

STRATEGY/VISION/SUSTAINABILITY - Policy DS1**Session/Issue 1:**

- iv) **Are any objectives, policies or proposals inconsistent with national guidance and, if so, is there a local justification supported by robust and credible evidence?**

Policy DS1 Development Strategy and Principles

1. Policy DS1 is considered to be inconsistent with national guidance, not justified by robust or credible evidence and not positively prepared for the reasons set out below.
2. NPPF paragraph 156 explains that when plan-making, local authorities should set out the strategic priorities for the area and should include strategic policies to deliver homes and jobs needed in the area. Policy DS1 fails to set out the strategic priorities and policies to deliver the jobs needed in the area.
3. NPPF paragraph 47 requires that the Local Planning Authorities (LPAs) 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 and is further supported by NPPF para 158 which requires that local planning authorities should ensure that their assessments of and strategies for housing, employment and other uses are integrated.
4. **However, an objectively assessed housing needs assessment has not been produced by the LPA which takes into full account the relationship between the housing and economic requirements of the District. This is a gross omission and brings the entire plan's objectives and delivery into question.**
5. This above point is explained in detail in Barton Willmore's representations to the Pre-Submission draft of the Plan (Rep ID #30116) where we provided evidence through our *Open House Assessment* to identify the level of housing needed to support the anticipated jobs growth figure of 8,750 quoted in the Pre-Submission draft (para 2.6). The LPA's response to this evidence however has not been to increase the level of housing proposed but, astoundingly, to seek to delete reference to the job growth figure. This renders the Plan without any clear direction on its economic strategy as well as woefully under providing for the level of housing needed. In its Housing Background Paper 1, the LPA raises a number of points in response to our representations and the submitted *Barton Willmore's Winchester District-wide Housing Assessment* undertaken using our *Open House Local Housing Toolkit*. A Rebuttal Note has been prepared in response to the LPA's points and is attached to this statement in **Appendix A**.
6. The Chelmer model used in our *Open House Assessment* appears to be the same model used by the LPA to derive its population and household forecasts and as such there would not appear to be any dispute over the reliability of the model itself. The Chelmer model is well regarded and has a long history in providing the housing evidence base for many regional and local plans. Barton Willmore sources the underlying Chelmer model data from Cambridge Econometrics, who independently maintain the model. As such the assumptions which underpin it can be considered impartial.

7. The *Open House Assessment* estimates that 14,500¹ additional dwellings are required if projected plan period employment growth is to be realised. In order to objectively test the Open House findings which are derived from the Chelmer Model, an alternative model – POPGROUP - has been used to develop a corresponding jobs led housing requirement scenario. As explained in our response to Issue 3, Housing, POPGROUP, like Chelmer is a demographic model that uses the cohort component methodology.
8. The POPGROUP jobs led scenario confirms that the Open House Assessment provides a credible and robust assessment of Winchester's housing requirement. Taking a slightly lower job growth estimate², the POPGROUP scenario presents a slightly higher plan period housing requirement of 14,800 or 740 per annum, compared to the corresponding Open House Chelmer scenario of 14,500 or 720 per annum. Please see **Appendix B** for a fuller breakdown of the POPGROUP scenario results.
9. Having demonstrated that the Open House Assessment using Chelmer is credible and robust, a further step was taken to update the Chelmer model economic led scenario using the latest available population and household estimates for Winchester taken from the 2011 Census, the first release of which was published in July 2012. Constraining the population, age and sex structure in 2011 to that of the 2011 Census returns a plan period housing requirement of 14,800. Please see **Appendix C** for a fuller breakdown of the updated Chelmer economic led scenario results.
10. It is abundantly clear from the analysis summarised above that the level of housing proposed by the LPA (totalling 11,000 dwellings) will not accommodate a growth in labour force sufficient to meet anticipated job growth. **To accommodate the required growth in labour force and in turn population and households, it will be necessary to plan for housing growth totalling at least 14,800 over the Plan period.**
11. In addition to establishing the necessary level of additional housing to meet demographic change and migration, the NPPF also requires local planning authorities to address barriers to investment such as housing. Furthermore, the NPPF seeks net gains across all three of its core dimensions, being social, economic and environmental. In addition, there can be no doubt from recent Government announcements³ of the importance being placed on residential development in assisting local economic growth.
12. The LPA raises concerns over the use of a jobs growth target of 8,750 within our *Open House Assessment* 'Economic-Led' Scenario, as the LPA is no longer pursuing a jobs increase of 8,750, and confirm that this figure has been removed from paragraph 2.6 of its Pre-Submission Plan. We note however that paragraph 6.10 of the Pre-Submission Plan also refers to job growth, where it anticipates that employment in the District will grow by 9,270 jobs between 2009- 2031 which it acknowledges that it is less than the previously predicted (10,770 jobs up to 2026). It is understood that this paragraph remains unchanged within the Core Strategy Submission draft. It is worth noting that the 9,270 jobs figure is the one used to derive the anticipated plan period job growth assumption used in the POPGROUP scenario discussed above.
13. The LPA's comments within the Background Paper are however rather concerning, particularly in its view that the job growth figure is '**not an important part of the plan**'. The LPA fails to acknowledge the importance of the job growth forecasts, in conforming with the NPPF (in setting out the strategic

¹ Please note that all figures quoted in this response are rounded to the nearest 100.

² Derived from paragraph 6.10 of Winchester District Local Plan – Joint Core Strategy which refers to an updated economic study completed in 2011 and states that "The Study anticipates that employment in the district will grow by 9,270 jobs between 2009 and 2031)

³ DCLG Housing and Growth Statement (September 2012)

priorities for the area, including job growth⁴), and in determining its own employment land requirements. Furthermore, the LPA have failed to acknowledge the inherent link between housing and job growth. The consequence is a Plan that fails to deliver the housing and economic growth central to Government requirements and will deprive communities of essential needs.

14. Whilst the LPA has raised concerns over the level of net in migration required to achieve this level of labour force growth, there needs to be an acceptance that above trend migration is fundamental to realising growth in the local labour force. Should the LPA not provide the appropriate level of housing, it is likely to result in either an increased level of in-commuting as workers from outside of the District commute in or, deterioration in the commercial attractiveness of Winchester due to a lack of skilled and available labour. In addition, there is likely to be increased pressure on the local housing market, which will be most keenly felt by those on low incomes.
15. We draw attention to Salford's Core Strategy Examination whereby the Inspector has taken the decision to suspend the examination. We attach the Inspector's letter (see **Appendix D**) explaining why he decided to suspend the examination. There are a number of key matters considered by the Inspector to be unsound particularly relevant to the examination of Winchester's JCS:
 - 1) The Ministerial Statement of 23 March 2012 refers to the pressing need to ensure that the planning system does everything it can to help secure a swift return to economic growth and urges local planning authorities to make every effort to identify and meet the housing, business and other development needs of their areas.
 - 2) The NPPF urges local planning authorities to boost significantly the supply of housing.
 - 3) The Secretary of State Written Statement of 6 September 2012 identifies an increase in house building starts between 2009 and 2011 however he considers there to be far more to do to provide homes to meet Britain's demographic needs and to help generate local economic growth.
 - 4) Lack of housing deliverability.
 - 5) House building is a driver of the local economy besides providing homes for local people.
 - 6) A requirement to reconsider the economic development policies and reassessment of the jobs requirement and spelling out the implications of this in the Core Strategy.

South Hampshire Strategy (October 2012)

16. We request that the Inspector clarify the weight to be given to the adopted South Hampshire Strategy (2012) as the status and weight given to this document has, what we consider to be, strategic implications for the overall development strategy of the JCS. We commend the effort of the PUSH local authorities to work together in developing a strategic plan for South Hampshire however; the adopted South Hampshire Strategy raises a number of serious issues regarding housing and employment policies and delivery that are not capable of being addressed through the JCS in its current form. Nor, can these issues be addressed through minor amendments to the JCS.
17. The Partnership for Urban South Hampshire (PUSH) adopted its updated South Hampshire Strategy for the sub-region on 2 October 2012. The Strategy calculates and reapportions development requirements across the local authority areas in the sub-region of which Winchester District is partly within.
18. The Strategy claims that though preparing this Strategy together, the local authorities largely fulfil their 'duty to cooperate' on planning issues which is placed on them by the Localism Act. However, it is not apparent how the local authorities are fulfilling the 'duty to cooperate' through the production of

⁴ Paragraph 156, NPPF

this Strategy as the housing numbers put forward in the Strategy are 3,700 dwellings per annum which is 300 dwellings lower than the South East Plan. Therefore the local authorities are merely cooperating to ensure that the overall housing numbers for South Hampshire are lower than what is required even by the South East Plan. This approach is in direct conflict with the NPPF's requirement for LPAs to plan positively for growth and fails to acknowledge the important role housebuilding plays in building the local economy.

19. The Strategy makes provision for a higher housing requirement in the South Hampshire Urban Areas of Winchester District than that set out in the JCS. The South Hampshire Strategy plan period is 2011 - 2026 and it makes provision for 6,200 new dwellings in Winchester whereas the **JCS makes provision for 700 fewer dwellings (a total of 5,500) over a longer period (2011 to 2031)**.
20. 700 dwellings in a shorter (five year) time period is a significant shortfall against a PUSH strategy that, in any event, underestimates the likely impact of economic growth on population and household growth (see **Appendix E**). If the housing requirement quoted in the South Hampshire Strategy for the South Hampshire Urban Areas of Winchester is annualised (413 dpa) and then rolled forward for the remainder of the JCS (2026 – 2031) this would result in an additional 2,065 dwellings for the JCS plan period (2011 - 2031). There is potential then for an additional 2,765 dwelling to be delivered in the District located within PUSH than what the JCS makes provision for.
21. A key element of the South Hampshire Strategy is the delivery of the New Community North of Fareham which was originally planned as a new town of 10,000 dwellings in the South East Plan. The housing was reduced to 6,500 – 7,500 new dwellings in Fareham's adopted Core Strategy and was given a longer development period; through to 2031. The South Hampshire Strategy (2012) makes provision for 5,400 dwellings at Fareham's SDA between 2016– 2026. And states that the development is expected to accommodate 6,500 – 7,500 dwellings overall and the 5,400 figure will be validated during preparation of the Area Action Plan for the SDA.
22. However, the Concept Masterplan Options for the New Community North of Fareham indicate that the upper end of the range (7,500 dwellings) is not achievable. Option 1 has the highest range of housing with 7,250 being the highest capacity. Option 3 is only capable of achieving between 5,300 – 5,800 dwellings. Therefore the housing capacity for the SDA as assumed in the South Hampshire Strategy is not robust and will need to be found elsewhere either in Fareham or elsewhere in the sub-region, which has obvious implications for Winchester CC and its duty to cooperate.
23. The LPA explains in its Housing Background Paper in respect of the PUSH strategy review that the housing requirements will not significantly alter the LPA's housing requirement or necessitate a different development strategy. We do not consider the PUSH proposals in relation to Winchester District to be minor for the reasons set out above in relation to housing and employment requirements. We do not consider the JCS to be flexible or clear enough to accommodate these changes.
24. We have serious concerns that an increase of between 700 and 1,300 dwellings for the area within South Hampshire is not considered to be a significant alteration to the JCS. Furthermore, we also have serious concerns about the methodology that PUSH employed to determine and apportion the housing and employment requirements across the sub-region. The PUSH apportionment of housing and employment floorspace was not determined through objectively assessed needs but through a process of negotiation between officers and Councillors as the *Background Paper: Employment floorspace and housebuilding provision figures* which accompanies the Strategy explains (para 2.1).

25. One would assume that such a strategically significant document would be subject to public consultation with the local communities and the development and business industry however PUSH has decided against this they felt it unnecessary and inappropriate (**Appendix A** of the Strategy). Furthermore the Strategy remains absent from any independent scrutiny.
26. A Sustainability Appraisal 'lite' of the Strategy was undertaken which as is not a technical term for what is a European Directive requirement for plans. **Therefore this document cannot be relied upon for testing the sustainability of the proposals.**
27. Whilst the status and weight attached to the South Hampshire Strategy is still unclear, we highlight a number of concerns with the revisions to the assumptions and final output of the Strategy in the attached note (**Appendix D**) for the Inspector's consideration. In summary, the note demonstrate there to be a high risk to realising PUSH's aspirations for economic growth presented by the South Hampshire Strategy and the reduced housing requirement presented therein, which is based on flawed assumptions about the sub region's ability to influence net migration rates.

Strategic Objectives

28. **The strategic objectives set out the quantum of planned new homes over the plan period however fail to set out the quantum of new jobs over the plan period.** The objectives should be amended as proposed below in order to ensure the planned quantum of housing is sufficient to deliver the economic growth of the District.

How could the document be made sound?

29. Given that the overall development strategy is unsound and the evidence upon which it is based is not credible it is not considered possible at this stage to make this policy and therefore the JCS sound without undertaking further consultation on a redrafted strategy. However, if the Inspector does consider it possible to make such significant required changes to the document through this current examination process, we make a number of suggested changes below.

What is the precise change / wording sought?

Policy DS1

"The Local Planning Authority will support the delivery of **at least 14,800 new homes** using, **and 8,750 jobs** economic growth and diversification through the following development strategy:"

Strategic Objectives

Active Communities: The second objective: "provision of ~~11,000~~ **at least 14,800** new homes across the District by 2031".

Prosperous Economy: A new bullet point should be added in this section to state: "**provision of 8,750 new jobs across the District by 2031**".

Notwithstanding our suggested revised wording, in our opinion, the JCS is clearly unsound and cannot be rectified by merely revising text or policies. Rather, the JCS needs to be reconsidered in light of the evidence we have submitted and a revised Plan brought forward that reflects the housing and economic needs of the area, complies with the duty to cooperate and fully meets the requirements of the NPPF.

APPENDIX A - Rebuttal Note to Winchester City Council's Background Paper – 1 Housing Provision, Distribution and Delivery (June 2012)

1. This note has been prepared in response to the Council's Background Paper 1, Housing Provision, Distribution and Delivery, and seeks to respond to the Council's criticisms relating to the Open House report, and accompanying Chelmer Model Population and Housing forecast data submitted by Barton Willmore alongside its Core Strategy representations.
2. At the outset it is important to note that the Council appear to have also used the Chelmer Model to derive population and household forecasts, and as such there would not appear to be any dispute over the reliability of the model itself. Indeed, the Chelmer model is well regarded, and has a long history in providing the housing evidence base for many regional and local plans.
3. Barton Willmore source the underlying Chelmer model data from Cambridge Econometrics, who independently maintain the model. As such the assumptions which underpin it can be considered impartial.
4. The Chelmer model data underpinning the Open House report was acquired in February 2012, and as such is considered more up-to date than that used by the Council, particularly as it incorporates ONS mid-year population estimates published in June 2011, as well as fertility and mortality rates derived from the 2010-based National Population Projections published in October 2011.
5. The Open House toolkit set out three Chelmer Model scenarios. We summarise each below:
 - 1) Long term migration trend = 8,268 additional dwellings 2011 – 2031
 - 2) Short term migration trend = 10,909 additional dwellings 2011 – 2031
 - 3) Economic led = 14,475 additional dwellings 2011 – 2031.
6. As we set out in the Open House report, in addition to establishing the necessary level of additional housing to meet demographic change and migration, the NPPF also requires local planning authorities to address barriers to investment such as housing. Furthermore, the NPPF seeks net gains across all three of its core dimensions, being social, economic and environmental. There can also be no doubt from recent Government announcement of the importance being placed on residential development in assisting local economic growth.
7. The Economic-led scenario set out within the Open House report seeks to measure the level of housing required over the Plan period to accommodate a sufficient level of additional labour force to meet future job growth requirements. This has been assumed to total 8,750 jobs.

Economically Active Population

8. In paragraph 4.27 of Background Paper 1, the Council query the lower increase in the economically active population resulting from its proposing housing growth of 11,000 dwellings than they had forecast. The impact on the City Council's population from the provision of 11,000 dwellings is broadly reflected in our Scenario 2 – Short term migration trend, which resulted in labour force growth of only 3,507. The Chelmer model calculates labour force, based on assumptions relating to economic activity rates by age and gender. Cambridge Econometrics has sourced these assumptions from the 2010 Annual Population Survey.
9. **We consider that the differing levels of economic activity resulting from the Council's and our forecast are likely to be as a result of the Council's use of out-dated assumptions relating to economic activity**

rates. It may also be possible that the recalibration of the Chelmer model data carried out by the Council to adjust dwelling numbers, has impacted on the assumed population structure, although without access to the full model output it is not possible to establish the exact cause.

10. However, to assist in the clarification of this issue we have updated our Chelmer scenarios to reflect the 2011 Census population by age and gender. This is considered to reflect the most appropriate and accurate base position for the assessment of future housing requirements. We set these forecasts out later within this note.

Economic-led Scenario

11. The Council also raise concerns over the use of a jobs growth target of 8,750 within our 'Economic-Led' Scenario, as the Council are no longer pursuing a jobs increase of 8,750, and confirm that this figure has been removed from paragraph 2.6 of its Pre-Submission Plan. We note however that paragraph 6.10 of the Pre-Submission Plan also refers to job growth, where it states that:

“an updated economic study was completed in 2011, drawing on previous studies and the Council’s Economic Strategy. This provides a review of employment prospects, employment land and demographic projections. This Study anticipates that employment in the District will grow by 9,270 jobs between 2009- 2031. This is less than the previously predicted (10,770 jobs up to 2026) and acknowledges that the composition of the workforce will change over that period, with fewer workers employed in agriculture, manufacturing, and public administration.”⁵

12. It is understood that this paragraph remains unchanged within the Core Strategy Submission draft.
13. **The Council’s comments within the Background Paper are however concerning, particularly in its view that the job growth figure is ‘not an important part of the plan’.** The Council fails to acknowledge the importance of the job growth forecasts, in conforming with the NPPF (in setting out the strategic priorities for the area, including job growth⁶), and in determining its own employment land requirements. Furthermore, the Council have failed to acknowledge the inherent link between housing and job growth.
14. In order to test the Council’s jobs growth figure, we have separately acquired job growth figures from Experian, and these confirm a forecast job growth over the Plan period totalling 16,400 (workforce jobs 2011 - 2031). This is considerable, and demonstrates the robustness of our 'Economic-Led' scenario in only seeking labour force growth of 8,750.
15. Whilst the Council have raised concerns over the level of net in migration required to achieve this level of labour force growth, there needs to be an acceptance that this level of migration is necessary to facilitate such a growth in the local labour force. Should the Council not provide the appropriate level of housing, it is likely to result in either an increased level of in-commuting as workers from outside of the District commute in or, deterioration in the commercial attractiveness of Winchester due to a lack of skilled and available labour. In addition, there is likely to be increased pressure on the local housing market, which will be most keenly felt by those on low incomes.

2011 Census

16. Since the Council’s previous consultation exercise, the ONS have published the first release of Census data (July 2012), which includes population figures by age and gender for each local authority.

⁵ Paragraph 6.10, Pre-Submission Plan

⁶ Paragraph 156, NPPF

17. We consider that the 2011 Census presents the most accurate position of a local authority's population in 2011, and as such we have updated the Chelmer forecasts scenarios to reflect the Census population (by age and gender) in 2011.

Table 1.1 – Summary of Chelmer Scenarios, amended with 2011 Census

Open House Chelmer Scenarios	Assumed Net Annual Migration (2011 – 2031)	Population Growth (2011 – 2031)	Labour Force Growth (2011 – 2031)	Dwelling Growth (2011 – 2031)
Long Term Migration	600	15,380	-1,113	8,059
Short Term Migration	900	22,473	2,767	10,700
Economic Led	1,360	33,346	8,717	14,750

Source: Chelmer Model, Appendix C (unrounded)

18. It remains clear that the level of housing proposed by the Council (totalling 11,000 dwellings) will only accommodate a growth in labour force of c.3,000 people, and that in order to meet job growth requirements, it will be necessary to plan for housing growth totalling 14,750 over the Plan period.

Summary

19. It is essential that the Council assess the implications of its proposed level of housing on economic growth, and in this respect the Council have failed to understand the importance of job growth forecasts in informing its employment land requirements, and in meeting the requirements of the NPPF. It is clear that the Council have misunderstood the role of the Chelmer model, its underlying assumptions, and the importance of an economic led scenario in determining a housing requirement which seeks to support economic growth.

20. With this in mind we consider that a housing target of approximately 14,750 dwellings remains an appropriate level of housing provision over the Core Strategy Plan period.

APPENDIX B – POPGROUP SCENARIO RESULTS

Winchester JCS 550 dwellings based

Summary of Population estimates/forecasts		11,000 dwellings 2011-2031					2011 - 2031
	2011	2016	2021	2026	2031		
0-4	6,568	6,844	6,414	6,238	6,085	-500	
5-10	7,934	8,646	9,223	8,776	8,490	+600	
11-15	7,141	7,044	7,925	8,442	8,041	+900	
16-17	3,381	3,121	3,169	3,433	3,611	+200	
18-59Female, 64Male	63,628	64,623	65,036	65,261	65,771	+2,100	
60/65 -74	14,809	16,411	17,484	18,371	19,944	+5,100	
75-84	7,245	7,731	9,421	11,511	11,829	+4,600	
85+	<u>3,449</u>	<u>4,080</u>	<u>4,960</u>	<u>5,980</u>	<u>7,696</u>	<u>+4,200</u>	
Total	114,155	118,499	123,632	128,012	131,468	+17,300	
Dependency ratio	126%	120%	111%	104%	100%		
	2011	2016	2021	2026	2031		
Population impact of constraint							
Number of persons (cummulative)	0	+3,013	+4,471	+5,701	+6,515	+19,700	
Households							
Number of Households	45,918	48,595	51,272	53,949	56,627	+10,700	
Cummulative change	+356	+2,677	+5,355	+8,032	+10,709	+540 per annum	
Number of Dwellings	<u>47,165</u>	<u>49,915</u>	<u>52,665</u>	<u>55,415</u>	<u>58,165</u>	<u>+11,000</u>	
Cummulative change	+366	+2,750	+5,500	+8,250	+11,000	+550 per annum	
Labour Force							
Number of Labour Force	56,767	57,764	57,961	58,498	59,201	+2,400	
Cummulative change	-74	+997	+1,193	+1,731	+2,434	+120 per annum	
Number of Jobs	<u>66,475</u>	<u>67,642</u>	<u>67,873</u>	<u>68,502</u>	<u>69,325</u>	<u>+2,800</u>	
Cummulative change	-86	+1,167	+1,397	+2,027	+2,850	+140 per annum	
						Annual average net migration +800 per annum	

This report was compiled from a forecast produced on 28/09/2012 using POPGROUP software developed by Bradford Council, the University of Manchester and Andelin Associates

APPENDIX C – SUMMARY OF CHELMER RESULTS FOR WINCHESTER DISTRICT

CHELMER RESULTS FOR WINCHESTER: SUMMARY

Scenario name:	Economic Led - 2011 Census						
	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036
Solution control:	POP	POP	MIG	MIG	MIG	MIG	MIG
Migration control used:	net migration						

Note: See bottom of file for further comments on the scenario.

OVERVIEW OF DEMOGRAPHIC CHANGE (number)

	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036
Total Population (at start of period)	107400	109400	116400	124783	132866	141492	149746
Total Household population (at start of period)	101382	103382	110238	118698	126830	134792	142724
Natural change (in household pop)	194	753	1663	1332	1161	1132	1182
Net migration (in household pop)	1806	6099	6800	6800	6800	6800	6800
Total Household population (at end of period)	103382	110238	118698	126830	134792	142724	150705
Total communal population (at end of period)	6018	6162	6085	6036	6700	7022	7022
Total population (at end of period)	109400	116400	124783	132866	141492	149746	157727
Labour force (at end of period)	59586	58689	59902	62018	64871	67406	70625
Total households (at end of period)	43958	47180	50311	53706	57531	61571	65121
Dwellings (at end of period)	45055	48357	51566	55046	58966	63107	66746

CHANGE IN POPULATION: Total population at end of period (number)

	1996-2001	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036
0-15	20180	21020	21620	24399	26130	27324	28152	29789
16-24	12520	12480	13980	14391	16849	18426	19982	20719
25-34	12800	11400	11800	13322	13571	14433	17130	18846
35-44	15900	15800	15800	14833	14381	15860	16228	17014
45-54	15400	15100	16900	17449	16505	15802	15367	16794
55-64	12300	14200	14500	14465	16488	17157	16225	15420
65-70	5700	5880	7200	8502	7727	8520	9750	9518
71-84	10000	10520	11300	13094	15929	17326	18262	19235
85+	2600	3000	3300	4328	5286	6644	8650	10392
Total	107400	109400	116400	124783	132866	141492	149746	157727

CHANGE IN THE LABOUR FORCE: Total labour force at end of period (number)

	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036
0-15	857	883	1087	1170	1269	1354	1355
16-24	7514	8470	8392	10041	11019	11962	12443
25-34	10477	8719	9739	10213	11012	12728	13958
35-44	14837	14399	13519	13091	14382	14843	15533
45-54	14095	15465	15917	15058	14426	14033	15353
55-64	9250	9144	9332	10620	10830	10264	9753
65-70	1940	1258	1479	1315	1485	1705	1643
71-84	616	351	437	510	448	517	587
85+	0	0	0	0	0	0	0
Total	59586	58689	59902	62018	64871	67406	70625

HOUSEHOLDS AT END OF PERIOD BY HOUSEHOLD TYPE (number)

	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036
Single	5856	7092	8341	9826	11555	13488	14362
Couple	26424	27633	28473	29477	30637	31897	33437
Previously married	11678	12455	13497	14403	15339	16187	17322
Total	43958	47180	50311	53706	57531	61571	65121

Salford Core Strategy Examination

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26 September 2012

Salford Core Strategy Examination

Dear Mr Findley

1. Now that we have discussed such matters as Strategy, Housing and Economic Development at the Hearings, and I have undertaken a number of site inspections, I am able to set out some draft preliminary conclusions on the evidence heard and seen so far. I have also taken account of the National Planning Policy Framework (the Framework).

2. I remain concerned about the amount of housing which the Core Strategy proposes, and you will recall my letter to you of 30 July 2012 before the Hearings started. For the present, the Regional Strategy (RS) remains part of the development plan for the City. I acknowledge that it sets an overall strategy rather than being in the form of a series of tests or criteria against which policies and proposals should be tested. Housing is an important, indeed vital, part of the Regional Strategy, and of course its importance is reinforced in the Framework and recent Ministerial pronouncements.

3. The Ministerial Statement of 23 March 2012 refers to the pressing need to ensure that the planning system does everything it can to help secure a swift return to economic growth and urges local planning authorities to make every effort to identify and meet the housing, business and other development needs of their areas. The Framework urges local planning authorities to boost significantly the supply of housing, and in his Written Statement of 6 September 2012 the Secretary of State noted the increase in house building starts between 2009 and 2011 but said that there was far more to do to provide homes to meet Britain's demographic needs and to help generate local economic growth. As has been accepted at the Hearings, house building is a driver of the local economy besides providing homes for local people. The evidence presented to me supports an annual housing requirement of at least 1,600 dwellings instead of the current proposed annual provision of at least 1,300 dwellings. In addition to reflecting an objective assessment of need in accordance with the Framework requirement, this would be likely to bring forward more affordable and aspirational homes to which reference has been made at the Hearings, a considerable benefit.

4. In my judgement, the Core Strategy is unsound in its present form in that it does not demonstrate an adequate and realistically deliverable supply of housing land and I do not, at present, have the information to recommend main modifications to make the plan sound. This additional requirement will mean the identification of more opportunities for house building. I would ask you to give further consideration to the urban parts of the City, assessing for example any additional opportunities for the redevelopment of land in the Regional Centre

and the rest of Central Salford including Ordsall and Pendleton and the more urban parts of Salford West such as Eccles, Swinton and Pendlebury. Higher densities may also assist, although maybe to a limited extent. Other parts of Salford West may be called upon to contribute to housing requirements, including Worsley and Boothstown. Whether or not you also choose to reconsider the Green Belt land at Hazelhurst is entirely a matter for you.

5. Depending upon the amount of development proposed in these parts of the City, I do not consider that this approach would undermine Policy SF1 Regional Centre which seeks to deliver very high levels of investment and development, strengthening the role of the whole Regional Centre as the major focus for business, retail, leisure, cultural and tourism development in Greater Manchester. Nor need it undermine its intention to secure a very significant expansion of the residential population, with a total net increase of around 10,000 dwellings predominantly in the form of apartments but with some houses in the less central areas. It need not undermine RS Policy RDF1, the cornerstone of the RS, which states that the first priority for growth and development should be the regional centres of Manchester and Liverpool and that the second priority should be the inner areas surrounding these regional centres. Nor should it frustrate the emphasis to be placed on areas in need of regeneration and Housing Market Renewal Areas in particular. These approaches and priorities appear to me to be complementary.

6. Maybe one or more broad locations should be identified with indicative amounts of housing specified for it/them. This would provide a firm basis for clearly demonstrating, in the Core Strategy, provision for 5 years worth of housing and additional sites or broad locations for years 6-10 and, where possible, for years 11-15, in accordance with the Framework paragraph 47. On this point, I note that net housing completions since the start date of the RS have met the annual requirement of 1,600 net completions in only one year, 2007-2008, when 2,468 were achieved. Otherwise, there has been an often substantial shortfall, with only 381, 477, 455 and 148 net completions in 2005-2006, 2009-2010, 2010-2011 and 2011-2012 respectively. Reasons for this may include a shortage of sites attractive to prospective developers and the shortage of mortgage finance. Nevertheless, this appears to me to constitute a persistent under-delivery of housing and this calls for the buffer of 20% to which the aforementioned paragraph 47 refers.

7. I agree that there should be policies concerned with the size of dwellings and the provision of amenity space in residential development (Policies H5 and H6) in that they amplify at the local level the policy in the Framework that good design is indivisible from good planning and should contribute positively to making places better for people. I do, however, think that these policies are somewhat over-prescriptive at present, may thwart much needed housing development and should be re-assessed. Further consultation with the house building industry may assist.

8. Salford will undoubtedly play a major role in the economic growth of the Manchester City Region during the plan period, and appropriate provision should be made for it, including for industrial and warehousing space. I must therefore ask you to reconsider the Economic Development policies. Of particular concern is the emphasis on past trends to suggest the demand for new accommodation, although I note the point in the Core Strategy that it should be possible to deliver around 350,000 sq m of industrial and warehousing space, rather than the 300,000 sq m based upon these trends, during the plan period. It can often be useful to look at past trends, but the Final Report of the Employment Land Review (November 2008) draws attention to, for example, the general need to improve the quality of Salford's industrial supply to meet modern needs and it notes that many of its older estates are unsuited to these needs. I therefore suspect that previous take-up rates have been governed to some extent by

an insufficient amount of sites attractive to prospective developers, and that this emphasis on past trends could deny the City the opportunities for growth which it and its people need. I would suggest a re-assessment of the requirement and a spelling out in the Core Strategy of its implications. Maybe the identification of one or more broad locations for industrial and warehousing floorspace is the way forward.

9. The Core Strategy estimates that there will be a net loss of around 55,000 sq m of industrial and warehousing floorspace during the plan period, and it is upon such losses that the supply of a substantial amount of housing land depends. Such a supply seems to me to be too uncertain. There can be no guarantee that it will come forward in sufficient quantities, even if that were consistent with policies to protect such land, and there can be no guarantee that it will come forward in the right places, at the right time or be suitable in all other respects for housing. I am not convinced about the soundness of the Core Strategy in these respects.

10. It will be for the Council to decide the best way forward. Having regard to the need to avoid abortive costs to the authority, I propose to suspend the Hearings until further notice. There would be little point in continuing with further Hearings before your Council has had an opportunity to address the soundness issues raised. I have come to this conclusion with considerable reluctance, because I realise that you and your team have spent a good deal of time on the Core Strategy so far, and that rightly you want to have it adopted as soon as possible. Unfortunately, a suspension does not guarantee that I will eventually conclude that the submitted plan can be modified to overcome matters of housing, economic development or any other considerations.

11. I should be grateful if you would let me know your intentions as soon as possible, with a programme of key dates during the suspension comparable with that produced by Wigan Council. Should any significant delays occur, please let me know. In the meantime, I will not be undertaking any preliminary drafting of my Report, simply because of the potential impact of modifications regarding housing and employment land supply on the spatial strategy and other policies in general. For the same reason, it would be inappropriate, serving little or no benefit, to publish a partial report or consult on some proposed modifications without taking account of the wider context.

12. I have asked the Programme Officer to furnish all participants at the Hearings with a copy of this letter, and to put it on the Examination webpages.

Yours sincerely

Richard E Hollox

Examination Inspector

APPENDIX E – ANALYSIS OF THE SOUTH HAMPSHIRE STRATEGY’S DOWNWARD HOUSING REVISIONS

1. This note identifies the risk to realising PUSH’s aspirations for economic growth presented by The South Hampshire Strategy (October 2012) and the reduced housing requirement presented therein, which is based on flawed assumptions about the sub regions ability to influence net migration rates.
2. The South Hampshire Strategy incorporates downward revisions to the current targets based on the PUSH Economic Development Strategy Preferred Growth Scenario⁷ published in June 2010. Revised targets for the plan period (2006 to 2011) include the following:
 - GVA compound growth rate of 2.1%, slightly above the baseline position presented of 2%;
 - Employment to grow by 51,200 against the baseline of position of plus 41,300;
 - Population to grow by 133,000 persons against the baseline of plus 145,000
3. It is noteworthy that whereas GVA growth is above (albeit only marginally) the baseline position and employment is 24% above baseline (compared to the current target which is 43% above baseline), *population growth under the Preferred Growth scenario is projected to fall below that of the baseline scenario by 12,000 persons between 2011 and 2026.*

Risks to realising economic growth

4. Below baseline population growth occurs because of a modelling assumption used in the preferred growth scenario. It reduces baseline inward migration to the PUSH area by 2% per annum “as a result of increased resident skills workforce engagement and facilitation of residents into work”⁸.
5. Whilst the assumption is reported to have been agreed by DTZ and the Steering Group that guided development of the PUSH Preferred Growth Scenario, the likelihood that such a policy will achieve the desired results is questionable and risks harming PUSH’s growth aspiration.
6. First and foremost, PUSH cannot directly influence the recruitment practices of locally based and incoming employers.
7. Secondly, given fiscal constraints under the current parliamentary term, it is questionable that the policy can be effectively resourced and delivered. Moreover, even if it can be, there is no guarantee that competing migrant workers will be disadvantaged by it.
8. Thirdly, as Oxford Economics point out “typically, a faster growth scenario will lead to a faster population growth as residents are encouraged to stay to take up the job opportunities and migrants are attracted to the area”⁹
9. Finally, such an approach could have unintended negative consequences. According to Oxford Economics, the population reduction of 12,000 equates to a reduction of 9,700 dwellings by the end of the plan period against their own baseline scenario. This could exacerbate any difficulties employers may have in filling skills gaps by not providing enough accommodation for skilled workers wishing to move into the area. In turn, aspirations for economic growth will be compromised.

⁷ PUSH Economic Development Strategy, DTZ and Oxford Economics, June 2010

⁸ PUSH modelling approach, Oxford Economics, December 2011, page 17

⁹ PUSH modelling approach, Oxford Economics, December 2011, page 22

10. It should be noted that the baseline forecasts produced by Oxford Economics as part of PUSH's strategy review process return a housing requirement of over 84,000 over the plan period¹⁰. Under Policy SH5 of The South East Plan, the plan period requirement is for 80,000 net additional dwellings. Oxford Economics' baseline scenario confirms it as an appropriate minimum requirement.

¹⁰ PUSH modelling approach, Oxford Economics, December 2011, page 23