

South Somerset District Council: Local Plan 2006 – 2028

Independent Examination, May 2013

South Somerset District Council Hearing Statement issue 3 Supplementary Statement Requested by Inspector

1. Economic Prosperity and Employment Provision: Critique of Messrs' Fysh and Hartley Issue 3 Statements

Context and content of Supplementary Statement

This Supplementary Statement has been requested by the appointed Local Plan Examination Inspector at the session dealing with issue 3 Economic Prosperity and Employment Provision on day 2 of the Examination on 8th May. The Inspector requested a critique of Messrs' Fysh and Hartley's Examination Statements in Issue 3 in order to take forward the technical debate on the proportion of employment provision appropriate for Yeovil and the evidence on which the proportion put forward in the Proposed Submission Local Plan is based.

In presenting its Case the Council has tabled email correspondence with the ONS ((South Somerset Mid hearing Statements H 009, H010, H013, H014, H0017 and H018). The last statement is by way of a summary of all the ongoing email correspondence with ONS on the matter to hand. This email correspondence has been commented on by participants at the issue 3 session and the comments received are also assessed by the Council within this supplementary statement.

Additionally a meeting was held with Cllr Fysh at his initial invitation on 3rd June 2013 to explore further Cllr Fysh's underlying methodology and assumptions in relation to the amount of job growth in South Somerset and its distribution between Yeovil, Market Towns, Rural Centres and Rural Settlements. This meeting took the form of a review of tables presented by Cllr Fysh via the Programme Officer following the request at Examination for clarification of information presented in Cllr Fysh's response to the Council's mid hearing Statements showing engagement with the ONS and other bodies on these matters. Two of these tables - South Somerset Employment Data and Employment Distribution by Settlement Hierarchy are represented with this Report with clarification in additional columns of where the Council differs from Cllr Fysh in assumption, source or method, errors identified in his method and other general comments. It is considered that this serves to summarise differences and to a significant extent restates the points made in the specific critique of Cllr Fysh's original statement.

A summary of the Council's position is set out below (presented in *italic responses to points made*) and the main critique and response to participants comments are set out in Annex 1 Cllr. Fysh critique (with attendant appendices)

Annex 2 Mr.Hartley critique

Annex 3 Summary of Emails between SSDC and ONS/BRES/NOMIS (prior to Examination)

Annex 4 Objectors' responses to comments received on Summary of Emails between SSDC and ONS/BRES/NOMIS

Annex 5 Review of Cllr Fysh's Spreadsheet Summary Calculations

The Council has also been asked by the Local Plan Inspector to review and represent its justification for additional employment provision set out in Policy SS3. This is presented in a separate Supplementary Statement 2 on Economic Prosperity and Employment Provision (and incorporating consideration of the application of the National Planning Policy Framework definition of economic development)

Summary of Supplementary Statement 1

The key points raised by Messrs Fysh and Hartley in their original hearing Statements together with the Council's response are set out below

1. Mid point between the two economic forecasts in the Baker report as updated by the Council not evidenced
It is evidenced in the papers and notes of Project Management Board 19 (CD 117) and referred to in the Housing Topic Paper (CD14) and is an adjustment to account for the unusually long recession currently ongoing.. Information from the ONS shows recession commencing in 2008 and on going to date with 2008 levels of GDP yet to be re attained
2. Demographic projections should have primacy over economic
Demographic, population and economic projections are all used to inform the final housing requirement figure for South Somerset. Household projections are based on the last 5 years trends and reflect an abnormal period in economic terms and merely project these into the future and as such do not reflect policy aspirations of the plan nor the national government. The importance of economic projections clearly referenced in Somerset Core Strategies approved recently Sedgemoor and Taunton deane
3. Historic employment growth patterns not accurately presented
This is not accepted and evidence presented in the annexes 1 and 2 that nationally supplied employment figures have been properly sourced and account taken of known time discontinuities
4. Adjustments to data recommended by ONS not made
4 instances of discontinuity 2006 – 2011 addressed
 - *2006 – large increase in employment specifically identified and justified through ONS*
 - *Introduction of BRES to replace ABI in 2008 addressed by using revised data from ONS and applying a discontinuity factor for the BRES years not covered by the revised BRES data obtained from ONS*
 - *BRES in 2009 changed its estimation of farm workers – but this factor not relevant for SSDC data BRES does not contain agricultural data at District level and SSDC have applied a different source for farm worker information*
 - *Working owners discontinuity of 2011 – revised figures produced by ONS now applied and result in the same employment total for 2011 as previously used.*

3,600 job growth in 2010 – 11 now explained by ONS revisions to data. High past employment growth figures are not uncommon. The 2011 job figure for South Somerset identified by the Council and by Cllr Fysh are identical

5. MOD reductions in service personnel and civilian personnel not accounted for
Forces personnel are not part of the SSDC job estimation methodology and not included in the BRES source – large reduction in services personnel suggested by Cllr Fysh and Mr Hartley is not evidenced (appendix D to Mr Hartley's evidence suggests increased forces number by 2016) and not relevant to the methodology for housing provision. Forces personnel are generally separately housed in barracks and only where additional general market housing is sought should the Council's housing provision methodology take this into account. This has been done through a one off adjustment reflecting latest information supplied by the MOD. Civilian jobs are addressed in the "Baker" Housing requirement for South Somerset and Yeovil (CD30) report methodology when determining overall job growth to accommodate and the information in appendix D to Mr. Hartley's Statement shows most of the job losses to have already occurred for those identified to 2016/17.
6. Reappraisal of Council's methodology suggests 11,800 dw provision for the District
Methodology not supplied and so not evidenced – Cllr Fysh has misapplied the Council's methodology to derive 11,800 (it should be 14,700 using his assumptions applied to the Council methodology see annex1)
7. Yeovil's proportion of job provision is 42% not 49% and housing provision should be adjusted accordingly -failures to understand and adjust data source properly have led to a mistaken overestimate of employment provision (and therefore housing) anticipated in Yeovil
*Council evidence following accounting for discontinuities points to the higher percentage of 49%. The Council's methodology is considered more robust and appropriate and Cllr Fysh's has significant errors that call into question its applicability. In particular from Annex 1 and 5 these are identified to be Errors in applying data discontinuity information (eg multiplying and not adding correction factors
Adding armed forces personnel information
Unsound estimation of self employed provision (resulting in a clearly illogical minus provision in 2011 in South Somerset)
Application of South West correction factors to ward information (not recommended by ONS)
Use of ward data to ascribe employment provision to Yeovil, Market towns, Rural Centres and rural Settlements as opposed to Lower Super Output Areas introducing major definitional error into the distribution table for employment provision*
8. Little demand for Yeovil employment sites
Countered by evidence from Economic Development Team and "Into Somerset" (Somerset's inward investment agency)
9. Rural business needs should be favoured accordingly and account taken of future broadband benefits
Evidence of policy support in SS2,3 EP4,5 and 8 for rural business
10. Past rural employment growth in rural settlements not projected into the future leading to imbalance in the District Economy
The policy of more concentration of growth in Market towns, the potential of strategic sites and other sites for the market towns and the relative slow down of growth for

the rural areas is expected to result in a proportionate shift of employment towards these settlements. The reduction in the percentage of rural jobs from 18% of all District jobs to 10.5% is the numeric reflection of this.

11. Proper account not taken of self employed and their predominance in rural areas
There is no evidence available for locating self employed at their place of work (just their place of residence) The Council note Census 2011 data that 17% of self employed live in Yeovil and the rest elsewhere in the District however the Council contend it reasonable to assume that the self employed will work predominantly where the “economy” is which means around 50% would be expected to work in Yeovil. Agricultural workers account for around 1.3% of the District’s jobs. Whilst a suggestion to adjust the percentage of job location in Yeovil on the basis that farm workers by definition are not working in Yeovil and so an adjustment be made for housing provision the original Baker housing requirement for South Somerset and Yeovil report (CD 30) clearly shows there to be a decline in farming jobs through the plan period hence there is no need to account for the needs of farm workers for additional homes to 2028.

In relation to responses received on the email correspondence with ONS (mainly but also BRES and NOMIS) the main new points to emerge with the Council’s response are set out below

12. Overprovision of employment land given potential of strategic sites (Mr. Smith)
This is addressed in the Economic Prosperity and Employment Provision ; Policy SS3 Delivering New Employment land: Justification for Additional Employment Provision Supplementary Statement 2.
13. HM forces and agricultural workers need to be included in the calculations
HM Forces are not appropriate to include in the methodology and are addressed separately and only in so far as there is a demand on new general market housing as opposed to barracks.

Conclusion

The criticisms made in relation to the Council’s methodology in assigning employment growth to Yeovil and the rest of the District are considered to have been fully rebutted and the percentage distribution of job growth (and consequent housing growth) amongst the settlement hierarchy has been affirmed. The methodology of Cllr Fysh is shown to be significantly flawed and even then his job total for 2011 is the same as that of the Council to which the job provision obtained through the revised “Baker scenarios for the economy are applied to provide the job provision at 2028.

The criticisms are considered to focus in an over precise way on methodology and the consequent change suggested by the objectors is still not significantly different from the Council’s percentages where the key matter is to get employment provision and housing provision in broad rather than exact accord.