ATKINS

Central Buckinghamshire
Housing and Economic Development Needs Assessment

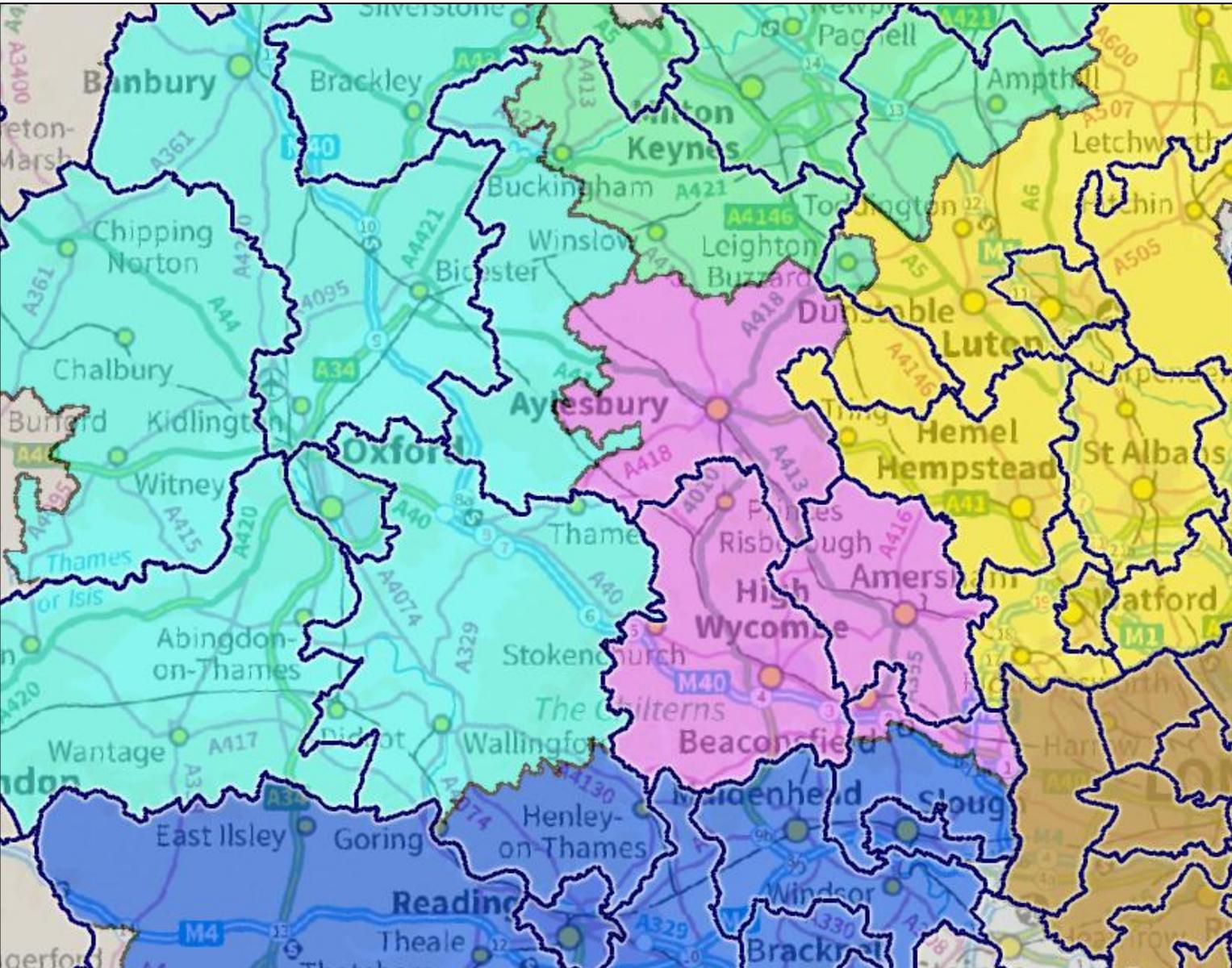**28 September 2015**

Functional Area:
HMA & FEMA

Household Projections
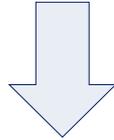
Economic Forecasts

Objectively Assessed Need

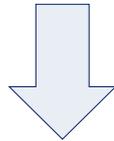# Process for establishing a Housing Number

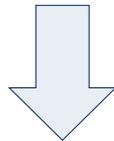| Starting Point Estimate	**Household Projections** produced by CLG

↓

Adjusted Estimate	**Household Projections** based on local circumstances

↓

Policy Off Housing Need	**Objectively Assessed Need**

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Policy On Housing Target	**Housing Requirement**

Demographic issues
Are there any known problems with local data?
Do we need to take account of any anomalies?
What period should be used for population trends?
Has housing delivery suppressed formation rates?

Implications of the household projections
What is the 'backlog' of unmet need for housing?
Will there be enough workers for planned jobs?
Do Market Signals show worsening trends?

Planning and policy considerations
What are the planning constraints?
Can overall housing needs be met within the HMA?
Can the affordable housing needed be delivered?

Duty to Co-operate discussions
Will other LPAs help address any unmet needs?
Are there any unmet needs from other HMAs?

CLG 2012-based Household Projections

» **"Starting point estimate of overall housing need"**

» **Central Buckinghamshire HMA**

– 2013 = 178,200 households

– 2033 = 212,500 households

» **Growth of 34,300 households 2013-33**

– Average of around 1,715 households per year

» **Based on ONS sub-national population projections**

– Short-term migration trends

– No allowance for UPC: "Unattributable Population Change"

» *Plan makers may consider sensitivity testing, specific to their local circumstances, based on* **alternative assumptions** *in relation to the underlying demographic projections and household formation rates.* (PPG ID 2a-017)

» *In assessing housing need it is generally advisable to test alternative scenarios based on a longer reference period, probably starting with the 2001 Census …* **A 10-to-15 year base period should provide more stable and more robust projections** *than the ONS's five years.* (PAS OAN technical advice note, second edition, para 6.24)

Central Bucks: Household Projections 2013-33

» **Based on intercensal period 2001-11**
– Growth of 32,400 households; 33,600 dwellings
– 1,900 households below CLG starting point

» **Based on most recent 10-year data 2004-14**
– Growth of 35,500 households; 36,900 dwellings
– 1,200 households above CLG starting point

» **Recent data reflects increases in long-term trends**

» **Suppressed household formation**
– 401 concealed families
– 41 homeless households

» **Baseline need 36,000 households; 37,300 dwellings**
– Average of around 1,865 dwellings per year
– 9% higher than CLG starting point of 1,715

Establishing Household Projections for the LPAs

Total Households 2013-33	Aylesbury Vale	Chiltern 2014-36	Wycombe	HMA 2013-33
Starting Point Estimate	18,450	5,150	11,370	**34,320**
Household projections				
10-year migration trend **2001-11**	15,730	5,660	11,530	**32,420**
10-year migration trend **2004-14**	18,140	5,830	12,090	**35,530**
Suppressed household formation	130	40	270	**440**

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TOTAL	**18,270**	**5,870**	**12,360**	**35,970**

ECONOMIC FORECASTS

Estimating future jobs, demand for floorspace & land

» **Scenario 1: sectoral employment growth forecasts developed by Experian**

– High growth: +14,560 FTEs in B use classes

» **Scenario 2: sectoral employment growth forecasts developed by Oxford Economics**

– Preferred scenario: +10,920 FTEs in B use classes

» **Scenario 3: extrapolation of historic employment growth trends**

– Low growth: -3,800 FTEs in B use classes

Preferred Scenario: Growth Sectors 2013-2033

Sector	Change 2013-2033
Professional, scientific and technical activities	+4,140
Wholesale and retail trade; repair of motor vehicles and motorcycles	+3,610
Administrative and support service activities	+3,120
Information and communication	+2,990
Public administration and defence; compulsory social security	-670
Manufacturing	-3,130
All sectors	**+21,500**

Employment Projections for the LPAs & FEMA

Change 2013-33	Aylesbury Vale	Chiltern 2014-36	Wycombe	FEMA 2013-33
FTE in B1a/b	+4,810	+1,920	+3,990	**+11,120**
FTE in B1c/B2	-680	-490	-1,180	**-2,300**
FTE in B8	+1,250	+150	+680	**+2,100**
FTE in B use classes	**+5,380**	**+1,580**	**+3,490**	**+10,920**
FTE in all use classes	+11,260	+2,570	+7,030	**+21,500**
Total employment	+17,600	+3,900	+10,600	**+33,400**

Employment densities and plot ratios

» **Employment densities and plot ratios in line with the HCA Employment Densities Guide 2nd Edition (2010) and Employment Land Reviews: Guidance Note (2004)**

Use class	Employment density	Plot ratio
B1a/b	12 sq. m per FTE	50% of site area
B1c/B2	40 sq. m per FTE	40% of site area
B8	70 sq. m per FTE	50% of site area

Floorspace and Land Requirements by LPA & FEMA

Change 2013-33		Aylesbury Vale	Chiltern 2014-36	Wycombe	FEMA 2013-33
B1a/ B1b	Floorspace sq m	+57,800	+23,000	+48,000	**+133,400**
	Land hectares	+12	+5	+10	**+27**
B1c/ B2	Floorspace sq m	-27,400	-19,500	-47,000	**-92,100**
	Land hectares	-7	-5	-12	**-23**
B8	Floorspace sq m	+87,500	+10,700	+48,000	**+146,800**
	Land hectares	+18	+2	+10	**+29**
Total B use class	**Floorspace sq m**	**+117,900**	**+14,100**	**+49,000**	**+188,100**
	Land hectares	**+22**	**+2**	**+7**	**+33**

Forecasting Future Need

» **Need for 33 hectares of additional B1a/b land**

» **Need to safeguard existing B1a/b and B8 floorspace and explore intensification, increased densities and the provision of additional B1a/b and B8 capacity**

» **Despite projected decline in B1c/B2 requirement, important to safeguard good quality, well-occupied and fit-for-purpose industrial sites**

» **Industrial sites that are not fit for purpose and unlikely to meet future business needs should be considered for release**

ESTABLISHING OBJECTIVELY ASSESSED NEED

Considering the evidence on the overall need for housing

» *Where the supply of working age population that is economically active is less than the projected job growth, this could result in unsustainable commuting patterns and could reduce the resilience of local businesses … plan makers will need to consider how the location of new housing or infrastructure development could help address these problems*
(PPG ID 2a-018)

Balancing Jobs and Workers

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» **Over the period 2013-33**

– Growth of 33,400 jobs

– Increase of 25,000 economically active persons;
  plus 3,100 persons returning to work since 2013

» **Implications for Central Buckinghamshire HMA/FEMA**

– Total of 33,400 extra jobs

- 23% of workers live outside Central Bucks → 7,700 extra in-commuters
- 1,400 workers with more than one job
- 24,300 extra workers needed living and working in the area

– Total of 28,100 extra workers

- 67% work in Central Buckinghamshire → 18,700 workers for local jobs
- Increase of 9,400 out-commuting (1,700 growth in net out commuting)

– Jobs and workers not in balance → shortfall of 5,600 workers

- 3,300 in Aylesbury town sub-FEMA: **2,300 extra dwellings needed**
- 2,300 in High Wycombe & Amersham sub-FEMA: **1,500 extra dwellings**

» *Prices rising faster than the national average may well indicate particular market undersupply relative to demand … The more significant the affordability constraints … the larger the additional supply response should be* *(PPG ID 2a-019/020)*

» *In places where the evidence suggests moderate under-provision, or the signals are mixed, the projected housing need might be increased by 10%* *(PAS OAN technical advice note, second edition para 7.19)*

Lower Quartile Real House Price Trends

Legend: Aylesbury Vale · Chiltern · Wycombe — HMA – – ENGLAND
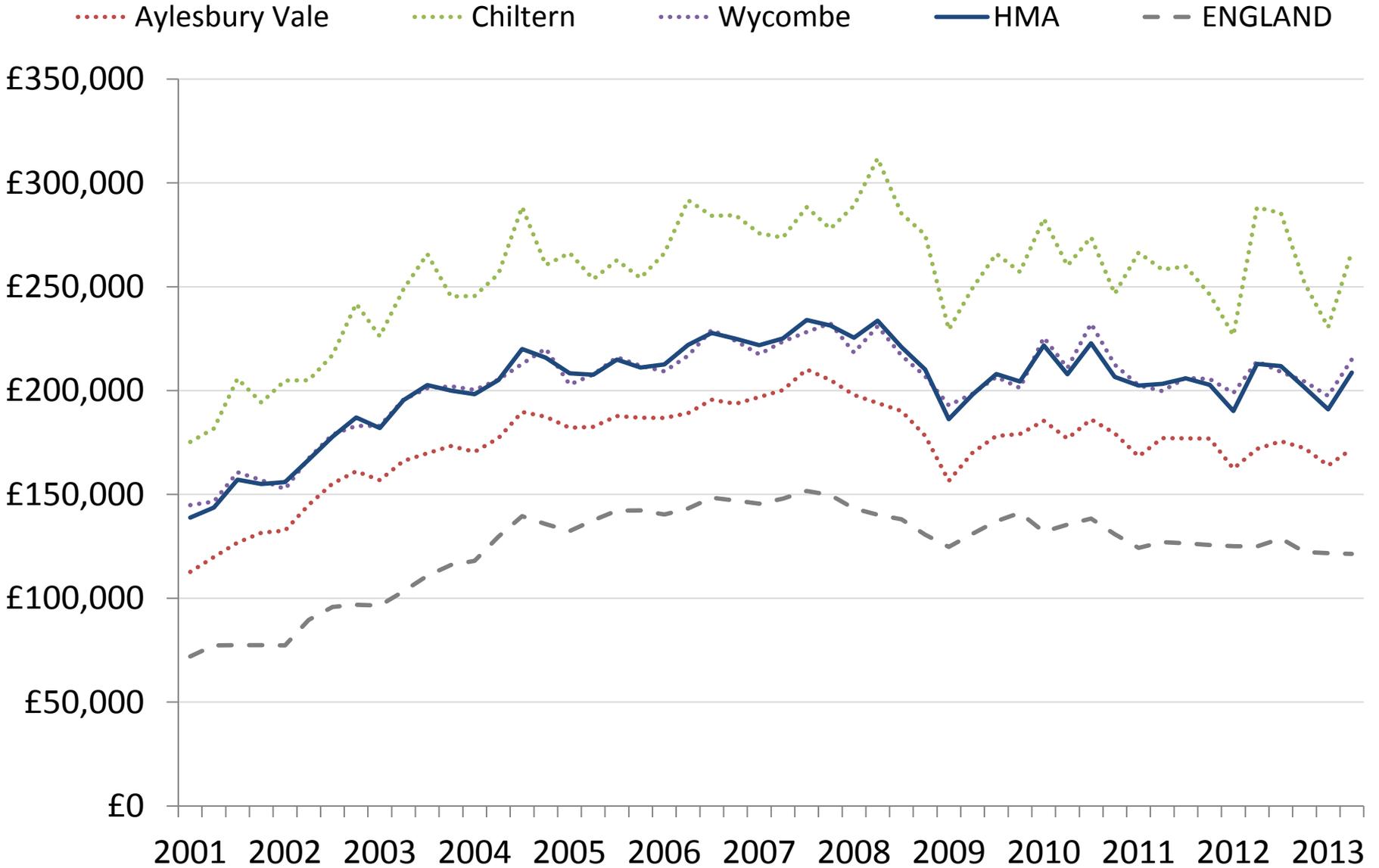
Lowest Quartile Affordability Ratio Trends

Establishing an uplift to OAN
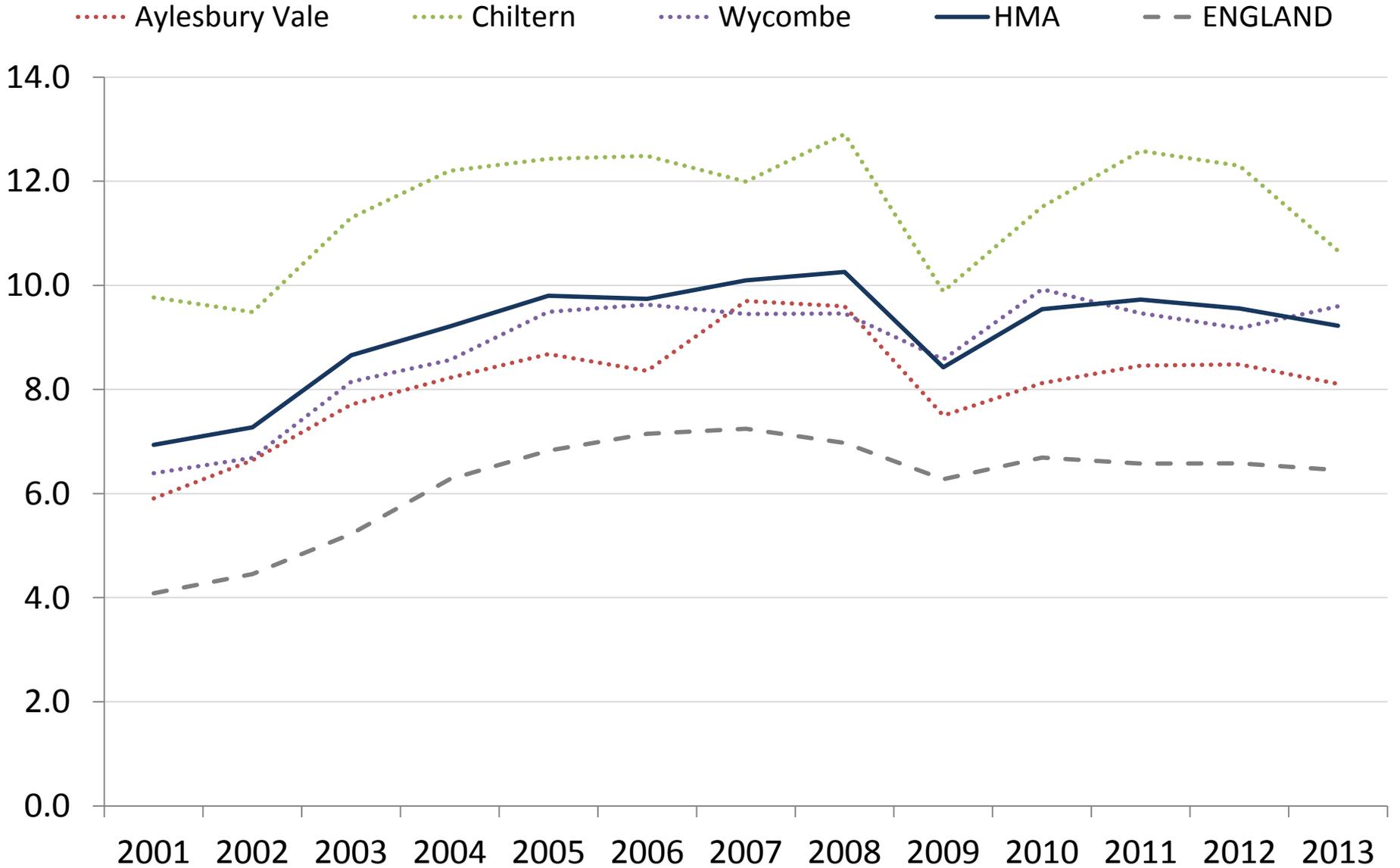
» **Market Signals**

– 10% uplift appropriate for "moderate pressure"

– Central Bucks HMA shows "significant pressure"

  • Uplift of more than 10% needed

» **BUT… there are differences between the local HMAs**

– Aylesbury town: "moderate pressure"

  • 10% uplift would be appropriate → 1,900 extra dwellings

– High Wycombe & Amersham: "substantial pressure"

  • Uplift of more than 10% needed

  • 20% uplift proposed → 3,600 extra dwellings

– Provides 5,500 extra dwellings overall

– **15% uplift across the HMA**

  • Consistent with Inspector views elsewhere

Establishing Housing Numbers for LPAs

Total Dwellings 2013-33	Aylesbury Vale		Chiltern 2014-36		Wycombe		HMA 2013-33	
Starting Point Estimate	19,100		5,300		11,800		**35,600**	
Adjusted Estimate	18,800		6,100		12,500		**36,900**	
Response to Suppressed Household Formation	+200		-		+300		**+500**	
Jobs/Workers Uplift	+2,300		+500		+1,000		**+3,800**	
Market Signals Uplift	10%	+1,900 - 200 +1,700	20%	+1,200	20%	+2,600 - 300 +2,300	15%	+5,600 - 500 **+5,100**
Combined Uplift	+2,500		+1,200		+2,600		**+6,100**	
Policy off Housing Need	**21,300**		**7,300**		**15,100**		**43,000**	

Please note numbers for the HMA do not add up to the totals for the three districts due to the different plan periods

AFFORDABLE HOUSING NEED

» *A household can be considered **able to afford** market house renting in cases where the rent payable was **up to 25 per cent** of their gross household income* (CLG 2007 Practice Guidance, page 42)

» *Care should be taken ... to only include those households who **cannot afford** to access suitable housing in the market* (PPG ID 2a-024)

» **Unable to afford to access market housing**

– Households that have been allocated affordable housing

– Households in receipt of housing benefit to help them afford market rent

» **Assessment only counts the needs of those eligible for welfare support, i.e. those with most acute need**

Establishing Total Net Affordable Housing Need

- » **Current Unmet Need for Affordable Housing**
  - Homeless households in temporary housing
  - Concealed families
  - Overcrowded households
  - Established households in unsuitable housing
- » **Projected Future Need for Affordable Housing**
  - Household formation and dissolution
  - Migration to/from Central Buckinghamshire (net)
  - Established households falling into need (net)
- » **TOTAL = 8,600 households → 9,000 dwellings**
  - Assuming no change in housing benefit support for households renting from a private landlord
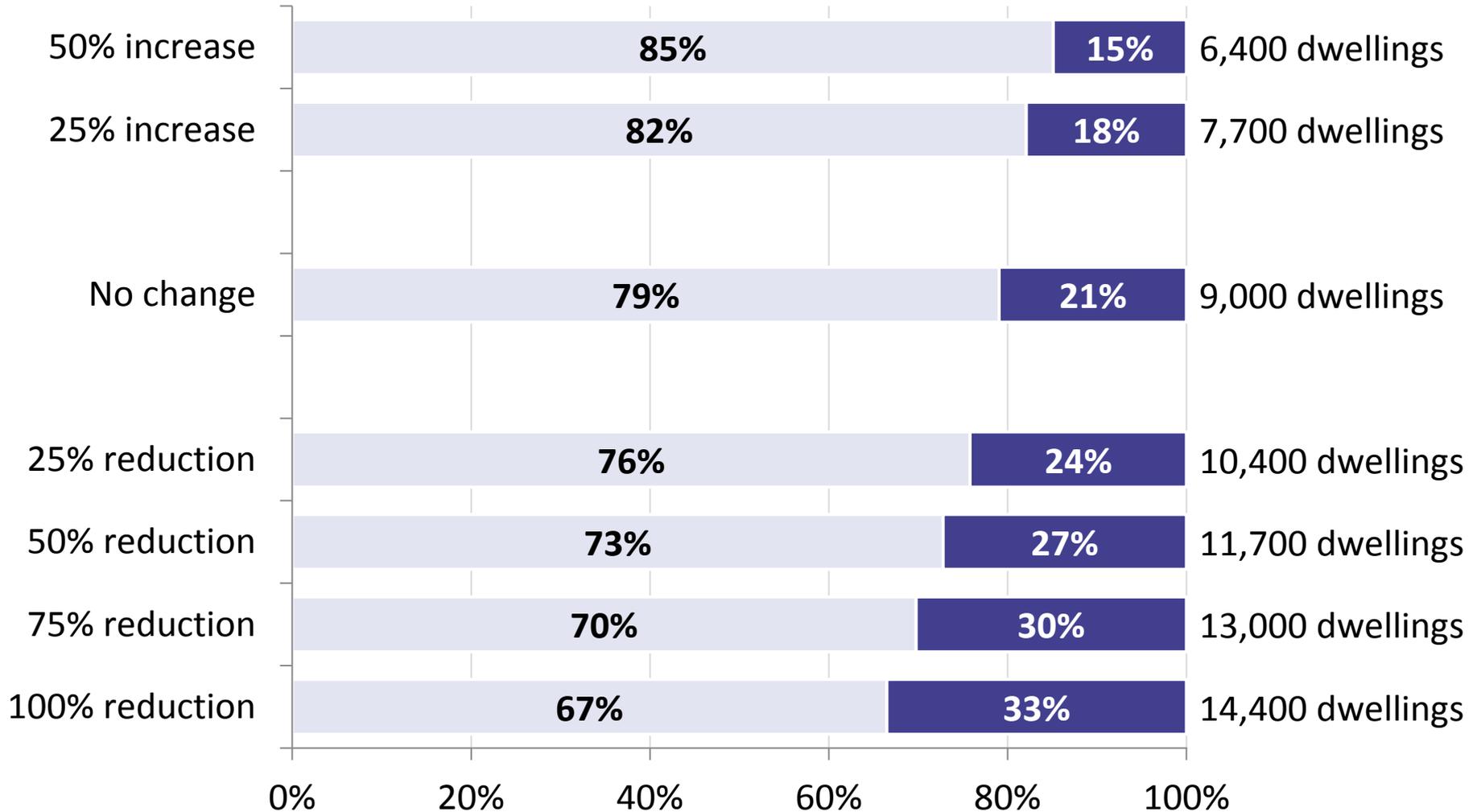
Market and Affordable Housing Need

Total Dwellings 2013-33		Aylesbury Vale	Chiltern 2014-36	Wycombe	HMA 2013-33
Housing Need					
Market Housing		16,700	6,200	11,700	**34,000**
Affordable Housing		4,600	1,100	3,400	**9,000**
Overall Housing Need		**21,300**	**7,300**	**15,100**	**43,000**
Affordable housing %	*Before OAN uplift*	*24%*	*18%*	*27%*	*24%*
	After OAN uplift	*22%*	*16%*	*23%*	*21%*

Impact of Housing Benefit on ability to afford

Legend:
- ■ Households able to afford market housing
- ■ Households needing affordable housing

	Market housing	Affordable housing	Total
50% increase	85%	15%	6,400 dwellings
25% increase	82%	18%	7,700 dwellings
No change	79%	21%	9,000 dwellings
25% reduction	76%	24%	10,400 dwellings
50% reduction	73%	27%	11,700 dwellings
75% reduction	70%	30%	13,000 dwellings
100% reduction	67%	33%	14,400 dwellings

HOUSING REQUIREMENT

» **The OAN should not be portrayed as a new housing requirement until it has been tested at examination**

» **However, it can provide the basis for evaluating 5-year land supply**

» **Local Plans will need to consider environmental and policy constraints to identify sustainable and deliverable plan requirement**

» **Local Plans will also consider spatial distribution across the functional housing market area**

» **Duty-to-Cooperate discussions about unmet needs**

» **Affordable housing**

– Substantial need identified: 9,000 dwellings 2013-33

– Need to maximise affordable housing delivered

– Councils will establish the most appropriate target

– Consider the justification for any increase beyond OAN

– Look at all options for delivering more affordable homes

» **Older people**

– Population aged 75+ projected to increase by almost 30,000

– Increase of around 5,700 dwellings (13.3%) needed as various types of housing for older people

– Need to also consider growth of institutional population: 2,200 extra persons not counted in the housing OAN

– Impact of people living in their homes for longer

THANK YOU FOR LISTENING

Any Further Comments or Questions?