

PAPER A - WILTSHIRE HOUSING REQUIREMENT

1.0 Introduction

- 1.1 This paper sets out the proposed methodology to determine Wiltshire's future housing requirements over the plan period 2006-2026. It also identifies the requirement to be used in the review of South Wiltshire Core Strategy. These figures have been generated in response to the announcement on 27 May by the Secretary of State for the Department for Communities and Local Government (DCLG) confirming the Coalition Government's intention to "rapidly abolish Regional Strategies (RS)".
- 1.2 This intention to revoke Regional Strategies (RS) will mean that "*Local Planning Authorities will be responsible for establishing the right level of local housing provision in their area, and identifying a long-term supply of housing land without the burden of regional targets.*"
- 1.3 Guidance issued by DCLG requires Local Authorities to justify future housing requirements and to ensure that such requirements can be defended during the LDF examination process.
- 1.4 In developing a housing requirement for Wiltshire it is critical that the process is transparent and that local people are able to understand the process.
- 1.5 Striking the balance between meeting the Wiltshire-wide housing requirement to enable Wiltshire's communities to be more sustainable and enabling communities to understand and be more involved in the development of a local housing requirement will be central to arriving at an appropriate level of supply for Wiltshire and its community areas. While the strategic needs of Wiltshire should be met it must be recognised that the community appetite for growth might not always align with this, both in numbers and locations where growth is supported.
- 1.6 In order to meet this challenge, targeted consultation with representatives of local communities will need to be undertaken to help develop our understanding of the appetite for growth. This information, together with other evidence, will help inform appropriate distributions of housing for each community area that can then be balanced against an initial Wiltshire wide range. In the case of South Wiltshire, extensive consultation has already been undertaken and the results considered in the development of an appropriate requirement for that part of the area. The relationship between the South Wiltshire Core Strategy and Wiltshire Core Strategy is outlined below.

Wiltshire 2026 Consultation

- 1.7 In Wiltshire, two separate Core Strategies are being progressed; one for South Wiltshire and another for the whole of Wiltshire. The South Wiltshire Core Strategy is well advanced and its completion will enable new housing sites to be identified before the Wiltshire Core Strategy is in place and a 5 year housing land supply to be maintained. The South Wiltshire Core Strategy will be subsumed into the Wiltshire Core Strategy.
- 1.8 It is important to recognise that we are not starting from a blank sheet. Significant consultation has already been undertaken, and evidence collated, by the former district councils and Wiltshire Council to determine how future housing growth could be accommodated in Wiltshire. This should be used as a basis to develop Wiltshire's

housing requirements with the aim to achieve greater consensus with local communities.

- 1.9 Wiltshire Council undertook a public consultation from October until December 2009 on the document Wiltshire 2026: *Planning for Wiltshire's Future*. This document, although based on housing targets identified in the draft RSS Proposed Changes version (see **Appendix 1**), proposed a distribution of development for the county (excluding South Wiltshire¹) at both town and community area level.
- 1.10 Analysis of the consultation responses demonstrate clear dividing lines in terms of the support, or otherwise, for growth proposals by local communities. These can be categorised into three types. The first being 'generally opposed' to the proposals presented. The second, 'supportive with concerns' and the third, 'generally supportive' of the proposals presented. The detailed comments received provide a useful indication as to the aspirations of residents throughout the county. A broad summary is provided in the box below.

<i>Wiltshire 2026 Consultation - Summary of Responses</i>
<ul style="list-style-type: none"> • The housing targets contained within the RSS were criticised by some and in some cases led to demands for the Council to 'stand up' for Wiltshire and recognise the unique rural character and dispersed settlement pattern of the county. • There was criticism that no justification for the scale of growth proposed was provided. Residents did not understand why housing was needed. • General support for an approach based on a settlement hierarchy when planning at the strategic level. • General support for directing most development towards strategic centres and market towns, although there was criticism that the method of allocation (or distribution) was too rigid and prevented natural, incremental growth of settlements, particularly in rural areas. • Development generally regarded as acceptable where it helps to improve the self-containment of a settlement. • Considered the lack of flexibility will exacerbate affordability issues, especially in rural areas.

- 1.11 Wiltshire Council submitted the South Wiltshire Core Strategy Proposed Submission Development Plan Document to the Secretary of State for independent examination in November 2009. This document set out the strategy for the delivery of growth for the next 20 years to 2026. The Issues and Options South Wiltshire Core Strategy was subject to statutory consultation in July 2007, as well as prior to submission.

South Wiltshire Core Strategy
Summary of Responses
<ul style="list-style-type: none"> • Support for the concentration of development at Salisbury; • No evidence to justify the need to provide the scale of housing proposed; • Significant concerns regarding the ability of South Wiltshire to deliver the scale of housing proposed; • Salisbury has significant environmental constraints which restrict the scale and distribution of development; • Significant concern that the existing infrastructure will not be able to support

¹ A Core Strategy has been prepared for South Wiltshire, which included a separate consultation with communities.
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| proposed development levels; and,
• The proposed scale of employment land is unrealistic. |
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1.12 In light of the Government's announcement to abolish RSS, the Inspector agreed to suspend the Examination in order for Wiltshire Council to review the housing and employment figures within the submitted Core Strategy. This has been undertaken as part of this comprehensive review of housing and employment requirements for Wiltshire as a whole. Given the difference between the level of housing required and considered appropriate through this paper and that in the previously emerging RSS, it is considered that some focused changes to the draft Core Strategy will be appropriate.

2.0 Identifying Wiltshire's Strategic Housing Requirement

2.1 Existing housing requirements for Wiltshire are set down by the adopted Wiltshire and Swindon Structure Plan 2016 and the draft south west RSS, both are intended to be revoked through the Localism Bill. These are set out in **Appendix 1** for information.

2.2 There are a number of drivers and constraints that need to be understood and used to determine the new strategic housing requirement and distribution for Wiltshire. These are described below.

Drivers:

- (i) *Population growth* - Population growth and smaller household sizes place increasing pressures and demand for additional housing.
- (ii) *Economy* - Delivering higher levels of housing will support the economy in three ways. Firstly, additional housing will provide for a working age population that will attract employers to the area (or result in business start-ups). Secondly, the construction industry is a key employment sector that will be supported by the delivery of housing. Finally, additional housing will provide for a greater population with a corresponding increase in the disposable income of the area, which will support the local economy and vitality of town centres.
- (iii) *Housing need* - Affordability is more acute within Wiltshire than the national average. The primary solution to tackling the affordability problem is to ensure an appropriate supply of housing as well as the provision of affordable housing, most of which is expected to be delivered through private sector housing developments with nil/lower levels of public subsidy.
- (iv) *Vacant and second homes* - The ability to bring empty homes back into circulation will help to reduce pressures for new additional housing. While an element of empty properties is required to provide for natural turnover, long-term vacancy should be addressed. An allowance for second homes will need to be factored into future housing projections by providing additional homes to cater for this demand.
- (v) *Military changes* – The development of the Salisbury Plain super garrison will impact upon dwelling requirements within Wiltshire, especially as military personnel will increase and will be stationed in one place for a longer period. This will result in military personnel being more inclined to access the civilian housing stock, creating additional demand for housing.

Constraints:

- (i) *Market Factors* - As the local planning authority, Wiltshire Council can encourage and enable sustainable development. However, development is driven by market factors which are based on judgements of their financial viability. Therefore it is unlikely that housing delivery will exceed certain thresholds. The Council must therefore plan for realistic rates of delivery taking into account historic trends, economic circumstances and the ability of developers to bring sites forward (particularly given the reduced access to lending). It is considered appropriate to use historic rates of delivery during the buoyant market from 2001 to 2008 as providing a reasonable parameter for delivery across Wiltshire.
 - (ii) *Infrastructure* - In order to accommodate additional housing, current infrastructure needs, as well as those likely to arise through the delivery of additional housing, will need to be identified. This constraint will be considered when developing the distributions of the strategic growth requirement, at which point it will be possible to assess the local impact on infrastructure. This will need to be considered and addressed through the Infrastructure Delivery Plan and Core Strategy to ensure the deliverability of policy.
- 2.3 A balance needs to be struck between these constraints and drivers while taking into consideration the need to promote sustainable development in line with the Community Plan and objectives of the emerging Wiltshire Core Strategy (broadly supported through the Wiltshire 2026 consultation), which is both a driver and constraint. Future housing growth should therefore contribute to: supporting the self containment of settlements; helping address housing needs across Wiltshire; creating an economy that is flexible, adaptive and competitive; and safeguarding the natural and historic environment where possible by ensuring the impacts of development are capable of mitigation.

Development of Initial Range

- 2.4 Using some of the drivers, a number of projections have been undertaken to identify an initial range for consideration, as follows:
- (a) *A natural change projection*: This assumes that no migration will occur from 2009 onwards over the plan period. It provides a baseline projection demonstrating the needs of Wiltshire's current population alone, with an allowance for births. It is unrealistic, as we live in a free market and so there will inevitably be migration flows to areas with a high quality of life or economic prospects. However, it is used to demonstrate the resident need alone.
 - (b) *Population-led projection*: This assumes that recent trends in migration, fertility and mortality will persist for the remainder of the period. It provides the most realistic forecast of growth subject to external factors (such as dwelling delivery and economic factors). It assumes the status quo and does not necessarily take into account the effects that policy will determine (as indicated in paragraph 2.3 above).
 - (c) *An employment-led projection*: This assumes that the projected employment growth in Wiltshire will be delivered, and that the working population will grow to meet this, with the current propensity to out-commute being maintained. The projected employment growth is based on Local Economy Forecasting Model generated by Cambridge Econometrics.

- (d) *A job-alignment projection*: This assumes that the projected employment growth in Wiltshire will be delivered, and that the working population will grow to meet this, but that current out-commuters will change jobs (or at least relocate) to fulfil one of the newly arising job opportunities in Wiltshire. In effect, it results in a zero net-commuting scenario.

The outputs from these projections are presented in Table 1.

Table 1: Projection Results

	Difference 2006 - 2026		
	<i>Population</i>	<i>Households¹</i>	<i>Dwellings²</i>
<i>(a) Natural Change from 2009</i>	32,800	19,600	19,200
<i>(b) Population led</i>	65,500	42,700	43,200
<i>(c) Economic led</i>	96,600	56,800	57,800
<i>(d) Job alignment led</i>	44,600	35,800	35,900

¹A household is defined to be either a person living alone or a group of people living together with common housekeeping.

²A dwelling is defined to be a self-contained unit of accommodation other than in a communal establishment. Dwellings can be vacant or occupied for only part of the year. These are calculated as the remainder of the dwelling growth from 2001 to 2026, once completions from 2001 to 2006 are discounted.

- 2.5 In an open market economy a natural change projection is unrealistic as migration will occur. This is presented for illustrative purposes to indicate the need arising from the existing population and should be discounted as a policy aspiration. This leaves a range of **35,900** to **57,800** for consideration. This base range does not represent the housing requirement for Wiltshire rather it identifies a range for further refinement.

Refining the Range

- 2.6 In refining the range, we need to consider the constraints as well as drivers. In particular there are two fundamental influences in Wiltshire that enable a more realistic range of housing requirements to be developed:
- (i) Economy - the development of an economy that is fit for the future (as emphasised in the Community Plan); and
 - (ii) Deliverability - ensuring that what is planned for is actually deliverable.

Economy

- 2.7 A healthy economy requires the provision of a sufficient number of economically active people to encourage economic investment in Wiltshire. If too small there won't be available employees for new employers and employment growth, if too large employment needs will have to be met by further out commuting. Wiltshire requires enough of a workforce buffer to ensure the availability of a workforce to attract future employment investment but not so much to drive up levels of out commuting and unemployment.

- 2.8 Delivery towards the bottom end of the projections (35,900, projection (d)) assumes that the number of employed residents will match the proposed number of jobs, with an allowance for double-jobbing (5%). This also allows for a workforce buffer, consisting of the unemployed, based on the relatively low levels of unemployment in 2001 (8,800 unemployed). It should be recognised that the buffer will increase through the reduction in public sector employment (both within Wiltshire and Wiltshire residents that out commute) for which no specific allowance is provided for in the projections.
- 2.9 Conversely delivery towards the top end (57,800, projection (c)) would mean an additional 26,200 residential workers who could support new employment delivery. However, this would require the timely delivery of significant new employment opportunities² within Wiltshire in order not to exacerbate levels of out commuting.
- 2.10 It is therefore a matter of aspiring to reducing the commuting flows whilst providing for future investment in employment. As such, it is recommended to plan for housing within but not at either end of the range.

Deliverability

- 2.11 Delivery rates achieved through the recent buoyant market (2001 to 2008), at an average of around 2,106 net additional dwellings per annum, provide an indication of what level of housing can be achieved within Wiltshire. Over a 20 year period, this equates to around 42,100, over 20% in excess of existing Structure Plan requirements and as such represents a challenging target. By comparison, since the downturn (2008 to 2010) this has fallen to an average of 1,750 net additional dwellings (which would equate to 35,000 dwellings over 20 years).
- 2.12 Given the current market conditions and need to identify a deliverable target, while taking into account economic considerations, it is appropriate to set the upper level of the housing requirement to be consistent with historic rates (42,100). However, it is recognised that the population-led (b) projection identifies a need for some 43,200 dwellings over the plan period 2006-2026, broadly consistent with historic rates. As such, the range for consideration should be increased to 43,200, with the lower end remaining at 35,900. This increase, also allows for the impact of the military on the civilian stock.

Testing the Range

- 2.13 Three delivery scenarios have been used to further test the implications of taking a different point across the range:
- *Scenario 1*: Limited delivery of 35,900 dwellings.
 - *Scenario 2*: A mid-range scenario of 39,000 dwellings.
 - *Scenario 3*: Challenging delivery of 43,200 dwellings.

² Employment projections involve the extrapolation of short term (rather than longer term trends) that can be optimistic and should therefore not be solely relied on to determine housing requirements.

Table 2: Scenario Testing

	Scenario 1	Scenario 2	Scenario 3
	Limited delivery scenario	Mid-range scenario	Challenging delivery scenario
Dwelling increase which equates to:	35,800	39,000	43,200
(i) Population increase	46,600	52,900	61,300
(ii) Household increase	34,500	37,500	41,600
(ii) Workforce increase	-1,600	2,500	7,900
(iii) Jobs increase*	-1,900 to 23,400	1,800 to 27,500	6,700 to 33,000

*Lower end of 'job increase' range based on assumption that commuting levels continue. The levels of job increase above the lower end will depend on how many economically active are able to meet their workplace requirements in Wiltshire, for example, existing out commuters changing their workplace to Wiltshire.

2.14 The following key considerations can be drawn from the table:

- The limited delivery scenario would not provide the workforce increase to support the current number of jobs in the county, if existing commuting flows are maintained;
- Increasing delivery towards the upper end (provided that delivery is in appropriate locations) will have a more positive effect on improving the attractiveness of Wiltshire to employment investors, who are looking for an available workforce, supporting the economy of Wiltshire. This in turn may help provide alternative local job opportunities for those out-commuting;
- Delivery towards the top end of the range will have a more positive effect on affordability of housing within Wiltshire by increasing overall supply, as well as creating greater opportunity to secure affordable housing developments.

2.15 While the lower end of the range may limit the available workforce to support employment delivery, as mentioned in paragraph 2.8, public sector job losses will increase the workforce buffer as would empty homes if they are brought back into use. Furthermore, housing delivery at this level would be within the ratio of new dwellings to new jobs used within the development of the RSS³. It is therefore reasonable to keep this at the lower end of the range.

Sustainability Appraisal

2.16 The overall range has also been tested through Sustainability Appraisal (SA). The purpose of SA and key findings are provided at **Appendix 2**. The conclusion of the SA states:

³ In the development of the RSS a ratio was generated that sought to align the number of jobs that could be delivered to the number of dwellings. In the two areas that covered Wiltshire, ratio of 1.25 and 1.5 were calculated. In order to deliver the proposed 27,690 jobs using this method would generate a requirement of 34,600 to 41,500 dwellings.

“Housing provision towards the lower end of the range may not achieve community and economic benefits, particularly in terms of affordable housing, attracting inward investment and infrastructure provision. Consequently, housing provision towards the higher end of the range may lead to environmental impacts that are difficult to mitigate and that may also adversely affect the achievement of other social and economic goals.

It is likely that in order to best achieve a balance between protecting and enhancing the environment and pursuing housing growth that will lead to significant social and economic benefits, a mid range housing scenario should be pursued, provided there are strong links to Core Strategy policies that will ensure housing growth is sustainable”.

Deriving the requirement for South Wiltshire

- 2.17 A consistent method has been used to develop the housing requirement for South Wiltshire. Initially, the same projections as were generated for Wiltshire were generated for South Wiltshire. This identified a disparity between the employment and population based projections, whereby the population growth of the area is unlikely to be able to support the employment growth realistically. Further analysis of the Cambridge Econometric employment projection was undertaken, and it is considered that the level of growth identified is so ambitious as to be unrealistic. Nevertheless, in order to maximise the potential for employment delivery, the level of housing delivery should be as ambitious as possible, within the constraints identified, to provide for potential for employment delivery.
- 2.18 Deliverability was considered to be the major constraint for South Wiltshire. Unlike the remainder of Wiltshire, the area has seen delivery increase since 2005, with an average of 445 dwellings per annum. Assuming that delivery of this order could continue, South Wiltshire could deliver in the order of 8,900 dwellings across the plan period. Indeed, it may be that the level of delivery may be able to be increased in this area as the current economic downturn does not seem to have affected the deliverability of housing as it has elsewhere within Wiltshire, and as such some further analysis was undertaken.
- 2.19 The greatest increase in housing delivery nationally was from the 1950's to the 1960's reflecting a fundamental change in demand and the economy. If this scale of change were to occur in South Wiltshire (which would be ambitious), then this would result in a maximum deliverable figure of 10,600 dwellings over the plan period. However, it would require a very substantial change in local economic performance to deliver towards the top end of this range. This presents an initial range of 8,900 to 10,600, which is minimally amended in the light of the following consideration.
- 2.20 The demand created by the additional military population (arriving as part of the development of the Salisbury Plain super garrison) is likely to support the housing market in the area and so further housing should be able to be delivered to meet this specific need. An indicative estimate of 300 dwellings is assumed to be supported in this way (assuming the same level of housing is likely to be required per military employee as that estimated in Tidworth). This minor amendment is applied to the bottom of the range, but not to the top as this is already considered so ambitious. Therefore, the range for South Wiltshire is 9,200 to 10,600. It is considered appropriate to consider a housing requirement in the mid-point of this range at 9,900 dwellings.

Proposal and next steps

- 2.21 Targeted consultation (see paragraph 2.22) will be used to determine the appetite for growth outside of south Wiltshire, which together with other evidence will help inform appropriate distributions of growth at community area and town level. This will help identify where in the range the housing requirement for Wiltshire should be. The proposed housing range for Wiltshire over the period 2006 to 2026 has been identified as **35,900** to **43,200** net additional dwellings. This is intended to strike a balance between realistic delivery and encouraging economic growth within Wiltshire, while ensuring sustainable patterns of development within environmental limits. The upper limit is a reduction on the scale of housing proposed through the Proposed Changes version of the RSS (44,400 net additional dwellings), while the lower limit is a small increase from the levels in the adopted Structure Plan, assuming that the development to the West of Swindon was included within the Wiltshire target (35,000 net additional dwellings).
- 2.22 It is proposed that an overall requirement and distribution of housing should be included within the draft Core Strategy, which will be widely consulted on in Spring 2011. The targeted consultation will be with Representatives of local communities at meetings focused on towns to take place late February/March. This is only applicable to the Community Areas outside of South Wiltshire due to the ongoing South Wiltshire Core Strategy examination process, which is expected to determine the requirement for South Wiltshire.
- 2.23 The meetings with local community representatives should build upon previous consultations, particularly Wiltshire 2026, to verify (in the majority of areas) or to re-assess the aspirations for development within each community area, using up-to-date evidence to assist the community to explore the likely impacts of various levels of housing delivery.

Annex 1: Wiltshire Housing Requirements

- Existing housing targets for Wiltshire are set down by the adopted Wiltshire and Swindon Structure Plan 2016 and the draft south west RSS, both are intended to be revoked through the Localism Bill.
- The draft RSS targets were based on initial evidence provided by Wiltshire County Council through the submission of Section 4(4) advice. These were subsequently revised during the Examination in Public (EiP) of the RSS. The Proposed Changes version of the RSS identified the most recent regional strategic housing requirements for Wiltshire. Table 1 shows the evolution of Wiltshire's housing requirements.

Table 1

Area	<i>Wiltshire & Swindon Structure Plan 2016 (adopted April 2006)</i>	<i>Section 4(4) Advice (approved by Cabinet September 2005)</i>	<i>Draft RSS 2006-2026 (published June 2006)</i>	<i>RSS Proposed Changes (published July 2008)</i>
	<i>1996 - 2016</i>	<i>2006 – 2026</i>		
East	5,250	5,000	5,000	6,000
North	10,000 ¹	11,000 ²	10,000 ³	13,700 ⁴
South	8,000	9,000	9,200	12,400
West	11,750	10,500	10,500	12,300
<i>Wiltshire Total</i>	<i>35,000</i>	<i>35,500</i>	<i>34,700</i>	<i>44,400</i>

¹ Includes 1,000 dwellings at the western edge of Swindon within Wiltshire and/or Swindon Borough.

² Includes 2,000 dwellings at the western edge of Swindon within Wiltshire and or Swindon Borough.

³ Includes a requirement to provide 1,000 dwellings at the western edge of Swindon within Wiltshire

⁴ Includes a requirement to provide 3,000 dwellings at the western edge of Swindon within Wiltshire

Annex 2: Sustainability Appraisal

1. A sustainability appraisal (SA) has been undertaken on the proposed range of net additional dwellings to be provided in Wiltshire over the plan period (2006 to 2026) to ensure that sustainability considerations have been taken into account. SA forms a key part of the development plan process helping ensure that sustainable development is pursued in an integrated manner to reflect environmental, social and economic objectives. Key findings from the SA include:
 - (i) Housing provision is likely to lead to significant benefits in terms of economic development and social inclusion, but also significant negative impacts on the environment, particularly at the higher end of the range, if appropriate mitigation measures are not fully incorporated;
 - (ii) Housing provision can support the local economy by providing a working age population that may attract employers to the area (or result in business start ups).
 - (iii) Corresponding disposable income in Wiltshire, from an increased population, would help support local economy and viability of town centres.
 - (iv) Vital that housing development is supported by significant increase in employment provision to help reduce already significant levels of out-commuting, by allowing people the choice to work more locally.
 - (v) Any housing provision in the range is likely to have adverse impacts on natural environment (loss of greenfield and high value agricultural land; pressures on water resources; increased greenhouse gas emissions; effects of housing development and consequent increased population on need to travel) but many are capable of mitigation through careful consideration of location and incorporating sustainability principles into new developments.

(Wiltshire's Housing Requirements - Sustainability Appraisal, January 2011')