

Matter 3

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Betterment Properties

Appendix AP1

Assessment of Housing Requirements Weymouth & Portland

Final Report

Betterment Properties
(Weymouth) Limited

July 2013

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Appendix 1 List of Documents Referenced within the Report

TA reference:

LPA reference:

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Executive Summary

- a. This report has been prepared by Turley Associates for and on behalf of Betterment Properties (Weymouth) Limited with additional specialist demographic modelling advice provided by Edge Analytics. The purpose of this report is to establish an analysis of the objectively assessed need for housing in Weymouth & Portland Borough in accordance with the National Planning Policy Framework (NPPF).
- b. A review of the national policy context and its interpretation by Local Plan Inspectors as well as a detailed examination of the latest datasets which should be used to inform the calculation of the objectively assessed housing needs of the area has been presented within this report. In addition the analysis has presented a series of population and household projections built using the POPGROUP suite of software.
- c. The analysis has been undertaken in the context of the evidence prepared to date by the Local Planning Authority. This includes the 2011 SHMA which included a detailed examination of demographic trend population and household projections built using the latest data at the time and the 'Review of future housing requirements for West Dorset District and Weymouth & Portland Borough' (June 2013). This later report is understood to represent an independent review of the housing and population requirement identified in evidence prepared for the districts' emerging Joint Local Plan. The 2011 SHMA, whilst identifying the risk to the economic growth of Weymouth & Portland of a continuation of demographic trend-based projections, did not include modelling quantifying the implications and the levels of job change likely to result. Whilst the June 2013 requirements study considers the relationship between housing need and economic change alongside other factors, including affordable housing need, it does not provide robust modelled outputs built using a recognised demographic forecasting model. Collectively these limitations represent an important gap in the evidence base from which an objective assessment of need can be calculated.
- d. In evaluating the projections presented within this report the conclusion is drawn that the latest economic, demographic and housing market indicators demonstrate that the level of housing planned for within the West Dorset, Weymouth & Portland Pre-Submission Draft Local Plan, hereafter the Draft Local Plan, (2013) is insufficient to meet the objectively assessed housing needs of Weymouth & Portland Borough.
- e. Examination of the latest demographic evidence shows that the authority has seen, over recent years, an ageing of the population with this projected to continue under trend-based demographic projections. Historically higher levels of migration have been seen within the authority than have been evidenced over recent years.
- f. The Draft Local Plan sets an ambition to expand the employment base of the two authorities. Emphasis is focussed on creating new employment opportunities within Weymouth recognising the potential of the town and the need to regenerate its town centre and seafront. In order to support employment growth the Draft Plan includes the allocation of at least 15 hectares of employment land within Weymouth &

Portland with the expectation that this will generate new employment for current and future residents.

- g. Examination of historic econometric forecasts for the wider Dorset area suggests a buoyant level of job growth over the plan period. Consideration of the latest Experian (May 2013) forecasts shows a considerably more muted picture of growth but these do not take any account of investment plans and/or policy aspirations set out in the Draft Local Plan.
- h. It is evident that the effect of the ageing population will act as a constraint on the future level of the resident labour supply. This in turn will make it difficult to realise the full job potential within the area without an uplift in levels of net in-migration from those seen over recent years.
- i. The alignment of demographic projections with the Experian forecast, which reflects a very conservative perspective of future job growth, identifies the need to provide for at least 300 dwellings per annum over the plan period to support a limited uplift in employment over the plan period¹. This level of provision does not represent a significant uplift from that identified within the RSS. The successful provision of higher numbers of jobs above that forecast by Experian would inevitably result in further demand pressures for additional housing.
- j. It is evident from the existing evidence base and the analysis presented in this report that there are strong market linkages between Weymouth & Portland and West Dorset. Consideration of the underpinning demographic and economic aspirations for West Dorset suggests that housing need pressures will remain high over the plan period. The capacity for West Dorset to provide headroom beyond meeting its own objectively assessed needs to accommodate additional demand generated in Weymouth & Portland is therefore not considered to represent a sustainable option. This further highlights the importance of ensuring that sufficient housing is enabled within Weymouth & Portland that matches the demand pressures identified through the modelling in this report.
- k. It is evident from a review of the available evidence, including recent levels of completions, that the plan will not result in the significant boosting of the supply of housing in the area to facilitate the potential growth of the economy (NPPF para. 47).
- l. The 2011 SHMA confirmed the significant affordability issues facing the authority which have continued to form a barrier to younger households forming and remaining within the Borough with the latest evidence showing no signs of this significantly abating. Again this represents a challenge for the creation of balanced communities and in retaining and attracting business and employment investment. The draft policy position proposed by the Council in relation to the authority's housing requirement will not sufficiently address this challenge. The failure to seek to address historic patterns of out-migration through the lowering of the housing

¹ Our findings are based on the assumptions set out in this report. As is customary with evidence based reports our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

requirement figure from the previous RSS level will result in a perpetuation of an undersupply position against evidenced need, further increasing the backlog of need for affordable housing.

- m. The evidence within this report has highlighted the importance of enabling housing development within Weymouth & Portland in order to support and attract local business investment through the provision of the appropriate housing infrastructure. The current Draft Local Plan fails to recognise these needs in its setting of the housing requirement and therefore fails to take full accord of the positive planning stance maintained through the NPPF.

1 Introduction

- 1.1 This report has been prepared by Turley Associates for and on behalf of Betterment Properties (Weymouth) Limited with additional specialist demographic modelling advice provided by Edge Analytics. The purpose of this report is to establish an analysis of the objectively assessed need for housing in Weymouth & Portland Borough in accordance with the National Planning Policy Framework (NPPF).
- 1.2 This report presents Turley Associates / Edge Analytics analysis from the TArget Toolkit. The TArget Toolkit provides an evidence based approach to establish, test and evaluate current and future levels of housing need in a particular area. The TArget Toolkit uses a quantitative, scenario based approach to test a range of demographic, economic and policy-led outcomes from which a range of future local demand based housing requirements are derived.
- 1.3 The last eighteen months has seen the release of a number of important datasets as well as changes in the housing market and economic context. The Toolkit utilises the most up-to-date and robust data at the time at which modelling is undertaken and is fully compliant in its approach with the NPPF. The team at Turley Associates / Edge Analytics have applied this approach on behalf of a significant number of local authorities and private sector clients across England. Further detail on the methodology is provided within section 4.
- 1.4 The conclusion is drawn that the latest economic, demographic and housing market indicators demonstrate that the level of housing planned for within the West Dorset, Weymouth & Portland Pre-Submission Draft Local Plan, hereafter the Draft Local Plan, (2013) is insufficient to meet the objectively assessed housing needs of Weymouth & Portland Borough.
- 1.5 In drawing this conclusion, we highlight the potential role that the current planning policy provision for housing will have in constraining rather than facilitating the economic growth of the area. A review of demographic and economic projections / forecasts demonstrates that the substantial reduction of the housing requirement in the district from that formerly presented through the Regional Plan will not secure the employment creation objectives of the Draft Local Plan without creating further pressures for in-commuting. Furthermore the failure to plan to accommodate a sufficient level of housing to match housing needs will exacerbate current affordability issues within the Borough representing a significant challenge for many local households seeking to remain within the area.

Report Structure

- 1.6 Following the introductory section, the report is structured as follows:
 - Section 2: NPPF and its Implications – The publication of the NPPF alongside other Government Strategies and statements form an important context for evaluating housing requirements. A summary of key policy requirements as well as the interpretation of policy by Inspectors is included in order to provide context to the analysis and conclusions reached within this report in relation to the Draft Local Plan;

- Section 3: The West Dorset, Weymouth & Portland Pre-Submission Draft Local Plan and Informing Evidence – A short summary of the policy position set out within the Draft Local Plan with a particular focus on those relating to Weymouth & Portland Borough is included alongside a short review and critique of the evidence base cited within the latest iteration of the Draft Local Plan.
- Section 4: Methodology – The methodology adopted within this report for projecting forward population and household change and therefore derived assessed needs within Weymouth & Portland is set out within this section;
- Section 5: Assessing the latest Drivers of Change datasets – Analysis of a range of drivers which will influence future needs for housing within the Borough. This analysis provides a summary of the key assumptions which are made within the modelling of future housing need pressures;
- Section 6: Weymouth & Portland Population and Household Projections: The outputs of the modelling of objectively assessed need is presented; and
- Section 7: Summary and Conclusions – The final section draws together the conclusions in the report to succinctly draw together the views on the appropriateness of the level of housing accommodated within the Draft Local Plan and its accordance with the NPPF.

2 National Policy Context

NPPF guidance on planning policies

- 2.1 An important implication of the revocation of the regional tier of planning is that the responsibility for establishing housing requirements for Local Plans now falls with individual Local Authorities.
- 2.2 Looking specifically at the NPPF in relation to the guidance it sets for preparing this evidence, firstly it is important to recognise that the NPPF is built around a policy commitment to the achievement of sustainable development. At the heart of the NPPF is a “*presumption in favour of sustainable development*”, which requires local authorities in the development of their Local Plans to adopt a positive approach in order to “*seek opportunities to meet the development needs of an area*” (DCLG, 2012, para 14 first bullet).
- 2.3 Further clarification is provided through the core planning principles set out at Paragraph 17 of the Framework. Importantly, this includes the following requirement that planning should:

“Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities” (DCLG, 2012, para 17, 3rd bullet).

- 2.4 With regards housing, the NPPF states (Paragraph 47) that in order to boost the supply of housing, local planning authorities should:

“Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework” (DCLG, 2012, para 47 bullet point 1).

- 2.5 Further guidance as to the informing data and drivers which should be considered in establishing this estimate of the objectively assessed need facing the authority for housing is set out within paragraph 159 of the NPPF:

“Local planning authorities should have a clear understanding of housing needs in their area. They should:

- *Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale*

and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- *Meets household and population projections, taking account of migration and demographic change²;*
- *Addresses the need for all types of housing, including affordable housing and the needs of different groups...; and*
- *Caters for housing demand and the scale of housing supply necessary to meet this demand". (DCLG, 2012, para 159)*

2.6 In October 2012 the Government requested a Review of the 7,000 plus pages of Government Planning guidance which supports the implementation of national planning policy (DCLG, 2012b). This review was led by Lord Taylor and reported on the 21st December 2012. The review concluded that the system of guidance was "no longer fit for purpose" and classified documents for retention, cancellation and update as well as identifying current gaps in guidance.

2.7 Significantly, the report identified the Strategic Housing Market Assessment (SHMA) guidance³ as well as the Strategic Housing Land Availability Assessment (SHLAA) guidance as urgently in need of update. The following additional advice was provided regarding the updating of the SHMA Guidance:

"Current guidance is out-of-date. Important to have a standardised approach. Closer linkages between the SHMA and Employment Land Reviews/Economic Assessments. Priority to be updated. Consider whether SHLAA and SHMA guidance can be combined" (Lord Taylor Review DCLG, 2012, Annex C).

2.8 In advance of the publication of updated Guidance following the Taylor Review the Planning Advisory Service / Local Government Association published a guide to assist local authorities in assessing their objectively assessed needs and translating these into policy (July 2013). This reinforces a number of important principles in terms of the interpretation of the NPPF. These are summarised in the following paragraphs:

"Corroboration, consistency and integration will ensure a joined up strategy and be more likely to deliver a good and sound plan. For example consideration of the long term demographic and economic led projections may reveal that they are producing a similar level of housing requirement. If this will ensure you meet your objective of achieving x jobs over the plan period as well as addressing the high

² Note: In response to a question asked by Lord Hodgson of Astley Abbots on the 25th October 2011 in the House of Lords around the source of total population to be used in assessing housing requirements as set out in the draft National Planning Policy Framework Baroness Hanham replied: "When assessing their housing requirements in future years as part of a strategic housing market assessment, authorities should use the most recently released sub-national population projections (published by the Office for National Statistics) and household projections (published by the Department for Communities and Local Government). (<http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/111025w0001.htm#11102553000508>)

³ The latest guidance is the DCLG published 'Strategic Housing Market Assessments Practice Guidance Version 2 (2007)

level of affordable need that exists, then there is a consistent set of evidence which integrates your strategy together and can be justified.

Conversely it is inappropriate and perverse for a strategy which seeks to increase jobs across the district to be accompanied by a low level of housing based on demographic projections with low migration trends. This is because the ambition for new jobs is only likely to be achieved by the in-migration of economically active people. Likewise a corporate strategy which seeks to address the high affordable housing need is unlikely to be delivered by a very low level of housing provision.” (pg. 10, 2013⁴)

- 2.9 The above synopsis of the latest policy guidance provides an important context against which to assess the compliance of any evidence prepared with the intention of informing a statutory Local Plan under the new planning policy framework. This forms an important context for considering the analysis in the following sections.

Inspectors’ interpretation of NPPF Guidance

- 2.10 It is now over a year since the publication of the NPPF and the establishment of housing requirements through Local Plans has received an increasing amount of attention as they are submitted for Examination under the new framework. The following provides a summary of the key points which have emerged from a number of Local Plan/Core Strategy Examination hearings, drawing in particular from the Local Inspector reports. This provides further clarification as to how the new planning framework is being interpreted and the areas against which policy and evidence is being found unsound.
- 2.11 In the lead up to, and following, the formal revocation of the Regional Plans it is evident that Inspectors have placed a significant emphasis on the responsibility of authorities to evidence the ‘full, objectively assessed needs for market and affordable housing’. This was highlighted with regards the East Hampshire Joint Core Strategy Examination where the Inspector stated: “*The Framework requires local planning authorities to ensure that their plans are based on adequate and up to date evidence and that they should have a clear understanding of housing needs in their area*” (East Hampshire District Council, 2012⁵).
- 2.12 The Inspector considering the Rother Local Plan reinforced this position linking it to other important national policies: “*The Framework (paragraph 47) requires local planning authorities to boost significantly the supply of housing by using their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework*” (Rother District Council, 2012⁶).
- 2.13 The key information for assessing this need is another area of focus for Inspectors. In the case of the examination of the Ryedale Plan the Inspector used reference to the latest (2008 based) household projections as a basis for testing the housing requirement

⁴ ‘Ten key principles for owning your housing number – finding your objectively assessed needs’, PAS / LGA, July 2013

⁵ Paragraph 6 Inspector’s Report ‘Examination of the East Hampshire District Local Plan: Joint Core Strategy, 23rd November 2012

⁶ Page 2, final paragraph, Inspector’s Report ‘Rother District Council Local Plan (2011 – 2028) Strategy Examination, 13th December 2012

proposed, noting that the Core Strategy “does not clearly demonstrate how the Council has undertaken an objective assessment of housing needs, including meeting the full objectively assessed needs for market and affordable housing” (Ryedale District Council, 2012⁷).

- 2.14 The importance of examining population and household projections as a starting point for assessing need was highlighted through the examination of the Eastbourne Core Strategy Local Plan. The Inspector noted that the Plan retained the Regional Strategy requirement for the authority but also referenced the draft Eastbourne Strategic Housing Market Assessment (2012), noting that this: “analyses up-to-date evidence of housing need based on government household projections”. The following recommendation was made by the Inspector based on his review of the evidence:

“The draft 2012 SHMA indicates that the 2010 household projections are expected to show a lower rate of increase than previously anticipated. However, based on past trends and 2010 population data it still predicts that the rate of household growth from 2010 to 2035 is likely to be 400 units each year. This suggests that the housing target would need to be increased to comply with paragraph 47 of the NPPF, which requires Local Plans to meet the full, objectively assessed needs for market and affordable housing in the area” (Eastbourne Borough Council 2012⁸).

- 2.15 Whilst the above was noted the Inspector did conclude that whilst the Plan will fall short of meeting the full need for housing in the area that the approach was justified in relation to the assessment of physical and environmental constraints. The balance between other factors (i.e. policy or physical constraints) and addressing needs in full is another area where recent decisions provide important points of clarification.
- 2.16 As referenced above the Rother Local Plan proposed a reduction in the housing requirement of “between 77% and 85% of the SEP requirement” (Rother District Council, 2012⁹). The Inspector concluded that the reasons for this proposed reduction were unsound, importantly one of the areas argued by the authority as having an impact on future demand was the health of the economy and in particular the economic downturn within which the plan was being prepared. This is important as it shows the importance of the link between the economy and housing demand with the Inspector concluding: “Although the economic recovery may be taking longer than originally hoped, it is still a reasonable assumption that the economy will return to more normal levels of growth over the 17 year plan period. Accordingly, this is another factor which may affect the trajectory for delivery of housing and jobs, but is not a credible reason for reducing the overall target” (Rother District Council, 2012¹⁰). Overall, the Inspector concluded on the point that: “There is no suggestion within the Framework that the level of ‘need’ should be reduced having regard to identified constraints or policy assumptions, which appears to

⁷ Paragraph d.i (1st bullet) “Ryedale District Council Examination of the Ryedale Plan – Local Plan Strategy Inspector’s Interim Conclusion”, 14th December 2012

⁸ Paragraph 25, Eastbourne Core Strategy Local Plan – Inspector’s Report, November 2012

⁹ Paragraph 3 Inspector’s Report ‘Rother District Council Local Plan (2011 – 2028) Strategy Examination’, 13th December 2012

¹⁰ Ibid Page 2, 1st paragraph

be the methodology underpinning the 'Assessment of Housing Need' May 2012" (Rother District Council, 2012¹¹).

- 2.17 This was further reinforced by a further letter from the Inspector in April 2013 which stated: *"I also wish to emphasise the point that the independent assessment of need should be made without regard to the District/Borough's capacity to meet it. If convincing arguments can be made for why the assessed need cannot be met, that triggers the requirement to seek help from other authorities in accordance with the duty to cooperate. Capacity constraints cannot be used as a reason to reduce the independently assessed need. (2012¹²)*
- 2.18 The importance of aligning policies built around an objective assessment of need and economic growth was also stressed by the Inspector considering the East Hampshire Core Strategy. The Inspector's report stated: *"The plan period runs to 2028 and it is hoped that we will achieve pre-recession projected levels of economic growth well before then. The JCS [Joint Core Strategy] at paragraph 3.4 states that the 'District's economy will meet the employment needs of both residents and businesses'. I am concerned that the level of housing proposed in the JCS (added to an ageing population) would limit the supply of local workers, prejudicing existing businesses and making the District less attractive to new employers. It could also lead to increased levels of in-commuting" (East Hampshire District Council, 2012¹³).*
- 2.19 This assessment of the link between these two factors highlights the importance of considering both demographic and business/employment drivers in the shaping of aligned policies. The reference to the ageing of the population also highlights an issue which often arises in the balancing of the two with the general ageing of the UK's population requiring a considered policy response if other ambitions to encourage investment and employment growth are to be realised.
- 2.20 Finally, one of the other areas considered by Inspectors as having a bearing on their assessment of the setting of alternative locally evidenced housing requirements relates to 'market signals' and in particular the need for 'affordable housing'. This was an issue again referenced within the Inspector's report on the East Hampshire Local Plan. In considering the evidence presented within the Council's 'Housing Needs Assessment Update 2012', which identified a shortfall of affordable housing at around 439 dpa each year, he concluded: *"In my view, the undisputed and urgent need for affordable housing in the district weighs heavily in favour of increased levels of housing provision" (East Hampshire District Council, 2012¹⁴).*

Duty to Co-operate - The Policy & Legislative Framework

- 2.21 The NPPF sets out that local authorities have a 'duty to cooperate' on planning issues that cross administrative boundaries. The Planning and Compulsory Purchase Act (2004) also requires that the local authority engage constructively with its neighbours.

¹¹ Ibid Page 3, 3rd Paragraph

¹² Paragraph 3 Inspector's letter 'Rother District Council Local Plan (2011 – 2028) Strategy Examination', 12th April 2012

¹³ Paragraph 9 Inspector's Report ' Examination of the East Hampshire District Local Plan: Joint Core Strategy'. 23rd November 2012

¹⁴ Ibid Paragraph 10

2.22 Particular reference within the NPPF is made to the importance of effectively fulfilling this duty when considering, and presenting, the strategic policies to deliver new homes and jobs within Local Plan preparation.

2.23 The NPPF provides guidance to local authorities regarding the appropriate measures to undertake in order to fulfil the duty:

- Joint working on areas of common interest is to be diligently undertaken to the mutual benefit of neighbouring local authorities.
- Collaborative working is to undertaken between local authorities and other bodies such as Local Enterprise Partnerships (LEPs).
- Consideration of the preparation of joint planning policies on strategic matters.

2.24 The duty to cooperate therefore acts as the mechanism by which local planning authorities can effectively:

“...ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected clearly in Local Plans” (DCLG, 2012 para 179¹⁵).

2.25 The NPPF states that the required outcome of the duty to cooperate is that, through this constructive process, it should enable:

“...local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas...” (DCLG, 2012 para 179¹⁶)

2.26 The importance of fulfilling the duty to cooperate is emphasised by the severity of the implications of failure to discharge this duty. Failure to discharge will result in the Local Plan being found unlawful, with no remedy to resolve this.

2.27 Following Examination of the Coventry City Core Strategy DPD, the Inspector concluded:

“the Plan does not meet the legal requirements of the 2004 Act in that the Council has not engaged constructively with neighbouring local planning authorities on the strategic matter of the number of houses proposed in the Plan and consequently it has not sought to maximise the effectiveness of the plan making process.” (2013, para 54¹⁷)

2.28 In reporting, the Inspector cited the shortcomings of the Council's approach to discharging the duty to cooperative as pivotal in the unlawfulness of the Plan. In particular, the Inspector cited:

- It is not sufficient to prepare an agreement with neighbouring local authorities to resolve issues in shortfall in the future without clearly citing how this would be achieved.

¹⁵ NPPF (2012) – CLG (p42, para 179)

¹⁶ Ibid

¹⁷ Coventry City Core Strategy DPD Examination – Preliminary Hearing Session Concerning the Duty to Cooperate – Annex (Para 54)

- The methodologies and assumptions in SHMA, and other, evidence utilise to inform housing requirements across local authorities within a shared functional housing market area should be consistent. A sub-regional / multi-authority SHMA is recommended to align evidence.

2.29 In failing to effectively discharge the duty to cooperate, the Inspector concluded that it was impossible to effectively judge:

"...whether the full and objectively assessed need for market and affordable housing in the housing market area is being met as paragraph 47 of the Framework makes clear should be done." (2013, para 31) ¹⁸

2.30 The summation of the key points raised by Inspectors through their assessment of submitted Local Plans/Core Strategies highlights relatively rigid interpretation of the NPPF being applied and the importance of the assembled evidence base being relied on to justify any departure from regionally established housing targets. The implications of this for considering the evidence base underpinning the Draft Local Plan is considered below.

Tests of Soundness

2.31 In order to further consider the compliance of the Draft Local Plan with national policy consideration is given to the Inspector's Matters, Issues & Questions for the hearings of the Hastings Planning Strategy¹⁹. Comparable questions are common for hearings taking place following the publication of the NPPF, with the following considered important:

- Has the Local Plan been positively prepared and does it fully meet the objectively assessed development needs of the area? And does it do so with sufficient flexibility to adapt to change? And what might be the consequences of any insufficient flexibility?
- Does the Local Plan seek to meet any unmet requirements of neighbouring authorities and to what extent do neighbouring authorities meet the Borough's unmet needs, particularly in terms of housing?
- Which population and household forecasts does the Local Plan rely upon, how relevant are they and how does it take account of their implications in assessing housing requirements for the Borough?
- To what extent have landowners and developers been involved in the preparation of the Strategic Housing Land Availability Assessment (SHLAA) and the Strategic Housing Market Assessment (SHMA), and to what extent do these Assessments meet the requirements of the Framework paragraph 159?

¹⁸ Ibid (Para 31)

¹⁹ Hastings Borough Council The Hastings Planning Strategy Proposed Submission Version 25 May – 17 August 2012: Inspector's Matters, Issues & Questions for Examination at the Hearings, February 2013

- Can the proposed housing requirement...be substantiated? Does it meet the full, objectively assessed needs for market and affordable housing in the Borough and as part of the housing market area, as the Framework requires? And which is that housing market area?

2.32 Whilst the above questions relate specifically to one authority, Hastings, they clearly have relevance for any Council preparing evidence of housing demand and need, to inform the development of housing policies within the Local Plan.

Evidencing the objectively assessed need for housing

2.33 The outputs of the above interpretation of policy and Inspectors' application of the new Framework indicates that any approach to evidencing the objectively assessed need for housing needs to consider the following:

- Reference the latest Sub-National Population Projection (ONS) and Sub-National Household Projection (DCLG) datasets and provide a clear evidenced rationale for any improvement/correction of the levels of change projected from these datasets. The integration of local data or more up-to-date information needs to be robustly integrated into any projection methodology to demonstrate consistency with the approach taken by these 'official' statistics. This needs to take account of fertility and mortality assumptions, migration (internal and international) and headship rates;
- Reference the scale of the departure from the regional strategy requirement and provide a clear evidenced rationale for the use of more up-to-date information and data;
- Clearly evidence the alignment between Local Plan policies around employment and economic growth and the capacity of the planned level of housing to facilitate the achievement of these aims;
- Provide an understanding of the implications of strategic housing market linkages with particular reference to the functional housing market area. This has a bearing in relation to evidencing a Duty to Co-operate and any potential future requirement to agree the meeting of housing need beyond the authority boundary; and
- Provide evidence of a considered link between an assessment of the need for affordable housing and the objectively assessed need for housing. The Strategic Housing Market Assessment analysis represents an important location for these areas of analysis to be aligned.

2.34 Building on the above it is evident that in order to arrive at an 'objectively assessed' and justified housing requirement (in accordance with the NPPF) it is vital that the Local

Planning Authority can evidence that they have assessed an appropriate range of scenarios which factor in the considerations noted above. In evaluating the range of potential housing demand scenarios it is important that the authority also understands the implications of alternative levels of growth and is then able to justify the figure selected within policy as being able to be sustainably accommodated.

- 2.35 Where an authority identifies that the full objectively assessed need for housing cannot be accommodated sustainably within its own planning area the NPPF requires that the authority co-operate with other authorities with housing market linkages to arrive at a position where the residual can be accommodated.

3 The Local Plan for West Dorset, Weymouth and Portland and Informing Evidence

Overview

- 3.1 West Dorset District Council and Weymouth & Portland Borough Council commenced work on the Draft Local Plan in 2011. The intention is that on adoption the Local Plan will replace the two councils existing adopted Local Plans.
- 3.2 The development of the Draft Local Plan replaces the work previously undertaken to prepare a Local Development Framework for each authority.
- 3.3 In June/July 2012 the two Council's consulted on a pre-submission draft of the Local Plan. This iteration set out the long term planning strategy for the area up to 2031 and included detailed policies and site proposals for housing, employment, leisure and infrastructure.
- 3.4 Following a review of representations and in particular the identification of development sites for inclusion within the Draft Local Plan the Council's undertook a further consultation on a number of additional sites as part of an Alternative Sites consultation document. West Dorset District Council opened a further consultation exercise on an alternative strategy which closed on the 14th March 2013. These two further stages of consultation did not seek to explore any alternative levels of future housing provision than that presented within the June/ July 2012 pre-submission draft.
- 3.5 On the 24th June 2013 the West Dorset, Weymouth and Portland Pre-Submission draft Local Plan (as proposed to be modified) was submitted to the Planning Inspectorate following Elected Member approval.

West Dorset, Weymouth & Portland Draft Local Plan Pre-Submission Draft (as proposed to be modified)

- 3.6 Recognition is made within the introductory sections of the Draft Local Plan to fundamental challenges related to the housing market and its impact on future changes to the local population and economy:

"There is a high level of affordable housing need, with over 3,000 people on the housing register in West Dorset and 4,600 in Weymouth and Portland. The average house price outstrips local wages by a factor of 11 in Weymouth and Portland, and by a factor of 12 in West Dorset. More than 1 in every 20 homes in West Dorset is either a second or holiday home, and this proportion is especially acute in some coastal resorts." (2013, para 1.2.10)

"The population is becoming increasingly elderly as people live longer and also because many people who come to live in this area are close to retirement age. This imbalance is exacerbated as young people also move out of the area because of limited opportunities to get relevant employment and relatively high local house prices." (2012, para 1.2.11)

- 3.7 The importance of addressing these challenges is reflected in the first two strategic objectives set within the Draft Local Plan:
- *Support the local economy to provide opportunities for high quality, better paid jobs*
 - *Meet local housing needs for all as far as is possible*
- 3.8 In addition the importance of addressing potential demographic challenges resulting from a continuation of recent population trends is reflected in the objective to: *Support sustainable, safe and healthy communities with accessibility to a range of services and facilities”.*
- 3.9 The Draft Local Plan bases its housing growth figure primarily on future demographic projections suggesting the need to accommodate *“around 455 new homes per year from 2011–2021 and 455-509 per year from 2021–2031 in West Dorset and 162 new homes each year from 2011–2021 and 162–196 new homes each year from 2021-2031. The latest ONS projections extend to 2021 and therefore a range has been adopted for the latter part of the plan period based on the most realistic scenarios. This level of growth over the next 10 years is broadly consistent with what has been delivered in the past 20 years in West Dorset but is lower than what has been delivered in the past in Weymouth and Portland” (2013, para 3.2.8).*
- 3.10 This equates to the provision of between 3,240 and 3,580 homes over the plan period in Weymouth & Portland (2013, Delivering Growth Table pg 52).
- 3.11 With regards the balance with employment allocations the Draft Local Plan identifies the need to provide for a deliverable supply of 16.7ha of employment land in Weymouth and Portland, noting that there already existing planning permissions covering 18.8 (2013, Existing Supply and Unmet Demand Table, pg. 54)ha of land. The level of need underpinning this land requirement is cited as being based on economic forecast evidence with the Draft Local Plan stating:
- “Economic forecasts indicate that, to achieve any economic growth, an additional 16,100 full time equivalent jobs will need to be planned for in the period up to 2031. To achieve this growth, the plan should ensure that there is 60.3ha of employment land that could come forward across the plan area for offices, light industrial, general industrial, storage and warehousing (covered by the B use classes).” (2013, para. 3.2.3)*
- 3.12 Future employment patterns and prospects will also be influenced by infrastructure and the Draft Local Plan recognises the importance of transport connections within the area acknowledging:
- “over £100 million investment in the strategic road network has been made to relieve traffic congestion in Weymouth and improve the travel time within the Weymouth to Portland transport corridor.” (2013, para. 1.2.12)*

Previous Policy / Evidence

- 3.13 Prior to the decision to develop a Local Plan preparation of the Core Strategy for Weymouth and Portland began in 2006 with two major public consultation stages taking place in June 2007 on issues and options; and in June 2009 on draft policy options.
- 3.14 The original draft South West RSS which formed part of the Local Development Framework was published by the South West Assembly in 2006. An Independent Panel held an Examination in Public about the draft RSS between April and July 2007, and their report setting out recommendations to change the draft RSS was published in January 2008. A Proposed Changes version was published for consultation in July 2008.
- 3.15 The Draft RSS made provision for a requirement of 280 homes per year in Weymouth and Portland and 410 homes a year in West Dorset²⁰. The Proposed Changes version of the Spatial Strategy (2008) identified under policy HMA12 the need to make provision for the growth of at least 18,100 homes across the Weymouth and Dorchester HMA over a 20 year period (2006 – 2026). This level of housing growth was associated with facilitating the growth in the economy to deliver an additional 11,900 jobs.
- 3.16 The distribution of these homes between the two local planning authority areas was based on an assessment of need and the importance of creating a greater balance with regards employment and housing provision. Weymouth & Portland were identified within the Proposed Changes Version as being required to accommodate 5,600 homes (280 per annum) and West Dorset 12,500 (625 per annum).
- 3.17 It is evident that the Draft Local Plan policy represents a substantial reduction in the planned level of housing for both authorities. Within Weymouth & Portland the Draft Local Plan represents a reduction of at least 2,020 dwellings if the RSS figure was maintained between 2011 and 2030²¹. Within West Dorset the reduction is even greater with at least 2,860 fewer dwellings planned for within the Draft Plan than if RSS levels were used over the same plan period.
- 3.18 Importantly in terms of the distribution of development through the regional plan Weymouth was identified within the Spatial Strategy as one of the Strategically Significant Cities and Towns (SSCTs). The Spatial Strategy sought to direct the majority of development within this tier of towns in order to deliver sustainable growth across the Region.

The Draft Local Plan Evidence Base

- 3.19 The Pre-Submission Draft Local Plan consulted on in 2012 appeared to directly base its identified provision for new housing on the findings of the '2011 Strategic Housing Market Assessment Update – Final Report' (jgConsulting, January 2012), hereafter referred to as the 2011 SHMA.
- 3.20 The 2013 proposed modifications version of the Draft Local Plan included amendments to the housing provision policies which it would appear are informed by the release of new

²⁰ Table 4.1 'The Draft Regional Spatial Strategy for the South West 2006 – 2026, 2006, SWRA

²¹ Note this assumes that the top end of the scale set out within the Draft Local Plan i.e. 196 per annum between 2021 and 2031.

Interim household projection datasets produced by the DCLG (April 2013)²². The Council published a separate study relating to the housing requirement evidence in June 2013 by Keith Woodhead²³ which it is assumed was also used to inform the modifications to the housing demand policy positions presented in the submitted Local Plan.

- 3.21 Recognising the importance of these two studies in informing the development of policy they are considered separately below.

2011 Strategic Housing Market Assessment Update

- 3.22 The 2011 SHMA represents a full update to the 2008 study undertaken by Fordham Research which covered the whole of Dorset and included individual local Council reports²⁴.

- 3.23 The analysis of the Future Housing Market within the SHMA firstly considered the complexity of the housing market identifying the importance of demographic and economic drivers in understanding longer-term needs. It is noted within the SHMA that the housing market:

“is also influenced by the economy at the local and sub-regional level, recognising that changes in employment will influence future migration patterns as people move to and from the area to access jobs, and that the nature of employment growth and labour demand will influence changes in earnings which in turn influences affordability.” (2012, para. 7.4)

- 3.24 The timing of the research in the midst of a period of economic recession was recognised within the SHMA with the conclusion reached that:

“Overall, supply is constrained in the rented sectors, and demand is constrained in the purchase market – and we thus have a dysfunctional housing market.

Planning for new housing should be based however on aggregate need and demand for homes and must to some extent look beyond these short-term factors. It terms of aggregate need/demand for housing, locally-generated demand is there (if constrained), and consideration should be given to the extent to which economic growth can drive housing growth in the HMA over the longer-term. There is some latent capacity of the labour force in the short-term (associated with higher unemployment and a fall in employment), but economic performance can be expected to become an increasing important driver over time.” (2012, para. 7.33)

- 3.25 The 2011 SHMA presents a number of scenarios of projected household growth using the ‘Housing Market Model’. It is noted that as part of the research the consultants were provided with a series of population and household projections by the County Council, which were run using POPGROUP (the same software used to model the scenarios presented in this report).

²² ‘Interim 2011 Sub-National Household Projections’ – DCLG, April 2013

²³ ‘A review of future housing requirements for West Dorset District and Weymouth & Portland Borough’, Keith Woodhead, June 2013

²⁴ ‘Dorset Survey of Housing Need and Demand – Local Authority report for Weymouth and Portland Council’, Fordham Research, June 2008

- 3.26 The description of the scenarios suggests that the analysis is primarily driven from the ONS published 2008 base SNPP and the DCLG published 2008 base SNHP datasets (para 7.60). In order to provide a more up-to-date analysis the projections were re-based to a mid-2011 start point using Council Tax data for each authority. Significantly, the scenarios considered were limited to demographic trend-based projections with the SHMA report noting:

“Consideration was also given to developing projections related to economic growth; this was however not pursued as part of the SHMA given the current uncertainty on the state of the economy which made it difficult to agree realistic assumptions.” (2012, para. 7.62)

- 3.27 This methodological decision appears to fail to reflect the important role of the economy in influencing migration trends over the plan-period as evidenced in the extracts cited above. Importantly the 2011 SHMA also highlights one of the significant implications of planning for the accommodation of new populations on the basis of trend based projections:

“As well as showing an ageing population the projections clearly identify that if current trends continue then the number of people in key working age bands (i.e. those aged 16 – 64) is likely to decline. This does identify a risk in that the Dorchester/Weymouth HMA may face a significant labour shortage which is likely to act as a barrier to economic growth in the HMA and more widely across Dorset”. (2012, para. 7.78)

- 3.28 In considering the identification of a preferred scenario the research selected the scenario built using 2008 base ONS / DCLG projections to a 2011 base. The development of a more up-to-date migration led scenario was rejected on the basis that:

“Closer inspection of the assumptions suggested that the results for North Dorset and Weymouth and Portland had been caused by short-term fluctuations in migration patterns which may have been impacted by the economic downturn and would not necessarily be considered to reflect a likely longer-term trend...The 2008-based trends would have missed out on the impact of the economic downturn and it was felt therefore that these would potentially be a better basis for longer-term projections to 2031.” (2012, para 7.67, 7.68)

- 3.29 The final scenario household growth projections are shown in the following table which is replicated (figure 7.6) from the 2011 SHMA.

Figure 3.1: Projected Household change in the HMA (2011 – 2031)

Figure 7.6 Projected household change in the HMA (2011 - 2031)					
Area	Households (2011)	Households (2031)	Absolute change	% change from 2011	Annual average change
West Dorset	44,892	54,301	9,409	21.0%	470
Weymouth & Portland	29,217	32,424	3,207	11.0%	160
HMA	74,109	86,724	12,615	17.0%	631

Source: 2011 SHMA Update, JG Consulting, Replicated Figure 7.6

3.30 The levels of growth as noted previously were directly used as the basis for the establishment of housing requirements within the 2012 iteration of the Draft Local Plan. This is despite the caveat noted within the 2011 SHMA.

"The figures in the table above [table replicated at figure 3.1] are for household growth and technically not housing numbers (although there will clearly be a very strong link). In converting these figures into a housing requirement we would recommend that a small vacancy allowance is also included. Typically, we would recommend something in the range of 2% - 3% and under the assumption of a 2.5% rate the overall housing requirement derived by these figures would be 647 additional units per annum." (2012, para. 7.73)

3.31 The 2007/08 SHMA produced by Fordham Research used a different methodology to project future levels of demand for housing within Weymouth & Portland. The Balanced Housing Markets model developed by Fordham Research indicated a per annum requirement for 480 dwellings, with 220 of these for owner-occupation²⁵.

3.32 In addition to the overall level of housing projected to be required over the plan period based on demographic trends the 2011 SHMA also evidenced the significant affordability challenges facing the housing market area and within this Weymouth & Portland. The analysis indicated that the challenge had increased with regards the annual level of net need from the 2008 SHMA. This aspect is considered in more detail within the analysis presented in section 5.

A review of future housing requirements for West Dorset District and Weymouth & Portland Borough

3.33 This study was released in tandem with the 2013 proposed modifications iteration of the Local Plan and dated June 2013. Within the introduction of the report the work is presented as:

²⁵ Dorset Survey of Housing Need and Demand – Local Authority Report for Weymouth & Portland Borough Council (2007) Fordham Research

“a robust and independent review of the derivation of the housing and population requirement 2011 to 2031 identified in evidence prepared for the districts’ emerging Joint Local Plan” (2013, para 1.1).

3.34 With regards its output it is stated that:

“The study report will include a final independent recommendation of an appropriate and robust methodology using projections/forecasts/figures that the Council should use as the basis for future Plan development.

The method used in the study recognises that there can be no ‘magic bullet’ single answer to the question as to how many dwellings need to be built in the Plan area over the next two decades. Instead, a number of lines of evidence are investigated to identify where the most robust and appropriate target is located.” (2013, paras 1.3 & 1.4)

3.35 In considering the various approaches taken to identify the housing requirements of a plan area the report notes that a number of methodology’s are adopted to balance the complex dynamics of a local housing market. The report notes:

“Usually this is done in a fairly loosely structured way taking into account population growth trends, results of SHMA and SHLAA exercises, environmental designations and capacities and projections of economic prospects and employment change. The results of all of these are weighed up individually before a final housing requirement is reached. Sometimes the approach follows a more defined format as in, for example, the HEaDROOM methodology used by the NLP consultancy and applied for example to areas such as Torbay, Winchester and Leeds.” (2013, para 3.21)

3.36 In our view the general practice adopted by local authorities in the production of SHMAs, following the publication of the NPPF, is to adopt the described ‘more defined format’ to ensure that the evidence base is robust. In order to ensure this level of robustness and align with the requirements of the NPPF this analysis, as with the 2011 SHMA Update (JG Consulting, 2011), uses a demographic cohort modelling tool (such as POPGROUP used in this report, the 2011 SHMA Update and the cited NLP HEaDROOM methodology) to explore alternative scenarios of objectively assessed need.

3.37 Importantly the report also stresses the weakness of, in this process, simply extrapolating forward historical trend analysis stating:

“Other approaches, more typified by the contribution made to planning debates by commercial development interests, will use a simpler methodology, such as that of using trend projections of population and household growth without directly subjecting the results critically to examination against the housing market and various capacity data, In the latter case this does not really address the need so much as seeks a local distribution of a historic demand for housing.” (2013, para 3.22)

- 3.38 This has an important bearing on the consideration of the outputs of the 2011 SHMA Update, which as noted previously based its recommended levels of household growth principally on demographic trend projections.
- 3.39 The report analyses a number of demographic led projections within section 4 and derives a bespoke scenario EH2011 which appears to be an extended version of the Interim 2011 SNPP population scenario produced by the ONS, albeit not apparently generated using a recognised demographic model as described above. This is translated into households using household representative rates derived from the DCLG published Interim 2011 SNHP dataset. This scenario projects a household growth for Weymouth and Portland of 3,379 households which is converted into 3,583 dwellings or 179 dwellings per annum over the twenty year period. The comparable figure for West Dorset is 482 dwellings per annum.
- 3.40 The report suggests that these levels represent 'overall demand' and contrast them against a range of demographic trend based projections at Table 7. The remainder of the report then looks to test their validity based on a number of factors. It is noted that:
- "It has to be remembered of course that the EH2011 figure is derived from trend led projections and does not necessarily provide a valid answer in planning terms. Nonetheless, it will carry a degree of evidential weight. An alternative approach that will look at these projections from a more supply led, economic growth related perspective is described later in this report."* (2013, para 4.23).
- 3.41 In considering whether or not housing acts as a constraint on the local economy it is suggested within the report:
- "The short answer to this is: probably not. Intuitively appealing though the idea is, there is little concrete evidence to support it apart from some relatively minor inefficiencies in the labour market...However, people moving to the area to take up work still need housing and the Council is right to ensure that housing delivery keeps in broad step with economic growth".* (2013, para 4.39)
- 3.42 On this basis a number of economic forecasts are considered alongside a short overview of the current economic profile of the areas and the workforce. In surmising this analysis it is identified that economic activity rates and unemployment have been affected by the recession and result in an element of latent labour-force at the current point in time. With regards the economic prospects of the area the latest Cambridge Econometrics forecasts (October 2012) are presented along with the conclusion that:
- "Given current performance and the huge challenges that we know face the UK economy in the future we can have some confidence that the CamEcon forecasts for West Dorset / Weymouth are not unduly modest".* (2013, para 4.61)
- 3.43 The analysis of the forecast shows employment rising by 4,820 jobs between 2011 and 2031 in Weymouth and Portland. Within West Dorset the base forecasts shows a rise in employment of 14,330 jobs with the analysis in the report suggesting that this is moderated down to 9,430 with Government services and Construction sectors modified in relation to growth prospects.

- 3.44 The concluding section attempts to align a range of factors to arrive at a recommendation regarding the level of housing required in the two authority areas. The demographic trend based projection growth levels are taken forward and in very high level terms compared against the economic prospects of the area. This exercise revolves around the following paragraph:

"The review of the current state of the economy and the labour market shows, even in West Dorset, a considerable amount of spare capacity. Labour force activity rates are still well below their pre-recession peak and unemployment and part-time working levels suggest that jobs can theoretically grow some way based on the current labour force alone before real labour shortages will take effect, particularly in Weymouth. The increasing activity rates among older workers to deal with the twin effects of rising retirement age and less generous provision will further increase this existing latent capacity, even before the effects of future population growth are taken into account". (2013, para 5.5)

- 3.45 Whilst the points noted above will 'theoretically' impact on the capacity of the labour-force the analysis in section 5 using POPGROUP modelling prepared by Edge Analytics demonstrates the significant impact of an ageing population based on a replication forward of past migration trends and natural change factors. This is not given proper recognition or reference within the analysis and represents a significant gap (noting this was identified as a potential issue in the 2011 SHMA update).
- 3.46 The analysis of the strategic drivers of the market in section 5 sets these issues with regards the evidence base underpinning the Draft Local Plan (2013) in more detail.

4 Methodology

- 4.1 This section sets out the approach used to examine and evidence the full objectively assessed need for housing within Weymouth & Portland. A short overview of the modelling techniques used, including detail of the POPGROUP software is set out. The following sections then present the bespoke local assumptions identified for inclusion within the modelling as well as the outputs of the research process in order to enable a clear set of conclusions to be arrived at.
- 4.2 The Justin Gardner 2011 SHMA Update report explored a range of 'what-if' scenarios to produce alternative projected levels of population and household growth which were then translated into dwelling requirements over the plan period. This iterative approach to identifying the objectively assessed needs facing the authority represents a robust approach (and one that other interested parties will also likely adopt) as it allows the impact of varying assumptions and alternative future drivers to be explored.
- 4.3 The 'appropriateness' of the methodology used to derive growth forecasts is often challenged as part of the examination of evidence informing Local Plan policy positions. The use of a recognised forecasting product (POPGROUP), which incorporates an industry-standard methodology (cohort component model), removes this obstacle and enables a focus on assumptions and output, rather than methods. The assumptions used within the projection modelling are summarised in this section and explored through the examination of key drivers of change in section 5 and then outlined in more detail in section 6.

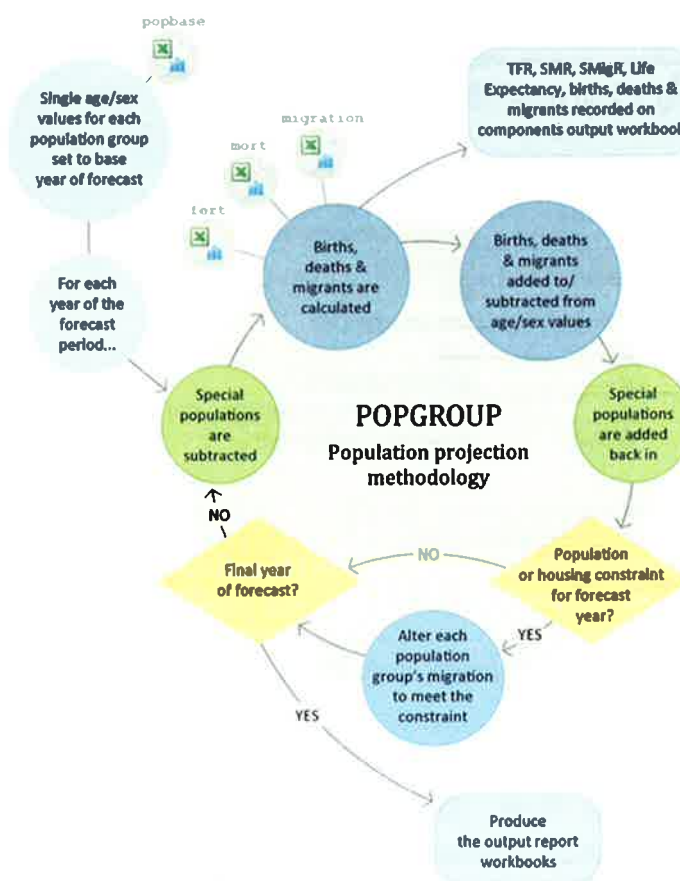
Introducing the POPGROUP Software

- 4.4 POPGROUP is a family of software developed to forecast population, households and the labour force for areas and social groups. It is based on Excel to build on users' existing spreadsheet skills. Users develop alternative assumptions as scenarios. The user remains in control of the areas to be forecast, of data inputs, and of analytical outputs additional to the software's own flexible reporting and graphical routines. In the UK, POPGROUP replicates official projections in regular Data Modules for population and households, with plans for Data Modules for illness and disability, the labour force, ethnic groups and adult care. The software adopts authoritative methods also used by national and United Nations agencies, uses single years of age for population, and has published two peer reviews.
- 4.5 POPGROUP was first developed at Bradford Council, supported by six Local Authorities: Shropshire, Worcestershire, Bradford, Derbyshire, Buckinghamshire and Staffordshire, and later by the Economic and Social Research Council (ESRC).
- 4.6 POPGROUP is used by over 90 local and sub-regional organisations in the UK and has been subject to extensive enhancement and development over the last ten years.
- 4.7 It is now owned by the Local Government Association. Income generated from sales is used to extend the software and support its users. Programming, support and promotion have been provided since 2009 by Edge Analytics Ltd, UK.

The POPGROUP modelling approach

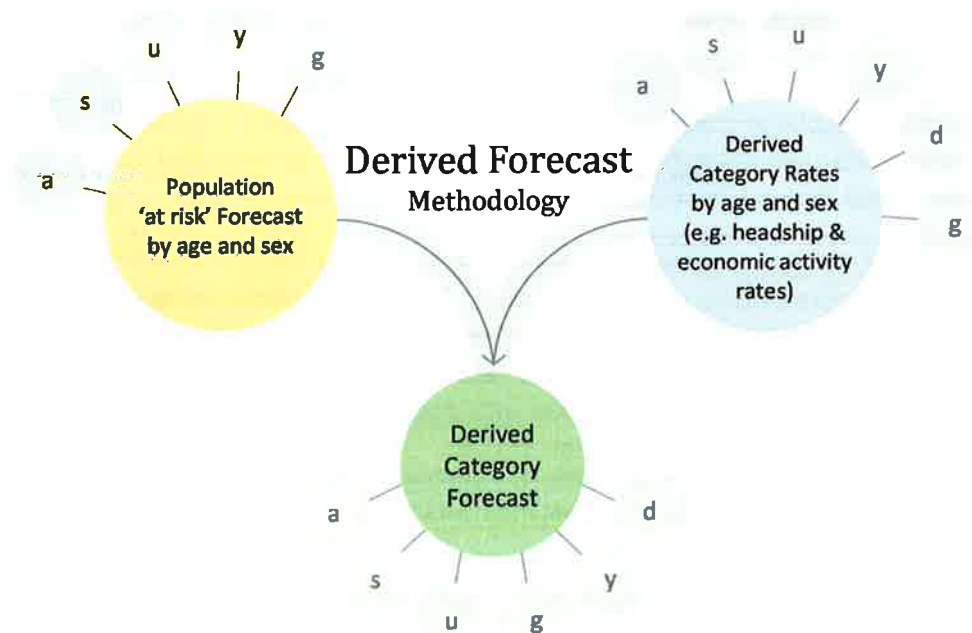
- 4.8 POPGROUP and the Derived Forecast software component are used within the Housing Requirements Study to develop a series of population and linked household projections.
- 4.9 Population projections delivered using POPGROUP use a standard cohort component methodology (the methodology used by the UK statistical agencies). The household projections use a standard household headship rate as employed by the Communities and Local Government (CLG) for its household projection statistics.
- 4.10 In order to align population projections with different forecast levels of job change the model integrates labour force projections. These labour force projections use a standard economic activity rate methodology. A more detailed description of the population and household projection methodologies is available from the User Guide and Reference Manual on the POPGROUP website www.ccsr.ac.uk/popgroup/about/manuals.html.
- 4.11 The following graphics provide a schematic illustration of the operation of the POPGROUP and Derived Forecast methodologies.

Figure 4.1: POPGROUP population projection methodology



Source: Edge Analytics, 2012

Figure 4.2: Derived Forecast Model: household & labour force projection methodology



$$D_{a,s,u,y,d,g} = \frac{P_{a,s,u,y,g} R_{a,s,u,y,d,g}}{100}$$

<i>D</i>	Derived Category Forecast
<i>P</i>	Population 'at risk' Forecast
<i>R</i>	Derived Category Rates
<i>a</i>	age-group
<i>s</i>	sex
<i>u</i>	Sub-population
<i>y</i>	year
<i>d</i>	derived category
<i>g</i>	group (usually an area, but can be an ethnic group or social group)

Source: Edge Analytics, 2012

Using POPGROUP to evidence the Objectively Assessed Need for Housing

- 4.12 The NPPF provides guidance on the development of a robust evidence base to support the development of Local Plans. The guidance makes it clear that data inputs, assumptions and methodology should be robust and should consider future growth potential from a number of perspectives.
- 4.13 There is no single, definitive view on the likely level of growth expected in Weymouth & Portland, with a mix of economic, demographic and national / local policy issues

ultimately determining the speed and scale of change. For the purpose of setting appropriate policy through the Local Plan, it is necessary to evaluate a range of growth alternatives to establish the most 'appropriate' basis for determining future housing provision.

4.14 Using the POPGROUP software Turley Associate's housing requirements approach is based around an iterative scenario development approach. Modelling of alternative projections is undertaken through a varying of input assumptions relating to demographic, economic and supply factors.

4.15 As a starting point all of the scenario modelling utilises the latest official demographic datasets as a base from which to develop alternative projections. This reflects paragraph 159 of the Framework. These datasets include:

- The 2010 base Sub-National Population Projections, Office of National Statistics;
- The Interim 2011 base Sub-National Household Projections, DCLG;
- The 2008 base Sub-National Household Projections, DCLG;
- The Revised Mid Year Population Estimates 2001 – 2011, ONS; and
- Available released data from the Census 2011.

4.16 The above are used to generate up-to-date trend based projections exploring the implication of projected demographic trends continuing into the future. This analysis considers the latest Official and Interim datasets identified within the Framework as an important reference point for evidencing housing requirements. The modelling utilises the latest assumptions integrated within these datasets around, for example, fertility and mortality rates, migration assumptions and changing headship rates to build these demographic trend scenarios.

4.17 The retention of these demographic assumptions as a base for the modelling reflects the recommendations of the UK Statistics Authority²⁶ which notes that:

"Household projections are important to a range of users:

- *Central government – to inform national policy on future housing supply, given projected demographic demand. The statistics also inform decisions on plans for housing-associated infrastructure and services;*
- *Local authorities – to inform local housing plans;*
- *Utility companies – for planning future demand;*
- *The construction industry – to inform business planning; and*
- *Consultants and academics interested in housing and planning" (UK Statistics Authority, April 2011).*

4.18 In line with the recommendations set out within the NPPF and its application and interpretation through the Local Plan Inspection process scenarios are then developed

²⁶ Paragraph 2.3 'Assessment of compliance with the Code of Practice for Official Statistics – Statistics on Household Projections in England: Assessment Report 106', UK Statistics Authority, April 2011

which evaluate the impact of aligning the future potential economic growth in the authority with a changing population and linked to this relative demand (i.e. need) for new housing.

4.19 Importantly the modelling approach using the POPGROUP software allows for a sophisticated projection forward of the population by a detailed age breakdown in turn linked to economic activity, headship and commuting rates. This therefore enables a detailed assessment of the changing size of the labour-force within the wider population, an important factor in understanding the implications of the application of various constraints on a demographic trend-based projection.

4.20 As identified above there are three key data items required to derive labour-force projections and to evaluate jobs-led forecasts: the commuting ratio, an unemployment rate and economic activity rate. Economic activity rates provide the basis for calculating the size of the labour force within the population. The commuting and unemployment rate control the balance between the size of the labour force and the number of jobs available within an area. The sources of data and modelled assumptions for each are set out below:

- Economic activity rates. These are derived from a combination of 2001 Census statistics and the latest evidence from the Labour Force Survey (via NOMIS). NOMIS data provide an average economic activity rate for the period 2007-11 by broad age-group. The use of an average figure derived under different economic circumstances means that current day rates are not then just extrapolated forward indefinitely. This therefore assumes over the plan period a re-use of parts of the current latent labour-force but also recognises that over a twenty year horizon we are likely to see periods of differing economic context. To account for an expected increase in the rate of labour force participation in the older age groups linked to changing pension ages adjustments have been made to economic activity rates for those aged 60 - 69;
- Unemployment rate. An average is calculated from local authority unemployment statistics for the period 2007 – 2012 which are sourced from NOMIS. As with economic activity rates the average unemployment rate is held constant throughout the projection period recognising that we are likely to see a number of economic cycles over a twenty year period; and
- Commuting ratio. Using 2001 Census statistics, a commuting ratio has been derived as the balance between the size of the resident labour force and the number of the jobs available in the Borough.

4.21 Examining the implications of varying assumptions to explore sensitivities to the outputs generated through the projection modelling ensure that projections do not simply replicate the effects of previous policy, economic or market conditions. This issue is highlighted within a CPRE research report²⁷ which considers the challenges of identifying robust informing evidence to understand future demand and need for housing. This research states in its consideration of translation of household projections into policy:

“Any assumed rate of migration into or out of an area, trend-based or otherwise, is an assumption which carries significant policy judgement. For the period of the projection it implies the continuation of a particular combination of the supply and

²⁷‘Housing the Future: An analysis of the Government’s household projections and their use in planning for new housing’, CPRE, December 2009

price of housing (relative to other areas), employment availability, locational attractiveness (schools, services, environmental quality) taxation and immigration policy" (CPRE, 2009)

- 4.22 CPRE also cite the conclusions of a report by Professor Glen Bramley and Craig Watkins (1995)²⁸ which investigated this issue further through an examination of local migration data. This identified:

"that net migration is systematically influenced by local housing market and supply conditions. In particular, where the supply of new private housing is greater, due to greater land availability, there is more in-migration and/or less out-migration. The criticism of household projections, that they are to some degree circular, is borne out by this finding" (CPRE, 1995)

- 4.23 In order to address these methodological issues the modelling produces a range of alternative projections of need with the implications of each considered and assessed in order to guide the identification of a projection which is considered to recognise important economic drivers of change and the expectations of the NPPF.

²⁸'Circular Projections', CPRE, 1995 (pg. 32) cited in *ibid*

5 Identifying the Drivers of Change

- 5.1 The analysis in section 6 presents a series of scenarios of population and household change in order to identify the objectively assessed needs in the Borough. Prior to this, however, analysis examining the way in which the drivers of the housing market have varied historically and how they are projected to change in the future is considered within this section.
- 5.2 The section concludes with a short review of a number of market factors. The relative need for housing is born out in terms of the operation of the market. Consideration is therefore given of, for example, the scale of need for affordable housing recognising that supply, social and economic factors are important contributors to imbalances in the market.
- 5.3 Whilst the analysis focuses on Weymouth & Portland, recognising the important market linkages with West Dorset, as evidenced within the previous SHMA analysis and the evidence underpinning the former Draft RSS, reference is also made to the drivers of change in the neighbouring authority.

Demographic Drivers

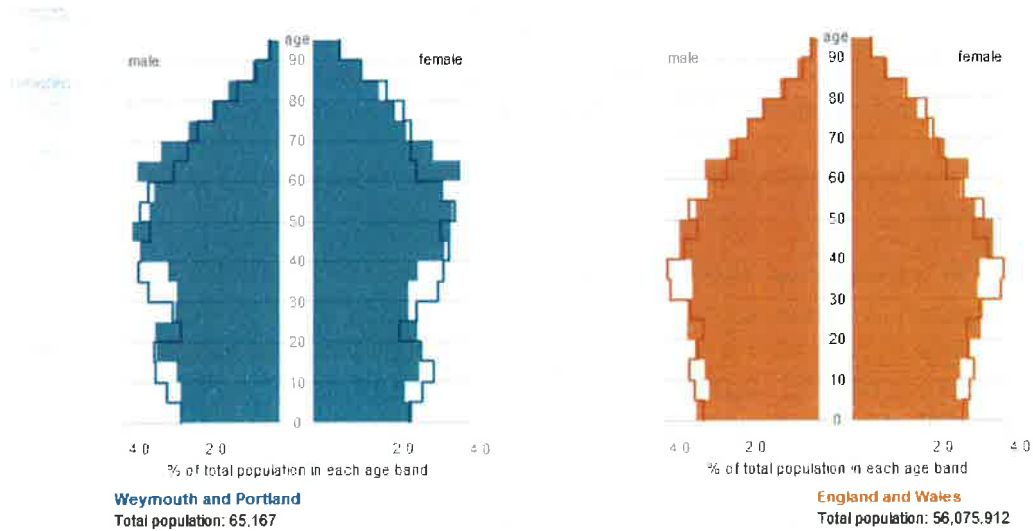
Population

Historic Population Change

- 5.4 The release of the 2011 Census data forms an important base point from which to understand population change in the Borough. The ONS has used the Census 2011 results to produce Mid Year Estimates. These show that the population of Weymouth & Portland has grown by only approximately 1,300 people between 2001 and 2011 or an additional 130 persons on average per year translating into a growth of 2% over the ten years. The population of Weymouth & Portland was estimated to be 65,100 in 2011.
- 5.5 This level of population growth is lower than that seen in West Dorset where the authority has seen its population grow by 7.4% representing an additional 6,800 people over the ten year period
- 5.6 Importantly the 2011 Census also provides a useful resource for examining how the age of the population has changed since 2001. The following charts contrast the population age profile of Weymouth & Portland against that of England and Wales as well as showing how the profile has changed between 2001 and 2011.

Figure 5.1: Population age profile of Weymouth & Portland and England and Wales 2001 – 2011

2011 Census: population estimates for England and Wales (outlines show 2001)



Source: [2011 Census](#), [2001 Mid-Year Population Estimates](#)
Graphic by [ONS Data Visualisation Centre](#)

Source: 2011 Census, 2001 Mid-Year Population Estimates. Graphic by ONS Data Visualisation Centre

- 5.7 The Weymouth & Portland population profile in 2011 shows a number of distinctions from the England and Wales profile. Notably there is a comparable under-representation of those aged 25 to 40 and a higher proportion of those aged 60+. This is likely, at least in part, to represent the affordability issues within the authority with many younger households looking to form in the area unable to gain access to the housing market.
- 5.8 The chart does show a notable proportion of males aged 15- 25 with this likely to reflect the historic relationship with the defence sector in the Borough, noting that links still remain with the naval and defence industries despite the 1990s seeing the Borough lose a significant number of jobs following the closure of three of the main Ministry of Defence and Naval establishments on Portland. This is also likely to have influenced migration trends over the longer-term with the loss of employment resulting in the movement of employees out of the authority.
- 5.9 Looking at change over time an important contributing factor to the overall population profile has been the reduction in the proportion of people aged 30 to 40 in the authority when comparing the 2001 and 2011 profiles. Equally comparing the profiles for these two years shows a considerable increase in the proportion of persons aged 60+, with this trend reflected in the England and Wales profile.

5.10 The West Dorset pyramids show a similar but even more pronounced picture with a considerable under representation of those aged 25 – 40 by 2011.

5.11 This common age profile also has important implications looking forward. Rolling forward twenty years those persons aged 40 to 50 in 2011, which represents one of the largest ten year cohorts proportionately in Weymouth & Portland, will be aged 60 to 70. This will have a significant impact on the size of the labour-force, assuming the majority of those now working choose to retire, with the overall number of people of working age set to decrease without a significant influx of new younger persons into the authority.

5.12 This issue is recognised by the Council's within their Housing Topic Paper, which states that:

"In migration will continue to be the main driver for population and household growth. If we did not have this in-migration, the local economy would suffer as the resident population is ageing and we need people of working age to move into the area in order to sustain a labour force." (Housing Local Plan Background Paper, 2013, para. 3.17)

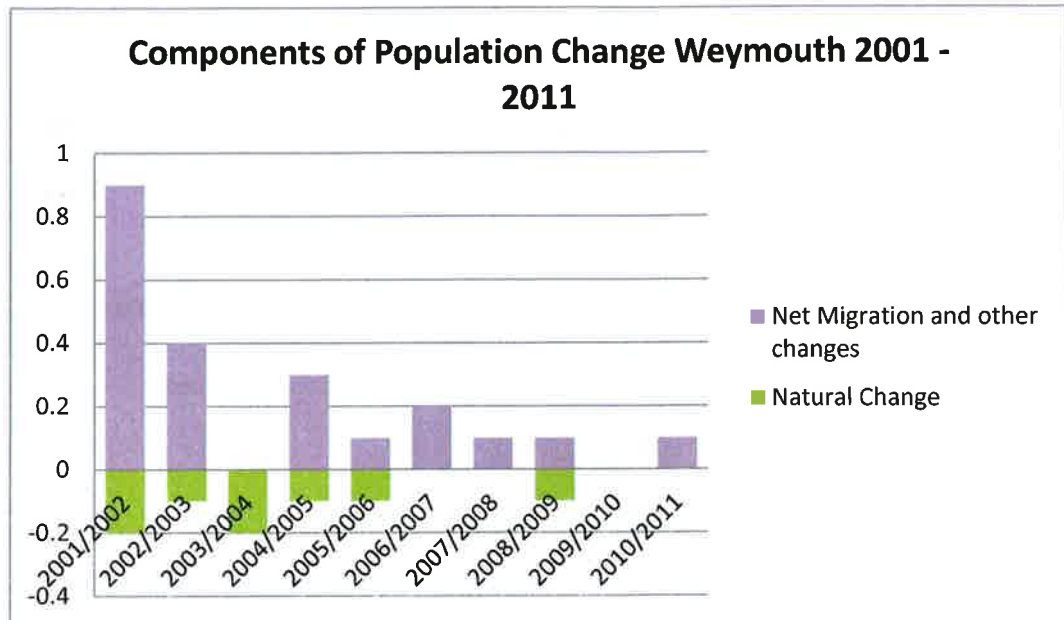
5.13 The Topic Paper also identifies:

"Interestingly the projections also show that if current trends continue then the number of people in key working age bands (i.e. those aged 16 – 64) is likely to decline. The SHMA has acknowledged this as a risk for the plan area as it may face a significant labour shortage which is likely to act as a barrier to economic growth. It is estimated that the population aged between 16 and 64 will decline by around 8% across the plan area. The dramatic increase in the population of those aged over 65 will have a profound impact on housing need within the plan area" (Local Plan Background Paper, 2013, para. 3.20)

5.14 Considering the interplay between natural change (births minus deaths) and migration in more detail the revised ONS Mid-Year Estimates (MYE) provide a useful breakdown as to the relative role of these different components of change in shaping the changes to the population on an annual basis.

5.15 The following chart illustrates the annual net impact of these factors as evidenced by the revised ONS MYE datasets between 2001 and 2011.

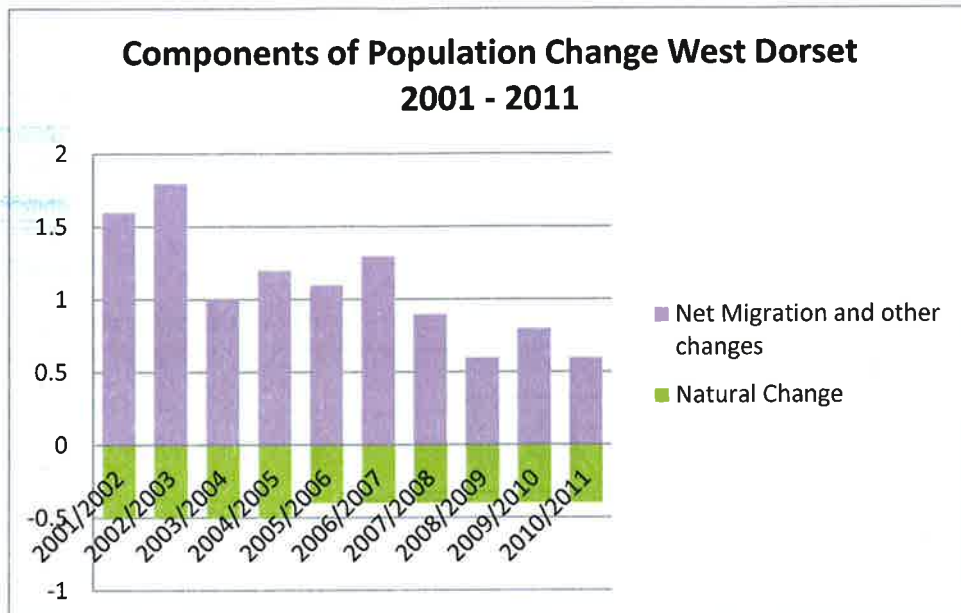
Figure 5.2: Components of Population Change – Weymouth & Portland 2001 – 2011



Source: Revised ONS MYE, 2013

- 5.16 It is evident from the chart that migration has been the principal driver of population growth over this ten year period, with natural change offsetting this positive picture. Interestingly over recent years the balance between births and deaths is estimated as being relatively balanced and levels of migration have fallen significantly.
- 5.17 The level of population growth evidenced in Weymouth & Portland by the 2011 Census is notably higher than that previously estimated and projected by the ONS. The 2010 SNPP dataset had projected the population of the authority as only 63,700 in 2011 compared to the 2011 ONS MYE figure of 65,100 derived from the 2011 Census. The 2008 SNPP dataset was shown to underestimate to an even greater degree with a population of only 63,400 projected for 2011.
- 5.18 This has an important implication for the projecting forward of the population by the ONS with recent trends projected forward taking account of the changing age and gender profile of the population. This is illustrated through the presentation of modelled demographic trend-based projections in section 6.
- 5.19 Similar trends are seen in West Dorset, albeit as the chart below shows levels of net migration have been far stronger into the authority although again with a falling trend illustrated.

Figure 5.3: Components of Population Change – West Dorset 2001 – 2011



Source: Revised ONS MYE, 2013

Migration

- 5.20 As noted in the introduction to this section and through the evidence prepared within the 2011 SHMA Update migration forms an important indicator in assessing the spatial linkages between Weymouth & Portland and other surrounding authorities and areas. The following tables and charts explore the origin, destination and age of migrants moving in and out of the Borough.
- 5.21 Figures 5.4 and 5.5 show the top ten gross inflows and outflows of persons to and from Weymouth & Portland respectively (internal migration flows only). The strong relationship between Weymouth & Portland and West Dorset is clearly evidenced with relatively minor flows shown for all other authorities. Interestingly over the time period considered, 2001/02 – 2010/11, there has been a strong average net flow of people out of Weymouth & Portland and into West Dorset (almost 90 persons a year on average).

Figure 5.4: Top 10 gross migration inflows 2001/02 – 2010/11

Top Ten Inflows	average 2001/02- 2010/11
West Dorset	699
Bournemouth	89
Wiltshire UA	74
South Somerset	66
Purbeck	56
Poole	55
North Dorset	53
Southampton	50
Cornwall UA	47
Birmingham	46

Source: ONS, Edge Analytics, 2013

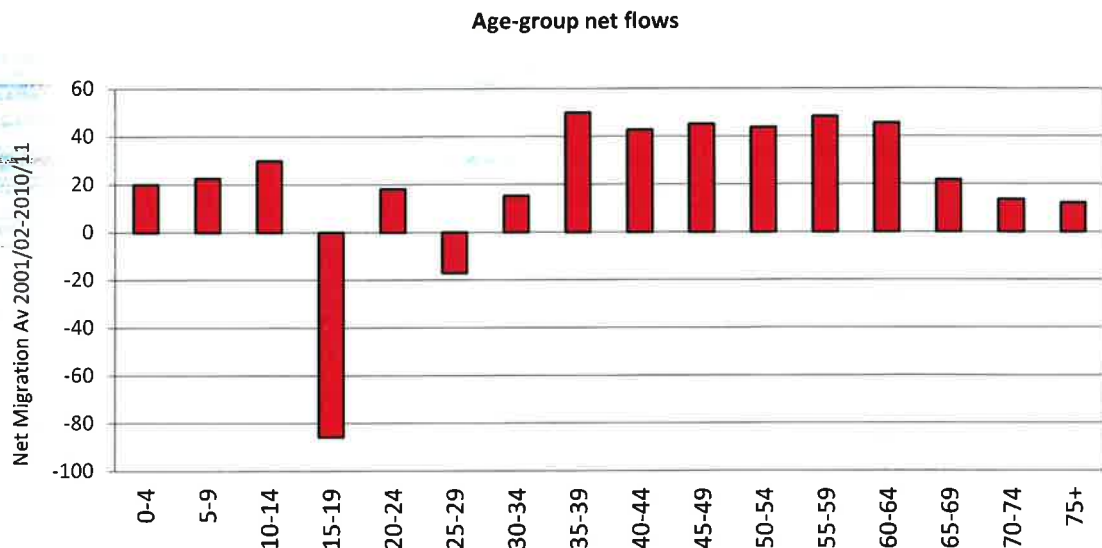
Figure 5.5: Top 10 gross migration outflows 2001/02 – 2010/11

Top Ten Outflows	average 2001/02- 2010/11
West Dorset	786
Bournemouth	100
South Somerset	77
Poole	75
Southampton	65
Wiltshire UA	61
North Dorset	53
Purbeck	51
Plymouth	50
Cornwall UA	47

Source: ONS, Edge Analytics, 2013

5.22 Looking again specifically at the flow of people to and from other parts of UK, the following chart shows the age profile of people migrating over the period 2001 – 2011.

Figure 5.6: Average age of migrants 2001 – 2011 – Weymouth & Portland



Source: ONS Mid Year Estimates, Edge Analytics, 2013

5.23 The chart shows a strong net out flow of persons aged 15 – 19, with the movement to authorities with higher education providers an important factor behind this flow, and a smaller outward flow of those aged 25 – 29, again potentially reflecting the difficulties faced by younger households in entering the housing market in the Borough. Positive net migration flows are, however, seen for other age categories, in particular those aged 35 – 64.

Households, Dwellings and Occupancy

5.24 A moderate increase in the population in Weymouth & Portland has been reflected in an increase in the number of households. Examining the DCLG SNHP datasets suggests that the authority has seen approximately an additional 1,270 households between 2001 and 2011. This level of growth is lower than that seen over the preceding ten year period between 1991 and 2001 where there was a growth of approximately 2,190 households.

5.25 Over the last ten years the average household size appears to have fallen slightly. In 2001 the average household size was approximately 2.26 with this falling to approximately 2.22 in 2011²⁹.

5.26 Examining levels of households against the number of dwellings suggests a relatively high level of 'empty', approximately 8%. This represents a rise from 2001 where the rate was less than 5%³⁰. An increase in second home ownership over this period within the Borough represents a significant driver behind this increase in properties classified as empty. This reflects the market conditions over the first half of the decade in particular and the attractiveness of the area.

²⁹ Edge Analytics POPGROUP modelling outputs, 2013

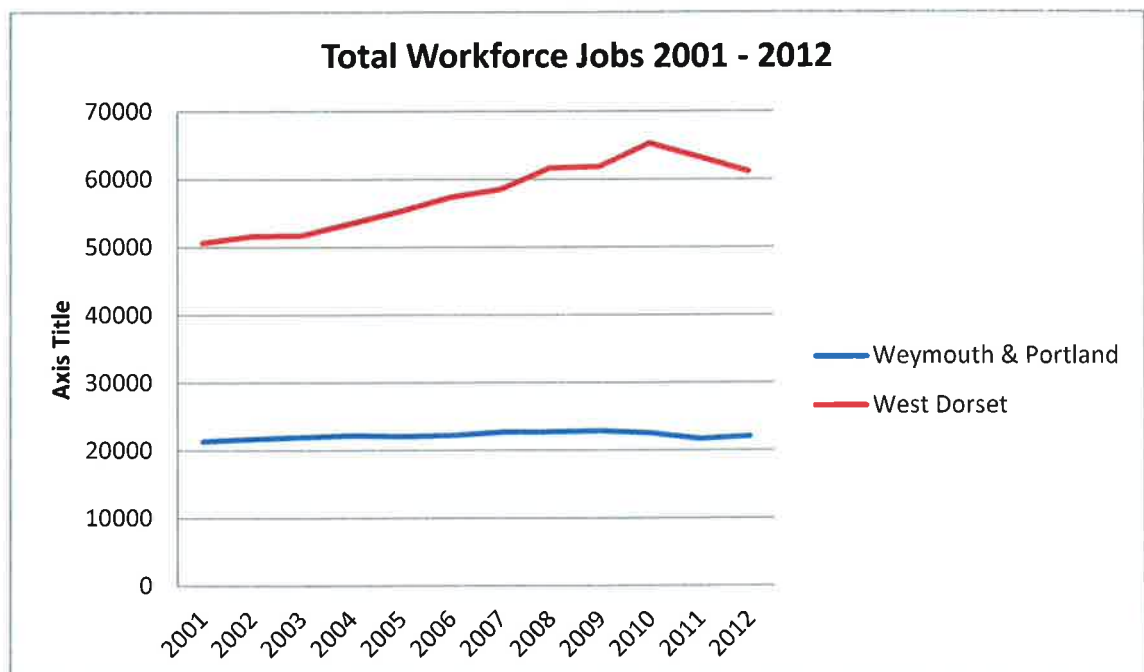
³⁰ Edge Analytics POPGROUP modelling outputs, 2013

Economic Drivers

The Labour-Force

- 5.27 The relative health of the economy has an important relationship with population and housing market dynamics. Firstly, the availability of employment opportunities can serve as an important motivating factor for people choosing to migrate between different areas. Secondly, since employment status is linked to a household's available income to spend on housing costs, this has an important bearing again on choices exercised by households around moving house and the location, type and tenure of housing they select.
- 5.28 Consideration of analysis produced by Experian Business Strategies (hereafter Experian) shows that the total size of the workforce has changed over recent years in Weymouth and Portland. This is illustrated in the following chart which shows the changing size of the workforce (jobs) in the Borough (May 2013 Experian forecasts). In order to provide additional context West Dorset's workforce is also shown.

Figure 5.7: Total Workforce Jobs



Source: Experian Business Strategies, May 2013

- 5.29 The chart shows a relatively stable employment picture in Weymouth & Portland over this period with almost 800 additional jobs estimated in 2012 than in 2001. West Dorset by contrast has seen a much greater uplift in jobs gaining an additional 10,500 workforce jobs over this period, noting as well that this represents a sustained period of job losses between 2010 and 2012.

5.30 Whilst the overall levels of employment appear stable analysis of unemployment levels show some variance, although it should be noted these are based on a survey sample basis. The following table shows recorded unemployment levels between 2004 and 2012. A five year average is shown, with this used in the modelling of projected population and household change linked to economic forecasts in section 6.

Figure 5.8: Unemployment Rate of those aged 16+

Year	Unemployment rate - aged 16+
2004	5.2
2005	3.3
2006	6.1
2007	3.3
2008	4.1
2009	8.4
2010	5.6
2011	5.5
2012	6.7
5yr Ave	6.1

Source: nomisweb.co.uk, 2013, Edge Analytics, 2013

Travel to Work / Commuting

5.31 The Draft Local Plan acknowledges the importance of current commuting patterns, stating:

“Whilst some towns, such as Bridport, have relatively balanced levels of jobs and housing, other towns, most notably Weymouth and Dorchester, have a significant imbalance. Weymouth has a significant amount of outward commuting to Dorchester for jobs, and Dorchester relies on a much wider area for its workforce and economic success. Many Portlanders have had to look for job opportunities on the mainland and some of the employment opportunities created on the island do not match the skills of the local workforce.” (2013, para. 1.2.18)

5.32 In terms of understanding the needs of the Borough in the context of a wider functional housing market area the Draft Local Plan notes:

“There are strong links between the two Council areas [West Dorset and Weymouth & Portland], and with neighbouring areas of Yeovil to the north, and Bournemouth and Poole to the east.” (2013, para 1.2.1)

- 5.33 This is reinforced when examining the data held within the 2001 Census³¹ around travel to work flows. This shows that Weymouth & Portland is a considerable net exporter of labour with approximately 11,000 people living in the Borough but commuting to other local authority areas to work.
- 5.34 The majority of these commuting flows are to West Dorset with almost 7,300 people commuting from Weymouth & Portland in 2001. It is important to note that equally there are just over 2,300 commuters who travel in the other direction.
- 5.35 Overall considering the relationship between place of residence and work shows that Weymouth & Portland has a commuting ratio of 1.38 (ratio derived from dividing the number of workers by the number of jobs). The impact of reducing this ratio, an aspiration of the Draft Local Plan, is considered through the analysis of projected population and household growth scenarios in section 6. It is important to note when considering this factor that the actual ability of policy to directly change commuting patterns is very uncertain given that new development represents a relatively minor part of the overall existing housing and employment base.

Economic Futures

- 5.36 The Draft Local Plan (2013) does not provide a clear 'Economic Vision' for the whole Borough. It does, however, recognise the importance of encouraging the creation of new jobs with this reflected in the allocation of additional employment land requirements. In evidencing the need for new employment land the Draft Local Plan states:

"Economic forecasts indicate that, to achieve any economic growth, an additional 16,100 full time equivalent jobs will need to be planned for in the period up to 2031. To achieve this growth, the plan should ensure that there is 60.3ha of employment land that could come forward across the plan area for offices, light industrial, general industrial, storage and warehousing (covered by the B use classes)." (2013, para. 3.2.3)

- 5.37 The Draft Local Plan (2013) also identifies a separate Vision for Weymouth, as the largest town in the plan area, this states that Weymouth will:

"Have a strong, diversified economy building on its advantages in advanced engineering, tourism and leisure, offering a range and choice of well paid jobs for its residents. Housing and employment premises will be built to support this growth and provide a better balance to reduce the amount of outward commuting." (2013, para 7.2.1)

- 5.38 Prior to the production of the Draft Local Plan (2013) it is evident that the authority had alongside other authority partners across Dorset set out an ambitious evidenced economic vision for the area. This was encapsulated through the 'Economic Vision for Weymouth & Dorchester: Evidence Base' report produced by Roger Tym & Partners (February 2008). This identified in relation to Weymouth:

³¹ Note at the time the modelling was undertaken travel to work data was not available from the 2011 Census

"It is important that the economy grows and strengthens in the future, particularly to allow for the development of higher technology and higher wage industries to provide a better balance of employment and enable more residents to work within the town." (2008, para. 3.10)

5.39 In terms of the prospects for economic growth within the town the Roger Tym (2008) report identified that:

"Forecasting analysis indicated that as the economy of Weymouth is more diversified than Dorchester (the economy here being reliant on the public sector) it seems well positioned in sectors forecasting to grow at a regional level especially professional services, retailing and hotels & catering." (2008, para. 3.26)

5.40 The report also cited economic forecast data which underpinned the 2006 Draft South West RSS and suggested a job growth of between 7,300 and 9,500 jobs over the following 20 year period within the travel to work area covering Weymouth and Dorchester. Approximately 3,831 jobs were anticipated to be generated in the town of Weymouth based on this analysis³².

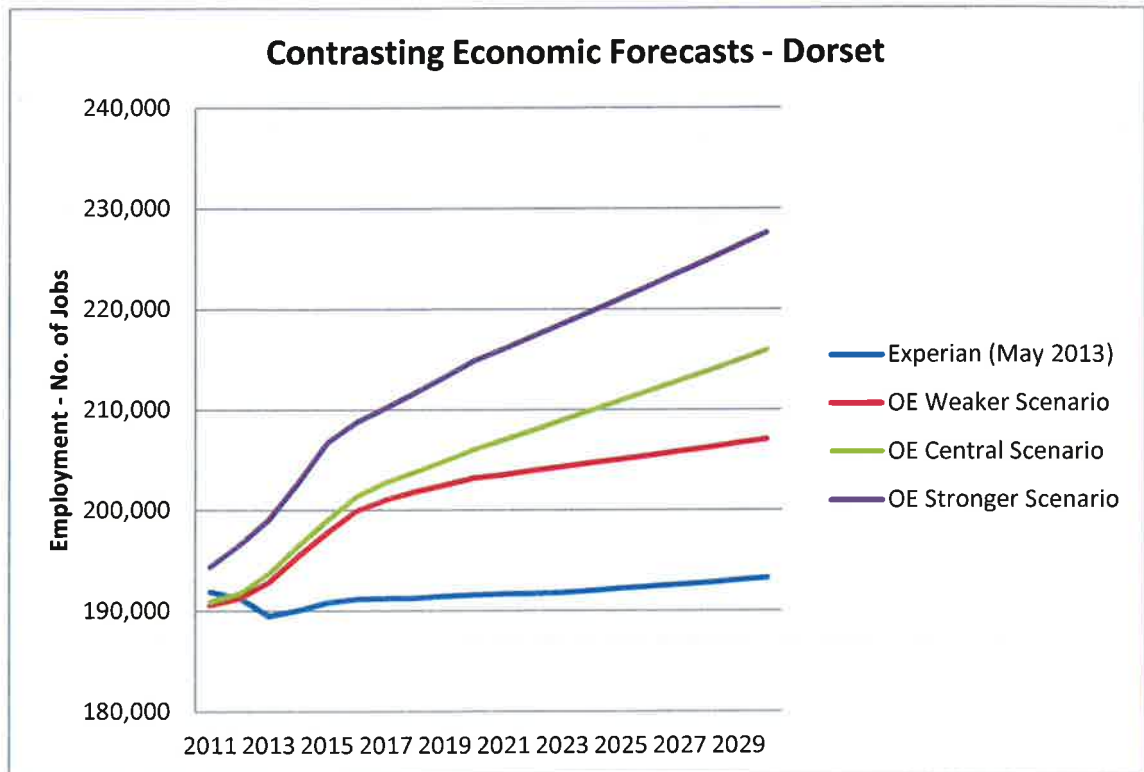
5.41 Evidently the economic context at a UK and even a global level has changed considerably since the 2008 study was undertaken. It is therefore useful to consider more up-to-date econometric forecast data to understand how the economic future of the area is anticipated to change over the plan period.

5.42 The following chart uses economic forecast data sourced from a number of econometric forecasting houses. The Oxford Econometrics forecasts were produced across the South West for the Regional Development Agency. The Experian forecast has been sourced directly from Experian Business Strategies and represents the latest run of the model (May 2013). The forecasts show job change for the Dorset area³³.

³² It is noted that extreme caution needs to be exercised in the use of these settlement level figures

³³ The Oxford Econometrics forecasts remove Bournemouth & Poole from the Dorset Area in the forecasts and this has also been done for the Experian forecast dataset.

Figure 5.9: Alternative Dorset economic forecasts

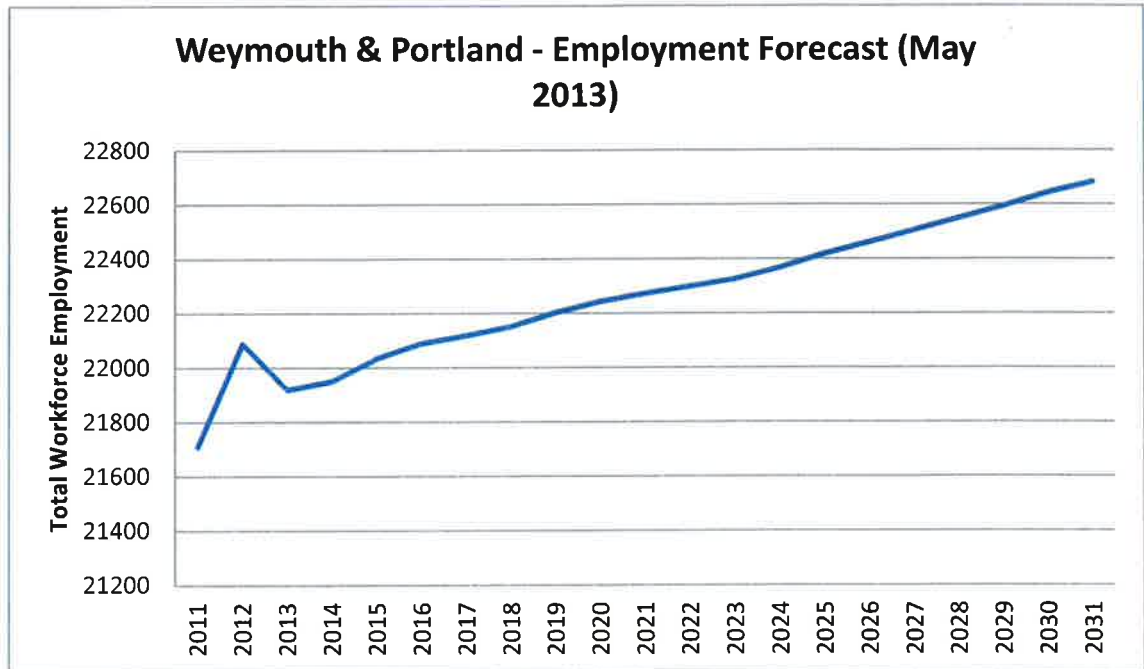


Source: Oxford Econometrics (June 2010), Experian (May 2013)

- 5.43 It is evident from the chart that the Oxford Econometrics forecasts show far greater levels of growth even in terms of the 'weaker' scenario than the Experian forecast. Interestingly the 2011 position would suggest from Experian that the economy at that time did sit somewhere between the central and stronger scenario, however, the impact of the recession has been sustained for longer with job losses forecast until 2013. Experian then extrapolate forward a very conservative level of job growth which contrasts with the rapid recovery forecast by Oxford Econometrics between 2013 and 2017.
- 5.44 Alongside these forecasts the review of the 'Housing Requirements Report' (2013, Keith Woodhead) in section 3 referenced the Cambridge Econometrics forecasts which were considered within the report. These showed employment rising by 4,820 jobs between 2011 and 2031 in Weymouth and Portland. Within West Dorset the base forecasts shows a rise in employment of 14,330 jobs with the analysis in the report suggesting that this is moderated down to 9,430 with Government services and Construction sectors modified in relation to growth prospects.
- 5.45 It is important to recognise that all of the forecasts do not take account of specific policy ambitions or investments i.e. the relocation of a large firm into an area or the development out of a large employment land allocation. They therefore represent a baseline position.

5.46 The Experian forecasts can also be broken down into the individual authority areas with the following chart showing the forecast change in workforce jobs for Weymouth & Portland.

Figure 5.10: Weymouth & Portland Economic Forecasts



Source: Experian, May 2013

5.47 The chart shows a growth of almost 1,000 jobs between 2011 and 2031 forecast by Experian within the authority³⁴. This is considerably more conservative than the levels of growth implied by the Oxford Econometrics forecasts as well as the Cambridge Econometrics forecasts and indeed with reference to the economic forecast numbers presented within the Draft Local Plan. Again it is important to state that these forecasts take no account of policy position regarding the provision of new employment land which if delivered will provide the potential for a further uplift in employment. This is particularly important when considering the Experian forecasts which appear to project forward a level of growth which is comparable to that seen over the last 10 – 12 years in Weymouth & Portland representing a relatively unambitious picture.

5.48 The Council's latest published Annual Monitoring Report noted the progress made on bring forward key employment land allocations which suggests a comparably positive picture with regards delivering new business space and employment opportunities:

“Progress has also been made in the development of employment land, with the commencement of the Mount Pleasant employment allocation. A hybrid planning application was granted in July 2011 for the construction of replacement headquarters for a multi-national company, hotel and restaurant, as well as outline

³⁴ Total job change of 973 jobs forecast. This is a level of job change which is very consistent with that forecast by Experian within their February 2013 forecast dataset where a forecast increase of 979 jobs was evidenced.

planning permission for a supermarket and office units. When completed, the site will form the 'Weymouth Gateway'. (Weymouth and Portland Council, AMR 2011 – 2012, pg 1).

- 5.49 The challenge of supporting economic growth through an adequate increase in the size of the labour-force of the area, linked to housing provision, was identified back in 2008 in the Roger Tym economic visioning work. At this point in time there was an assumption that housing would be delivered at a level in line with the emerging RSS position which at the time the document was prepared was the draft figure of 250 units per annum (this did not relate to the whole authority area). Recognising the provision of housing at this rate it was concluded that:

"The work completed to date suggests that it is possible that with moderate economic growth (2.8%) there would be a small surplus of labour in the Dorchester & Weymouth HMA in the first period (2006-2016) but in the second period this situation would be reversed, with a significant shortfall of labour, possibly of several thousand workers. With a higher level of economic growth (3.2%) there would be a deficit over both periods of even greater significance." (2008, para. 6.28)

- 5.50 This issue is considered in detail through the alignment of demographic and economic factors within the population and household projection modelling presented in section 6.

Market Drivers

Market Activity

- 5.51 Examining recent development activity the latest published Annual Monitoring Report for the authority area (March 2013) records the net level of completions seen within the Borough over the last ten years. The following table shows the annual net completion levels as well as five year (last five years) and ten year averages of completions.

Figure 5.11: Net Completions – Weymouth & Portland 2002 – 2012

Weymouth & Portland	Annual net completions
2002/03	251
2003/04	364
2004/05	290
2005/06	359
2006/07	188
2007/08	275
2008/09	410
2009/10	150
2010/11	130
2011/12	169
5 year average	227
10 year average	259

Source: Weymouth & Portland AMR, March 2013

- 5.52 It is evident that the authority has seen a healthy level of development over the last ten years. The ten year average at approximately 260 dwellings per annum is relatively close to the previous RSS target for the Borough of 280 dwellings per annum (2006 – 2026). Indeed in 4 out of the 10 years the market has shown the capacity to deliver in excess of this historic target.
- 5.53 The last five years have seen, on average, a slightly lower level of development than over the longer time period. However, at almost 230 dwellings per annum delivered on average the house builder market has clearly shown a comparatively strong level of resilience through the recessionary period in the local area. As identified in section 3 recent development trends considerably exceed the Draft Local Plan requirement of 160 dwellings per annum with emerging policy therefore failing to recognise the wider NPPF requirement to ‘boost’ the supply of housing. This is particularly important when considered in the wider housing market area with the levels of development in West Dorset, by contrast, comparing unfavourably with the previous RSS targets and indeed the emerging Draft Local Plan position.

Affordability

- 5.54 The 2011 SHMA and the 2008 SHMA (Fordham Research) both identified that affordability challenges were significant across the housing market area and within Weymouth & Portland.
- 5.55 The application of the DCLG affordable needs calculation in Weymouth & Portland identified a net per annum need for 904 affordable dwellings per annum in the 2011 SHMA Update. This represented a notable uplift on the level identified through the 2008 SHMA which concluded the evidenced need for 801 affordable dwellings per annum.

Significantly the level of need was higher within Weymouth & Portland than in West Dorset highlighting the concentration of issues within the Borough.

- 5.56 Examining the contributing factors to this very high affordable need figure shows that the vast majority of the annual need is derived from anticipated future need rather than addressing a backlog position. The net annual need derived from addressing the backlog is only 160 units with the net future need at 744 dwellings. This reflects the estimation that over 65% of new households are unable to buy or rent in the open market within Weymouth and Portland (almost 360 households per annum) with a significant number of existing households also forecast to fall into need annually.
- 5.57 Evidently the Draft Local Plan requirement of 160 dwellings per annum within Weymouth & Portland falls considerably short (indeed is almost half) of the level of affordable housing calculated as being required to address the needs of newly forming households alone. Whilst as the 2011 SHMA identifies the private rented sector currently plays a role in meeting a proportion of these needs the sustainability of this market driven solution is called into question within the area over the long-term. In addition the NPPF does not include private rented housing as part of its definition of 'affordable housing'. It is evident that the delivery of 'affordable' housing in the Borough is critical to retaining emerging households (the vast majority of which will be of working age) and enabling the development of balanced communities.
- 5.58 In terms of the capacity of the market to deliver affordable housing the 2011 SHMA stated:
- "Viability assessments carried out across Dorset suggest that in many cases it will be possible to provide at least 40% of housing as affordable on future sites and in some cases (particularly on greenfield sites) up to 50%. However, we recognise that in reality due to site sizes and some specific local/site viability issues that the proportion of delivered may well be lower than this particularly during the current economic circumstances." (2012, para 7.82)*
- 5.59 On this basis the 2011 SHMA tested potential affordable housing development outputs at both 30% and 40% of all housing delivered. At 160 units per annum (Draft Local Plan target) this would suggest the delivery of only between 48 and 64 units. This obviously falls considerably short of the levels identified as needed within the 2011 SHMA.
- 5.60 As recognised in the 2011 SHMA given the scale of the issue and the DCLG affordable needs calculation methodology it is extremely unlikely that the full need will be met on an annual basis. Despite this it is clear that development constrained to the level set within the Draft Local Plan will only serve to exacerbate further the affordability issues facing new households in Weymouth & Portland. The implication of this will be a continuation of a forced migration of younger person households to other more affordable market areas impacting further on the capacity of the authority to sustain and grow its business base and therefore the economic prosperity of its communities.

6 Weymouth & Portland Population and Household Projections

- 6.1 Within this section we present a number of scenarios of projected population and household change. These scenarios are intended to test and evaluate the impact of different assumptions around demographic, economic and development change over the plan period.
- 6.2 The modelling takes account of the assessment of these drivers of change presented in section 5. Initially a series of population projections are presented. These are then translated into household projection using two alternative headship rate assumptions linked to the 2008 SNHP and the Interim 2011 SNHP datasets. The section concludes with a critical review of the scenarios including analysis of the relationship between the size of the population, its age structure and the labour-force to identify a recommended requirement for housing to meet the identified need in the Borough over the plan period.

Introducing the Scenarios

Official Projections

- 6.3 In all scenario analysis it is important to 'benchmark' any growth alternatives against the latest 'official' population projection. In 2013 the ONS released an 'Interim' 2011 base SNPP dataset. This uses assumptions from the 2010-based SNPP dataset to define its fertility, mortality and migration components of change. For this reason, in Edge Analytics view, the 2011-based population projections do not provide a suitably robust benchmark trend projection.
- 6.4 The 2010-based SNPP from ONS is used in the modelling presented in this section as the trend benchmark. This scenario has been developed using historical evidence from the period 2006-10 and incorporates long-term assumptions on fertility, mortality and international migration that were defined in the 2010-based national projection for England.
- 6.5 The 2010 SNPP scenario presented in this section is scaled to ensure consistency with the 2011 Census population, following its designated growth trend thereafter. It is not, therefore, directly comparable with the ONS dataset as it represents an updated projection.

Alternative Projections

- 6.6 In addition to the 2010 SNPP derived scenario five alternative scenarios are presented:
- **Migration-led:** This scenario projects forward migration rate assumptions from a 2011 base using the latest ONS MYE datasets. This therefore represents a further 'trend' projection extrapolating forward historic demographic factors albeit from a more up-to-date base.

- **Local Plan:** This is the first of a series of 'constrained' scenarios. Under these scenarios migration assumptions rather than being trend-based are calculated to ensure an appropriate balance between population, households and the labour force, given the 'constraints' on growth that are imposed on each scenario. For this scenario the constraint is the number of dwellings provided each year. The requirement set within the 2012 Draft Local Plan is used, 160 dwellings per annum³⁵. Whilst there are currently high proportions of empty properties in the authority (as considered in section 5) we have assumed a vacancy rate of only 2.5% under this scenario to align with the translation of household growth to dwellings under the other scenarios³⁶.
- **Zero Employment Growth:** This scenario constrains growth to assume a zero level of employment growth over the plan period. Whilst this level of job growth evidently does not match the ambition of the Draft Local Plan (2013) it is presented for illustrative purposes to highlight the important relationship between the provision of housing and the changing size of the labour-force and therefore the ability to accommodate employment change.
- **Employment-led (Experian):** Under this scenario growth is constrained to the May 2013 Experian forecasts which show a comparatively low level of job growth (less than a 1,000 new jobs between 2011 and 2031) when set against the forecasts referenced within the Local Plan and those identified within the 2013 Housing Requirements report (2013, Keith Woodhead). This therefore should be considered as representing a very conservative perspective of the future growth of the economy.
- **Employment-led Balancing Commuting:** The preceding scenarios have all assumed a retention of the 2001 evidenced commuting ratio for the Borough. As the analysis in section 5 highlighted Weymouth & Portland is a net exporter of labour. The Draft Local Plan includes an ambition to better balance jobs and housing and so under this scenario it is assumed that levels of commuting remain constant in absolute terms with all new jobs created in Weymouth & Portland assumed to be taken by a resident in the Borough. Over the plan period this would result in a reduction in the overall rate of out-commuting. It is important to note that the success of this reduction of out-commuting will be dependent on the types of jobs provided and the matching with a suitably skilled labour-force as well as the development of sufficient housing in West Dorset in particular to match employment change within the authority.

Population Projections

6.7 Figure 6.1 shows the projected change to the size of the population under each of the scenarios:

³⁵ Note: Whilst the 2013 iteration of the Local Plan has been referenced in other sections of the report the modelling was undertaken in advance of the release of this version. This therefore represents a level slightly below (40 units) the lower end of the range suggested within the Proposed Modifications iteration of the plan.

³⁶ Note: This follows the recommendation within the 2011 SHMA as documented in section 2 of this report.

Figure 6.1: Projected Change in Population 2011 – 2031

Scenario	Population 2011	Population 2031	Projected Change in Population 2011 - 2031	Annual Average Change (20 years)
Re-based SNPP 2010	65,135	66,303	1,168	58
Migration-led	65,135	65,982	847	42
Draft Plan	65,135	66,778	1,643	82
Zero Employment	65,135	72,163	7,028	351
Employment-led (Experian)	65,135	75,099	9,964	498
Employment-led Balanced Commuting	65,135	73,897	8,762	438

Source: Edge Analytics, 2013

- 6.8 The different scenarios show a considerable range of alternative levels of modelled population change.
- 6.9 Under the demographic-trend based projections the level of population growth is relatively low reflecting, as would be expected, a continuation of relatively stable population numbers with limited levels of migration offsetting negative natural change factors.
- 6.10 As the analysis within the 2011 SHMA identified migration trends within the authority appeared to present a relatively inconsistent picture over the longer-term, with this reflected in the revised MYE dataset. This supports the need to project forward based on an understanding of other factors rather than simply extrapolating forward what has occurred in the past.
- 6.11 The Draft Plan scenario shows a level of population growth which closely mirrors that of the 2010 SNPP rebased scenario.
- 6.12 The three employment constrained scenarios show considerably greater levels of population growth. The 2011 SHMA and the Draft Plan both recognise the ageing population structure of the Borough. As the 2011 SHMA identifies but does not model the impact of this is a falling working age population which represents a capacity constraint on supporting business growth and therefore employment generation. This issue is not fully assessed within the 2013 housing requirements paper (2013, Keith Woodhead) with the analysis not appearing to use a comparable demographic model.
- 6.13 Even under the zero employment scenario the modelling demonstrates that a considerable increase in the population will be required to maintain the current levels of employment in the borough. This is the result of the need to attract in and retain working age residents. The analysis of migration trends shows a historic out-migration of these age groups with the trend-based projections sustaining this picture which when coupled with an ageing population exacerbates the imbalance between working age residents and jobs.

- 6.14 Under the Employment-led scenario the growth of 1,000 jobs is associated with a further uplift in the size of the population. This is in part moderated under the Employment-led Balanced Commuting scenario where new jobs are absorbed by the population in the Borough. This aligns with the aspirations of the Draft Plan to make settlements more self-sufficient; however, it is important to note that firstly this represents an ambition rather than an evidenced position and that the level of job growth remains very conservative and below other forecasts referenced within the Council's evidence base.

Translating Projected Population Growth into Household Growth

- 6.15 Household projections are derived through the application of household headship rates (also referred to as 'household representative rates' in the CLG documentation). In April 2013, CLG released its new household projections for local authority districts in England. These household projections are underpinned by the 2011-based Interim SNPP's which are critiqued earlier in this section.
- 6.16 The projected household headship rates used in the Interim 2011 household model have been derived using 2011 Census data in combination with statistics from the Labour Force Survey. This represents an important update from the 2008 based datasets.
- 6.17 As with the population projections the rates under both datasets are built based on a trend analysis and therefore assume that what has happened previously will continue into the future.
- 6.18 This poses a challenge in terms of projecting forward. Evidently the period to 2008 represented a comparatively buoyant period in the housing market with derived rates therefore not taking account of the unprecedented economic conditions that have occurred since 2008. Equally given that these are unprecedented conditions also means that taking a 2011 base point has the inherent weakness; therefore of projecting forward the current dysfunctional (term taken from the 2011 SHMA) market position over the long-term. This is reflected nationally with the Interim 2011 SNHP nationally shown to have had the most significant impact, in terms of reduced numbers, upon single-person households and family households with no children. This has been offset by increases in households comprising a couple and one or more other adults with no dependent children and the miscellaneous 'Other' classification which includes multi-adult households. This reflects the affordability issues facing new emerging households, with many young adults forced to remain living with parents.
- 6.19 The 2011 SHMA Update noted the differences in the historic levels of household growth derived from different DCLG published SNHP datasets, noting:
- "Trend projections have their limitations since they only reflect what household formation rates are likely to be if past trends continue". (2012, para. 7.71)*
- 6.20 This position is supported through a report³⁷ issued by Cambridge Centre for Housing & Planning Research (CCHPR) which concluded:

³⁷ 'Choice of Assumptions in Forecasting Housing Requirements Methodological Notes', Cambridge Centre for Housing & Planning Research (CCHPR), March 2013

“There will be a temptation to modify the household numbers suggested by the projections to reflect the 2011 census but this should only be done where there is clear evidence that the changes are not the result of short-term fluctuations which are likely to come back to trend in the medium term. It follows that to make a case for lower household numbers than suggested by the 2008-based household projections local authorities would need to not only show that the actual household numbers in their area in 2011 were lower than projected but also to argue convincingly that the shortfall was not due to short term factors that would re-balance during the plan period. The 2011 census results are a snap shot taken after a period of severe economic and housing market volatility, it would be reasonable to expect the numbers of households that formed in the years running up to the census were significantly below the low term trend.” (CCHPR, March 2013)

6.21 Recognising the points noted above we have translated the population projection scenarios using both 2008 (rescaled to 2011 Census results) and 2011 based household headship rates. Dwelling requirements are built from the household projections through an assumed vacancy rate of 2.5%. This takes into account an assumption around the turnover of stock with a proportion of dwellings always empty at a given point in time (linked to factors such as renovation, moving or second home ownership). These are presented separately in figures 6.2 and 6.3.

Figure 6.2: Projected Household Change – 2008 Headship Rate Assumptions

2008 based Household Headship Rates derived Scenarios	Households 2011	Households 2031	Projected Change in Households 2011 - 2031	Average per annum dwelling requirement 2011 - 2031 (2.5% vacancy assumption)
Re-based SNPP 2010	28,467	30,780	2,312	119
Migration-led	28,517	31,452	2,935	150
Draft Plan	28,517	31,637	3,120	160
Zero Employment	28,517	34,224	5,707	292
Employment-led (Experian)	28,517	35,536	7,019	360
Employment-led Balanced Commuting	28,517	34,999	6,482	332

Source: Edge Analytics, 2013

Figure 6.3: Projected Household Change – 2011 Headship Rate Assumptions

2011 based Household Headship Rates derived Scenarios	Households 2011	Households 2031	Projected Change in Households 2011 - 2031	Average per annum dwelling requirement 2011 - 2031 (2.5% vacancy assumption)
Re-based SNPP 2010	28,505	30,614	2,109	108
Migration-led	28,518	31,290	2,772	142
Draft Plan	28,518	31,638	3,120	160
Zero Employment	28,518	34,046	5,529	283
Employment-led (Experian)	28,518	35,358	6,841	351
Employment-led Balanced Commuting	28,518	34,823	6,305	323

Source: Edge Analytics, 2013

Evaluating the Scenarios

- 6.22 The scenarios have all been built using the latest robust demographic datasets using recognised/ market leading demographic software and including specialist input from a dedicated demographic forecasting team at Edge Analytics.
- 6.23 The two demographic trend-based projections result in dwelling requirements which are slightly lower than the Draft Plan (2013). These are, however, based on a continuation of very low levels of net migration into the authority resulting when natural change factors are taken into account in a very low level of population growth.
- 6.24 The 2011 SHMA whilst considering demographic trend-based projections did not build any alternative projections exploring the impact of other drivers of need and demand. The SHMA did highlight the important linkages with the economy but did not follow this through to evidence the impact of different levels of population growth on the labour-force. It did, as summarised in section 2, highlight this as a potential risk in terms of the implications for the alignment of housing and economic ambitions. Whilst the 2013 housing requirements paper (2013, Keith Woodhead) contrasted demographic trend based projections with the economic prospects of the area this did not include modelling to enable an accurate assessment of the alignment of the two factors.
- 6.25 It is evident from the review of the economy in section 5 that there is an expectation through the Draft Local Plan that Weymouth & Portland will grow its employment / business base with this reflected both in the Vision but also the allocation of employment land.

- 6.26 Examining the employment-led scenarios highlights that even a very moderate growth in the number of jobs in the area (less than a 1,000) results in a dwelling requirement which is higher than the Draft Local Plan and more comparable with those previously set out within the RSS.
- 6.27 The Employment-led Experian scenario suggests a need for between 350 and 360 dwellings per annum (depending on the headship rate assumptions used). Recognising the aspiration of the Council to increase the sustainability of the settlements the assumption that absolute commuting levels do not increase results in a moderating down of this requirement to between 320 and 330 units.
- 6.28 In order to even retain a stable number of jobs the analysis shows that there is a requirement to provide for between 280 and 290 units within the Borough.
- 6.29 In order to further highlight the significant mismatch between the economic aspirations of the Draft Local Plan (2013), and preceding strategy documents, and the housing policies the following table shows the derived labour-force change under all of the scenarios. This illustrates that under the Draft Local Plan the provision of housing at the rate suggested would result in the shrinking of the labour-force by between 2,600 and 2,800 depending upon the application of different headship rates³⁸.

Figure 6.4: Projected Change in the size of the Labour Force – Various Scenarios

Scenario	Labour-force 2011	Labour-force 2031	Projected Change in Labour-force 2011 - 2031
Re-based SNPP 2010	28,975	25,301	-3,675
Migration-led	29,629	26,549	-3,080
Draft Plan (2008 headship rates)	29,629	26,826	-2,803
Draft Plan (2011 headship rates)	29,629	27,011	-2,617
Zero Employment	29,629	29,629	0
Employment-led (Experian)	29,629	31,058	1,430
Employment-led Balanced Commuting	29,629	30,464	835

Source: Edge Analytics, 2013

- 6.30 This significant mismatch between the Draft Local Plan scenario and the labour force requirements implied through both economic forecasts and the underlying messages of the Local Plan suggest that this scenario is unsustainable and fails to reflect the needs that will be generated through the provision of new employment opportunities.
- 6.31 The very moderate levels of labour-force increase assumed under the two Employment-led scenarios, set in the context of previous economic forecasts presented within the

³⁸ Note: As this scenario is constrained to the number of dwellings the assumed household size (headship rates) impacts on the modelled change to the population. Both headship rate variants are therefore presented within the table.

Council's evidence base, suggests that these represent a much more considered level of need for which the plan should make provision. The level of dwelling requirement represented by these scenarios, in excess of 300 a year does not represent a significant increase on longer-term levels of completions and the previous RSS requirement.

Considering the Impact of West Dorset

- 6.32 A series of comparable population and household projections have not been modelled for West Dorset. The analysis in the preceding sections of this report has highlighted the strong connections between the two authorities in terms of travel to work and migration flows. This is likely to continue given the infrastructure linkages and the relative isolation of the main settlements in relation to other larger employment centres.
- 6.33 The analysis of the population structure of West Dorset shows a comparative, if not even more pronounced, skewing towards older population groups. The capacity of the population based on past trends will therefore almost inevitably result in a reduced labour-force size which will represent a comparable challenge to the balancing of the two factors as shown in Weymouth & Portland through the projections presented in this section.
- 6.34 It is extremely unlikely given the ambition in the Draft Local Plan therefore for Dorchester in particular to become more sustainable and balanced in terms of the provision of housing to match local employment that West Dorset will therefore have 'headroom' within its housing requirements to absorb any of the objectively assessed need identified for Weymouth & Portland.
- 6.35 Indeed the assumption under the Employment-led Balanced Commuting scenario is that there is no increase in people commuting from Weymouth & Portland into West Dorset. This will place extra pressures on West Dorset to provide additional housing to match its existing employment and business base, an issue which will only increase if the Local Plan aspirations to grow the economy through the allocation of additional employment land are realised.
- 6.36 Further to the points above it is important to recognise the wider market area factors affecting West Dorset. The Inspector's Report³⁹ on the Purbeck District Council Plan identified that the Local Plan housing requirement falls short of the objectively assessed needs for the authority noting the relevance of environmental constraint factors, which will be subject to future further consideration. The Inspector identified the need for an early review of the plan to commence in 2013 in order for the plan to be considered sound. This recognised the potential for other authorities, via the duty to co-operate, to accommodate a shortfall in provision. This has direct impact on West Dorset with the inspector noting:

"Among the issues to be addressed in the review will be additional settlement extensions to contribute to meeting housing needs and a review of the green belt including the potential for safeguarded land. This will enable the Council to consider in detail and resolve heathland mitigation measures and also to co-

³⁹ 'Report on the Examination into the Purbeck Local Plan (Part 1)' The Planning Inspectorate, 31st October 2012

operate with West Dorset District Council with respect to potential development at Crossways" (Para 31. 31st October 2012)

- 6.37 It is not evident within the West Dorset, Weymouth & Portland Draft Local Plan (2012) how this potential accommodation of additional displacement of need is taken into account. As noted earlier in this report the proposed housing requirement within the Local Plan is primarily led by the annual average household change projection arrived at within the 2011 SHMA (Figure 7.6). The modelling underpinning this projection is not understood to have explored the additional implication of a higher level of migration of people from Purbeck into West Dorset resulting from the undersupply position in Purbeck. This is also not an issue considered in the 2013 Housing Requirements Paper. This further highlights the lack of additional capacity within West Dorset, based on the current policy position, to accommodate the unmet needs of Weymouth identified through the modelling presented within this section.

7 Summary and Conclusions

- 7.1 This report has been prepared by Turley Associates for and on behalf of Betterment Properties (Weymouth) Limited with additional specialist demographic modelling advice provided by Edge Analytics. The purpose of this report is to establish an analysis of the objectively assessed need for housing in Weymouth & Portland Borough in accordance with the National Planning Policy Framework (NPPF).
- 7.2 A review of the national policy context and its interpretation by Local Plan Inspectors as well as a detailed examination of the latest datasets which should be used to inform the calculation of the objectively assessed housing needs of the area has been presented within this report. In addition the analysis has presented a series of population and household projections built using the POPGROUP suite of software.
- 7.3 The analysis has been undertaken in the context of the evidence prepared to date by the Local Planning Authority. This includes the 2011 SHMA which included a detailed examination of demographic trend population and household projections built using the latest data at the time and the 'Review of future housing requirements for West Dorset District and Weymouth & Portland Borough' (June 2013). This later report is understood to represent an independent review of the housing and population requirement identified in evidence prepared for the districts' emerging Joint Local Plan. The 2011 SHMA, whilst identifying the risk to the economic growth of Weymouth & Portland of a continuation of demographic trend-based projections, did not include modelling quantifying the implications and the levels of job change likely to result. Whilst the June 2013 requirements study considers the relationship between housing need and economic change alongside other factors, including affordable housing need, it does not provide robust modelled outputs built using a recognised demographic forecasting model. Collectively these limitations represent an important gap in the evidence base from which an objective assessment of need can be calculated.
- 7.4 In evaluating the projections presented within this report the conclusion is drawn that the latest economic, demographic and housing market indicators demonstrate that the level of housing planned for within the West Dorset, Weymouth & Portland Pre-Submission Draft Local Plan, hereafter the Draft Local Plan, (2013) is insufficient to meet the objectively assessed housing needs of Weymouth & Portland Borough.
- 7.5 Examination of the latest demographic evidence shows that the authority has seen, over recent years, an ageing of the population with this projected to continue under trend-based demographic projections. Historically higher levels of migration have been seen within the authority than have been evidenced over recent years.
- 7.6 The Draft Local Plan sets an ambition to expand the employment base of the two authorities. Emphasis is focussed on creating new employment opportunities within Weymouth recognising the potential of the town and the need to regenerate its town centre and seafront. In order to support employment growth the Draft Plan includes the allocation of at least 15 hectares of employment land within Weymouth & Portland with the expectation that this will generate new employment for current and future residents.

- 7.7 Examination of historic econometric forecasts for the wider Dorset area suggests a buoyant level of job growth over the plan period. Consideration of the latest Experian (May 2013) forecasts shows a considerably more muted picture of growth but these do not take any account of investment plans and/or policy aspirations set out in the Draft Local Plan.
- 7.8 It is evident that the effect of the ageing population will act as a constraint on the future level of the resident labour supply. This in turn will make it difficult to realise the full job potential within the area without an uplift in levels of net in-migration from those seen over recent years.
- 7.9 The alignment of demographic projections with the Experian forecast, which reflects a very conservative perspective of future job growth, identifies the need to provide for at least 300 dwellings per annum over the plan period to support a limited uplift in employment over the plan period⁴⁰. This level of provision does not represent a significant uplift from that identified within the RSS. The successful provision of higher numbers of jobs above that forecast by Experian would inevitably result in further demand pressures for additional housing.
- 7.10 It is evident from the existing evidence base and the analysis presented in this report that there are strong market linkages between Weymouth & Portland and West Dorset. Consideration of the underpinning demographic and economic aspirations for West Dorset suggests that housing need pressures will remain high over the plan period. The capacity for West Dorset to provide headroom beyond meeting its own objectively assessed needs to accommodate additional demand generated in Weymouth & Portland is therefore not considered to represent a sustainable option. This further highlights the importance of ensuring that sufficient housing is enabled within Weymouth & Portland that matches the demand pressures identified through the modelling in this report.
- 7.11 It is evident from a review of the available evidence, including recent levels of completions, that the plan will not result in the significant boosting of the supply of housing in the area to facilitate the potential growth of the economy (NPPF para. 47).
- 7.12 The 2011 SHMA confirmed the significant affordability issues facing the authority which have continued to form a barrier to younger households forming and remaining within the Borough with the latest evidence showing no signs of this significantly abating. Again this represents a challenge for the creation of balanced communities and in retaining and attracting business and employment investment. The draft policy position proposed by the Council in relation to the authority's housing requirement will not sufficiently address this challenge. The failure to seek to address historic patterns of out-migration through the lowering of the housing requirement figure from the previous RSS level will result in a perpetuation of an undersupply position against evidenced need, further increasing the backlog of need for affordable housing.
- 7.13 The evidence within this report has highlighted the importance of enabling housing development within Weymouth & Portland in order to support and attract local business

⁴⁰ Our findings are based on the assumptions set out in this report. As is customary with evidence based reports our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

investment through the provision of the appropriate housing infrastructure. The current Draft Local Plan fails to recognise these needs in its setting of the housing requirement and therefore fails to take full accord of the positive planning stance maintained through the NPPF.

Note in Interpretation of the Report

- 7.14 The findings within this report are based on the assumptions set out within the methodology. As is customary with evidence based analysis, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.
- 7.15 Whilst every effort has been made to ensure that the data contained in it is correct, no responsibility can be taken for omission or erroneous data provided by a third party or due to information being unavailable or inaccessible during the research period.

Appendix 1 List of Documents Referenced within the Report

Report / Document Title	Date	Author	Paragraphs / section referenced
National Planning Policy Framework	March 2012	DCLG	<ul style="list-style-type: none"> • Paragraph 17, 3rd bullet • Paragraph 47, 1st bullet • Paragraph 159 • Paragraph 179
External review of government planning practice guidance: report submitted by Lord Taylor of Goss Moor	December 2012	DCLG	<ul style="list-style-type: none"> • Annex C –Document 55
Ten key principles for owning your housing number – finding your objectively assessed needs	July 2013	PAS / LGA	<ul style="list-style-type: none"> • Pg 10.
Examination of the East Hampshire District Local Plan: Joint Core Strategy – Inspectors Report (ID 17)	23 rd November 2012	Inspector	<ul style="list-style-type: none"> • Paragraph 6 • Paragraph 9 • Paragraph 10
Rother District Council Local Plan (2011 – 2028) Strategy examination – Inspector's Report	13 th December 2012	Inspector	<ul style="list-style-type: none"> • Page 2, final paragraph • Paragraph 3 • Page 2 1st paragraph • Page 3 3rd paragraph
Ryedale District Council Examination of the Ryedale Plan – Local Plan Strategy Inspector's Interim Conclusion	14 th December 2012	Inspector	<ul style="list-style-type: none"> • Paragraph 1 d.i (1st bullet)
Rother District Council Local Plan (2011-2028) Strategy Examination – Inspectors letter	12 th April 2013	Inspector	<ul style="list-style-type: none"> • Paragraph 3
Eastbourne Core Strategy Local Plan – Inspector's Report	November 2012	The Planning Inspectorate	<ul style="list-style-type: none"> • Paragraph 25

Coventry City Core Strategy DPD Examination – Preliminary Hearing Session Concerning the Duty to Cooperate – Annex	2013	Inspector	<ul style="list-style-type: none"> • Paragraph 54 • Paragraph 31
Hastings Borough Council The Hastings Planning Strategy Proposed Submission Version 25 May – 17 August 2012: Inspector's Matters, Issues & Questions for Examination at the Hearings	February 2013	Inspector	<ul style="list-style-type: none"> • Paragraph 1.5 • Paragraph 1.9 • Paragraph 3.1 • Paragraph 3.2 • Paragraph 3.3
West Dorset, Weymouth & Portland Draft Local Plan Pre-Submission Draft	2012	West Dorset, Weymouth & Portland Councils	
West Dorset, Weymouth & Portland Draft Local Plan Pre-Submission Draft (As proposed to be modified)	2013	West Dorset, Weymouth & Portland Councils	<ul style="list-style-type: none"> • Paragraph 1.2.10 • Paragraph 1.2.11 • Paragraph 1.2.12 • Strategic Objectives pg. 11 • Paragraph 3.2.8 • Paragraph 3.2.3. • Paragraph 7.2.1
The Draft Regional Spatial Strategy for the South West 2006 – 2026	2006	SWRA	<ul style="list-style-type: none"> • Table 4.1
The Draft Regional Spatial Strategy for the South West 2006 – 2026 Proposed Changes	2008	SWRA	<ul style="list-style-type: none"> • Policy HMA12
2011 Strategic Housing Market Assessment Update – Final Report	January 2012	jgConsulting	<ul style="list-style-type: none"> • Paragraph 7.4 • Paragraph 7.33 • Paragraph 7.62 • Paragraph 7.67 • Paragraph 7.68 • Paragraph 7.73 • Paragraph 7.78 • Paragraph 7.82 • Figure 7.6
Interim 2011 Sub-National	April 2013	DCLG	

Household Projections			
A review of future housing requirements for West Dorset District and Weymouth & Portland Borough	June 2013	Keith Woodhead	<ul style="list-style-type: none"> • Paragraph 1.1 • Paragraph 1.3 • Paragraph 1.4 • Paragraph 3.21 • Paragraph 3.22 • Paragraph 4.23 • Paragraph 4.39 • Paragraph 4.61 • Paragraph 5.5
Dorset Survey of Housing Need and Demand – Local Authority report for Weymouth and Portland Council	June 2008	Fordham Research	
Housing the Future: An analysis of the Government's household projections and their use in planning for new housing	December 2009	CPRE	<ul style="list-style-type: none"> • Page 21
Assessment of compliance with the Code of Practice for Official Statistics – Statistics on Household Projections in England: Assessment Report 106'	April 2011	UK Statistics Authority	<ul style="list-style-type: none"> • Paragraph 2.3
Circular Projections	1995	Professor Glen Bramley and Craig Watkins	<ul style="list-style-type: none"> • Page 32
Housing – Local Plan Background Paper	June 2013	West Dorset and Weymouth & Portland Councils	<ul style="list-style-type: none"> • Paragraph 3.17 • Paragraph 3.20
Economic Vision for Weymouth & Dorchester: Evidence Base	February 2008	Roger Tym & Partners	<ul style="list-style-type: none"> • Paragraph 3.10 • Paragraph 3.26 • Paragraph 6.28

Weymouth and Portland Council AMR 2011 – 2012	2012	Weymouth & Portland Cuoncil	<ul style="list-style-type: none"> • Page 1
Choice of Assumptions in Forecasting Housing Requirements Methodological Notes	March 2013	Cambridge Centre for Housing & Planning Research	<ul style="list-style-type: none"> • Page 24
Report on the Examination into the Purbeck Local Plan (Part 1)	31 st October 2012	The Planning Inspectorate	<ul style="list-style-type: none"> • Paragraph 31

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