



**Wiltshire Council
Local Development Framework**

**SOUTH WILTSHIRE CORE STRATEGY DEVELOPMENT PLAN
DOCUMENT REVIEW**

Examination

**Position Statement for Matter 2: Evidence Supporting Revised
Housing and Employment Figures**

July 2011

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Matter 2. Question 2.0: What evidence is there to support the revised housing and employment figures now being proposed by the Council?

Evidence

- 2.1 The evidence used to support the revised housing and employment figures now being proposed is detailed in the Housing Requirement Technical Paper¹ and the review of employment projections and land requirements². These documents are informed by a range of credible data sources, from the ONS sub national population projections, to commissioned studies by the same consultants that carried out work to support the employment figures in the dSWRSS.

Assessing the housing numbers

- 2.2 The Housing Requirement Technical Paper (H RTP) identifies a strategic range of 35,900 and 43,200 dwellings within which housing numbers should be delivered across Wiltshire over the plan period (2006 – 2026). A key element of this work has been to develop the housing and employment requirements “in conjunction in order to ensure that they are complimentary, respond to the identified issues and begin to address the existing unsustainable commuting patterns experienced across Wiltshire.” From this and from detailed local assessment, the paper develops a proposed final requirement for the Core Strategy of 37,010 for Wiltshire including South Wiltshire, stating that:

The proposed requirement is 7,390 below the requirement identified in the draft RSS of 44,400. This difference is generally accounted for by the reductions at Salisbury and Wilton, the West of Swindon (minus 2,800 dwellings) and Chippenham (minus 1,500 dwellings). It is however, some 3,010 in excess of that within the Wiltshire and Swindon Structure Plan 2016, and so can be seen to be challenging, given the rural nature of Wiltshire, and appropriately responds to the step change in housing delivery sought by PPS3.

- 2.3 The housing requirement identified in the dSWRSS was developed based upon evidence available at that time and with certain assumptions which reflect the aspirations for growth at the peak of the economic market. Given the change in market conditions, and more up to date evidence being available, it is appropriate to re-appraise the housing requirement.
- 2.4 The dSWRSS housing figures were developed using 2004 based household projections. The corresponding 2004 based projections produced by CLG projected that the number of households in Wiltshire would increase by 48,600 households. The dSWRSS distributed the household growth across the region and the proposed modifications eventually settled on a figure of 44,400 for Wiltshire, including an extension of 3,000 dwellings to the western edge of Swindon within the Wiltshire administrative area. Since this time the 2008 based household projections have

¹ EIP document reference COMM/ 2B

² EIP document reference STU/ 11B

been made available, which reflect recent market conditions. These project a growth of only 42,900 households. The difference between the national projections between the development of the dSWRSS and the emerging Core Strategy is significant and justifies the revision of the housing requirement.

- 2.5 Furthermore, the dSWRSS assumed that at the 21 SSCTs across the South West a 3.2% pa GVA regional equivalent economic growth rate would occur. This was originally included in order to accommodate the region-wide strategic growth component required by the Government's following the Barker Report in 2004 and the SWRDA's commitment to a 3.2% economic growth rate in the then newly published Regional Economic Strategy. In the current market, this growth rate is so aspirational as to be unrealistic.
- 2.6 After taking account of the revised household projections and the current (and potential future) market conditions, the housing requirement for South Wiltshire has been reviewed. And the methodology employed within this review is consistent with that used in the development of the dSWRSS.
- 2.7 The H RTP determines the extent to which projected housing demand, and more basic local housing needs, can be met within south Wiltshire and the consequences in terms of elements of market demand that are diverted elsewhere. A key element of this is maintaining a link between overall housing growth and the development of the economy that is sufficiently flexible to allow the housing market to meet the needs of the locally economically active population whilst accommodating the reasonable requirements of those wishing to live in the area without necessarily working locally (because that is what the market will do anyway, many of these people being able to out compete those with more locally based employment). Keeping the link with employment growth it is reasoned, together with the application of other policies to reduce the need to travel, will help avoid the pre-emption of development opportunities to support the local economy in an area of (normally) high externally generated market housing pressures such as Wiltshire.
- 2.8 Cambridge Econometrics has produced economic forecasts for the Council, and these are based on the economic growth scenarios for the UK and the central scenario was put forward as the "best estimate" projection.³
- 2.9 The central scenario indicates a growth of 27,100 over the period 2006-26 and this compares closely with the H RTP employment led projection results of 27,690 total jobs.⁴ Applying the RSS additional homes to jobs ratio of 1.25 for the RSS northern sub area of the South West, to the H RTP's 27,690 jobs produces a requirement of 34,610 dwellings. Applying a more rural homes to jobs ratio of 1.5, (that applies in neighbouring Dorset, produces an upper number of 41,540 dwellings. These figures correspond well with the Wiltshire strategic housing provision range. The final housing requirement figure proposed for the Core Strategy of 37,010 is just under the midway point in the range suggested by the alternative RSS approach based figures. Given the incorporation of many local factors in figures that make up the final total, this is a reasonable conclusion.

³ EIP document reference: STU/11B, Appendix 1.

⁴ EIP document reference: COMM/2B

- 2.10 On the basis of the above information, the Core Strategy housing proposals for Wiltshire in general and, by extension, those also for South Wiltshire are highly likely to be similar to those that an updated dSWRSS document would now suggest. It represents a strong degree of continuity with the recent history of strategic planning as applied to the area and also takes full account of changes to the evidence base since the original RSS work was carried out (2005 – 07).
- 2.11 In South Wiltshire, a large amount of work has been undertaken to assess what proportion of the new dwellings required to support the employment growth, can realistically be delivered, given the highly constrained environment. This work is set out in Topic Papers 19 on the Site Selection Process, and revisited in Section 7 of topic paper 20⁵.
- 2.12 As the Council has consistently argued, there is a need to balance growth levels against constraints in a sensitive way. The delivery of new dwellings should be maximised within the constraints to ensure that the economic prospects are addressed as far as is possible. Indeed this is a fundamental part of national policy, in planning sustainably for the long term as set out in PPS1.
- 2.13 The housing requirement for South Wiltshire should be in line with that which is considered to be deliverable, and after looking at a range of factors and constraints, including the identification of sustainable options for growth through the SA/SEA, Sustainable Settlement Strategy and the Site Selection processes⁶, 9,900 new homes was considered appropriate⁷.
- 2.14 Delivery of this order is ambitious, as is demonstrated when compared to the targets in the Wiltshire and Swindon Structure Plan 2016 which are 400 dwellings per annum (as compared to 495 dwellings). This represents a rise of some 22.5% and maintains the step-change approach which has always underpinned the SWCS and is therefore in accordance with PPS 3.
- 2.15 This figure is consistent with the strategic requirement to prioritise economic growth, and provides for the increase in resident population based on trends linked to factors such as decreasing household size and increased life expectancy.

Job and employment land requirement

- 2.16 The dSWRSS was based on projections produced by Cambridge Econometrics and required the Salisbury HMA (former Salisbury District area) to deliver 13,900 jobs, 400 of which should be within the Mere and Tisbury community areas with the remainder being within the Salisbury Travel to Work Area⁸. These projections were produced in 2006, prior to the commencement of the 2008 recession.
- 2.17 Owing to the recession, the intention to abolish the dSWRSS and the opportunity given to the Council to review figures, it is prudent to review the employment figures as well as housing. The revised economic projections Cambridge Econometrics take into account of more recent events in the economy. These have been produced on

⁵ See Topic Paper 20, Review of South Wiltshire Core Strategy EIP ref' TOP20, Paragraph 7.4 Page 11

⁶ Topic paper 3, Addendum 2, South Wiltshire Core Strategy Topic Paper 19 - Identification of Strategic Growth Areas Paper 1 (February 2008),

⁷ EIP document reference COMM/ 2B

⁸ See EIP document reference, RPP/02, page 117-118

the former district council areas and indicate that for the whole of Wiltshire 27,600 new jobs could be delivered over the period 2006 – 2026.

2.18 The re-run figures⁹ show a revised projection indicating a growth of 10,400 jobs between 2006 and 2026 in South Wiltshire, a reduction of 3,500 jobs from the dSWRSS figures. This is expected given the slow down and / or negative growth now being experienced within the local economy as a result of the 2008 recession. The projected job growth is split between 41 different industry sectors. Within the employment review paper¹⁰ the new projected job growth has been translated into a new employment land requirement using the same methodology as that used within the Salisbury District Employment Land Review (ELR)¹¹. The Examination in Public in the Spring of 2010 implied that the ELR is a sound methodology to base employment land assumptions upon. This work has been undertaken for the whole period (2006 – 2026) as well as for 5 year increments during this period and the results of this are provided in the table below:

Table 1: Revised Employment Land Requirement 2006-2026

Business Use Class	Land Requirement in Hectares				
	2006-2011	2011-2016	2016-2021	2021-2026	2006-2026
B1 Business	3.4	4.5	8.8	7.6	24.3
B2 General Industrial	-4	0.6	0.0	-0.8	-4.3
B8 Storage and Distribution	-1.3	0.2	0.6	0.2	-0.4
Total	-2.0	5.3	9.4	6.9	20.45

2.19 This clearly shows that a reduction in the employment land required by the dSWRSS (37ha) to around 20 ha is justified by the latest evidence. It reflects the effect of the recession with a negative land requirement between 2006 to 2010 and growth beginning to pick up again in 2011, peaking in the 2016-2021 period. This is different to the figures for the dSWRSS based projections which showed the majority of employment growth taking place by 2011¹², whereas more recent projections show clear contraction in economic output during this period as well as a change in sector growth resulting in a further reduction in land requirement. The result being that less employment land is needed at a much slower rate that previously envisaged. The underpinning reasons for this reduction are:

- Up to date evidence on housing and employment growth.
- Prudent use of the constrained environmental capacity in South Wiltshire
- Avoidance of an oversupply, which could undermine the employment strategy through leading to a difficulty in preventing the proliferation of non-employment uses on allocated sites

⁹ Review of Employment Projections and Land Requirements' STU/11B

¹⁰ EIP document reference, STU/11B

¹¹ EIP document reference, STU/11

¹² EIP document reference, STU/11 table 63, page 139

2.20 Therefore, it is this updated evidence has led to the focussed changes proposed to the SWCS. The changes are suggesting a slight easing of the rate of delivery, while still maintaining an ambitious growth agenda for South Wiltshire, focussed on Salisbury, which remains in general conformity with the dSWRSS.

Trends in windfall delivery of housing supply

2.21 The trend for delivery of windfall sites in South Wiltshire has increased in the period between April 2006 and April 2010. PPS3 (paragraph 59) states that ‘allowances for windfalls should not be included in the first 10 years of land supply unless Local Planning Authorities can provide robust evidence of genuine local circumstances that prevent specific sites being identified’. However, this trend needs to be monitored as there is a possibility that if it continues (even at reduced levels) that windfall could provide an important source of dwellings in the later stages of the plan.

2.22 Wiltshire council has monitored past windfall trends in the AMR¹³, and some 850 dwellings were delivered from windfall sources in the plan area between April 2006 and April 2010. The AMR (or successor) will review these figures on an annual basis and the Council will therefore be able to monitor the ongoing contribution that windfall development makes towards the delivery of housing targets. If windfall trends continue or indeed grow then this will make an important contribution to the latter stages of the strategy. Given the constrained environment¹⁴ around Salisbury it is therefore prudent to monitor delivery of windfall development as the plan progresses rather than to over-allocate greenfield land at this stage. Should this source fail to make a contribution then the potential areas for development as identified on Map 1, page 28 (the green areas on the map as are included in the SWCS), would be the first place to consider allocating further land if needed. However, if the review identifies any sites previously identified within the SWCS that are no longer needed during this plan period, they would also provide a source of supply that could be drawn on.

2.23 As has been consistently argued by the Council, South Wiltshire is a highly constrained environment and finding developable land to meet local housing and employment needs in a sustainable manner that complies with PPS1 is difficult. The key factors which indicate why it is necessary to reduce the numbers from those in the draft SWRSS and SWCS submission draft are explained in topic paper 20¹⁵, and are in summary:

- Up to date evidence on housing and employment growth.
- Prudent use of the constrained environmental capacity in South Wiltshire
- The need to plan for sustainable growth that complies with the aims of PPS1
- Recognition of Salisbury’s dominance in a predominantly rural area

¹³ AMR /05

¹⁴ TOP/ 19

¹⁵ TOP/20

2.24 Taking all of the factors identified into account it is clear that the housing and employment levels in south Wiltshire should be reduced. However any reduction should to continue to balance locally derived need, based on up to date evidence, with environmental capacity and community appetite. This up to date evidence has led to the focussed changes proposed to the SWCS. These changes suggest a slight easing of the rate of delivery, while still maintaining an ambitious growth agenda for South Wiltshire, focussed on Salisbury as the primary settlement, but with a reduction in the rural areas, which remains in general conformity with the dSWRSS.

Matter 2. Question 2.1: How robust is that evidence as compared to the evidence supporting the emerging Regional Strategy?

- 2.25 While not questioning the validity of the evidence used for the dSWRSS, it is a fact that it is ageing and as with all such data it does not have an indefinite lifespan. That being the case it is necessary to look at new evidence as it becomes available. Indeed in accordance with PPS12 a plan should be prepared with evidence which is as up-to date as practical.¹⁶ It would bring the soundness of a DPD into question if it simply relied on ageing evidence and ignored new and relevant information as it becomes available.
- 2.26 The dSWRSS used the 2003 ONS population projections, and even during its evolution, the most up to date projections that were published (2004 data in 2006) were then used to inform the process.
- 2.27 The Regional Assembly was asked by the Secretary of State to examine the implications of the revised projections (2004 data) and present proposals to the Examination in Public Panel on how the region would plan for the consequences of these, and possibly higher forecasts, if supported by the evidence
- 2.28 The Council were consulted during this process, and the following was the response for south Wiltshire.

*(the) Council considers that Scenarios 2 and 4 cannot be supported due to the high levels of additional growth proposed at the Salisbury SSCT. Neither can Scenario 3 due to the opposing direction that it takes to the Draft RSS strategy and unsustainable levels of additional growth that would be required in the rural area. Although Scenario 1 appears to provide the best fit for Salisbury District there is still **fundamental concerns about meeting the additional levels of growth stated**. In order to minimise environmental harm and unsustainable levels of rural development **the additional levels of growth for Salisbury SSCT and the remainder of the District set out in Scenario 1 should be reduced.**¹⁷*

- 2.29 To add context, this evidence underpins the position argued consistently by the Council at the EIP that the dSWRSS proposed changes is proposing in the region of 1000 homes too many for South Wiltshire
- 2.30 Indeed there are also questions over the robustness of the housing figures in the SoS proposed changes to the dSWRSS from the then Regional Planning Body, who made the following comments

A2.3 Following the publication of updated national household formation projections and the subsequent debate at the EIP, the RPB has considered the available evidence. The RPB is concerned that no clear evidence has been presented to justify the Secretary of State's proposal for 29,600 dpa.

¹⁶ PPS12, page 15, paragraph 4.37.

¹⁷ EIP document reference CPP/05

*The SWRA is concerned that there are short-comings in the evidence base behind some of the Examination in Public (EiP) Panel recommendations and the Secretary of State's Proposed Changes for additional growth. There are specific concerns that infrastructure and services needed to enable and support development are not adequately identified in the Proposed Changes. **The RPB has major reservations about the ability of the SW region to accommodate the scale of change proposed by the Secretary of State, without further consideration of the possible effects on sustainability, the environment and quality of life.***¹⁸

- 2.31 Since 2006, more up to date information has been published from the same credible source (ONS), and the council has based its latest requirements based on the 2008 sub national population projections. Had progress continued on the dSWRSS, it is feasible that the up to date (2008) published projections would have been used to justify the growth levels.
- 2.32 This new evidence underlines the need for a step change in housing delivery in south Wiltshire, in accordance with PPS 3 and the underpinning strategy of the dSWRSS, from 400 in the Structure Plan to almost 500 in the proposed review to the Core Strategy. This new evidence still supports the underpinning strategy shared by both documents

Conclusion

- 2.33 The evidence on which the RSS is based is ageing and in accordance with PPS12 the opportunity has been taken to supplement it with updated information which is relevant to the matter. This evidence has helped in the review of the SWCS and confirms that the underpinning strategy of achieving a step change in delivery based around Salisbury is still the right one. As such it remains in conformity with the RSS. However the updated evidence does suggest that there needs to be some slight easing of growth levels and a review of what elements are still considered central to achievement of the strategy.

¹⁸ EIP document reference RPP/09