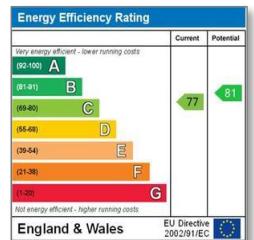




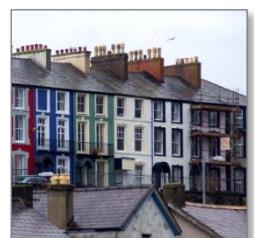
# Swindon & Wiltshire Strategic Housing Market Assessment



## VOLUME ONE

### Defining the Housing Market Areas

June 2017





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# 1. Introducing the Study

## Background to the project and wider policy context

- 1.1 Opinion Research Services (ORS) was commissioned by Wiltshire Council and Swindon Borough Council to prepare a Strategic Housing Market Assessment (SHMA) to identify the functional Housing Market Areas (HMAs) and establish the Objectively Assessed Need (OAN) for housing. Hardisty Jones Associates (HJA) was jointly commissioned to identify the Functional Economic Market Areas (FEMAs) for the combined area and undertake an Economic Development Needs Assessment (EDNA) to establish future employment growth and inform the alignment between future jobs and housing.
- 1.2 The study adheres to the requirements of the National Planning Policy Framework (NPPF) published in 2012 and subsequent Planning Policy Guidance. The methodology was also mindful of emerging good practice and outcomes from Examinations, as well as the Technical Advice Note about Objectively Assessed Need and Housing Targets that was published by the Planning Advisory Service (PAS) in July 2015.
- 1.3 The purpose of the study is to support the local authorities in objectively assessing and evidencing the need for housing (both market and affordable) and employment in the relevant functional areas, and to provide other evidence to inform local policies and plan making.

## Overview of the SHMA

- 1.4 The first key objective of this SHMA was to identify and define the functional Housing Market Area(s) (HMAs) covered by the two local authorities; and this report sets 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 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.
- 1.5 The second key objective of this SHMA was to establish the Full Objectively Assessed Need for housing in each of the identified HMAs and each of the two local planning authority areas over the 20-year period 2016-36. Volume II of the study report establishes the overall housing need and identifies the needs for all types of housing, including the appropriate mix of market and affordable housing.
- 1.6 It is important to recognise that the information from the SHMA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The SHMA 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.

## National Planning Policy Framework

- <sup>1.7</sup> The National Planning Policy Framework (NPPF) sets out government's planning policies for England and how these are expected to be applied. The Framework acts as guidance for local planning authorities and decision-takers, both in drawing up plans and making decisions about planning applications.
- <sup>1.8</sup> The Framework states that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area. Given that Regional Spatial Strategies are now revoked, the responsibility for establishing the needs of the area rests with local planning authorities; and therefore local planning authorities have to establish the most appropriate HMAs for assessing their housing need.

*To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.*

National Planning Policy Framework (NPPF), paragraph 47

## Duty to Cooperate

- <sup>1.9</sup> The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.
- <sup>1.10</sup> The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as “*the homes and jobs needed in the area*”.

*Public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the **strategic priorities** set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.*

*Local planning authorities should work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected in individual Local Plans. Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework. As part of this process, they should consider producing joint planning policies on strategic matters and informal strategies such as joint infrastructure and investment plans.*

National Planning Policy Framework (NPPF), paragraphs 178-179

- <sup>1.11</sup> This co-operation will need to be demonstrated as sound when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability). The NPPF sets out that co-operation should be “*a continuous process of engagement*” from “*thinking through to implementation*”.

*Local planning authorities will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. This could be by way of plans or policies prepared as part of a joint committee, a memorandum of understanding or a jointly prepared strategy which is presented as evidence of an agreed position. Cooperation should be a continuous process of engagement from initial thinking through to implementation, resulting in a final position where plans are in place to provide the land and infrastructure necessary to support current and projected future levels of development.*

National Planning Policy Framework (NPPF), paragraph 181

<sup>1.12</sup> Given the NPPF context, the aim of this study was to derive a consensus from local planning authorities and other relevant stakeholders about the most appropriate and up-to-date HMAs for Swindon, Wiltshire and the surrounding areas.

<sup>1.13</sup> The study, as part of its methodology, undertook extensive stakeholder engagement with neighbouring local authorities under the Duty to Co-operate to consider both the HMA methodology used and the outputs derived.

- » A Method Statement was circulated to stakeholders highlighting the approach proposed and inviting comments: issues raised were discussed with the project steering group; and
- » A Stakeholder Workshop was convened with the opportunity to provide feedback on any specific concerns or comments.

<sup>1.14</sup> Feedback received from all stakeholders was proactively reviewed and discussed with officers from the commissioning partnership, and the study methodology was revised whenever necessary in order to respond to suggestions and address any concerns raised.

## Stakeholder Workshop

<sup>1.15</sup> A Stakeholder Workshop was held on 21 January 2016 to review the work undertaken to identify the Housing Market Areas (HMAs) and the Functional Economic Market Areas (FEMAs). The Workshop was attended by officers from Swindon and Wiltshire Councils together with representatives from each of the following local planning authorities:

- » Cotswold District Council;
- » Mendip District Council;
- » New Forest District Council
- » New Forest National Park Authority;
- » South Somerset District Council;
- » Test Valley Borough Council; and
- » West Berkshire Council.

<sup>1.16</sup> At the Workshop, emerging study analysis was presented and explained and Stakeholders had the opportunity to question and clarify both the approach and initial conclusions of the study. Stakeholders also had the opportunity to discuss emerging evidence and provide feedback.

<sup>1.17</sup> There was universal support for the outcomes of the analysis and the identified HMAs that were presented which form the basis of this report.

<sup>1.18</sup> In particular:

- » Cotswold District Council supported the inclusion of Cirencester with Gloucester;
- » Mendip District Council supported the inclusion of Frome with Mendip;
- » New Forest National Park Authority support the general conclusions, noted that part of Wiltshire falls into the NFNPA and stressed the Duty to Cooperate with the National Park Authority;
- » Test Valley Borough Council supported the inclusion of Andover within Hampshire.

<sup>1.19</sup> The functional geographies identified by the SHMA and the proposed “best fit” HMAs therefore provide an agreed basis for developing the objective assessment of housing need.

## 2. Review of existing analysis

### Previous analysis of functional housing market areas

- 2.1 The definition of a functional housing market area is well-established as being “...*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*” (MacLennan et al, 1998).<sup>1</sup>
- 2.2 Planning Practice Guidance (PPG) on the Assessment of Housing and Economic Development Needs (March 2014) reflects this existing concept, confirming that the underlying principles for defining housing markets are concerned with the functional areas in which people both live and work:

#### **What is a housing market area?**

*A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case the housing market areas overlap. The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.*

Planning Practice Guidance (March 2014), ID 2a-010

- 2.3 Therefore, PPG requires an understanding of the housing market area and says this can be defined using three different sources of information:
- » House prices and rates of change in house prices
  - » Household migration and search patterns
  - » Contextual data (e.g. travel to work area boundaries, retail and school catchment areas)
- 2.4 These sources are well-established, being consistent with those previously identified in the CLG advice note “*Identifying sub-regional housing market areas*” published in 2007.<sup>2</sup> The evidence and understanding of Housing Market Areas has developed considerably since the publication of this advice. The following section sets out the conclusions of a wide range of studies undertaken that consider geographies in and around the study area.

### CLG Geography of Housing Market Areas (NHPAU/CURDS)

- 2.5 CLG published a report on the “*Geography of Housing Market Areas*” in 2010.<sup>3</sup> This was based on work commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University. This study explored a range of potential methods for calculating housing market areas for England and applied these methods to the whole country to show the range of housing markets which would be generated.

<sup>1</sup> Local Housing Systems Analysis: Best Practice Guide. Edinburgh: Scottish Homes

<sup>2</sup> Identifying sub-regional housing market areas (CLG, March 2007); paragraph 1.6

<sup>3</sup> Geography of Housing Market Areas (CLG, November 2010); paragraph 1.6

2.6 The report proposed three overlapping tiers of geography for housing markets:

- » **Tier 1:** framework housing market areas defined by long distance commuting flows and the long-term spatial framework with which housing markets operate;
- » **Tier 2:** local housing market areas defined by migration patterns that determine the limits of short term spatial house price arbitrage;
- » **Tier 3:** sub-markets defined in terms of neighbourhoods or house type price premiums.

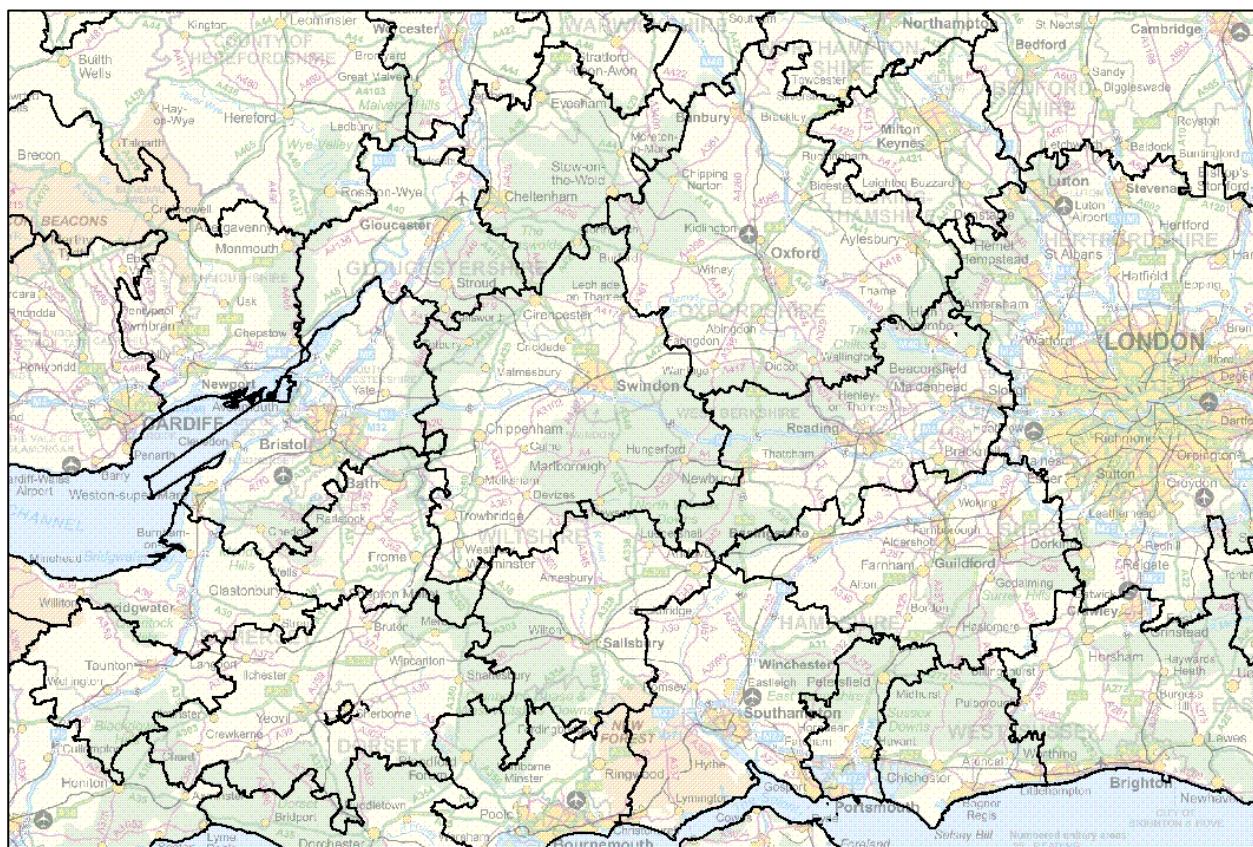
2.7 The report recognised that migration patterns and commuting flows were the most relevant information sources for identifying the upper tier housing market areas, with house prices only becoming relevant at a more local level and when establishing housing sub-markets. The report also outlined that no one single approach (nor one single data source) will provide a definitive solution to identifying local housing markets; but by using a range of available data, judgements on appropriate geography can be made.

2.8 Advice published in the PAS OAN technical advice note<sup>4</sup> also suggests that the main indicators will be migration and commuting (second edition, paragraph 5.4).

*"The PPG provides a long list of possible indicators, comprising house prices, migration and search patterns and contextual data including travel-to-work areas, retail and school catchments. In practice, the main indicators used are migration and commuting."*

2.9 The PAS OAN technical advice note also suggests that analysis reported in the CLG report "Geography of Housing Market Areas" (CLG, November 2010) should provide a starting point for drawing HMAs (Figure 1).

Figure 1: NHPAU Study - PAS Advice Note 'Starting Point'



<sup>4</sup> <http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvicenote/f1bfb748-11fc-4d93-834c-a32c0d2c984d>

<sup>2.10</sup> This suggests that Wiltshire forms part of four main housing market areas. Swindon and the northern part of the County form a housing market area which also contains parts of Gloucestershire, notably around Cirencester, Oxfordshire, and West Berkshire around Newbury. The southern part of Wiltshire forms a housing market area centred on Salisbury, which also includes parts of Dorset, and Hampshire around Andover and the New Forest. To the south west Longleat and Stourhead form part of the Bath and Frome housing market area.

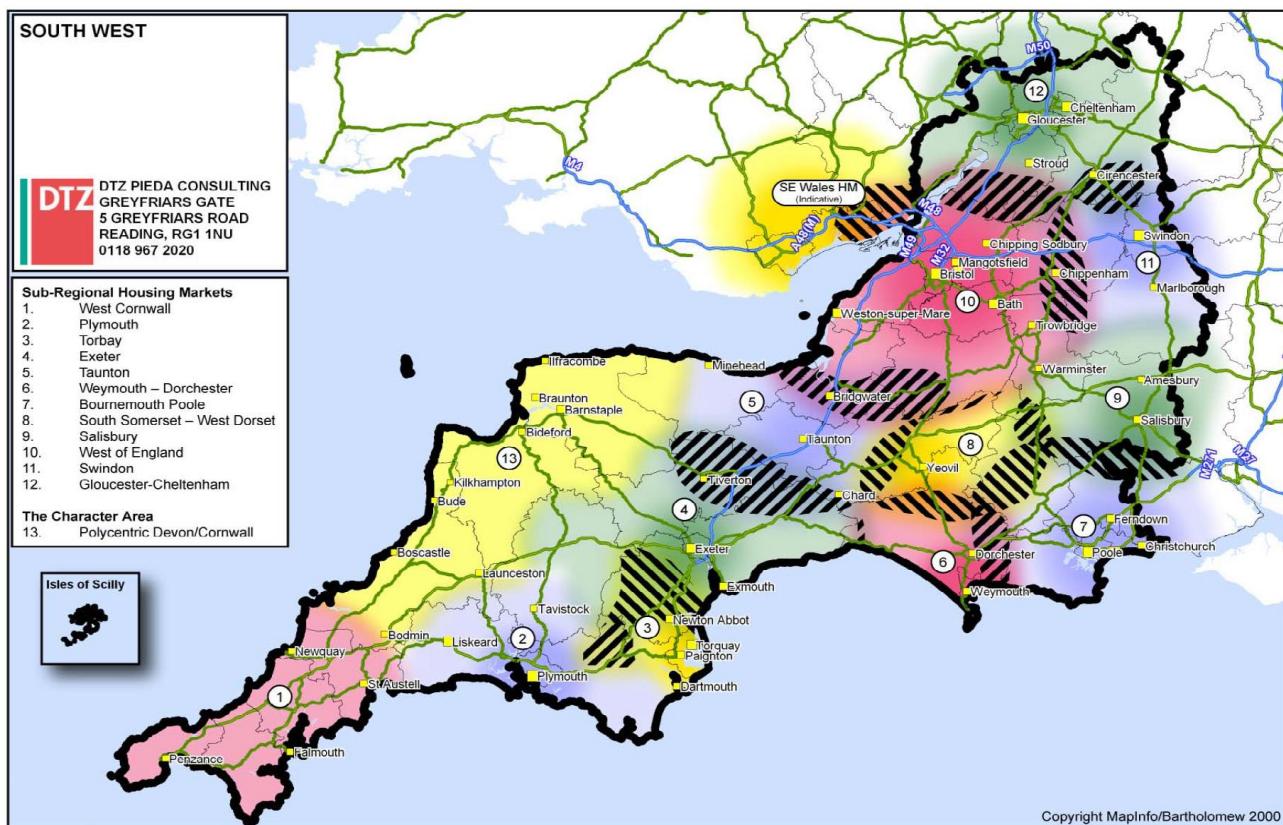
<sup>2.11</sup> It is important to note that the analysis of migration and commuting for the “starting point” CLG study was based on data from the 2001 Census. Given this context, the PAS OAN technical advice note recognises that “*more recent data should always ‘trump’ this geography*” (first edition, paragraph 4.9).

## Regional Studies

### Sub Regional Housing Markets in the South West (DTZ; 2004)

<sup>2.12</sup> DTZ undertook a regional assessment of sub-regional housing markets in 2004 for the South West Regional Housing Board which was part of the then Regional Assembly. The evidence used was travel to work (TTW) and migration data, together with house price data. DTZ also considered the catchment areas for employment and retail centres.

Figure 2: Proposed Sub-Regional Housing Markets (DTZ 2004; for the South West Regional Housing Board)

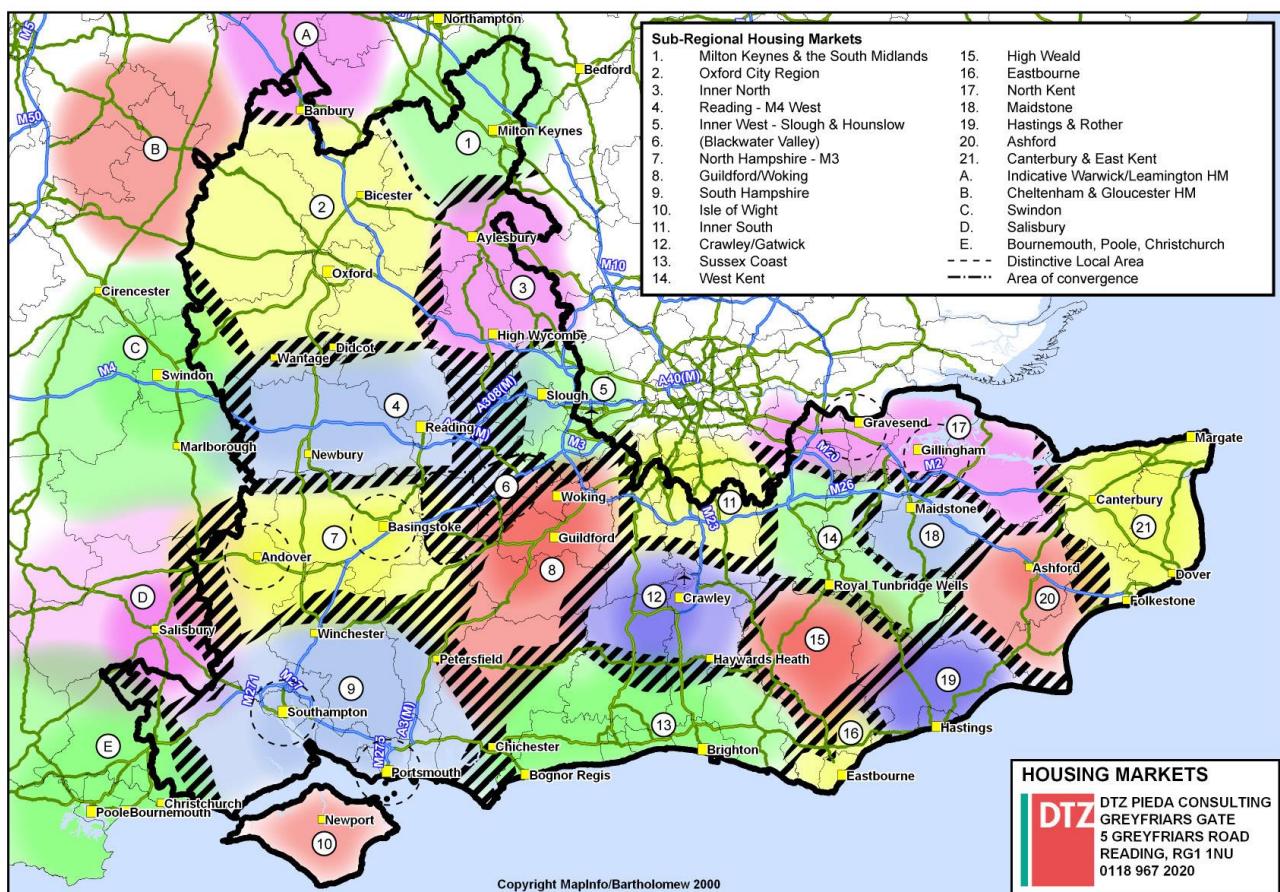


<sup>2.13</sup> Swindon and Salisbury were identified as sub-regional housing markets, with Cirencester identified as being in Swindon rather than in Gloucester-Cheltenham sub-regional housing market. Trowbridge and Warminster were included in the ‘West of England sub-regional housing market which included Bristol and Bath. Cirencester was included in the Gloucester-Cheltenham sub-regional housing market.

## Sub Regional Housing Markets in the South East (DTZ; 2004)

- 2.14 As in the South West, DTZ undertook a regional assessment of sub-regional housing markets in 2004 for the South East Regional Housing Board which was part of the then Regional Assembly. The evidence used was travel to work (TTW) and migration data, together with house price data. DTZ also considered the catchment areas for employment and retail centres.

**Figure 3: Proposed Sub-Regional Housing Markets (DTZ 2004; for the South East Regional Housing Board)**



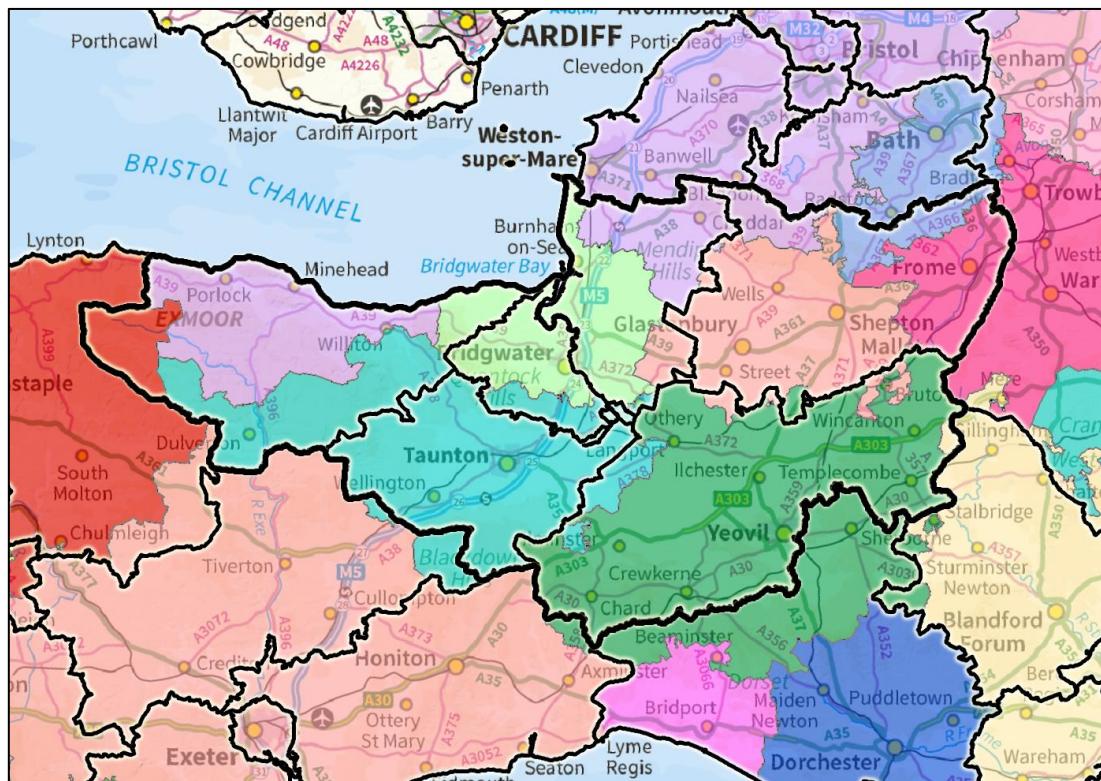
- 2.15 The Swindon sub-regional housing market area was identified as extending into the Oxford City sub-regional housing market area. The Reading-M4 West sub-regional HMA was identified as extending towards Marlborough. Some small overlap was identified between the Salisbury sub-regional HMA and the sub-regional HMAs identified as North Hampshire-M3, and as South Hampshire.

## Sub-Regional and Local Studies

## Somerset HMA (ORS; 2015)

- <sup>2.16</sup> The 2015 Somerset HMA also identified functional housing market areas based on Bristol and Bath which included small areas of Wiltshire. A separate functional housing market area was identified which included Trowbridge, Warminster and Frome. However, once “best fit” housing market areas were identified, Frome was included in a Mendip HMA with Wells, Shepton Mallet and Glastobury, separate from and Trowbridge and Warminster.

**Figure 4:** Extract from Somerset HMA and FEMA (ORS 2015)



- 2.17 The SHMA showed how:

*At least 85% of residents in each commuting zone live within the associated LA; and at least 74% of residents in each LA live within the associated commuting zone, with the exception of Mendip where 56% of residents are in the Wells commuting zone and 32% are in the Trowbridge zone. However, as most of the Trowbridge commuting zone is in Wiltshire, it would be reasonable to consider the “best fit” housing market area for that zone to exclude Mendip; and it would then be appropriate to consider Mendip as a “best fit” housing market area based on the Wells commuting zone.*

*In all five of the Somerset local authority areas, a substantial majority of migrants moved within the same local authority area. Therefore, the local authority areas satisfy the PPG definitions for HMAs in regard to migration.*

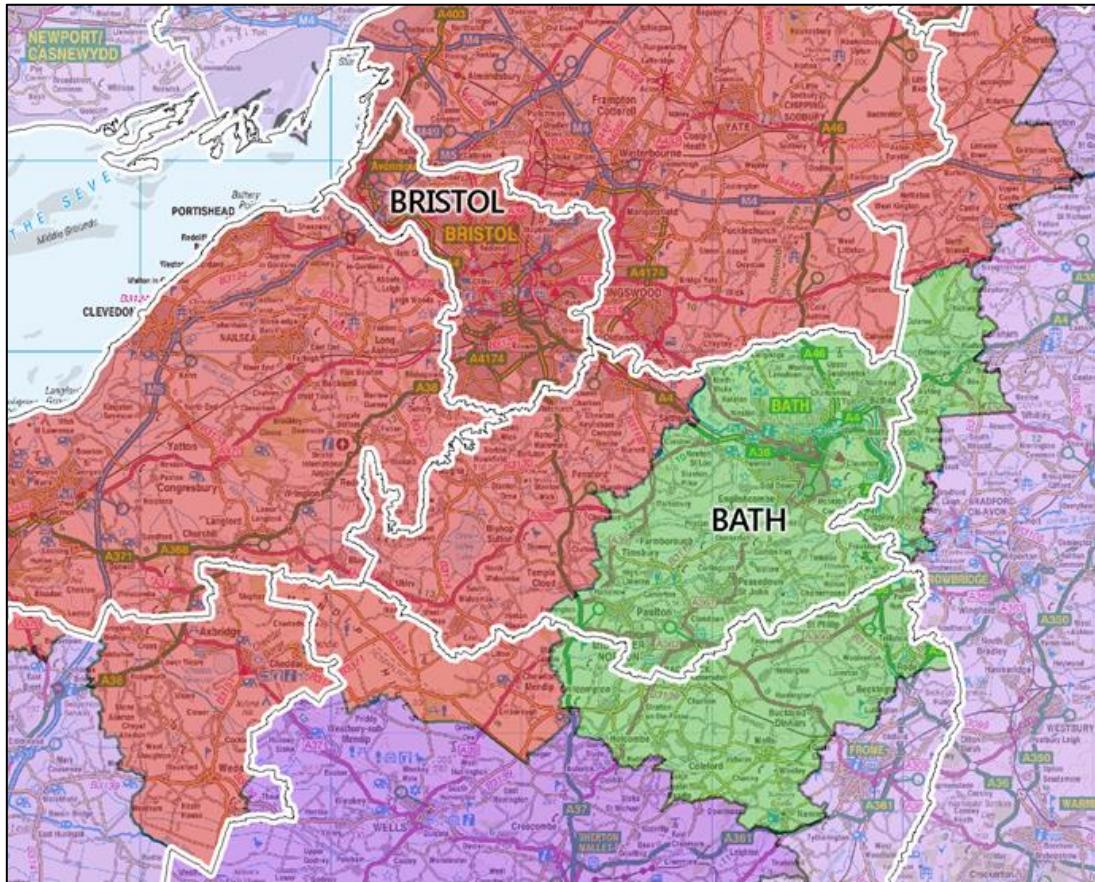
*House price data (together with other considerations taken into account when defining BRMAs) supports Mendip being considered as an independent HMA.”*

*Source: Somerset HMA and FEMA 2015 (ORS)*

## Bath and North East Somerset SHMA (ORS; 2013)

- <sup>2.18</sup> The 2013 Bath and North East Somerset (BANES) SHMA differed from the DTZ regional study and identified two separate housing markets; Bristol and Bath. While both extend into Wiltshire, the amount of overlap is not sufficient to challenge the identification of the final HMAs being ‘best fit’ to local authority boundaries.

Figure 5: Extract from Bath & North East Somerset SHMA (ORS 2013)



- <sup>2.19</sup> The SHMA showed how:

*Over 65% of working people living in Bristol also work in the area*

*The city of Bath has between 50% and 65% self-containment when analysing the travel to work patterns, while all other settlements have less than 50%*

Source: Bath and North East Somerset SHMA 2013 (ORS)

## Gloucestershire SHMA (HDH; 2014)

- <sup>2.20</sup> The Gloucestershire SHMA (HDH 2014) takes the HMA from the NHPAU Study:

*Previous work<sup>5</sup> has broadly identified the County of Gloucestershire as constituting a housing market area. The existence of this housing market area was briefly reviewed using price information available at the time of reporting and found to be still accurate, although it is acknowledged that the absence of the new Census data on migration and travel to work flows at time of reporting limited the extent of this review.*

<sup>5</sup> “Geography of Housing Market Areas in England. Summary Report. Published in July, 2010 for by National Housing and Planning Advice Unit by Colin Jones, Mike Coombes and Cecilia Wong.”

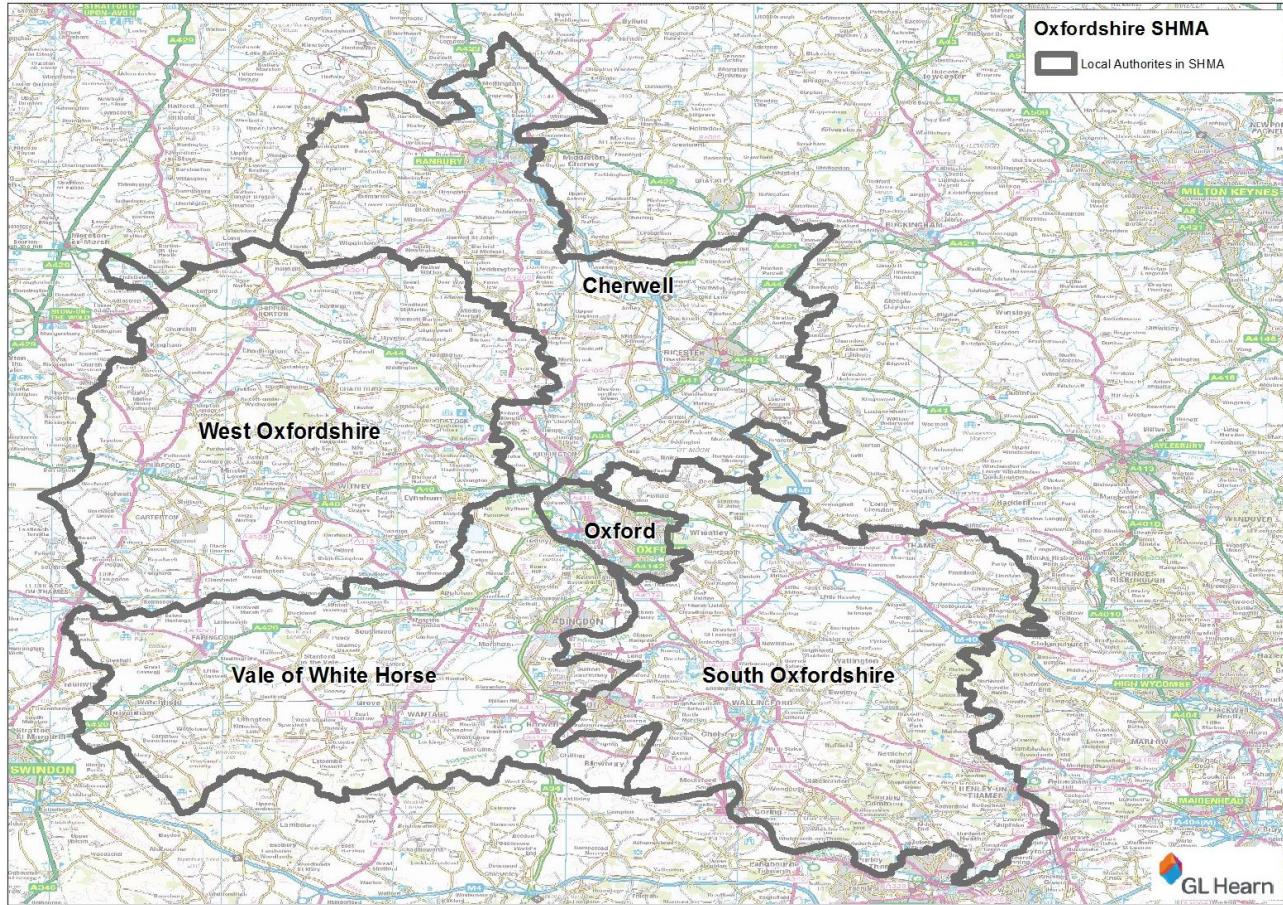
## Oxfordshire SHMA (G L Hearn; 2014)

<sup>2.21</sup> The 2014 Oxfordshire SHMA identifies a functional HMA across Oxfordshire and states:

*The county still remains the most appropriate geography for analysis of housing markets in terms of the ‘best fit’ of local authority boundaries to a functional housing market area.*

Source: Oxfordshire SHMA 2014 (Appendix 1)

Figure 6: Extract from Oxfordshire SHMA (G L Hearn 2014)



<sup>2.22</sup> The SHMA states:

*Of residents in work in Oxfordshire, 85% work within the county*

*The analysis indicates that in all instances the strongest migration flows with another local authority is within an authority within Oxfordshire. This supports the definition of an Oxfordshire Housing Market Area (HMA)*

Source: Oxfordshire SHMA 2014 (Appendix 1)

<sup>2.23</sup> Considering links with the surrounding area, the report states:

*'However there are links, in housing market and economic terms, between parts of Oxfordshire and surrounding areas, including major employment centres close to the county's boundaries, particularly Reading ... and Swindon (the influence of which extends into the Vale of White Horse).*

Source: Oxfordshire SHMA 2014 (Appendix 1)

## Berkshire (including South Buckinghamshire) SHMA (GL Hearn; 2016)

<sup>2.24</sup> Based on containment and other factors, the 2016 Berkshire and South Buckinghamshire SHMA identifies ‘best fit’ HMAs based on the local authority boundaries. The report states:

*“Using a best fit to local authority boundaries approach, there is strong evidence to support the definition of two separate HMAs containing the Berkshire Authorities – a Western Berkshire HMA covering Bracknell Forest, Wokingham, Reading and West Berkshire; and an Eastern Berks and South Bucks HMA comprising Slough, RBWM and South Bucks.”*

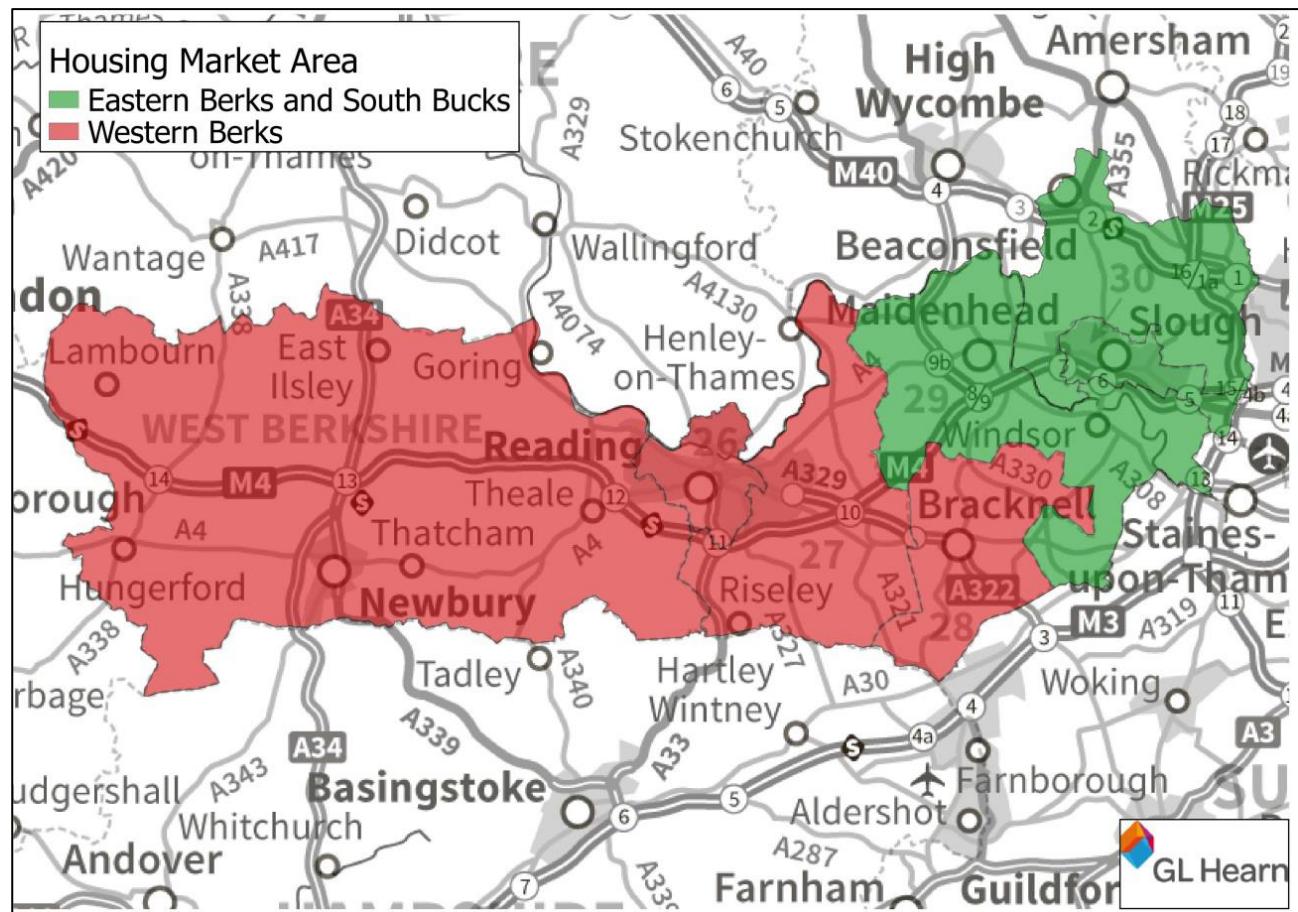
Source: *Berkshire and South Buckinghamshire SHMA 2016*

<sup>2.25</sup> The Berkshire and South Buckinghamshire SHMA identifies a Western Berkshire HMA and an Eastern Berkshire and South Buckinghamshire HMA and finds that:

*“The Western Berkshire HMA sees notable containment of migration flows (76-78%), with slightly lower containment in the Eastern plus South Bucks HMA (68-69%) reflecting the functional relationship in both migration and commuting terms with London. When the influence of Greater London is excluded it is clear that the self-containment rates in each HMA exceed the typical 70% threshold.”*

Source: *Berkshire and South Buckinghamshire SHMA 2016*

Figure 7: Extract from *Berkshire (including South Buckinghamshire) SHMA (G L Hearn 2016)*



<sup>2.26</sup> The report found that:

*The Western Berkshire HMA sees notable containment of migration flows (76-78%), with slightly lower containment in the Eastern plus South Bucks HMA (68-69%) reflecting the functional relationship in both migration and commuting terms with London. When the influence of Greater London is excluded it is clear that the self-containment rates in each HMA exceed the typical 70% threshold.*

*Source: Berkshire and South Buckinghamshire SHMA 2016*

<sup>2.27</sup> Considering links with the surrounding area, the report states:

*'Near the boundaries of any HMA there are relationships to adjoining areas, and the Berkshire area is no exception. The evidence in particular shows links from Bracknell Forest to Hart/Surrey Heath; from West Berkshire into Basingstoke and Deane and Wiltshire; from Reading into South Oxfordshire; as well as an influence from Greater London. It is important to recognise these relationships in Duty to Cooperate terms but that they are not strong enough to merit sharing HMAs.'*

*Source: Berkshire and South Buckinghamshire SHMA 2016*

### Basingstoke and Deane – SHMA Update 2015

<sup>2.28</sup> The 2015 Basingstoke and Deane SHMA update identifies a 'best fit' HMA based on the local authority boundary. The report states:

*'The findings of this study support the conclusion that Basingstoke and Deane has a high level of self-containment. This therefore also supports the decision to undertake a SHMA based on the borough boundary, whilst taking into full account migration and travel to work patterns.'*

*Source: Basingstoke and Deane SHMA Update 2015*

### South Hampshire SHMA (G L Hearn 2014)

<sup>2.29</sup> The 2014 South Hampshire SHMA concludes that:

*Two Housing Market Areas (HMAs) have been defined covering the PUSH Area – a PUSH East HMA focused on Portsmouth; and a PUSH West HMA focused on Southampton*

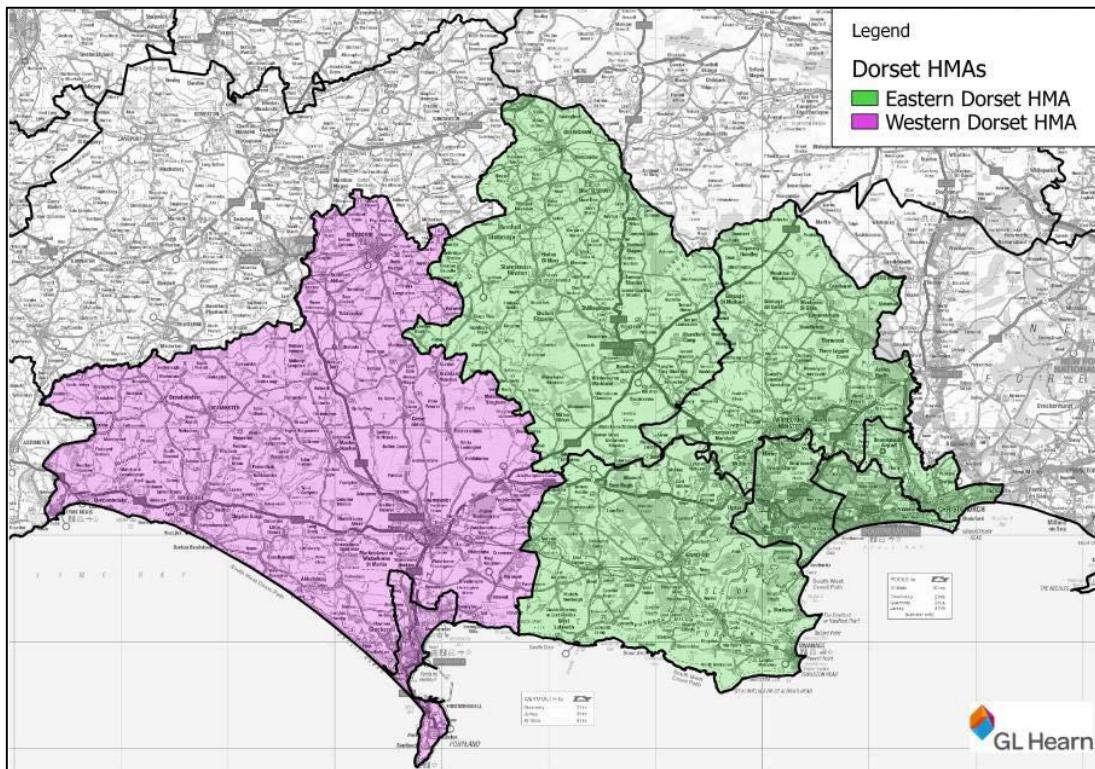
*We define the 'Core HMA' authorities as those which fall entirely within the PUSH area, namely: Eastleigh; Fareham; Gosport; Havant; Portsmouth; and Southampton*

*Source: South Hampshire SHMA 2014 (G L Hearn)*

## Eastern Dorset SHMA (G L Hearn; 2015)

<sup>2.30</sup> The 2015 Eastern Dorset SHMA identifies some connections to Wiltshire, such as a level of commuting to Salisbury, but concludes by identifying two ‘best fit’ HMAs; Eastern Dorset with the local authorities of North Dorset and East Dorset bordering Wiltshire, and Western Dorset.

Figure 8: Extract from Dorset HMA and SHMA



<sup>2.31</sup> The SHMA showed how:

*“An 86% self containment level is recorded for the six commissioning Eastern Dorset local authorities.”*

<sup>2.32</sup> And concludes:

*“In Dorset however, both migration and commuting data suggests that an East - West distinction within the County; and with some areas in the north relating more towards Salisbury and Yeovil. This is consistent with how market areas have previously been defined. The analysis clearly identifies:*

*An Eastern Dorset market which includes Bournemouth, Poole and Christchurch and parts of both Purbeck, Eastern and North Dorset including Wimborne, Blandford Forum, Wareham and Swanage;*

*A Western Dorset market which includes Weymouth and Portland and Dorchester, and stretches east to Bridport.*

*In the case of both markets, the migration, travel to work and house prices evidence all broadly align.”*

*Source: Eastern Dorset SHMA 2015 (G L Hearn)*

## Summary of Previous Housing Market Area Analysis

<sup>2.33</sup> Previous housing market area analysis have analysed Somerset, Bath and North East Somerset, Gloucestershire, Oxfordshire, Berkshire, Basingstoke and Deane, South Hampshire, Eastern Dorset and their surrounding areas on the basis of migration, travel to work and house price data at various times and at various spatial levels. A variety of outcomes are noted in this Chapter, indicating the inherent difficulty in achieving a consistent analysis; defining HMAs is complex, and different methodological approaches can be undertaken.

<sup>2.34</sup> However, broadly, the studies show how Wiltshire and Swindon contain definable HMAs within which links are quite strong compared to links with authorities outside of the study area boundary. They show, for example, considerable self-containment in Somerset and Dorset to the south, Buckinghamshire to the east and Oxfordshire to the north east. Relationships to the west, north west and south east are more complex and some studies suggest links to Frome and Wells in the west, around the New Forest in the south and Cirencester in the North. These questions are all resolved as every study concludes that a ‘best fit’ HMA on local authority boundaries is justified.

# 3. Analysing Commuting Patterns

## An overview of the methodology and findings

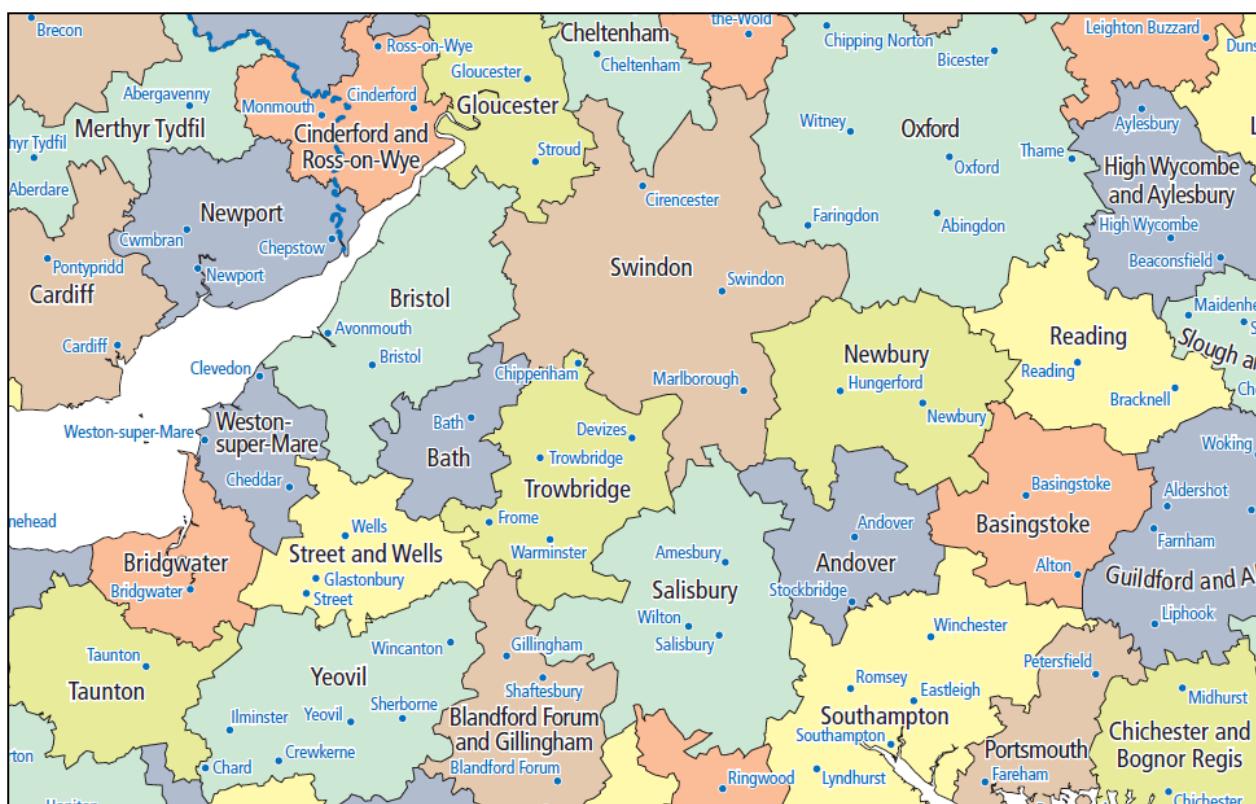
- 3.1 PPG defines housing market areas on the basis that they will reflect “*the key functional linkages between places where people live and work*” (ID 2a-010). Furthermore, PPG identifies Office for National Statistics Travel to Work Areas (TTWAs) as one of the identified data sources that should be considered when establishing housing market areas.

*Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).*

Planning Practice Guidance (March 2014), ID 2a-011

- 3.2 The Office for National Statistics (ONS) defines official Travel to Work Areas for those involved in labour market analysis and planning. These areas are also based on analysis of Census commuting flow data, and TTWAs based on data from the 2011 Census were published in August 2015. A total of 228 TTWAs were defined for the whole of the UK based on 2011 data, a reduction from the 243 TTWAs that were previously defined based on 2001 Census data.
- 3.3 Figure 9 shows the defined TTWAs (2015) based on the commuting flow data from the 2011 Census.

Figure 9: ONS 2011 Travel To Work Areas (Source: ONS 2015)



3.4 This shows that:

- » **Swindon TTWA** comprises an area which includes all of Swindon together with Marlborough to the south, extends east into Oxfordshire and north to include parts of Gloucestershire around Cirencester and beyond towards Stow on the Wold;
- » The western part of Wiltshire forms the **Trowbridge TTWA** and incorporates part of eastern Somerset around Frome;
- » The southern part of Wiltshire forms the **Salisbury TTWA** and incorporates part of Hampshire;
- » **Andover TTWA** incorporates part of Wiltshire around Ludgershall.

## Understanding Travel to Work Patterns

- 3.5 Commuting flow data from the 2011 Census for small areas enables us to understand the relationships that exist between where people live and work, which is a key element of the housing market area definition. Given that our analysis initially focuses on commuting flows, the areas established will be commuting zones rather than HMAs. Nevertheless, as previously outlined, commuting patterns form an important element of the analysis required to establish both functional HMAs.
- 3.6 In considering HMAs for Swindon and Wiltshire, our initial analysis is based on commuting patterns across the geographic area from Cheltenham and Oxford in the north to Portsmouth in the south, and from Bristol in the west to Reading and Guildford, and initially including London in the east. This approach ensures that functional relationships are properly identified without unduly focussing on the local planning authorities within the study area. Nevertheless, the analysis only identifies the full extent of those HMAs situated entirely within this area; neighbouring areas will only be identified as far as is necessary to establish the most appropriate boundary between them and the HMAs being identified within the study area.

3.7 The key steps in the initial analysis are:

- » **Step 1:** Each Middle Layer Super Output Area (MSOA) within the geographic area was identified where all of the constituent Census Output Areas have been classified as being “urban” under the 2011 Rural Urban Classification<sup>6</sup>. The 2011 Rural Urban Classification is used to distinguish between urban areas (based on settlements with more than 10,000 residents) and rural areas.
- » **Step 2:** We grouped together any contiguous urban MSOAs and each formed a single seed point, except for the contiguous urban area for London<sup>7</sup> (Figure 10).
- » **Step 3:** MSOAs within the geographic area (including those in the London contiguous urban area) were identified where the commuting ratio was less than 1.0; i.e. those MSOAs where the workplace population is larger than the resident population (Figure 11).
- » **Step 4:** These MSOAs with concentrations of employment are associated with the existing seed point with which they have the strongest relationship. Where these MSOAs are not contiguous with an urban area (including all MSOAs in Greater London) and have only weak relationships with the existing seed points, employment MSOAs form a new independent seed point (Figure 11).

<sup>6</sup> Department for Environment, Food and Rural Affairs, Rural Urban Classification ; [www.gov.uk](http://www.gov.uk), 2014; paragraph 3.3

<sup>7</sup> London is excluded from step 2 as this would create a single seed point covering the whole of London at the outset of the analysis process. Whilst London will clearly be an important housing market, this should not be simply based on it being a contiguous urban area.

Figure 10: Urban Areas based on DEFRA Classification

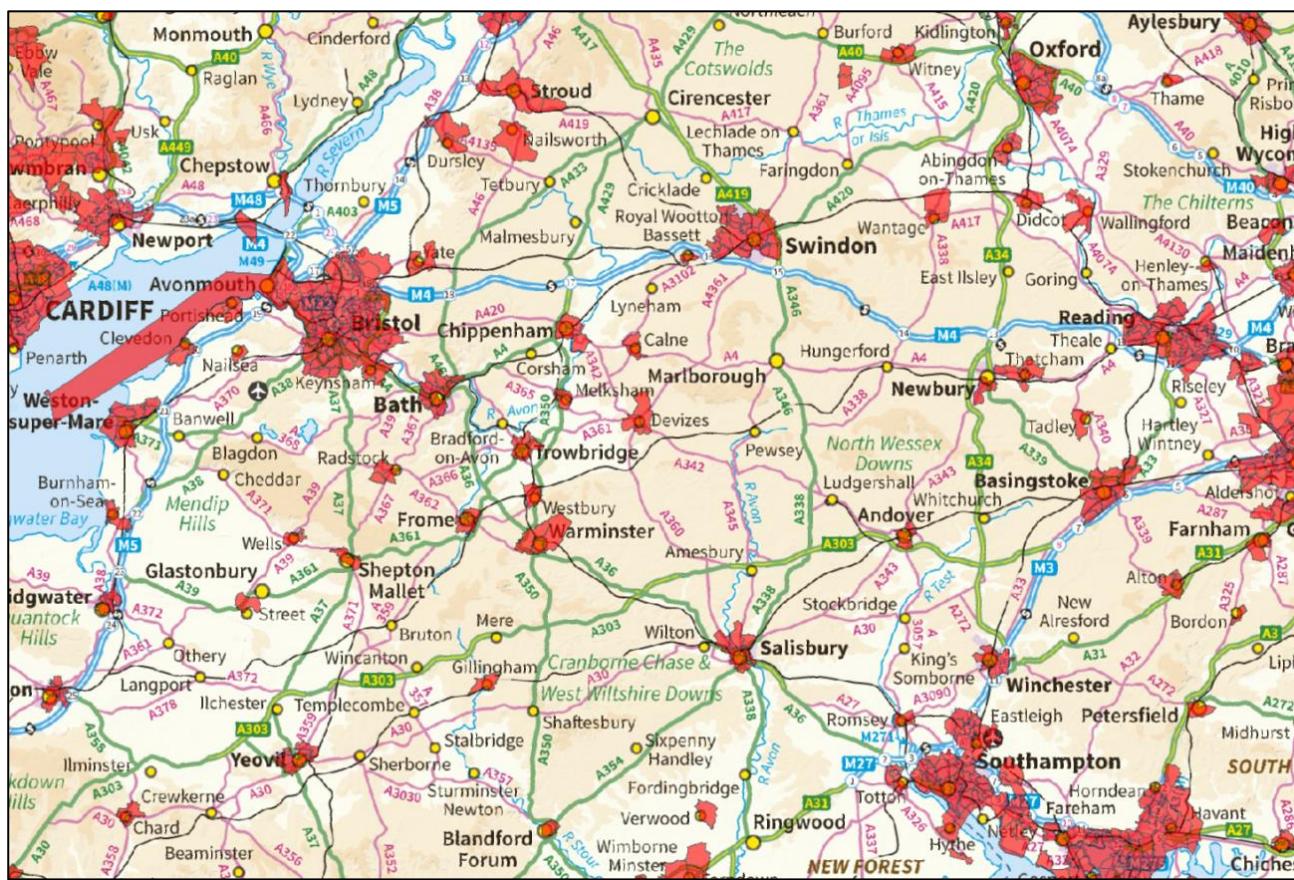


Figure 11: Employment Areas

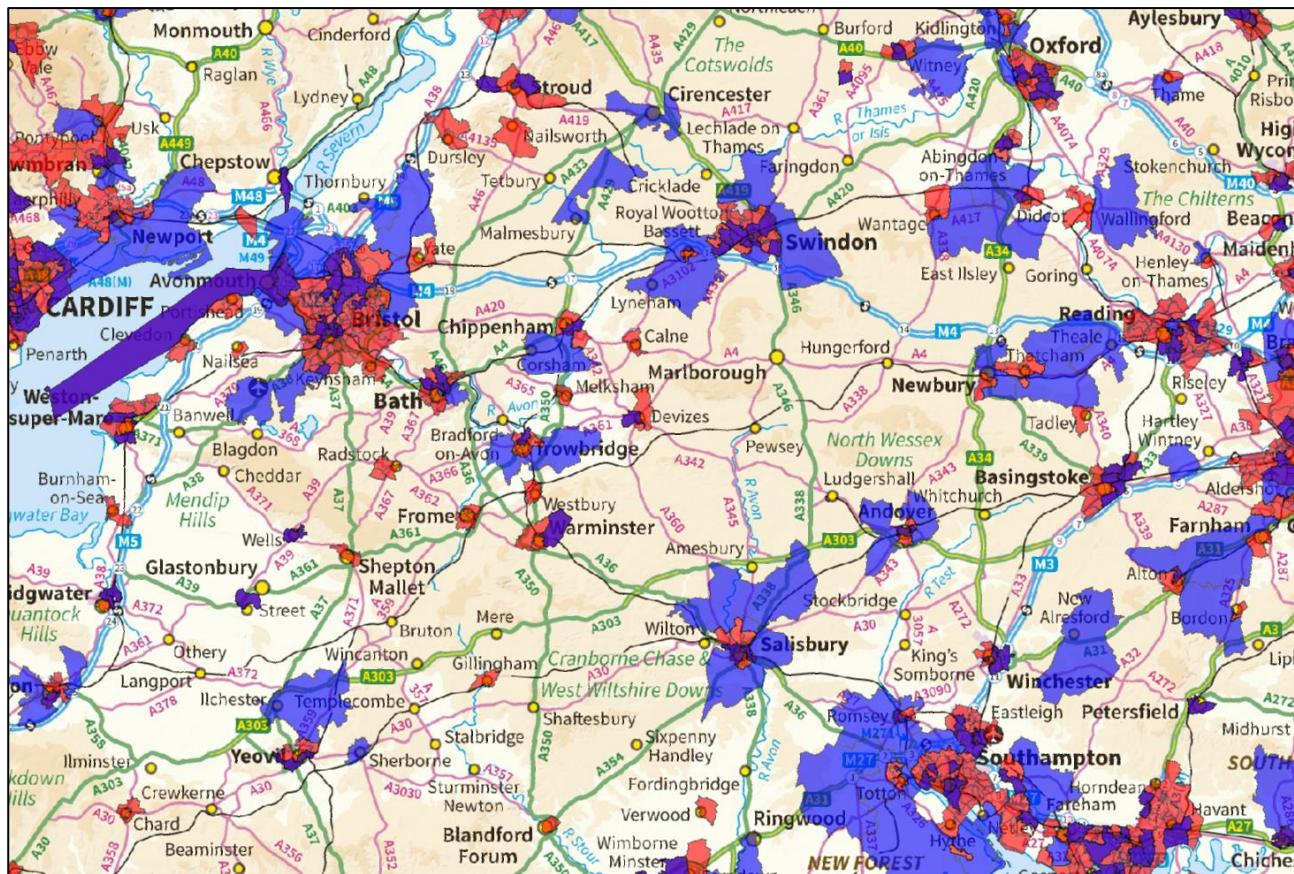
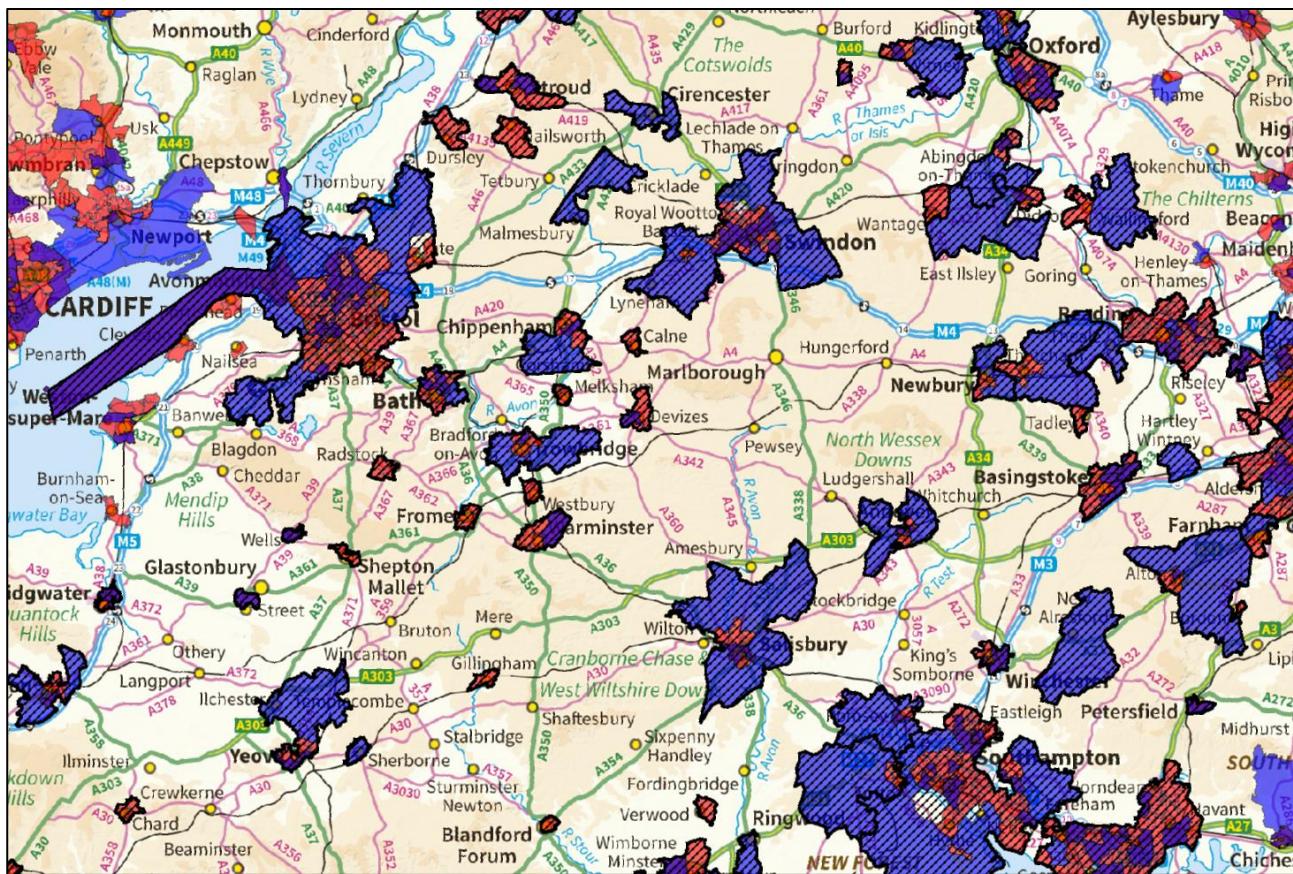


Figure 12: 'Seeds' for Housing Market Areas



3.8 Figure 12 shows the final seeds that were then used for the subsequent stages of the analysis process:

- » **Step 5:** For every MSOA in the geographic area, we associate it with the seed point (or seed point cluster) that has the largest number of workers resident in that MSOA.
- » **Step 6:** Based on the MSOAs associated with each seed point (or seed point cluster) at Step 5, we calculate the proportion of the resident population that work in the area and the proportion of the workplace population that live in the area to establish a self-containment ratio.
- » **Step 7:** If all seed points (or seed point clusters) had an acceptable self-containment ratio, the process stops; otherwise for the seed point with the lowest self-containment ratio, the seed point with which it has the strongest relationship (based on the commuting flows and distance between the two seed points) is identified and the two seed points are clustered together. Where the seed point with the lowest self-containment ratio is already formed of a cluster of seed points, the cluster is separated and the strongest relationship identified for each of the original seed points before new clusters are formed.

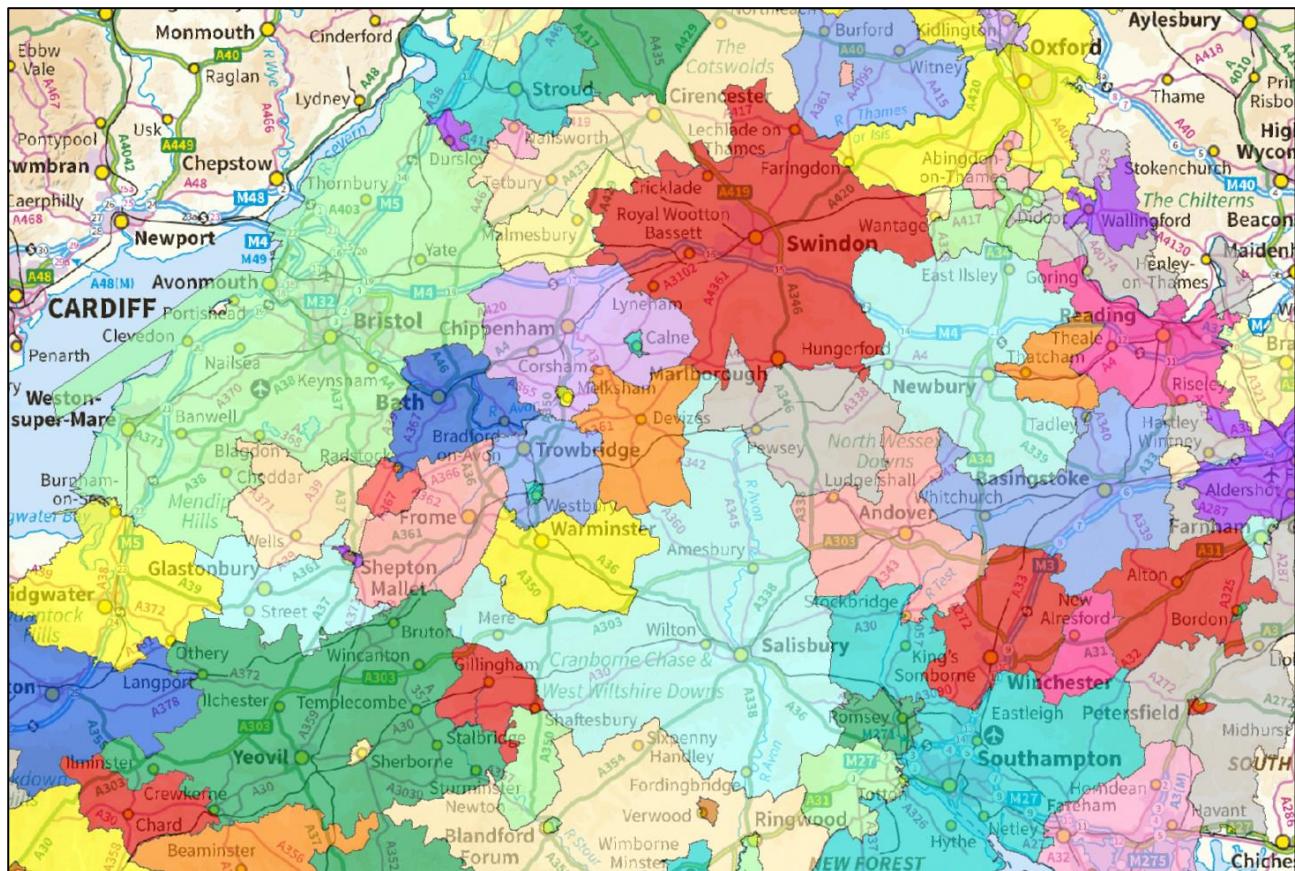
3.9 The process from Step 5 to Step 7 was then repeated to achieve increasing levels of self-containment across all seed points (or seed point clusters).

3.10 The final distribution of areas depends on the level at which the self-containment ratio is considered to be acceptable. The higher that the self-containment ratio is required to be, the larger (and more strategic) the identified areas will become – as smaller areas will tend to have lower levels of self-containment. The ONS use a 75.0% target for Travel To Work areas, but it is worth noting that their threshold is 66.7% (for areas that have a working population in excess of 25,000 workers) and this provides a useful framework.

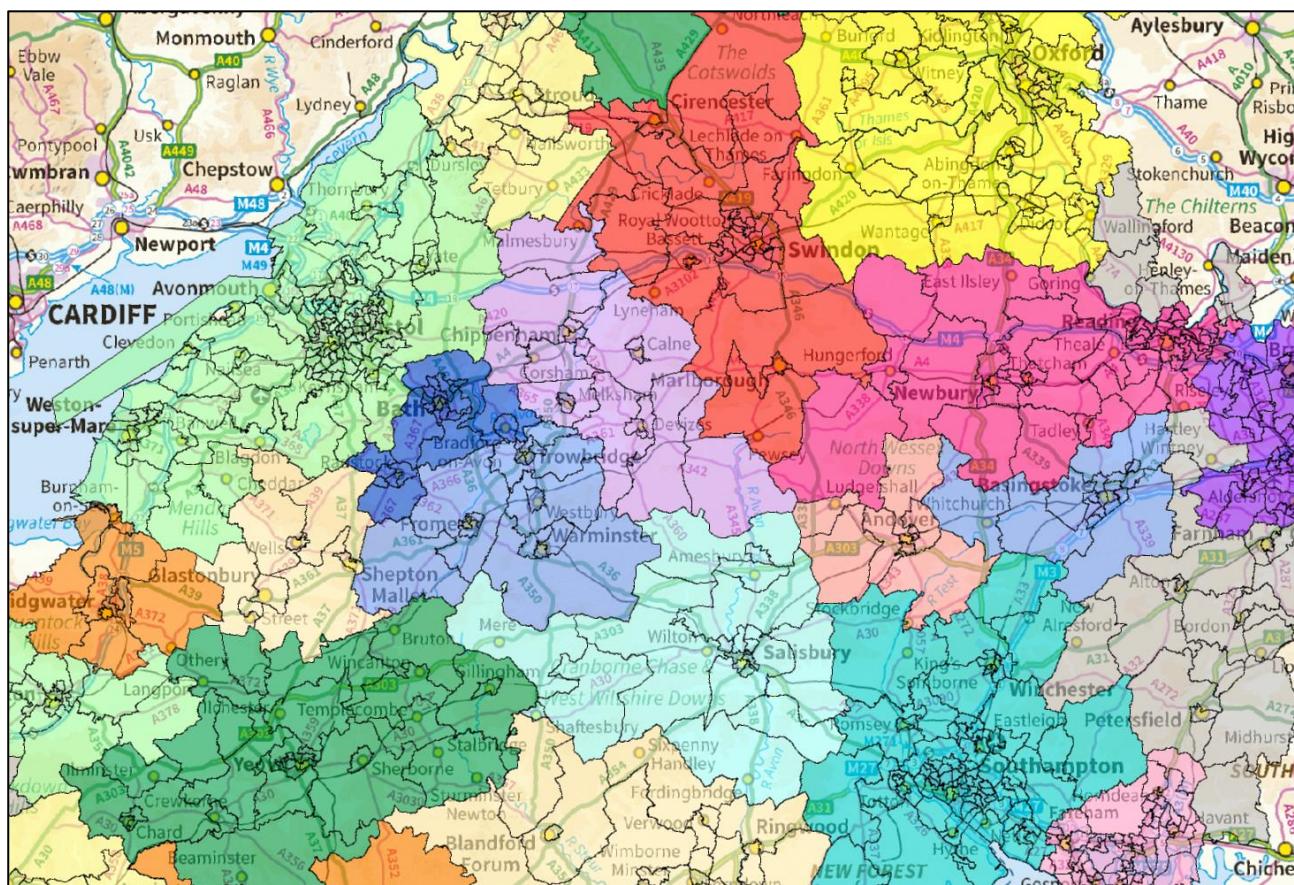
## Analysis Outcomes based on 2011 Census Data

- 3.11 Figure 13 shows the initial outcome of this process. London does not exert a significant influence on commuting patterns. The focus is now on the study area and immediately surrounding areas; outputs for the wider area are considered, but not to be relied upon beyond understanding that they do not exert significant influence on Wiltshire and Swindon.
- 3.12 Cirencester does not meet the containment threshold and looks to all three of Swindon, Cheltenham and Gloucester. Considered as three separate seeds, Swindon has the single strongest link, but if Cheltenham and Gloucester are combined then the strongest link is between Cirencester and Cheltenham and Gloucester.
- 3.13 Figure 14 shows the proposed commuting zones based on MSOA boundaries using the same thresholds as ONS TTWAs (75% target; 67% threshold on both measures).

**Figure 13: Initial model outputs**



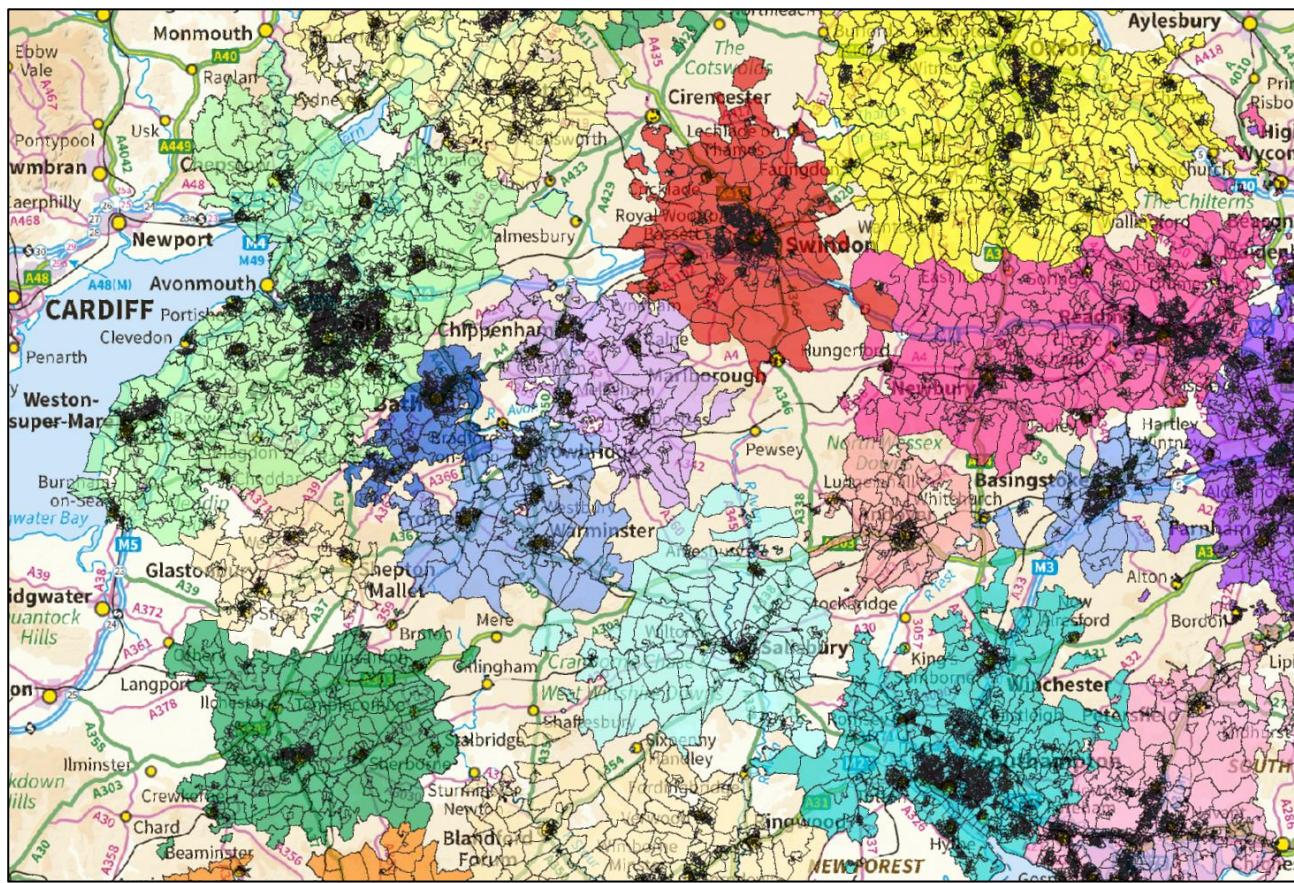
**Figure 14: Proposed Commuting Zones based on MSOA Boundaries**



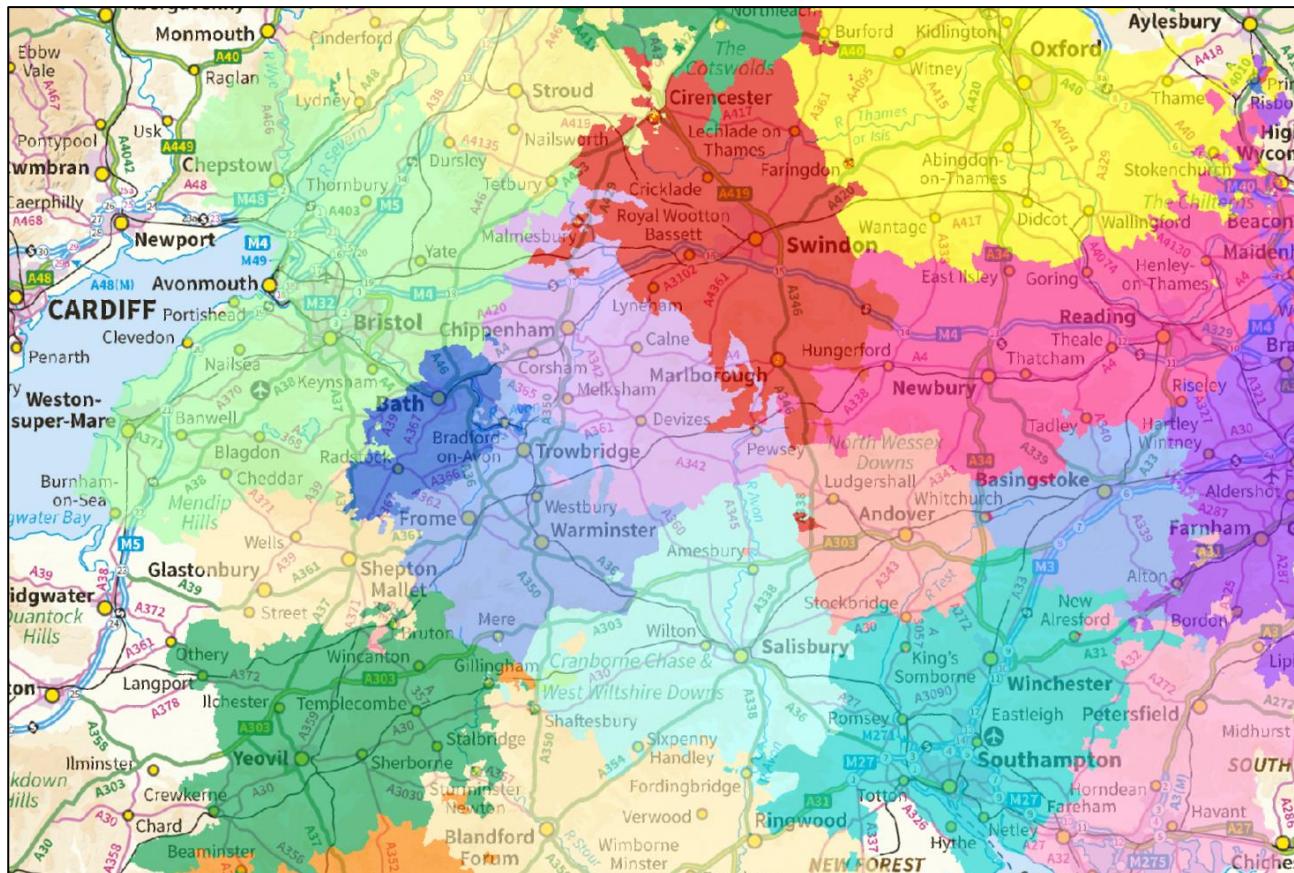
## Further modelling using finer grain geographies

- 3.14 The analysis to define the commuting zone clusters was developed using the MSOA statistical geography. Whilst these areas are smaller than local authority areas, they each cover a relatively large population: a minimum of 2,000 households and an average of 3,000 households in each MSOA. Therefore, some MSOAs cover relatively large geographic areas, in particular those outside urban centres. This means that the boundaries that have been identified for the commuting zones are likely to be relatively imprecise, especially in areas that are currently less populated.
- 3.15 To refine the identified boundaries, the modelling was re-run using Census Output Areas (COA): the smallest statistical geographies available, covering a minimum of 40 households with a target of 125 households in each COA. In considering this finer grained geography, the modelling is revised using COA based on the final seed clusters (excluding those smaller settlements that had been “unseeded”).
- 3.16 The following maps show the strongest relationship for each COA. Figure 15 shows the areas where an absolute majority of workers (that is over 50%) travel to or from the COA to the identified area. At 50% absolute self-containment, the “core” of each travel to work area can be identified. The areas without colour are drawn in different directions and serve different markets, that is, there is an element of overlap. Whilst the overlap exists, it is not helpful when defining HMAs as it is necessary to establish need and count supply for a defined area.
- 3.17 Figure 16 shows the outcome of the same analysis based on a simple majority of workers (that is the largest number) and allows us to look at contiguous areas based around the “core” of each travel to work area and which do not show an overlap.

**Figure 15: COAs with absolute majorities (over 50%) of workers travelling to and from the area**



**Figure 16: COAs based on simple majorities of workers travelling to or from the area – contiguous areas**



## Proposed Commuting Zones

<sup>3.18</sup> The conclusions following this analysis of fine grained geographies are:

- » Based on absolute majorities (over 50%) of workers travelling to and from the area, it is clear that Swindon and most settlements in Wiltshire each belong to a single core commuting zone;
- » There are some exceptions such as Pewsey;
- » Frome remains with Trowbridge and Warminster and Ludgershall remains with Andover;
- » Cirencester is drawn in different directions; it does not have more than 50% working in any of the identified areas.

<sup>3.19</sup> Given this context, it is necessary to consider the most appropriate approach for these overlapping areas. Whilst PPG recognises that “*it might be the case that housing market areas overlap*” (ID 2a-010), when establishing the evidence it will be important to avoid double counting the needs of any area. Therefore, it is appropriate for each settlement to be primarily associated with a single housing market.

<sup>3.20</sup> The final stage of the process therefore requires manual review in order to establish areas with contiguous boundaries and ensure that individual settlements are not split between different areas. This provides outputs that are clearly evidence based, but also allows practical policy planning.

<sup>3.21</sup> Figure 17 shows the commuting zones proposed for Swindon and Wiltshire, with the local authority administrative boundaries:

- » Swindon
- » Chippenham
- » Trowbridge and Warminster
- » Salisbury

<sup>3.22</sup> It is evident that Frome is included within the Trowbridge and Warminster commuting zone; Ludgershall forms part of the Andover commuting zone; and Cirencester forms part of the Swindon commuting zone.

Figure 17: Final commuting zones with contiguous areas based on COAs, showing LA administrative boundaries

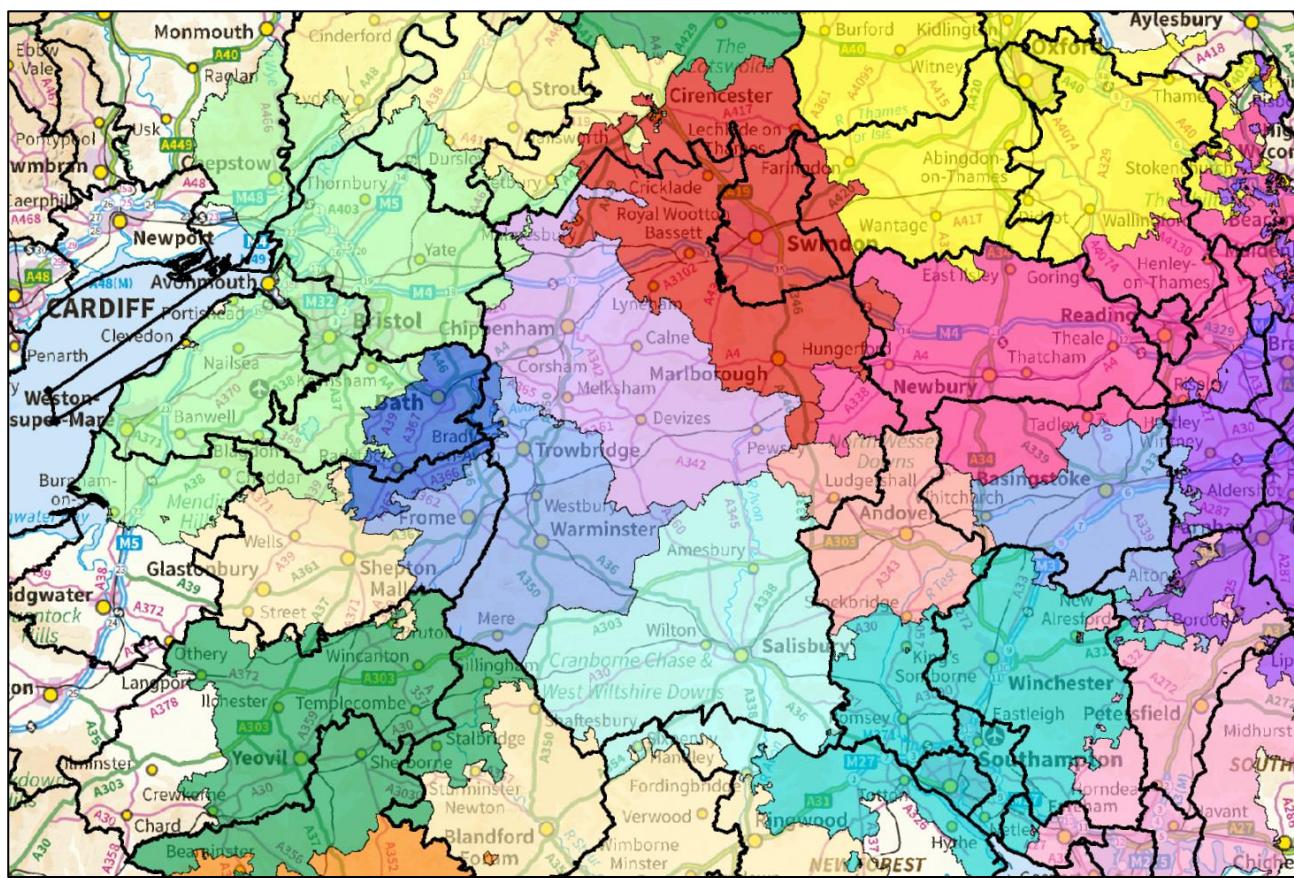
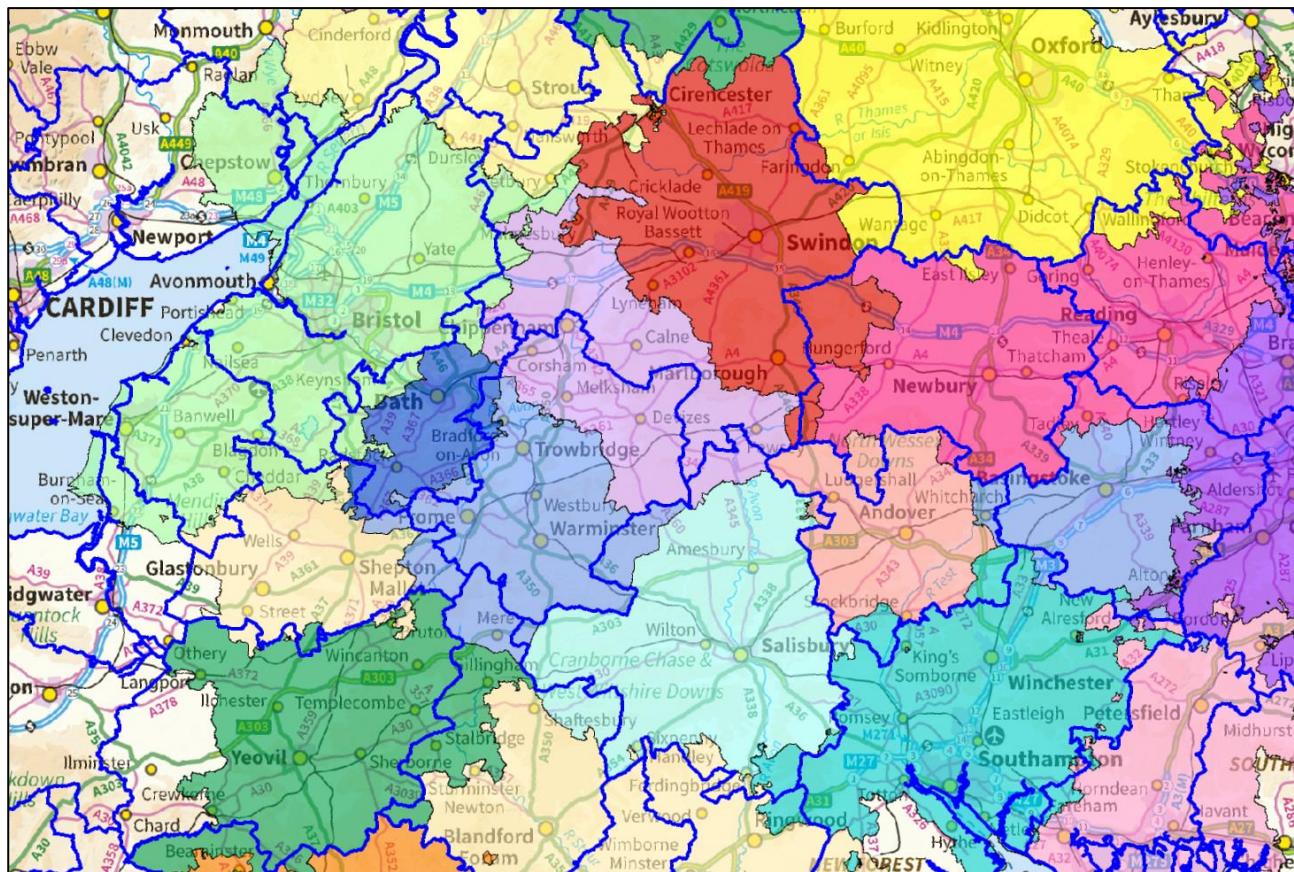


Figure 18: Final commuting zones with contiguous areas based on COAs, showing ONS TTWA Boundaries



<sup>3.23</sup> Figure 19 sets out the key statistics for these final commuting zones, presented in descending order of containment score.

<sup>3.24</sup> The figure also shows the overall commuting flows and highlights those that reach the ONS target of 75% and the ONS threshold of 66.7% in green (dark green and light green respectively), with the remaining flows (that fail to reach the ONS threshold of 66.7%) highlighted in red.

**Figure 19: Statistics for Commuting Zones (Source: 2011 Census; Note: Dark green cells exceed the ONS TTWA target of 75%; light green cells meet or exceed the ONS TTWA threshold of 66.7% whilst red cells do not achieve the ONS TTWA minimum threshold)**

Commuting Zone	Living and Working in area	Workplace Population		Resident Population		Containment
		Total workers	% living in area	Total workers	% working in area	
Chippenham	54,205	72,666	74.6%	80,187	67.6%	70.92%
Salisbury	48,373	64,648	74.8%	64,857	74.6%	74.70%
Swindon	133,723	164,131	81.5%	164,725	81.2%	81.33%
Trowbridge	47,609	61,145	77.9%	70,743	67.3%	72.20%

<sup>3.25</sup> The underlying data for the contiguous areas shows that:

- » All areas exceed the 66.7% threshold of workplace population living in the same area.
- » All areas exceed the 66.7% threshold of resident population working in the same area.

<sup>3.26</sup> The Chippenham area shows the lowest self-containment, with an overall containment score of 70.92%. The proportion of jobs in the area fulfilled by workers that live in the area is 74.59%, only slightly below the ONS target of 75%, while the proportion of people in employment that live in the area who also work in the area is 67.60%, which comfortably exceeds the ONS threshold of 66.7%.

<sup>3.27</sup> Trowbridge shows the lowest individual self-containment with 67.30% of the resident population working in the area, again comfortably above the threshold. The proportion of the workplace population who also live in the Trowbridge area is 77.86%, which exceeds the ONS target of 75%.

<sup>3.28</sup> While this study has clearly defined the boundaries for these commuting zones inside the study area, the boundaries outside of this area should be treated with caution given the geographic area that was included within the modelling analysis. This would not affect the boundaries or distribution within the area which is the focus of the study.

# 4. Housing Market Areas

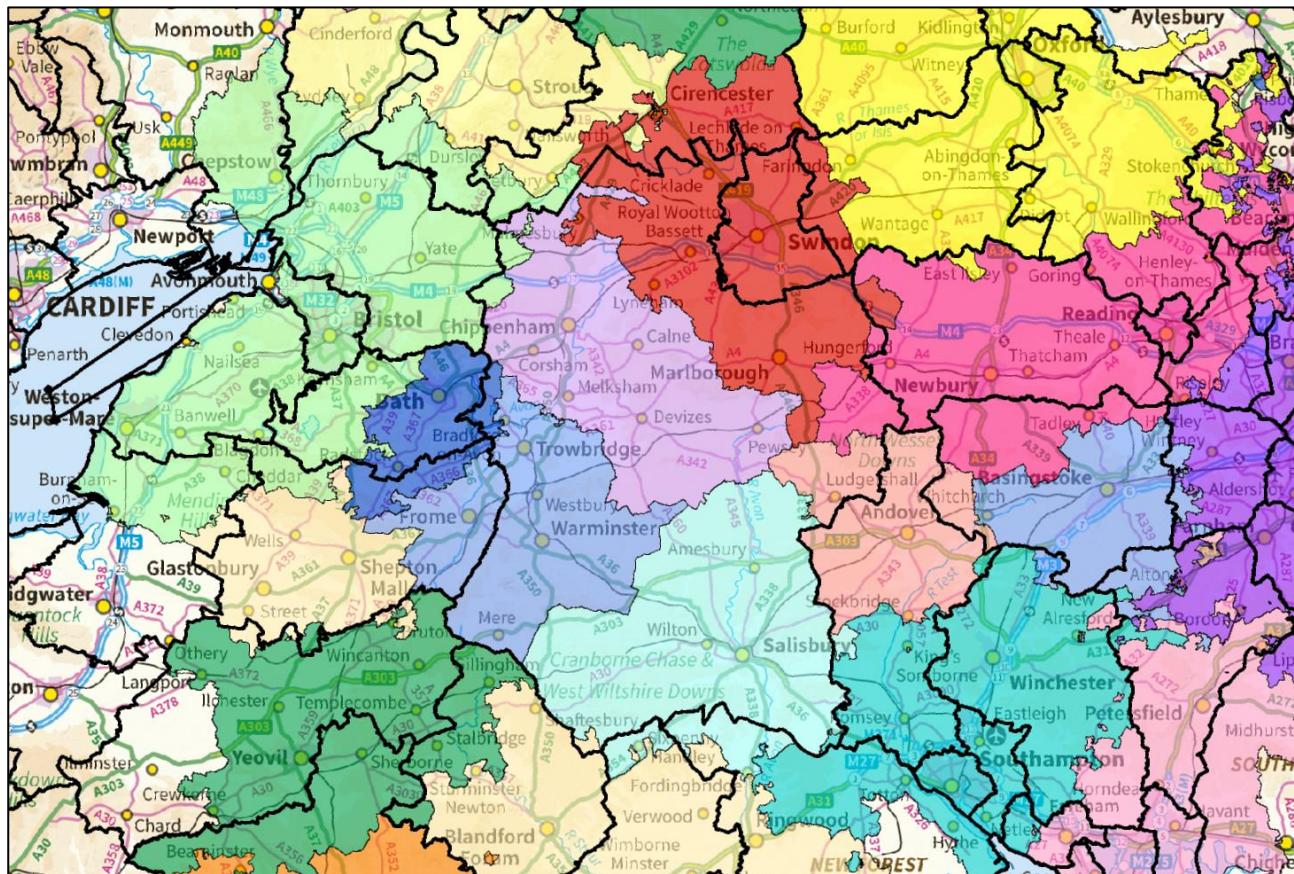
## Establishing the evidence base for identifying HMAs

- 4.1 As previously noted, PPG states that three different sources should be considered when identifying housing market areas, namely:
- » House prices and rates of change in house prices;
  - » Household migration and search patterns and;
  - » Contextual data including Travel to Work areas, retail and school catchment areas.
- 4.2 However, CLG research and the PAS OAN advice note have both suggested that commuting flows and migration patterns are the most relevant information sources when seeking to establish upper-tier housing market areas; house prices are more relevant when considering local areas or identifying housing sub-markets. Given this context, our analysis has initially focused on commuting and migration.

### Commuting flows

- 4.3 Chapter 3 set out a detailed analysis of commuting flows and identified proposed commuting zones for Swindon and Wiltshire. Figure 20 shows the areas that the analysis identified.

Figure 20: Final Commuting Zones showing Local Authority administrative boundaries



## Migration flows

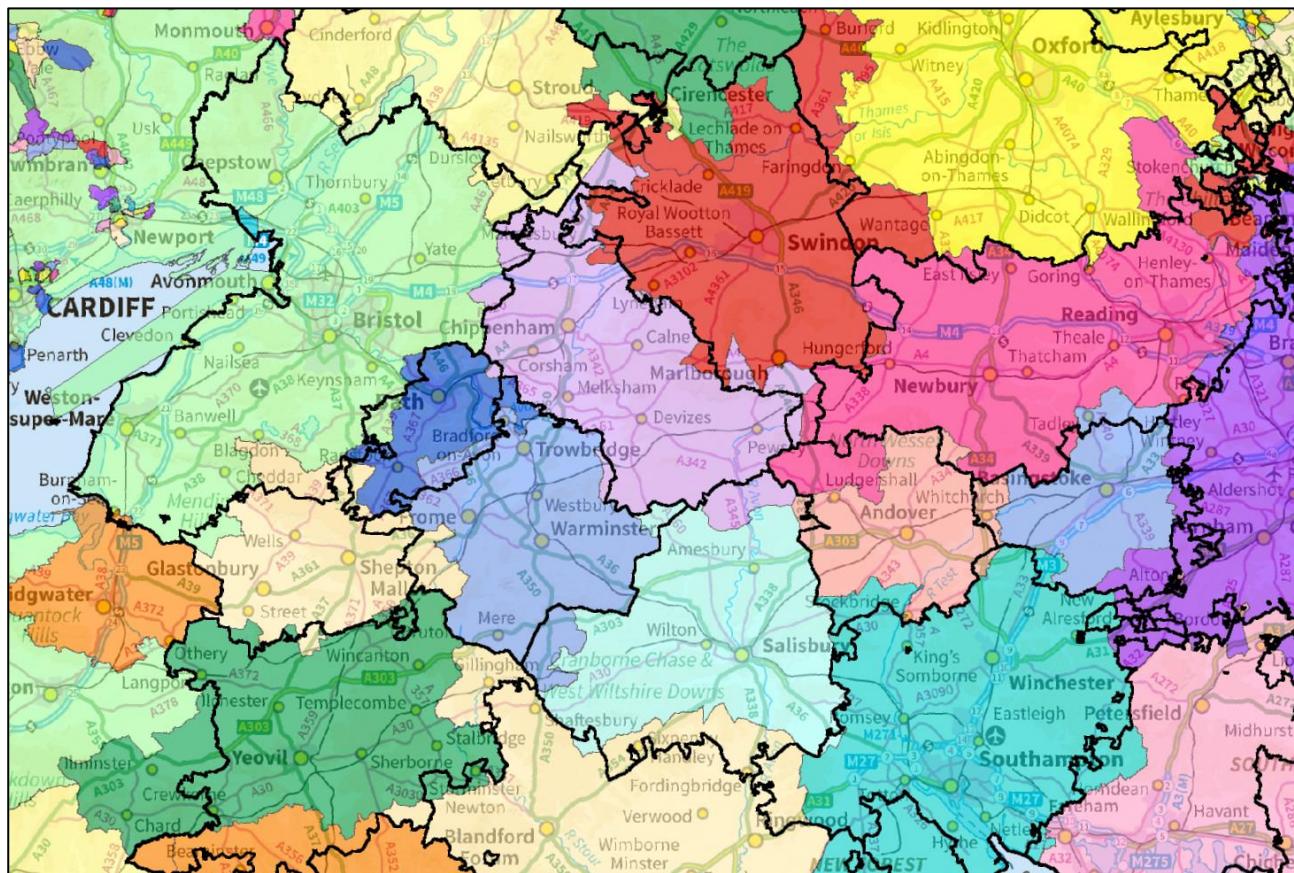
- 4.4 Whilst commuting flow data helps identify “*the key functional linkages between places where people live and work*”, PPG also suggests that migration patterns should be considered when defining functional housing market areas:

*Migration flows and housing search patterns reflect preferences and the trade-offs made when choosing housing with different characteristics. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (typically 70 per cent) are contained. This excludes long distance moves (eg those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools.*

Planning Practice Guidance (March 2014), ID 2a-011

- 4.5 Analysis of Census migration flow data shows that the strongest relationships in terms of migration mirror the strongest commuting relationships. Figure 21 shows the strongest relationships in terms of migration flows between each MSOA and the identified seed clusters.

Figure 21: MSOAs with the strongest migration links to the final seed clusters, showing commuting zone boundaries



4.6 It is evident that the migration patterns largely reflect the travel to work patterns previously illustrated by the commuting zone analysis, although there are some notable differences. In summary:

- » **Chippenham:** the commuting and migration zones are largely the same and cover the same main settlements, though the migration zone shows minor extensions into the Swindon, Salisbury and Bristol commuting zones;
- » **Salisbury:** the commuting and migration zones generally follow the same boundary, but the migration zone is marginally smaller than the commuting zone, particularly to the south where the migration zone broadly follows the Wiltshire boundary;
- » **Swindon:** Cirencester looks to the Cheltenham migration zone rather than Swindon, whereas the Swindon migration zone extend beyond the commuting zone into West Oxfordshire as far north as Burford and South Oxfordshire close to Wantage;
- » **Trowbridge:** the Shepton Mallet migration zone extends into the Trowbridge and Warminster commuting zone toward Frome, which remains with Trowbridge and Warminster; the Trowbridge Warminster migration zone shows minor extensions north west into the Bath and south into the Salisbury commuting zones.

4.7 PPG identifies that a “*relatively high proportion of household moves*” will be contained within a housing market area, and suggests that this will be “*typically 70%*” or more; however this “*excludes long-distance moves*” (ID 2a-011).

4.8 As the PAS OAN technical advice note confirms, “*what counts as a long-distance move is a matter of judgment*” (second edition, paragraph 5.16). Data from the English Housing Survey 2013-14 household report<sup>8</sup> (figure 6.4) shows that over 7 in every 8 moves in the UK involved distances of less than 50 miles, with almost 5 in every 6 involving distances of less than 20 miles. It would therefore seem appropriate for long-distance moves to include all moves of at least 50 miles, and for moves of 20 miles or more to also be considered.

4.9 The concept of excluding “*long-distance moves*” relates back to the early definition of a functional housing market area that was set out at the start of this chapter. That definition focused on “*those moving house without changing employment*”, and long-distance moves will generally involve a change of job or other change of lifestyle (such as retirement). On balance, it seems unlikely that many people would move more than 20 miles in this part of the country without a change of job; so it would seem reasonable to consider moves of over 20 miles as being “*long-distance*” in the context of this specific area.

4.10 Figure 22 sets out these key statistics for each of the identified migration zones based on the two migration containment ratios set out in the PAS OAN technical advice note (second edition, paragraph 5.15):

*“Supply side (origin); moves within the area divided by all moves whose origin is in the area, excluding long-distance moves”*

*“Demand side (destination): moves within the area divided by all moves whose destination is in the area, excluding long-distance moves.”*

<sup>8</sup> <https://www.gov.uk/government/statistics/english-housing-survey-2013-to-2014-household-report>

Figure 22: Statistics for Migration Zones (Source: 2001 Census)

	Migration Zone				
	Chippenham	Salisbury	Swindon	Trowbridge	
<b>Supply Side (origin)</b>					
Moved within area	7,676	7,174	17,098	8,381	
Moved from elsewhere	Moves of up to 20 miles	2,648	1,436	2,032	1,666
	Moves of 20 to 50 miles	1,376	1,550	2,348	1,119
	Moves of 50 miles or more	3,193	3,189	5,563	2,461
<b>Total supply side moves</b>	<b>14,893</b>	<b>13,349</b>	<b>27,041</b>	<b>13,627</b>	
Moves within area as...	% of all moves	63.4%	54.7%	63.4%	62.4%
	% of moves up to 50 miles	65.6%	70.6%	79.6%	75.1%
	% of moves up to 20 miles	74.3%	83.3%	89.4%	83.4%
<b>Demand Side (destination)</b>					
Moved within area	7,676	7,174	17,098	8,381	
Moved from elsewhere	Moves of up to 20 miles	2,315	1,511	1,930	2,577
	Moves of 20 to 50 miles	1,249	1,651	2,542	1,091
	Moves of 50 miles or more	5,086	5,249	9,891	4,539
<b>Total demand side moves</b>	<b>16,326</b>	<b>15,585</b>	<b>31,461</b>	<b>16,588</b>	
Moves within area as...	% of all moves	53.8%	49.0%	57.8%	52.9%
	% of moves up to 50 miles	70.0%	67.8%	73.7%	71.4%
	% of moves up to 20 miles	79.0%	80.2%	85.4%	84.2%

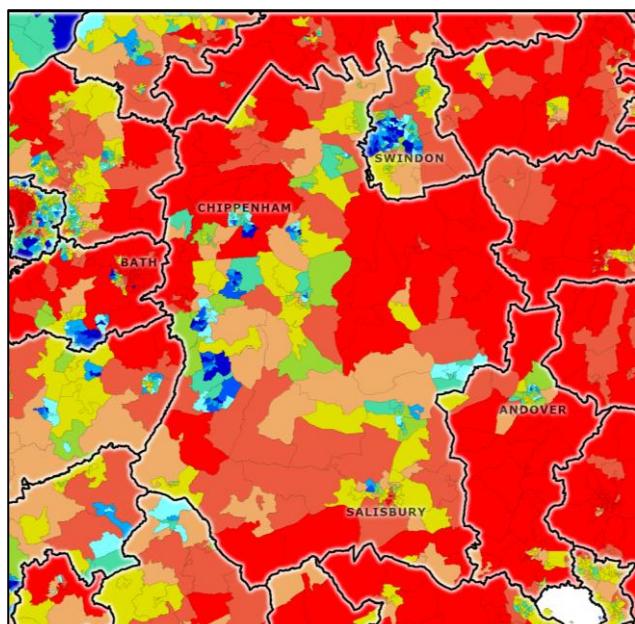
- 4.11 On the supply side (i.e. moves originating in the area); it is evident that over 70% of migrants moving within the wider area (moves of up to 50 miles) stayed within the migration zones that the analysis identified, with the exception of Chippenham, where 66% moved within the area. Typically at least three quarters of moves of up to 20 miles were moves within the identified zones, with over 80% in the Salisbury, Swindon and Trowbridge migration zones.
- 4.12 On the demand side (i.e. moves whose destination is in the area) the proportions are similar; over 70% of migrants moving within the wider area (moves up to 50 miles) came from the migration zones that the analysis identified, with the exception of Salisbury, where the proportion was marginally below, at 68%. Considering those moving up to 20 miles it is evident that all of the identified migration zones exceeded the typical 70% that PPG suggests; the lowest being the Chippenham migration zone where almost four fifths (79%) of those moving up to 20 miles previously lived in the area.
- 4.13 Based on these statistics, it is reasonable to conclude that a “relatively high proportion of household moves” are contained within the migration zones identified, and therefore these functional areas all meet the requirements of PPG in this regard.

## House Prices and Rents

- 4.14 As previously noted, CLG research and the PAS OAN technical advice note have both suggested that house prices are less relevant when defining upper-tier housing market areas but can provide a useful context for identifying housing sub-markets. Figure 23 shows current shows mix-adjusted average house prices relative to the average for the overall area, alongside the relative change in average house prices over the last 10 years, with local authority boundaries for context.
- 4.15 House prices are generally lower in Swindon and the surrounding area and in a belt from Chippenham to Salisbury. The main division is between lower prices in the market towns and higher prices in the rural areas, but there are pockets of higher and lower prices in contrast to this trend. House price change over ten years shows a similar geographic distribution to current prices, with greater levels of increase in the rural areas to the market towns

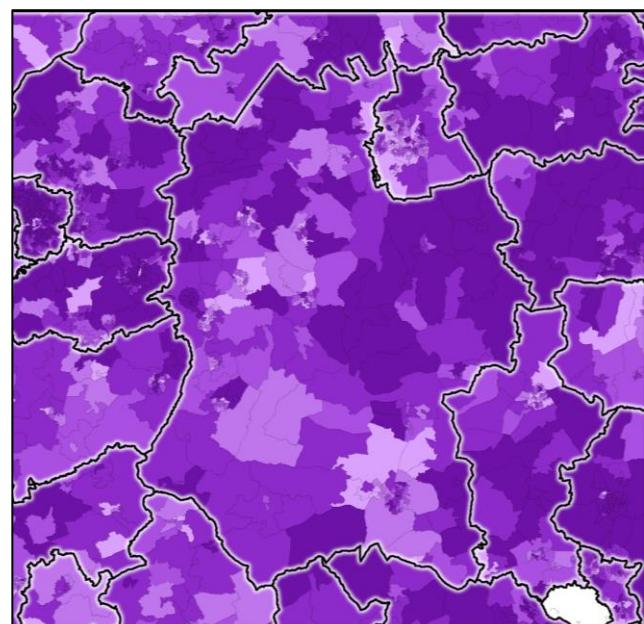
**Figure 23: Mix adjusted average house prices and 10-year change by MSOA (Source: HM Land Registry)**

Current average house prices



Over £280,000
£245,000 to £280,000
£227,100 to £245,000
£202,400 to £227,100
£193,200 to £202,400
£180,900 to £193,200
£170,700 to £180,900
£159,800 to £170,700
£150,700 to £159,800
Under £150,700

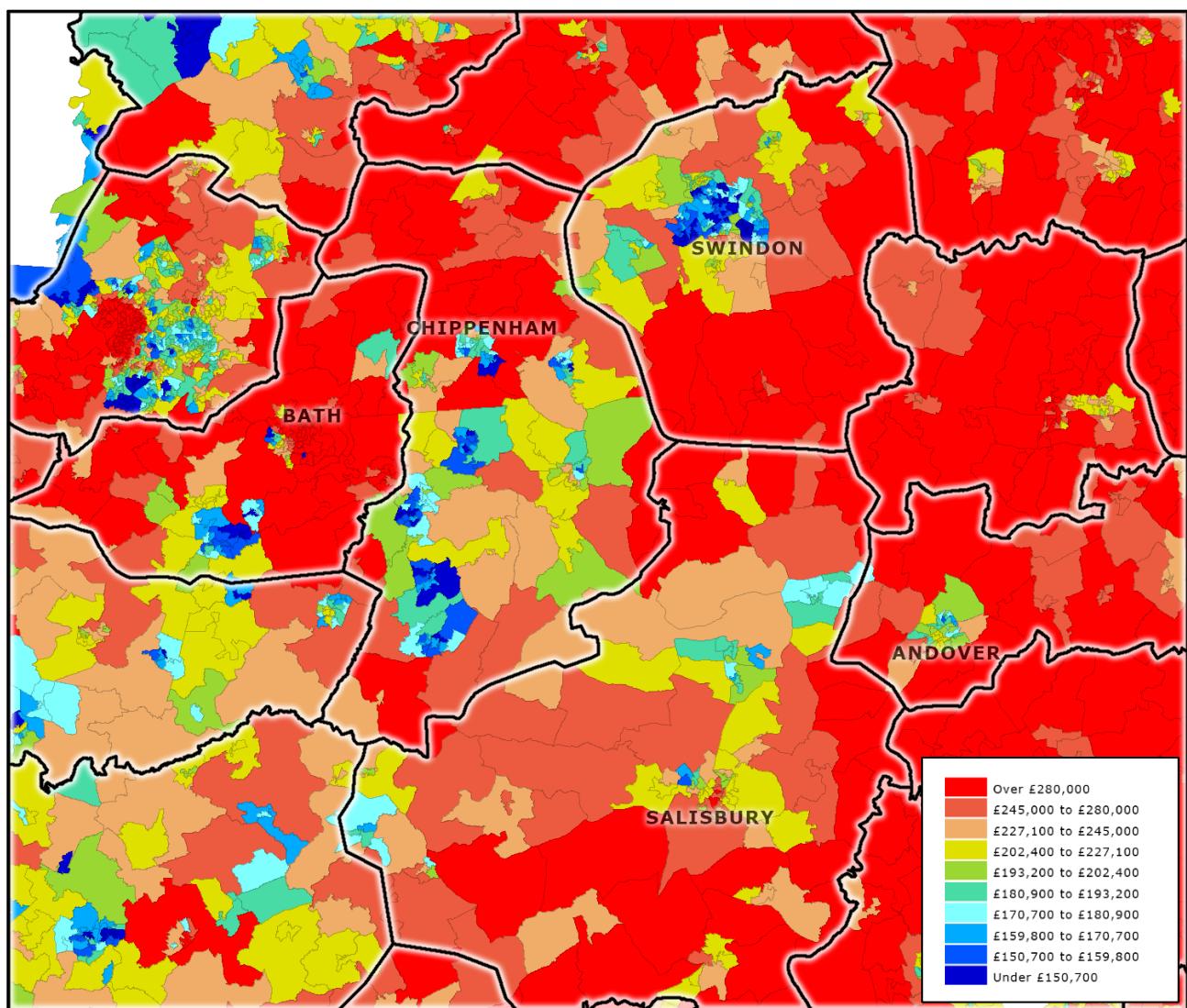
10-year change in average house prices



Over 40% increase
Between 30% and 40% increase
Between 25% and 30% increase
Between 20% and 25% increase
Under 20% increase

- 4.16 While there are some patterns to be seen, neither the geographic spread of areas with higher and lower house prices nor the geographic spread of average house price changes would appear to provide a clear basis on which to define housing market areas. However, when this information is considered within the framework of the Valuation Office Agency (VOA) Broad Rental Market Area (BRMA) boundaries, some patterns do emerge which are sufficiently substantial to take into consideration (Figure 24).

**Figure 24: Mix adjusted average house prices by MSOA with Valuation Office Agency Broad Rental Market Area Boundaries  
(Source: HM Land Registry)**



<sup>4.17</sup> Figure 24 clearly shows that mix-adjusted average house prices (and consequently market rents) fit within BRMA boundaries:

- » The Swindon BRMA shows lower prices (under £193,200) in the urban area, with a buffer zone of mid-range prices (£193,200 to £245,000) in the area immediately surrounding the urban area, and high prices (over 245,000) to the rural south and east;
- » The Chippenham BRMA shows lower prices (under £193,200) in the market towns from Chippenham to Trowbridge and Warminster with mid-range prices (£193,200 to £245,000) in areas surrounding the market towns and areas of high prices (over £245,000) to the rural north;
- » Prices across the Salisbury BRMA are comparatively uniform, with a belt of mid-range prices to the north and west and higher prices to the south, though broadly the BRMA exhibits a similar stratification to Swindon and Chippenham of lower prices in the market towns surrounded by mid-range then higher prices moving into the rural areas;
- » Andover BRMA prices show more uniformity again, with much of the BRMA exhibiting high prices (£245,000 or over) and a comparatively small geographical area of lower prices surrounding Andover.

4.18 The geographical spread of house prices in the Swindon and Chippenham BRMAs is one of several typical house price stratifications seen in many rural BRMAs, with the towns or market towns having the lowest prices for the BRMA, surrounded by a zone of mid-range price and increasingly expensive rural areas.

4.19 BRMAs are the geographical area used by the Valuation Office Agency (VOA) to determine the Local Housing Allowance (LHA), the allowance paid to Housing Benefit applicants. The BRMA area takes into account local house prices and rents, and is based on where a person could reasonably be expected to live taking into account access to facilities and services.

4.20 The Rent Officer Handbook: Broad Rental Market Areas (Local Reference Rent)<sup>9</sup> identifies that:

*"A BRMA (LRR) is an area: within which a tenant of the dwelling could reasonably be expected to live having regard to facilities and services for the purposes of health, education, recreation, personal banking and shopping, taking account of the distance of travel, by public and private transport, to and from those facilities and services*

*The BRMA (LRR) is subject to two conditions.*

*Firstly it must contain: residential premises of a variety of types, including such premises held on a variety of tenures.*

*Secondly, a BRMA (LRR) must contain sufficient privately rented residential premises, to ensure that, in the rent officer's opinion, the local reference rents for tenancies in the area are representative of the rents that a landlord might reasonably be expected to obtain in that area."*

4.21 The boundaries of a BRMA do not have to match the boundaries of a local authority and BRMAs will often fall across more than one local authority area. Housing Market Areas (HMAs) and Broad Rental Market Areas (BRMAs) therefore both define areas based on housing along with the need to travel for work or to access services.

4.22 Bringing this together, it can be seen that HMAs are defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work; while BRMAs are areas within which a tenant of the dwelling could reasonably be expected to live having regard to facilities and services. Given that BRMAs should include residential premises of a variety of types, including such premises held on a variety of tenures, it is evident that the two definitions will tend to identify similar geographic areas in that they will be large enough to contain sufficient properties to be a market area, but limited in size by the need to travel for work or to access services. Travel, either for work or to access services is a key element of both definitions.

4.23 Both HMAs and BRMAs are based on *functional linkages* between where people live and work or where they live and access services. Places of work and services such as *health, education, recreation, personal banking and shopping* are predominantly based in larger settlements, becoming increasingly less common in smaller settlements and rural areas. Because of this, the definitions of HMAs and BRMAs in any area will tend to be centred around those urban centres, or on collections of settlements in rural areas without a major urban centre.

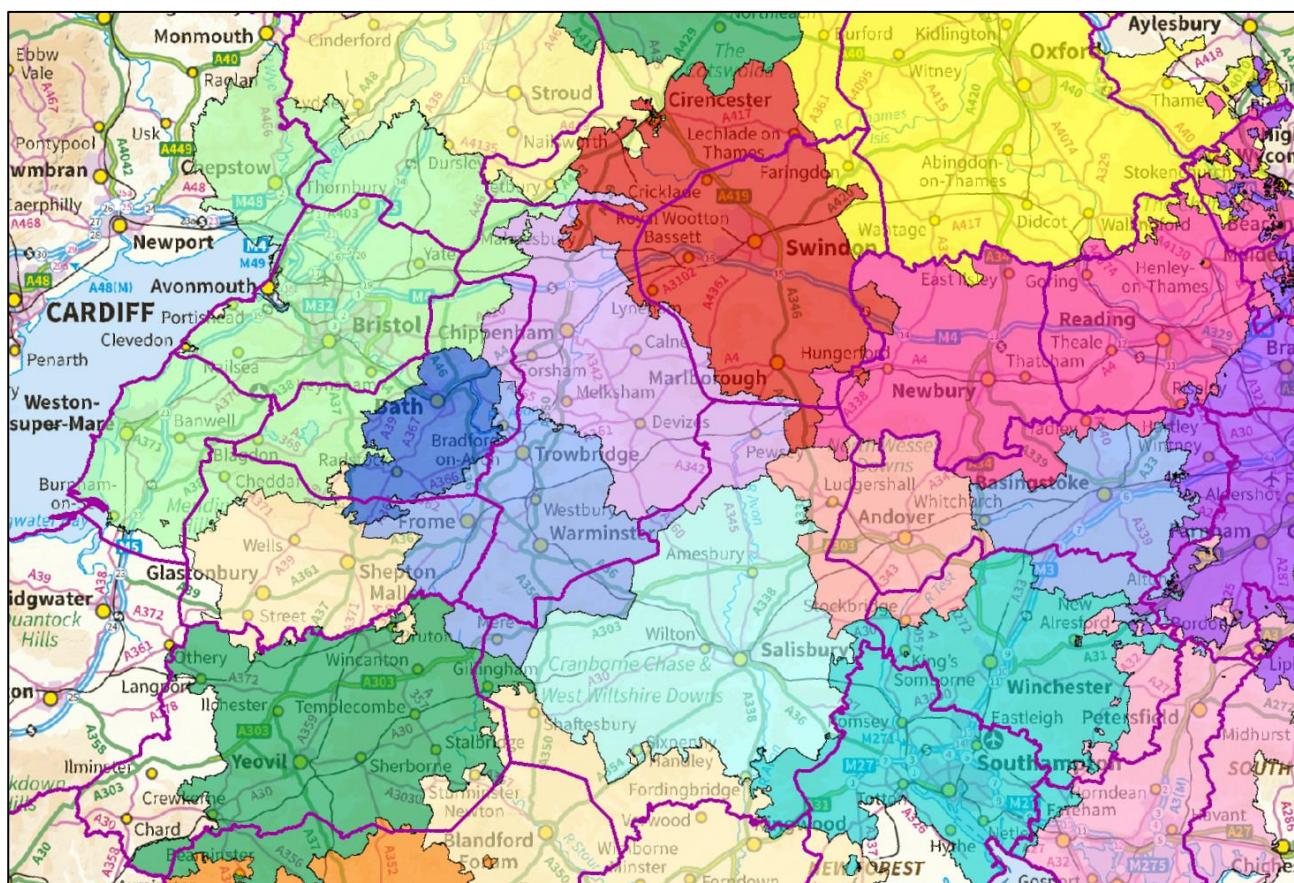
4.24 On this basis, it is helpful to review the previously identified commuting zones and migration zones (which both showed very similar patterns) with the BRMAs to understand the ways in which they are consistent

<sup>9</sup> <http://manuals.voa.gov.uk/corporate/publications/Manuals/RentOfficerHandbook/HousingBenefitReferral/Determination/b-roh-broad-rental-market-areas-LRR.html>

and where they may differ. Figure 25 shows the BRMA boundaries overlaid on the commuting zones previously identified. It is evident that there are many similarities between the two geographies.

- 4.25 Whilst the precise boundaries may differ, each of the commuting zones generally corresponds with a BRMA: The Swindon BRMA covers the southern two thirds of the Swindon commuting zone and excludes Cirencester; the two commuting zones of Chippenham, and Trowbridge and Warminster are covered by a single BRMA which excludes Frome, and; the Salisbury commuting zone is contained within a larger BRMA extending south into North Dorset, East Dorset and New Forest local authority areas, but also including Ludgershall.

**Figure 25: Final commuting zones with VOA Broad Rental Market Area Boundaries**



# 5. Conclusions

## Proposed HMAs for Swindon and Wiltshire

### Housing Market Areas

- 5.1 The definition of a functional housing market area is well-established as being “*...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*”. Consistent with previous CLG advice, PPG suggests that house prices, migration patterns and commuting flows should all be considered when defining housing markets; and by using a range of available data, judgements on appropriate geography can be made.
- 5.2 CLG research proposed three overlapping tiers of geography for housing markets, suggesting that information about commuting flows and migration patterns was most appropriate for identifying upper tier housing markets, with house prices being more relevant to identifying local housing markets and sub-markets. The focus on commuting flows and migration patterns is also supported by the recent PAS OAN technical advice note, which notes that “*In practice, the main indicators used are migration and commuting*”.

### Functional Housing Market Areas

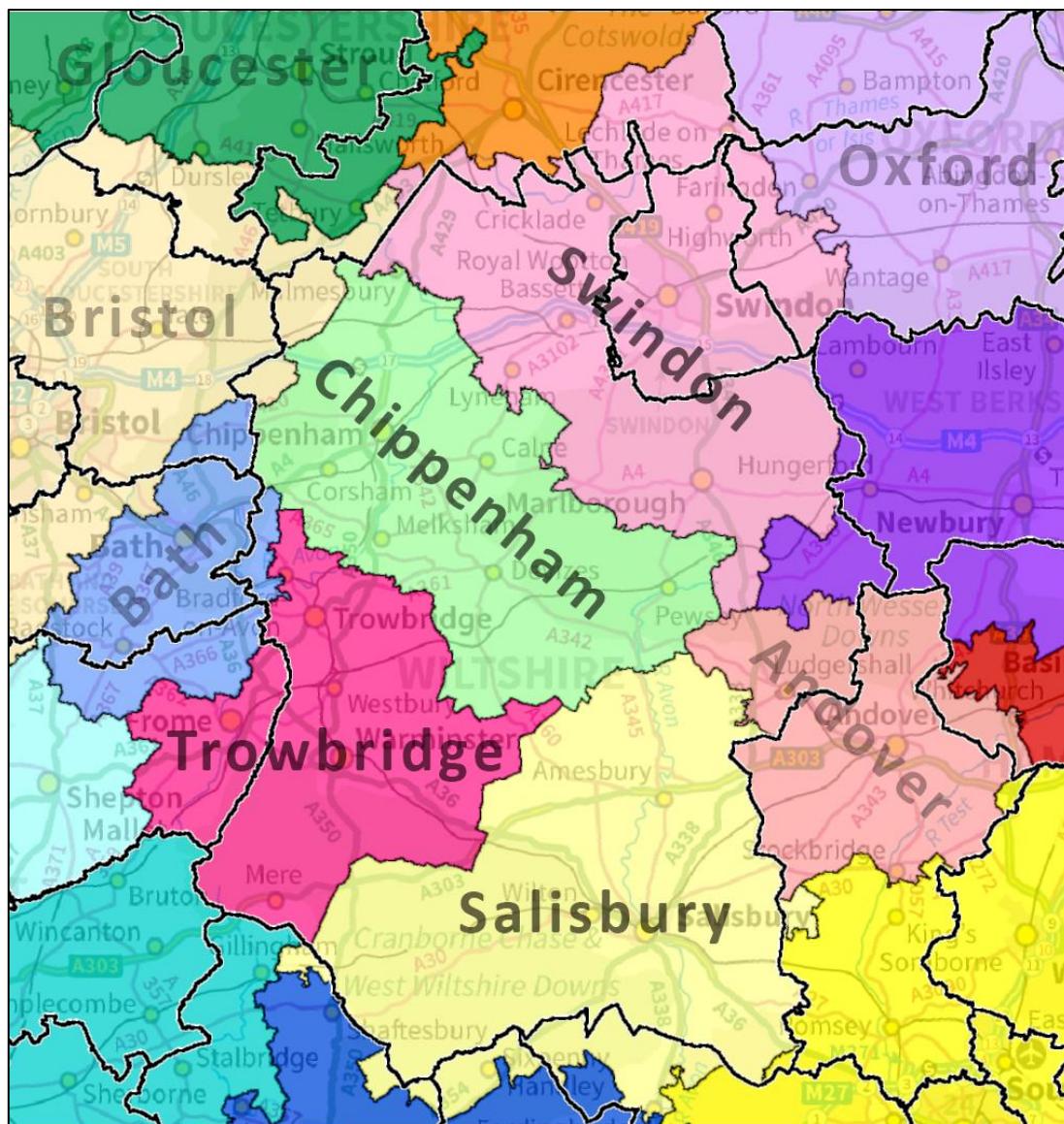
- 5.3 Taking into account the detailed analysis of commuting, migration and house prices, it would be reasonable to conclude that there are five functional housing market areas in Wiltshire, Swindon and the surrounding study area that cover substantial areas of the County; namely:
  - » Swindon HMA;
  - » Chippenham HMA;
  - » Trowbridge HMA;
  - » Salisbury HMA; and
  - » Andover HMA (including Ludgershall).
- 5.4 Each of the areas identified by the analysis reflect “*key functional linkages between places where people live and work*” (ID 2a-010) and form a separate ONS Travel-to-Work Area. Our analysis has also demonstrated that all five are also “*areas within which a relatively high proportion of household moves are contained*” (ID 2a-011). Furthermore, these areas broadly correspond with official Broad Rental Market Areas which reflect local house prices and rents, and represent the area in which a person could reasonably be expected to live taking into account access to facilities and services.
- 5.5 We would therefore conclude that each of these five areas can be considered as separate strategic housing market areas in the context of the NPPF.
- 5.6 In establishing the most appropriate boundaries for these functional housing market areas, it is necessary to consider all of the evidence based on commuting zones, migration zones and house prices (based on Broad Rental Market Areas). We have previously identified clear similarities between the commuting zones

and migration zones. Furthermore, we have demonstrated that these zones generally reflect the BRMA boundaries.

5.7 Given this context, Figure 26 illustrates the proposed functional housing market areas, which are based on majority agreement between these three geographies. Areas which fall within the same commuting zone, migration zone and BRMA are evidently allocated to that functional housing market area. Where there is disagreement between the three geographies, the functional housing market area is allocated based on the two geographies that do agree (and determined by the commuting zone in the few areas where all three geographies differ). For example:

- » Cirencester is in the Swindon commuting zone, but in the Cheltenham BRMA and migration zone; so the area is allocated to the Cheltenham functional HMA;
- » Ludgershall is in the Salisbury BRMA, but in the Andover commuting and migration zones; so the area is allocated to the Andover functional HMA; and
- » Frome is in the Mendip BRMA, but in the Trowbridge commuting and migration zones; so the area is allocated to the Trowbridge functional HMA.

Figure 26: Functional Housing Market Areas with Local Authority Boundaries



- <sup>5.8</sup> Figure 27 details the distribution of the resident population for these functional housing market areas by local authority. Cells have been highlighted in dark green where over half of the population for a functional housing market area are resident in a local authority area. Cells have been highlighted in light green where at least a fifth of the population for a functional HMA are resident in a local authority.

**Figure 27: Functional Housing Market Areas Resident Population by Local Authority Area (Source: 2011 Census. Note: Population rounded to nearest 100. Figures may not sum due to rounding)**

Local Authority Area	Functional Housing Market Area									
	Chippenham HMA		Salisbury HMA		Swindon HMA		Trowbridge HMA		Andover HMA	
	N	%	N	%	N	%	N	%		
Swindon	-	-	-	-	209,200	72.6%	-	-	-	-
Wiltshire	159,300	100.0%	115,500	90.9%	60,800	21.1%	106,900	76.5%	16,200	19.1%
<b>Sub-total</b>	<b>159,300</b>	<b>100.0%</b>	<b>115,500</b>	<b>90.9%</b>	<b>269,900</b>	<b>93.7%</b>	<b>106,900</b>	<b>76.5%</b>	<b>16,200</b>	<b>19.1%</b>
Cotswold	-	-	-	-	11,600	4.0%	-	-	-	-
East Dorset	-	-	1,400	1.1%	-	-	-	-	-	-
Mendip	-	-	-	-	-	-	32,900	23.5%	-	-
New Forest	-	-	8,500	6.7%	-	-	-	-	-	-
Test Valley	-	-	300	0.3%	-	-	-	-	63,700	75.1%
Vale of White Horse	-	-	-	-	6,600	2.3%	-	-	-	-
Elsewhere	-	-	1,200	1.0%	-	-	-	-	4,900	5.8%
<b>TOTAL</b>	<b>159,300</b>	<b>100.0%</b>	<b>127,000</b>	<b>100.0%</b>	<b>288,100</b>	<b>100.0%</b>	<b>139,800</b>	<b>100.0%</b>	<b>84,900</b>	<b>100.0%</b>

- <sup>5.9</sup> The following sections summarise the distribution of population between local authority and functional housing market areas.

### Chippenham HMA

- <sup>5.10</sup> With a total of 159,000 residents, Chippenham functional housing market area shows a substantial overlap between the Chippenham functional HMA and Wiltshire County, with 33.8% of Wiltshire's population resident in the functional HMA. The functional HMA is entirely contained within Wiltshire with no resident population outside of the County.

### Salisbury HMA

- <sup>5.11</sup> With a total of 127,000 residents, Salisbury functional housing market area is the smallest of the four Wiltshire areas identified in terms of population. The functional housing market covers 24.5% of Wiltshire's population. Around nine tenths of the population of the functional HMA live in Wilshire, with small proportions in surrounding local authority areas, the largest of which is 8,500 (4.8%) of the New Forest population with smaller proportions of East Dorset 1,400 (1.6%), Test Valley 300 (0.3%) and 1,200 elsewhere (0.1% of the combined population of those areas).

### Swindon HMA

- <sup>5.12</sup> With a total of 288,000 residents, Swindon functional HMA is the largest of the five areas identified in terms of population. Around three quarters of the Swindon function housing market area residents live in Swindon borough (209,156 out of 288,108, equivalent to 72.5%), and all of the borough's population live in the HMA. Most of the remaining HMA residents live in Wiltshire (61,000 persons, equivalent to 21.0% of the HMA and 12.9% of Wiltshire's population) with smaller populations in Cotswold and Vale of White

Horse (11,500 and 6,600 respectively, equivalent to 4.0% and 2.3% of the HMA). As a proportion of the local authority areas, the HMA covers 14.0% of the Cotswold population and 5.5% of the Vale of White Horse population.

### Trowbridge HMA

<sup>5.13</sup> Three quarters of the Trowbridge functional HMA is in Wiltshire (106,900 out of 139,800, equivalent to 76.5%), with the remaining quarter in Mendip (32,900, or 23.5%). The functional HMA represents 22.7% of Wiltshire's population and 30.1% of Mendip.

### Andover HMA

<sup>5.14</sup> The Andover functional housing market area covers 3.5% of Wiltshire's population and is the only functional HMA surrounding Swindon and Wiltshire which covers more than 1.0% of Wiltshire by population. Of a total population of 84,900 in the functional HMA, 16,200 live in Wiltshire (19.1% of the population of the HMA).

### Other HMAs

<sup>5.15</sup> Of Wiltshire's remaining residents, 28,600 (6.2%) live in other functional housing market areas:

- » 4,900 (1.0%) in Bath HMA;
- » 3,200 (0.7%) in Reading HMA;
- » 3,100 (0.7%) in Bristol HMA; and
- » 1,200 (0.3%) in Southampton HMA.

## Administrative Boundaries and Housing Market Areas

<sup>5.16</sup> The NPPF recognises that housing market areas may cross administrative boundaries, and PPG emphasises that housing market areas reflect functional linkages between places where people live and work. The previous 2007 CLG advice note<sup>10</sup> also established that functional housing market areas should not be constrained by administrative boundaries, nevertheless it suggested the need for a "best fit" approximation to local authority areas for developing evidence and policy (paragraph 9):

*"The extent of sub-regional functional housing market areas identified will vary and many will in practice cut across local authority administrative boundaries. For these reasons, regions and local authorities will want to consider, for the purposes of developing evidence bases and policy, using a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas."*

<sup>5.17</sup> This "best fit" approximation has also been suggested by the PAS OAN technical advice note, which suggests (second edition, paragraph 5.9):

*"boundaries that straddle local authority areas are usually impractical, given that planning policy is mostly made at the local authority level, and many kinds of data are unavailable for smaller areas."*

<sup>10</sup> Identifying sub-regional housing market areas (CLG, March 2007)

5.18 This means there is a need for balance in methodological approach:

- » On the one hand, it is important that the process of **analysis and identification of the functional housing market areas should not be constrained by local authority boundaries**. This allows the full extent of each functional housing market to be properly understood and ensures that all of the constituent local planning authorities can work together under the duty to cooperate, as set out in Guidance (PPG, ID 2a-010).
- » On the other hand, and as suggested by the PAS OAN technical advice note (and the previous CLG advice note), **it is also necessary to identify a “best fit” for each functional housing market area that is based on local planning authority boundaries**. This “best fit” area provides an appropriate basis for analysing evidence and drafting policy, and would normally represent the group of authorities that would take responsibility for undertaking a Strategic Housing Market Assessment (SHMA) or Housing and Economic Development Needs Assessment (HEDNA).

5.19 In summary, therefore, the approach to defining housing market areas needs to balance robust analysis with pragmatic administrative requirements.

5.20 Therefore, whilst we have established the most up-to-date functional housing market areas for Swindon, Wiltshire and the surrounding areas, it is now necessary to consider the most appropriate working arrangements for establishing the evidence base that the NPPF requires.

## Proposed “Best Fit” Housing Market Areas

5.21 The analysis has clearly identified five functional housing market areas in Swindon, Wiltshire and the surrounding study area. The substantial majority of the population resident in four of those functional HMAs live in the Swindon and Wiltshire combined area; namely Chippenham HMA, Salisbury HMA; Swindon HMA and Trowbridge HMA. On this basis, the most appropriate “best fit” for each of these functional housing market areas will be within the Swindon and Wiltshire administrative areas.

5.22 Whilst around 16,200 of Wiltshire’s residents live in the Andover HMA, this represents just under 20% of all residents in the HMA; and given that over three quarters of the area’s population (63,700 persons) are resident in Test Valley, it is likely that the Test Valley administrative area will provide the most appropriate “best fit” for Andover functional housing market area.

5.23 The following sections consider the most appropriate “best fit” for each of the remaining four functional housing market areas that have been identified which fall within the Swindon and Wiltshire combined area.

### Chippenham HMA

5.24 The analysis shows that the Chippenham functional HMA is wholly within Wiltshire. **We would therefore conclude that the Chippenham area represents the most appropriate “best fit” for Chippenham functional HMA.**

### Salisbury HMA

5.25 Over 90% of the population of the Salisbury functional HMA live in Wiltshire. The remainder of the population is divided between the New Forest, East Dorset, Test Valley and elsewhere. Nearly one fifth of the Andover functional HMA population around the Ludgershall area live in Wiltshire, and the BRMA places Ludgershall with Salisbury. **It is therefore appropriate to conclude that Salisbury area (including Ludgershall) represents the most appropriate “best fit” for Salisbury functional HMA.**

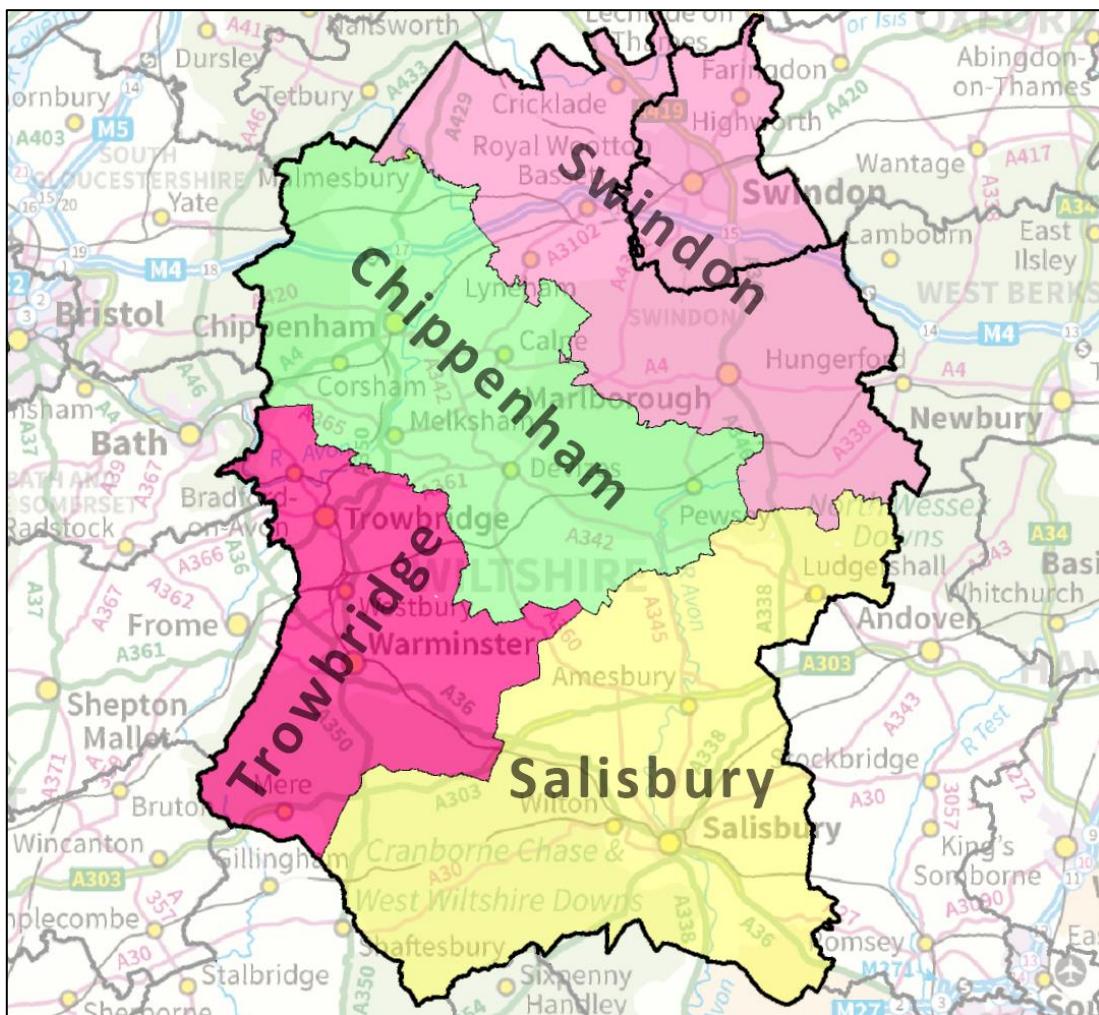
## Swindon HMA

<sup>5.26</sup> Swindon borough is entirely within the Swindon functional HMA, together with around an eighth (13%) of Wiltshire's residents. Whilst Swindon HMA covers parts of the Cotswolds and Vale of White Horse, these areas represent very few of the HMA residents (4% and 2% respectively) and relatively small proportions of the two local authority populations (14% and 6%); so on balance it is probably not appropriate to include them within the “best fit” for Swindon HMA. **It is therefore reasonable to conclude that Swindon and the north east of Wiltshire represent the most appropriate “best fit” for Swindon functional HMA.**

## Trowbridge HMA

<sup>5.27</sup> Three quarters of the residents living in Trowbridge functional HMA live in Wiltshire (76.5%), with the remaining quarter in Mendip. The HMA contains 30% of Mendip's population, the BRMA places Frome with Mendip and the Somerset HMA (2015) identified a functional HMA including Trowbridge, Warminster and Frome; but concluded that once “best fit” HMAs were identified, Frome should be included in a Mendip HMA. **On this basis, we would conclude that the area of Trowbridge and Warminster represents the most appropriate “best fit” for Trowbridge functional HMA, with Frome included in the “best fit” Mendip HMA.**

Figure 28: ‘Best Fit’ Housing Market Areas with Local Authority Boundaries



## Final Conclusions

5.28 Based on a detailed analysis of the evidence, we would therefore recommend to the commissioning partners that the most pragmatically appropriate “best fit” for housing market areas comprise:

- » **Swindon HMA:** Swindon and the north east of Wiltshire;
- » **Chippenham HMA:** Chippenham and surrounding areas;
- » **Trowbridge HMA:** Trowbridge and Warminster, excluding Frome;
- » **Salisbury HMA:** Salisbury and surrounding areas, including Ludgershall.

5.29 Whilst we believe that these proposed groupings provide the overall “best fit” on the basis of the available evidence and suggest particularly areas for joint working, such as with Mendip around the Trowbridge HMA and Test Valley regarding Ludgershall, they are not the only arrangements possible given the complexities of the functional housing market areas in the region. It is important to note that these “best fit” groupings do not change the actual geography of the functional housing market areas identified in Figure 26 – they simply provide a pragmatic arrangement for the purposes of establishing the evidence required and developing local policies, as suggested by the CLG advice note and reaffirmed by the PAS technical advice note.

5.30 The functional housing market areas provide the most appropriate framework for spatial planning; and regardless of the final “best fit” groupings, where these functional areas cross administrative boundaries it will be important for the local planning authorities to maintain dialogue with neighbouring areas under the Duty to Cooperate.

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