

We note your considerable work to update our original report in January 2011, and this is both necessary and essential if the Local Plan figures are to be based upon the most up to date information. As you recognise a considerable amount of new information is available, not least further demographic information from the census, and **Interim 2011-based Subnational Population Projections, as well as mid year** estimates providing migration, natural change data, employment growth and unemployment levels. Our report recognised that all of these developments would need to be monitored and used to ensure the methodology and findings are up to date at the time of use. It should be noted that our report provided a range of figures from a variety of sources in order to demonstrate the considerable variation that could exist. The fundamental point of the report was to provide you with information on which the Council could make an informed decision, balancing your objectives. It did not seek to provide a single absolute figure based on one means of projection.

We recognise that the Council in using the evidence base and developing it further is best placed to justify the planning strategy to the inspector. However, if you believe that we are required to put support your evidence and your case at the examination then we can provide you with a fee proposal for our attendance, and we are happy to work on this basis.

In response to your specific queries. Our methodology on the percentage of self employed used the most recent information from the current 2010 APS. The representation provides information to demonstrate that this was a lower level than a longer term average, and you now believe that using this would be a more robust approach. We would agree with you and think that you would be wise to use this longer term average and test its implications in the generation of your housing requirement.

Average household size is an interesting issue and one which many authorities are struggling with. Household size is the output of any model and as such it changes each year and is a product of far more detailed assumptions relating to household formation rates, size and composition. It is difficult to apply a figure year by year and we do not know at this time what the household change in terms of size has been from 2001 – 2011. It may be that the trend towards smaller households is increasing or has slowed. However it is impossible to say yet and certainly difficult to use as a projection. Until further projections are available it would be difficult to make a robust case for using an alternative figure, and could only be used for illustrative purposes, rather than as a basis for detailed projections. We agree that it is essential to review, monitor and update all this information such as average household size and economic activity rates, job growth, unemployment and other demographic information regularly to ensure up to date information is used to inform any future review of the Plan.

We wish you all the best in your decisions about the level of housing growth and if we can be of any further assistance please contact either myself or Jo.

Regards

John

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From: Andy Foyne [mailto:Andy.Foyne@SouthSomerset.Gov.Uk]
Sent: Wednesday, 17 October 2012 14:44
To: John Baker
Cc: Joanna Lee; Martin Woods; Elizabeth Arnold; Jo Manley
Subject: Housing Requirement for South Somerset and Yeovil

Further to my telephone conversation with Joanne Lee of your company on 16th October I should like to seek clarification of your view on three key elements relating to the Council's subsequent development of your original "Housing Requirement for South Somerset and Yeovil Report of January 2011". This as you know is a key grounding for the determination of the Council's Housing Requirement in its emerging Local Plan.

1. Assumption on Self Employed

The Assumption used in the original report was that 11.4% of the projected employees in employment would be added to projected figure to ensure self employed workers are included in the projection. The percentage derived from the known figure of 7,800 self employed persons in South Somerset at 2010 derived from the Annual Population Survey (in fact the figure was 7,600). This is shown on pages 17 and 18 of the original report.

Following representations received on the Proposed Submission Local Plan it has been made clear that over the first 6 years of the Local Plan timescale that the 2010 figure is the lowest annual total and the highest is 13,500 in 2008, with an average over the 6 years to 2012 of 10,100 persons. The objector to the Plan has argued that the average should apply and I have expressed my view to your colleague that I am minded to agree to that adjustment to the methodology. It seems basically reasonable with a significantly fluctuating variable to take the average for the plan period to date. The adjustment has a significant effect on the number of houses required through the applied methodology. I attach for your information the relevant annualised data on self employment. I should say that from considerable representations on the housing requirement and its derivation this is the only objection on methodology that we are not able to robustly rebut.

I would be grateful for your confirmation of this adjustment or alternatively the argument by which the objection would be rebutted.

2. Updating the methodology to account for known employment data from BRES to 2011

On this aspect I am comfortable with our updating the figures in table 4.6 on page 18 of your report to 2011 to adjust for the actual numbers in employment at 2011 from the BRES survey data adjusted to take full account of agricultural employment from DEFRA data. This, through the use of the actual figure, takes account of the significant loss of jobs (3,400) from 2006 -2010 and the surprising bounce back of 3,600 additional jobs in 2010 – 2011 (2,000 more self employed and 1,600 more employees in employment) that the BRES and APS surveys shows for South Somerset.

I believe that I and my staff have gone through a significant learning curve on these matters and will be able to deal with the questions put to date through representations on the Local Plan. Accordingly I would expect that your support at a forthcoming Examination is not likely to be required. The one caveat I put to this however is should the Inspector wish to get a more detailed insight into the actual economic scenarios that you produced. Should that be the case your input would be sought (at an additional cost to South Somerset DC). At present I anticipate an Examination in March /April of next year.

3. Census Update

The recent announcement of census data for the Country has shown the household occupancy projections to be somewhat off the mark. This is the case in South Somerset where the occupancy rate in 2001 was 2.36 persons per household and in 2011 it was 2.32. The Government Projections (as used by you in your report) indicated that the occupancy rate should have declined to 2.24 persons per dwelling. As you know occupancy level at Plan end (currently estimated at 2.10) has a significant bearing on actual dwelling numbers required. Whilst the Government is producing 2010 household projections with some consideration of the census results, as I understand it they are not addressing the census issues in any holistic way until they produce the 2012 Household projections which will be in 2014! How to deal with this matter? I see three ways and would be grateful for your view and/or whether you see any other better ways

- attempt to understand what is happening and produce our own new projections
- recalibrate the existing projections to the 2011 data (ending with a 2028 occupancy rate .08 higher than in your original report)
- keep with current projections, explore what is potentially going on in discussion and promise an early review of the plan in the event that the 2014 projections are widely different.

I propose to pursue the third as the only realistic option as we haven't the time nor expertise to undertake our own projections in what is an incredibly complicated multivariate matter and recalibration is not a credible option as the existing projections clearly do not account for the reality in the last few years. Do you agree this assessment?

The Census also indicates that our South Somerset population is more elderly at 2011 than previously projected and this may well have implications for the economic activity rate in that the assumption in the original report that the economic activity rate will be constant may well prove a high assumption and the economic activity rate

might reduce (despite higher pension ages). Again with clarity from the Government not expected for some time I feel that the best option is to stay with the current assumption and look for early review if census data when published indicates a change is required.

I would be grateful for your views on the above. I am presenting a report to our project Management Board on Friday 26th October and a view prior to that date would be most appreciated. I am happy to discuss these matters further informally with you and indeed had a very helpful discussion with Joanna (as always).

Andy Foyne

Spatial Policy Manager
South Somerset District Council