

LDF PMB and MAG Combined Group

Core Strategy Workshop 6

Housing Requirement Review; Consideration of Workshops Dealing with Baker Associates Housing Requirement for South Somerset and Yeovil Report of Spatial Policy Manager

Purpose of Report: to review outcome of Workshops into scale of growth issues and present recommendation for the PMB

Recommendations

Retain the level of growth proposed in the Core Strategy – 16,000 dwellings to 2026 (equivalent of 17,200 to 2028).

Background: On the 4th July 2011, Area South Committee did not make a recommendation on the scale and distribution of housing for South Somerset and Yeovil as they had concerns over the methodology used by Baker Associates to establish that figure. Members requested a workshop with John Baker for him to explain further the methodology used and discuss the housing numbers projected for the District in the Core Strategy to 2028.

The main areas of concern were:

1. Economic Potential - there were concerns over the methodology used to establish the economic potential of the District.
2. Migration & Population Projections - the figures were criticised, primarily for being based on out-of-date, resulting in greater growth than now being projected.

The workshops took place on Monday 13th August and Friday 2nd September (a copy of the notes of the questions and answers covered in both workshops are appended to this report, as is an attendance list). A further written response to Cllr Marcus Fysh's detailed questions tabled shortly before the second workshop is currently being addressed by the Spatial Policy Manager and by John Baker.

Report: John Baker addressed the main areas of concern

1. Economic Potential - John Baker explained that the scenarios for growth relate to jobs growth as opposed to GDP growth, and making a direct comparison between the two is very difficult.

The methodology used to establish the scenarios was very much a bottom up approach, looking specifically at the local economy and making predictions for growth based on local evidence. The method involved looking at the composition of the economy and analysing the past performance of each sector to start to build a picture of its potential growth. Employers in these sectors were also interviewed to establish their view of their future performance. The local approach gives a robust view of the potential of the South Somerset and Yeovil economy.

The GDP based approach put forward by others suffers from a surfeit of projections from which to choose (15 long term projections by reputable organisations identified by the Government) and that it projects on the basis of the national economy and its structure. The South Somerset economy is different in many ways to the national economic structure and indeed is a more dynamic economy a better placed with representation of sectors that can and need to expand more rapidly over the coming years.

This approach has been used by other authorities and is not unique to the South Somerset approach.

2. Migration & Population Projections – John Baker explained that the report was based on 2008 household projection data, which is the latest published by the Government. Having revisited the report using the 2010 mid-year population estimates the Consultants have modified slightly the bottom end of the range of potential housing requirement. The population estimates show that whilst migration rates have been declining since 2007, natural change is now on the increase.
- . The projection information used is the latest available and the new Household Projections for 2010 are due out in May 2012. Once out in public the Core Strategy process, wherever it is at prior to adoption, will be duty bound to take these latest projections into account. Any such account would need to be endorsed by Members.

The written questions of Cllr Fysh will be responded to shortly and all members will receive a copy of the response. It is considered however that they do not raise any new substantive lines of argument not raised and considered in the 2 Workshops held. They serve to expand in detail on points already raised or seek to establish the context for the debate. Accordingly it is felt that the Project Management Board can determine the recommendation on the matter of the appropriate level of housing growth for South Somerset and Yeovil prior to receipt of the final response

The point was reinforced that 16,000 dwellings requirement (2006 to 2026) and 17,200 (2006 to 2028) is very much based on a range of evidence (household projections, natural change, migration, affordable housing requirement and economic potential) and South Somerset has gone with the economic potential as being the main driver. Failure to provide sufficient housing for the labour market will stifle the economy and cause additional housing hardship.

Appendix 1 – Notes of Workshops

Baker Associates Housing Requirement for South Somerset and Yeovil 15th August 2011

Introduction

The purpose of the workshop is to inform Members of the Baker Associates report on housing requirements for Yeovil and the District to 2026. Following a presentation by John Baker of Baker Associates questions were invited from members.

Questions & Answers

Question 1: Can you explain the methodology to the economic projections (Taunton Deane have used a different approach)?

Answer 1: John explained that the methodology used to establish the scenarios was very much a bottom up approach, looking specifically at the local economy and making predictions for growth based on local evidence. Sector led is far more accurate than a GDP approach – SDDC economy is very different to TDBC.

Question 2: Why have you used scenario planning, when others have used GDP?

Answer 2: Sedgemoor have also used scenario planning, better to have sectoral growth figures, than one overall growth figure. Looking at South Somerset economy rather than national figures, locally we are out-performing national trends. John Baker agreed to do a comparison of sectoral growth to GDP.

Question 3: Where are the jobs coming from, isn't productivity growing rather than jobs?

Answer 3: Projections are based on evidence from local companies, talked to representatives from all sectors and their views form part of the projections.

Question 4: Immigration figures are wrong. Immigration is vastly below past trends. Cannot assume the world economy will stay the same, what happens to Augusta Westlands if the Italians pull out?

Answer 4: Agree, but cannot tell what will happen in the future, need to use reasonable set of assumptions. The Yeovil economy is unique, when the national economy was growing at 3%; Yeovil was growing at 14%. 22% of the employment base is in manufacturing, compared to 4% nationally. Once this would have been a problem, now it is a real asset.

Question 5: Baker does not tally with Oxford Economics figures. SDDC forecast 2010-2020 to grow by 2.02%p.a. and southwest region as a whole 2.5% based on GDP, this doesn't relate to the sectoral approach. 2010-2021 – 83,000 – 88,000 increase in employment (OE), which is the lower end of Baker's assumptions – so should go with the scenario 2.

Answer 5: Scenario 2 is too low.

Question 6: Even if Taunton Deane has a disadvantage (given reliance on public sector) they are basing figures on Cambridge Econometrics and projected up. What TDBC have done is to reduce the housing from 18,000 to 13,000 dwellings. Direct comparison would take us down to 12,000.

Answer 6: Refer to BANES, cannot ignore the RSS. Encourage SDDC to take an integrated strategy.

Question 7: If we take a lower figure, what will the inspector say?

Answer 7: The inspector will want to know why. Have to convince the inspector that the figure you are recommending is right. Both scenarios there for PMB to consider. Currently, the inspector's report is binding.

Question 8: Is migration within UK or overseas?

Answer 8: Both.

Question 9: Can that migration be broken down?

Answer 9: You can, but you can't build houses for certain age groups.

Comments:

We need a Core Strategy in place. We have to have the data and have to prove the evidence is robust. The experts report needs to be challenged by robust data. Makes sense to look at Marcus's data and see if it is sufficiently robust.

The Market Town's level of growth isn't sustainable, too Yeovil-centric. Don't have jobs in the Market Towns.

Shouldn't under or over provide. Jobs first, housing follows. Look at the Local Plan, we've achieved the figures projected during which time there was also a recession. Cannot justify a figure lower than the previous 20yr period (1991-2011 – 13,500).

Marcus, John and Nick to put comments in writing for John Baker to respond by 2nd September workshop.

John Baker's Closing Comments - The approach is an integrated one. Have to pass the robustness test, you can argue with the report, but need to convince an Inspector why you are moving away from the RSS figure (19,700) and the NPPF says 5yr land supply + 20%. If the plan is unsound it is open to appeal. In absence of a plan, presumption will be in favour of sustainable development and planning by appeal.

Baker Associates workshop 15th August 2011
Attendance sheet

Name	Ward
John Calvert	Northstone
Nigel Gage	Yeovil South
Gina Seaton	Coker
David Norris	Wessex
Colin Winder	Wincanton
Martin Wale	Chard Combe
Marcus Fysh	Yeovil South
Graham Middleton	Martock
M. B. Lewis	Camelot
Sue Steel	Islemoor
Ros Roderigo	Blackdown
Pauline Clarke	Wessex
Sylvia Seal	Hamdon
Carol Goodall	Ilminster
Jenny Kenton	Crimchard
Nigel Mermagen	Chard Avishayes
Jon Gleeson	Yeovil Without
Ric Pallister	Parrett
Dave Greene	Yeovil South
Andy Kendall	Yeovil Central
Ian Martin	Yeovil West
Henry Hobhouse	Cary
Tim Carroll	Yeovil West

Apologies – Nick Weeks

Baker Associates Housing Requirement for South Somerset and Yeovil – Notes of Workshop Q&A Session

2nd September 2011

Introduction

The purpose of the workshop is to inform Members of the Baker Associates report on housing requirements for Yeovil and the District to 2026. Following a presentation by John Baker of Baker Associates questions were invited from members.

Questions & Answers

Question 1: Is the birth rate in South Somerset rising?

Answer 1: Statistics indicate that this is the case.

Question 2: Do we have statistics regarding the age profile of migrants? The question is seeking to determine if migrants to South Somerset are generally economically active or not.

Answer 2: Statistics on the age profile of migrants can be viewed in the Council's Fordham Report, Taunton & South Somerset's Housing Market Assessment (2009), Chapter 13: Dynamics of the housing market.

Question 3: My view is that empty properties in this district are not the answer to the Districts housing supply shortage, as there are usually good reasons why they are empty, would you agree?

Answer 3: John Baker agreed with this view and noted that on average most local authorities have between 1.4-3% of their housing stock listed as empty reflecting the average turn over of properties. As statistics indicate that South Somerset is already at the lower end of this scale it would appear there is little flexibility for this reserve to contribute towards the Districts housing need.

Question 4: What are the adverse effects of an over supply of housing?

Answer 4: If land is over allocated beyond demand it will simply take longer to deliver. If you set too high a figure however you do risk failing to prove a 5-year land supply. Undersupply is the real issue as if you allocate insufficient sites you hand control over to developers and in effectively Plan by appeal. Developers then have the power to cherry pick the best sites in terms of profits.

Question 5: What evidence is needed to prove that major development is acceptable in terms of its impact on the highways infrastructure? The question is seeking to make reference to the potential congestion issues associated with a 3,700 dwelling Urban Extension on the South of Yeovil that does not propose any significant road improvements.

Answer 5: John Baker explained that generally larger Urban Extensions tend to be self sufficient in respect of internal roads, shops, schools & employment opportunities, perhaps with the exception of major road infrastructure. However when considering the alternative of piecemeal development the impact is cumulative which very little improvements. Andy Foyne added that the traffic impact of a major urban extension for Yeovil had already been modelled by Parson Brinckerhoff in their report Yeovil Traffic Modelling. This report concludes that increased traffic congestion is unavoidable which ever direction is selected however the alternative would be to build elsewhere and therefore compromise the economic viability of Yeovil which is considered key to the towns continued success.

Question 6: What happens if the Localism Bill fails to be in acted before the Core Strategy reaches Submission stage? Do we revert to the former RSS target of 17,600 for the District?

Answer 6: Andy Foyne explained that timings of documents would be crucial to what course of action is taken. If the Core Strategy reaches examination in advance of the Localism Bill it is my suggested approach that we present to the inspect an evidence based argument for our reduced numbers and down play the weight afforded to the Draft RSS. Should the Localism Bill be in acted before the Core Strategy the approach would of course change.

Question 7: Have brownfield sites been taken into account in determining the scale of the Yeovil Urban Extension?

Answer 7: Detailed work on past building rates and a review of brownfield sites has been undertaken by Officers and this evidence will be presented at Area Committee in support of the Urban Area provision and the resultant Greenfield Urban Extension figure.

Question 8: The presentation stated that the expected housing growth figures are only expected to accommodate 42% of the housing need identified for the area. What happens to the remaining 58% of housing need and is this, a major issue for a Planning Inspector?

Answer 8: John Baker indicated that the District was simply unable to deliver sufficient development to accommodate the backlog of housing need within the District. To achieve this target build rates would need to be substantially increased. Ric Pallister noted that this is not just a District wide issue but also a countywide issue that could not realistically be solved locally.

Question 9: Given that changes in population growth are dependent on many factors is there a final review date for which we need to set housing numbers and is there a mechanism in which to alter housing targets?

Answer 9: John Baker confirmed that population projections would likely need updating at examination to ensure the most up to date evidence is used to determine housing numbers. Andy Foyne added that once the Plan is adopted there are still opportunities to adjust figures to take account of changing circumstances representing a Plan, Monitor and Manage approach. The Planning Policy Team monitor all housing completions and commitment's every year and this information is published in the Council's Annual Monitoring Report.

Question 10: Given there has been a significant net reduction in migration to the area in the last few years is there call to reduce the housing targets inline with a much lower figure such as 12,500 as suggested in the evidence?

Answer 10: John Baker reemphasised the point that migration rates are the most sensitive variable and most liable to go up and down.

Question 11: Demographics of Somerset show that the 18-24 age group are missing from the general population due to the lack of University in the County. How many of this age group return to South Somerset?

Answer 11: Not answered at workshop.

Question 12: Does the CALA homes decision have any impact for us?

Answer 12: The Local Plan must currently be prepared in conformity with the Regional Spatial Strategy. This is a complex situation in the South West where RPG10 is saved and work on the emerging RSS has been halted although still a material consideration. The Planning Inspector will need to decided how much weight is afforded this document.

Question 13: Should we focus development in towns or villages?

Answer 13: The Baker Report seeks to direct housing growth to match the expected job growth, therefore Yeovil is expected to take 50% of the housing growth as the Districts main employment centre. The remaining housing allocations will then be divided amongst the Market Towns, Rural Centres and Villages.

Question 14: How many brownfield sites are on employment land?

Answer 14: Not answered at workshop.

Question 15: The latest population projections show 2-300 less jobs than the previous forecast used within the Baker Associates Report. Given an employment lead strategy and a lower revised baseline figure for the percentage of the population in employment, the number of predicted new jobs could be reduced by 8-9,000 and consequently the level of housing. Can we use this new calculation as a baseline?

Answer 15: The most up to date baseline data will be used in the final formation of housing numbers before Plan Publication.

Question 16: What developers were interviewed in the preparation of the report?

Answer 16: The businesses that informed the private sector view are reference within the footnote on page 10.

Question 17: What factor was given most weight in determining housing numbers?

Answer 17: The resultants of several different scenarios were used to determine the house-building rate but it would be fair to say that the report is an economic lead strategy over the traditional demographics figures.

Question 18: Does the Council have data on the breakdown of full and part time economically active population for South Somerset?

Answer 18: This information is available from the ONS website.

Baker Associates workshop 15th August 2011
Attendance sheet

Name	Ward
Nick Colbert	Wincanton
Derek Yeoman	Burrow Hill
Gina Seaton	Coker
David Norris	Wessex
Brennie Halse	Chard Holyrood
Nigel Gage	Yeovil South
Peter Seib	Brympton
William Wallace	Blackmoor Vale
Peter Gubbins	Yeovil Central
Sue Steel	Isle Moor
Paul Maxwell	Eggwood
Pauline Lock	Yeovil Without
Sylvia Seal	Hamdon
Tony Lock	Yeovil East
Tony Fife	Yeovil East
Cathy Bakewell	Coker
Angie Singleton	Crewkerne
Marcus Fysh	Yeovil South
Tim Carroll	Yeovil West