

Weymouth and Portland & West Dorset Councils Objectively Assessed Housing Need

Informal Working Meetings relating to the calculation of housing need in the plan area

Introduction to the meetings and the Councils rationale

- 1.1 The Council has received a number of representations concerning the housing target in the emerging development plan.
- 1.2 Three of these representations provided detailed alternative assessments of housing need for the plan area. These three assessments, undertaken by Pegasus, Turley and Nexus, differ from each other in technical approach and assumptions. They also differ from the assessment provided by PBA & HDH to the Councils.
- 1.3 Learning from other recent Examinations in Public, the Councils offered an informal technical meeting between the Councils consultants and the three main (technical) objectors.
- 1.4 When deciding to offer such a meeting the Councils were aware of the Cheshire East Pre-Examination meeting held on the 24th July. At that meeting the Inspector expressed his disappointment that the Council had not sought to reach some technical understanding relating to the differing assessments of housing need prior to the examination.
- 1.5 While the number of objections and associated technical evidence relating to the Cheshire East Plan far exceeds that received in this plan area, the Council still considered that hosting a similar type of meeting could be helpful.
- 1.6 The meeting was hosted by the Councils in Dorchester on the 14th October 2014.
- 1.7 For this meeting the Council offered attendance from:
 - PBA (Part 1 of the SHMA dealing with OAN)
 - HDH (Part 2 of the SHMA focusing on affordable housing needs) and
 - John Hollis (expert demographer working for the Councils with PBA¹).
- 1.8 The invitation to this meeting is attached at Appendix A to this note.
- 1.9 Because of the short notice available to programme the meeting prior to the Examination, one of the parties (Pegasus Planning) was unable to attend the 14th October meeting. Recognising the limited time available to all parties PBA offered to host a second meeting between Pegasus and PBA in their London office . This was held on 20th October.

¹ Following a detailed review of the representations and likely agenda John Hollis did not attend in person but was available by telephone and to follow up any detailed queries.

- 1.10 The rest of this note summarises the outcome of these two meetings; including noting any areas of technical agreement, disagreement or on occasion undisputed fact.
- 1.11 The note does not seek to elaborate on these disagreements, make the case for alternative approaches nor justify why approaches may differ. Doing so as part of a note, which is informed by multiple parties, would be complex and unlikely to be achievable in the limited time available. It also runs the risk of duplicating hearing statements or evidence already made through earlier representations. Where necessary participants have referred to the matters of agreement and disagreement in their respective Hearing Statements. Pegasus has a number of detailed reservations and these are set out in more detail in an Appendix to their Hearing Statement under Matter 3.
- 1.12 In line with the NPPF (Paragraph 159), noticeably the requirement to plan for housing needs for the HMA as a whole, the meeting did not discuss the policy distribution of housing requirements between the two districts. A number of objections relate to the distribution of land for new housing between the two Council areas to meet these requirements. PBA's opinion is that this distribution is primarily a policy matter, although informed by the evidence, and so was not discussed at this technical meeting.

Further information requested from participants

- 1.13 Following the issue of the invitation, PBA telephoned the three parties to informally scope the agenda and to clarify what, if any, additional data could helpfully be provided to assist the meeting and hearing statements.
- 1.14 In response PBA have issued a spreadsheet of additional detailed data used in the Councils modelling (CD/SUS11). Further data from Experian has also been circulated (CD/SUS11).
- 1.15 In return the Council have requested similar data from the objectors to help inform the preparation of examination statements. This includes data concerning population, migration, unemployment, economic activity rates and other demographic variables commonly used in economic models.
- 1.16 However, Pegasus was unable to provide similar data.

Main areas of disagreement

- 1.17 **Following the two informal meetings the parties agree that the main areas of disagreement outstanding are:**

- A) The level of new jobs to be expected in the area*
 - B) The extent to which the area needs to plan for increased migration (over and above that proposed) to secure new jobs*
 - C) Whether the Council have fully considered 'market signals' in the assessment of housing need; including whether any adjustment is required to reflect former Structure Plan policies*
- 1.18 **There are two more minor areas of technical disagreement**
- D) The Councils use of 'blended' headship rates compared to the alternative approach suggested by Pegasus*
 - E) Whether the allowance for second homes and vacant properties should be calculated from council tax data, census data or the mixed approach adopted by PBA*
- 1.19 Nexus, Turley and PBA agree that the use of one assumption over another makes little material difference. However Pegasus note that although the differences are small they may be cumulatively significant.

2 MEETING NOTES

Introduction

- 2.1 Both meetings followed an identical agenda. The text below outlines what was discussed and the agreed final wording. Areas which could be agreed (or disagreed as appropriate) are noted.

Objectives of the meeting

- a. To narrow the areas of potential disagreement regarding the assessment of housing need in the Plan area
- b. To help the Inspector, the Council and objectors to focus the EiP and further statements only on areas of material difference in approach
- c. Summary notes of the meeting will be made available to the Inspector and placed into the EiP library.

[Agreed by all]

Agree the OAN starting point & Headship Rate Assumptions

- a. The most recent ONS population projections are the 2012-based projections

[Agreed by all]

- b. These are not yet translated into households by CLG, but have been translated using PBA 'Blended HRRs'.
- c. Turley and Nexus agree this is a reasonable approach. It differs slightly from the approach adopted by Turley (who use average 2008 and 2011 HHRs); but the difference is not material.
- d. Pegasus suggest the 'blending' should commence earlier than other parties. But agree this makes little material difference.
- e. The application of PBA's approach implies 554 dpa for the Plan area.

Note - Pegasus disagree with the 'starting point' being the SNPP 2012 projections. They suggest the 'starting point' should be 670dpa

The approach to HRR's is therefore a MINOR AREA OF TECHNICAL DISAGREEMENT 'D'

Agree the past

For population the analysis suggests:

- a. Natural change is almost always negative

- b. Population growth is driven almost entirely by inward migration
- c. Net migration fell in the recession, especially for those of working age. (See PBA components of change and table 3.2 of PBA report).

[Agreed by all]

For jobs:

- d. The area grew total jobs in the past – 10 years (01-11):
 - a. Total jobs grew by 9,720 (Experian)
 - b. Experian data shows Full Time Equivalents (FTE) grew by 4,250
 - i. So some of these net new jobs were part time

[Agreed by all]

For labour market balance.

- e. The Census shows that the HMA moved from a labour market imbalance (2001) – where more people commuted out than in – to broadly nil net commuting (2011). So at 2011 the labour market was broadly balanced.
 - a. Although the HMA labour market is broadly balanced, there are strong commuting flows between the two districts;
 - b. More residents commute out of Weymouth & Portland to West Dorset than the other way.
 - c. There are also gross flows between the HMA and neighbours
- f. Changes in commuting patterns (since 2001) could have supported past job growth in the HMA; or at least reduced outward commuting.

[Agreed by All]

- **Note PBA agreed to provide 2011 Census commuting tables and these are now in the EiP library (CD/SUS11).**

Households to Dwellings

- a. There are two approaches to conversion used in the PBA reports –Census and Council Tax

The difference between the two is very small and so unlikely to be material. Nexus and Turley agree the difference is minimal but Pegasus considers that Council tax records should not be used to identify vacant and second homes. This is therefore a **MINOR AREA OF TECHNICAL DISAGREEMENT 'E'**

Migration profiles

- a. The PBA 01-07 projection uses the profile of migration from the 01-07 period. This profile assumes a slightly younger migration profile than used by others. .
- b. Objectors use 07-12 profiles (06-11 for Turley). This profile is slightly older than that used by the Council.
- c. The end result is that for any given number of jobs more new homes are needed using the objectors assumptions than the Councils.

All parties agree that the use of different profiles makes a difference to the number of new homes needed to support a given number of jobs. But disagree on the competing merits of the two approaches – NOTE AREA OF DISAGREEMENT 'B'

Market signals and previous housing targets

The Former Structure Plan

- a. The structure plan ran from 1994 – 2011
- b. It provided for net 247 dpa for Weymouth & Portland and 529 dpa for West Dorset (776) and 276 dpa & 559 dpa gross (835)

Gross past delivery compared to Structure Plan

- c. Over the life of the Structure Plan the HMA delivered 91% of the Structure Plan target
 - a. i.e. between 1994 – 2011.
- d. By district most of the Structure Plan deficit was related to West Dorset
 - a. Weymouth & Portland broadly met the structure plan - 97%
 - b. West Dorset - 89%
- e. Before 2006/7 97% of the Structure Plan target was met
 - a. So the majority of the Structure Plan shortfall occurred since the 'credit crunch' (2007)
- f. Over the period used by the Council to project their trend (01-07) the SP target was slightly exceeded

Past delivery compared to the 775 Target

- a. The proposed target of 775 dpa is higher than past delivery in a reasonably long-term past (2001-11 or 2001-14, it makes no difference).
- b. But 775 dpa is slightly lower than past delivery in 2001-07

[Agreed by all as fact]

'Uplift' and Market Signals

- c. The Council should not plan only to use the most recent demographic projections and an uplift compared to ONS 2012 is warranted **[Agreed by All]**

But there is disagreement about the scale and scope of this uplift –whether the Council have fully considered 'market signals' in the assessment of housing need, including whether any adjustment is required to reflect former Structure Plan policies NOTE AREA OF DISAGREEMENT 'C'

Economic activity rates

- a. The ONS no longer provide projections of future economic activity rates (post 2021)
- b. In the absence of official projections both PBA and Turley have made allowances in their modelling work for changing future economic activity rates including adjustments related to increases in state retirement ages.
- c. Nexus and Pegasus have made no changes to economic activity rates.

[Agreed as fact]

Employment forecasts

- a. All parties have agreed to share their economic forecasts as a matter of urgency
 - a. PBA have provided the baseline data used in their Summer 2014 report.
 - b. PBA have also provided additional work undertaken by Experian following representations
 - c. Further, PBA provided a detailed breakdown of how the Experian model sources its future labour force demonstrating how the model makes a number of relevant demographic assumptions.
- b. Similar data is awaited from Nexus (Oxford) and Cambridge (Pegasus). Turleys use Experian (so additional forecast data is not required).

The level of new jobs to be expected in the area is therefore AREA OF DISAGREEMENT 'A'

AOB

- 2.2 No further issues were raised.

- 2.3 Simon Drummond Hay (HDH) was available on the 14th October to answer queries regarding the affordable housing. No issues of note were raised or additional information requested.

APPENDIX A

West Dorset, Weymouth & Portland Local Plan - invitation to meeting to discuss OAN

Invitation sent to Nexus Planning, Turley and Pegasus

Dear xxx

To save time at the EiP discussing technical matters related to demography, projections and estimates of affordable housing need, the Councils team including consultants PBA and HDH will be available to meet with you or a representative at 1pm on the 14th October 2014 at West Dorset District Council Offices, South Walks House, Dorchester. You are invited because you made detailed representations on the calculation of OAN in the plan area; including suggesting an alternative range. We appreciate the relatively short-notice of this invite, however after reviewing your response to the recent consultation we are keen to discuss the matters with you and hope you or a representative will be able to attend.

The objective of the meeting will be to agree any technical common ground as it relates to the estimate of housing need.

As a guide the meeting this is likely to cover the main variables including:

- a. Headship rate assumptions
- b. Choice of migration assumptions
- c. Economic activity rate assumptions
- d. Econometric projections
- e. Market signals
- f. Calculation of affordable need
- g. Any other technical points raised by parties – (in advance please)

From our review of comments so far the main area of disagreement appears to relate to the potential job creation numbers and related economic activity rate assumptions. PBA are preparing some of the additional data requested by those responding; including further details relating to economic activity by age, net commuting and the Experian sector breakdown. However to help we would appreciate it if any parties could provide similar data related to their alternative scenarios.

If common ground cannot be reached then the objective will be to clearly identify those areas of technical disagreement which the Inspector may wish to examine in more detail at the sessions. i.e. to narrow the reason why parties may suggest a higher OAN for the area.

This meeting will not preclude any party raising issues as part of the EiP if they so wish. Only to help guide the EiP if possible.

Please could you confirm your attendance at the meeting by Friday 10th October