

Issue 3: HOUSING – GENERAL - Policies CP1, WT1 and SH1

i) **Is the overall number and the locations of new housing consistent with the JCS objectives and realistically deliverable within the plan period, taking into account the SHLAA and the opportunities identified, including in Winchester and other centres?**

1. The overall number of new housing is not consistent with a number of the JCS Spatial Planning Objectives with the most obvious inconsistencies being with objectives under the 'Active Communities' heading whereby the JCS seeks to:
 - Provide a range of housing types and tenures to address the varied need of the District's resident and working population and ensure inclusion for all; and
 - Encourage sustainable transport alternatives that reduce the use of the private car and enable people to live close to where they work or participate in activities.
2. Policy CP1 proposes a level of net new housing provision that falls well short of that which will be required to realise these objectives as Policy CP1's proposed dwelling requirement and will constrain employment growth to about one third of what is required to enable anticipated employment growth within the District. What will be the implications of this in practice? Either the local economy will underperform contrary to the NPPF and the Government's pro growth agenda set out in its recent Ministerial Statement¹, forcing businesses to relocate or will thwart growth due to a lack of labour supply. Or as the economy expands and new jobs are created, employees will be forced to commute from further afield encouraging unsustainable travel patterns. This matter is not simply a case of lines and policies in plans, but will have grave consequences for the District and sub-regional economy and quality of life of its residents.
3. The Government has been very clear that rather than impose development requirements on LPAs it has passed the power to LPAs, to plan responsibly and take full account of their development needs to aid economic growth. By not providing adequate housing the JCS will also force house prices up ensuring that the objective of 'inclusion for all' is not achieved and the LPA will be discouraging the ability of 'people to live close to where they work' and encouraging 'use of the private car'.
4. Therefore, for the reasons set out above, we suggest the following policy text amendments:

"Provision will be made within the District for the provision of ~~about 11,000~~ **at least 14,800** dwellings (net) in the period April 2011 to March 2031, distributed within the three spatial areas as follows:

We consider that in light of the evidenced shortfall of housing requirements, that the LPA must reconsider how the increased housing requirements will be distributed throughout the District therefore we do not propose amended policy wording in this respect.

Justification for a housing requirement of at least 14,800 net dwelling over the plan period

¹ Housing and Growth Ministerial Statement, DCLG (6 September 2012)

5. In our response to Question 1 iv, we make the case for housing requirement of at least 14,800 dwellings. In our response to this Question 3 i, we consider it necessary to explain this evidence further in relation to Policy CP1. Therefore, our response that follows is not a repeat of our statement to Question 1 iv, but an elaboration of what is a critical point regarding the housing provision in Policy CP1.
6. Employment growth both within Winchester District and the wider sub region is a key driver for housing demand. The District's ability to accommodate new housing will support its aspiration to achieve economic growth over the plan period.
7. Such aspirations are clearly established under the JCS Prosperous Economy Core Policy. Prosperous Economy summarises an updated evidence base which includes recent estimates for employment growth of 9,270 jobs between 2009 and 2031.
8. Furthermore the JCS acknowledges that Partnership for Urban South Hampshire (PUSH) will be responsible for the development and implementation of the sub-regional economic strategy. Winchester's contribution to Policy 6 (employment) of the recently adopted South Hampshire Strategy amounts to 90,000 sq m of net additional office by 2026, which translates into an estimated 7,200 gross jobs.
9. The contribution of new housing to economic growth is fundamental and of equal importance is the positive impact of migrant workers who will move into Winchester (subject to the availability of housing) in order to take up new employment positions, over and above those that will be filled by the existing population.
10. The latest government population projections for Winchester (published in 2011) show that over the plan period, the working age population will decline by over 3,000 persons and at the same time, the local population aged over retirement age will increase by over 12,000.
11. The increasing dependency ratio has implications for Winchester in respect of the provision and resourcing of care and services to the elderly. Moreover, it will inevitably impact upon labour supply and consumer expenditure. In turn, this will result in labour shortages and stifle business growth within Winchester's business base, particularly for those businesses that trade predominately within a local market. If the labour force is not available, business and economic growth simply cannot occur.
12. It is clear that by *not* providing sufficiently for housing growth, the JCS will stifle local economic growth, do great damage to local businesses, undermine the viability of key settlements and inhibit economic growth across the wider sub region.

A scenario for growth

13. In order to assist the Inspector and demonstrate the impact of under providing for new housing development over the plan period, the impact on labour force and jobs growth of JCS Policy CP1 housing requirement has been modelled and compared to an alternative scenario that is based on the anticipated plan period job growth referred to above and cited in JCS paragraph 6.10 (pre-submission version, January 2012).
14. Both scenarios have been developed using POPGROUP, a demographic model developed to forecast population, households and the labour force. It uses standard demographic methods of

cohort component projections, household headship rates and economic activity rates. Its flexibility allows integration of official statistics and both scenarios make use of the latest ONS population projections that cover the plan period.

15. Using POPGROUP it is possible to develop demographic forecasts that reflect the impact of policy led economic and housing growth over the forecasting period. In turn the associated housing requirement and employment implications can be calculated².
16. **The results (see Appendix A) demonstrate that provision of 11,000 net new dwellings proposed by Policy will only enable one third (2,800) of the anticipated plan period employment growth and therefore actually serve to severely inhibit economic growth.**
17. The aspirations for economic growth in Winchester are clearly presented in section 6, 'Prosperous Economy' of JCS. Quite correctly, it identifies that generating sustainable economic growth is a key priority for the district and that the local economy remains competitive and provides employment opportunities.
18. Specifically, JCS identifies that business services, including knowledge and creative industries will be a key driver of employment growth. At the same time, employment in public administration and manufacturing is expected to decline. Accordingly, the challenge for Winchester is not just to grow employment, but to support a rebalancing of the economy in favour of sectors that have appreciable growth potential.
19. In responding to this challenge, the JCS identifies a need for 15.7 ha of further employment land over the plan period in order to accommodate anticipated net employment change of 9,270 jobs between 2009 and 2031³. That is about 420 jobs per annum and net job growth of 8,400 over the plan period.
20. **In order to realise the anticipated level of employment growth, provision will need to be made for a minimum of 14,800 net new dwellings within the District over the plan period.** The provision of an additional 14,800 homes will enable the working age population and labour force to increase by 7,700 and 7,200 respectively. Such growth will be fundamental to realising JCS objectives to retain sustainable mixed communities⁴ and viable settlements⁵.
21. In contrast, the provision of 11,000 dwellings will only support a growth in the working age population of 2,100, the labour force of 2,400 and employment of 2,800 jobs. Under such a scenario of insipid growth, the District will not realise its growth aspirations, will not provide the labour force required to serve an ageing population and it will undermine the JCS vision and the Active Communities and Prosperous Economy core policies.
22. In addition, under a housing requirement of about 11,000 over the plan period the District will undermine the South Hampshire Strategy, which seeks to provide for 90,000 sq m of net additional

² More information about POPGROUP can be found at <http://www.ccsr.ac.uk/popgroup/index.html>.

³ Page 82 Para 6.10 and Page 83 Para 6.14 WDLP Part 1 JCS

⁴ Page 17 Para 2.4 WDLP Part 1 JCS

⁵ Page 24 Para 2.34 WDLP Part 1 JCS

office floorspace within Winchester between 2011 and 2026, to support approximately 7,200 gross jobs⁶.

Comparing POPGROUP and the Chelmer Population and Housing Model results

23. The POPGROUP scenarios were modelled as alternatives to the Chelmer Model scenarios presented in Barton Willmore’s Open House Report; Winchester District Wide Housing Assessment. The decision to run an alternative model was taken in order to objectively test and validate, or otherwise, the Chelmer Model results.
24. Both POPGROUP and Chelmer use standard demographic methods of cohort component projections. Both alter migration flows in order to meet either dwelling or job constraint for a given year, adding to or subtracting from the population accordingly.
25. Whilst the Chelmer scenarios are based on the 2008 based household projections produced by CLG, the POPGROUP scenarios use the more recent 2010 based population projections produced by ONS and applies the same headship rates. Further differences in the way that job growth is converted into labour force and population growth are explained below.
26. **The jobs led scenario produced using the POPGROUP model returns a housing requirement of 14,800 over the plan period and an annual requirement of 740**, slightly above the equivalent Chelmer Model scenario (economic led) which presents a plan period housing requirement of 14,500 and an annual requirement of 720. The results confirm the key finding of the Open House report - **that the proposed JCS housing requirement is too low to enable anticipated economic growth within the District.**
27. A final step in the process of testing the Chelmer Model results presented in Barton Willmore’s Open House report has been 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. A comparison of the results of all three scenarios is set out in the table below. Please see **Appendix A and B** for a fuller breakdown of the POPGROUP and rebased Chelmer scenario results referred to above.

Comparison of POPGROUP and Chelmer jobs growth scenario results (rounded) for the period 2011 to 2031

Employment led growth scenario	Population	Labour force	Dwellings
POPGROUP: 8,400 jobs	+25,000	+7,200	+14,800 +740 per annum
Chelmer: 8,750 jobs	+30,300	+8,700	+14,500 +720 per annum
Chelmer: 8750 jobs (2011 rebased to 2011 Census results)	+33,300	+8,700	+14,800 +740 per annum

⁶ Assumed floor space figure is gross so factor of 0.8 applied to estimate lettable space and 10sq m per FTE (business park standard, HCA Density Guide 2nd edition)

Further information on how POPGROUP and Chelmer work

28. For both models, the population is subject to age specific fertility and mortality rates. Accordingly, changes in migration in one year impact upon the number of births and deaths in subsequent years. The use of jobs constraint in each year matches the size of the local labour force to that of the level of resident employment that corresponds to the number of jobs being added (or taken away). It does this by adjusting migration.
29. In the Chelmer model, there is a one to one relationship between Winchester's resident employment and Winchester's workforce jobs. This is also known as a commuting ratio of 1.0. As such, the Chelmer projection increases the labour force by the number net new workforce jobs added each year.
30. In the POPGROUP model, the commuting ratio is derived from the 2001 census and is less than one (0.83). A net increase of 5 workforce jobs results in an increase in resident employment of 4. Because the POPGROUP model assumes an unemployment rate of 2.3% over the plan period, the labour force is comprised of 97.3% employed and economically active residents plus 2.3% unemployed and economically active residents.
31. As such every time resident employment increases by 1, the labour force increases by a fraction above 1. This is only appreciable and relevant once the increase in employment is above 100. Accordingly, an increase in Winchester's workplace jobs of 8,400 results in an increase in the labour force of about 7,200.
32. In conclusion, the overall number of new homes proposed in JCS falls well short of the number required to enable anticipated economic growth. The proposed requirement of 11,000, if approved, would have grave consequences for the District, the sub regional economy and quality of life of its residents. The local economy will underperform, the viability of key settlements will be undermined and unsustainable travel patterns will be encouraged. This would be both contrary to national policy and wholly undesirable. Our analysis, which has involved housing requirement assessments using two separate and well regarded demographic forecasting models, as well as further refinement through application of 2011 census data confirms that a housing requirement of at least 14,800 is necessary to enable anticipated employment growth and ensure that the District benefits from sustainable economic growth over the next 20 years.
33. **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 - POPGROUP SCENARIO RESULTS

Winchester JCS 550 dwellings based							
Summary of Population estimates/forecasts							
	11,000 dwellings 2011-2031						
	2011	2016	2021	2026	2031	2011 - 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+	3,449	4,080	4,960	5,980	7,696	+4,200	
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	47,165	49,915	52,665	55,415	58,165	+11,000	
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	66,475	67,642	67,873	68,502	69,325	+2,800	
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

Winchester JCS 420 JOBS based							
Summary of Population estimates/forecasts			8,400 jobs	2011-2031			
	2011	2016	2021	2026	2031	2011 - 2031	
0-4	6,618	6,852	6,520	6,307	6,141	-500	
5-10	7,968	8,966	9,464	9,037	8,678	+700	
11-15	7,172	7,240	8,143	8,730	8,339	+1,200	
16-17	3,400	3,009	3,242	3,561	3,744	+300	
18-59Female, 64Male	64,190	66,480	68,541	70,205	71,925	+7,700	
60/65 -74	14,837	16,921	17,725	18,767	20,528	+5,700	
75-84	7,259	7,840	9,529	11,705	12,099	+4,800	
85+	<u>3,462</u>	<u>4,271</u>	<u>5,095</u>	<u>6,222</u>	<u>8,080</u>	<u>+4,600</u>	
Total	114,907	121,580	128,260	134,535	139,535	+24,600	
Dependency ratio	127%	121%	115%	109%	106%		
	2011	2016	2021	2026	2031		
Population impact of constraint							
Number of persons (cummulative)	+756	+5,046	+9,145	+12,290	+14,667	+41,900	
Households							
Number of Households	46,151	50,130	53,138	56,870	60,556	+14,400	
Cummulative change	+590	+3,978	+6,987	+10,719	+14,405	+720	per annum
Number of Dwellings	<u>47,405</u>	<u>50,677</u>	<u>54,582</u>	<u>58,415</u>	<u>62,201</u>	<u>+14,800</u>	
Cummulative change	+606	+3,271	+7,177	+11,010	+14,796	+740	per annum
Labour Force							
Number of Labour Force	57,200	58,993	60,786	62,580	64,373	+7,200	
Cummulative change	+359	+1,793	+3,587	+5,380	+7,173	+360	per annum
Number of Jobs	<u>66,981</u>	<u>69,081</u>	<u>71,181</u>	<u>73,281</u>	<u>75,381</u>	<u>+8,400</u>	
Cummulative change	+420	+2,100	+4,200	+6,300	+8,400	+420	per annum
						Annual average net migration	+1,200 per annum

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APPENDIX B - 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	