HOUSING REQUIREMENT TECHNICAL PAPER

Technical paper setting out the housing requirement for Wiltshire 2006-2026

1. Introduction

1.1 The purpose of this paper is to address Wiltshire's overall housing requirement for the plan period 2006 – 2026, as well as that for South Wiltshire in support of the review of the South Wiltshire Core Strategy. This is 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 The south west Regional Spatial Strategy (RSS), whilst not adopted, contained specific policies on a wide range of planning issues with one of its central functions to establish the overall scale and distribution of new housing across the south west region. These regional targets were translated into local authority targets, and in some cases housing targets set for specific settlements as well as broad Areas of Search. These Strategically Significant Cities or Towns (SSCTs) included the Wiltshire towns of Chippenham, Salisbury and Trowbridge, with the west Swindon identified as an Area of Search.

1.3 A further letter from the Secretary of State on the 6 July 2010 announced the revocation of RS by way of an Order laid before Parliament. This letter confirmed 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."

1.4 The revocation decision has since been subject to judicial review and successfully challenged at the High Court1. The judgement upheld the grounds for the challenge, namely that the Secretary of State:

- Used his powers to revoke RSs improperly and against a fundamental purpose of primary legislation to establish RSs as a tier of planning policy; and,
- Acted unlawfully by revoking RSs without any reference to the requirement to assess the environmental impacts of the revocation (ie without an SEA).

1.5 The immediate impact of this judgement is to reinstate RS as part of the development plan, this was confirmed by the Planning Inspectorate in guidance issued to Inspectors which stated that the RS as it stood on 5 July forms an ongoing part of the development plan."2

1.6 However, the intention to abolish RS has since been confirmed through the Decentralisation and Localism Bill, published in December 2010 this bill contains the relevant clause providing the mechanism for future revocation. Further legal challenges are ongoing regarding the weight to be given to the announcements to revoke regional plans. However Wiltshire has moved quickly to confirm its position and this was formalised at the Cabinet meeting of 19 October 2010 which resolved that Cabinet:

1.7 In light of the revocation of the Regional Spatial Strategies, reaffirms that the Wiltshire and Swindon Structure Plan 2016 sets out housing figures for Wiltshire up to 2016 (as set out in saved Policy DP4);

- Agrees that Wiltshire's new housing requirement is determined through a comprehensive review involving local communities, which responds to the Decentralisation and Localism Bill; and

[1] High Court Queen's Bench Division Case No. CO/8474/2010
[2] The Planning Inspectorate November 2010 Regional Strategies – Impact of CALA Homes Litigation

- Agrees that the new housing requirement be progressed as part of the Core Strategy process.

1.8 The previous emerging Wiltshire housing targets were developed through the RSS process with initial evidence provided by Wiltshire County Council through the submission of Section 4(4) advice. The draft RSS then presented housing targets for the former district areas which were subsequently revised during the Examination in Public (EiP) in to the RSS. The Proposed Changes version of the RSS identified the most recent regional strategic housing requirements for Wiltshire. Table 1 shows the various stages of the RSS with corresponding housing requirements.

Table 1: Housing Requirements

Area / Settlement	**Wiltshire and Swindon Structure Plan 2016 (1996-2016)**	**4/4 Advice (net dwellings 2006-2026) OPTION 1**	**Draft RSS Requirements 2006-2026**	**RSS Proposed Changes 2006-2026**
Kennet District	5,250	5,000	5,000	6,000
North Wiltshire	9,000-10,000*			
Chippenham urban area	3,000	4,500	4,500	5,500
District Remainder	6,000	4,500	4,500	5,200
West of Swindon	0-1,000*	Up to 2,000	1,000	3,000
Salisbury District	8,000			
Salisbury urban area	3,900	5,000	5,000	6,000
District remainder	4,100	4,000	4,000	6,400
West Wiltshire	11,750			
Trowbridge urban area	5,000	5,000	5,000	6,000
District remainder	6,750	5,500	5,500	6,300
Wiltshire Total	**34,000-35,000**	**33,500 – 35,000**	**34,500**	**44,400**

*The Structure Plan makes provision for an additional 1,000 dwellings at the western side of Swindon, which could at least in part lie in North Wiltshire.

1.9 The revocation has, in the short-term, implications for the consideration of planning applications in advance of an up to date planning framework through an adopted Local Development Framework (LDF). In the longer-term the main issue is one of establishing a housing requirement for Wiltshire to be tested and included within the Wiltshire Core Strategy.

1.10 The Chief Planner at the DCLG published guidance to local authorities prior to the publication of the Decentralisation and Localism Bill. The key elements of this guidance are still relevant and are as follows:

a) Localism will be at the centre of the new Coalition Government's agenda with the pre-cursor to this agenda being the revocation of RSS in order to allow local targets to be set.

b) 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. Some may decide to retain their existing housing targets that were set out in the revoked RSS. Others may decide to review their targets.

c) Local Planning Authorities should quickly signal their intention to undertake an early review so that communities and land owners know where they stand.

d) The revocation of RSS is not a signal for local authorities to stop making plans for their area. Local Planning Authorities should continue to develop their LDF Core Strategies and other documents, reflecting local people's aspirations and decisions on important issues such as climate change, housing and economic development. Authorities may decide to review and/or revise their emerging policies in light of the revocation of RSS.

e) Each Local Planning Authority's development plan will now consist only of adopted development plan documents, saved policies, and any old style plans that have not lapsed. Local Planning Authorities should also have regard to other material considerations, including national policy. Evidence that informed the preparation of the revoked RSS may also be a material consideration, depending on the facts of the case.

f) Local Planning Authorities should continue to collect and use reliable information to justify their housing supply policies and defend them during the LDF examination process in line with current national policy set out within Planning Policy Statement 3: *Housing*. It is important for the planning process to be transparent, and for people to be able to understand why decisions have been taken.

g) Local Planning Authorities should continue to identify enough viable land to meet the ambition for growth for at least 15 years from the date the plan is adopted. Authorities should also have a five year supply of deliverable sites.

1.11 This guidance allows for local authorities to retain their existing targets as set out in the revoked RSS or to review their housing targets. It also specifically refers to "Option 1" figures (i.e. those that were submitted by strategic planning authorities - the Section 4(4) advice - to inform the figures within the original draft RSS) suggesting that it may be appropriate to base revised targets on these, supplemented by more recent information.

1.12 Within this context Wiltshire Council is required to reappraise the level of housing Wiltshire should plan for to identify locally derived requirements in accordance with the localism agenda, and in anticipation of the revocation of RS. It is the intention to determine the strategic requirement for the whole of Wiltshire through this paper, and then to engage with communities to assess the aspirations for development. This will provide a both a top-down approach, ensuring that the needs of the area can be met as well as a bottom-up approach, enabling communities to input and take ownership of local housing requirements. In this light, the strategic requirement is determined to form a range of figures within which development could be demonstrated to be appropriate. This range should be broad enough to ensure that the bottom-up requirement is consistent without prejudicing the aspirations for the area.

1.13 In the light of the above, this paper seeks to determine the housing requirement for Wiltshire from 2006-2026. The methodology used to generate these figures has emerged in the light of lessons learned from the Section 4(4) advice; the sub-regional context of Wiltshire; and an assessment of the political aspirations of the council.

Background / Context.

1.14 Within Wiltshire there are significant opportunities to strengthen the environmental, social and economic well-being of the county. In order to do this Wiltshire must be well placed to meet current and future demands for housing and employment, whilst safeguarding and enhancing the rich and ensuring that sustainable development is achieved. To achieve this, a number of documents have been produced which identify the key priorities, objectives, and outcomes for Wiltshire.

1.15 There are a number of policy documents which are particularly relevant in the process of appraising Wiltshire's future housing requirements. A summary of which is provided below.

The Corporate Plan

1.16 The Wiltshire Corporate Plan sets out the priorities and outcomes for the county for the next four years (2010 – 2014). It is not the purpose of this paper to repeat the Corporate Plan, however the most relevant elements are summarised below and are referred to at various stages throughout this paper.

1.17 Supporting the local economy - The Corporate Plan is clear that a strong local economy is essential to providing local jobs, creating wealth and investment and in helping to enhance people's general health and wellbeing. In order to provide the necessary environment for a strong local economy the Corporate Plan identifies the need to tackle the number of people travelling out of the county for work; the decline of some of Wiltshire's town centres; the lower levels of business growth and confidence and the skills gaps in our workforce. In addition the Corporate Plan has the specific objectives to:

- Support business start-ups and expansions helping to create 6,000 new jobs and safeguard 8,000 existing jobs;
- Secure employment growth in higher paid and higher skilled jobs; and,
- Retain and support growth of Wiltshire's top employers.

1.18 Meeting housing needs - The Corporate Plan recognises the important role that Wiltshire Council has in tackling the housing issues across the county. It recognises that there is not enough affordable or high quality housing to meet current and future needs. Therefore it identifies the specific objectives:

- To help more people live independently at home for longer;
- Secure 2,400 new affordable homes and bring 2,160 empty homes back into use; and
- To be one of the best 25% of councils in England for housing management services.

The Community Plan 2011-2026

1.19 The Wiltshire Community Plan 2011-2026 entitled People, places and promises sets a clear vision for Wiltshire alongside the priorities and objectives over the next 15 years. This outlines the overall strategic direction and long-term vision for the economic, social and environmental well-being of Wiltshire. Set out within the draft Community Plan are three key priorities. Contained within these priorities are set objectives, the most relevant to this paper are summarised below.

1.20 Creating an economy that is fit for the future – This is based on the recognition that the economy is a key measure of strength and future planning should ensure that Wiltshire's economy is strong, adaptable and competitive. To achieve this the Community Plan identifies the need to encourage a greater proportion of higher value and higher skilled jobs; reducing the reliance on public-sector employment; improving the skills of Wiltshire's working population to meet employer demand; enabling older people to work beyond retirement age if they so wish; and to support existing business.

1.21 Reducing disadvantage and inequalities – A key priority is to ensure that Wiltshire is able to meet the needs of the growing older population. This includes addressing the lack of affordable housing, including social housing and shared ownership, by building new housing and bringing empty homes back into use.

1.22 Tackling the causes and effects of climate change – It sets an ambition to significantly reduce domestic, business and transport CO2 emissions. This will entail providing a safer and more integrated transport system in order to achieve a major shift to sustainable transport.

1.23 Together the Corporate Plan and Community Plan provide the overarching priorities and objectives for Wiltshire. The role of the Local Development Framework is to provide the planning principles, in terms of the distribution and scale of growth for housing and employment in order to deliver sustainable patterns of development which in turn deliver economic growth whilst addressing, as far as possible, issues of housing affordability.

The Spatial Vision for Wiltshire

1.24 The Spatial Vision for Wiltshire was identified through the Wiltshire 2026 planning consultation. It provides a clear overarching direction for development within Wiltshire.

a. *By 2026 Wiltshire will have a much more sustainable pattern of development, focused principally on Trowbridge, Chippenham and Salisbury. Settlements of all sizes will have become more self-contained and supported by the necessary infrastructure, with a consequent reduction in the need to travel, an improvement in accessibility to local services, a greater feeling of security and the enhancement of a sense of community and place. This pattern of development, with a more sustainable approach towards transport and the generation and use of power and heat, will have contributed towards tackling climate change.*

b. *Housing, employment and other development will have been provided in sustainable locations in response to local needs as well as the changing climate and incorporating exceptional standards of design. Wiltshire's important biological and built environment will have been safeguarded and, where necessary, extended and enhanced to provide appropriate green infrastructure, while advantage will have been taken of the County's heritage to promote improvements in tourism for economic benefit.*

1.25 There are clear themes identified within these plans and visions for Wiltshire which can be briefly summarised as follows:

- Ensure the delivery of sustainable patterns of development;
- Increase the self-containment of settlements across Wiltshire;
- Reduce the need to travel and the levels of out-commuting;
- Addressing housing needs across Wiltshire by responding to local needs and aspirations; and,
- Create an economy that is flexible, adaptable and competitive.

1.26 Such objectives should be the cornerstone of strategic planning for Wiltshire with the mechanism to help deliver these objectives being the Local Development Framework.

Previous Community Consultation

1.27 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 in effect be replaced by the Wiltshire Core Strategy when it is adopted.

1.28 A key plank of the Government's Localism agenda is the decentralisation of decision-making and the transfer of more power to local communities to influence how local communities will develop. Wiltshire Council undertook a public consultation from October until December 2009 on the Wiltshire 2026: Planning for Wiltshire's Future. This document, although based on housing targets identified in the revoked RSS, indentified a range of development options for the county (excluding South Wiltshire, which is discussed below). The comments received provide a useful indication as to the aspirations of residents throughout the county. A full analysis of the Wiltshire 2026 consultation responses can be found on the council's website[3]. A summary of the responses is provided below, with a breakdown for each Community Area available in Appendix 1.

Spatial Vision for Wiltshire
Summary of Responses
• Acceptance of the underlying principles with calls for it to be more locally distinctive. • The plan should be firm and clear, ensuring that development takes place with the support of the local community • Although some people expressed concern over the level of growth set regionally, many people accepted that development could be a means of securing wider objectives with benefit to the community as a whole • Balance in development was seen as important, with the need to equate housing growth with employment opportunities • Infrastructure delivery was seen as a key concern, especially in terms of its timely delivery at the point of development, rather than later on in the plan period

Wiltshire 2026
Summary of Responses
• The housing targets contained within the RSS were heavily criticised and 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 hierarchy when planning at the strategic level. • General support for directing most development towards SSCTs and market towns, although there was criticism that the allocation system 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.

South Wiltshire Core Strategy

1.29 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

3 http://www.wiltshire.gov.uk/environmentandplanning/planninganddevelopment/planningpolicy/wiltshirecorestrategy.htm

Summary of Responses
• 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 proposed development levels; and, • The proposed scale of employment land is unrealistic.

1.30 In light of the Government's announcement to abolish RS, 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[4] and that in the previously emerging RSS, it is considered that some focused changes to the draft Core Strategy will be appropriate. The proposed review will be presented to Full Council on the 22nd February 2011 along with this paper detailing the strategic requirement for the whole of Wiltshire.

2. Geographic context

2.1 It is critical to understand the sub-regional context of Wiltshire, and to identify its relationship with other areas. Wiltshire is a predominantly rural area surrounded by the large urban centres of Bath, Bristol, and Swindon as well as some significant smaller centres. These centres exert commuting and housing demand pressures on Wiltshire, which need to be mitigated by any development proposals.

2.2 As such, the current commuting and migration patterns, and aspirations of neighbouring authorities need to be assessed in order to set the parameters for this assessment.

2.3 Commuting – In 2007, the Office for National Statistics in conjunction with Newcastle University produced a set of 2001 based Travel to Work Areas (TTWAs). These areas are defined such that 75% of the resident working population work within each area, and 75% of those working in each area also reside in that area. Map 1 shows the TTWAs in and surrounding Wiltshire.

2.4 This suggests that Wiltshire should not be considered in isolation, as it performs a much broader sub-regional role. However, the parameters used within the definition of TTWAs may not fully represent all significant flows as it attempts to define self-contained areas rather than areas of interaction. As such, it is necessary to look at the detailed flows from the 2001 Census to establish the settlements outside of Wiltshire that provide a place of work for a significant number of Wiltshire residents or vice versa. This information is presented in Appendix 2a.

2.5 At a strategic level, Wiltshire has 196,700 jobs and 217,300 working residents. This represents a net outflow of over 20,000 workers (or 10% of the working population). This is reflective of the location of Wiltshire as well as the job offer (with a pay differential). Indeed, in 2008 those working in Wiltshire earned £2,500 less on average per year than those living in Wiltshire (Annual Survey of Hours and Earnings, ONS). This situation should be addressed by

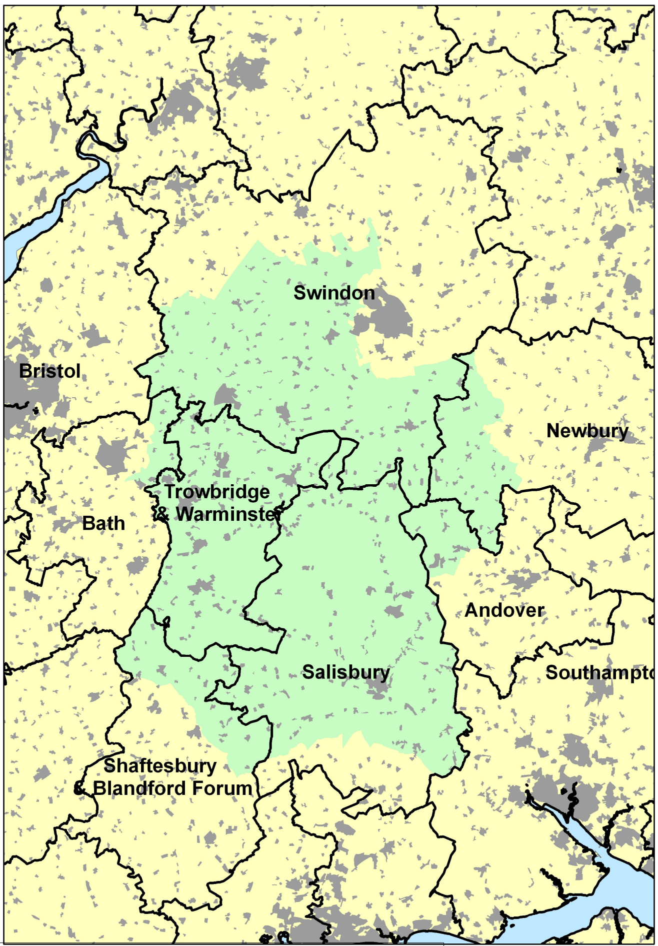
[4] Whilst this paper sets out the Wiltshire wide requirement alone, comparative data is available for the constituent former district areas, and so indicative requirements can be generated for South Wiltshire. However, these district level figures should only be used where they are supported by a host of locally derived information (as from the South Wiltshire Core Strategy consultations), including an assessment of community aspirations, and the consideration of the links with neighbouring areas.

developing the economy of Wiltshire to provide higher skill/value jobs (as recognised in the Corporate Plan) as well as ensuring that the delivery of dwellings and jobs are aligned.

2.6 There are very large numbers of out-commuters (in excess of 5,000) from Wiltshire to Swindon, and Bath. There are also significant numbers (in excess of 2,000) travelling from Wiltshire to Test Valley (with over 3,000 travelling to Andover alone), Bristol, London and West Berkshire.

2.7 In terms of in-commuters there are significant numbers of commuters (in excess of 2,000) from each of Swindon, Mendip (with almost 2,000 travelling from Frome alone), Bath city, and Test Valley to Wiltshire.

Map 1: 2001 based Travel to Work Area

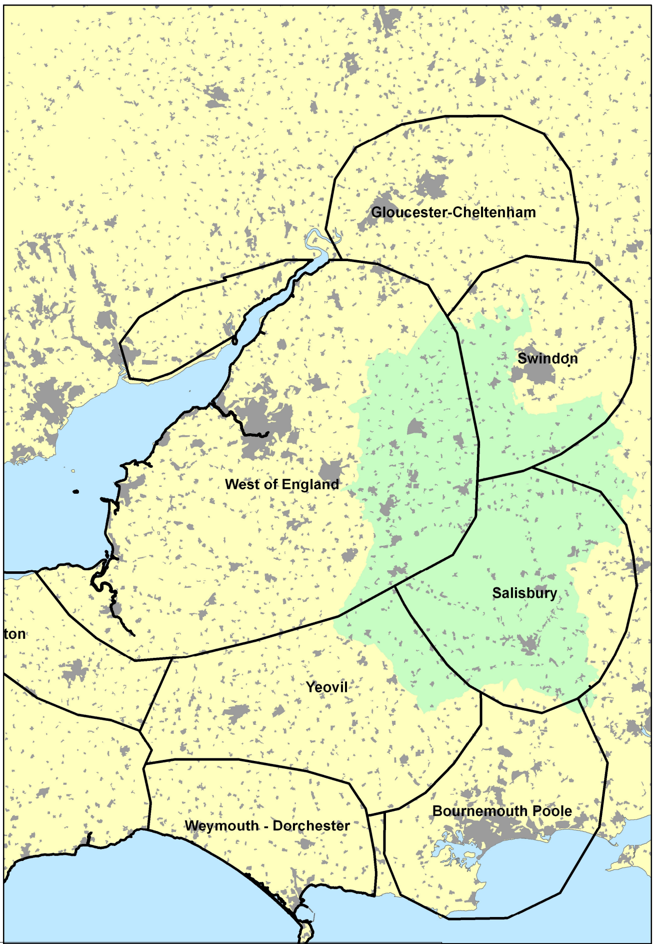


2.8 As recognised in Planning Policy Statement 4: Planning for Sustainable Economic Growth, one of the Government's objectives for prosperous economies is to reduce the need to travel. This is clearly an issue in Wiltshire as the job offer is not aligned to the resident workforce, resulting in the commuting flows above. As such, the delivery of housing should and will be targeted to address this imbalance. However, it must be realised that individuals are free to choose to travel and that by providing a job offer equal to the requirements of Wiltshire, commuting will still occur.

2.9 Migration – In 2004, DTZ Pieda were commissioned to identify a set of Housing Market Areas (HMAs) for the South West. These HMAs represent areas within which most people who are looking to move home will search for a new property in which to live. Map 2 shows the HMAS in and surrounding Wiltshire.

2.10 These areas broadly agree with the detailed commuting flows above, in that they show strong relationships between Wiltshire with Swindon and Bath in particular. Indeed, this conclusion is supported by the more recent work undertaken by the NHPAU to determine up-to-date housing market area boundaries. However, these HMAs are regionally focussed and so may miss some of the locally significant flows. As such, it is necessary to look at the detailed migration flows from the 2001 Census. This information is presented in Appendix 2b.

Map 2: Housing Market Areas



2.11 In 2001, Wiltshire saw net migration inflows totalling some 7,300, with 56,700 moving to and 49,400 moving from Wiltshire (including those flows within the area). These flows were particularly strong from the South East. Indeed, the largest internal migration flow nationally is now from the South East to the South West. The high quality of life enjoyed by Wiltshire, as well as it's accessibility to London has promoted these flows, and it should be realised that these are likely to continue. Whilst this creates pressure for housing within Wiltshire, and may result in residents experiencing difficulty accessing the housing market, it does provide an opportunity for economic development with an increased workforce.

2.12 Appendix 2b shows that there are several areas beyond the boundary of Wiltshire that provide either significant origins or destinations for the cross-border migration flows.

2.13 In general, the in-migration flows are largely matched by the out-migration flows. However, the size of these flows are particularly large (in excess of 1,000) to/from London and Swindon.

2.14 Sub-regional aspirations - Given the strong functional relationships with the settlements above it is appropriate to ensure that the proposed housing requirements for Wiltshire align with, or as a minimum consider, the emerging policies for these areas. It is particularly important that the housing aspirations of Swindon, Bath, Test Valley (in particular Andover), Mendip (in particular Frome), Bristol, and West Berkshire are considered.

2.15 Wiltshire Council has maintained a close dialogue with neighbouring authorities, with the exception of London Authorities, in order to recognise future risks and challenges to Wiltshire associated with development across the region. The emphasis on locally derived housing provision will introduce uncertainty into the sub-regional strategic planning context as local authorities may pursue housing strategies in isolation of neighbouring authorities. In such circumstances development pressures may shift from traditional areas of expansion. As such, Wiltshire Council will continue to work with other authorities to ensure that the development requirements proposed reflect the sub-regional context of Wiltshire, and that the sub-regional need is met at appropriate locations.

2.16 This section provides an overview of research into the current position of neighbouring authorities. This provides a useful context to the sub-regional position and a steer on the likely direction of travel of housing provision across the county. It is clear that the majority of Local Planning Authorities that intend to undertake a review of future housing requirements are doing so with the intention to align economic forecasts, which take account of the economic downturn, with future housing projections.

2.17 **SWINDON** – The status of Swindon as an important economic centre in the south west has been recognised through the Wiltshire and Swindon Structure Plan 2016 where it was designated a Principal Urban Area, and through the RSS where it was identified as a Strategically Significant Town. Such status ensures that the town is a focus for development and as a neighbouring authority areas within Wiltshire have been expected to take some degree of growth along its border with the western edge of Swindon.

2.18 The Wiltshire and Swindon Structure Plan 2016 identified the potential to deliver 1,000 dwellings along the western edge of Swindon, within either or both authorities to help to address the shortfall in the Boroughs housing provision. The principle of development at the west of Swindon continued through the draft version of RSS with 1,000 dwellings, identified specifically within the former North Wiltshire District. Finally the Proposed Changes version of the RSS increased this to 3,000 dwellings. A development of 200 dwellings has already been granted on the western edge of Swindon in accordance with this policy with further applications expected before the end of 2010.

2.19 As discussed earlier in this paper Wiltshire Council has reaffirmed the status of the Wiltshire and Swindon Structure Plan 2016 and specifically the housing requirements contained within the policies, at least until locally derived housing requirements are sufficiently advanced through the Core Strategy process. On this basis Wiltshire Council will continue to work closely with Swindon Borough Council in order to plan for housing growth at the west of Swindon.

2.20 The Swindon Borough has taken a different position regarding the status of the development plan, confirming that the housing requirements contained within the Wiltshire and Swindon Structure Plan to no longer be realistic or deliverable for the Borough as they do not reflect current economic circumstances.

2.21 On this basis, and reflecting the focus on locally derived housing provision, Swindon Borough Council has presented a Revised Pre-Submission Draft Core Strategy DPD to Full Council on the 13 January 2011. This document reappraises the Borough's housing requirement to ensure that future projections are realistic, deliverable and that it achieves a balance between economic prospects and housing delivery.

2.22 Prior to this reappraisal the housing target for the Borough was for 36,000 homes over the plan period. The Revised Pre-Submission Draft document indentifies a housing requirement over the plan period of approximately 25,000 additional homes, a significant reduction over some 12,000 homes (including 3,000 to the west of Swindon). Taking into account completions the residual requirement for the Borough is approximately 19,000 homes.

2.23 The focus of future development identified through this document will be at the Eastern Development Area (EDA) with provision also planned for Tadpole Farm on the north-western edge of the town. Development at the west of Swindon in line with the RSS requirement (3,000) dwellings is no longer advanced in the Swindon Core Strategy.

Impact on Wiltshire

2.24 Swindon has traditionally been a destination point for Wiltshire's residents for employment, leisure and retail activities. Any significant reduction in overall housing provision at Swindon will impact on the demand for housing beyond the boundary of Swindon, particularly in those locations with good access to the town. With a confirmed reduction of 12,000 homes, Wiltshire Council will need to work closely with Swindon Borough Council and be aware of potential pressures any reduction in housing at Swindon may place on Wiltshire's towns and villages which have an established functional relation with the Borough.

2.25 **B&NES** – In October 2009 B&NES consulted on the Spatial Options Core Strategy document which identified locations to meet the housing requirements of the draft version of the RSS, some 15,500 homes, which was in fact short of the housing requirement of 21,300 homes identified in the Proposed Changes version of the RSS.

2.26 Throughout the latter part of 2010 B&NES has undertaken a reappraisal of the housing and employment requirements for the district. This has culminated in the release for public consultation of the B&NES Draft Core Strategy which identifies the need to provide 11,000 homes within the district. Whilst this is a significant reduction a vast bulk of this, some 3,000, is the result of the removal of a planned urban extension for the south-east of Bristol into the district. The Draft Core Strategy identifies a significant reduction of employment provision, particularly around Bath.

Impact on Wiltshire

2.27 Given the strong functional relationship between Wiltshire settlements and the B&NES district any reduction in housing provision may increase pressure on Wiltshire's housing stock, a problem which will be more acutely felt in the towns of West Wiltshire. Such pressures may exacerbate affordability and current out-commuting from towns in west Wiltshire

2.28 **TEST VALLEY -** The Test Valley area is divided into two specific areas, the northern and southern areas. As an interim position, the housing proposals in the northern area (including the settlement of Andover which is an area where significant out-commuting flows from Wiltshire occur), has been reduced from 6,100 to 5,700. Given Andover's status as the principal urban area in this part of the District, a significant proportion of the 5,700 is expected to be located to this town. This reflects the significant employment commitments and regeneration aspirations of the district. In the Southern area the scale of development has been reduced from 3,920 to approximately 3,620.

Impact on Wiltshire

2.29 Given the significant out-commuting to Andover from Wiltshire the reduction of development at Andover will need to be taken into account when identifying Wiltshire future housing requirements. Any reduction in housing provision within an adjacent authority could place additional housing demands on Wiltshire as way as exacerbating out-commuting flows.

2.30 The formation of the super garrison at Salisbury Plain (whereby new units will move into the area) will increase the population and the number of jobs within the Tidworth, Ludgershall and Amesbury area. At present these areas have strong relationships with Andover. Given these relationships it should be ensured that the approach to dwelling and employment provision, and the resulting impacts on housing demand from military personnel are assessed in context and a sub-regional approach is developed to respond specifically to the military impacts in this area.

2.31 **BRISTOL** – Bristol is currently taking the Core Strategy through the examination process and in light of announcements on the future of Regional Strategies and the publication of the Decentralisation and Localism Bill, revised housing requirements have since been identified. This reappraisal of housing requirements concludes that a minimum housing target of 26,400 homes should be planned for over the plan period, although there is also emphasis on the need to strive to meet an aspirational supply of 30,600 homes over the plan period.

<u>Impact on Wiltshire</u>

2.32 From this initial review it is clear that Bristol is likely to see a very significant reduction in housing provision. This has implications for the entire sub-region and not just Wiltshire. As a traditional centre for growth, development pressures will filter out into the adjoining authorities and to those settlements which have good access to Bristol. Wiltshire Council should continue to monitor the progress of Bristol's Core Strategy.

2.33 **MENDIP** – The housing provision identified in the RSS reflected the location of this area and the desire to limit the level of out-commuting to major regional centres such as Bath and Bristol. This approach was not supported by Mendip, not least because it restricted the ability to deliver development in the more rural locations of the district. It is expected that the numbers contained within the RSS will form the benchmark for future housing requirements with additional evidence, particularly employment projections, shaping any revision.

<u>Impact on Wiltshire</u>

2.34 Discussion with officers indicated that whilst the housing requirement in Mendip is unlikely to decrease, there is not expected to be any significant revision upwards. Development at Frome is perhaps the most significant in terms of impact on Wiltshire and in this respect development proposals are likely to consistent with the scale proposed in the Mendip draft Core Strategy.

2.35 Mendip, similarly to Wiltshire, is a rural area surrounding by large urban centres. The housing provision identified in the RSS limited development in this area to limit the out-commuting flows. A similar philosophy would also be appropriate for Wiltshire.

2.36 **WEST BERKSHIRE** - The West Berkshire Core Strategy was submitted to the Secretary of State on 9 July 2010 for examination. This process is continuing with a consultation on the Post Submission Schedule of minor changes. Only minor amendments to the Submission document are expected to reflect the revocation of the RSS.

<u>Impact on Wiltshire</u>

2.37 No significant change in housing provision is expected as West Berkshire's Option 1 numbers are identical to those promoted in the revoked RSS. Therefore the impact on Wiltshire as compared to the previous emerging policy is likely to be minimal. However, delivery in West Berkshire will still need to be considered in relation to the proposed delivery target for Wiltshire.

Key Messages

- **Wiltshire has significant net out-commuting flows, resulting from an imbalance between jobs and the resident workforce. This should be addressed through the delivery of appropriate levels of housing in combination with the delivery of appropriate employment opportunities.**
- **Those authorities with which Wiltshire experiences strong commuting flows, are likely to reduce their housing targets from those proposed in the previous emerging policy (with the possible exception of Mendip and West Berkshire). As a result if Wiltshire was to maintain the targets proposed by the emerging RSS, it would cater for the sub-regional demand rather than that within Wiltshire. This would lead to an unsustainable increase in out-commuting flows.**
- **Wiltshire nonetheless needs to ensure that it provides enough housing to cater for local needs supporting the local economy, rather than solely for long distance commuters.**

3. Other considerations

3.1 There are a number of other drivers and constraints that should be addressed through the delivery of appropriate numbers of dwellings. These are discussed separately below.

Drivers

3.2 Population growth – The need to deliver new housing is caused by a number of factors, primarily a growing population and the continuing reduction in household size. As such a number of population (and household) projections have been undertaken which seek to estimate the likely population growth and the resulting household growth. These projections will form the basis of this assessment and are presented in the following chapter.

3.3 Economy - The need to support the economy and address areas of economic vulnerability is identified in the Corporate Plan. One benefit of providing for the economy is that it will provide jobs that will enable the existing large out-commuting flows to be reduced, as residents will be able to meet their working requirements locally. This will have obvious benefits on sustainability and help to address the carbon footprint of the area. However, in order to deliver this additional employment, Wiltshire needs to make itself attractive to employers and employment growth by providing a sufficient and suitably skilled workforce. In order to achieve this sufficient housing will be required.

3.4 Housing need - The Corporate Plan recognises the affordability issues within Wiltshire. Indeed, the house price to income ratio (HPIR) within Wiltshire is 7.3 which compares to 6.3 nationally (calculated from ONS Annual Survey of Hours and Earnings and Land Registry data). Furthermore, the lower quartile HPIR reflecting the affordability problems facing first time buyers is 8.1 as compared to 6.3 nationally. Planning Policy Statement 3 (PPS3) identifies the Government's key housing policy goal as ensuring '… that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live'. As such, the acute affordability issues in Wiltshire should be addressed, within the deliverability parameters identified during the course of this assessment.

3.5 Affordability Matters (National Housing and Planning Advice Unit, 2007) identifies the primary solution to tackling affordability problems is by increasing the overall housing supply, particularly so in the South of England, including the South West. This is recognised within the Wiltshire Corporate Plan 2010-2014 which identifies the need to '…Maximise the delivery of new affordable homes built in Wiltshire to help meet local needs.." However, the required increase may not be realistic as delivery is driven by market factors.

3.6 The West of England Strategic Housing Market Assessment (SHMA) included some sensitivity analysis considering different supply scenarios. The figures should not be taken as being definitive as they are estimates but they do provide some indication of the likely effects on affordability of various delivery scenarios. Using this model, in order to maintain the percentage of households that are able to afford to buy or rent a property in 2009 in West Wiltshire through to 2021 would require delivery in the order of 950 dwellings per annum along with a similar increase in delivery across the sub-region (or if delivery was only increased in West Wiltshire, some 3,080 dwellings would be required per annum). This figure compares to historic delivery rates of 680 dwellings per annum from 2001 to 2009, and is likely to be unattainable due to market factors. This demonstrates that maintaining the current affordability ratios, let alone addressing them does present a real challenge for Wiltshire, especially as neighbouring areas are not seeking to raise their delivery. A balance has to be struck between addressing affordability whilst both ensuring the deliverability of increased levels of housing and preventing additional commuting flows from Wiltshire.

3.7 The Corporate Plan identifies some 10,100 people as being on the waiting list for an affordable home. It goes on to propose that 2,400 additional affordable homes will be delivered between 2010 and 2014 (or 600 per year) across Wiltshire. A large number of affordable homes are delivered as part of mixed tenure developments, and in order to meet this target enough private market homes will need to be delivered to ensure the viability of these affordable properties. Emerging policy from across the country seems to require 30-40% of all housing to be affordable. Using this as a proxy would mean that Wiltshire would need to deliver between 1,500 and 2,000 dwellings per annum until 2014. This compares to historic delivery rates of 2,075 since 2001, and so would appear to be achievable.

3.8 However, the three SHMAs that cover parts of Wiltshire consistently indicate that in order to meet affordable need then delivery would have to be significantly higher than that proposed in the Corporate Plan. The Swindon SHMA states that ‘Recent housing needs surveys completed by the local authorities indicate an annual requirement in the sub-region (of Swindon, east and north Wiltshire) of around 2,100 additional affordable housing units. This is roughly the level of planned provision for all forms of housing as set out in the Adopted Wiltshire and Swindon Structure Plan to 2016 for this area, and cannot, therefore, realistically be delivered through the planning process.’

3.9 The current draft update to the SHMA for South Wiltshire identifies an annual need for 1,314 affordable homes in South Wiltshire alone, which compares to the average delivery of 357 dwellings of all tenure types from 2001 to 2008. Clearly, meeting this affordable need is not realistic. The West of England SHMA states that 78% of all completions should be affordable over the next ten years in order to address the current and arising need. Furthermore, there are also a number of homeless people and shared households the needs of which should be considered and addressed through an appropriate level of housing delivery. Cleary given the level of housing required to maintain current affordability and Wiltshire’s ability to deliver, affordability will decline resulting in an increase of shared and concealed households. As such, the need will have to be addressed by focussing on delivering appropriate housing solutions as well as increasing the overall delivery of housing.

3.10 During the course of the ongoing Examination in Public for the Bristol Core Strategy the Inspector specifically asked the authority to what extent does the need for a substantial scale of affordable housing support maximising the overall scale of housing provision.[5] The response to this question from Bristol City Council was that ‘….Higher levels of provision are not considered developable within the plan period without significant harm to other policy objectives.’ Depending upon the results of this paper and the ensuing community consultation, a similar argument may be appropriate for Wiltshire.

[5] BCC Core Strategy EiP BCC/Overall Housing Provision and the Green Belt 20/08/10

3.11 Vacant and second homes – Wiltshire had almost 6,000 vacant properties in 2001 that should be made better use of. It is possible that these could be converted or refurbished to maximise the use of these properties (as identified in the Corporate Plan). An element of empty homes is essential to allow for natural turnover but scenarios of long-term vacancy should be addressed and indeed reversed.

3.12 There were also almost 1,300 second homes within Wiltshire in 2001. This form of ownership increases the pressure on the stretched housing stock, but there is no proposal to address this situation. This form of ownership will increase the requirement for additional housing, but the extent of how this could increase is unknown and assumed to be very small. As such, no specific allowance has been made for this form of ownership, but this will continue to be monitored and reviewed throughout the plan period.

3.13 Military changes – The formation of the Salisbury Plain Super Garrison and the closure of RAF Lyneham will both have impacts on housing supply in Wiltshire. It is known that the MOD currently undertakes a Bulk Lease Hire scheme, whereby they hire civilian housing units to cater for military personnel, which creates an additional requirement for civilian housing. As the military population within Wiltshire is set to grow, particularly in East and South Wiltshire, this may result in an additional demand for housing beyond that identified within the projections below. However, BLH is used as a short to medium term solution and it is possible that any units that are leased to the military (300 units since 2008) can be returned to civilian stock by the end of the plan period (proposed to have no BLH by 2015), creating no net additional demand for housing.

3.14 Furthermore, the Super Garrison will result in armed forces being located in one area for a longer period of time than has previously been the case. A proportion of military households may invest in the civilian dwelling stock in order to secure an asset and to meet their accommodation needs outside of the military housing stock. This once more has impacts upon the demand for the civilian housing stock, and further work to explore these impacts is under way. In general, the MOD seeks to cater for the housing needs of all its military personnel. It had planned to build in the order of 500 new dwellings in Tidworth (North East Quadrant and Area 19) to provide for this need. However, in recognition of the fact that some military personnel will chose to opt for civilian accommodation, the military is now planning to build fewer houses, and depending upon how the proposal at Area 19 progresses, could potentially deliver somewhere between 0 and 350 dwellings. This places an additional demand on the civilian stock of somewhere in the range of 150 to 500 homes provided within Tidworth Community Area. The Super Garrison development will also increase the number of personnel in Amesbury Community Area, and whilst no specific numbers have been generated by the MOD it is felt that a small allowance should be made to cater for this additional demand. Assuming a similar rate as in Tidworth, this results in a requirement for an additional 300 dwellings in this area.

3.15 Military married quarters (such as those at RAF Lyneham) may be privately sold within the plan period as the MOD release some of their estates. This will meet some of the projected dwelling requirement without the need for developing new dwellings. The contribution of this source of supply will have to be monitored.

3.16 As a general rule, the population and dwelling projections used within this paper should be used with caution when dealing with military areas, particularly Amesbury and Tidworth community areas, as the military dependent population (spouses and children of military personnel) are included in the civilian population. This results in this population ageing with the remainder of the civilian population, whereas in reality, the age structure of this population remains broadly stable due to the redeployment of the military between bases, and the migration of the older ages away from military areas as they retire from service. It is considered that this problem within the projections will result in the population figures being artificially increased in these areas. The impact at a strategic level is considered relatively small, but further evidence will need to be used to determine the distribution of properties to smaller areas.

Constraints

3.17 Market factors – Whilst Wiltshire Council can enable and encourage sustainable development through its development plan policies, the final levels of development will be driven by market factors that are beyond the control of the council. Housing delivery is unlikely to exceed certain thresholds beyond which profit margins will be compromised. This is particularly the case if the majority of potential sites are owned or optioned by a single developer without competition.

3.18 A realistic level of dwelling delivery needs to be assumed, considering historic delivery rates, and the potential capacity of sites to deliver in the future. Provisional information has been taken from the development of the Core Strategies to date, in order to provide some assurance that the proposed figures are indeed deliverable. The up to date draft SHLAA will also be used to assess the distribution of deliverable sites, when it is published.

3.19 Infrastructure provision – 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.

3.20 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.

Key Messages

- **Housing delivery will be required in order to accommodate the future population.**
- **Household sizes are projected to continue to decline, and so even if no population growth was to occur, additional housing would be required.**
- **An employment aspiration has been identified that will need to be supported by the delivery of dwellings at appropriate locations.**
- **The aspiration to address the affordability issues and the housing needs within Wiltshire cannot realistically be delivered. However, by maximising growth any negative impacts can be reduced.**
- **Wiltshire should seek to make better use of its housing stock, which will reduce the need to provide new dwellings in undesirable locations.**
- **Delivery in Wiltshire will ultimately be constrained by market factors.**
- **The changes to the military population will impact upon the requirement for Wiltshire.**

4. Developing a housing requirement

4.1 Each of the considerations listed above will be used to develop and refine a proposed housing requirement. The drivers will be considered initially in order to determine an aspirational supply, before refining this total in the light of constraints.

4.2 Since the announcement by the Secretary of State of the intention to revoke Regional Strategies (confirmed by the Decentralisation and Localism Bill) and allow local planning authorities to determine the scale of provision of housing, the need to ensure that such requirements are based on a robust and credible evidence base has been clear. The interim guidance issued by the Chief Planning Officer at the CLG states that '…Local authorities should continue to collect and use reliable information to justify their housing supply policies and defend them during the LDF examination process. They should do this in line with current policy in PPS3.'

4.3 As noted, the primary driver for housing delivery is that of population growth, and the change in average household sizes. A number of projections have been undertaken which reflect differing assumptions. Whilst, each of these projections runs from 1991 through to 2033, they incorporate actual data until 2009, and so project forward from this date. The model cannot accommodate both actual population and dwelling data without deviating from the projected headship rates, and so the dwelling completions to 2010 are not included. Rather, the requirement for dwellings from 2001 to 2026 is calculated and the actual completions from 2001 to 2006 are removed. The projections are as follows:

1) A natural change projection, which assumes that no migration will occur from 2009 onwards. Given that Wiltshire has net in-migration flows, this will equate to an absolute minimum delivery scenario, and would not support the economic aspirations of the area. Indeed, this projection is supplied for information rather than as a base from which to develop housing solutions.
2) An unconstrained adjusted subnational population projection (SNPP) run, which adjusts the populations within the SNPP to better account for the military from 2001 to 2009. Headship rates are adjusted to approximate this adjusted population to the dwelling delivery within Wiltshire to 2009 and then trends this headship rate in accordance with the 2008 based CLG household projections. This is assumed to provide a base population led projection. However, this simply replicates what has happened in the recent past and does not allow for the positive ambitions of the Community Plan (including supporting the economy and reducing commuting flows). As such, this is used as a benchmark, rather than determining the absolute housing requirement.
3) An economic led projection, which requires that the economically active population grows in line with the proposed job growth (see Appendix 3). This projection reflects a scenario whereby Wiltshire delivers jobs as proposed but does not seek to address the current issue of out-commuting. This would conflict with sustainable development as it would maintain the current imbalance of jobs and housing.
4) A projection which assumes that the employment growth will be met and that the population will grow to meet the need generated by this, as above, but that the need to out-commute will be reduced as the workforce and employment opportunities are balanced. This is highly ambitious for much of Wiltshire (excluding South Wiltshire) but presents an aspirational scenario. This will be discussed further in the commentary below.

4.4 The outputs from these projections are presented in Table 2.

Table 2: Comparison of population projections for Wiltshire

	Difference 2006-2026

Projection	Population	Households	Dwellings
(1) Natural Change from 2009	32,800	19,600	19,200
(2) Population led	65,500	42,700	43,200
(3) Economic led	96,600	56,800	57,800
(4) Job alignment led	44,600	35,800	35,900

4.5 Whilst, this sets out an initial range for dwelling requirements, this will be subsequently amended in the light of other considerations.

4.6 The population led projections (2) identify a need for some 43,200 additional dwellings from 2006 to 2026. These provide a broad indication of the scale of growth that should be considered within Wiltshire if current trends continue. However, these include no policy assumptions and therefore maintain the status quo. It is the responsibility of the Council to develop policies to address and develop solutions to any identified issues and so these projections should not be taken at face value. This projection scenario is in line with the recently published Household Projections (DCLG, 26 November 2010), which project an increase of the order of 42,900 households.

4.7 The issues as identified previously that will be considered include:

- The unsustainable out-commuting flows from Wiltshire,
- The comparatively low number of jobs per population,
- The affordability problems in areas of Wiltshire,
- The need to deliver affordable housing
- The delivery constraints of the area,
- The number of empty homes which could be brought back into circulation, and
- The impact that the military may have on the civilian housing stock.

4.8 The population led requirement assumes that migration will continue in a similar vein to the recent past. However, this will be influenced by many factors, including the economy. Indeed, the 2008 migration statistics annual report identifies that the recent in-migration flows from the A8 accession countries has declined by 88% as a direct result of the recession, and future migration will be capped at significant reduced levels under national Government proposals. This alone, places a question mark over the realism of these projections, but it is useful to consider these as a benchmark for population driven growth.

4.9 The Wiltshire Council Corporate Plan identifies an ambition to return 2,160 empty homes to use by 2014. Whilst this ambition is creditable, without an Empty Homes Strategy being in place, and fully resourced, with appropriate mechanisms developed to address this, it is not demonstrable that this will be achievable. As such in the base requirements no allowance is included for the contribution that bringing empty homes back into the market could make. However, in order to demonstrate the potential of this source of supply, variant projections have been undertaken. These assume that all long-term vacancy will be addressed and returned to use. The result is that the net dwelling requirement for Wiltshire reduces by 9% (or 3,800 dwellings).

4.10 The projection does include an allowance for second and vacant homes, on the assumption that these will comprise a constant proportion of the total dwelling stock.

4.11 The number of concealed households is expected to remain broadly constant over the period at around 960. It is difficult to assess the requirement for housing for this group, as they do not necessarily need or wish to find separate accommodation. Furthermore, as they are unable to find market solutions to their housing need, it is uncertain how increasing overall delivery will meet this need.

4.12 Crisis (a charity for single homeless people) assume that 15% of concealed households under the age of 25, and 99% of those aged 25 and over, should be considered as being homeless. It is this group for which the need will be assessed. This results in a concealed need of approximately 750 dwellings. Therefore, the requirement should be increased by 750 if this need is to be met across the period. It could instead be assumed the current numbers of concealed families will be maintained which would place no additional requirement.

4.13 Allowing for these adjustments this provides a population led requirement in the order of 43,200 to 43,900, depending on whether the concealed households are accounted for. As previously identified, this target could be reduced further to 39,400 to 43,900 if all long-term vacancy was addressed.

4.14 A priority for Wiltshire, and particularly for the Core Strategy, is to ensure that the area has the capacity to maximise its economy. Therefore, the employment potential (or job growth that could be met by the increase in the working population) of the proposed dwelling range needs to be considered. Indeed, the Housing, Economic Development and Productivity Literature Review (DTZ, 2006) states that '…policy makers may wish to consider…. the fact that regional housing projections still seem to be driven mainly by demographics when there should perhaps be more consideration of how the economy will affect the demand for housing.' The proposed population led range above would only support the growth of somewhere in the region of 5,500 additional jobs using the resident population (although additional jobs could be supported by out-commuters changing jobs to work within the area).

4.15 The employment led projection (3) provides a forecast of the dwelling growth required to meet the estimated employment growth of Wiltshire. This estimate provides for 27,690 additional jobs (as projected by Cambridge Econometrics) in Wiltshire between 2006 and 2026, which equates to 26,300 working people (assuming that 5% of jobs are accounted for by second jobs[6]) and assumes that the working population will grow in line with the job growth. Whilst all employment projections should be viewed with caution as they assume that recent trends will continue, these align with a number of other projections, including those produced for the South West Observatory by Oxford Econometrics (see Appendix 3). However, these projections are felt to be far less robust at a former district level, particularly in South Wiltshire, for which it is projected, that employment delivery would increase dramatically toward the end of the plan period. The Wiltshire wide employment projection is used at a strategic level only, but in order to account for the deviations at district level the delivery of housing will be distributed using more considered arguments.

4.16 Planning Policy Statement 4 (PPS4) states that the Government's objectives for planning include; to 'deliver more sustainable patterns of development, reduce the need to travel, especially by car and respond to climate change'. This is reinforced in the Strategic Objective 7 of Wiltshire 2026, which seeks to reduce the need to travel.

4.17 The aspiration for Wiltshire Council should be that enough jobs are provided for the resident population, in appropriate locations, and the need to commute out of the area is negated. Therefore, a range can be developed from the economic projection, reflecting at one end of the scale, that jobs will be aligned to the resident population, and at the other end that current net out-commuting propensity will be maintained. The resulting employment led dwelling requirement is in the order of 35,900 (from projection (4)) to 57,800 (from projection (3)).

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[6] The 2002 Labour Force Survey identifies that 5.8% of all employed persons have a second job in the South West. This is higher than elsewhere in the UK. Through examination of the South West Growth Scenarios (SWO 2010) it seems as though Wiltshire has a high rate of double jobbing within the region. However, an assumption of 5% is considered to be a conservative, and therefore reasonable, estimate in the absence of more robust Wiltshire specific data.

4.18 The delivery of housing, resulting in additional members of the workforce, will not only support the delivery of employment by attracting employers to the area, but will also create employment opportunities in the construction and service industries to deliver and maintain dwellings and services.

4.19 It should be noted that due to the sub-regional location of Wiltshire, neighbouring the large employment centres of Bath, Bristol and Swindon, that reducing to a zero net commuting situation is very ambitious, due to the commuting pressures exerted by these settlements. However, the flows to these settlements, whilst large are smaller than the flows to the comparatively small employment centres of Chippenham, Trowbridge and Salisbury within Wiltshire. This would suggest that there is a real appetite to work locally where there is ample provision of job opportunities. As such, by providing job opportunities appropriate to the resident workforce, it is likely that Wiltshire will be able to reduce out-commuting flows.

4.20 Delivery towards the top end of the range would conflict with objectives of national policy, and create large commuting flows, contributing to climate change and congestion on Wiltshire's road infrastructure. The best opportunity to minimise commuting flows would be to develop towards the lower end of this range, providing that this does not compromise the development of the economy or the delivery of jobs, and that this can be demonstrated to be realistic. However, under provision could also lead to an increase in commuting, as the pay differential could favour long distance commuters being able to access the market before local workers. Indeed, during the compilation of the RSS anecdotal evidence suggested that this occurred in North Wiltshire. It was suggested that better paid Swindon employees choose to live in the market town of Chippenham whilst lower paid Chippenham workers were obliged to live in cheaper housing in Swindon. The data on commuting does not support this argument, with only approximately 230 people commuting from Swindon to Chippenham, which is substantially less than the 320 travelling from less affordable Bath.

4.21 The current pay differential should be sought to be reduced through the delivery of appropriate jobs across Wiltshire. This should minimise long distance commuting flows, and thereby increase the availability of housing for local workers. It is proposed that the delivery of jobs, the pay differential and the commuting flows should be monitored in line with the Plan, Monitor, Manage approach, in order that policies can be reviewed if required.

4.22 As identified previously, the neighbouring authorities to Wiltshire, have signalled that housing is likely to be reduced which reflects national trends since the intention to revoke the RSS has been announced. Wiltshire needs to ensure that delivery is reflective of delivery in the sub-region and monitor progress on this. This will ensure that Wiltshire meets need within the area, whilst ensuring against a rise in commuting flows.

4.23 This range can be adjusted by considering the effect that making better use of empty homes could make (as above). This would result in the dwelling requirement reducing by between 3,600 and 4,000 dwellings (depending on which end of the range). However, without this being demonstrated to be achievable it is not considered further in this paper. The delivery of the empty homes strategy should at least begin to address this issue, but given that this has not yet been delivered and the results of this strategy cannot yet be estimated it is more defensible to consider the economic led range in the order of 35,900 to 57,800.

4.24 This range is still very broad and needs refinement through the consideration of additional constraints to delivery. It should be noted that this range makes no specific allowance for meeting the needs of existing concealed households, but delivery at anything other than the very minimum of this scale, allows for a level of dwellings which will be occupied by those that do not work within the area. These dwellings that are not required to support the delivery of employment could be considered to contribute to meeting the needs of concealed households, providing that appropriate housing solutions are delivered. In any case, the level of concealed households is not expected to grow over the plan period and so delivery within the range will not exacerbate this issue.

5. Refining the range

5.1 The economic led range identified above will be refined by assessing the impact of the considerations outlined in the previous paragraph. Following this, further checks will be undertaken to quantify the effects that the proposed level of housing growth is likely to have in terms of affordability, commuting flows and housing need.

Supporting the economy

5.2 In order to develop the employment base, it is necessary to make Wiltshire attractive for business start-up and as a destination for relocation. The key influences on businesses identified by The Times (http://www.thetimes100.co.uk/theory/theory--location--391.php) are as follows:

- Closeness to market
- Communication links
- Closeness to raw materials
- Availability of appropriately skilled employees
- Opportunity for waste disposal
- Availability of power supplies
- Availability of land
- Government incentives

5.3 It is the responsibility of the employment policies within the Core Strategy (and the Wiltshire economic strategy) to ensure that these are in place to encourage employment opportunities. However, the availability of the workforce is directly tied to the delivery of housing in suitable locations. Indeed, the Housing, Economic Development and Productivity Literature Review (DTZ, 2006) identifies the strong connection between housing and economic performance. It states that 'There is evidence that the quality and range of housing available in an area is an important consideration in attracting skilled labour. As the knowledge economy grows there will be increasing competition for skills, and business location decisions will take more account of whether an area has the right environment (including housing) to attract skilled workers. Already it is clear that while high quality housing alone may not be enough to attract significant inward investment, a lack of high quality of housing may preclude it.'

5.4 Housing Shortages: what Councils can do (Housing Commission, November 2010) identifies the need to develop more housing nationally. It states 'For some 20 years, household numbers have been rising by more than the number of new homes built. National projections have indicated a requirement… of between 237,800 and 290,500 additional homes per annum. But even in the best years of the property boom, the highest number of new homes built in England in recent years has been around 200,000'. Indeed, in 2009/10 only 114,000 new homes were built. This has resulted in a significant unmet need being present, creating competition for housing which in turn has inflated house prices. This problem does not only affect those on the lowest incomes, as average house prices have increased much faster than earnings. Indeed, nationally the lower quartile house price to lower quartile earnings ratio has increased from 4.8 in 1997 to 8.9 in 2010[7]. It goes on to state that 'new households have to spend disproportionate amounts of their incomes on their accommodation which lowers their living standards (and reduces their spending power for the rest of the economy) sometimes leading to financial difficulties that ruin life chances'.

[7] This is a different measure to house price to income ratios (as previously used) as this is proportional to the average individual earning rather than the household income (Source: CLG live tables).

5.5 Furthermore, the report identifies the construction industry as being 'hugely important as a source of employment. The current low level of housing output has led to substantial job losses….building 100,000 new homes generates work for nearly 150,000 people. Investment in construction….greatly affects GDP. In the second quarter of 2010 about half of GDP growth came from construction. With so much spare capacity in the system there is huge potential for generating economic recovery'.

5.6 Delivery towards the bottom end of the economic led range assumes that the number of employed residents will match the proposed level of jobs (with an allowance for double jobbing). This means that there will be limited additional available employees to encourage further employment development, other than those that are unemployed or are students. Whilst it could be assumed that any additional business development could seek to tackle unemployment, it is unreasonable to assume that unemployment will not exist. As such, this policy scenario could limit additional employment growth due to the lack of a workforce, and it is recommended that housing delivery lies above this end of the range.

5.7 New employment opportunities will be provided through business start-ups, relocation of and expansion to existing businesses. It is the intention to assess whether this could be delivered even if dwellings were delivered towards the lower end of the employment led dwelling range. The vast majority of businesses are small. Some 97.4% of businesses employ less than 50 persons in Wiltshire. Indeed, 87.2% employ ten or less. In considering new businesses alone, 97.9% of those in Wiltshire employ less than ten persons. Given this, the number of economically active persons that are not employed (or are looking to change jobs) within Wiltshire does not need to be sizeable in order to support business start-ups, or indeed to allow for incremental growth of existing businesses. However, this may have more of an impact upon larger businesses looking to relocate.

5.8 In 2006, it is estimated that Wiltshire had a labour force of 246,200 and provided employment opportunities for only 213,800 persons (although this equates to approximately 224,500 jobs), creating a buffer of 32,400 workers that could support employment growth.

5.9 By 2026 the workforce buffer (unemployed or out-commuters) is estimated to have changed to between 8,800 and 36,100 depending on the level of housing delivery. The buffer of 8,800 reflects only those that are unemployed, and so delivery at the bottom end of the dwelling range would not support any further employment delivery. However, if delivery was towards the top of the dwelling range, there would be 26,200 (36,100 – 8,800) resident workers who were unable to meet their employment needs within the area, and so would support further employment development.

5.10 The size of this workforce buffer will be dependent on dwelling delivery as well as assumptions with regard to commuting flows. If there are zero cross border commuting flows, there will by default be no employed workforce buffer. It is necessary to strike the balance between these factors. These will be considered based on the final range at the end of this paper.

5.11 The delivery of housing and employment needs to be aligned such that any employment delivery is supported by appropriate housing and vice versa. This will be key to ensuring the sustainability of Wiltshire and should be reviewed throughout the plan period.

5.12 Another key consideration is the skill base of the workforce buffer. According to the Annual Population Survey, Wiltshire has one of the highest levels of qualifications of all local authorities in the South West. Indeed, some 33.1% of the working age population have NVQ level 4 or equivalent or better which is second only to B&NES and Bristol (the national percentage is 29.6%). Furthermore, some 55.6% have NVQ level 3 or better qualifications. This is the joint highest proportion with Bristol, and compares to 48.9% nationally.

5.13 Given this brief analysis, it would appear that Wiltshire is well placed to deliver additional employment opportunities, as it currently has a highly skilled workforce whose working requirements are not met within Wiltshire. If current commuting propensities are maintained whilst providing for the employment growth then this population will continue to meet their employment requirements outside of Wiltshire. However, if the commuting flows are addressed through balancing jobs with the population, the number of people unable to meet their employment requirements within Wiltshire will reduce. This may restrict the potential for employment delivery during and beyond the plan period. Given this constraint, it would appear that forcing the jobs to match the resident workforce may need to be carefully managed to ensure that the ability to deliver further employment opportunities is not put at risk.

5.14 The result of ensuring that there is a workforce to support future employment delivery revises the minimum to in somewhere in excess of 35,900 (assuming that long-term vacancy remains static) and somewhere below 57,800. However, these figures will continue to be considered to provide the extremes of the range but it must be realised that delivery at these levels could be detrimental to either employment delivery, or sustainability (at either end of the range).

Affordability

5.15 It is an obvious result of supply and demand that the fewer dwellings that are delivered the higher the cost per unit will be. However, whilst Wiltshire has acute affordability problems it must be viewed in its sub-regional context. Indeed, many of the neighbouring authorities have higher House Price to Earnings Ratios than Wiltshire (CLG live tables).

Table 3: House Price to Income Ratios of those authorities surrounding Wiltshire

Local Authority	Median house price to median earnings	Rank	Lower quartile house price to lower quartile earnings	Rank
Wiltshire	7.29	8	8.09	9
Swindon	5.61	12	5.71	12
West Berkshire	7.08	10	8.25	8
Test Valley	7.88	7	8.70	5
New Forest	8.97	4	9.63	3
East Dorset	10.71	2	11.18	1
North Dorset	9.43	3	8.75	4
South Somerset	7.27	9	7.44	10
Mendip	8.09	5	8.53	7
B&NES	8.06	6	8.61	6
South Gloucestershire	5.90	11	6.87	11
Cotswold	11.65	1	10.88	2
England	6.27	-	6.28	-

5.16 As previously alluded to, and identified in work by the NHPAU, the primary mechanism for increasing affordability is through the delivery of further housing. However, given that some neighbouring authorities appear to be reducing their housing requirements in relation to the revoked emerging strategy, the demand across the sub-region will be acute. As a result, even if Wiltshire were to deliver 57,800 dwellings the effect on affordability would be negligible. Using the indicative tool provided with the West of England SHMA, the effects that this would have on affordability in West Wiltshire can be estimated. If this additional dwelling supply was distributed in accordance with the revoked regional strategy then West Wiltshire would receive 16,100 dwellings. This level of delivery would result in the percentage of households able to access the housing market without assistance declining from 63.6% in 2009 to an average of 51.4% from 2011-2021. Delivery towards the bottom of the range (35,800 dwellings) would result in this proportion reducing to 50.4%. No matter how many houses are built within Wiltshire the effects upon affordability will be negligible without supply being increased on a national or sub-national basis.

5.17 As previously alluded to, the SHMAs covering Wiltshire consistently identify a need for affordable housing that would be in excess of 75% of all housing delivery. Whilst this is unachievable, in order to maximise delivery of affordable housing, the total level of housing should be maximised. Indeed, assuming that 35%[8] of all dwellings delivered are affordable, the range would deliver between 12,530 and 20,230 affordable dwellings.

5.18 Given that delivery in Wiltshire has limited effect on overall affordability, this cannot be seen as a driver. Indeed, all that the Council can aspire to is that the affordability of dwellings within Wiltshire remains competitive with neighbouring authorities, and in both delivery scenarios Wiltshire remains the authority with the second highest proportion of households that are able to access the market. However, through the development of appropriate affordable housing policies and the delivery of housing at an ambitious level, both the overall affordability and the provision of affordable homes will begin to be addressed.

Deliverability

5.19 It is the intention to consider the potential delivery capacity of Wiltshire by considering the output of the draft SHLAA. However, this has yet to be produced and so the deliverability of a housing requirement will have to be assessed in terms of historic delivery in the interim. This is considered to be a robust approach as the market has been less constrained in the recent past than at present, and so achieving delivery commensurate with this period is highly ambitious.

5.20 The period widely acknowledged as the housing boom from 2001-2008 saw average annual net delivery of 2,106 dwellings in Wiltshire, peaking at some 2,668 dwellings in 2007/08. During (and prior to) this period, Local Plans were adopted across the area, allocating a supply of land for residential uses. Given these favourable land availability and market circumstances, this level of delivery can be seen to be of the order of the maximum delivery rate for Wiltshire.

5.21 Since the economic crash in 2008, dwelling delivery has reduced to 1,651 in 2009/10, despite the availability of housing sites. This represents the second lowest level of completions since 1996/97 despite the fact that there were more outstanding (or under construction) permitted dwellings in any previous year (back to 2001). Indeed, at April 2009 Wiltshire had 8,181 net permitted dwellings that were either under construction or not yet started. This compares to an average of 6,826 over the previous five years. This limited delivery clearly reflects current market conditions, which are likely to continue in the short-term. Assuming an annual target reflective of delivery within the housing boom, would be truly stretching in the light of these market conditions, and so it is recommended to constrain the dwelling requirement to the order of 42,100. As this figure is so close to the number of dwellings required to meet the population led projection (b), it is proposed to amend this maxima to 43,200 in order to meet this requirement. This will allow for the estimated additional requirement generated by the increase in military personnel, which should be deliverable as extra demand will be generated by this growth.

5.22 This level of delivery is still a significant increase from those proposed by the Wiltshire and Swindon Structure Plan 2016, which proposed 34,000 dwellings across the 20 year period. This demonstrates that the emerging range allows for a truly ambitious level of supply.

[8] The proportion of housing that will be required to be affordable within Wiltshire has yet to be established. 35% is used only to indicate the difference that increasing overall delivery can make.

Environmental impact

5.23 During the preparation of the RSS the South West Regional Assembly commissioned consultants to undertake a Strategic Sustainability Assessment (SSA) of the emerging RSS. This assessment incorporates the Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA). The purpose of the SSA was to assist in the preparation of the draft RSS by identifying the key sustainability issues facing the region, to determine what would be the likely effects of the draft RSS on these and issues, and to put forward recommendations to improve it. This included identifying the sustainability implications of alternative development options for the spatial distribution of housing as well as options for the level of growth to be accommodated within the region.

5.24 The housing requirements identified within this paper are below those promoted through the Wiltshire 2026 consultation document and in such circumstances the conclusions draw in previous SEA/SA reports are considered to be applicable in terms of environmental impact.

5.25 This paper sets out a range of dwelling requirements by considering the impacts of this level of delivery. A specific Sustainability Appraisal has taken place alongside the development of these figures and can be made available.

New Homes Bonus Scheme

5.26 In a letter to all local authorities (Appendix 3) Housing Minister Grant Shapps announced plans to incentivise local authorities into delivering new homes. This letter stated that ‘The Coalition Agreement makes a clear commitment to providing local authorities with real incentives to build new homes. These incentives will directly reward councils for new homes built.’ Responding to the national housing crisis which has seen annual construction of new homes fall to its lowest level since 1924, the New Homes Bonus Scheme will “shift power back into the hands of individuals, communities and councils and give local communities a direct and substantial share in growth rather than just absorbing costs.[9] In his closing remarks the Housing Minister stated, I want to send a very clear signal that local communities that chose to go for growth, both now and in the future, will receive substantial extra funding for doing so.

5.27 The New Homes Bonus Scheme will see the Government match the council tax raised on each new home for a period of six years. However this initiative by the government will be subject to the conclusions of the Comprehensive Spending Review.

5.28 The money paid to councils under the New Homes Bonus Scheme will come from cuts to the overall total local government grant from national Government. An assessment by the Labour Party in response to the Government’s proposals concluded; On the basis of initial cost projections for the Bonus scheme, the impact on council grants and an assessment of average council tax returns it is estimated that in order to maintain the revenue flow currently from Central Government, i.e. to break-even, Wiltshire will need to deliver 1,080 per annum.

5.29 A local authority is likely to lose money under the New Homes Bonus scheme if the total number of new homes built on an annual basis, multiplied by its average council tax is less than the top slice reduction to the local government grant. Historically Wiltshire has seen annual completions well above this ‘break-even’ threshold as shown in Table 4. Therefore delivery above this threshold could see an increase in revenue to the council which is not specifically ring-fenced.

Table 4: Net additional dwelling completions, Wiltshire

2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
1899	2132	2068	2668	1867	c.1660

[9] Grant Shapps: House of Commons Written Answers 8 September 2010

5.30 Maintaining rates of delivery above 1,080 per annum will result in additional revenue for the council for at least the next 6 years. It is not clear if the bonus scheme will continue after the 6 years.

5.31 Furthermore, as alluded to throughout this paper, the contribution of bringing empty homes back into use should be explored. These properties are also eligible for the incentive scheme, which could help to resource the implementation of the empty homes strategy.

Legal Considerations.

5.32 Any revised housing targets must be founded on robust evidence and collaboration with stakeholders. This will be tested through the public examination. Advice on the nature of this evidence is provided in Planning Policy Statement 3 (PPS3) on housing, re-issued by the new Government in June 2010. This includes:

a. Evidence of current and future levels of need and demand for housing;
b. Evidence of the availability of suitable land for housing;
c. The Government's overall ambitions for affordability across the housing market, including the need to improve affordability and increase housing supply;
d. A Sustainability Appraisal of the environmental, social and economic implications; and,
e. An assessment of the impact of development upon existing or planned infrastructure.

5.33 This was confirmed by the interim advice issued by DCLG which states that '.it is important for the process to be transparent, and for people to understand why decisions have been taken. Local authorities should continue to collect and use reliable information to justify their housing supply policies and defend them during the LDF examination process. They should do this in line with current policy PPS3.

Proposed housing requirement

5.34 From the assessment it is evident that Wiltshire should plan for net dwelling delivery in the **range of 35,900 to 43,200**.

5.35 During the development of the RSS some analysis was undertaken using historic and projected trends to establish the relationship between the delivery of new jobs and new dwellings. This indicated that 1.25 additional dwellings are required to deliver one new job in the north of the SW region (including east, north and west Wiltshire) and 1.5 dwellings were required in the south of the region (including south Wiltshire). This sought to include some allowance for net commuting flows, and so provides an appropriate benchmark against which to compare the proposed housing trajectory. In order to deliver the proposed 27,690 jobs, these rates would result in a requirement of between 34,600 and 41,500 dwellings. This is broadly in line with the proposed range and adds further credibility to the proposed figures. It also suggests that delivery of the order to 35,900 will support the number of jobs identified in the Cambridge Econometrics projections.

Key Messages

- **Delivery towards the bottom end of the range will still support the identified employment growth.**
- **Affordability can only be addressed through regional and national strategies rather than Wiltshire acting in isolation. Increasing dwelling delivery to 57,900 will not make a significant impact on affordability while neighbouring authorities have reduced their dwelling requirements.**
- **Setting a dwelling target towards the top end of the initial range is unlikely to be achievable, as this would result in a significant increase from the levels of delivery during a period in which the market was buoyant and land supply was not a constraint. The maximum has been revised to 43,200 as a result.**

6. Options for housing delivery

6.1 In order to assess the impacts of adopting a dwelling target within this range, three delivery scenarios will be tested below. These will include:

- A limited delivery scenario of 35,900 dwellings
- A mid-range scenario of 39,000 dwellings
- A stretching delivery scenario of 43,200 dwellings

6.2 These three scenarios shown in Table 5 are used to assess the issues and risks associated with various delivery targets.

Table 5: Delivery Scenarios

	Limited delivery scenario	**Mid-range scenario**	**Stretching delivery scenario**
Population increase	46,600	52,900	61,300
Household increase	34,500	37,500	41,600
Dwelling increase	35,800	39,000	43,200
Workforce increase	-1,600	2,500	7,900
Jobs increase	-1,900 to 23,400	1,800 to 27,500	6,700 to 33,000

6.3 The first thing to note is that the limited delivery scenario does not actually provide for the increased number of jobs (despite this being the target of this projection). This is as a result of assuming that delivery will be constant throughout the period. The projection that led to the proposal of 35,800 had dwelling completions weighted towards the start of the period, which in turn provided a greater dwelling stock for young families to move to, who will contribute to the workforce as they age. Nevertheless, even if we were to assume that a constant level of delivery would provide for this employment growth, it would at best result in a situation whereby the excess workforce was effectively zero, which would not support future employment delivery. Delivery at this end of the range would not only stifle future employment growth, it would also have negative impacts upon affordability (although these would be minimal).

6.4 The table clearly demonstrates that by increasing the delivery target, the capacity to deliver further jobs increases, which would support the economy of Wiltshire. Delivery at the top end of the range would also be beneficial for the affordability of housing in Wiltshire (although only to a limited extent as demonstrated), provide for the delivery of higher numbers of affordable homes, increase the capital generated through the government's incentive scheme, and yet is thought to be deliverable without compromising the environmental assets of Wiltshire. The only issue with delivery of this order is ensuring that this corresponds with the views of the community and is delivered in appropriate locations to reflect these. It is anticipated that delivery of the order of 35,900 to 43,200 could be accommodated in accordance with the consultation responses from Wiltshire 2026.

6.5 Whilst this requirement does not include a specific allowance for the impact on the civilian stock from the increase in the military population, which should be of the order of several hundred, it is considered that if the maximum of the range was increased it would not be deliverable. Instead, the provision of dwellings to address this issue should be delivered through the development of an appropriate distribution.

6.6 It is also worth considering the contribution that bringing empty homes back into use could make. If this is demonstrated to be achievable, the housing requirement could reduce without compromising the ability to increase sustainability.

7. Phasing

7.1 For the remainder of this paper a housing requirement of 39,000 will be considered in the light of the analysis above. This is by no means an absolute target and should be taken as being indicative only.

7.2 It is reasonable to consider phasing the delivery of housing to meet housing needs at appropriate times throughout the plan period. This will ensure that the short-term needs are met as well as providing a longer-term target and the step change in delivery required to achieve this. This will also allow reviews to be undertaken prior to the longer-term delivery policies coming into effect, which will allow any changes to be reflected.

7.3 The entire plan period runs from 2006 to 2026, and any disaggregation of this supply will need to reflect a sufficiently long time period, such that market peaks and troughs will be accounted for. As such, it is proposed to consider two ten year periods from 2006 to 2016 and from 2016 to 2026.

7.4 In the above analysis the primary driver of development is the employment delivery, and so it is prudent to ensure that dwellings are delivered at appropriate times to support the employment delivery, as a minimum. Table 6 reflects the anticipated requirement for housing from the employment led projection (assuming that current out-commuting flows will continue) over these periods and seeks to disaggregate the housing supply (of 39,000) on a similar basis. It also includes the phased delivery of employment opportunities over the two periods.

Table 6: Phasing

	2006-2016	2016-2026
Employment delivery	4,320	23,370
Employment led dwelling delivery	22,400	34,400
Proposed phased dwelling requirement	15,400	23,600

7.5 It can be clearly seen, that primarily as a result of the employment delivery being weighted towards the latter period, that dwelling delivery should increase across the period. Indeed, delivery during the second period exceeds that which is considered deliverable (according to delivery rates during the housing boom 2001-08). As such it would seem prudent to constrain this figure to this maximum rate of delivery, and provide for the remainder in the first period. The following is provided as an indicative phasing policy which will be reviewed to accommodate the emerging strategy and community engagement.

Table 7: Final phasing (if 39,000 dwellings is used as the target)

	2006-2016	2016-2026
Phased dwelling requirement	17,900	21,100

8. Monitoring

8.1 Local Development Framework Monitoring: A Good Practice Guide (DCLG, March 2005) states that *'….Section 35 of the Planning and Compulsory Purchase Act 2004 requires every local planning authority to publish an annual monitoring report (AMR) to the Secretary of State containing information on the implementation of the local development scheme and the extent to which the policies set out in local development documents are being achieved. Further details of this requirement are set out in Regulation 48 of the Town and Country Planning (Local Development) (England) Regulations 2004.'* However this requirement has been removed within the Decentralisation and Localism Bill. Nevertheless, there remains a requirement to transparently monitor the effects of planning policy annually.

8.2 As such, local monitoring frameworks need to be developed to respond to the requirements of the sustainability appraisal, the strategic environmental appraisal, national core output indicators, the proposed set of national indicators and any other local indicators.

8.3 The new monitoring reports should seek to evaluate the progress of policy against a range of indicators and provide the mechanism by which the need to review current policy is identified. This is consistent with a Plan, Monitor, Manage approach. It is therefore essential to develop clear objectives and to complement these with appropriate indicators to measure the performance of policies with regard to these objectives.

8.4 As such, Table 8 proposes a number of indicators that seek to ensure that the housing requirement remains appropriate for Wiltshire. These indicators are categorised as:

- Primary: the key indicators that the housing requirement relies upon. If the targets are not met, then this could trigger a review of the policy.
- Contextual: these reflect objectives that are related to the housing requirement but not dependent upon it, and should be used to contextualise policy performance.

Table 8: Proposed Indicators

<table>
<tr><th>Primary Indicators</th><th>Target</th><th>Consider review if</th><th>Source</th></tr>
<tr><td>Net commuting flows from Wiltshire</td><td>A net reduction from 2001</td><td>The number of out-commuters has seen % growth greater than the growth of resident workers</td><td>Census</td></tr>
<tr><td>Total population</td><td rowspan="6">Within the range set by the final housing requirement
Within the range set by the final housing requirement</td><td rowspan="6">Beyond the range set by the final housing requirement
Beyond the range set by the final housing requirement</td><td>ONS mid year estimates</td></tr>
<tr><td>Working age population</td><td>ONS mid year estimates</td></tr>
<tr><td>Resident workers</td><td>ONS Annual Business Inquiry</td></tr>
<tr><td>Total households</td><td>DCLG estimates</td></tr>
<tr><td>Total dwellings</td><td>Wiltshire Council</td></tr>
<tr><td>Total number of jobs</td><td>ONS Annual Business</td></tr>
</table>

			Inquiry
Contextual Indicators	**Target**	**Consider review if**	**Source**
Ratio of resident based and employment based pay	A reduction from 2008		ONS Annual Survey of Hours and Earnings
House price to income ratio			
Lower quartile house price to income ratio			
Number of vacant or second homes	A reduction from 2009		Council Tax
Number of concealed households	A reduction from 2009		DCLG estimates
GVA			
Affordable housing delivery			Wiltshire Council
Affordable need – individuals on the housing register rated as silver or above			Wiltshire Council

9. Disaggregating the requirement for South Wiltshire

9.1 The submitted South Wiltshire Core Strategy (SWCS) has been suspended pending a review of housing and employment figures in light of the Government's intention to abolish RS. In the development of the SWCS the communities were consulted and a large evidence base was developed to determine appropriate policy. This will be used in order to develop an appropriate housing requirement that is consistent with the requirement elsewhere within Wiltshire.

9.2 For all areas, outside of South Wiltshire, representatives of local communities will be consulted to help inform the development of appropriate local housing targets. In particular the following aspirations should be considered to inform the generation of appropriate local housing targets:

1) That delivery seeks to provide for at least the bottom end of the employment led range where this is deliverable.
2) That delivery is below the top end of the employment led range, as the jobs are unlikely to be delivered to support this level of development.
3) That the figure can be demonstrated to be deliverable, in line with historic rates (during the buoyant economy).
4) That the figure should provide for the future population..
5) Where these are incompatible a balance will have to be struck between ensuring that economy can grow, that the population is catered for and that the figure is demonstrably achievable.

9.3 In South Wiltshire, owing to the fact that extensive consultations have previously been undertaken, the housing requirements that will be recommended to the Inspector, subject to Full Council resolution, has been determined without further consultation. Although if the Inspector is minded to accept the Council's recommendations, he may require further consultation to be undertaken. Using the indicative housing requirement generated for Wiltshire, in conjunction with the evidence base it is proposed that a disaggregated requirement for South Wiltshire can be identified.

9.4 Using the same projections as above, the totals for South Wiltshire are presented in the following table.

	Difference 2006-2026		
Projection	Population	Households	Dwellings
(1) Natural Change from 2009	4,300	3,100	3,100
(2) Population led	9,500	7,200	7,300
(3) Economic led	28,600	16,500	17,000
(4) Job alignment led	27,900	16,200	16,700

9.5 In accordance with the Wiltshire-wide method, South Wiltshire should seek to deliver a level of housing that would support the delivery of employment. However, this would result in an unrealistic requirement of between 16,700 and 17,000 dwellings. There is a clear difference between this and the population led requirement, which would require only 7,300 dwellings. Owing to this disparity, the unique circumstance in South Wiltshire needs to be explored further in order to develop an appropriate requirement.

9.6 The disparity suggests that the employment growth is not in line with the potential population growth. Indeed, employment growth could be restricted by the available workforce before it could deliver the growth anticipated by the employment projections. The workforce of South Wiltshire is anticipated to decrease by somewhere of the order of 1,900 persons from 2006 to 2026 (according to the population led projections), whilst the employment projections indicate the potential to deliver 10,500 additional jobs. A similar situation arises in both Hampshire and Dorset (which are the only areas where the situation is known) where the number of working residents and jobs are projected to diverge. Whilst the divergence of the jobs as compared to the population in South Wiltshire, infers that any shortfall would be met through greater in-commuting, this is clearly inappropriate as neighbouring areas also display the same divergence. Given this, it is proposed that the economic led projections should be considered to be undeliverable (in terms of jobs) for South Wiltshire, and so the requirement should not be aligned to these. However, it will be important to seek to deliver an ambitious supply of housing, in order to maximise the potential of South Wiltshire to support employment growth. This is discussed further below.

9.7 Through further examination of the employment projections it is clear that in South Wiltshire, only 2,830 additional jobs would be delivered between 2006 and 2016, whereas some 7,640 jobs would be delivered between 2016 and 2026. This is very ambitious for the latter period, and should be viewed with caution (as all employment forecasts should). Furthermore, it suggests that by delivering housing some way below that implied by the economic projections, it would not compromise the ability of South Wiltshire to fulfil the economic potential of the area in the short-term. If the rate of employment delivery over the first period of the plan (2006 to 2016) is considered in isolation, the number of dwellings required to deliver the jobs reduces to 12,700 from 2006 to 2026, which perhaps provides a more realistic estimate of the ability of South Wiltshire to deliver employment, based on its projected resident population (and more specifically projected working population)[10].

9.8 The growth of employment in South Wiltshire is attributable to specific sectors, in particular, Professional Services, Computing, Hotels and Catering, Education and Health and Social Services. It is considered that in the light of public sector cuts that the growth of health and education is unlikely for some years. Furthermore, the growth of jobs in professional services is likely to be largely reliant upon the development of the technology and science cluster around

[10] Even if the remaining employment requirements could not be delivered in South Wiltshire, they could be supported elsewhere within Wiltshire, particularly in the neighbouring areas of Tidworth and Warminster Community Areas, which may be able to be supported consistently with responses to the previous consultation.

the defence research establishments. Whilst elements of this will be supported through the Core Strategy (for example at Porton Down), the remainder of the growth is estimated to be very large and so should be considered to be truly ambitious.

9.9 In summary, the employment forecasts reflect a short-term trend and as such are sensitive to change over a limited period, and should be used with caution, as they appear to be very ambitious as compared to the employment projections for the other areas within Wiltshire, and are unlikely to be deliverable. In this context, the dwelling requirement over the short-term (12,700) is considered to provide a more reasonable estimate of employment growth. Using this short-term led employment growth scenario does not conflict with the Wiltshire wide target, as the 4,300 fewer dwellings (17,000 – 12,700) are easily accounted for by the difference between the aspirational employment led requirement and final proposed range. Taking this into account an initial range of 7,300 to 12,700 is generated for South Wiltshire. Delivery at both ends of the range would cater for the predicted population growth. However, in order to maximise the potential for employment delivery, the level of housing delivery should be as ambitious as possible, within the constraints identified below, to provide for potential for employment delivery.

9.10 In order to develop an employment land supply, it is proposed that sufficient sites should be identified to allow for the total growth, although with the recognition that this is very ambitious, and is unlikely to be deliverable. Providing an ample supply of sites allows for choice and will maximise employment development. Salisbury City, which provides the strategic centre for South Wiltshire, currently attracts workers from a broad hinterland, beyond the bounds of Wiltshire. In this light, it is considered that any under-supply of housing locally, will not have as detrimental an effect on the potential to deliver employment opportunities as it might elsewhere. Indeed, this policy approach is thought to present no constraint on the delivery of employment, but recognises that employment development is unlikely to be of the order implied in the employment projections. However, this will require both the delivery of jobs and that of dwellings to be constantly monitored to ensure that commuting is not promoted, and that the delivery of housing and employment is in balance.

9.11 The other consideration in order to determine an appropriate requirement is that of deliverability. In South Wiltshire from 2001 to 2008, an average of 357 dwellings was built per annum. However, uniquely among the sub-areas of Wiltshire, South Wiltshire has seen delivery increase in recent years. Indeed, from 2005, the average delivery was 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 slump does not seem to have affected the deliverability of housing as it has elsewhere within Wiltshire and as such the following paragraphs will seek to estimate the potential of South Wiltshire to increase supply. It is possible that the bulk buying of new housing on behalf of the MOD in the area has contributed to these increased rates of delivery.

9.12 A Strategic Housing Land Availability Assessment (SHLAA) was published for South Wiltshire in May 2009, reflecting the situation in 2008. Whilst this could be considered to be out of date, it is still considered to provide a reasonable assessment of land availability within South Wiltshire. This assessment identified that South Wiltshire had the capacity to deliver of the order of 14,900 dwellings. However, SHLAAs assess sites on an individual basis rather than cumulatively and as such do not assess the capacity of the market, or the appropriateness within an area to deliver all of the proposed sites.

9.13 In order to assess the ability of the market to support increased levels of delivery, it is considered appropriate to look at historic rates of delivery nationally. Indeed, looking at 10 year periods for which data is recorded, the greatest increase in delivery from one period to another was a 19% increase from the 1950's to the 1960's. This reflects the change from post-war austerity to the post-war construction boom, and saw a shift in demand as family sizes increased, as well as the proliferation of housing estates. Indeed, this percentage growth is unlikely to be replicated without a radical shift in demand and/or the economy.

9.14 If these societal changes did occur, and the current delivery rate (445 dwellings per annum) was assumed to undergo a similar growth to that of the post-war boom, then this would result in a maximum deliverable figure of 10,600 dwellings, as compared to the 14,900 identified within the SHLAA. However, this is entirely unexpected and there is no reason to think that this will occur. Nevertheless, to ensure that the housing proposal for South Wiltshire is not artificially restricted, this will be assumed to provide the maximum of the range.

9.15 Considering the five aspirations listed above, there is clearly some conflict in South Wiltshire, as the employment led range ((3) and (4)) cannot be demonstrated to be and is not considered to be deliverable (even if employment delivery is maintained from the first period of plan, 2006 to 2016). Delivery of the order provided by the population led projections is not ambitious and would stifle the economic growth of the area, but should be easily achievable. In such circumstances, it is considered that a balance needs to be struck between these various factors. Furthermore, the impact of the growing military population on the civilian housing stock should be allowed for in this area.

9.16 As such, the housing requirement for South Wiltshire should be in line with that which is considered to be deliverable, namely 8,900 to 10,600 as this will at least provide for the needs of the population, and is potentially deliverable, and although this does not meet the projected employment growth, it does seek to maximise the growth within the constraints considered. The demand created by the additional military population is likely to support the housing market in this area and so further housing should be able to be delivered to meet this specific need. However, given that the maximum of the range is already so ambitious it is considered that this should be maintained. An assumption has been made that a similar level of housing is likely to be required per military employee as that estimated in Tidworth, creating demand for an additional 300 dwellings. The initial proposal for a housing requirement within South Wiltshire is therefore 9,200 to 10,600. In the development of the South Wiltshire Core Strategy a single figure will be required. It is recommended that this is certainly not towards the top of the range, as this delivery estimate is reliant upon fundamental societal changes. Rather, it is proposed that somewhere in the middle of this range would be appropriate (9,900). This level of delivery can be seen to maximise the employment potential given the delivery constraints and at least provides for the projected population increase. Delivery of housing, employment and the resulting commuting flows will be continued to be monitored to ensure that the strategy is delivering the objectives of the plan.

9.17 This proposal lies within the range proposed for Wiltshire as a whole, and the methodology is also consistent, taking into account the local considerations. The proposed housing requirement for South Wiltshire of 9,900 was presented to Full Council on 22 February 2011. This was endorsed by a Full Council resolution.

10. Next steps

10.1 It is now proposed that communities will be engaged to develop a local housing requirement. The resulting bottom-up housing requirement will be compared to the strategic requirement to see whether these are in general conformity, before a final housing requirement with appropriate distributions can be developed for use in the Core Strategy.

Appendix 2a - 2001 commuting flows

Origins	Swindon	Remainder of Swindon Borough	Bath	Norton Radstock	Remainder of B&NES	Frome	Remainder of Mendip	Andover	Remainder of Test Valley	North Dorset	Cotswold	Vale of White Horse	West Berkshire	Bristol	Bournemouth & Poole	Portsmouth	Southampton	London	East Wiltshire	North Wiltshire	South Wiltshire	West Wiltshire	Wiltshire
	Destinations																						
Swindon																			650	2,690	70	150	3,560
Remainder of Swindon Borough																			150	360	10	20	540
Bath																			110	1,090	30	1,290	2,520
Norton Radstock																			20	140	10	380	550
Remainder of B&NES																			0	100	0	110	220
Frome																			60	140	120	1,670	1,990
Remainder of Mendip																			40	100	80	810	1,030
Andover																			300	10	410	20	730
Remainder of Test Valley																			370	10	900	20	1,300
North Dorset																			40	20	1,490	130	1,670
Cotswold																			40	1,390	20	30	1,480
Vale of White Horse																			60	80	30	20	200
West Berkshire																			340	90	60	10	500
Bristol																			50	680	40	330	1,090
Bournemouth & Poole																			40	30	500	60	620
Portsmouth																			30	10	50	20	110
Southampton																			30	10	380	10	440
London																			170	170	130	80	560
East Wiltshire	2,290	360	170	10	0	20	20	1,580	540	10	50	180	1,600	180	20	30	50	710	23,240	1,410	1,530	1,430	27,610
North Wiltshire	8,890	1,180	2,300	40	60	30	40	40	20	10	1,260	290	350	1,530	20	20	10	860	1,640	39,800	230	1,820	43,490
South Wiltshire	110	30	80	10	10	40	50	1,320	1,280	840	10	50	150	100	310	90	880	810	1,330	140	44,960	650	47,080
West Wiltshire	700	110	4,150	210	120	640	490	120	60	100	40	40	90	1,060	50	20	30	480	1,920	3,620	1,240	40,250	47,030
Wiltshire	12,000	1,680	6,690	270	190	730	610	3,060	1,900	960	1,360	560	2,190	2,870	400	170	970	2,850	28,120	44,970	47,960	44,150	

Appendix 2b - 2001 migration flows

Origins \ Destinations	Swindon	Remainder of Swindon Borough	Bath	Norton Radstock	Remainder of B&NES	Frome	Remainder of Mendip	Andover	Remainder of Test Valley	North Dorset	Cotswold	Vale of White Horse	West Berkshire	Bristol	Bournemouth & Poole	Portsmouth	Southampton	London	East Wiltshire	North Wiltshire	South Wiltshire	West Wiltshire	Wiltshire
Swindon																			180	920	30	70	1,190
Remainder of Swindon Borough																			40	90	0	10	140
Bath																			30	220	30	480	760
Norton Radstock																			0	10	0	70	80
Remainder of B&NES																			0	30	0	30	70
Frome																			0	30	20	160	210
Remainder of Mendip																			20	30	40	130	210
Andover																			150	30	140	0	330
Remainder of Test Valley																			130	20	300	20	460
North Dorset																			40	60	410	40	550
Cotswold																			50	240	20	20	320
Vale of White Horse																			90	60	70	20	240
West Berkshire																			230	120	50	40	440
Bristol																			60	100	50	100	310
Bournemouth & Poole																			30	20	100	70	210
Portsmouth																			30	20	30	20	90
Southampton																			30	10	90	50	190
London																			290	410	560	380	1,640
East Wiltshire	220	50	80	0	10	20	20	150	110	30	30	30	140	40	30	30	80	370	3,830	270	360	310	4,770
North Wiltshire	710	90	250	10	20	10	30	10	0	50	350	60	80	170	50	40	50	430	250	6,720	90	550	7,610
South Wiltshire	50	0	40	0	0	10	40	90	130	390	20	70	20	70	130	40	140	420	270	60	7,590	270	8,190
West Wiltshire	40	0	240	40	10	130	90	20	0	40	10	20	40	110	60	20	60	310	180	280	180	8,160	8,800
Wiltshire	1,020	150	600	50	30	180	180	270	250	510	400	190	280	390	270	120	330	1,530	4,530	7,340	8,210	9,300	

Appendix 3 – Economic projections

The proposed job growth figures originate from a set of economic projections supplied by Cambridge Econometrics using their Local Economy Forecasting Model (LEFM). The resulting figures have been verified by comparison with other recent economic projections, namely those generated by Oxford Econometrics for the South West Observatory entitled South West Growth Scenarios (June 2010).

These comparative projections consist of a strong, central and weak economic growth scenario, and so provide some sensitivity to test the robustness of the LEFM projections. The following table presents the growth in the number persons working in Wiltshire.

Projection	Increase in persons working in Wiltshire 2006-2026*
Cambridge Econometrics LEFM projection	26,306
Oxford Econometrics weak scenario	16,200
Oxford Econometrics central scenario	22,400
Oxford Econometrics strong scenario	32,800

*The number of persons working in an area correlates to the number of jobs, with an allowance for double jobbing.

The LEFM projection forecasts higher job growth than the central Oxford Econometrics scenario, but significantly below the strong growth scenario. It is reasonable to plan for growth somewhere towards the middle of this range, and to monitor progress to account for any divergence from this trend. As such, either the LEFM or the central growth scenario would provide the most appropriate targets.

If these employment projections are translated into dwelling requirements (as within the main body of the report), then the figures in the following table are generated. This presents two scenarios; the first assumes that commuting flows will continue in much the same way as at present, and the second seeks to align the workforce to the number of jobs.

Projection	Job alignment led dwelling requirement 2006-2026	Economic led dwelling requirement 2006-2026
Cambridge Econometrics LEFM projection	35,900	57,800
Oxford Econometrics weak scenario	23,000	41,900
Oxford Econometrics central scenario	28,000	47,400
Oxford Econometrics strong scenario	36,800	57,100

The dwelling requirement resulting from the central growth scenario largely overlaps the range generated from the LEFM projection. However, the LEFM projection is more ambitious. As such, the range generated by the LEFM projection will be used as the base economic projection in order to determine an ambitious economic led dwelling requirement.