, in July 2010, the Government sought to revoke regional strategies but since then, a successful High Court challenge has re-established that regional strategies are part of the development plan. Despite this temporary situation, the Government is committed to abolishing regional strategies and this is set out in the Localism Bill. Whilst it could be 6 – 12 months until the Bill is enacted (and hence the regional planning machinery is dismantled), the Government's intentions are clear. These are that in the future, there will not be regional strategies and decisions on matters such as the allocation of housing will be determined at the local level by local councils.
- 1.3 In the absence of regional strategies, local planning authorities will be responsible for establishing the right level of local housing provision in their area, and identifying a long term supply of housing land. This is set out in the accompanying advice attached to the 6th July 2010 letter from CLG to local authority Chief Planning Officers. Whilst the main message in this letter (ie the revocation of regional strategies) was unlawful, the advice in the letter still provides useful pointers to the future of housing policy in local development frameworks. The accompanying advice in the July letter is also clear that the localism approach must be based on evidence – "local authorities should continue to collect and use reliable information to justify their housing supply policies and defend them during the LDF examination process". Therefore, whilst there is to be a move to housing targets set locally, they will still need to be justified and based on evidence, as well as being transparent for people to be able to understand why decisions have been taken.
- 1.4 In light of proposals for the abolition of regional strategies, South Somerset District Council has commissioned Baker Associates to provide a critical part of the evidence base in setting a housing target for South Somerset and for Yeovil, for the purposes of the LDF. Following guidance in PPS12 that the first priority should be the core strategy, South Somerset District Council is preparing a core strategy. Amongst other matters, the core strategy will identify the overall housing requirement for the district and this report will inform those policy decisions. This report draws on statistical information and other background reports and makes recommendations on what the evidence is suggesting the right level of housing should be for the area.

2 Approach

- 2.1 The requirement for this work arises from the need for a housing provision figure to be agreed for inclusion in the South Somerset Core Strategy.
- 2.2 There is no 'established' methodology for this task. Rather it is a matter of taking into account what should be considered, using the best evidence available, in order to contribute to informed discussions amongst the decision-takers, and to explain the process and the choice to all interested parties.
- 2.3 Paragraph 33 of PPS3 states that in determining the level of housing provision, Local Planning Authorities should take into account:
- Evidence of current and future levels of need and demand for housing and affordability levels based upon:
 - Local and sub-regional evidence of need and demand, set out in Strategic Housing Market Assessments and other relevant market information such as long term house prices.
 - Advice from the National Housing and Planning Advice Unit (NHPAU) on the impact of the proposals for affordability in the region (no longer relevant as NHPAU has been abolished).
 - The Government's latest published household projections and the needs of the regional economy, having regard to economic growth forecasts.
 - Local and sub-regional evidence of the availability of suitable land for housing using Strategic Housing Land Availability Assessments and drawing on other relevant information such as the National Land Use Database and the Register of Surplus Public Sector Land.
 - The Government's overall ambitions for affordability across the housing market, including the need to improve affordability and increase housing supply.
 - A Sustainability Appraisal of the environmental, social and economic implications, including costs, benefits and risks of development. This will include considering the most sustainable pattern of housing, including in urban and rural areas.
 - An assessment of the impact of development upon existing or planned infrastructure and of any new infrastructure required.
- 2.4 A sustainability appraisal of the South Somerset Draft Core Strategy has been prepared, and an Infrastructure delivery plan will be produced in due course.
- 2.5 The essence of the approach used in this study is to come at the issue from three different positions and to derive a range of figures that provides the best 'fit' with each approach, as well as giving a clear rationale for the range of figures that might be used in providing the flexibility required of a plan as part of the soundness test.
- 2.6 The three different approaches that are integrated to provide the recommended housing range for South Somerset, together with justification for the choices, are:
- A demographic projection based approach – meaning the numerical consequences of accepting the likely trends in birth and death rates and

particularly in net migration levels, and applying trends in household formation to these (chapter 3)

- A purpose based approach – looking at the reasons for making provision for housing in relation to economic development (chapter 4), access to housing (chapter 5), and the maintenance of communities (chapter 9)
- A delivery based approach – looking at the capacity of the area to provide housing in environmental terms (chapter 6), from a housing market delivery perspective (chapter 8) and in terms of the potential to bring empty homes back into use (chapter 7).

2.7 Housing provision at Yeovil and the rest of the District is dealt with in Chapter 9.

2.8 The sections that follow take each approach in turn. This is followed by an overall conclusion and recommendations on taking this forward in the Core Strategy in chapter 10.

2.9 Please note that in places, data has been rounded and discrepancies may occur between sums of the component data and totals. In the same way, there may also be discrepancies between percentages calculated prior to rounding and those calculated from the rounded figures.

3 Demographic projections

Population and household projections

- 3.1 A key determinant of housing requirements and how these are likely to change in the future is the demographic profile of the population, on which projections are based. Therefore, the **first step** is to consider what the population and household projections indicate.
- 3.2 Office for National Statistics (ONS) reviews population and household projections every two years. The table below summarises the 2006 and 2008 based sub-national population and household projections for South Somerset.

	2006 ONS mid year estimates	2026 (based on 2006 ONS projections)	2026 (based on 2008 ONS projections)
Population	156,700	190,600	180,200
Households	68,000	90,000	84,000
Private households population (BA estimate)	153,253	186,407	176,236
Household size	2.25	2.07	2.10

Table 3.1: South Somerset population and household projections (ONS)

- 3.3 The **2008 based population projections** suggest that the population of South Somerset could grow to **180,200 people in 2026** – a rise of 23,500 people from the start of the plan period (2006). At the time of the last census, 2.2% of the population of South Somerset was made up of people living in communal establishments. Assuming that this proportion stays more or less constant, the 2026 private households population would be 176,200. The ONS 2008 based household projections calculate that the number of households will rise from 68,000 in 2006 to 84,000 in 2026. This is a housing requirement of **16,000 additional dwellings** over the 20 year plan period to 2026.
- 3.4 However, the important point to remember is that population projections are only future predictions. They do not attempt to predict the impact of future policies or other factors neither are they an assessment of housing need. They are an indication of the likely increase in households given the continuation of recent demographic trends. What actually happens can be influenced by future Council policy related to housing and employment development. Future Council policy is likely to vary any forecast within the overall context of population change trends.
- 3.5 It should also be noted that the table above illuminates considerable variation in the 2006 and 2008 based population projections, illustrating the potential variation in population forecasting. Nevertheless, projections are a useful benchmark in setting out what could happen if past trends were to continue and what level of housing would be required if the Council wanted to continue to support past rates of population growth.
- 3.6 In order to understand what the projections mean for household formation in South Somerset, it is worth exploring the assumptions behind projections.
- 3.7 Population projections are based on two main components of change – natural change (ie births minus deaths) and net-migration. The table below sets out the population projections for South Somerset, according to these two components.

This shows that in the future, the population increase in South Somerset is expected to arise entirely from net in-migration (ie more people moving into the District than moving out). Deaths will exceed births and so if it was not for in-migration, the population of South Somerset would decline.

Year	Natural change	Net migration	population
2008			158,800
2009	0	1000	159,800
2010	0	1100	160,900
2011	0	1100	162,000
2012	0	1100	163,200
2013	0	1100	164,300
2014	0	1100	165,500
2015	0	1200	166,600
2016	0	1200	167,800
2017	0	1200	169,000
2018	0	1200	170,200
2019	0	1300	171,400
2020	0	1300	172,700
2021	0	1300	174,000
2022	0	1300	175,300
2023	-100	1300	176,600
2024	-100	1300	177,800
2025	-100	1300	179,000
2026	-200	1400	180,200
Change 09-26	-500	21,800	21,400

Table 3.2: South Somerset population projections, 2008 based (ONS)

* Note that numbers may not add up due to rounding to nearest 100.

3.8 Comparisons with projections for other local authorities in Somerset (table 3.3) shows that all authorities are expected to experience more deaths than births except for Mendip, which is expected to experience marginal positive natural change. Net migration varies considerably. Based on past rates of change across Somerset, South Somerset is expected to experience the highest rate of net in-migration. This correlates with the (now defunct) emerging Regional Spatial Strategy which also sought to direct a large proportion of the housing growth in Somerset to the District of South Somerset.

	Sedgemoor	Mendip	South Somerset	Taunton Deane	West Somerset
Population 2026	129,900	121,300	180,200	122,900	38,700
Natural change 2006 - 26	-100	100	-500	-200	-3600
Net migration 2006 - 26	17,800	12,400	21,800	14,600	7,100
RSS housing requirements (dwellings per annum)	510	415	985	1090	125

Table 3.3: population projections (ONS 2008 based) and former RSS housing requirements for the Somerset districts

Births, deaths and net-migration

3.9 Looking more closely at past trends in South Somerset over the last eight years

(table 3.4), birth rates and death rates have stayed relatively constant, with deaths exceeding births by 100 - 200 people, although more recently, births have equalled deaths, and in 2007, there were actually more births than deaths. The natural change annual average over this 8 year period is -60 persons per annum. This compares with the 2008 based ONS population projections to 2026 which make an allowance for a negative natural change of -500. This is an average of -30 persons per year over the period 2009 – 2026.

Year	Births	Deaths	Natural change (births - deaths)
Mid 2001 – mid 2002	1500	1700	-200
Mid 2002 – mid 2003	1500	1700	-200
Mid 2003 – mid 2004	1500	1700	-100
Mid 2004 – mid 2005	1600	1700	-100
Mid 2005 – mid 2006	1600	1700	-100
Mid 2006 – mid 2007	1600	1600	0
Mid 2007 – mid 2008	1700	1600	200
Mid 2008 – mid 2009	1700	1700	0

Table 3.4: Natural Change in South Somerset (ONS mid year population estimates 2002 – 2009)

3.10 Migration rates are interesting and fluctuate quite significantly from year to year, ranging from +1000 to +1,800 over the period 2001 – 2007. Since 2007, there has been a dramatic decline in net-migration, which is expected to have been triggered by the recession.

Year	Net migration rate per annum
Mid 2001 – mid 2002	1,000
Mid 2002 – mid 2003	1,500
Mid 2003 – mid 2004	1,800
Mid 2004 – mid 2005	1,500
Mid 2005 – mid 2006	1,000
Mid 2006 – mid 2007	1,000
Mid 2007 – mid 2008	600
Mid 2008 – mid 2009	-300

Table 3.5: Net-migration in South Somerset (ONS mid year population estimates 2002 – 2009)

3.11 The ONS population projections draw heavily on trends over the past 5 years and despite the fall in recent years, it is noted that the projections for South Somerset continue to assume high levels of net-migration across the plan period. On average, the ONS 2008 based population projections assume a net increase of 1,200 people per annum. This compares closely with what happened in South Somerset over the period mid 2001 – mid 2007, prior to the recession, when migration was consistently high (averaging 1300 persons per annum). However, when the last 2 years are factored in (including a decline in the population), over the last 8 years actual population change in South Somerset has averaged 1,010 per annum.

Housing requirements based on demographic projections

3.12 Even if the 2008 based population projections are taken forward, it is noted there is a major discrepancy between the population projections for 2009 and the actual population change in South Somerset for this same year. For 2009, the

projections estimated an increase of 1000 persons (due entirely to net in-migration), whereas mid 2008 – mid 2009, the actual population declined by 300 people. This would mean the average for future years would need to achieve growth of 1,335 persons per annum which is higher than the annual average ONS population projections (1200 persons per annum) as well as being marginally higher than South Somerset experienced over the period of high mobility 2001 – 2007 (1300 persons per annum).

- 3.13 Alternative scenarios are put forward which take into account the negative population change mid 2008 – mid 2009, followed by 2 different future scenarios (i) the 2008 based ONS populations of +1200 persons per annum, and (ii) what South Somerset has actually experienced over the last 8 years – an average of +1000 persons per annum. Based on these different assumptions about annual migration rates relative to natural change, it could be said that the population projections for South Somerset could range from 180,200 through to 178,600, and 175,200 respectively – see table 3.6 below. This would generate a housing requirement of **15,900**, **15,200** and **13,600 homes** respectively.

	2008 based ONS population projections (+1200 pa)	Actual population change (06-09) + ONS population projections 09-26 (+1200 pa)	Actual population change (06-09) + lower rates of migration 09-26 (+1000 pa)
Total population 2006	156,700	156,700	156,700
Total households 2006	68,000	68,000	68,000
Actual population change (mid 06 – mid 09)		1,500	1,500
Projected population change (mid 09 – mid 26)		20,400	17,000
Projected population increase 06 – 26		21,900	18,500
Total population 2026	180,200	178,600	175,200
Total projected private households population	176,235	174,671	171,346
No of additional households 06 – 26 (based on 2.1 persons per household)	15,921	15,177	13,600

Table 3.6: housing requirements associated with high, medium and low net-migration assumptions

Decreasing household size

- 3.14 In any event, and whatever the preferred strategy for South Somerset, household size is decreasing (ie the number of people living in a property is declining). This is largely due to the fact that more people are living alone or in smaller households. The table below shows the projected national situation with respect to changing household types.

<i>thousands</i>					Change 2006 to 2031		As percentage of total
	2006	2016	2026	2031	Per year (000)	Percent	
Married couple households	9,395	9,115	9,129	9,179	-9	-2%	-3%
Cohabiting couple households	2,188	3,031	3,574	3,804	65	74%	26%
Lone parent households	1,663	1,852	1,976	2,021	14	22%	6%
Other multi-person households	1,446	1,648	1,816	1,914	19	32%	7%
One person households	6,822	8,460	10,178	10,899	163	60%	65%
All households	21,515	24,107	26,674	27,818	252	29%	100%
Private household population	49,855	53,769	57,617	59,287	377	19%	
Average household size (persons/household)	2.32	2.23	2.16	2.13			

Table 3.7: Household projections by household type, England (CLG, March 2009, Housing Statistical Release – Household Projections to 2031)

3.15 Average household size in South Somerset is projected to decrease from 2.25 persons per household to 2.10 persons per household by 2026 (source ONS – see table 3.1). This is very similar to the national situation. Therefore, even if the private household population of South Somerset stayed at 2006 levels, this will mean that 5,000 additional homes will be required by 2026 to support the existing population's shift towards smaller households.

4 Economic potential

Introduction

- 4.1 Economic changes are a key driver affecting housing demand and household formation rates. Therefore, the suggested **second step** is to relate the possible level of housing provision to the possible economic potential for South Somerset.
- 4.2 As part of this study, Baker Associates was commissioned to identify the economic potential of South Somerset. Our preferred approach is to construct economic scenarios based on reasonable assumptions about the prospects for employment (in terms of numbers of jobs) in each sector in South Somerset in the future.
- 4.3 The economic scenarios are based on two main components:
- a series of consultations with some of the main employers in the District, and with the Economic Development Officer at SSDC to provide contextual information, ideas and views on the strengths and weaknesses of the South Somerset economy¹
 - analysis of recent trends, particularly employment data, at a national, regional and District level.
- 4.4 Our assessment has also taken account of a number of studies and strategies including:
- Somerset Economic Development Strategy
 - Draft Yeovil Economic Assessment (Ekosgen)
 - The Local Enterprise Partnership (LEP) proposal for South Somerset and East Devon
 - Oxford Economics projections for South Somerset (commissioned by the South West RDA).
- 4.5 This section continues by analysing sectoral trends in employment. This is followed by the presentation of two future economic scenarios for South Somerset, and concludes with the housing requirements associated with these economic scenarios.

Sectoral trends in employment 1998 – 2008 (based on ABI data)

- 4.6 At the **national level**, the following broad trends were apparent during the period 1998-2008 (see appendix 1):

Agriculture, Forestry, Fisheries

- 4.7 Employment in this sector declined from 1998-2003, then increased from 2003 to 2008, almost back to the same level as 1998. This may reflect changes in statistical coverage. It is unlikely that employment in any of these activities was actually increasing; the actual trend 1998-2008 was -2.9%.

¹ This included discussions with Abbey Manor Group, Agusta Westlands, BAE Systems, Colin Mear Engineering, Daido Metal Europe, Numatic International, Old Mill Accountants, Oscar Mayer, South Somerset District Council Economic Development Service, Yarlington Housing Group, and Yeovil College.

Mining, Manufacturing, Utilities

- 4.8 There was a steady decline each year so the actual trend is probably reliable, with a loss of almost a third of all employees (32.3%) over the 1998-2008 period. However, there was a noticeable slowing down in the rate of decline towards the end of the period, with the annual rate of loss dropping from around 169,000 jobs a year up to 2004, to around 90,000 jobs a year from 2004-2008.

Construction

- 4.9 Employment statistics are notoriously unreliable in this sector, and this is reflected in the employment figures which fluctuate from year to year. However, there has been an increasing trend which is reasonable given the buoyancy of the housing and property sectors up to 2008. The actual trend to 2008 was +14.5%. In 2009 we know construction employment shrank rapidly as the property market went into a decline.

Distribution

- 4.10 Employment growth continued until 2004 since when there has been something of a decline. It may be that the great UK retailing investment boom is almost reaching its conclusion. The actual trend to 2008 was +1.9%.

Hotels and restaurants

- 4.11 The hospitality sector has seen consistent employment growth over the past decade, fuelled in part by increased tourism spend (domestic and overseas), and lifestyle changes towards more frequent day trips, holidays and short breaks, and much more eating out, particularly in the larger urban areas. The result was trend growth to 2008 of +15.3%.

Transport, storage, and communication

- 4.12 This is a very mixed sector, with traditional activities like road and rail transport and the post office mixed in with telecommunications and mobile phones. Overall the sector has seen fairly consistent employment growth over the 1998-2008 period; actual trend growth to 2008 was +9.6%.

Financial services

- 4.13 This was a great driver of employment growth in the 1980's and early 1990's, but this resulted in an unsustainably large sector within which corporate mismanagement led to the financial collapse of 2008/9. Between 1998 and 2008 there was very little employment growth in this sector; trend growth to 2008 was +3.0%. Despite some high-profile bankruptcies, most of the institutions in trouble in this sector were rescued by Government in 2009 to stave off systemic collapse. As a result, employment has declined post 2008, but not by as much as might have been the case.

Business services

- 4.14 Employment growth in this sector has been consistent and very significant over the period 1998 to 2008, driven by a number of factors including outsourcing by large

companies, the property boom, real international competitiveness, and Government and private sector demand for external consultancy and advice. Trend employment growth to 2008 was +37.9%.

Public administration and defence

- 4.15 Employment data for this sector is inadequate as defence personnel may be excluded. However, the broad trend is clear enough, with employment more or less static up to 2002, then increasing significantly as the brakes were taken off Government spending. Trend growth to 2008 was +5.5%. The Comprehensive Spending Review announced significant cuts in public administration budgets. For instance, local authorities will see their budgets cut by 28% over the next 4 years, while defence budgets are cut by 8% over the same period. Employment in this sector nationally is now expected to decline, although there are a number of different views about the likely extent of this decline. On the basis of past attempts to cut Government employment, it would appear that a rapid decline is unlikely; more likely is a slow decline followed by a longer period of little or no growth.

Education

- 4.16 A significant proportion of growing Government tax receipts over the 1998-2008 period was directed to additional investment in education, both in terms of capital investment in schools and in terms of additional teachers. As a result, employment in this sector grew by a third over this period (33.5%). Following the Comprehensive Spending Review, it is now clear that educational spending will be protected to some extent, although some job losses in this sector are still possible in the short term.

Health

- 4.17 Spending on health is driven by very dynamic demand factors – an ageing population, increased sophistication and cost of medical treatments, and higher consumer expectations of quality of service. Employment grew by almost a third (30.3%) between 1998 and 2008, although the rate of growth was beginning to slow down towards the end of this period. In the comprehensive spending review, the Government has made a commitment that NHS spending will be protected.

Other services

- 4.18 This sector includes the creative industries and personal services of all kinds. Employment growth at the national level has been very significant over the past decade, with trend growth to 2008 totalling 23.7%.
- 4.19 At the **regional level**, trends on the whole follow the national level, but with more dynamic outcomes in terms of employment growth. Overall, employment in the South West region grew by 14.9% during the decade, compared to 9.5% nationally.
- 4.20 In manufacturing, the slowdown in the rate of decline was more pronounced, with almost no net job loss regionally between 2004 and 2007. In financial services, there was employment growth up to 2002 followed by decline, with no net growth overall during this period. Business services growth was even more impressive regionally than nationally. Public services and defence employment also grew more rapidly at the regional level than nationally. The growth in employment in the

education sector was very significant, at over 40%, compared to 33% nationally, while the growth in health sector employment (30%) was similar to the national performance. Other services employment also grew rather more rapidly at the regional level than nationally.

- 4.21 At the **South Somerset** level, there are significant variations from both regional and national trends over the period 1998-2008. In manufacturing, the decline is similar to the regional pattern, with a pronounced slowdown in the rate of decline after 2005 (practically no decline). This is interesting given the importance of the advanced engineering sector in Yeovil. Growth in distribution sector employment was more pronounced in South Somerset, but even here seemed to be tailing off after 2004. Growth in hotels and catering employment, on the other hand, was more subdued, perhaps reflecting the district's role as a manufacturing hub rather than a tourism destination.
- 4.22 The financial services sector is relatively unimportant in South Somerset but saw employment decline significantly (by 37%). The business services sector on the other hand has been very dynamic in South Somerset, with employment growth of 143% over the 1998-2008 period, (ie from 4,100 to over 10,000 jobs). This is a phenomenal increase by any standards, but it poses problems for future trends; if this kind of growth continued, business services would become by far the largest industrial sector in South Somerset, which seems unrealistic given that the number and size of businesses to provide services for is unlikely to increase by so much.
- 4.23 In public administration and defence, there was significant growth early on in the period, followed by slight decline. In the education sector, employment growth was well below regional trends, but health sector employment growth was much higher (at almost 100%) than at the regional level. This presumably reflects the establishment of new health facilities in the area during the decade. Employment growth in other services was also very dynamic in South Somerset (62% growth compared to 27% regionally).

Year	Total number of employee jobs	Change from previous year
1998	56,400	
1999	57,500	1,100
2000	60,000	2,500
2001	62,300	2,300
2002	61,900	-400
2003	62,200	300
2004	64,500	2,300
2005	65,500	1,000
2006	64,800	-700
2007	67,500	2,700
2008	68,200	700

Table 4.1: Number of employee jobs in South Somerset, Annual Employment Survey and ABI data, Nomis

- 4.24 Over the period 1998 – 2008, the South West region outperformed the national employment growth performance by about 50% (15% growth as against 10%), while South Somerset employment growth outperformed the region's by about 25% (21% growth as against 15%).

South Somerset Economic scenarios

(i) South Somerset employment estimates for 2009 and 2010

4.25 The employment data up to 2008 reflect the end of a sustained period of GDP growth and employment growth, which started in 1992. This growth came to a sudden halt in 2009 when GDP declined nationally by 5% in the most severe recession seen since the war. This recession followed on from, and was caused by, the financial crisis of 2008. GDP growth nationally has resumed in 2010 but the impact of the recession on employment growth will have been significant. Because of this trend discontinuity, it is important to make some provisional estimates for total employment in South Somerset in 2009 and 2010, otherwise the trend assumptions going forward will start from a false level.

4.26 From the Labour Force Survey, which measures employment on the basis of a different sample which includes the self-employed, we have the following estimates for the UK as a whole and the South West Region:

	May-July 2008	May-July 2009	May-July 2010
UK	29.50m	28.86m	29.16m
South West region	2.56m	2.50m	2.54m

Table 4.2 Employment estimates, Labour Force Survey

4.27 From this we can assume that nationally employment will have fallen by about 650,000 (2.2%) between 2008 and 2009; regionally the decline was similar in percentage terms (2.3%). Employment growth started to pick up again in 2010, but not by very much.

4.28 As South Somerset has in the past outperformed the region, it is reasonable to assume that there was only a slight dip in employment in 2009, and that growth resumed in 2010, but only slowly. We have also assumed that this slow growth continues to 2011. We have used these assumptions in both our scenarios (see table 4.3 below). The two scenarios take the 2011 estimates as their starting point.

4.29 The assumptions made for net job growth in each sector in South Somerset over 2009-2011 are set out in Table 4.3 below:

	2009	2010	2011
Agriculture, Forestry and Fishing	-1.0%	-1.0%	-1.0%
Mining, Manufacturing, Utilities	-1.0%	-0.5%	-0.5%
Construction	-5.0%	+2.5%	+1.0%
Distribution	-1.0%	0.0%	0.0%
Hotels and restaurants	-3.0%	-1.0%	0.0%
Transport and communication	0.0%	+0.5%	+0.5%
Financial services	-1.0%	-1.0%	-1.0%
Business services	+0.5%	+1.0%	+1.5%
Public administration	0.0%	0.0%	-1.0%
Education	+1.0%	+1.0%	0.0%
Health and social services	+1.0%	+1.5%	+1.5%
Other services	+1.0%	+2.0%	+3.0%
All sectors	-0.5%	+0.3%	+0.5%

Table 4.3 – South Somerset sectoral employment estimates for 2009 – 2011 percent change on the year before

(ii) South Somerset scenarios for employment growth 2011-2026

- 4.30 The prospects for UK employment growth are particularly uncertain at this point. We know that the official view is that the recovery will be private sector led, while public expenditure will decline significantly over the period to 2015. How much the decline will be overall, and exactly where the spending cuts will fall, is still as yet unclear. Also unclear is the effect Government expenditure cuts will have on employment in central and local government, defence, education, and health services.
- 4.31 In the private sector, one of the key uncertainties is the extent to which the UK's long run decline as a manufacturing nation can be halted or even reversed. This is current Government policy, but we have yet to see the actual policies and measures that would lead to this outcome. It is assumed that any such measures would be focussed on high-technology sectors, green technologies, and advanced engineering, all of which are well represented in South Somerset's employment structure and featured prominently in the District's recent LEP proposal.
- 4.32 Construction sector employment growth is dependent on the resumption of investment in the housing and property sectors; nationally this appears to be the case and we have assumed this will be true in South Somerset. Resumption of employment growth in the hospitality sector, which is particularly sensitive to reductions in discretionary spending, is assumed to resume after 2011. Tourism is an important sector in the District's economy and tourism spend supports businesses in other sectors, particularly distribution. This is reflected in our assumptions that employment growth in distribution will continue.
- 4.33 As noted above, employment growth in business services has been notably dynamic in South Somerset. Some of the factors that have driven this growth are likely to continue, but overall the growth rate is unlikely to reach pre-2008 levels during the next decade. There are two main reasons for this assumption – some of the drivers of business sector growth, in particular the process of outsourcing by manufacturing companies, may now be slowing down, and secondly, the growth in the number and size of businesses requiring services is also likely to slow down. To set against this, there are emerging business service activities in the IT sector and software development. In this context, it is interesting that in November 2011, 25% of the businesses in the new Yeovil Innovation Centre are software companies. Overall, we are assuming that there will be substantial employment growth in business services, under both scenarios, although not at the same rate as in the period up to 2008.
- 4.34 Employment in local and central government is set to decline. The extent of this decline is problematical and we have taken a different view in each of the Scenarios presented below. Similarly for employment growth in the education sector, although Government spending on education is likely to be protected to some extent there have already been cuts in capital programmes, and cuts in personnel are quite possible. Again, we have taken a different view in each of the Scenarios.
- 4.35 In the health sector, the NHS is supposed to be immune from cuts in Government expenditure, but hardly any commentator thinks this is a likely outcome. Because of demand pressures, employment growth is likely to continue, but at a reduced rate.

- 4.36 One difficulty of estimating forward over a long time period is the likely emergence of completely new activities. These are likely to include internet-based services of all kinds, and innovative technologies based on reducing dependence on non-renewable resources, as well as services designed to promote the transition to a low-carbon economy. South Somerset already has an emerging cluster of small businesses active in this sector. To accommodate these, we have assumed a significant growth in “other services”, in both Scenarios.
- 4.37 Where uncertainty is so acute, as at the present point in time, we have thought it prudent to construct two different scenarios. The **first scenario** assumes that the recovery will indeed be private sector led, with employment growth in construction, the hospitality sector, telecommunications, and business services. Even manufacturing employment may see some gains, if the Government’s aim to rebalance the economy in favour of manufacturing is in fact achieved. In the public sector, the assumption is that there will be job losses in local and central government, but these will not be enormous. In education, it is assumed that there will be a period of no growth, followed by a resumption of growth after 2016. In health services, the assumption is that employment will continue to grow, albeit at a much slower rate than in the immediate past.
- 4.38 The **second scenario** is much bleaker. It assumes that the recovery in private sector investment and job creation will be slower to get under way. There will be employment growth in construction, the hospitality sector, telecommunications, and business services as above, but not as much. Manufacturing employment may cease to decline, or grow very slightly after 2016. In the public sector, the effect of the cuts is assumed to be more severe, with job losses in central and local government continuing throughout the period. The education sector also sees job losses up to 2016, while health service employment growth is more subdued.
- 4.39 Which of these scenarios is more likely to be closer to the actual out-turn will depend very much on the way Government expenditure cuts are achieved, and the extent to which they are programmed to ensure that the economy does not go back into recession.
- 4.40 Drawing on the consultations with main employers in South Somerset, and analysis of recent trends and future prospects for growth, and using the assumptions described in paras 4.30 – 4.39, the detailed sectoral changes for South Somerset under each scenario are illustrated in Tables 4.4 and 4.5 below. Note that these estimates do not include those who are self employed. This is addressed in table 4.6 and 4.7.

Scenario 1 - private sector-led growth and rebalancing towards manufacturing			
	2006	2026	Change
Agriculture, Forestry and Fishing	1,500	1,400	-100
Mining, Manufacturing, Utilities	14,200	14,700	500
Construction	3,200	3,500	300
Distribution	13,600	13,900	300
Hotels and restaurants	3,400	3,700	300
Transport and communication	1,800	2,300	500
Financial services	700	600	-100
Business services	8,100	12,900	4,800
Public administration	2,600	2,600	0
Education	5,800	5,900	100
Health and social services	7,200	11,400	4,200
Other services	2,700	4,500	1,800
Total employees in employment	64,800	77,400	12,600

Table 4.4: Scenario 1 - employment change in South Somerset.

Scenario 2 - faltering recovery and more severe cuts in public sector employment			
	2006	2026	Change
Agriculture, Forestry and Fishing	1500	1,400	-100
Mining, Manufacturing, Utilities	14,200	13,800	-400
Construction	3,200	3,200	0
Distribution	13,600	13,700	100
Hotels and restaurants	3,400	3,600	200
Transport and communication	1,800	2,200	400
Financial services	700	600	-100
Business services	8,100	12,000	3,900
Public administration	2,600	2,400	-200
Education	5,800	5,700	-100
Health and social services	7,200	10,600	3,400
Other services	2,700	4,500	1,800
Total employees in employment	64,800	73,800	9,000

Table 4.5: Scenario 2 - employment change in South Somerset.

4.41 Under Scenario 1, the total number of employees in employment reaches 70,800 in 2016, 74,000 in 2021, and 77,400 in 2026. Adding in the self-employed² (see table 4.6) pushes total employment to 78,900 in 2016, 82,400 in 2021, and 86,200 in 2026.

² Self employed presumed to be the same proportion (11.4%) of employees in employment as at 2010. Note that the number of self employed in South Somerset fell in 2009 and 2010.

Scenario 1 - private sector-led growth and rebalancing towards manufacturing			
	Employees in employment	Self employed	Total employed
2006	64,800	10,200	75,000
2010	68,200	7,800	76,000
2016	70,800	8,100	78,900
2021	74,000	8,400	82,400
2026	77,400	8,800	86,200

Table 4.6 Scenario 1 – total numbers employed in South Somerset

Red denotes actual recorded data (ONS Annual Population Survey).

Black denotes employment projections associated with the future economic scenario.

- 4.42 Under Scenario 2, the total number of employees in employment reaches 69,400 in 2016, 71,300 in 2021, and 73,800 in 2026. Adding in the self-employed pushes total employment to 77,300 in 2016, 79,400 in 2021, and 82,200 in 2026.

Scenario 2 - faltering recovery and more severe cuts in public sector employment			
	Employees in employment	Self employed	Total employed
2006	64,800	10,200	75,000
2010	68,200	7,800	76,000
2016	69,400	7,900	77,300
2021	71,300	8,100	79,400
2026	73,800	8,400	82,200

Table 4.7 Scenario 2 – total numbers employed in South Somerset

Red denotes actual recorded data (ONS Annual Population Survey).

Black denotes employment projections associated with the future economic scenario.

- 4.43 The growth in total employment between 2010 and 2026 would be 10,200 (13.0%) under Scenario 1 and 6,200 (8.2%) under Scenario 2. Added to this, there has been a net gain in total employment of 1,000 jobs 2006 – 2010. Therefore, over the plan period 2006 – 2026, according to the different scenarios, this is a **net gain of 11,200 jobs (scenario 1) and 7,200 jobs (scenario 2)**. This is an average of 560 and 360 jobs per annum over the plan period respectively.

The scenarios and their compatibility with South Somerset's policy on economic development

- 4.44 South Somerset is currently preparing its economic development strategy. In the meantime, it has signed up to the Somerset Economic Strategy on which it will take its lead. The Somerset Economic Strategy seeks to transform the economy of Somerset, encouraging both indigenous business growth and the promotion of inward investment. In particular, one of the overriding priorities for the strategy is to *'transform Somerset from a relatively low productivity and low value added economy to a high value, knowledge driven county where innovation and creativity are valued and nurtured in the workforce and business community'*.
- 4.45 The strategic objectives of the Somerset Economic Strategy go on to promote Yeovil, alongside Taunton and Bridgwater as key growth centres, and to encourage enterprise and business growth in the market towns and rural areas.

- 4.46 This very positive approach towards the economy and economic growth is reflected in the vision of the emerging South Somerset Core Strategy which states that *'Yeovil will be the prime economic driver within the District (and for parts of West Dorset) with a stronger employment base and more high tech and quality businesses. The town will be attractive to existing and new businesses and workers through continuing investment and promotion of its existing manufacturing and service bases. Encouragement of new businesses in support of aerospace and other high tech industries will assist in providing a more resilient, diverse, higher wage economy with low carbon use.... South Somerset's Market Towns and Rural Centres will provide the basis of the thriving regenerated and diversified economy outside Yeovil. These places will have retained their distinctiveness and continue to provide a focus for their surrounding areas'*.
- 4.47 On the basis of what is set out in the Somerset Economic Strategy and the emerging South Somerset Core Strategy, it is considered that the more optimistic growth scenario, scenario 1, is most compatible with South Somerset's approach to economic development.

Economic led housing requirements

- 4.48 In order to support economic growth, a comparable level of homes will need to be provided to support population growth, or more specifically the growth of economically active residents. For instance, if economic growth of 560 jobs per annum was pursued (economic growth scenario 1) then 560 economically active people will be required to support these jobs and these new people would generally require accommodation.
- 4.49 In 2006, 49.6% of the population in South Somerset was economically active. This is an economic activity rate of 2.02. If the Council assume that the economic activity rate could be maintained due to people working later in life, and by maintaining the proportion of unemployment at 2006 levels (ie 3%³), 1 job will be required per 2.02 people. If the Council was to strive for economic growth of 560 jobs per annum, (a total of 11,200 jobs by 2026), coupled with an increase in the number of unemployed by 400 persons (ie 3% unemployed), this would give rise to a population growth of 23,700 people, a total population of 180,400 (and private households population of 176,400). At 2.1 persons per household, this would give rise to 16,000 new households. Housing requirements associated with economic growth scenarios 1 and 2 are set out in the tables 4.8 and 4.9 below.

a. Economically active 2006 (ONS Annual Population survey)	77,700
b. population 2006 (ONS mid year estimates)	156,700
c. households 2006 (ONS mid year estimates)	68,000

Table 4.8 – South Somerset baseline data

³ Whilst the percentage unemployment stays the same, this equates to an increase in the number of unemployed, eg in scenario 1 from 2,300 in 2006 to 2,700 in 2026.

	Scenario 1: (11,200 jobs)	Scenario 2: (7,200 jobs)
d. Net gain of jobs 2006 - 2026	11,200	7,200
e. Net increase in unemployment 2006 - 2026	400	300
<i>(total unemployment 2026)</i>	<i>(2700)</i>	<i>(2600)</i>
f. Economically active 2026 <i>(f = a + d + e)</i>	89,300	85,200
g. Total population 2026 <i>(g = f x 2.02) see para 4.49</i>	180,400	172,100
h. Private households population 2026 <i>(h = g - 2.2%) see para 3.3</i>	176,400	168,300
i. Total number of households 2026 <i>(i = h ÷ 2.1 persons per household)</i>	84,000	80,200
j. Number of additional homes 2026 <i>(j = i - c)</i>	16,000	12,200
k. Population change 2006 - 2026 <i>(k = g - b)</i>	23,700	15,400

Table 4.9 South Somerset economic led housing requirement. Note numbers are rounded to nearest 100.

Making comparisons with the population and household projections

- 4.50 Looking back at the demographic projections, economic growth scenario 1 gives rise to a population of 180,400 people which is identical to the 2008 based population projections (180,200). Population growth associated with the low economic growth scenario (total population 172,100) is closest to but significantly less than the 'actual population change + lower rates of migration' (175,200). Over the plan period to 2026, the housing requirement associated with scenario 1 (16,000 homes) is also the same as the latest (2008 based) ONS household projections, which is for 16,000 additional homes over the same 20-year period.

Addressing net out-commuting

- 4.51 13,000 people living in South Somerset commute out of the District for work. This compares with 13,400 people commuting into South Somerset for work. This gives rise to an evenly balanced commuting situation of +400 people. It is also noted that there are about 82,000 jobs compared with 80,400 economically active people in South Somerset (2008), confirming the fairly evenly balanced situation between jobs and economically active. Another way of presenting similar information is as job density (ratio of total jobs to working-age population) which in 2008 was 0.85 in South Somerset, compared with 0.82 for the South West, and 0.79 for Great Britain. The perfect balance is '1' but this is not necessarily a good situation for the economy which requires a larger labour market to provide flexibility for the economy to grow.
- 4.52 Self containment measures the extent to which residents live and work in an area. In South Somerset, 81% of residents aged 16 to 74 in employment live and work in the District. This is considered to be very self-contained and given that inevitably, some people will travel longer distances to work outside the District, it would be difficult to raise self containment beyond 81%. It is concluded that at a District level, the balance between homes and jobs is already well matched, and therefore,

all additional jobs created in South Somerset should be matched with the requisite housing requirements so as not to undermine this low net-commuting situation.

5 Housing need

- 5.1 The **third step** is to relate the suggested levels of housing provision to the identified levels of affordable housing need in South Somerset and hence consider the contribution that would be made to meeting this need.
- 5.2 The Taunton and South Somerset Strategic Housing Market Assessment (SHMA) was jointly commissioned by the relevant local authorities and the final draft approved in February 2009. The key findings show that affordable need for South Somerset is 659 units per annum. This addresses the backlog and also future need across the District.
- 5.3 The emerging South Somerset Core Strategy seeks 35% of housing developments to comprise affordable housing but recognises that the viability of sites will vary over time, according to different economic conditions.
- 5.4 Completions data from South Somerset shows that the number of affordable housing completions across the District was 23% of all housing completions over the last 4 years. By way of illustration, if the Council chose to pursue the higher economic growth scenario (scenario 1), (and 23% of all housing completions were affordable), this would yield about 185 affordable dwellings per annum. This compares with the lower economic growth scenario which is expected to yield about 140 affordable homes a year.

	Scenario 1: 11,200 jobs	Scenario 2: 7,200 jobs
Total housing requirement	16,000	12,200
Total number of dwellings per annum	800	610
Total affordable dwellings per annum	185	140

Table 5.1 Affordable housing provision relative to the overall housing requirement in South Somerset

- 5.5 The estimated provision of 140 - 185 affordable dwellings per annum is considerably less than the affordable housing needs for South Somerset (ie 659 dwellings per annum). The actual number delivered will depend on a range of factors not least of which is market viability over the plan period. One thing is clear however that a higher District-wide figure is likely to yield more affordable housing other things being equal, than a lower figure.

6 Environmental capacity

- 6.1 The **fourth step** in determining the appropriate level of provision has been to consider the capacity of the area to accommodate development.
- 6.2 There are a number of physical environmental constraints to housing development within the District. There are some important environmental designations in the form of AONBs to the south west (Blackdown Hills AONB) a small part of the Cranborne Chase and West Wilts AONB to the north east, and Dorset AONB running along the southern boundary of the District. The Somerset Moors and Levels in the north west of the District are internationally important wetlands. Just west of Yeovil is the heritage site of Ham Hill Country Park. The District has a high concentration of Listed Buildings and Conservation Areas as well as grand country homes and estates, some of which are now owned by the National Trust.
- 6.3 The South Somerset Strategic Housing Land Availability Assessment (2009) identifies that the total potential housing supply in South Somerset to 2026 is 26,881, of which there is potential for about 10,700 dwellings at Yeovil. This includes previously developed land as well as greenfield land on the edge of settlements. This analysis takes account of flood risk and all other constraints and shows that there is plenty of capacity for new development within South Somerset.
- 6.4 Whilst this illustrates potential environmental capacity, this does not mean that these sites would be suitable for development in planning terms. The emerging South Somerset Core Strategy is allocating suitable sites and identifying broad areas of search that are appropriate in terms of their performance against sustainable development criteria.

7 Empty homes

- 7.1 The **fifth step** to consider is the contribution to future housing supply of bringing vacant dwellings back into use. Bringing empty homes back into use has the potential to reduce the number of new homes required to house the population. However, a certain level of empty homes are necessary to ensure the housing market is dynamic. CLG guidance on Strategic Housing Market Assessments indicates that a vacancy rate of under 3% is considered normal in the social housing sector as this allows for transfers and for work on properties to be carried out. The table below shows that the number of empty homes in public ownership in South Somerset is significantly lower than 3%.
- 7.2 Looking at vacancy rates for private dwellings, South Somerset has the lowest proportion of empty homes in Somerset at 2.7% which is also greater than the national average of 3.2%. This is considered to be a normal and hence, no allowance is made for decreasing the proportion of empty homes relative to the number of new homes required.

Area	Public Sector		Private Sector	
	Number of dwellings vacant	Proportion of dwellings vacant	Number of dwellings vacant	Proportion of dwellings vacant
Sedgemoor	71	1.2%	1,761	4.2%
Taunton Deane	46	0.6%	1,307	3.3%
West Somerset	8	0.4%	523	3.5%
South Somerset (HMA)	96	0.9%	1,600	2.7%
Taunton (HMA)	125	0.8%	3,591	3.8%
South West	4,253	1.3%	53,350	2.7%
England	85,695	2.1%	587,229	3.2%

Table 7.1 Empty homes by tenure (2007), taken from South Somerset and Taunton SHMA

8 Housing delivery

Introduction

- 8.1 In determining the housing requirement for the District, it is essential that there is confidence that the level of housing envisaged is likely to be delivered through the planning and development processes. The **sixth step** therefore is to assess past and future market capacity in the different parts of the district, taking account of the supply that is already in the system.

Market capacity

- 8.2 The capacity of the market is the level of housing that can be built and sold or rented by developers. This takes account of the wider restrictions of the planning system that effectively constrain the market, in generally not allowing development in the open countryside, and directing major new development to land allocations, to regeneration sites, and on the edges of the main settlements.
- 8.3 Past completions are primary evidence of minimum market capacity as this indicates the exact level of housing built by developers. It is therefore a good indication of the level of house completions that can be expected to be replicated in the future. It may be that the actual market capacity is a good deal higher than indicated by past rates which may have been affected by limited land release imposed by the planning system, although the effects of economic cycles must also be considered.
- 8.4 The total number of gross housing completions in South Somerset over the 18 years between 1992/93 to 2009/10 (18 years) is 11,811 dwellings, an average of 656 dwellings per annum (dpa). This period covers years of relative economic prosperity, as well as recessions, so the completion rate represents a reasonably typical economic cycle. This level provides a benchmark from which to consider future market capacity. The average build rate for the main settlements between 1992/93 and 2009/10 are set out below:

	Average build rate per annum
Yeovil	208
Chard	74
Crewkerne	26
Ilminster	41
Wincanton	29
Rest of District	274

Table 8.1 average annual build rates 1992 - 2009, source SSDC 'build rates'

- 8.5 These completion rates indicate a minimum market capacity of 208 dpa in Yeovil, based on what has actually been built. It should be noted that the last two years have been in recession with very challenging market conditions.
- 8.6 The future supply of housing sites between 2006 and 2026 is derived from various sources, including:
- Completions 2006 - 2010
 - Current uncompleted permissions (including units under construction)
 - Local Plan allocations without permission
 - SHLAA sites

This is explored below.

- 8.7 The last published Annual Monitoring Report sets out details of sites with uncompleted permissions, as well as allocated sites, at April 2009:

	Under Construction & planning permissions (Not Started)	Allocated in Local Plan (without planning permission)	Total
Yeovil	3010	37	3047
Chard	266	1371	1637
Crewkerne	123	639	762
Ilminster	96	0	96
Wincanton	547	23	570
Somerton	42	173	215
Langport / Huish Episcopi	87	53	140
Ansford / Castle Cary	161	58	219
Ilchester	1	0	1
South Petherton	95	0	95
Martock	31	14	45
Bruton	85	0	85
Milborne Port	155	18	173
Stoke Sub Hamdon	1	0	1
Other	743	0	743
Total	5443	2386	7829

Table 8.2 Housing supply, source SSDC AMR 2008-2009

- 8.8 Many of these are relatively modest sites of less than 100 units, and it is therefore anticipated that most will be developed within the coming five years. However, several large sites including the three Yeovil Local Plan Key Sites at Lufton, Lyde Road, and Brimsmore, and the New Barns Farm site at Wincanton, a saved Local Plan allocation, are in the permissions column, and because of their size, deliverability will need to be examined in the context of annual market capacity. In addition, the Chard and Crewkerne Key Sites included in the allocated column will need to be examined.

- 8.9 The emerging position at April 2010 provides for a housing supply of 6,720 units, as follows:

	No. of dwellings
completions to 2010	2,377
under construction 2010	883
commitments (permissions)	3,129
other commitments (allocations)	292
developable SHLAA sites	39

Table 8.3 – housing supply in South Somerset at April 2010, source SSDC Strategic Monitoring and Appraisal Officer 13/12/10

- 8.10 The Strategic Housing Land Availability Study (SHLAA) published in 2009 concluded that the supply of deliverable and developable sites could accommodate a total of 26,881 dwellings, which was easily sufficient to meet even

the now defunct housing target in the Regional Spatial Strategy of 19,700 dwellings. The SHLAA sites have been apportioned to the appropriate plan period taking account of the Panel's view of individual site deliverability:

SHLAA sites - suitable, available & achievable				
Area	0-5 years	6-10 years	After 11 years	Total
East	1,006	3,186	1,087	5,279
North	553	1,659	1,289	3,501
South	4,815	3,233	2,470	10,518
West	3,009	2,317	2,257	7,583
Total	9,383	10,395	7,103	26,881

Table 8.4 Suitable, available and achievable housing sites, source South Somerset SHLAA (2009)

- 8.11 The SHLAA includes the urban extension south of Yeovil at East Coker/Keyford/Barwick (hereafter referred to as the Yeovil urban extension or YUE), which features in the pre-submission Core Strategy document. This also needs to be examined in terms of market capacity, as well as making reasonable assumptions about the likely start date and build rates. Critically, the SHLAA Panel assessed housing capacity and delivery on an individual site basis, rather than looking at the wider picture. The delivery assessment in this report considers the overall capacity of the housing market, and the ability of developers to deliver completions when several Key Sites are under construction simultaneously, as well as the likely delivery rates on one large urban extension as anticipated through the emerging Core Strategy.
- 8.12 Discussions have been held with developers and promoters about what the market could potentially deliver in terms of annual completions in the major settlements, both on brownfield redevelopment sites, and on urban extensions, to determine market capacity. This has taken account of current and past experience of completion rates on urban extensions and brownfield redevelopment sites. The developers and promoters include:
- Abbey Manor
 - Bishop Brothers
 - Taylor Wimpey
 - Barratt/David Wilson
 - Persimmon
 - Bloor
 - LDA consultants
 - Bellway
 - Redrow

Potential windfall contribution

- 8.13 Focusing first on Yeovil, market capacity falls into two categories of development, firstly within the built-up area of the town, mostly on previously-developed land, and secondly on relatively large greenfield urban extensions. Past completion rates between 2006 and 2010 on sites within the built-up area of Yeovil amounts to 201 dpa, giving an indication of the market capacity. At April 2010, 889 units were either under construction, or had planning permission, excluding urban extensions, and it can reasonably be assumed that these will all be completed within 4.5 years, by about September 2014.

- 8.14 Beyond this date (September 2014), there is proven market capacity to deliver about 200 dpa within the built-up area of Yeovil, (based on the past completion rates 2006 - 2010 referred to in para 8.13), so it is likely that about 2,300 additional dwellings will be completed in the 11.5 years between September 2014 and April 2026 from similar windfall sources of urban land.
- 8.15 In the other main settlements of South Somerset where housing development is expected to continue, a total of 1121 dwellings have been completed in the four years 2006 - 2010, an average of 280 dpa. If this rate continued between 2014 and 2026, a further 3220 units would be built from this source. South Somerset could therefore expect an overall total of 5520 dwellings 2014 - 2026 at a rate of 480 dpa.
- 8.16 However, because these sites have yet to be identified, this would count as windfall development. Current national planning policy contained in PPS3 is that there should not be any allowance for windfall development in the first 10 years of land supply. Accordingly, in this report, an allowance could be made for the four years from 2022 to 2026, that is, not including the first 10 years from adoption of the Core Strategy.
- 8.17 It is recommended that a slightly reduced allowance is made of 450 dpa, giving a total supply of 1800 units between 2022 and 2026.

Urban extensions -Yeovil

- 8.18 In considering the urban extensions, groups of developers and agents consider that there is market capacity of some 120 dpa on each of the Key Sites with planning permission. This assumes an average of two developers on each Key Site at any one time, each completing about 40 dpa, with an additional 40 affordable units. The individual site completion rate could be higher if there was only one Key Site under construction, but with three sites building at the same time, the market capacity is spread. The overall market capacity with all three Key sites completing simultaneously is estimated at about 360 dpa. This will mean that the development period on the three Key sites will be spread until about 2016 - 2018.
- 8.19 This is a considerable increase in the overall completion rate experienced at Yeovil over the past 20 years. Since 1992, the overall build rate has been 208 dpa. In addition to the three key sites that have a combined capacity of 2167 units, there are other sites in Yeovil with planning permission for 850 dwellings, anticipated to be built over the coming 5 years, at 170 dpa. The overall completion rate in Yeovil will therefore be about 530 dpa, (360 + 170), a 2.55 times increase on the past 20 year rate. On the basis of detailed discussions with developers and promoters, we believe this level to be achievable, although challenging.
- 8.20 In addition, the emerging Core Strategy identifies a large urban extension at East Coker/Keyford/Barwick south of Yeovil, which is expected to deliver 3725 dwellings by 2026. We think this will be practically very difficult to achieve, for two main reasons:
- The site is unlikely to start delivering completions until 2015 -2016

- The average completion rate is likely to be about 260 dpa, based on an average of 5 developers each completing 40 dpa, plus an additional 60 dpa affordable units.

8.21 The Yeovil urban extension (YUE) is unlikely to start delivering completions until about late 2015. This is based on discussions with SSDC officers, and developers familiar with the process. The likely timescale of events leading to first completions is as follows:

- | | |
|---|----------------------|
| • Core Strategy Examination | Winter 2011/2012 |
| • CS adoption | Spring/Summer 2012 |
| • UE masterplanning (possible SPD or AAP) | late 2012/2013 |
| • Planning application | late 2013/early 2014 |
| • Planning permission with S.106 etc | Spring 2015 |
| • Priming infrastructure | 2015 |
| • First completions | late 2015/early 2016 |

8.22 A complicated land ownership pattern is also likely to present delays in site assembly. Following this process, the YUE would deliver about 100 completions during 2015-16. The second year of construction might produce 200 dwellings, gearing up to 260 dpa thereafter.

8.23 This rate of development will produce about 2640 completions by 2026 at the YUE, 1,085 fewer than anticipated in the draft Core Strategy. On the basis of discussions with landowners and developers, Baker Associates has estimated the anticipated housing completion trajectory for all the programmed urban extensions at Yeovil, as well as the smaller settlements. This is summarised below in 5-year periods, and shown in detail in **Appendix 2**.

Urban extensions 50+ units	SHLAA site ref	developer / promoter	2010-15 (6 years)	2016-20	2021-25	total
Yeovil - Lufton	BRYM/1501	AM, TW, B, P	520	100		620
Yeovil - Lyde Road	YEWI/1500	B, DW, BI	560	157		717
Yeovil - Brimsmore	YEWI/1501	Bi + others	530	300		830
Yeovil Urban Extension	EACO/0014	Bi + others	100	1240	1300	2640
YEOVIL URBAN EXTENSIONS TOTALS			1710	1797	1300	4807
YEOVIL URBAN EXTENSIONS ANNUAL BUILD RATE			285	360	260	300
Chard Key Site	CHAR/0050	LDA, Be, Bi, P, Mo, Re	500	600	600	1700
Crewkerne Maiden Beech	CREW/0303	P	114			114
Crewkerne CLR Key Site	CREW/0305	TW	130	200	195	525
Wincanton New Barns Farm	WINC/0302	TW	200	83		283
Somerton	SOME/0906	Be	158			158

Table 8.5 Baker Associates estimate of South Somerset housing trajectory on urban extensions, 2010 - 2026

Abbey Manor (AM), Barratt (B), Bellway (Be), Bishop (Bi), Bloor (BI), David Wilson (DW), LDA – consultants, Morrish (Mo), Persimmon (P), Redrow (Re), Taylor Wimpey (TW)

- 8.24 In summary, the deliverable housing supply at Yeovil between 2006 and 2026, (which equates to market capacity), amounts to 7,219 dwellings. This includes the Urban Village allocated under Policy YV3 in the Draft Core Strategy, and is made up as follows:

Element of supply	No of dwellings
Completions 2006-2010 (excluding Lyde Road to avoid double-counting)	726
Under construction 2010	208
Permissions 2010	278
Key Sites (including Lyde Road)	2167
Windfall allowance 2022-2026	800
Urban Village	400
YUE	2640
total	7219

Table 8.6 Components of housing supply in Yeovil 2006 – 2026, source SSSDC January 2011

Other settlements

- 8.25 **Chard** is the next largest town in the district after Yeovil. The draft Core Strategy anticipates an urban extension on the Key Site east of the town, with a capacity of 1700 dwellings. Chard has a historical build rate of 74 dpa, and the inclusion of the urban extension of this size will require a consistent completion rate to increase to about 120 dpa, just within the Key Site.
- 8.26 Chard's larger scale development is in recognition of its size and potential, due to its high degree of self containment and is reflected in the positive planning proposals emerging from the Chard Regeneration Framework. Essential infrastructure phasing, together with a complicated land assembly pattern, will mean that a consistent build rate is difficult to achieve. However, the potential completion rate based on current and future demand, estimated by the promoters and developers with land interests at Chard, is an average of about 120 dpa on the Key Site over the plan period. This would allow the completion of 1700 dwellings by 2026. The overall provision of 2191 dwellings in Draft Core Strategy Policy SS4 should therefore be achievable.
- 8.27 **Crewkerne** is smaller than Chard, with a past build rate of 26 dpa. The draft Core Strategy sets out a total provision of 1028 dwellings to 2026, requiring a significant increase to almost 70 dpa. Developers however are confident that this level of building can be supported by the market. Persimmon intend to build out the site at Maiden Beech at about 30 dpa, finishing by about 2015, and Taylor Wimpey control the CLR Key Site, which they intend to develop at about 40 dpa, finishing by 2026. The overall provision of 1028 dwellings should therefore be achievable.
- 8.28 The only other significant allocated sites are at **Wincanton and Somerton**. Taylor Wimpey intends to build out at about 40 dpa at Wincanton, and Bellway is aiming at the same completion rate at Somerton, confirming market capacity. The respective housing targets in Draft Core Strategy Policy SS4 of 1053 and 500 dwellings therefore pose no problem in terms of market capacity.

Conclusion

- 8.29 The analysis of market capacity set out in the trajectory in **Appendix 2** shows that 16,507 dwellings are deliverable over the plan period, through a combination of completions, existing commitments and development allocations as set out in the emerging Core Strategy, in addition to an allowance for windfall development 2022 - 2026. This compares closely with the emerging South Somerset Core Strategy target of 16,600 dwellings.

	No. of dwellings
Completions 2006 to 2010	2,377
under construction 2010	883
commitments (permissions)	3,129
other commitments (allocations)	292
developable SHLAA sites	39
Windfall post 2022	1,800
Urban extensions including Yeovil Urban Village	7987
Total	16,507

Table 8.7 Components of housing supply in South Somerset 2006 - 2026

- 8.30 The Yeovil urban extension has an estimated capacity of 3,720 dwellings. Taking account of the emerging core strategy programme, the market has the capacity to deliver a total of about 2,640 dwellings at the Yeovil urban extension in the plan period to 2026. This lower deliverable capacity has been factored into the housing trajectory in appendix 2. The total deliverable supply between 2006 and 2026 at Yeovil is 7,219 dwellings. This represents the market capacity taking account of existing commitments and development allocations in the emerging Core Strategy, realistic start dates on major sites, the capacity of developers to deliver completions, in addition to an allowance for windfall development 2022 - 2026.
- 8.31 The market capacity for additional development at Yeovil is a function of the number, scale, and location of urban extensions. Appendix 2 shows the three Key Sites coming to an end by about 2017, after which there are no further completions on the north side of the town, with the urban extension to the south coming on stream. Whilst three separate urban extensions could each produce about 360 annual completions, the one development area south of the town at East Coker/Keyford/Barwick will only deliver about 250 dpa on average, thus limiting annual market capacity.
- 8.32 The overall market capacity of Yeovil could be raised by increasing the number of urban extensions available for development after 2016, when a more constrained supply is apparent. After 2016, the *theoretical maximum capacity* of urban extensions at Yeovil would be achieved by spreading development across about 4 urban extensions (including the existing YUE), assuming an average of two developers on each at any one time, each completing about 40 dpa, with an additional 40 affordable units, illustrated as follows:

sector	start date	annual completions	total completions 11 yrs
South east	2016	120 for 10 years	1200
South west	2016	120 for 10 years	1200
North east	2018/19	120 for 8 years	960
North west	2018/19	120 for 8 years	960
total			4320

Table 8.8 increasing market capacity at Yeovil

- 8.33 If the Council intends to promote a housing target greater than 7600 homes at Yeovil, it should consider including more urban extensions in other locations, which would have the effect of expanding the market. These could be located in other areas adjacent to Yeovil, not in the vicinity of East Coker/Keyford/Barwick, as illustrated in para 8.32. In addition to the market capacity of 7600 at Yeovil, there is potential to raise the market capacity of the town to 11,900 dwellings, subject to making more land available as urban extensions.

9 Housing provision at Yeovil and the rest of the District

Introduction

- 9.1 Part of the brief is to consider what the evidence is suggesting the housing requirement for Yeovil should be.
- 9.2 Yeovil is the largest settlement in South Somerset, making up 27% of the District's population. It is also the main focus for employment and shopping in the District. The Yeovil Vision (2005) recognise the importance of Yeovil to South Somerset and sets out an agenda for change for Yeovil to a place that is 'the heart of the country and the mind of a city'. More specifically, the Vision for Yeovil seeks:
- a positive, confident and distinct image
 - a town centre which is safe and clean
 - quality new developments which are locally distinctive, sustainable and contribute to the development of the town centre as a whole
 - an enhanced relationship with the country park and countryside beyond
 - the realization of its full potential to meet the demands of its catchment area and in so doing attracting appropriate and quality inward investment
 - the development of distinct yet complementary quarters to improve the vitality and diversity of the town centre
 - a quality transport system which provides choice
 - a mixture of uses and activities providing a safe and vibrant environment for both daytime and night-time economies
 - a strong community involvement in its future development and improvement
 - a town that embraces and celebrates cultural diversity.
- 9.3 The emerging Core Strategy takes this forward and identifies Yeovil as the prime economic driver for the District and the major focus for development.

Housing provision in Yeovil

- 9.4 In 2006, jobs were distributed in South Somerset as follows:

	Percentage of jobs 2006 (%)
Yeovil	47
Chard	9
Wincanton	5
Crewkerne	4
Ilminster	3
Somerton	2
Castle Cary and Ansford	2
Rest of the District	27
District Total	100

Table 9.1 distribution of jobs in South Somerset (ABI, 2006)

- 9.5 Yeovil has the greatest number of jobs, followed by the rural areas. The other market towns combined (excluding Yeovil) have 25% of the District's jobs.

- 9.6 In considering options, a straightforward response to the existing jobs distribution would be to direct 50% of new jobs to Yeovil in accordance with past economic trends. Alternatively, in moving towards greater concentration and promoting the growth of Yeovil as the main driver for the whole South Somerset economy, it could seek to increase the number of jobs here to 60%. Increasing the share of jobs directed to Yeovil to more than 60% would mean that job growth in the other parts of the District would be limited to less than 40%. Given the current 50-50 balance of jobs between Yeovil and everywhere else, considerably increasing the share to Yeovil (ie beyond 60%) could have the effect of overly constraining the economic potential of other parts of the district, which currently provides 50% of the District's jobs.
- 9.7 In order to support economic growth, a comparable level of homes will need to be provided to support population growth, or more specifically the growth of economically active residents. Taking **economic growth scenario 1** for South Somerset, the housing requirements associated with the different approaches to the concentration of employment at Yeovil are set out in table 9.2 below.
- 9.8 By way of illustration, in 2001, 50% of the population in Yeovil was economically active. If the Council assumed that the 50% economic activity rate could be maintained due to people working later in life and by maintaining total unemployment at 2006 levels (ie 720 persons in 2006⁴), 1 job will be required for every 2 persons. If the Council was to strive for economic growth of 280 jobs per annum, (a total of 5,600 jobs by 2026, as per economic growth scenario 1), this would require population growth of 12,400 people, giving rise to a total population of 56,200 and a private households population of 55,300. At 2.1 persons per household, this would generate a housing requirement of 7,500 new homes. The allocation of 60% of jobs to Yeovil would generate a housing requirement of 8,600 homes.

Yeovil baseline data	
a. Economically active 2006	22,500
b. population 2006	43,900
c. households 2006	18,800

Table 9.2 – Yeovil baseline data – BA estimates based on 2001 census (ward data only available from census data)

	Economic growth scenario 1 - 50% of jobs directed to Yeovil (5,600 jobs / 280 jobs p.a.)	Economic growth scenario 1 - 60% of jobs directed to Yeovil (6,700 jobs / 335 jobs p.a.)
d. Net gain of jobs 2006 -2026	5,600	6,700
e. Economically active 2026 (e = a + d)	28,100	29,300
f. Total population 2026 (f = e x 2)	56,200	58,500
g. Private households population 2026 (g = f – 1.65%)	55,300	57,600

⁴ This is an unemployment rate of 3.4% for Yeovil. This is higher than the District unemployment rate of 3% and therefore maintaining the total number of unemployed in Yeovil (ie 720 persons) whilst increasing the number of economically active persons will have the effect of reducing the percentage of those who are unemployed in 2026. Notwithstanding this assumption for 2026, unemployment will fluctuate during the plan period.

h. Total number of households 2026 (h = g ÷ 2.1 persons per household)	26,400	27,400
i. Number of additional homes 2026 (i = h - c)	7,500	8,600
j. Population change 2006 - 2026 (j = f - b)	12,400	14,600

Table 9.3 Yeovil economic led housing requirement. Note that numbers may not add up due to rounding to nearest 100.

- 9.9 Self containment measures the extent to which residents live and work in an area. In Yeovil, 75% of residents aged 16 – 74 in employment, live and work in the town which demonstrates very high levels of self containment. Whilst Taunton is very similar (76%), this tends to only be exceeded by much larger towns and cities in the region with a much larger employment base (eg Exeter 80%, Plymouth 84% and Bristol 85%).
- 9.10 However, whilst out-commuting from Yeovil is relatively low (5,300 persons), in-commuting is high (13,200 persons). Employment data also shows there were 30,000 jobs in Yeovil in 2006, compared with 22,500 economically active persons, indicating a jobs – homes imbalance. A significant market town surrounded a large rural hinterland, it is to be expected that a town such as Yeovil would be a net importer of labour. However, the net-commuting situation of +7,900 persons is significant and therefore, could be addressed in the planning strategy for the area by trying to provide more homes at Yeovil in order to increase opportunities for people to live closer to where they work.
- 9.11 Were the Council to seek to reduce in-commuting, this requires the provision of more new homes relative to the number of new jobs. Table 9.4 sets out the housing requirements associated with addressing levels of in-commuting.

		Economic growth scenario 1 - 50% of jobs directed to Yeovil (5,600 jobs)	Economic growth scenario 1 - 60% of jobs directed to Yeovil (6,700 jobs)
No. of additional homes required if net commuting reduced by:	5% (400 trips)	7,900	9,000
	10% (800 trips)	8,300	9,400
	15% (1200 trips)	8,700	9,800

Table 9.4 Reducing in-commuting and the implications for future housing requirements in Yeovil

- 9.12 On average, as at 2006, there is 1 job per household in Yeovil. Taking the scenario of directing 50% of job growth to Yeovil, plus attempting to reduce net-out commuting by 10% over the plan period (i.e by 800 people), then the housing requirement would be 8,300.
- 9.13 Decisions about the right level of housing for Yeovil will also need to be informed by the environmental capacity, market delivery and the more detailed objectives and strategy of the Yeovil Vision, as well as calibrated against the sustainable

development objectives for other parts of the District.

Housing provision in the rest of the District (ie excluding Yeovil)

- 9.14 The need to support vital services and sustainable communities in smaller settlements will be a particular concern for the Core Strategy. A major factor to consider in this respect is that average household size in South Somerset is projected to decrease from 2.25 persons per household to 2.10 persons per household by 2026. This is very similar to the national situation. Given the planning system's more constrained approach to growth outside larger settlements, this affects the rural areas disproportionately. Therefore, even if the population of the rest of the district (excluding Yeovil) stayed at 2006 levels, this will mean that **3,500** additional homes will be required by 2026 to support the existing population's shift towards smaller households. Provision of less than 3,500 homes in the rest of the District (excluding Yeovil) will mean a reduction in the population in the rest of the district.

	Population	Private households population	Households
2006	112,800	110,300	49,000
2026	112,800	110,300	52,500

Table 9.5 Population and households in the rest of the district (using 2001 census data)

- 9.15 Beyond Yeovil, the South Somerset Settlement Role and Function Study (April 2009) identifies other settlements that have a clear role and function within South Somerset. Those with a strong employment, retail and community role include:
- Chard
 - Crewkerne
 - Ilminster
 - Wincanton
 - Somerton
 - Langport / Huish Episcopi⁵
 - Ansford / Castle Cary
- 9.16 These settlements are considered to have a strong employment function with an existing concentration of business and a good variety of shopping and community services that meet the needs of the settlement and the surrounding area. The settlements are relatively well self contained with relative low out commuting and dominant role in terms of travel to work within South Somerset, which can be maintained or developed to meet the needs of the settlement and the surrounding area. These settlements also represent some of the largest centres within South Somerset in terms of employment, population, economically active people and retail and community service provision. The report therefore highlights the potential to expand their roles as service centres by making provision in the LDF for further development.
- 9.17 Six other settlements have a retail and community service role:
- Ilchester
 - South Petherton
 - Martock

⁵ Note that the emerging South Somerset Core Strategy identifies Langport as a 'Rural Centre', while all other centres identified in this list are 'Market Towns'.

- Bruton
- Milborne Port
- Stoke Sub Hamdon

9.18 These settlements provide a range of retail or community services to meet the needs of the local area. The settlement role and function report considers that these settlements are well placed to meet local housing needs given their geographical distribution across the district. They are also suited to provision that supports rural diversification, small scale employment, and maintains the viability of existing community services.

9.19 Economic growth scenario 1, which is considered to be most closely in line with South Somerset's objectives for economic development, has a housing requirement of 16,000 homes. Depending on the approach to development at Yeovil, an illustration of the residual housing requirement (as a proportion of the total 16,000 homes for the district) is as follows:

Yeovil (Economic growth scenario 1 - 50% of jobs directed to Yeovil ie 5,600 jobs)	Rest of the District	District total
7,500 (Net commuting unaltered)	8,500	16,000
7,900 (Net in-commuting reduced by 5%)	8,100	16,000
8,300 (Net in-commuting reduced by 10%)	7,700	16,000
8,700 (Net in-commuting reduced by 15%)	7,300	16,000

Table 9.6 Housing requirements at Yeovil and the rest of the district

10 Conclusion

Introduction

- 10.1 We have examined the level of housing provision that should be made in South Somerset in three ways:
- By an examination of the population and household projections
 - By examining what the pursuit of the Council's priority issues would require or imply in terms of population change and housing provision, looking particularly at the provision for economic development, access to housing, the maintenance of communities and a concern to maintain the environment and the character of the District.
 - By examining the capacity of the area to accommodate new housing development.

Housing requirement for South Somerset 2006 - 2026

- 10.2 Household projections show that if past trends were allowed to continue, 16,000 additional homes would be required in South Somerset. If lower levels of in-migration experienced in 2006-2009 are factored in to future scenarios, the requirement is for 13,600 - 15,200 homes.
- 10.3 An investigation into the economic potential of South Somerset's economy shows there is potential for 7,200 – 11,200 jobs over the period 2006 – 2026. This generates a requirement for 12,200 - 16,000 homes.
- 10.4 In light of the Council's aspirations for South Somerset which are very supportive of economic growth, **it is considered that economic growth scenario 1 (11,200 jobs) most closely fits the Council's objectives and should be taken forward for further consideration in the Core Strategy.**
- 10.5 A housing requirement of 12,200 - 16,000 homes would give rise to a total District population of 172,100 – 180,400 respectively. Comparing this with the demographic projections, economic growth scenario 1 gives rise to a population of 180,400 people which is identical to the 2008 based population projections (180,200). Population growth associated with the low economic growth scenario (total population 172,100) is closest to but significantly less than the 'actual population change + lower rates of migration' (175,200).
- 10.6 A housing requirement of 12,200 - 16,000 homes could yield about 4,270 – 5,600 affordable homes over the 20 year plan period based on the target of 35% affordable homes outlined in Draft Core Strategy Policy HG4. However, it must be noted that historically an overall figure of 23% affordable housing as been achieved and on this basis a more realistic yield of about 2,800 – 3,700 will be expected. The actual number will depend on a range of factors not least of which is market viability over the plan period. One thing is clear however that the figure of 16,000 dwellings is likely to yield more affordable housing other things being equal, than the figure of 12,200.

- 10.7 In terms of physical constraints, there is environmental capacity to accommodate the recommended 16,000 homes in South Somerset. And this same number of homes is deliverable from a market capacity perspective. Taking account of existing commitments and development allocations in the emerging Core Strategy, and an allowance for windfall development 2022 – 2026, Yeovil has a deliverable market capacity of 7,600 dwellings. However, the market capacity at Yeovil is constrained by there only being one urban extension identified in the emerging Core Strategy. The market capacity at Yeovil could be raised by increasing the number of urban extensions at Yeovil. The maximum theoretical capacity of Yeovil is considered to be 11,900.

Housing requirement for Yeovil and the rest of the district 2006 - 2026

- 10.8 **An economic led approach to the growth of Yeovil suggests that the housing requirement for Yeovil is 7,500 homes (based on 5,600 jobs – ie 50% of the District’s job growth), assuming levels of in-commuting are not addressed.** However, there is an opportunity through the provision of housing in the LDF to attempt to reduce net in-commuting by 5 – 15%. This would lead to a housing requirement of 7,900 – 8,700 homes.
- 10.9 Economic growth scenario 1 which is considered to be most closely in line with South Somerset’s objectives for economic development, leads to a housing requirement of 16,000 homes. Depending on the approach to development at Yeovil, an illustration of the residual housing requirement (as a proportion of the total 16,000 homes for the district) is as follows:

Yeovil (Economic growth scenario 1 - 50% of jobs directed to Yeovil ie 5,600 jobs)	Rest of the District	District total
7,500 (Net commuting unaltered)	8,500	16,000
7,900 (Net in-commuting reduced by 5%)	8,100	16,000
8,300 (Net in-commuting reduced by 10%)	7,700	16,000
8,700 (Net in-commuting reduced by 15%)	7,300	16,000

Table 10.1 Housing requirements at Yeovil and the rest of the district

- 10.10 If 50% of jobs are allocated to Yeovil, the residual housing requirement for the rest of the District is 7,300 – 8,500 homes. The ‘rest of the district’ covers a very large area and there is a wide variety of settlement types with a whole variety of needs, constraints and opportunities. The emerging South Somerset Core Strategy identifies a settlement hierarchy that has been prepared in consultation with town and parish councils. Town and parish councils have shown provisional support for most of the proposals associated with the hierarchy. The actual number of homes directed to the rest of the district also needs to be informed by the settlement role and function study evidence, the settlement hierarchy, travel movements information, environmental capacity and sustainable development objectives for other parts of the District, and crucially by the results of the participation held into the draft Core Strategy.

Appendix 1

South Somerset Employment Trends 1998-2008, taken from Annual Business Inquiry data

Industry	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
Agriculture, Forestry and Fishing	1.9	1.7	1.5	1.4	1.4	1.2	1.3	1.3	1.5	1.5	1.7
Mining, Manufacturing, Utilities	19.0	19.2	15.8	16.7	15.9	16.4	16.5	14.3	14.2	14.7	14.3
Construction	2.9	2.4	3.0	1.9	2.3	2.2	2.5	3.3	3.2	3.4	2.9
Distribution	10.0	11.5	13.3	13.4	14.6	14.2	14.9	14.1	13.6	14.3	13.5
Hotels and restaurants	3.1	2.1	3.3	4.3	3.4	2.7	3.1	3.6	3.4	3.6	3.3
Transport and communication	1.9	1.9	2.5	2.1	2.1	2.1	2.2	2.4	1.8	2.1	2.0
Financial services	1.0	1.0	1.0	0.9	0.9	0.8	0.9	0.8	0.7	0.6	0.6
Business services	4.1	4.7	5.9	5.3	4.9	6.7	6.4	8.1	8.1	9.9	10.1
Public administration	1.9	2.2	2.7	2.2	2.7	2.7	2.7	2.7	2.6	2.3	2.7
Education	4.5	4.4	4.7	4.9	4.8	4.9	5.1	5.5	5.8	5.1	5.5
Health and social services	4.4	4.4	4.2	7.0	6.8	6.6	6.8	7.5	7.2	7.6	8.8
Other services	1.7	2.0	2.1	2.2	2.1	1.7	2.1	1.9	2.7	2.4	2.8
Total employees in employment	56.4	57.5	60.0	62.3	61.9	62.2	64.5	65.5	64.8	67.5	68.2

Appendix 2

Baker Associates estimate of South Somerset housing trajectory on urban extensions 2010 – 2026

SSDC housing trajectory April 2006 - April 2026																		
year starting April	achievable capacity to 2026	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	total
completions to 2010 (AMR)	2,377																	2,377
under construction April 2010	883	440	443															883
commitments (permissions)	3,129	625	625	625	625	629												3,129
other commitments (allocations)	356				90	90	90	86										292
developable SHLAA sites	39							20	19									39
windfall post 2022	1,800													450	450	450	450	1,800
Yeovil urban village	400									80	80	80	80			80		400
Lufton	620		60	120	120	120	100	100										620
Lyde Road	717	20	80	120	120	120	100	100	57									717
Brimsmore	830		60	120	120	120	110	100	100	100								830
Yeovil CS Urban Extension	2,640						100	200	260	260	260	260	260	260	260	260	260	2640
Chard east	1700		50	100	110	120	120	120	120	120	120	120	120	120	120	120	120	1700
Crewkerne Maiden Beech	114		30	30	30	24												114
Crewkerne CLR Key Site	525			10	40	40	40	40	40	40	40	40	40	40	40	40	35	525
Wincanton	283		40	40	40	40	40	40	43									283
Somerton	158		38	40	40	40												158
SOUTH SOMERSET	16,570	1,085	1,426	1,205	1,335	1,343	700	806	638	600	500	500	500	870	870	950	865	16,507

Developers: Abbey Manor (AM) , Barratt (B), Bellway (Be), Bishop (Bi), Bloor (Bl), David Wilson (DW), LDA – consultants, Morrish (Mo), Persimmon (P), Redrow (Re), Taylor Wimpey (TW)

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