

Issue 1 , Appendix 3\_TP9  
Somerset Valley Friends of the Earth

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A. Somerset Valley Friends of the Earth's understanding of the case that B&NES sets out in Topic Paper 9 follows. It may be useful in understanding points made by the group where the basis is perhaps unclear. We have found Topic Paper 9 difficult to get to grips with. We would have preferred to see it written in 'plain English' in order to render it accessible to members of the public. We hope that we have understood the B&NES position correctly.

1.1 Our understanding of the B&NES conclusions is:

1. That the West of England LEP does not apply and that it is up to Local Authorities to make decisions according to local circumstances
2. That it is relying on the 2004-based ONS populations projections, which is a "pre-recession trend", but that it is not necessary to cater for all net migration in that projection as long as the labour supply matches job generation (Topic Paper 9, Section 2)
3. That a 11.7% discrepancy between the Draft RSS and CLG projections for B&NES does not change the household projections, particularly for the WofE
4. That B&NES expects zero net migration in accordance with the 2006 RSS assumptions and the ONS 2003-based population projections
5. That provision of 7,300 homes accords with zero net migration and 5,500 homes will be needed to prevent population shrinkage alone
6. That jobs must be provided that serve the expected population, taking into account the likely participation rate; that it believes that more recent projections regarding household growth and growth in jobs (eg 2008-based) are too optimistic due to the economic downturn and the slow recovery
7. That the increase in housing supply needed relates to the labour force to household ratio as the increase related to population increase is negligible, based upon the existing relationship between housing stock and households
8. That the B&NES homes/jobs ratio depends on local circumstances
9. B&NES plans on providing for sufficient housing (7,080 units) to deal with falling household sizes and natural change, plus additional housing to boost the local labour supply (T9, para 2.19)
10. That it thinks that 8,700 jobs is optimistic and that 8,000 is credible
11. That the Tym and Partners report came to the conclusion that average annual growth for the South West could average between 1.6-1.9% GVA per annum for the RSS period and that for B&NES (with the West of England tracking marginally above SW growth) this translates to additional jobs growth in the order of 8,700-11,200, but argues against higher than 8,700 being feasible
12. It tests the 1.39 housing/jobs multiplier (homes/demand for labour ratio) and argues that it is sound
13. It believes the emerging RSS 1.0 ratio to be unsupported by evidence and considers the 1.39 ratio more in line with the Draft RSS and Proposed Modifications (T9, para 5.2)
14. It thinks that an expected rise in employment participation rates justifies the 1.39 multiplier at the WofE level and that it is also justified at B&NES level due to local circumstances and the B&NES plan for Smart Growth ( which seeks to gain a higher number of jobs from a given amount of employment space using a smaller workforce to

reduce commuting) which assumed economic growth of 1.9% p.a in B&NES and 8,700 jobs - 14,100 gross jobs to take into account job losses (T9, para 4.7) , and SW growth of 2.01% p.a.(T9 paras 4.5 & 4.6)

15. This Smart Growth scenario is *very challenging* and compounded by built environment sensitivity (T9 para 6.18) will create *unprecedented* job generation through high performance (T9, para 4.7) and includes *local sectoral intelligence and information on site deliverability* (T9, para 4.13)

16. That Smart Growth also *aims for performance a little below the UK rate* and the SouthWest/WofE/B&NES rates are usually above the UK rate (T9 para 4.11)

17. That the Treasury forecasts for the short term are down on their previous assumptions (T9 para 4.9)

18. It considers that the OECD projection of 2.3% pa 2011- 2020 may well be over-optimistic

19. That return to pre-recessions trends for 2013 will limit the average performance over the Strategy period to a little over 2%

20. That the B&NES scenario is an optimistic one - B&NES is planning for a high level of growth in the circumstances, using "Smart Growth"

21. That the WofE LEP is clearly not applicable in the changed circumstances

22. The 1.39 homes to jobs ratio creates a need for 12,100 homes, but local circumstances mean that 11,000 homes for the 8,700 jobs planned is correct, as it matches the 2001 Census 70% resident workforce and assumes that 30% of the jobs will be taken by people from outside the area (T9, para 6.23 - 6.25)

23. That it discounts the previous backlog/non-delivery of housing allocations on the basis that people who have not found housing will have gone elsewhere for it in the sub-region;

24. Addressing the housing need backlog would require additional urban extension development of 8,000 houses (T9 para 6.7), but environmental, infrastructure and public resistance matters in the Green Belt weigh against its development (T9, para 6.10)

25. Statutory bodies agree that harm would outweigh benefits in the Green Belt (T9, para 6.11) and Government is committed to maintaining the Green Belt

26. *The thrust of the localism bill is that local authorities and local communities can agree strategy appropriate for their own areas rather than being dictated to* (T9 para 6.13)

27. B&NES' planned housing rate is 20% higher than the average annual target of the Local Plan and 44% higher than the delivery rate of 380 p.a. actually achieved during the B&NES Local Plan (T9 para 6.15)

28. If local people are out-competed in the housing market by migrants, this will have a social, but not economic impact

29. It is reasonable to expect that the WofE system is an open system re net migration, but a closed system re labour supply/demand (T9 para 3.1).

B. Somerset Valley Friends of the Earth's conclusions about our understanding of the B&NES assumptions

1.1 Somerset Valley Friends of the Earth has drawn the conclusion that B&NES assumes that the most of the increased need for housing will be generated through economic

growth of 1.9% in B&NES using the Smart Growth model to deliver an "unprecedented" growth in jobs. The 1.9% growth figure relies upon the assumption that pre-recession economic growth and associated trends will be restored by 2013. This Smart Growth job delivery scenario is described as "very challenging" and relies on higher performance with lower staff and employment space, to provide what B&NES thinks is an over-optimistic 8,700 job figure, but B&NES thinks it may be up to the challenge.

1.2 B&NES matches 11,000 homes to these 8,700 jobs on the basis that the 2001 Census figure of a resident workforce rate of 70% still holds, but discounts the impact of any demographic changes regarding housing provision that do not relate to the working population. However, it says that falling household size and natural change are factored in (requiring 7,080 units) and that it factors in additional housing to boost the local labour supply, but we are unsure of whether or not impacts of demographic change other than or working age people is part of the "natural change" anticipated. B&NES appears not to factor in any significant scope for more efficient use of the present housing stock. It discounts an 11.7% discrepancy between the Chelmer (dRSS) and CLG figures for B&NES household growth, which is something that we have not attempted to get to grips with and so do not draw any conclusions from. It discounts provision for the 2,800 housing need backlog on the basis that it is unlikely to be in a position where it can meet the new housing need and those people will have found housing elsewhere. We conclude that the latter implies that either other areas have *not* failed to meet their housing targets in order to accommodate them or this number in housing need has directly (or indirectly) 'left' the West of England area.