

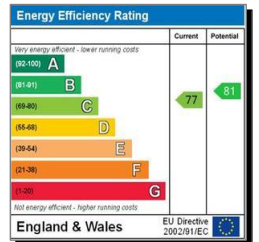


Wiltshire Local Housing Needs Assessment Update

VOLUME ONE

Establishing Local Housing Need

May 2022





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Table of Contents

1. Introducing the Study	4
Background to the project and wider policy context	
Introduction.....	4
Overview of the LHNA	4
2. Local Housing Need	6
Establishing the Government’s Local Housing Need figure	
Local Housing Need based on standard methodology.....	6
3. Housing Market Areas	8
Establishing the distribution of Local Housing Need	
Functional Housing Market Areas	8
Establishing LHN by Housing Market Area	11
Population Trends by Housing Market Area	13
Dwelling Delivery by Housing Market Area.....	14
4. Jobs and Workers	16
Alignment of Future Jobs Growth with Resident Workers	
Considering the basis for Adjusting the Local Housing Need.....	16
Economically Active Population	17
Future Jobs Growth	19
Aligning Future Jobs and Workers.....	20
Conclusions.....	21
Appendix A	22
Table of figures	

1. Introducing the Study

Background to the project and wider policy context

Introduction

- 1.1 Opinion Research Services (ORS) prepared the Swindon and Wiltshire Local Housing Needs Assessment (LHNA) in 2019 which formed part of the evidence base for the emerging Wiltshire Local Plan. Based on the feedback received following consultation in early 2021, Wiltshire Council committed to undertake further work to review the overall housing need and its distribution between Housing Market Areas (HMAs).
- 1.2 The 2019 LHNA assessed housing need for the combined area of Swindon and Wiltshire over the 20-year period 2016-36. This identified a minimum Local Housing Need (LHN) figure of 61,640 dwellings, but also identified that an additional 5,642 dwellings were needed to align housing with future jobs growth forecasts. This yielded an overall housing need of 67,282 dwellings, comprised of 21,661 dwellings for Swindon Borough and 45,622 dwellings for Wiltshire County.
- 1.3 At the time of the previous study, there was considerable uncertainty about the Government's standard method calculation for establishing housing need. Furthermore, many of the National Statistics and other data sources that informed the 2019 LHNA have been updated. Whilst this includes figures published for more recent years, the Office for National Statistics (ONS) has also introduced a range of methodological improvements that have led to previously published figures being updated and revised.¹
- 1.4 Given this context, Wiltshire Council commissioned ORS to review and update the LHNA for the county using the most up-to-date information now available. Whilst the previous study was jointly commissioned by Swindon and Wiltshire Councils together, the approach taken remains consistent with that used for the previous study.

Overview of the LHNA

- 1.5 This report updates the Local Housing Need (LHN) for housing in Wiltshire over the 18-year period 2020-38. It also considers how Local Housing Needs relate to the needs of different HMAs which are being used by the Council as a basis for the broad distribution of housing need across the county. The analysis establishes the distribution between the HMAs within the administrative area to inform options for the broad distribution of growth.
- 1.6 The study does not update the analysis defining functional housing market area(s) that was previously undertaken as part of the Swindon and Wiltshire Strategic Housing Market Assessment (SHMA) 2017, as that was based on structural patterns and largely informed by Census data. However, based on the consultation

¹ <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/methodologies/methodologyguideformid2012tomid2016ukpopulationestimatesenglandandwalesmarch2018>

feedback received and concerns raised by parish councils, the LHNA update has specifically reviewed the evidence used to determine the “best fit” boundary between Chippenham HMA and Trowbridge HMA in relation to the Melksham community area.

- 1.7 The Council has also commissioned an update to their economic needs evidence which is being prepared by Hardisty Jones Associates (HJA) and is referred to in this report as Economic Development Needs Assessment (EDNA). The LHNA update has considered whether the employment growth identified by the EDNA update might influence the scale and distribution of housing growth that the Council should plan for, and whether the housing requirement should be set higher than the LHN to ensure alignment between future housing and the forecast jobs growth.
- 1.8 The 2021 LHNA update adopts the same methodology as the 2019 LHNA. Both adhere to the requirements of the current National Planning Policy Framework (NPPF) and the associated Planning Practice Guidance (PPG) taking account of changes to the minimum LHN using the Government’s standard method calculation as set out in the PPG section on housing and economic needs assessment. Whilst the standard method was revised after the 2019 LHNA was prepared and published, the newly introduced “cities and urban centres uplift” does not apply in Wiltshire so the minimum LHN calculation for this area has not changed. There is ongoing uncertainty about the Government’s plans for further changes to the calculation, but LPAs are being urged to continue plan-making based on the current approach.
- 1.1 Further information about the needs for different types of housing, including the appropriate mix of market and affordable housing and the needs for all types of housing, is considered in Volume II of the LHNA update. That report updates additional information that was included in the 2017 SHMA but not the 2019 LHNA, and supplements the key outputs presented in Volume I through providing further information about:
 - » Affordable housing need;
 - » People aspiring to homeownership who cannot afford to buy;
 - » The private rented sector;
 - » People wishing to build their own home;
 - » Housing for older people;
 - » Households with specific needs;
 - » Student housing; and
 - » Service personnel.
- 1.1 It is important to recognise that the information from the LHNA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The LHNA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

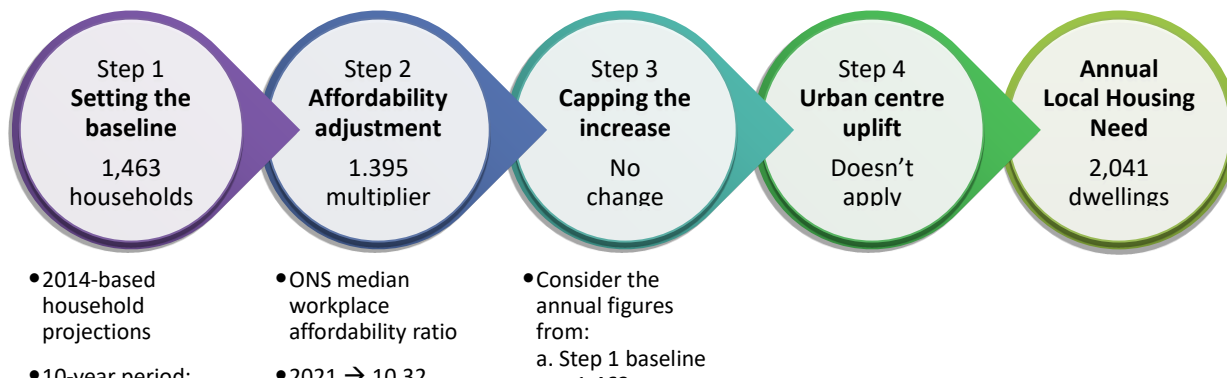
2. Local Housing Need

Establishing the Government's Local Housing Need figure

Local Housing Need based on standard methodology

- 2.1 The NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure.
- 2.2 Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID 2a-004-20201216] the minimum annual Local Housing Need figure can be established as follows.

Figure 1: Annual Local Housing Need for Wiltshire based on the Government's standard method calculation



- 2.3 Based on these calculations, this Local Housing Need Assessment uses a minimum Local Housing Need figure of 2,041 dwellings per year for Wiltshire. This yields an overall minimum housing need of 36,738 dwellings over the 18-year period 2020-2038.
- 2.4 The Local Housing Need figure will normally be higher than the household projection-based estimate of housing need as it incorporates an affordability adjustment that the Government believes will help respond to housing market pressures which may have suppressed past rates of household formation. Furthermore, although the LHN calculation is informed by trend-based projections, the 2014-based household projections are now historic figures which have been superseded by more recent official projections.
- 2.5 Given this context, Figure 2 sets out the separate elements that will contribute to the LHN. These include:
 - » Household growth over the 18-year period 2020-2038 based on the latest demographic data;
 - » Institutional population growth (aged 75 or over) over the 18-year plan period needing communal accommodation that would be counted within the housing supply;
 - » A conversion from households to dwellings which recognises that not every home will have a usually resident household (as they are either vacant homes or second homes).

Figure 2: Elements of housing need (Source: CLG, ORS; Note: All figures presented unrounded for transparency)

Element of Housing Need	WILTSHIRE UA	
	Calculation	Housing Need (dwellings)
Projected household growth over the 18-year period 2020-2038 based on the latest demographic data ²	235,871 - 212,827 = 23,044 households	23,986
Projected institutional population growth over the 18-year period 2020-2038 based on latest official projections Equivalised using average number of adults per household ³	16,436 - 13,855 = 2,581 persons 2,581 ÷ 1.830 = 1,411 households	1,469
Total housing need based on projected growth over the 18-year period 2020-2038	23,986 + 1,469 dwellings	25,455
18-year Local Housing Need based on the Standard Method calculation	2,041 dwellings x 18 years	36,738
Uplift for housing market pressures enabling more households to form than projected by the trend-based projections	36,738 - 25,455 dwellings	11,283

- ^{2.6} On this basis, the latest official demographic data identifies a need to provide 23,986 dwellings to accommodate the projected household growth (23,044 with usually resident households plus a further 942 dwellings without a usually resident household, to allow for vacant and second homes) and the equivalent of a further 1,469 dwellings to accommodate the growth of older persons projected to be living in communal accommodation. Together, this yields a total housing need of 25,455 dwellings over the 18-year period 2020-2038.
- ^{2.7} As previously noted above, the Government's standard method calculation identifies a Local Housing Need of 36,738 dwellings over an 18-year period, a total that is 11,283 dwellings higher than the housing need identified by the projections based on the latest official data. We can therefore conclude that the minimum LHN for Wiltshire incorporates 11,283 dwellings as an uplift in addition to the 25,455 dwellings needed for the trend-based growth, equivalent to an increase of 44.3%. It is clear from the above analysis that the LHN figure incorporates a substantial uplift to the latest household projection-based estimate of need.

² ONS 2018-based household projections (10-year migration variant) rebased using ONS population estimates for mid-2020

³ Based on the Census data referenced by PPG ID 3-043

3. Housing Market Areas

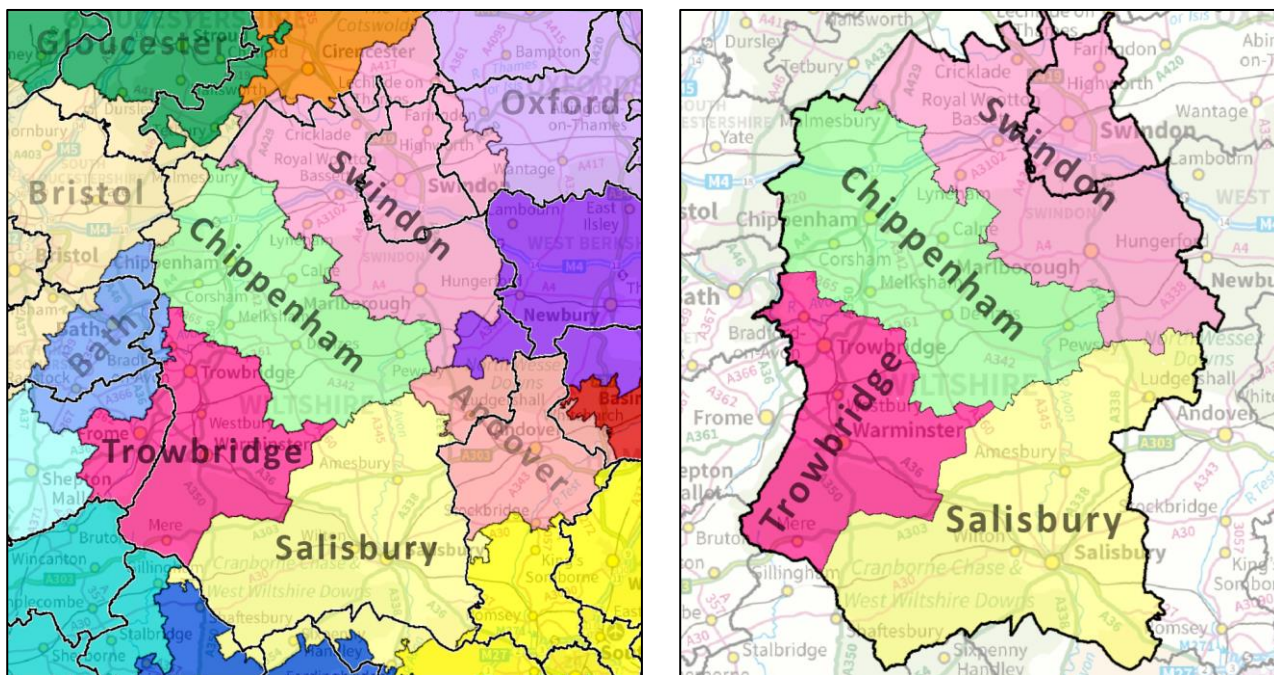
Establishing the distribution of Local Housing Need

Functional Housing Market Areas

- 3.1 In terms of strategic housing, the current Wiltshire Core Strategy considers indicative housing requirements on a Community Area basis and they are also used by the Council for other services it delivers. Generally, each Community Area comprises a group of parishes centred around at least one market town. However, the NPPF introduced the need to establish Housing Market Areas (HMAs) for assessing housing need.
- 3.2 On this basis, the first key objective of the 2017 SHMA (prepared jointly with Swindon Council) was to identify and define functional HMAs covered by the two local authorities; and the Volume 1 report set out the evidence-based approach taken to establishing the most appropriate HMAs for Swindon and Wiltshire and their surrounding areas. The methodology for identifying functional HMAs was based on secondary data, and for an extended area surrounding Swindon and Wiltshire the 2017 SHMA sought to:
- » Review the conclusions of existing studies undertaken to identify HMAs in and around the area;
 - » Analyse the functional linkages between places where people live and work;
 - » Consider household migration and house prices;
 - » Identify an evidence based geography of functional HMAs that are not constrained to administrative boundaries; and
 - » Establish the most appropriate geographies for assessing overall housing need.
- 3.3 Figure 3 illustrates the functional HMAs that the SHMA identified without any constraint to administrative boundaries. Figure 4 illustrates the “best fit” HMAs that were proposed for dividing the Swindon and Wiltshire combined area into four separate geographies for assessing overall housing need.

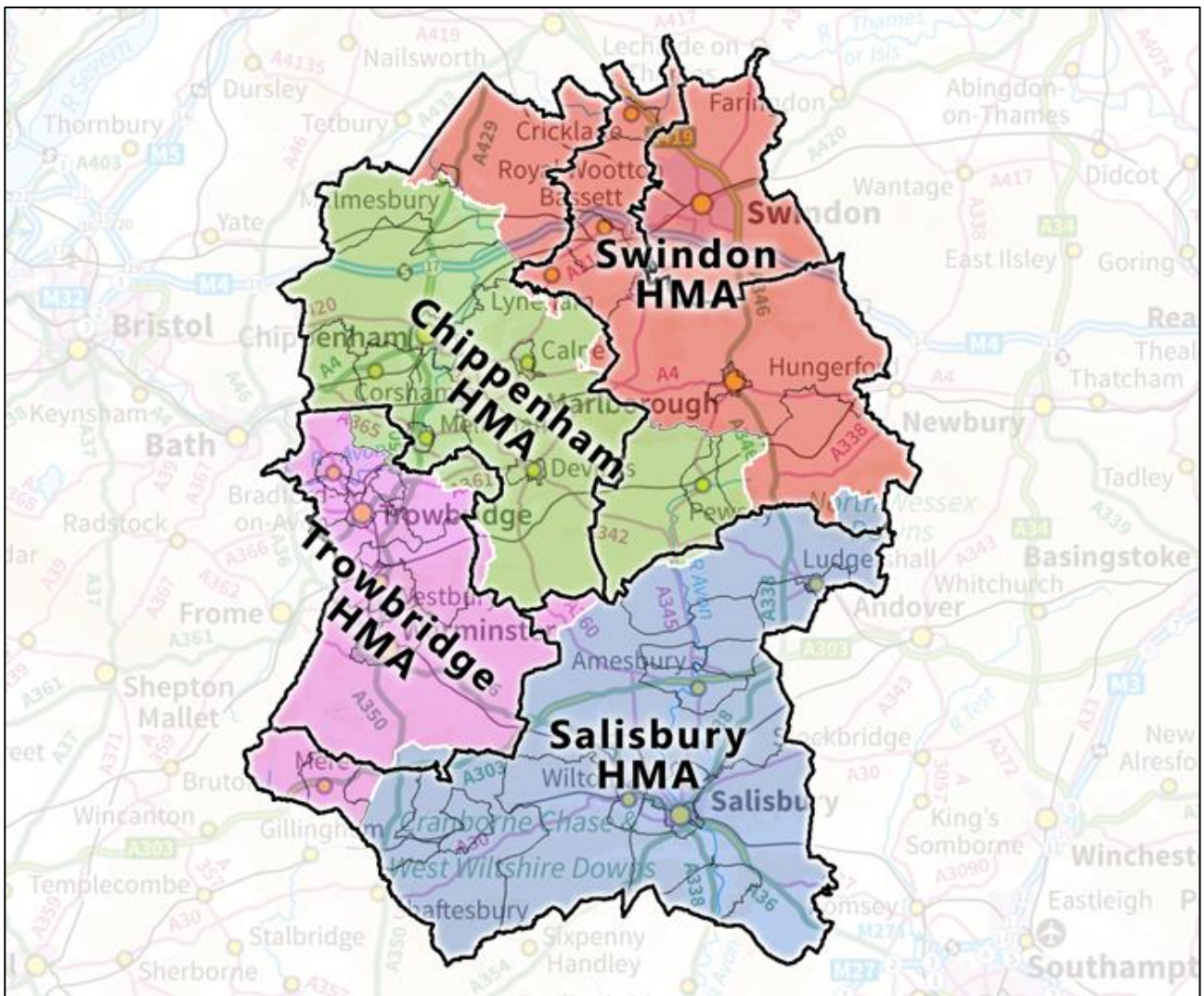
Figure 3: Functional HMAs with LA Boundaries

Figure 4: Original ‘Best Fit’ HMAs with LA Boundaries



- 3.4 These areas were constrained to the administrative boundary of the combined area, and parts of the administrative area that were covered by other functional HMAs (such as Andover, Bath and Bristol) were reallocated to the proposed “best fit” HMAs based on the strength of the functional relationships. However, the internal boundaries were not changed from those identified for the original functional areas which led to some practical difficulties, as these boundaries cut across other recognised geographies routinely used by Wiltshire Council – for example, parishes and community areas. As a consequence, the Council refined the “best fit” HMAs that were identified by the 2017 SHMA using parishes as the basic building block, to ensure alignment between the “best fit” HMA and parish boundaries, and these have provided the basis for monitoring housing land supply. Nevertheless, even when aligned to parish boundaries, there remain some anomalies from a planning perspective.
- 3.5 Given the practical plan-making difficulties arising from aligning “best fit” HMAs to parish boundaries and the associated consultation responses, the 2019 LHNA considered the functional HMAs in the context of using Community Areas as the basic geographic building blocks. Figure 5 shows the proposed “Best Fit” boundaries which provide a pragmatic basis for planning purposes, having taken account of all of the available evidence about the complex functional relationships that exist across the area. Whilst some parish boundaries have changed since the 2019 LHNA was completed, none impact on the “Best Fit” HMA boundaries.

Figure 5: Community Area-based ‘Best Fit’ HMAs (Note: Shaded zones show functional HMAs; solid black lines identify LPA boundaries and “Best Fit” HMA boundaries within Wiltshire)



Melksham Community Area

- 1.2 Following the consultation on the emerging Local Plan in early 2021, some of the feedback raised concerns about the boundary between Chippenham HMA and Trowbridge HMA in relation to the Melksham community area, and in particular the parishes of Keevil and Semington.
- 1.3 The 2019 LHNA acknowledged that the functional HMAs that had been identified by the 2017 SHMA had led to the Melksham Community Area being divided, with Melksham town (towards the north of the area) covered by Chippenham HMA whereas the rural hinterland (which covers the south of the area) covered by Trowbridge HMA.
- 1.4 The detailed analysis undertaken for the 2017 SHMA was not constrained by administrative boundaries but considered data about functional relationships between the smallest statistical areas defined by the ONS. This analysis sought to establish “...the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay” based on the PPG definition of a Housing Market Area. The 2017 SHMA concluded that the statistical areas

which cover both the parish of Keevil and the parish of Semington had stronger functional relationships with Trowbridge HMA than any of the other HMAs that were identified.

- 1.5 Whilst the 2017 SHMA identified functional HMAs which were based on statistical areas, the study also established “best fit” HMAs using parishes as the basic building block. As the statistical areas that covered the parishes of Keevil and Semington were included within the Trowbridge HMA, the 2017 SHMA also concluded that these parishes would be included within the “best fit” for Trowbridge HMA.
- 1.6 As previously noted, the 2019 LHNA did not seek to revisit the detailed analysis that was undertaken for the 2017 SHMA or change the functional HMAs. However, given the plan-making difficulties arising from aligning “best fit” HMAs to parish boundaries, the 2019 LHNA considered the previously established functional HMAs in the context of Community Area boundaries.
- 1.7 With regard to the Melksham Community Area, the study provided the following commentary and recommendations (paras 3.15-3.17):

The substantial majority of the population for Melksham Community Area as a whole live in Chippenham HMA; however, for the “Melksham Rural” sub-area the population is divided almost equally between Chippenham HMA and Trowbridge HMA.

When considering commuting patterns, “Melksham” and “Melksham without” (the two sub-areas to the north of Melksham Community Area) have over half of their resident workers (54%) working in Chippenham HMA with around a third (34%) travelling to Trowbridge HMA. However, of the workers living in the “Melksham rural” sub-area, there is a more equal division with 46% travelling to work in Trowbridge HMA and 44% commuting to Chippenham HMA.

*Given this context, it is clear that the southern part of Melksham Community Area has a well-established functional relationship with Trowbridge HMA, and given that this area adjoins Trowbridge itself it would seem appropriate to consider “Melksham rural” separately from the rest of Melksham. **On this basis, we would recommend that the “Melksham” and “Melksham without” sub-areas are included as part of the “Best Fit” to Chippenham HMA whilst the “Melksham rural” sub-area is included as part of the “Best Fit” to Trowbridge HMA.***

- 1.8 Melksham was the only community area to be divided between two different HMAs, which was a judgement based on the evidence. Each of the community areas cover relatively large geographies and it is evident that the Melksham Community Area is situated between Chippenham and Trowbridge.
- 1.9 As previously reported, the majority of the population for the area as a whole do live in Chippenham HMA; however, this is clearly influenced by the location of its larger population centres. It was important to recognise that a substantial proportion of the geographic area had been included within the Trowbridge HMA functional area, with Trowbridge itself adjoining the south-western boundary of the Melksham Community Area.
- 1.10 Given this context, it was appropriate to consider each of Melksham Community Area’s three sub-areas: “Melksham”, “Melksham without” and “Melksham rural”. This analysis clearly demonstrated that the two sub-areas to the north (“Melksham” and “Melksham without”) had notably different patterns in their functional relationships to those for “Melksham rural” in the south.

- 1.11 Whilst there is inevitably an element of judgement required when establishing any “Best Fit” area, we believe that the conclusions set out in the 2019 LHNA continue to be the most appropriate based on the available evidence. **On that basis, we still recommend that the “Melksham” and “Melksham without” sub-areas are included as part of the “Best Fit” to Chippenham HMA whilst the “Melksham rural” sub-area is included as part of the “Best Fit” to Trowbridge HMA.**

Establishing LHN by Housing Market Area

- 1.9 The 2019 LHNA established migration trends for each of the HMAs by establishing natural growth through applying fertility and mortality rates to estimate the number of births and deaths, and then considering the difference between the natural growth (births minus deaths) and the overall population change that was recorded by the ONS small area population estimates as basis for establishing net migration.
- 1.10 This was a reasonable approach, but it is important to recognise that whilst the “net migration” estimates would have included the impact of movements of people within Wiltshire and between Wiltshire and other areas of the UK (internal migration) and also movement to and from other countries of the world (international migration), these estimates would also have included “special population changes” which include changes in the population of home and overseas armed forces.
- 1.11 These “special population changes” only accounted for a relatively small proportion of the estimates of “net migration” for the original 10-year period 2005-2015 (around 8% of the total). However, they have become more significant since 2016 as a consequence of the Army Basing Programme, and across Wiltshire they accounted for a net gain of 5,155 persons over the 10-year period 2010-2020 which equates to 18% of the overall “net migration” figure. Furthermore, as the movement of armed forces dependents is captured within the general estimates of internal and international migration, it is likely that moves associated with the Army Basing Programme will have impacted on the recent trends for the distribution of migrants between HMAs which are unlikely to be replicated in future years. Therefore, for the current LHNA, it is necessary to adjust the trend-based estimates of “net migration” for the more recent 10-year period 2010-2020 to take account of “special population changes” and other likely impacts of the Army Basing Programme.
- 1.12 In the same way, dwellings delivered as part of the “West of Swindon” development (identified in the Wiltshire Core Strategy) will have led to an increase in net migration. However, as the Core Strategy set out at paragraph 4.34, development adjacent to the Swindon urban area provides for the population of Swindon rather than that of Wiltshire and should be assessed separately from the Core Strategy Wiltshire housing market areas. Given that this was a policy decision, it is appropriate to exclude the impact of this on the population trends when considering the future distribution of housing need between the HMAs, for this to be determined on a policy-neutral basis.
- 1.13 Given this context, the distribution of housing need has once again been based on the “net migration” calculation using the most up-to-date ONS small area population estimates; however, whilst the estimates for births and deaths for each HMA continue to be based exclusively on the demographic data, the distribution of “net migration” has been adjusted to take account of the relationship between overall dwelling completions and those completions that were one-offs and would skew future migration rates used for the purposes of establishing a broad distribution of LHN at HMA level. This reduces the proportion of net migration allocated to Salisbury HMA (where the majority of population moves relating to the Army Basing Programme were recorded) and, to a lesser extent, the proportion allocated to the Wiltshire part of the Swindon HMA.

- ^{1.14} Of course, as this simply provides the basis for distributing the overall housing need across the county, it does not impact on the overall number of dwellings to be provided. It simply ensures that the future pattern of distribution is not inappropriately influenced by one-off events and policy decisions. Figure 6 summarises the annual LHN figure by HMA from the current LHNA analysis and the figure from the previous 2019 LHNA (both based on 10-year migration trends) together with totals for the relevant Local Plan periods.

Figure 6: Annual LHN and Total Housing Need figures by LA and HMA

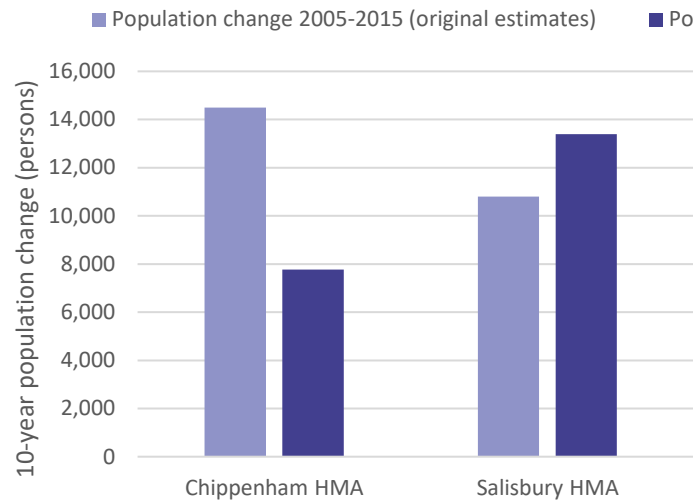
Housing Market Area	2019 LHNA		2022 LHNA	
	Annual LHN (dwellings)	Total dwellings 2016-36	Annual LHN (dwellings)	Total dwellings 2020-38
Chippenham HMA	871	17,411	757	13,626
Salisbury HMA	524	10,472	612	11,016
Swindon HMA (within Wiltshire)	147	2,936	192	3,456
Trowbridge HMA	501	10,021	480	8,640
TOTAL	2,042	40,840	2,041	36,738

- ^{1.15} The overall housing need has increased in both Salisbury HMA (from around 10,500 to 11,000 dwellings) and the Wiltshire part of the Swindon HMA (from around 2,900 to 3,500 dwellings). However, there have been substantial reductions to the need in Trowbridge HMA (from around 10,000 to 8,600 dwellings) and Chippenham HMA (from around 17,400 to 13,600 dwellings).
- ^{1.16} Given the change in the overall distribution of housing need that has been identified between the four HMAs, the following sections consider the underlying population trends and other relevant evidence on which the analysis is based.

Population Trends by Housing Market Area

- ^{1.17} The official household projections provide a key input to the LHN figure, and the household projections are based on the ONS sub-national population projections (SNPP). However, these figures are only available to the level of local authorities and it is necessary to prepare sub-area projections for each HMA in order to establish the relevant LHN figure for each HMA.
- ^{1.18} The 2019 LHNA identified the resident population for each of the HMAs based on the ONS small area population estimates, and migration trends for each HMA were also considered for both 5-year and 10-year periods building on work that had been undertaken for the 2017 SHMA and subsequent local area modelling. The 2017 SHMA had previously argued that 10-year migration trends were generally more appropriate when establishing overall housing need, given that a longer-term trend is less susceptible to short-term peaks and troughs. Based on the same reasoning, the preferred scenario for the 2019 LHNA was based on 10-year migration to provide stability as far as possible.
- ^{1.19} However, the ONS has issued revised mid-year population estimates for the years mid-2012 to mid-2016 following improvements to their methodology. This has led to changes in the estimates for all local authority areas, and the mid-2016 population estimate for Wiltshire was increased from 488,409 persons to 492,240 persons, an additional 3,831 persons. Whilst this represents only 0.78% of the overall population, it is far more significant when considered in the context of population change. Following the 2011 Census, the population in mid-2011 was estimated to be 474,319 persons and therefore the original estimate for mid-2016 (488,409 persons) represented a growth of 14,090 over the period 2011-2016 whereas the revised estimate (492,240 persons) yields a growth of 17,921 persons over the same five years. Given this context, the 3,831 person increase represents an uplift of 27.2%.
- ^{1.20} These changes also impacted the small area population estimates, which has led to larger changes in the population trends for the HMAs than would normally have been expected. Figure 7 compares the overall population change over the period 2005-2015 based on the original ONS estimates that were used for the 2017 SHMA and subsequent local area modelling to the latest 10-year change covering the period 2010-2020 taking account of the revised ONS estimates. It is evident that growth for the Chippenham HMA has almost halved (from around 14,500 to 7,800 persons) whereas growth has increased for Salisbury HMA and the Wiltshire part of Swindon HMA.

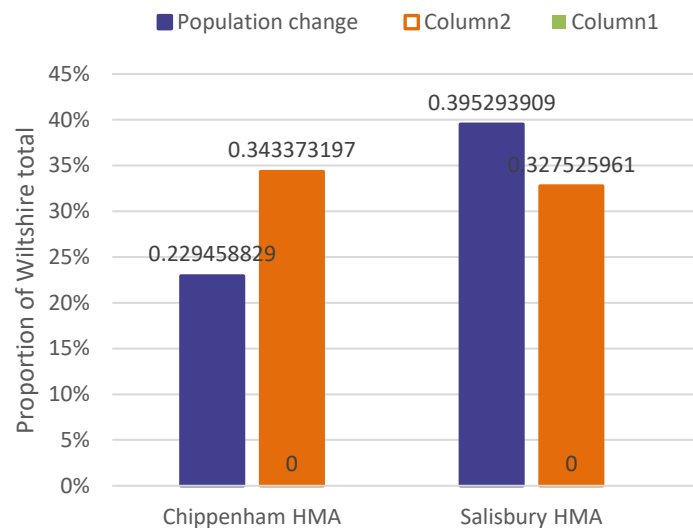
Figure 7: 10-year population change by HMA (Source: ONS small area population estimates)



Dwelling Delivery by Housing Market Area

^{1.21} As a 10-year trend period would normally provide a relative degree of stability in the figures, it is perhaps surprising that there has been such a substantial change in these figures. Furthermore, the distribution of recent population growth does not appear to align with the recorded dwelling completions for the period 2010-2020. For example, whilst Chippenham HMA and Trowbridge HMA had comparable estimates of population growth (both 23% of the total) only 22% of the total dwelling completions were in Trowbridge HMA compared to 34% in Chippenham HMA (Figure 8).

Figure 8: Estimates of population change compared with Recorded dwelling completions over the 10-year period 2010-2020 (Source: Wiltshire Council, ONS small area population estimates)

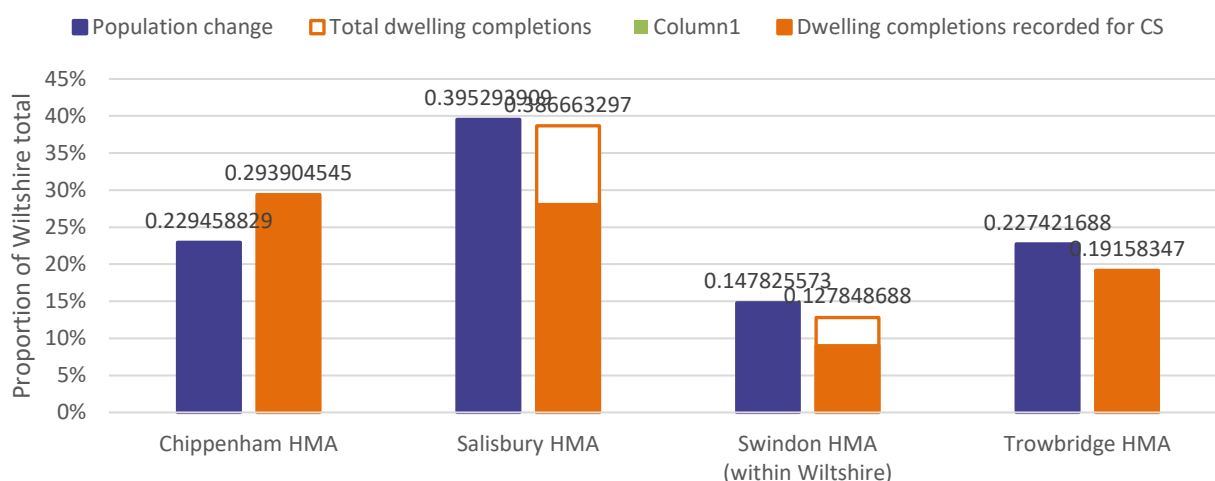


^{1.22} Over the period 2010-2020, the planning authority recorded a total of 20,319 dwellings in their monitoring against the housing market areas in the existing Core Strategy, equivalent to an average of 2,032 each year. However, over the same period, Government Live Table 122 estimates that the dwelling stock in Wiltshire

increased by an additional 21,153 dwellings over the decade, 834 more than were counted by the monitoring reports.

- 1.23 However, it is important to recognise that the Authority’s housing market area monitoring figures did not include 896 dwellings completed at the “West of Swindon” development or 1,243 dwellings delivered by the MoD as Service Family Accommodation around Amesbury and Tidworth, both of which were counted separately for monitoring purposes.⁴ Considering these dwellings together with those recorded by the planning authority yields a total of 22,458 dwellings, which is actually higher than the Government’s 21,153 estimate for the period. Whilst these dwellings did not count towards the Core Strategy housing market area delivery, they would have provided accommodation for additional population that would be counted within the ONS mid-year population estimates, and it is therefore important for them to be considered.
- 1.24 Furthermore, in addition to the Service Family Accommodation dwellings provided as part of the Army Basing Programme, the MoD has also provided 2,344 new bedspaces as Single Living Accommodation units. Whilst these evidently do not count towards the Authority’s monitoring figures, they also provide accommodation for population that would be counted by the ONS, so it is important to factor these in when comparing the growth figures. Based on the PPG conversion from bedspaces to households used in Figure 2, the SLA provision would yield the equivalent of an additional 1,281 dwellings.
- 1.25 Figure 9 compares the distribution of recent population growth with the total dwelling completions for the period 2010-2020, where it is clear that the alignment has improved. The population growth for both Salisbury HMA and the Wiltshire part of the Swindon HMA are largely comparable with the overall dwelling delivery, however there is still a disparity between the figures for Chippenham HMA and Trowbridge HMA.

Figure 9: Estimates of population change compared with Total dwelling completions and Recorded dwelling completions over the 10-year period 2010-2020 (Source: Wiltshire Council, MoD, ONS small area population estimates)



- 1.26 This evidently raises some doubts about the official population estimates for Chippenham HMA in particular, for if 29% of the new homes have been provided in that HMA we would expect the area to have gained a similar proportion of the population growth. Of course, there are a range of other factors that can also influence changes in the resident population – for example, the number of adult children leaving established households in the area will reduce the number of residents living in the existing stock, which is entirely independent of new housing delivery. Nevertheless, as there is no reason to believe that these other factors

⁴ Paragraph 4.34 and Core Policy 2 Delivery Strategy; paragraph 6.23 and Core Policy 37 Military Establishments

would vary significantly between HMA, we would still expect a closer degree of correlation between the figures.

- ^{1.27} The ONS small area population estimates will not be issued for mid-2021 until after the Census data has been validated and published. The ONS will then issue updated and revised annual estimates for the intercensal period 2011-2021 that ensure alignment with the Census. Until that time, the ONS small area population estimates for mid-2020 provide the most accurate information available.
- ^{1.28} Given the impact of “special population changes” as a consequence of the Army Basing Programme and also some concern about the possible accuracy of the latest small area population estimates, the distribution of “net migration” for the 2021 LHNA takes account of both the population change and dwelling completion data sources to establish the broad distribution of LHN at HMA. To ensure a policy neutral approach, only completions recorded to monitor performance against the Core Strategy were used. This sought to ensure that one-off policy decisions (such as meeting the needs of Swindon and the need to deliver homes and bedspaces for the Army) were not embedded within trends that would influence the future distribution between HMAs, and any such policy-based decisions could be taken in the context of a “policy off” figure.

2. Jobs and Workers

Alignment of Future Jobs Growth with Resident Workers

Considering the basis for Adjusting the Local Housing Need

- ^{1.12} Whilst PPG sets out a standard approach for establishing local housing need [ID 2a-004-20201216], this is a minimum figure and the PPG also provides examples of a number of circumstances where it may be more appropriate to use a higher figure for plan-making [ID 2a-010-20201216].

When might it be appropriate to plan for a higher housing need figure than the standard method indicates?

The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

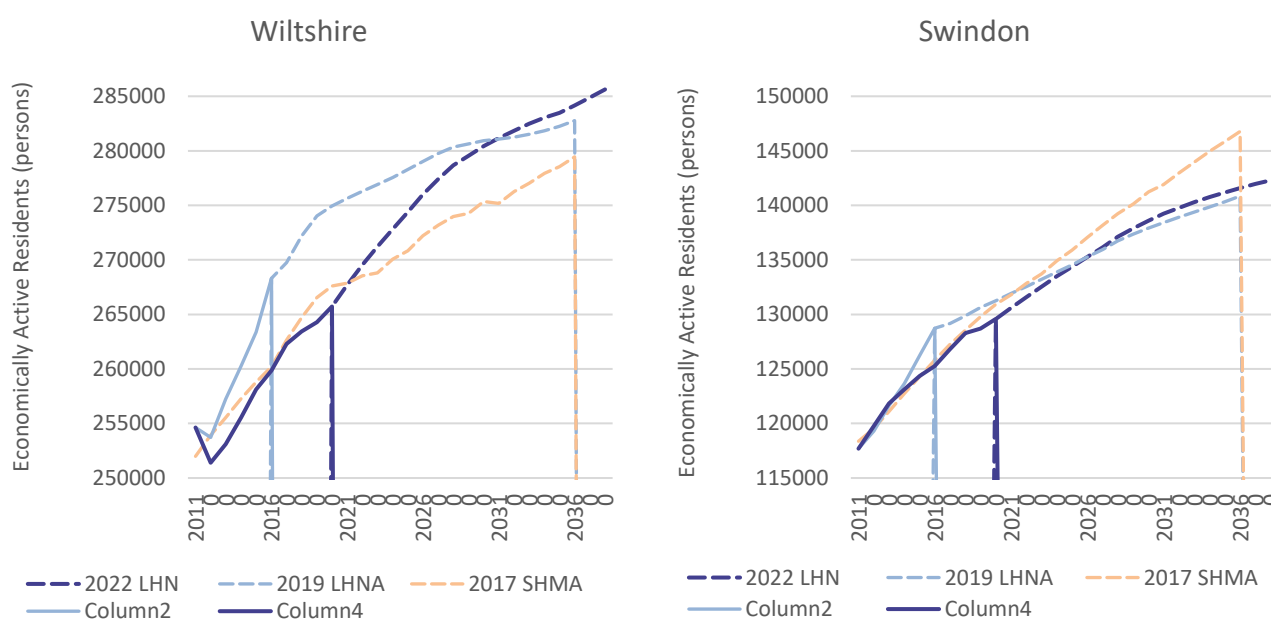
Planning Practice Guidance, ID 2a-010-20201216

- ^{1.13} The PPG is clear that only in exceptional circumstances should an alternative to the standard method that results in a lower figure be used [ID 2a-015-20190220]. It will be important for the Local Plan to be tested against scenarios with a number that is higher than the current LHN to establish the extent to which any fluctuations in the LHN in future years could be accommodated without changes being needed, given that the housing requirement figure is only fixed for 2 years from the point at which plans are submitted.
- ^{1.14} When considering the factors that could justify an uplift to the LHN (such as changing economic circumstances, as set out in the PPG above) one of the most important is ensuring that the number of new homes takes account of changes that are anticipated in the local economy as well as population trends. This section therefore looks at whether any increase to the LHN may be necessary, and what alternative figure may be justified for the next steps of plan preparation. Whilst the LHNA will establish the housing need, it will ultimately be for the local planning authority to determine the extent of any increase when establishing the housing requirement, which will involve evidence-based judgements over a range of different factors.

Economically Active Population

- 1.15 While demographic trends are key to the assessment of housing need, it is also relevant to consider current employment trends and how the projected growth of the economically active population fits with the future changes in job numbers. The LHNA Update has modelled the projected growth in economically active population (i.e. the number of resident workers) based on the LHN figure together with estimated changes in Economic Activity Rates since the 2011 Census based on the Annual Population Survey and future changes based on forecasts published by the Office for Budget Responsibility (OBR).
- 1.16 It is important that the alignment between jobs and workers takes account of functional relationships, so this is typically considered in the context of Housing Market Areas (HMAs) as these geographies reflect the areas in which the majority of the population both live and work. The 2019 LHNA identified three HMAs that were predominantly within Wiltshire (Chippenham HMA, Salisbury HMA and Trowbridge HMA), but also concluded that parts of the Swindon HMA extended into Wiltshire. Therefore, when considering the alignment between jobs and workers it is necessary to take account of changes across the Swindon and Wiltshire combined area.
- 1.17 The balance between jobs and workers for Swindon and Wiltshire was set out in the 2017 Strategic Housing Market Assessment (SHMA) and subsequently updated in the 2019 LHNA. The 2017 SHMA projected that Swindon would have around 127,300 economically active residents with around 260,200 in Wiltshire in 2016; however, data informing the 2019 LHNA suggested that economic activity rates had increased faster than had been forecast, which increased these figures to 128,700 persons in Swindon (an increase of 5,500) and 269,800 persons in Wiltshire (an increase of 9,600). Nevertheless, the latest estimates have revised these figures downwards close to the original 2017 SHMA estimates. This means that the number of workers in 2016 is lower than previously assumed, which impacts on the growth during the Plan period.
- 1.18 Figure 10 compares the economically active population as projected by the 2017 SHMA and the 2019 LHNA with the latest data from the current LHN calculation.

Figure 10: Economically Active Residents in Swindon and Wiltshire 2016-2038: Comparison of the 2017 SHMA, 2019 LHNA and the current LHN figure (Note: Solid lines based on estimates; dashed lines based on projected population and forecast change in economic activity rate)



- 1.19 Considering the demographic projections for Wiltshire based on the current LHN (2,041 dpa) the number of economically active residents is likely to increase to around 284,200 persons by 2036 (marginally higher than projected by the 2019 LHNA) and will reach around 285,600 persons by 2038. Nevertheless, given the lower starting estimate, the growth in resident workers has increased from around 14,500 persons in the 2019 LHNA to around 19,900 persons over the period 2020-2038 based on the current LHN.
- 1.20 Whilst the LHNA has not considered the needs of Swindon in detail, due to the well-established functional relationships, it is necessary to consider the growth in economically active residents across the combined area based on the overall LHN determined by the Government's standard method. Considering the Swindon and Wiltshire combined area, the number of economically active residents is likely to increase by around 31,900 persons over the 18-year period 2020-2038. Figure 11 shows the breakdown by HMA.

Figure 11: Change in Economically Active (EA) Population working within the Wiltshire and Swindon combined area 2020-2038 by HMA (Source: Commuting rates based on 2011 Census)

Housing Market Area (residence)	Change in economically active population	Percentage of EA population working within combined area	Change in workers to fulfil jobs within combined area
Chippenham HMA	+7,047	83.0%	+5,848
Salisbury HMA	+7,833	80.4%	+6,298
Swindon HMA	+12,617	82.9%	+10,457
Trowbridge HMA	+4,416	79.6%	+3,517
TOTAL	+31,913	-	+26,119
Outside Combined Area	-	-	+5,794

- 1.21 Whilst a majority of economically active residents work within the same functional HMA and others commute to other HMAs within the Swindon and Wiltshire combined area, some will travel to jobs elsewhere. Figure 11 identifies the proportion of resident workers in each HMA that work either within the same HMA or another HMA within the Swindon and Wiltshire combined area.
- 1.22 Most HMAs have around 80% of their economically active residents working within the Swindon and Wiltshire combined area. On this basis, based on the LHN figure there is likely to be around 26,100 local workers, with an increase of around 5,800 workers commuting to jobs elsewhere. Figure 12 develops this information further, identifying the commuting patterns between HMAs within the combined area. Based on this information, we can establish the change in workplace population.

Figure 12: Commuting flows between HMAs and associated change in workplace population resident in the Wiltshire and Swindon combined area (Source: Commuting rates based on 2011 Census)

Housing Market Area (residence)	Change in workers to fulfil jobs in the Combined Area	Housing Market Area (workplace)			
		Chippenham HMA	Salisbury HMA	Swindon HMA	Trowbridge HMA
Chippenham HMA	+5,848	81.2%	2.4%	10.5%	5.9%
Salisbury HMA	+6,298	2.5%	94.3%	1.3%	1.9%
Swindon HMA	+10,457	3.6%	0.6%	95.4%	0.4%
Trowbridge HMA	+3,517	12.4%	4.6%	1.7%	81.3%

TOTAL	+26,119	+5,718	+6,313	+10,725	+3,364
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Future Jobs Growth

- 1.23 An Economic and Development Needs Assessment (EDNA) was prepared by Hardisty Jones Associates (HJA) for Swindon and Wiltshire at the same time as the 2017 SHMA, and this informed the previous 2019 LHNA. HJA has been commissioned to prepare an update of the EDNA for Wiltshire in parallel to the current LHNA, to identify the likely jobs growth for the Functional Economic Market Areas (FEMAs) across Wiltshire. The FEMAs broadly align with the HMAs: both Swindon and Salisbury have separate FEMAs which align with their respective HMA, but there is only a single FEMA which covers the Chippenham HMA and Trowbridge HMA combined area.
- 1.24 The future number of jobs considered by the EDNA are based on forecasts from both Oxford Economics (August 2021) and Cambridge Econometrics (March 2021) for the 18-year period 2020-2038, although the two outputs diverge significantly in their forecasts. Whilst Cambridge Econometrics forecast a growth of around 34,600 in the total number jobs, the Oxford Economics forecast identifies a much lower rate of growth totalling only 7,900 over the 18-year period.
- 1.25 There are marked differences between the two forecasts which have been prepared at a period of considerable uncertainty, and HJA are considering both sets of figures and their underlying assumptions alongside past trends as part of the 2022 EDNA update, which establishes a central scenario based on the mid-point of the two forecasts as an appropriate “policy off” basis for assessing need. This represents a growth of around 21,300 jobs over the period, equivalent to an average of 1,182 per year, which is marginally lower with the annual average growth of 1,277 jobs that the 2017 EDNA concluded for Wiltshire.
- 1.26 As the 2022 EDNA will not update the figures for Swindon, the analysis continues to assume an average of 607 jobs per year that the 2017 EDNA previously concluded. These figures currently provide the basis upon which the Swindon Local Plan 2036 has been developed, and therefore they provide the most reasonable inputs for the LHNA update when considering future jobs growth across the functional area. It is also worth noting that more recent jobs forecasts have generally tended to be lower than those prepared at the time of the 2017 EDNA, so the previous figure is likely to provide a reasonable upper-end estimate.
- 1.27 Figure 13 summarises the change in jobs identified for the four separate housing market areas, separating main jobs from second jobs.

Figure 13: Forecast change in Main Jobs and Second Jobs 2020-2038 for the Wiltshire and Swindon combined area by HMA
(Source: Wiltshire EDNA 2022; Swindon and Wiltshire EDNA 2017)

Housing Market Area (workplace)	Change in Jobs: Baseline scenario		
	Main Jobs	Second Jobs	TOTAL
Chippenham HMA	+5,732	+748	+6,480
Salisbury HMA	+7,077	+923	+8,000
Swindon HMA (total)	+11,652	+1,812	+13,463
<i>within Wiltshire</i>	<i>+2,247</i>	<i>+293</i>	<i>+2,540</i>
Trowbridge HMA	+3,769	+491	+4,260
TOTAL	+28,230	+3,974	+32,203
Swindon Borough	+9,112	+1,812	+10,923

Wiltshire	+18,825	+2,455	+21,280
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- 1.28 Of course, not all resident workers will work locally, and some jobs will be fulfilled by workers commuting from other HMAs in Swindon and Wiltshire or from outside the combined area. Figure 14 identifies the percentage of main jobs in each of the HMAs fulfilled by commuters living outside the combined area. Only a minority of workers commute from homes outside the area, ranging from 19.2% of jobs in Salisbury HMA to 10.3% of jobs in Chippenham HMA.
- 1.29 Based on the existing rates, it is likely that around 3,970 of the additional main jobs will be taken by workers commuting from outside the combined area and there will therefore be a need for an additional 24,260 resident workers to satisfy the forecast jobs growth. These figures assume no change in commuting patterns compared to those recorded by the 2011 Census.

Figure 14: Resident Workers needed to fulfil growth in main jobs for the Wiltshire and Swindon combined area by HMA (Source: Commuting rates based on 2011 Census. Notes: Local Authority figures are not available as commuting patterns are considered on a HMA basis)

Housing Market Area (workplace)	Increase in Main Jobs	Percentage of Main Jobs fulfilled by commuters	Increase in Inward Commuting	Increase in Resident Workers Needed
Chippenham HMA	5,732	10.3%	588	5,145
Salisbury HMA	7,077	19.2%	1,357	5,720
Swindon HMA	11,652	12.6%	1,472	10,180
Trowbridge HMA	3,769	14.7%	554	3,215
TOTAL	32,513	-	3,970	24,260

Aligning Future Jobs and Workers

- 1.30 Figure 15 considers the increase in resident workers needed to fulfil the growth in main jobs (Figure 14) alongside the increase in resident workers projected based on the LHN figures for the HMAs in terms of their workplace population (Figure 12) in order to establish the extent of any shortfall or surplus of workers for each of the HMAs.

Figure 15: Alignment between increase in resident workers needed to fulfil growth in main jobs and projected increase based on the LHN for the Wiltshire and Swindon combined area by HMA

Housing Market Area (workplace)	Increase in Resident Workers Needed	Increase in Resident Workers based on LHN	Net shortfall or surplus of Resident Workers
Chippenham HMA	5,145	5,718	+573
Salisbury HMA	5,720	6,313	+593
Swindon HMA	10,180	10,725	+545
Trowbridge HMA	3,215	3,364	+149
TOTAL	24,260	26,119	+1,859

- 1.31 Based on this analysis, there would appear to be a broad alignment of workers across all four of the HMAs, with a surplus of more than 500 workers in all areas except Trowbridge HMA, where a surplus of 149 workers is identified over 18-year period. Given this context, there does not appear to be any justification for increasing the housing need figure above the Government's standard method as a consequence of the jobs

growth identified by the central scenario. However, the minimum LHN will only yield a relatively limited surplus of workers and is unlikely to support a considerably higher rate of jobs growth.

Conclusions

- ^{1.32} The Government's Standard Method identified a minimum LHN of 36,738 dwellings for Wiltshire over the 18-year period 2020-38. However, it is important to consider whether there is any justification for increasing the local housing need beyond the minimum that is identified by the Government's calculation.
- ^{1.33} Based on the analysis above, the employment growth forecasts being considered by the 2022 EDNA would ensure that there were likely to be sufficient workers to align with the central jobs growth scenario without any change to the net commuting rates recorded by the 2011 Census. However, the minimum LHN only yields a relatively limited surplus of workers. Given this context, if the Council concluded that a different jobs growth scenario based on a substantially higher rate of growth was more appropriate, it would be important to consider the possible implications on housing need.

1. Appendix A

Table of figures

Figure 1: Annual Local Housing Need for Wiltshire based on the Government’s standard method calculation	6
Figure 2: Elements of housing need (Source: CLG, ORS; Note: All figures presented unrounded for transparency)	7
Figure 3: Functional HMAs with LA Boundaries	8
Figure 4: Original ‘Best Fit’ HMAs with LA Boundaries	8
Figure 5: Community Area-based ‘Best Fit’ HMAs (Note: Shaded zones show functional HMAs; solid black lines identify LPA boundaries and “Best Fit” HMA boundaries within Wiltshire)	9
Figure 6: Annual LHN and Total Housing Need figures by LA and HMA	12
Figure 7: 10-year population change by HMA (Source: ONS small area population estimates)	13
Figure 8: Estimates of population change compared with Recorded dwelling completions over the 10-year period 2010-2020 (Source: Wiltshire Council, ONS small area population estimates)	14
Figure 9: Estimates of population change compared with Total dwelling completions and Recorded dwelling completions over the 10-year period 2010-2020 (Source: Wiltshire Council, MoD, ONS small area population estimates)	15
Figure 10: Economically Active Residents in Swindon and Wiltshire 2016-2038: Comparison of the 2017 SHMA, 2019 LHNA and the current LHN figure (Note: Solid lines based on estimates; dashed lines based on projected population and forecast change in economic activity rate)	17
Figure 11: Change in Economically Active (EA) Population working within the Wiltshire and Swindon combined area 2020-2038 by HMA (Source: Commuting rates based on 2011 Census)	18
Figure 12: Commuting flows between HMAs and associated change in workplace population resident in the Wiltshire and Swindon combined area (Source: Commuting rates based on 2011 Census)	18
Figure 13: Forecast change in Main Jobs and Second Jobs 2020-2038 for the Wiltshire and Swindon combined area by HMA (Source: Wiltshire EDNA 2022; Swindon and Wiltshire EDNA 2017)	19
Figure 14: Resident Workers needed to fulfil growth in main jobs for the Wiltshire and Swindon combined area by HMA (Source: Commuting rates based on 2011 Census. Notes: Local Authority figures are not available as commuting patterns are considered on a HMA basis)	20
Figure 15: Alignment between increase in resident workers needed to fulfil growth in main jobs and projected increase based on the LHN for the Wiltshire and Swindon combined area ral by HMA	20