

Rebuttal Note to Inspector: Barton Willmore's Response to South Gloucestershire Council's Note (South Gloucestershire EIP Housing Requirement EIP Reference CE7)

12 July 2012

1. This note has been prepared in response to the Council's note which seeks to criticise the approach taken by Barton Willmore in its assessment of housing requirements within South Gloucestershire.
2. At the outset it is important to note that there is no dispute that the Chelmer model is well regarded, and has a long history in providing the housing evidence base for many regional and local plans.
3. The Chelmer model, and its underlying data is maintained independently by Cambridge Econometrics, and as such the assumptions which underpin it can be considered impartial.
4. The Inspector is familiar with the Chelmer model, but in summary the benefit of the model is its ability to run scenario led forecasts which are determined by a fixed input, such as migration. In this instance, the two scenarios presented in Barton Willmore's hearing statement were based on fixed levels of net in-migration, the first (demographic led) based on past long term trends (10 year average), and the second, the necessary level of net in-migration to meet labour force growth requirements. Both represent industry standard scenarios which have been presented and used at many examinations in the past.

2010-based Sub National Population Projections

5. The Council has misunderstood the role of the ONS population projections (whether that be 2008-based or 2010-based) within the Chelmer model. The South Gloucestershire Core Strategy Plan period commenced in 2006, and as such it is appropriate to assume this as the base year. Beyond 2006, the model assumes population growth based on a fixed input, being net migration. The use or otherwise of the 2010-based SNPP is therefore simply not relevant. Indeed, the 2010-based SNPP somewhat confuse matters, as they assume a base year of 2010. By using these projections (based solely on the last 5 years¹ when we know there has been an accumulated under-provision of at least 2,117 dwellings² i.e. based on SGCs preferred position on requirements for the plan period) the Council and indeed Roger Tym and Partners have taken at face value the population growth between 2006 and 2010 without considering the impact that the under provision of housing over this period has had on the population size, age structure and indeed the likely increase in hidden households which has resulted.
6. In converting a district population to households the Chelmer model does however utilise the 2008-based household formation rates supplied by CLG. These are the only official household projections available and must be used to ensure national consistency. We understand that the 2010-based household projections will be published in late 2012.

¹ See SGC CE7 Paragraph 15

² See SGC Action List Clarification on HLS Shortfall Appendix A: Dwelling Completions



7. The Council also criticise the Chelmer model in not adopting the 'more robust migration estimates' provided by the ONS' Ongoing Migration Statistics Improvement Programme' (IMSP), which assess migration levels over the period 2006 – 2010. For the reasons detailed above, we do not consider this relevant as the Core Strategy commences in 2006. However, for completeness it is important to note that IMSP states that the total cumulative revisions to net migration over the period 2006 – 2010 total 1,029. In short the IMSP consider that net in-migration over this period is 1,029 migrants greater than set out within the official mid-year estimates. The demographic led Chelmer forecast scenario adopted an average level of migration based on official mid year estimates (10 year average of 1,000 per annum). As such we consider this scenario to represent a conservative and robust estimate of future migration levels, as assuming the IMSP estimates, this average would increase to 1,100 per annum.

Economic Led Scenario

8. However, as we noted at the hearing session for Matter 8, it is not simply a matter of taking the output of these or indeed the 2010-based SNPP at face value, without first understanding the implications of a projection on the Core Strategy strategic objectives and in particular economic growth. It is for this reason that we have put forward an economic led scenario, which sought to provide an adequate level of additional labour force to balance with the Council's job growth forecast. This is considered a reasonable assumption given the results of the latest commuting pattern data which themselves broadly balance. The Council accept this proposition, and in this respect it is important to note that no more up to date commuting data is available.
9. However, the Council assert that more recent levels of economic activity and employment figures within South Gloucestershire and Bristol would suggest that the balance of commuting flows has shifted, resulting in a greater flow of labour from Bristol to South Gloucestershire. In this respect the Council appear to rely on increases in labour force within surrounding districts to support its own job growth. Such approach is simply not realistic, is unsustainable and further exposes the lack of positive planning in SGC. In making this assumption the Council have failed entirely to consider the wider economic growth aspirations of the West of England, for which the LEP is targeted with job growth of 95,000. Furthermore, the limited level of housing provision targeted within Bristol, will inevitably place greater pressure on surrounding districts for additional labour supply.
10. In this respect it is important to note the Bristol City Council Core Strategy Inspectors Report March 2011, where in paragraph 48 it is stated:

"The Council's proposed changes for a minimum housing provision of 26,400 is very unlikely to meet, and could fall very substantially below, the potential housing demands in Bristol over the plan period. If the Council's anticipated delivery of 30,600 dwellings is achieved this would avoid the worst consequences of the lower figure, but could still be under provision. Whilst the Council's intention of delivering 30,600 new homes might achieve a broad balance between the number of additional people living in the city and seeking work and the number of new jobs provided, it could restrict economic growth if economic circumstances are more favourable than expected and/ or increase the proportion of workers commuting into the city."³

11. Policy BCS5 of the Adopted Bristol Core Strategy, establishes a minimum housing target of 26,400 dwelling.
12. We therefore consider that the economic led scenario put forward in our hearing statement, based on balanced commuting patterns is entirely reasonable, and prudent given the considerable level of economic growth forecast within Bristol City, coupled with the limited levels of additional housing proposed.

Summary

13. In summary the Chelmer model adopts the most up to date assumptions including the last household formation rates. The model does not rely on ONS population projections (neither 2008 or 2010-based) but

³ Paragraph 48, Bristol City Council Core Strategy Inspector's Report March 2011

rather derives its own population forecast from a cohort survival model, which assumes a base year of 2006 – the start of the Core Strategy Plan period.

14. The migration assumptions incorporated within the demographic led scenario are based on long term trends (10 year average), and are considered prudent given the revisions to net migration put forward by the IMSP.
15. It is essential that the Council assess the implications of its proposed level of housing on economic growth, and in this respect the Council have failed to understand the role of South Gloucestershire in the wider sub-region, and as a source of labour to neighbouring Bristol City, particularly given the economic growth aspirations of the LEP. We have therefore taken a prudent approach by assuming a balanced provision of labour and jobs.
16. It is clear that the Council have misunderstood the role of the Chelmer model, its underlying assumptions, and the importance of an economic led scenario in determining a housing requirement which seeks to support economic growth.
17. With this in mind we consider that a housing target of 33,000 dwellings remains the minimum level of housing provision over the Core Strategy Plan period.