# Opinion Research Services

## 'Central Buckinghamshire' Housing & Economic Development Needs Assessment

# Methodology Statement

Date: 29th April 2015

Opinion Research Services & Atkins

# Introduction

This methodology considers the key aspects and issues arising from the project to deliver a Housing and Economic Development Assessment (HEDNA) for the commissioning Buckinghamshire Authorities.

This Methodology is set out in various sections –

- » The Housing Market Assessment (ORS);
  - Objectively Assessed Need
  - Overall Housing Need
  - Need for different types of housing
- » The Economic Development Needs (Atkins); and
- » Timetable.

# Objectively Assessed Housing Needs

The key outcome required is a new Housing and Economic Development Needs Assessment for the Buckinghamshire authorities of Aylesbury Vale, Chiltern and Wycombe Councils. This builds on the earlier study (by ORS) to define Housing Market Areas.

## Methodology Overview

The Methodology is rooted in the National Planning Policy Framework (NPPF 2012) and Planning PracticeGuidance (2013 et seq) supported by Inspector/Examination 'caselaw' findings and good practice (e.g. Planning Advisory Service Technical Advice Note 2014) and includes principles of:

> » Presumption in favour of sustainable development
> » Objectively assessed need based in evidence

The Project approach will particularly focus on NPPF Para 159

1.  *meets household and population projections, taking account of migration and demographic change;*

2.  *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*

3.  *caters for housing demand and the scale of housing supply necessary to meet this demand;*

**National Planning Policy Framework (NPPF), paragraph 159**

The methodology for the HEDNA is focussed on:

- Using the housing market area that has been defined;

- Providing evidence of the need and demand for housing based on demographic projections;

- Considering market signals about the balance between demand for and supply of dwellings;

- Considering the balance between future jobs and workers, taking account of all relevant factors;

- Identifying the appropriate balance between market and affordable housing;

- Establishing the Objectively Assessed Need for housing; and

- Addressing the needs for all types of housing, including housing for older people or those with specific needs, and the particular needs of specialist groups.

It is important to recognise that the information from the HEDNA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The HEDNA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

# Establishing Overall Housing Need
## Process for Establishing Objectively Assessed Need

### Key issues

Agreeing Data sources and 'flow' for the OAN Process

Population: scenarios and outputs

Households

Communal Establishments
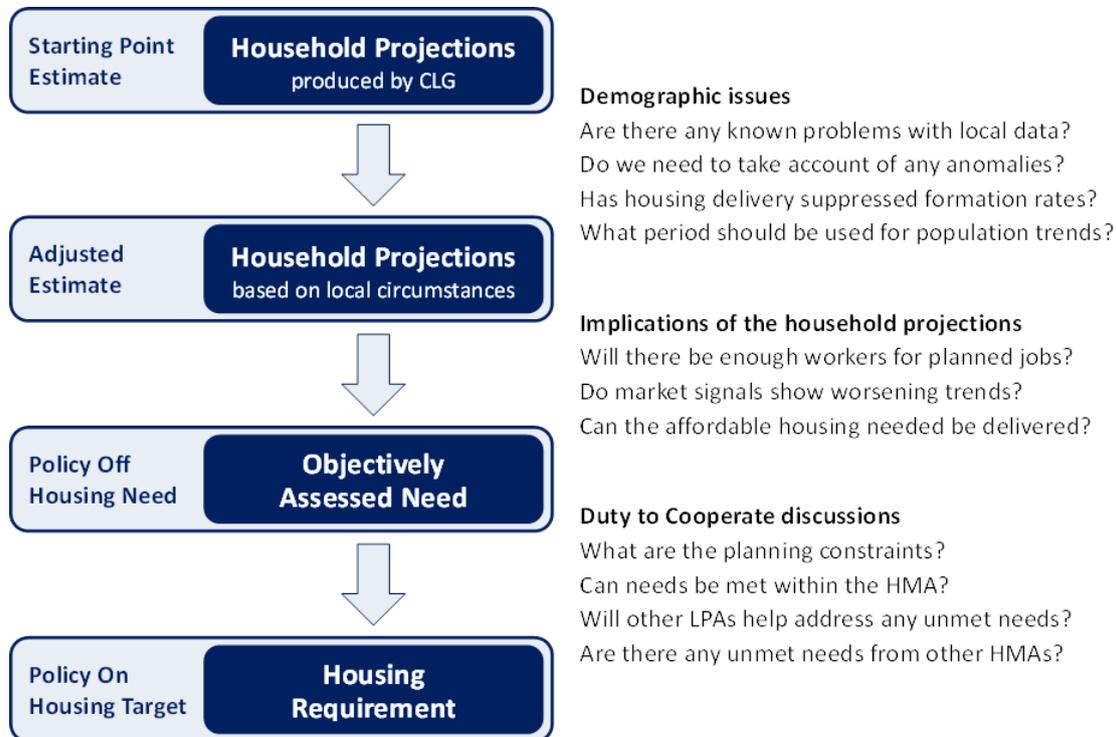
Jobs and workers

Market signals

Affordable housing

### Data Sources

The OAN is based on a wide range of information collated from many sources, including:

» Secondary data and official statistics from a wide range of local, regional and national sources, including the 2011 and previous Census data, ONS mid-year estimates and sub-national population projections, CLG household projections and any other relevant sources given local circumstances;

## Understanding the Process

The process for developing OAN is a demographic process to derive housing need from a consideration of population and household projections. To this, external market and macro-economic constraints are applied ('Market Signals') in order to embed the need in the real world.



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

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

**Policy Off Housing Need** — **Objectively Assessed Need**

**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?
Has housing delivery suppressed formation rates?
What period should be used for population trends?

**Implications of the household projections**
Will there be enough workers for planned jobs?
Do market signals show worsening trends?
Can the affordable housing needed be delivered?

**Duty to Cooperate discussions**
What are the planning constraints?
Can needs be met within the HMA?
Will other LPAs help address any unmet needs?
Are there any unmet needs from other HMAs?

## The Approach

Planning Practice Guidance (March 2014) says:

> What is the starting point to establish the need for housing?
>
> > Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.

The Methodology means demographic analysis begins with CLG Household projections, but we apply a 'test of reasonableness' to the CLG projections by considering other population data. In particular, we analyse population data and explore migration and the other components of population change to derive various scenarios.

This is consistent with recent Inspector advice, which highlights how PINs effectively are saying 'there's a need for a critical appraisal of population and households in HEDNAs'.

## Reviewing the Data

It is essential to review the data underlying the official projections – including ONS Mid-Year Estimates (MYE) Components of Change; ONS Sub-National Population Projections (SNPP) Components of Change; and CLG Household Projection Household Representative Rates (HRR).

Latest data will be reviewed alongside previously published data, in order to understand how the various estimates and projections have evolved over time.

Whilst it is always preferable to adopt official data sources wherever possible, ORS has extensive experience of preparing bespoke data on demographic inputs into modelling if this is required. This has the advantage of considering local trend and options in more detail and can therefore be more robust – providing there are clear reasons for all assumptions taken.

**PopGroup:** We will explore migration and the other components of population change to derive various scenarios that are then modelled using PopGroup to produce household forecasts; these are then compared with CLG trends. Outputs will be by single year of age and sex (as well as summaries for 5-year bands), and output spreadsheets can be provided to demonstrate the key inputs and outputs of each scenario each year to 2036.

## Population

Key data sources include:

SNPP 2012 and latest MYE.

Latest CLG Household projections (based on SNPP 2012)

## Scenarios

We place significant emphasis on **Migration trends** to understand what is happening (normally focussed on longer term trends given the variation that can exist between short-term projections) before considering employment or dwelling-led projections. Whilst the NPPF clearly states the importance of including migration when determining housing needs, artificial scenarios (such as natural growth or net nil migration) can still provide a useful context for understanding the local context and these would also be considered where appropriate.

We compare Census data from 1981 onwards with annual data from ONS MYE to differentiate between short- and long-term patterns of migration. From this we typically derive population projections based on various Migration trend scenarios (for example, Nil, High-, Mid- and Low-trend). It is important to recognise that Census data (and intercensal change) is typically more accurate than mid-year estimates, so it is important that unattributable change is fundamentally accounted for within the core scenarios (although scenarios based only on MYE data can also be considered).

## Outputs

Whilst it is important to be pragmatic about the range of projection scenarios that are developed and produced, we will be flexible about this in order to ensure that a fully informed decision can be taken when establishing OAN. Similarly, dwelling-led projections (for households, population and workforce) can also be prepared in the context of possible dwelling delivery options.

We will provide spreadsheets of each output, including:

1. *Unrounded population by five-year age and sex;*

2. *Separate data for each local authority;*

3. *Data for each year of the projections up to 2036;*

4. *Projections totals for 2033 and for 2036;*

5. *Economically active population projections;*

6. *Household projections by age and type of household;*

7. *Estimated data from 2001 included for comparison;*

8. *Data on migration and other assumptions used.*

Our final recommendations will depend on the outcomes of the analysis; but our normal approach favours longer-term trends that are demographically led, providing that this does not create inconsistencies in between jobs and workforce or that there are no clear market signals suggesting higher levels of provision may be necessary. Nevertheless, there may also be policy aspirations for higher growth than trends would suggest, and we would seek to discuss this before reaching final conclusions.

## Households

Having established the population scenarios we will then consider household projections, which would include a detailed analysis of headship rates and the rate of household formation possibly being suppressed by current economic circumstances so that a judgement can be formed about this.

In considering household projections, ORS will review the 25-year data from 2008-based CLG projections alongside 10-year data from the interim 2011-based rates and data since published from the Census to understand the underlying patterns.

This approach allows us to consider household representative rates from an informed perspective and test various different scenarios.

Average household sizes are critically important to the relationship between population and household numbers. In particular, it is important to understand that if household sizes reduce then there will be more households (and consequently more homes needed) even without an increase in population. Nevertheless, is should be understood that average household size is an output from the process and not an assumed input. The consequence of testing different headship rates and rates of change (as discussed above) would be differing average household sizes – so whilst the analysis would not assume average household sizes, this would be tested and outputs provided.

There may also be a need to consider increasing the demographic-led household projections to properly take account of concealed households and sharing households (both in terms of the number currently concealed/sharing, and also the annual growth of such households) to counter any argument that the 2012-based household representative rates are suppressing household growth. This is a response to market signals.

## Communal Establishments

We use the same assumptions as CLG do about communal establishments;

» Older people: in the Model Care home places are assumed to increase as the number of older people increase (the % of those aged 75+ is considered).

» Students: the approach assumes that the number of students in halls of residence remains constant. If the number of students in an institution were to rise then we assume that bedspaces will rise in line with this. This will leave the private housing stock unaffected. Therefore, for institutions with growing student numbers, new halls of residence supply should not count as supply unless it is also counted in needs. Where supply may be counted is when it provides accommodation for households in the private housing stock. In this case it is freeing up the existing housing stock of the area.

ORS will provide detailed outputs about the assumed population living in Communal Establishments which will be considered within the overall Housing Need identified. The appropriate approach will depend on how the authorities plan to treat C2 provision in their future supply.

## Jobs and Workers

There are risks associated with the relationship between jobs and workers, and the possible impact on future migration or commuting patterns. This is evidently an area of particular concern to Inspectors (e.g. Cheshire East) and we have recently been appointed by Cheshire East to properly deal with these issues following the suspension of their Examination.

What is important is that the **policy for jobs** is consistent with the **policy for housing**, and that both are consistent with the range of evidence that is available.

When consider the future workforce, it is necessary to consider changes to economic activity rates – this is a critical part of the analysis and considers:

(i)       changing state pension age;

(ii)      reduction of private pension provision;

(iii)     increased participation rates of women in the workforce due to cohort effects. Our analysis is well-evidenced and not aspirational – but reflects the reality of the situation. Without proper consideration, some studies have concluded an unrealistically high increase to migration is needed to sustain future jobs growth, which leads to unrealistic housing numbers.

(iv)     projected unemployment rates – projected jobs growth is predicated on lower unemployment nationally, so these assumptions need to be reflected in the local analysis.

(v)      Commuting patterns are also important

(vi)     Other issues such as the balance between full and part time work, double jobbing, etc.

Once all of these issues are properly considered, we will recommend whether any upward adjustment is necessary to ensure a balance between jobs and workers.

## Market Signals

Planning Practice Guidance – *Housing and economic development needs assessments* - identifies a range of housing market signals that should be considered when determining the future housing number.  These signals include:

- Land prices and house prices;
- Rents and affordability;
- Rate of development; and
- Overcrowding, concealed and sharing households.

We will identify comparators and compare longer term trends (both in absolute levels and rates of change)

## Affordable Housing

The household projections also provide a key input for establishing housing mix, and the amount of affordable housing needed (as further discussed below).  This information is also considered when establishing an appropriate level (or range) of Objectively Assessed Need and if it is clear that additional market housing is needed to support the delivery of the required affordable housing (in the context of existing evidence about affordable housing viability that the authorities have available), this may also provide a reason to increase the proposed housing number.

## Establishing Objectively Assessed Need

**Uplifts:** It is not unusual in areas of housing pressure for the final OAN to require an uplift from household projections following review of Market Signals and other considerations.

We have experience in a number of areas where such recommendations have been made; for example, where house prices rise faster than the national average indicating particular market undersupply relative to demand. We will only recommend an uplift where this is 'reasonable'.

# Modelling Future Housing Mix
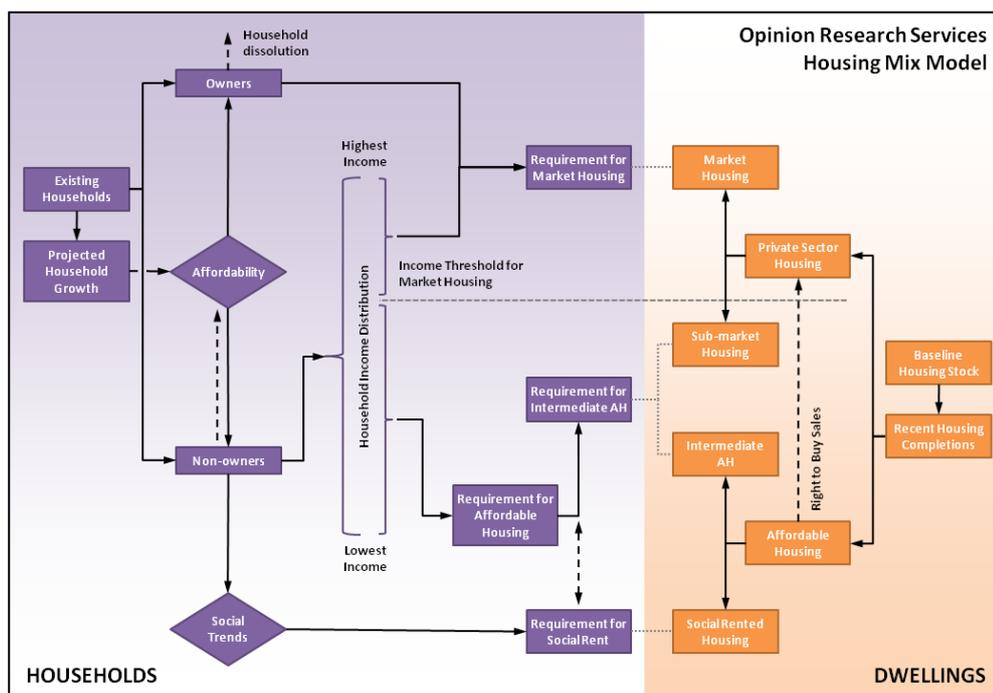
## Key Issues

Assumptions to be used and:

Affordability

Welfare reform

Outputs at different spatial level required

## The ORS Housing Mix Model

*ORS Housing Mix Model*



## Mix, Type and Tenure

The Model gives requirements by mix, type, tenure.  In essence, the Model calculates demand and supply and the balance between them:

- **Demand side:** using baseline population and forecast households (see Chapter above) we calculate future demand and its housing requirements;
- **Supply side:** the model considers stock in terms of current and future supply as well as tenure requirements and housing costs.

By considering current and future demand and supply in this way, we model future requirements for both affordable, market and intermediate tenures (or other forms of sub market tenure).  The rest of this section gives a detailed description of the Housing Mix Model.

## Establishing the type and tenure of housing required

The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis consistent with household projections and Objectively Assessed Need.  The Model provides robust and credible evidence about the required mix of housing over the full planning period, and recognises how key housing market trends and drivers will impact on the appropriate housing mix.

The Model uses a wide range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.  These secondary data sources are readily updateable as new information is published, and a range of assumptions can be varied to enable effective sensitivity testing to be undertaken.  In particular, the Model has been designed to help understand the key issues and provide insight into how different assumptions will impact on the required mix of housing over future planning periods.

## Overview of the Modelling Process

The Housing Mix Model considers the future number and type of households based on the household projections alongside the existing dwelling stock.  The Model also considers need of homeless households, those in temporary accommodation, overcrowded households, concealed households, and established households in unsuitable dwellings or that cannot afford their own homes; but without double counting households already captured within the household projections.

The first stage of the Model establishes the necessary balance between Market Housing and Affordable Housing in relation to the additional dwellings to be provided.  The Model also considers the housing mix in relation to the property type and size for all housing and provides details about private rented housing, family housing and housing for older people, identifying the need for specialist housing schemes, general housing (including bungalows) and residential care.

## Balance between market and affordable housing

PPG identifies that "*projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need*" (paragraph 25).  The Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and therefore the appropriate proportion is determined separately for each type of household.

Affordability is calculated using data published by DWP about housing benefit claimants alongside detailed information from the 2011 Census.  Where households are claiming housing benefit, it is assumed that they

cannot afford market housing; and the Model assumes that households occupying affordable housing will continue to do so. Households occupying owner occupied housing and those renting privately who aren't eligible for housing benefit are assumed to be able to afford market housing; so the Model only allocates affordable housing to those established households that the Government deems eligible for housing support through the welfare system. Nevertheless, the Model also considers the needs of concealed families and overcrowded households (both in market housing and affordable housing) which can contribute additional affordable housing need.

In terms of affordable housing supply, PPG identifies the need to identify *"the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need"* (paragraph 26). The Model projects such future vacancies through identifying those households that currently occupy affordable dwellings that will be available to other households in future. Whilst some vacancies may arise when households move to market housing, many others will be due to household dissolution following death. The Model also properly considers the impact of Right to Buy.

Having established the need for affordable housing and the dwellings likely to be vacated, the PPG suggests that the total net need can be calculated by subtracting *"total available stock from total gross need"* (paragraph 29), but this over-simplifies what is a very complex system. It is essential to recognise that some households who are unable to buy or rent in the market area when they first form may become able to afford at a later date – for example, two newly formed single person households may both be unable to afford, but together they might create a couple household that can afford suitable housing. Similarly, not all households that are unable to afford are allocated affordable housing; and some will choose to move to another housing market area and will therefore no longer require affordable housing. In these cases, and others, the gross need will need adjusting.

The Model recognises these complexities, and through considering the need for affordable housing as part of a whole market analysis it maintains consistency with the household projections and avoids any double counting. The Model also recognises the importance of housing benefit and the role of the private rented sector, given that *"the share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19"* (Office for Budget Responsibility: Economic and fiscal outlook, March 2014).

# Establishing housing type and size and specialist housing need

Households of different types and ages will tend to occupy properties of different types and sizes, and these will be different for market housing and affordable housing. Using the detailed outputs from the household projections together with data from the 2011 Census and Valuation Office Agency, we can directly relate the objectively assessed need for market and affordable housing to the appropriate housing mix needed over the Plan period.

The Model also directly integrates information from frameworks such as the Housing LIN Strategic Housing for Older People Resource Pack and the HCA Vulnerable and Older People Needs Estimation Toolkit to establish needs for specialist older person housing and housing for households with specific needs. This

ensures that such needs are properly integrated with the wider analysis, recognising that provision of certain types of specialist housing may release general family housing for other households.

Assumptions about the future population living in communal establishments are factored into the household projections; however the Housing Mix Model considers any growth in people living in residential care alongside other older person housing needs in order to provide a comprehensive understanding of all housing for older people.

# Economic Development Assessment
## Overview of Methodology

### Policy review

Atkins will undertake a review of the current planning and economic development policies and strategies and evidence documents across the study area to provide an understanding of the likely impact of the recent change to permitted development rights (allowing offices to be converted to residential without planning permission).

This will also explore relevant studies at the regional, sub-regional and local levels to establish the current policy context.

We will also consider the impact of economic and employment policies from neighbouring authorities on the FEMA and Aylesbury Vale, Chiltern and Wycombe Authorities.

### Key economic evidence and gap filling

To complement the policy context review, we will undertake a full review of the study area's economy and socio-economic profile including a review of all available information. Any information gaps will be identified in order to identify priorities for updating and expanding the local baseline information.

The economic profile of the study area will be benchmarked against comparable authorities[1], the region, and England as a whole. The purpose of the economic review will be to provide an in-depth understanding of the local economic characteristics and to inform the forecasting of future employment land requirements. Economic indicators we would consider as part of the economic profiling exercise include:

> » Employment by sector;
> » Business demographics;
> » Population and labour market characteristics;
> » Economic activity, unemployment and qualification levels;
> » Economic deprivation;
> » Travel to work patterns; and
> » Property market statistics.

The socio-economic profile will use the most up-to-date data drawn from a variety of sources, including 2011 Census data, the Business Register and Employment Survey (BRES) and the Annual Population Survey (APS).

## Property market assessment

A robust property market appraisal is a critical part of any assessment of economic needs, given the NPPF's requirement for employment policies to be justified by 'market signals'. We will undertake an appraisal which will include an examination of strategic trends in different sub markets for office, logistics / warehouse and industrial development. We will consider demand for different types of workspace within these sectors including managed workspace, office development, and industrial units and warehousing.

Data interrogation of LA and Buckinghamshire Thames Valley LEP (BTVLEP) will be used to build an assessment of the commercial property market. We will also seek to undertake consultation where gaps exist in the evidence base and speak with developers and commercial agents to gather appropriate amount of data and evidence to inform the current supply of land.

### *Methodology*

We would undertake this exercise through property research sources (including EGi data[2]), telephone interviews with local property agents and analysis of Valuation Office Agency (VOA). Key economic and commercial stakeholders identified by the three Buckinghamshire councils would be consulted on a one-to-one basis through face-to-face meetings or by telephone. This will help inform assessment of how attractive the FEMA and Borough are to firms.

## Desk based assessment of the available employment land's location, size and occupation of existing sites and premises

We will undertake a review of existing employment land which will consider key details of sites, their markets and trends across the study area. This review will be vital to providing key evidence on the sites and trends in office, industrial and warehousing development. We will consider the supply of different types of workspace, particularly mixed use and existing land and premises.

### *Methodology*

We will undertake this exercise through property research sources, analysis of Valuation Office Agency (VOA) and DCLG data, and if required telephone interviews with local property agents. This task will mainly use data from the councils, LEP and private sources and existing employment land evidence base assessments.

## Site reconnaissance

We propose to undertake a rapid site reconnaissance exercise in order to understand the quality, key issues and future potential at main employment sites across the study area. This exercise will involve rapid visitations to a limited number of sites that would be agreed with the three Buckinghamshire councils.

## Overall site assessment

Collating the information assembled, we will categorise them and align them in a site suitability matrix. This would help to appropriately weight the data according to their significance.

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[2] Estates Gazette Database

An overall suitability score will then be derived to provide a clear hierarchy of sites:

> » Sites considered highly suitable for future employment uses;
> » Sites considered suitable for future employment uses but with known constraints; and,
> » Sites considered least suitable which could be considered for release to other land uses.

We propose to use a traffic light system to rank these effectively and support the authorities in making decisions. The combined work will identify sites that meet local and strategic planning objectives and modern land and premises requirements of developers and businesses. Specifically we will assess sites suitable for employment land uses and the key sectors. For sites which could be legitimate candidates for development, recommendations for the potential type and quantity of development that could be delivered will be provided.

## Approach to forecasting future economic trends

### *Employment forecasting and scenario development*

In accordance with Planning Practice Guidance and best practice, we will utilise a range of forecasting techniques to develop a series of future demand scenarios. The scenarios will cover the different plan periods of each district's Local Plan. The types of scenarios we will develop will be discussed and agreed with the Client group at the early stages of the study but are likely to include the following:

**Labour demand scenarios:** We will develop a labour scenario based on the latest employment forecasts produced by Experian and Oxford Economics. Employment projections will be converted into floorspace and land requirements by use class / broad sector by applying appropriate employment densities and plot ratios (in accordance with the HCA Employment Densities Guide, and discussions with Council officers).

**Labour supply and housing growth scenarios**: We will develop a scenario based on demographic trends and housing growth projections. This will show the amount and type of employment floorspace required to maintain a balance between employment and housing growth.

**Past take up scenario:** This scenario will be based on historic levels of employment land take-up in the three districts, including data on annual completions by use class. While past take up levels may not necessarily reflect future trends (for example, take up of a small number of large sites may skew the average rate of take-up), the consideration of such a scenario alongside the other scenarios can provide useful sensitivity testing.

**Bottom up approach:** Labour demand scenarios are in most cases "top-bottom" scenarios as they are often based on the outputs of regional forecasting models that allocate a proportion of regional growth to local authority areas. As a result, the lower the geographical level these forecasts are broken down to, the more inaccurate their projections are likely to be. For this reason, it is useful to develop a scenario that is based on the views and perspectives of local businesses as well as property agents and developers who are active in the area. Past experience suggests that in many cases, local perspectives can offer differing views of future trends, especially in terms of specific sectors such as manufacturing.

To inform the 'labour demand' approach, we will hold an **Economic Development workshop** that will bring together local businesses, business representatives, property agents, land owners, developers, and Council officers.

The workshop will facilitate an open discussion about the supply and demand for employment land and premises across the three districts as well as cross-boundary issues across the wider area. The consultation workshop will be facilitated by Atkins. The format for the workshop will include:

» 
- » Discussion of priorities and key economic drivers;
- » Future employment prospects;
- » Supply & demand for Land;
- » Key sites, alternatives challenges and opportunities;
- » Growth sectors;
- » Cross boundary issues; and,
- » Conclusion.

## Approach to establishing what type of employment land is needed

### Establishing employment land requirement

We will establish the employment land requirement that will form part of a robust evidence base ready for scrutiny at public examination. This will set out an up-to-date, quantitative and qualitative assessment of the current supply of and demand for B1, B2 and B8 land and floor space. It will assess future demand for employment floorspace and land across the study area and will outline the suitability and availability of land for employment uses. Reconciling the findings from stages 4 and 5 we will provide a strong assessment of the supply and demand balance[3] within the FEMA study area and also provide a useful assessment of the quality and quantity of employment sites.

Employment and demographic forecasts will be converted into floorspace and land requirements by applying appropriate employment density and plot ratio assumptions. The HCA Employment Densities Guide provides guidance on employment densities and plot ratios by land use. These will be further refined and tweaked to reflect local characteristics, based on consultation with key stakeholders including local planning officers and property agents active in the area.

The analysis will be undertaken both by use class and by Standard Industrial Classification (SIC), where possible. This will enable an assessment of future employment floorspace and land needs for broad use classes and specific sectors. Of particular importance will be the analysis of floorspace requirements of key growth sectors, as identified in the LEP's Plan for Sustainable Economic Growth.

In doing so, it will provide a framework for the three Buckinghamshire councils to plan strategically and provide key information for each Council's Local Plan. This includes vacant and occupied development sites, land and premises in existing employment areas, and a review of all existing employment land and mixed use allocations. There will also be an identification of characteristics linked to key sectors and identification of shortfall/s and recommendations for additional allocation/de-allocation of sites.

In addition to the conclusions and recommendations identified within individual tasks, this section will draw conclusions relating to the supply and demand for land in the FEMA. This will be presented to inform effective policy development and determine how different types of employment can be accommodated by existing premises, current vacant land and long term development opportunities.

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[3] Meeting the need in the PPG for "the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs."

## Key issues to consider

Initial Views on existing Policy and Guidance

» Local issues and factors Consultants to be made aware of
» Any local factors which might require particular attention need to be highlighted by the client.

Duty to Co-operate

The Localism Act 2011 places a legal duty to co-operate on local planning authorities, county councils and other public bodies. The main issue to address is to what extent Buckinghamshire councils with an agreed strategic approach to the assessment and delivery of housing and economic development. Local authorities need to demonstrate at Examination that they have complied with the duty to co-operate in developing their Local Plans.

The review of local documents along with stakeholder engagement will identify the level of co-operation.

Latest amendments to NPPG

Amendments to the NPPG inevitably raise questions which experience from previous studies cannot always answer. The NPPG was last amended on 26th March, 2015 and three points require attention to confirm that the methodology meets the NPPG requirements:

» Student housing
» The NPPG states that; "Local planning authorities should plan for sufficient student accommodation" and identifies the main sources as various forms of dedicated student housing and the private rented sector. The market for these needs to be understood.
» This will be addressed through the Housing Mix Model along with possible engagement with local universities and colleges.
» Older people (bungalows/Class C2)
» The NPPG reflects the well-known increase in the number of older people and specifies that the assessment should include the need for all kinds of accommodation for older people. Two specific questions arise. One is whether the need for residential institutions (C2) should be included in the OAN for housing or presented separately. The other is whether there is a need specifically for building bungalows, which have a larger footprint than other housing but may be more appropriate for some older people.
» The approach to each of these will be agreed with the client.
» Private Rented Sector Viability (PPG10): any implications?
» Development of housing designed for private renting, in particular purpose built schemes to be held in single ownership for long term rent, can affect viability and delivery of affordable housing. The likely level of such development needs to be considered along with the use of planning obligations to increase viability.
» This requires discussion with the client initially, with the first question to address being whether such development is likely.

Existing Policy documents: is anything required in the Final Report

To what extent policy should be reviewed in the HEDNA to provide context and highlight any key local factors needs to be agreed. It is often useful to provide some context based on local policy documents, but where several partners are involved this exercise can become unwieldy and considerably lengthen the final document.

## Learning from Examination

Recent Examination has highlighted some key issues for the Methodology and these need to be considered and an approach agreed:

> » *Eastleigh Local Plan (Simon Emerson, 11<sup>th</sup> February 2015)*
> » *Continued role of the PRS in meeting housing need and reduced the scale of assessed housing need to take account of this.*
>
> » *Bath and North East Somerset (Simon Emerson, 24th June 2014)*
>
> » *Same Inspector as Eastleigh, but an earlier perception of the positive role that the PRS can play in meeting housing need*

Further issues also need to be considered:

> » Whole market approach: accepting the principle that a whole market approach as part of understanding Affordable Housing needs is appropriate. However, given the Eastleigh experience, there is a need to set out the case for how treatment of affordable housing will be established.
> » Employment Activity Rates (EARs)
> » Unattributable Population Change: how key changes within the population are considered (Note: Examination in Bath and North East Somerset and at Inquiry in Central Bedfordshire, Aylesbury Vale). This will need to be agreed taking into account ORS experience at examinations, other approaches and case law and a consistent approach taken across all partner authorities.

# Stakeholder Engagement

## Key Issues

> Stakeholder interviews and Topic Guide

> Stakeholder Forum

We have divided our proposed Stakeholder Engagement Fieldwork into three different strands:

» Fieldwork to support the delivery of the HEDNA Report and outputs

» Fieldwork to support the delivery of the economic studies

» Duty to co-operate fieldwork

## Fieldwork Methodology

Our approach is based on engaging with stakeholders to seek their views on the current 'state of the market' based on a Topic guide or Questionnaire agreed with you. Various communication methods for responding can be used (phone, e mail). The qualitative views gathered can then inform the quantitative outputs from the OAN, especially on aspects of market signals.

## Duty to Co-operate

**A Stakeholder Forum will be held in early June and arrangements for this will be identified nearer the time.**

## Outline HEDNA Project Plan

| Week | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FULL PROJECT | | Mar | | | | | Apr | | | | May | | | | Jun | | | | July | | | | |
| **STAGE 1** | | | | | | | | | | | | | | | | | | | | | | | |
| Inception Meeting | | ■ | | | | | | | | | | | | | | | | | | | | | |
| Circulate Methods Statement to Key Stakeholders | | | | | | | | | ■ | | | | | | | | | | | | | | |
| **STAGE 2** | | | | | | | | | | | | | | | | | | | | | | | |
| Initial Demographics Outputs | | | | | | | ■ | | | | | | | | | | | | | | | | |
| Initial Economic Outputs | | | | | | | | | ■ | | | | | | | | | | | | | | |
| Draft Findings | | | | | | | | | | | ■ | | | | | | | | | | | | |
| **STAGE 3** | | | | | | | | | | | | | | | | | | | | | | | |
| Economic Workshop | | | | | | | | | | | ■ | | | | | | | | | | | | |
| Stakeholder Forums (Members, LPA's, Developers and Technical Stakeholders) | | | | | | | | | | | | | | | ■ | | | | | | | | |
| **STAGE 4** | | | | | | | | | | | | | | | | | | | | | | | |
| **REPORTING** | | | | | | | | | | | | | | | | | | | | | | | |
| Draft Report | | | | | | | | | | | | | | | | | | | | | | ■ | |
| Final Report | | | | | | | | | | | | | | | | | | | | | | | ■ |