

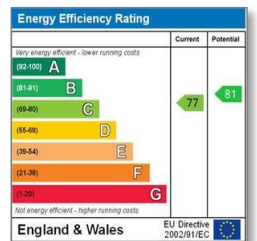


Buckinghamshire

Housing and Economic Development Needs Assessment 2015

Report of Findings

Consultation Draft: January 2016





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Buckinghamshire HEDNA 2015 Consultation Draft: January 2016

This report of the Buckinghamshire Housing and Economic Development Needs Assessment has been published as a consultation draft as part of the evidence base for the Councils' emerging Local Plans.

Chiltern District Council and South Bucks District Council would welcome any comments on the report.

Please ensure that all comments are received by 5:00pm on 14 March 2016.

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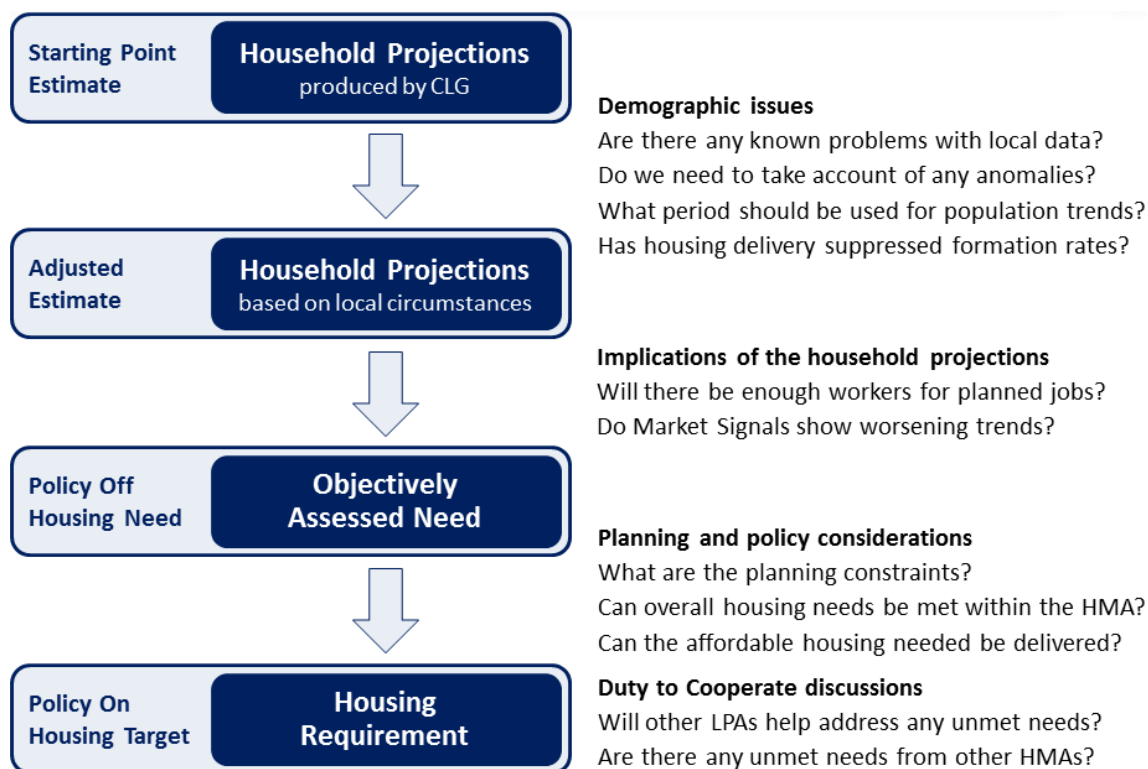
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Executive Summary

Summary of Key Findings and Conclusions

1. The National Planning Policy Framework (NPPF)¹ requires Local Planning Authorities to “ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area” and “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 change” (paragraphs 47 and 159). The NPPF also identifies that “local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area” and establish “a robust evidence base to understand both existing business needs and likely changes in the market” (paragraph 160).
2. Figure 1 sets out the process for establishing the Objectively Assessed Need (OAN) for housing. Planning Policy Guidance (PPG)² identifies that “household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need” (paragraph 15) which should be adjusted to take account of local circumstances. External market and macro-economic constraints are then applied (‘Market Signals’) in order to embed the need in the real world. It is important to recognise that the OAN does not take account of any possible constraints to future housing supply. Such factors will be subsequently considered by the Council before establishing the final Housing Requirement.

Figure 1: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG)



¹ <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

² <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/>

3. Opinion Research Services (ORS) and Atkins were jointly commissioned by Aylesbury Vale, Chiltern and Wycombe District Councils to prepare a Housing and Economic Development Needs Assessment that covered their three administrative areas: the Central Buckinghamshire HEDNA. Following the decision to prepare a Joint Plan for Chiltern and South Bucks, an update of the previous study was commissioned to incorporate additional analysis for South Bucks district and establish the Full Objectively Assessed Need for housing and the Full Objectively Assessed Economic Needs across the whole of Buckinghamshire.
4. Given this context, the Buckinghamshire HEDNA (Consultation Draft: January 2016) supersedes the Central Buckinghamshire HEDNA (Consultation Draft: October 2015). Nevertheless, it does not take account of consultation feedback received by Aylesbury Vale and Wycombe Councils in Autumn 2015. Chiltern and South Bucks Councils will be consulting on this report in early 2016 and the Buckinghamshire HEDNA will then be finalised taking account of the feedback received by all four local planning authorities.
5. The Buckinghamshire HEDNA is fully compliant with both the NPPF and PPG. In addition, the study, mindful of Planning Inspector Decisions and High Court Judgements, as well as emerging good practice including the technical advice note about Objectively Assessed Need and Housing Targets originally published by the Planning Advisory Service (PAS) in June 2014 with a second edition in July 2015.

Household Projections

6. The “starting point” estimate for OAN are the latest household projections published by the Department for Communities and Local Government (CLG). These projections suggest that **household numbers across Buckinghamshire will increase by 40,847 over the 20-year period 2013-33, an average of 2,042 per year.** However, the CLG household projections are based on short-term migration trends, and these risk rolling-forward rates that are unduly high or unduly low. Projections based on long-term migration trends are likely to provide a more reliable estimate of future households.
7. ORS has also undertaken a detailed review of local demographic trends. This has identified inconsistencies in some of the data, and it is important when establishing future housing need that projections take proper account of these issues. In particular, the analysis has identified problems with the 2001 Census population estimate for Aylesbury Vale and also with historic migration data being too high in Aylesbury Vale and too low in Wycombe. Improvements to the ONS estimates appear to have improved the migration estimates for Wycombe, but administrative data sources show that systematic problems continue to affect more recent data for Aylesbury Vale.
8. The HEDNA has developed robust households projections based on local circumstances which take full account of errors in the trend-based data. The key scenario uses 10-year migration trends based on the period 2004-14. This projects that household numbers across the HMA will increase by 41,200 households over the 20-year period 2013-33.
9. The growth identified for Aylesbury Vale is marginally lower than the CLG starting point; however this is mainly due to errors in the local population trend data. The identified range in both Chiltern and Wycombe is higher than the CLG starting point, whereas the identified range in South Bucks is lower than the CLG starting point: all due to the underlying population projections and the associated patterns of migration. **Providing for this increase yields a housing need of 42,728 dwellings over the period 2013-33 across the Buckinghamshire HMA.**
10. As these projections are based on long-term migration trends and take full account of local demography issues, these give the most reliable and appropriate demographic projections for establishing housing need.

Affordable Housing Need

11. Based on evidence of current unmet need for affordable housing and the future household projections, the analysis has identified that the overall housing need should be increased by 634 households to take account of concealed families and homeless households that would not be captured by the household projections. When the unmet needs from existing households living in unsuitable housing were included, the analysis established an overall need from 3,291 households in need of affordable housing in 2013.
12. Based on the household projections, the HEDNA has established the balance between the future need for market housing and affordable housing; however, it is important to recognise that this need is based on a relatively stringent assessment of affordability. Overall, there will be a need to provide additional affordable housing for 9,940 households (10,083 dwellings) as a minimum. This would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but assumes that the level of housing benefit support provided to households living in the private rented sector remains constant.
13. Private rented housing (with or without housing benefit) does not meet the definitions of affordable housing and is not counted as affordable housing supply; however households in receipt of housing benefit are assumed be able to afford their housing costs, so they are not counted towards the need for affordable housing. Nevertheless, if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
14. Given this context, the HEDNA has identified that the need for affordable housing could be considered as a range: from a minimum of around 10,100 dwellings to a maximum of 16,000 dwellings. **The proposed OAN for affordable housing is therefore 10,500 dwellings over the 20-year period 2013-33**, which recognises that some households currently renting privately with housing benefit support will need to move to affordable housing. Figure 79 identifies the range for each local authority area.

Figure 2: Range of assessed need for affordable housing by LA: 2013-33 (Source: ORS Housing Model)

	Affordable Housing Need (dwellings)				
	Aylesbury Vale	Chiltern	South Bucks	Wycombe	TOTAL
Bottom end of range: No change in number of households renting privately with housing benefit support	4,440	940	1,380	3,320	10,100
Top end of range: Affordable housing provided for all households renting privately with housing benefit support	6,580	1,750	1,950	5,670	16,000

15. As policy decisions about housing benefit support provided to households living in the private rented sector are determined by the Government, it will be necessary for the local planning authorities to consider the possible impact of any changes when determining the most appropriate affordable housing targets for the area. This will also need to take account of the latest information from the local authority housing registers. Furthermore, given the unmet need from almost 1,800 households needing affordable housing at the start of the Plan periods, it will be appropriate to maximise affordable housing delivery in the early years of the Plans, providing that this does not unduly compromise overall levels of housing delivery in the area.

Objectively Assessed Housing Need

Employment Trends

16. While demographic trends are key to the assessment of OAN, it is also important to consider current Employment Trends and how the projected growth of the economically active population fits with the future changes in job numbers.
17. Based on the conclusions about future jobs, the overall increase in employment is likely to yield 33,400 extra jobs in the Buckinghamshire HMA over the 20-year period 2013-33; so it is appropriate that we balance future workers against these extra jobs. Taking account of existing commuting patterns and changes to unemployment recorded over the period 2013-15, the demographic projections (without any uplift for market signals) would provide 21,400 extra workers locally whereas 29,900 extra workers would be needed. **Therefore, there is a need to increase housing delivery to ensure that there will be enough workers for the likely increase in jobs in the area.**
18. Considering the balance of jobs and workers in the two sub-FEMAs:
 - » Aylesbury town sub-FEMA (which on a “best fit” basis corresponds to Aylesbury Vale district) needs an extra 12,900 workers locally whereas a growth of 9,600 is identified: a shortfall of 3,300 workers. Balancing jobs and workers yields an extra housing need of 2,300 dwellings, which increases the overall housing need to 21,200 dwellings.
 - » High Wycombe and Amersham sub-FEMA (which on a “best fit” basis corresponds to Chiltern, South Bucks and Wycombe districts) needs an extra 17,000 workers locally whereas a growth of 11,800 is identified: a shortfall of 5,300 workers. Balancing jobs and workers yields an extra need of 3,600 dwellings, increasing the overall housing need to 27,400 dwellings.

Market Signals

19. NPPF sets out that *“Plans should take account of market signals...”* (ID 2a-017) and PPG identifies that *“the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals”*.
20. The HEDNA has considered the Market Signals for the Buckinghamshire HMA and compared these to other areas which have similar demographic and economic characteristics. On the basis of this data we can conclude:
 - » **House Prices:** lower quartile prices are higher than the national average, with a lower quartile price of £198,300, compared to England’s £126,200 (based on 2012-13 values). The current price in the HMA is higher than West Kent but lower than both South West Hertfordshire and West Surrey. Over the last 5-years, prices have remained relatively stable across all of the comparator areas;
 - » **Rents:** for average private sector rents in 2013-14, the study area is above the national average (£1,044 pcm cf. £720 pcm); however, market rents are notably higher in all of the comparator areas. Average rents in the study area have increased in the past 5 years at a similar rate to all comparator areas, which has been at a faster rate than the national rate for England (44%);
 - » **Affordability** (in terms of the ratio between lower quartile house prices and lower quartile earnings) is currently ‘worse’ in the study area than across England as a whole (9.4x cf. 6.5x), however the rate is notably ‘better’ than in the comparator areas. Furthermore, affordability ratios in the study

area have improved since 2008 at a rate that is broadly consistent with the national average and comparator areas;

- » **Overcrowding** (in terms of Census occupancy rates) shows that 6.3% of households in the study area are overcrowded based on an objective measure, which is less than the rate for England (8.7%) and comparable with most of the comparator areas;
- » **Rate of development** (in terms of increase in dwelling stock over the last 10 years) shows that development has increased the stock size by 7.6%, which is lower than England (8.3%), South West Herts and West Kent, but is higher than West Surrey. Of course, these figures will inevitably be influenced by local constraints as well as individual policies.

21. On the basis of the Market Signals (in particular indicators relating to price), we can conclude that conditions across Buckinghamshire suggest that the level of **Objectively Assessed Need for the HMA should be higher than suggested by household projections** in isolation.
22. Based on comparisons with other areas, the evidence supports a differential response for the local housing market areas:
 - » **Aylesbury Vale**: based on the “modest” affordability pressure identified, we would propose an overall uplift of **10% of the housing need** identified based on the household projections; and
 - » **Chiltern, South Bucks and Wycombe**: based on affordability being around double the level associated with “modest” pressure, we would propose that the response to Market Signals should also be doubled with an overall uplift of **20% of the housing need** identified based on the household projections.

Conclusions

23. We have calculated Objectively Assessed Need (OAN) based on demographic projections and assessed these against Market Signals to determine if a higher rate of housing delivery is needed. CLG Household Projections suggest that household numbers across Buckinghamshire will increase by an average of 2,042 per year, based on short-term migration trends. However, demographic projections that take full account of local demography and which are based on 10-year migration trends provide a more reliable and appropriate basis for establishing future housing need. On this basis, the HEDNA has identified a growth of 41,152 households: **a need for 42,728 dwellings over the 20-year period 2013-33, equivalent to an average of 2,136 dwellings per year.**
24. For Aylesbury Vale (as a “best fit” to the Aylesbury town local HMA) an uplift of 10% is proposed in response to market signals. Nevertheless, evidence from planned jobs and workers identifies a need to increase housing delivery by 2,313 dwellings to provide enough workers for the likely increase in jobs in the sub-FEMA. The baseline housing need is therefore increased to **a total of 21,289 dwellings over the 20-year Plan period 2013-33.** This will provide sufficient housing for the workers needed and exceed the proposed market signals uplift.
25. For Chiltern, South Bucks and Wycombe (as a “best fit” to the High Wycombe and Amersham local HMA) an uplift of 20% is proposed in response to market signals. This is higher than the uplift needed to balance jobs and workers. On this basis, the baseline housing need is increased to **a total of 28,664 dwellings over the 20-year period 2013-33.** This will provide sufficient housing to deliver the proposed uplift in response to market signals and exceed the identified number of workers needed.

26. The OAN includes the unmet needs of homeless and other households in unacceptable accommodation that existed in 2013 and identified all needs arising over the 20-year period 2013-33, so there is no need to include any further 'backlog' of additional unmet need for housing at the start of new Plan period.
27. Figure 3 summarises each of the stages for establishing the Full Objectively Assessed Need for Housing.

Figure 3: Full Objectively Assessed Need for Housing across Buckinghamshire 2013-33

Stage		Aylesbury local HMA	High Wycombe and Amersham local HMA			TOTAL
		Aylesbury Vale	Chiltern	South Bucks	Wycombe	
HOUSEHOLDS						
Demographic starting point CLG household projections 2013-33		18,404	4,552	6,522	11,369	40,847
Adjustment for local demographic factors and migration trends 10-year migration trend		-260	+752	-902	+715	+305
Baseline household projections taking account of local circumstances		18,144	5,304	5,620	12,084	41,152
DWELLINGS						
Allowance for transactional vacancies and second homes Based on dwellings without a usually resident household		697	198	256	425	1,576
Housing need based on household projections taking account of local circumstances		18,841	5,502	5,876	12,509	42,728
Adjustment for suppressed household formation rates Concealed families and homeless households with allowance for vacancies and second homes		130 + 5 = 135	38 + 1 = 39	192 + 4 = 201	274 + 10 = 284	634 + 25 = 659
Baseline housing need based on demographic projections		18,976	5,541	6,077	12,793	43,388
Further adjustment s needed...	In response to balancing jobs and workers Projected growth in workers exceeds forecast jobs growth and planned jobs growth therefore no further adjustment needed	2,313	818	873	1,860	5,864
	In response to market signals Dwellings needed (in addition to the adjustment for concealed families and homeless households) to deliver the overall percentage uplift proposed	10% x 18,841 = 1,884 1,884 - 135 = 1,749	20% x 5,502 = 1,100 1,100 - 39 = 1,061	20% x 5,876 = 1,175 1,175 - 201 = 974	20% x 12,509 = 2,502 2,502 - 284 = 2,218	15% x 42,728 = 6,409 6,409 - 659 = 5,750
Combined impact of the identified adjustments		+2,313	+1,061	+974	+2,218	+6,566
Full Objectively Assessed Need for Housing 2013-33		21,289	6,602	7,051	15,011	49,954

28. It is important to remember that PPG identifies that “*establishing future need for housing is not an exact science*” (ID 2a-014) and, whilst the OAN must be underwritten by robust evidence, the final conclusions should reflect the overall scale of the housing needed in the housing market area.
29. **The HEDNA therefore identifies the Full Objective Assessed Need for Housing in Buckinghamshire HMA to be 50,000 dwellings over the 20-year period 2013-33, equivalent to an average of 2,500 dwellings per year. This includes the Objectively Assessed Need of Affordable Housing for 10,500 dwellings over the same period, equivalent to an average of 525 per year.** This is the average number of dwellings needed every year over the period 2013-33 and represents a 1.1% increase in the dwelling stock each year across Buckinghamshire HMA (consistent with the 1.1% growth required across England to deliver 253,600 dwellings annually).

30. Figure 4 sets out the overall housing need for market and affordable housing in each local planning authority area, however the Local Plans will consider the spatial distribution of the OAN across the county and determine the most appropriate location for market and affordable housing, and the type and size of properties to be provided in different areas.

Figure 4: Market and affordable housing need by LA covering the relevant Local Plan periods (Source: ORS Housing Model.
Note: Figures relate to individual Local Authority Plan periods which differ across the HMA)

	Aylesbury Vale	Chiltern	South Bucks	Wycombe	Bucks HMA
Total Housing Need (dwellings)	<i>Plan period 2013-33</i>	<i>Plan period 2014-36</i>	<i>Plan period 2014-36</i>	<i>Plan period 2013-33</i>	<i>20-year period 2013-33</i>
Market Housing Need	16,700	6,200	6,200	11,700	39,500
Affordable Housing Need	4,600	1,100	1,600	3,400	10,500
Overall Housing Need	21,300	7,300	7,800	15,100	50,000
<i>Uplift from CLG starting point estimate</i>	<i>+12%</i>	<i>+38%</i>	<i>+4%</i>	<i>+28%</i>	<i>+18%</i>

31. It is important to note that the overall housing need was increased substantially from the CLG starting point, partly to balance jobs and workers and partly in response to Market Signal indicators. The affordable housing needs assessment identified that a number of households unable to afford their housing costs are likely to move away from the area, and some might prefer to stay in the area if housing costs were less expensive or if more affordable housing was available. This trend is particularly evident in Chiltern and South Bucks where housing costs are highest.
32. The proposed market signals uplift should increase the overall amount of housing available in the market area and therefore ease the housing market pressures that have been identified. Nevertheless, it is unlikely that house prices will adjust sufficiently to enable many of those households who are unable to afford their housing costs from moving away from the area. **The Councils may therefore want to consider providing some of the additional housing proposed in response to market signals as intermediate affordable housing, including low cost home ownership products.** This would accord with the objectives set out at paragraph 50 of the NPPF to “*widen opportunities for home ownership and create sustainable, inclusive and mixed communities*”.
33. Providing some of the proposed uplift as affordable housing would not change the overall housing need identified but would increase the proportion of affordable housing (and intermediate affordable housing in particular). It would be appropriate for the local planning authorities to consider this option when determining the most appropriate affordable housing targets for the area.

Employment Land Requirements

Commercial Property Market

34. The Functional Economic Market Area’s (FEMA) industrial floorspace market is performing well with a steady stream of investment activity for B1c/B2 industrial units from local businesses in the FEMA. However, there is considered to be a lack of supply of suitable B1c/B2 stock across the FEMA area. Local commercial agents consider that additional sites need to be brought forward for B1c/B2 class development, in order to accommodate SMEs.

35. The FEMA's office market is much smaller when compared to the industrial market. The FEMA is not considered to be a prime office market and is considered by local agents to serve mainly locally based companies. In addition, Permitted Development Rights (allowing for the change of use from office to residential use without the need for a planning application) has contributed to the perceived decline in town centre office accommodation, particularly within Aylesbury and Chesham.

Future Requirements

36. The assessment of future employment land requirements considered a range of scenarios including:
- » A scenario based on the employment forecasts released by Experian in March 2015;
 - » A scenario based on the employment forecasts released by Oxford Economics in March 2015; and
 - » A trend-based scenario based on historical employment growth levels.
37. The Oxford Economics employment scenario is considered to provide the most realistic projection of future employment land requirements, and are aligned to the key signals emerging from the market review and stakeholder consultation.
38. The Oxford Economics forecasts identify potential growth in B class employment of around 14,360 full time equivalent employees for the FEMA over the period 2013-2033 (with an additional 2,270 jobs for the period 2033-2036).
39. Employment growth is anticipated to come primarily from B1a/b sectors (mainly office based jobs). The Oxford Economics forecasts identify smaller levels of B8 growth and decline in employment in industrial sectors.

Supply of Employment Land

40. The FEMA has approximately 5 million sq.m of B-class use employment floorspace. The majority of this floorspace consists of warehousing & distribution (B8) with a 45% share of total B-class employment floorspace, followed by industrial (B1c/B2) with a 31% share and office and research and development (B1a/b) with a 23% share.
41. The FEMA has a low vacancy rate of 8%. This vacancy level is considered to be consistent with the efficient operation of the market (allowing for churn) and suggests strong levels of demand and little to no opportunity to release employment land across the FEMA.
42. Buckinghamshire FEMA has a number of potential sources that could enable new employment floorspace to be developed, as follows:
- » Allocated Employment Land (without planning consent);
 - » Land identified in Neighbourhood Plans;
 - » Commercial development pipeline (sites with extant planning permission for employment floorspace); and
 - » Prior approvals (this is not a source of supply but is considered as it represents a future reduction in supply).

Demand-Supply

43. Figure 5 below sets out the relationship between the estimated demand and supply of employment floorspace in the FEMA by type of floorspace. It takes account of the total supply identified in the study and subtracts the total demand identified from the preferred Oxford Economics scenario. Figure 5 identifies the remaining surplus once the anticipated demand has been removed from the potential supply of new sites. Figure 5 identifies that the FEMA should theoretically have surplus of 80,100 sqm of B use class floorspace available, which should be sufficient to meet economic development needs over the period to 2036.

Figure 5: FEMA Supply/demand floorspace balance under the Oxford Economics Scenario (up to 2036) (sq. m) (Note: Negative values indicate shortfall, positive values indicate surplus. All numbers are rounded)

Use Class	2013-2033	2033-2036	2013-2036
Floorspace Balance (sq. m)			
B1a/b	-26,000	-26,200	-52,200
B1c/B2	+177,600	+15,400	+193,000
B8	-27,300	-33,400	-60,700
Total B use class	+124,300	-44,200	+80,100

Conclusions

44. Although there is a theoretical surplus of B use class floorspace available as identified in the supply-demand balance, our assessment (including stakeholder consultation and telephone interviews with stakeholders and property agents) suggests that there is a lack of suitable land. It is clear that some of the sites will require significant investment in infrastructure to come forward for development. There is also the perception that the type of premises available is lacking in certain respects. There is considered to be a lack of flexible space that is suitable for starts-ups or for SMEs looking to expand. Larger industrial premises are also considered to be in short supply.
45. It is therefore recommended that the following is take into account:
- » **Losses of employment space** - It is anticipated that over the plan period at the District and FEMA levels that there will be some further loss of employment land, which in some cases could lead to the displacement of existing business occupiers. Where this occurs each of the local authorities would be justified in seeking replacement employment land to account for these losses.
 - » **Non delivery of local plan allocations and sites with planning permission** - Given the long term nature of plan making, there may be some uncertainty as to whether all the allocated land and sites with planning permission will be delivered. If this is the case then the local authority would have a shortfall of employment floorspace. As such, each local authority may choose to build in a buffer in its land allocation to account for non-delivery of sites.

1. Introducing the Study

Background to the project and wider policy context

- 1.1 Opinion Research Services (ORS) and Atkins were jointly commissioned by Aylesbury Vale, Chiltern and Wycombe District Councils to prepare a Housing and Economic Development Needs Assessment (HEDNA) that covered their three administrative areas: the Central Buckinghamshire HEDNA. Following the decision to prepare a Joint Plan for Chiltern and South Bucks, an update of the previous study was commissioned to incorporate additional analysis for South Bucks district and establish the Full Objectively Assessed Need for housing and the Full Objectively Assessed Economic Needs across the whole of Buckinghamshire.
- 1.2 The purpose of the study is to support the local authorities in objectively assessing and evidencing the need for housing (both market and affordable) and employment, and to provide other evidence to inform local policies, plans and decision making. The study adheres to the requirements of the National Planning Policy Framework (NPPF) published in 2012 and subsequent Planning Policy Guidance. The methodology was also mindful of emerging good practice and outcomes from Examinations, as well as the Technical Advice Note about Objectively Assessed Need and Housing Targets that was originally published by the Planning Advisory Service (PAS) in June 2014 with a second edition in July 2015.

National Planning Policy Framework

- 1.3 The National Planning Policy Framework (NPPF) contains a presumption in favour of sustainable development, and states that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area. Given that Regional Spatial Strategies are now revoked, the responsibility for establishing the needs of the area rests with the local planning authority.

*At the heart of the National Planning Policy Framework is a **presumption in favour of sustainable development**, which should be seen as a golden thread running through both plan-making and decision-taking.*

Local planning authorities should positively seek opportunities to meet the development needs of their area.

Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

National Planning Policy Framework (NPPF), paragraph 14

To boost significantly 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.

National Planning Policy Framework (NPPF), paragraph 47

- 1.4 Paragraph 158 of the Framework outlines the requirement for local planning authorities to ensure that their Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of their area. Local planning authorities are asked to ensure that their assessment of strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals. Given this context, Housing and Economic Development Needs Assessments (HEDNAs) primarily inform the production of the Local Plan (which sets out the spatial policy for a local area).
- 1.5 One of the key objectives is to provide the robust and strategic evidence base required to establish the Objectively Assessed Need (OAN) for housing in the Housing Market Area (HMA) and provide information on the appropriate mix of housing and range of tenures needed.

Housing

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 change;*
- » *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*
- » *caters for housing demand and the scale of housing supply necessary to meet this demand;*

National Planning Policy Framework (NPPF), paragraph 159

- 1.6 The NPPF also identifies that local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area and establish a robust evidence base to understand both existing business needs and likely changes in the market.

Business

Local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should:

- » *work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and*
- » *work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.*

National Planning Policy Framework (NPPF), paragraph 160

- 1.7 Local authorities should avoid the long term protection of sites allocated for employment if there is no realistic prospect of these sites being used for that purpose. A key factor underpinning employment land policies should therefore be the thorough consideration of market and economic signals.

Local planning authorities should use this evidence base to assess:

- » *the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;*
- » *the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land;*
- » *the role and function of town centres and the relationship between them, including any trends in the performance of centres;*
- » *the capacity of existing centres to accommodate new town centre development;*
- » *locations of deprivation which may benefit from planned remedial action; and*
- » *the needs of the food production industry and any barriers to investment that planning can resolve.*

National Planning Policy Framework (NPPF), paragraph 161

Planning Practice Guidance

- ^{1.8} The Department for Communities and Local Government's Planning Practice Guidance (PPG) is a web-based resource that brings together planning practice guidance for England in an accessible and usable way. The PPG guidance regarding the assessment of housing and economic development needs and housing and economic land availability assessments is of particular relevance to HEDNA studies.
- ^{1.9} PPG states that the assessment of economic development needs should take into consideration:
- » Recent patterns of employment land supply and loss to other uses (based on extant planning permissions and planning applications);
 - » Market intelligence (from local data and discussions with developers, property agents and local businesses) and market signals, such as levels and changes in rental values, and differentials between land values in different uses;
 - » Potential infrastructure constraints;
 - » The existing stock of employment land including recent statistics on take-up of sites;
 - » Likely future business needs and future market requirements, including locational and premises requirements of particular types of business; and
 - » Identification of oversupply and evidence of market failure.
- ^{1.10} In terms of forecasting future trends, PPG states that plan makers should consider forecasts of both quantitative and qualitative need and future needs should be broken down by economic sectors. Local planning authorities should assess their development needs working with other local authorities in the relevant housing market area or functional economic market area in line with the duty to cooperate. This is because such needs are rarely constrained precisely by local authority administrative boundaries.
- ^{1.11} Projected demand should then be compared to the available stock of land so that any gaps in local employment land provision can be identified. Sites or broad locations should be assessed in terms of their

suitability for development, availability and realistic likelihood of coming forward for development, and plan makers should use a range of techniques to assess future employment land requirements including:

- » Sectoral and employment forecasts and projections (labour demand);
- » Demographically derived assessments of future employment needs (labour supply techniques);
- » Past take-up of employment land and property and/or future property market requirements;
- » Consultation with key stakeholders, studies of business trends, and monitoring of business, economic and employment statistics.

- ^{1.12} The four local authorities are undertaking Housing and Economic Land Availability Assessments based on a common methodology that has been agreed.

Duty to Co-operate

- ^{1.13} The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation. The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as “*the homes and jobs needed in the area*” and “*the provision of retail, leisure and other commercial development*”.

*Public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the **strategic priorities** set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.*

Local planning authorities should work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected in individual Local Plans. Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework. As part of this process, they should consider producing joint planning policies on strategic matters and informal strategies such as joint infrastructure and investment plans.

National Planning Policy Framework (NPPF), paragraphs 178-179

- ^{1.14} This co-operation will need to be demonstrated as sound when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability). The NPPF sets out that co-operation should be “*a continuous process of engagement*” from “*thinking through to implementation*”.

Local planning authorities will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. This could be by way of plans or policies prepared as part of a joint committee, a memorandum of understanding or a jointly prepared strategy which is presented as evidence of an agreed position. Cooperation should be a continuous process of engagement from initial thinking through to implementation, resulting in a final position where plans are in place to provide the land and infrastructure necessary to support current and projected future levels of development.

National Planning Policy Framework (NPPF), paragraph 181

Overview of the HEDNA

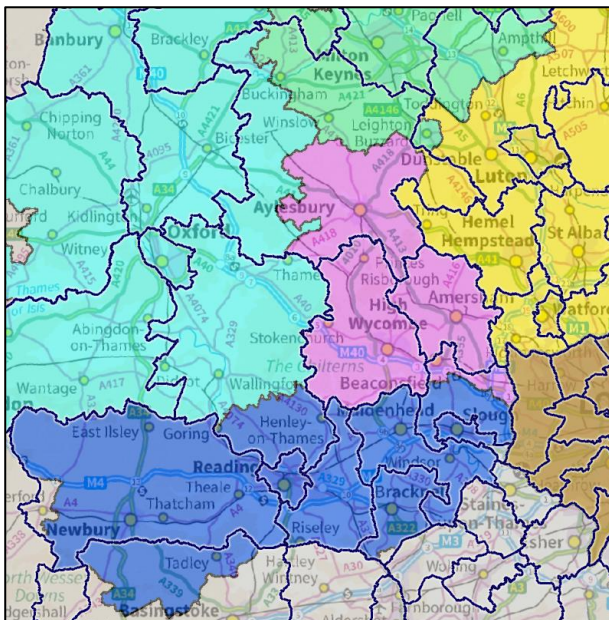
- 1.15 The HEDNA was jointly commissioned by Aylesbury Vale, Chiltern, South Bucks and Wycombe local authorities to provide a consistent evidence base for housing across the Buckinghamshire HMA and FEMA.

Study Area

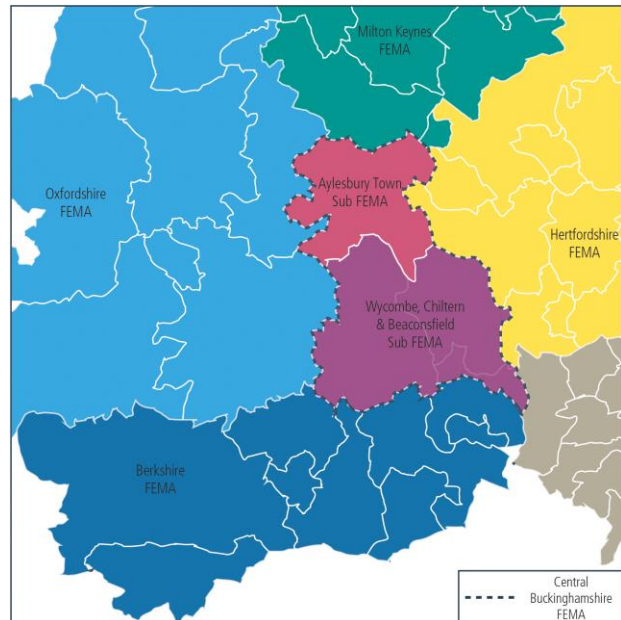
- 1.16 The area covered by the Central Buckinghamshire HMA and Central Buckinghamshire FEMA was the subject of a separate report, *“Housing Market Areas and Functional Economic Market Areas in Buckinghamshire and the surrounding areas”*. Figure 6 illustrates the functional housing market areas (HMAs) and functional economic market areas (FEMAs) that the study identified.

Figure 6: Functional housing and economic market areas for Buckinghamshire and the surrounding area

Functional Housing Market Areas (HMAs)



Functional Economic Market Areas (FEMAs)



- 1.17 The NPPF recognises that housing market areas may cross administrative boundaries, and PPG emphasises that housing market areas reflect functional linkages between places where people live and work. Nevertheless, there is need for a “best fit” approximation to local authority areas for developing evidence and policy as suggested by the PAS OAN technical advice note (second edition, paragraphs 5.9 and 5.21):

“Boundaries that straddle local authority areas are usually impractical, given that planning policy is mostly made at the local authority level, and many kinds of data are unavailable for smaller areas”

“It is best if HMAs, as defined for the purpose of needs assessments, do not straddle local authority boundaries. For areas smaller than local authorities data availability is poor and analysis becomes impossibly complex.”

- 1.18 Given this context, the original study established the most appropriate “best fit” areas for the functional HMAs and FEMAs that had been identified, based on local authority boundaries. The report concluded that the substantial majority of Buckinghamshire county residents (80%) live in the Central Buckinghamshire functional housing market area. Chiltern and Wycombe districts fall entirely within this functional housing

market area together with almost two-thirds of the Aylesbury Vale district population (with the remaining population split across three different functional housing markets).

- 1.19 However, it was concluded that South Bucks population was divided, with approaching half living in the Central Buckinghamshire functional housing market area and the remainder all living in the Reading & Slough functional area – and in considering a “best fit”, it could be argued that South Bucks should be associated with either Central Buckinghamshire or Reading & Slough. Nevertheless, the study proposed a hierarchy for the “best fit” for South Bucks supported by the data on both commuting and migration flows; with the first preference being London, the second being Berkshire and the third being with the rest of Buckinghamshire.
- 1.20 In October 2015, ORS was asked to consider the implications of a Joint Plan being developed for Chiltern and South Bucks and a draft paper was prepared and circulated to neighbouring local authorities: *“HMAs and FEMAs in Buckinghamshire – The Impact of a Joint Plan for Chiltern and South Bucks”*. That paper confirmed that a Joint Plan would have no impact on the functional areas identified in Figure 6; but it noted that the conclusions about the most appropriate “best fit” configuration could be affected if Chiltern and South Bucks were jointly considered as a single, combined area; i.e. if the “best fit” geography was based on Local Plan areas rather than local planning authorities.
- 1.21 There are two clear reasons for HMAs and FEMAs to be constrained to administrative boundaries. These are summarised in the above extracts from the PAS OAN technical advice note:
- » **Evidence:** *“for areas smaller than local authorities data availability is poor and analysis becomes impossibly complex”* (second edition, paragraph 5.21); and
 - » **Policy:** *“boundaries that straddle local authority areas are usually impractical, given that planning policy is mostly made at the local authority level”* (second edition, paragraph 5.9).
- 1.22 Regardless of whether or not a Joint Plan is pursued, evidence will be available separately for the two local authority areas. Nevertheless, whilst planning policy is mostly made at the local authority level, a Joint Plan would mean planning policy would be developed jointly for the combined area and this would benefit from a single, integrated evidence-base. Furthermore, Planning Practice Guidance for housing and economic development needs assessments identifies that:
- Where there is a joint plan, housing requirements and the need to identify a five year supply of sites can apply across the joint plan area. The approach being taken should be set out clearly in the plan.*

Planning Practice Guidance (March 2014), ID 2a-010
- 1.23 The paper confirmed that should a Joint Plan be pursued by Chiltern and South Bucks, it is likely that housing requirements and housing supply will be considered across the Joint Plan area; so the NPPF requirement to identify the *“full, objectively assessed need for market and affordable housing”* (paragraph 47) would need to establish the overall housing needs of the combined area. Therefore, it was considered appropriate to establish a “best fit” geography based on Local Plan areas.
- 1.24 Central Buckinghamshire functional HMA covers three quarters of the population of the combined area. Furthermore, whilst significant commuting and migration flows exist between London and the combined area, outside London the combined area has strong links with both the rest of Buckinghamshire and parts of Berkshire. However, the strongest linkage for the combined area outside London was with the rest of Buckinghamshire in terms of both commuting and migration.

- ^{1.25} Based on detailed analysis of the evidence, the paper therefore concluded that the most pragmatically appropriate “best fit” for Chiltern and South Bucks as a single, combined area would be as part of the Central Buckinghamshire housing market area. On this basis, the “best fit” for the whole Central Buckinghamshire HMA would comprise the local authorities of Aylesbury Vale, Chiltern, South Bucks and Wycombe; the “Buckinghamshire HMA”. As the same functional area was identified for the HMA and FEMA, the recommended “best fit” for the FEMA would also be based on the same four local authority areas; the “Buckinghamshire FEMA”.
- ^{1.26} The objective of the Buckinghamshire HEDNA was to establish the Objectively Assessed Need (OAN) for housing (both market and affordable) for the Buckinghamshire HMA and provide a robust assessment of the future full, objectively assessed, economic needs for the Buckinghamshire FEMA; ensuring that this was fully compliant with the requirements of the NPPF and PPG and mindful of good practice. The Buckinghamshire HEDNA (Consultation Draft: January 2016) supersedes the Central Buckinghamshire HEDNA (Consultation Draft: October 2015). Nevertheless, it does not take account of consultation feedback received by Aylesbury Vale and Wycombe Councils in Autumn 2015. Chiltern and South Bucks Councils will be consulting on this report in early 2016 and the Buckinghamshire HEDNA will then be finalised taking account of the feedback received by all four local planning authorities.
- ^{1.27} 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.

Study Methodology

- ^{1.28} Modelling future housing need requires a consideration of the housing market from a high-level, strategic perspective; in this way an understanding of how key drivers and long-term trends impact on the structure of households and population over the full planning period can be delivered.
- ^{1.29} The methodology was therefore based on secondary data, and sought to:
- » Provide an overview of the FEMA and review the local policy context (Chapter 2);
 - » Evidence the need and demand for housing based on demographic projections (Chapter 3);
 - » Identify the appropriate balance between market and affordable housing (Chapter 4);
 - » Consider the local property market and review the existing supply (Chapter 5);
 - » Evidence future economic needs and employment forecasts (Chapter 6);
 - » Establish the Objectively Assessed Need for housing (Chapter 7), including a review of the:
 - Balance between future workers and jobs; and
 - Market signals about the balance between demand for and supply of dwellings;
 - » Consider overall housing requirements the needs for all types of housing (Chapter 8); and
 - » Determine future employment land requirements (Chapter 9).
- ^{1.30} Overall results have been provided for the period 2013-2033, with population projections that adopt a baseline date of 2013 and take account of population estimates for 2014. The projections have also been extended to 2036 to cover the full plan period for Chiltern and South Bucks. The following periods apply for the three Local Plans:

- » Aylesbury Vale 2013-2033;
- » Chiltern and South Bucks 2014-2036; and
- » Wycombe 2013-2033.

^{1.31} This report also includes the following appendices:

- » Appendix A – List of property agents consulted;
- » Appendix B – Stakeholder workshop meeting notes;
- » Appendix C – Site Reconnaissance;
- » Appendix D – Experian and Trend-based scenarios;
- » Appendix E – Proportion of employment in each sector requiring B use class floorspace; and
- » Appendix F – Sites with 1,000 sq. m or more or of Net gain or loss of B-class Employment floorspace.

2. Overview of the FEMA

Local policy context and key socio-economic indicators

- 2.1 This section summarises the socio-economic baseline and policy context for the Functional Economic Market Area and provides conclusions on the economic development implications of the policy review for Aylesbury Vale, Chiltern and Wycombe district councils. The chapter reviews the existing evidence base, but it should be noted that this HEDNA provides the most up to date evidence on housing and economic development needs for the study area.

Aylesbury Vale District

The Vale of Aylesbury Plan (VALP) (un-adopted)

- 2.2 The Council have started on a new strategic plan for the District that will set out anticipated growth, alongside site allocations. In May 2014 an eight-week consultation took place to scope out the content of the plan, which was accompanied by a 'call for sites'. An Issues and Options consultation is proposed for October 2015 and a Housing and Economic Land Availability Assessment (HELAA) is also being prepared.

The Vale of Aylesbury Plan (VAP) (un-adopted)

- 2.3 The Vale of Aylesbury Plan (VAP) was withdrawn on the advice of an independent planning inspector. The un-adopted Vale of Aylesbury Plan (VAP) intended to set the strategic vision for development within the District up to 2031. It anticipated that in addition to the existing 70,000 jobs there would be a rise by a minimum of 6,000 net new jobs up to 2031 in addition to those already committed.

Aylesbury Vale Economic Development Strategy (2008-2026) (2009)

- 2.4 The Economic Development Strategy sets out the economic vision for the District up to 2026. The Strategy seeks to support and nurture key sector strengths, which include high performance engineering, telehealth and rehabilitation technologies, food and ICT. The Strategy is also seeking to support and nurture enterprise within Aylesbury Vale, including through the roll-out of superfast broadband across the District. The Strategy supports a number of employment generating initiatives including:

- » Delivery of the Aylesbury Vale Town Centre Masterplan.
- » Establishment of a 'knowledge park' which functions as a base for companies in sectors ranging from food to high-tech engineering and an expanding healthcare sector.
- » Support the continued development of the tourism, including as an economic driver in the rural areas.
- » Build on the National Spinal Injuries Centre at Stoke Mandeville Hospital to support research and development associated with rehabilitation, telehealth³ and disability sports technologies.
- » Capitalise on the District's location between Oxford and Cambridge enhanced by the delivery of East West Rail by 2017.

³ Telehealth is the delivery of health-related services and information via telecommunications technologies

- » Develop the skills base through investment in and work with higher and further education providers.

2.5 The strategy is focused on responding to the challenging economic climate, aiming to accelerate business and jobs growth building on the current strengths of the area, with a focus on the following actions.

- » Enterprise: encouraging the next generation of start-ups to remain and grow within the District. This is expected to be supported by the delivery of the Waterside Academy, a new education and training hub (occupied mainly by Aylesbury Vale College and Bucks New University) that will be located in Aylesbury Vale.
- » Enabling infrastructure: delivery of new infrastructure including superfast broadband.
- » Business retention and growth: proactively targeting and supporting growth-orientated employers. Inward investment: promotion of the District's 'niche' offer and proactive targeting of inward investment opportunities to support local sector strengths.
- » Enhancing knowledge economy skills: through work with the Universities (Buckingham University and Bucks New University) and University Technical Centres at Aylesbury College and Silverstone.

Aylesbury Vale Employment Land Study Update (2012)

2.6 The Employment Land Review (ELR) Update considers the supply of and demand for employment land and premises in Aylesbury Vale District. The Study assesses the future employment development potential of a number of existing employment sites, and potential locations for future employment development. Key economic growth sectors are considered to be in the high performance engineering and motorsports, tele-health and rehabilitation technologies, food and ICT as well as the tourism sectors. Employment in the manufacturing sector and agriculture are both forecast to fall (by 630 and 260 jobs respectively).

2.7 The ELR Update recommends that provision is made for a net employment land supply of between 106-112 hectares of land (between 405,000 to 425,000 sq. m of employment floorspace) across the District for the 2011-31 plan period. Delivery of this land resource can be expected to support a net increase in the supply of general land for employment premises of around 50 hectares.

2.8 However the ELR considers that there is some basis to argue that development at both the ALRA site at College Road North, Aston Clinton and at Silverstone Circuit is focused on attracting specialist inward investment and is not available to meet general business needs. If these sites are excluded, it may be realistic to plan for up to 30 hectares of additional employment land provision to meet economic needs over the period to 2031.

2.9 Some of the key recommendations from the ELR include:

- » In Aylesbury, new town office floorspace should be encouraged in the centre. The Stoke Mandeville Hospital could provide a good location for an innovation centre / spin-off economic enterprises;
- » In Buckingham, an additional 6.5 hectares of land should be brought forward to support high value manufacturing and engineering in the north of the District;
- » In Winslow, localised living and working should be encouraged given the potential delivery of the East-West Rail. The consented employment development at Buckingham / Furze Lane could meet much of the demand for employment land in this area;
- » Westcott Venture Park has significant development potential that could be guided by a new comprehensive masterplan; and

- » Potential for rationalisation of employment land within the Gatehouse Industrial Area that could be guided by a new comprehensive masterplan.

Key Employment Sites Assessment (2013)

- ^{2.10} The assessment reviews a number of identified key employment sites in the District, in order to help the Council to decide where it would be best to direct its limited resources to support new economic development.
- ^{2.11} The Study identified that there is demand for industrial stock, but there are issues around viability and demand for new office development in the District. Forty three sites with opportunities for new employment development were assessed for their likelihood for being brought forward in the current market and whether they would benefit from intervention by the Council.⁴
- ^{2.12} The Study concluded that the Council does need to give consideration to direct intervention in order to prompt increased activity. It highlighted that the Council should look at its own land / land controlled by public sector partners in the short term.
- ^{2.13} The Study identifies that Aylesbury Vale will need to attract inward investment on a large scale as it is competing with locations, such as Milton Keynes and Northampton. The District will need to attract new jobs across a broad range of sectors. Whilst the largest share of new jobs will be in Financial and Business Services there will be a need for supporting low-value sectors like warehouse distribution and non-B services.
- ^{2.14} The Study identified that the Southern Growth Arc and College Road North represent an opportunity to improve the quality of Aylesbury Vale's stock of industrial/warehousing premises. Beyond these large strategic allocations, at the moment there is market demand for small, flexible industrial units and for freehold property. The Study identifies that the Council should support suitable proposals for small employment premises as well as encouraging redevelopment of town centre office accommodation to improve the quality and flexibility of units for SMEs. The study has been updated by the Aylesbury Vale ELR Update (2012).

Aylesbury Vale Town Centre Improvements

- ^{2.15} The Aylesbury Town Centre Plan (2014) sets out a Vision for the town centre and outlines a programme of improvements for key areas of the town. Work to create a new space for restaurants, apartments and a public square in the heart of the town centre has started. Aylesbury Vale District Council and Buckinghamshire County Council have worked together to draw up plans for the Waterside North, Hale Leys & Walton Street area.

Aylesbury Vale Housing and Economic Development Needs Assessment – Final Draft Report

- ^{2.16} The Aylesbury Vale Housing and Economic Development Needs Assessment final draft report was published in June 2015. It identifies that the largest employment sectors in the District are business support services, education, retail, health and the public sector. Besides business support services, there are large employment sectors in many areas. The employment growth core scenarios identified that there would be jobs growth of between 15,600 and 19,000 jobs between 2013 and 2033.

⁴ Sites with design and build opportunities; development potential; potential for expansion; or with considerable vacancy.

Chiltern District

Core Strategy for Chiltern District (2011)

- ^{2.17} The 2011 adopted Core Strategy provides the strategic framework for the development of the District up to 2026. The Council aims to secure the long-term retention of a portfolio of employment sites and premises within the District which are attractive to the market and which will provide a range of jobs to meet local needs.
- ^{2.18} The District provides employment for about 32,500 people (with a resident workforce of 43,300). The Core Strategy, as a minimum, aims to maintain the number of people employed within Chiltern District over the plan period.
- ^{2.19} The Core Strategy sets out a number of policies to maintain economic prosperity including encouraging SMART growth, protecting identified Green Belt employment sites and supports the rural economy.
- ^{2.20} Whilst the Chiltern Core Strategy does contain a strong policy emphasis on the overall protection of employment sites, Policy CS16 does allow the redevelopment of employment sites for other uses, including residential in appropriate circumstances provided that a number of specific criteria are met.

Adopted Chiltern District Local Plan (Including alterations adopted 29 May 2001)

- ^{2.21} The adopted Chiltern District Local Plan contains a range of policies which are applied by Council Officers when assessing planning applications. It contains two policies (E2 and E3) which specifically seek to protect designated employment land within the District.

Emerging Chiltern and South Bucks Local Plan 2014-36

- ^{2.22} Previously both Chiltern and South Bucks District Councils were preparing separate Local Plans for their respective Districts but a single joint Local Plan ("Joint Plan") is now to be produced covering the two areas. This was agreed by Chiltern District Council on 3 November 2015 and South Bucks District Council on 10 November 2015. Work has started on the Joint Plan for Chiltern and South Bucks.
- ^{2.23} The Emerging Chiltern and South Bucks Local Plan, which will run from 2014 to 2036, will replace the adopted Core Strategy for Chiltern District (2011), adopted Chiltern District Local Plan (1997, consolidated 2007 and 2011), adopted Core Strategy for South Bucks District (2011), adopted South Bucks Local Plan (1999) and the respective Policies Maps. The Joint Plan will set out policies used to determine planning applications, site allocations and proposed new development (e.g. housing or employment) and broader land designations (e.g. Green Belt areas); and a joint Policies Map will be produced as part of the Joint Plan.

Chiltern Employment Land Needs Assessment (2013)

- ^{2.24} The Assessment identifies that Chiltern has seen growth in business services, recreation, health and media sectors, but will need to improve its economic productivity in order to keep up with its neighbours such as Wycombe, Three Rivers and Aylesbury Vale. By 2031, the Study identifies that there will be net increase of around **3,280 jobs**.
- ^{2.25} On balance there should be more than enough land available, in purely quantitative terms, to meet industrial needs arising under all demand estimates (7,730 sq. m to 62,160 sq. m). However, it should be noted that just under half of Chesham's identified supply of industrial floorspace relies upon one vacant site (Asheridge Road) and if this site does not come forward then it may limit the choice of sites available to

meet future industrial needs.⁵ In addition, a shortfall of office space is forecast under all demand estimates, ranging from a modest 2,040 sq. m up to a sizeable 45,280 sq. m for the estimate based on past development rates continuing.

- 2.26 Based on available employment space identified by Council monitoring data and site assessments, in quantitative terms, Chiltern has insufficient office floorspace to meet future needs up to 2026, under various scenarios of future growth. Although a reasonable amount of office stock exists across the District, much of this is ageing, lacks the flexibility which modern businesses require and is less attractive to the market. The Council will need to encourage the upgrading and renewal of existing space and consider measures to bring forward additional land supply.
- 2.27 There is a need to improve the spatial distribution of Chiltern's industrial stock to better meet with market demand. It is crucial that any new allocations are located within areas of higher demand, such as Amersham and the Chalfonts, which have good accessibility. By contrast, the District has more than enough industrial floorspace, in quantitative terms, to meet future needs under all future development scenarios. However, depending upon the future redevelopment prospect of some of the District's key industrial sites, this surplus may change to a shortfall of industrial floorspace under two of the six scenarios to 2026.

Employment Site Appraisals (2013)

- 2.28 The assessment provides an assessment of the quality and strategic value of employment sites within the District. The Assessment identified that the following strategic investment should be considered by Bucks Business First (BBF) and Chiltern District Council:
- » Investment in signage and branding of larger employment sites, to improve coherence and image – this might be targeted at the larger sites such as Raans Road, Amersham and Asheridge Road, Chesham;
 - » Proactive investment in delivering new small business floorspace, subject to availability of capital funding. This might include small, affordable workshop and office suites for micro enterprises or incubation space. The most appropriate locations with development potential would be Raans Road, Amersham; Chess Business Park, Asheridge Road or Asheridge Road/Hivings Hill in Chesham;
 - » Targeted investment in public realm and environmental improvements, particularly at those sites identified as of 'average' overall quality, such as the Howard Industrial Estate or Higham Mead in Chesham, or the Vale, Chalfont St Peter;
 - » Investment and lobbying to improve rural broadband accessibility, which is a particular constraint on demand. This would be appropriately focused initially at Penn and Holmer Green.

South Bucks District

Emerging Chiltern and South Bucks Local Plan 2014-36

- 2.29 Previously both Chiltern and South Bucks District Councils were preparing separate Local Plans for their respective Districts but a single joint Local Plan ("Joint Plan") is now to be produced covering the two areas. This was agreed by Chiltern District Council on 3 November 2015 and South Bucks District Council on 10 November 2015. Work has started on the Joint Plan for Chiltern and South Bucks.

⁵ The planning permission for Asheridge Road has expired and therefore threatens the ability of the District to meet its industrial needs in quantitative terms.

- ^{2.30} The Emerging Chiltern and South Bucks Local Plan, which will run from 2014 to 2036, will replace the adopted Core Strategy for Chiltern District (2011), adopted Chiltern District Local Plan (1997, consolidated 2007 and 2011), adopted Core Strategy for South Bucks District (2011), adopted South Bucks Local Plan (1999) and the respective Policies Maps. The Joint Plan will set out policies used to determine planning applications, site allocations and proposed new development (e.g. housing or employment) and broader land designations (e.g. Green Belt areas); and a joint Policies Map will be produced as part of the Joint Plan.

Adopted Local Plan (1999) (consolidated September 2007 and February 2011)

- ^{2.31} The Adopted Local Plan sets out detailed policies and specific proposals for the development and use of land, and objective criteria against which planning applications are considered.. As of February 2011, 53 Local Plan policies have been saved.
- ^{2.32} When taken together, the contents of the Plan set out an overall planning strategy with the following features:
- » Maintaining the Green Belt and protecting it from inappropriate development;
 - » Focusing development in existing built up areas whilst avoiding town cramming;
 - » Minimising, as far as possible, the need to travel;
 - » Maintaining the stock of employment sites in the District whilst not adding to them;
 - » Providing for sufficient land to meet the Structure Plan housing allocation up to 2006;
 - » Town and village centres to continue to provide for the needs of their communities; and
 - » Environmental protection, conservation and improvement.
- ^{2.33} The Plan's Strategy identifies the presence of environmental constraints as a severe limit on the capacity of the District to accommodate new development. The planning Strategy can be summed up as one of restraining development, with local needs met by efficient and sensitive development within existing built up areas, reflecting principles of sustainable development.
- ^{2.34} Policies GB4, GB5 and GB1 restrict development of employment sites and housing in the Green Belt and Green Belt settlements apart from limited residential infilling in existing villages (set out in Policy GB3) where this would not adversely affect the character or amenities of the Green Belt.
- ^{2.35} The Local Plan recognises that demand for housing in South Bucks is very strong. Fast rates of growth pre-1994 limited the capacity of existing settlements to accommodate housing development in the 1996-2006 period. As such, the Buckinghamshire County Structure Plan 1991-2011 allocated 2100 dwellings in the 1991-2006 period.

Core Strategy (2011)

- ^{2.36} The 2011 adopted Core Strategy is the key document in the South Bucks Local Development Framework. It sets out the long-term vision, objectives and broad strategy for accommodating future development in the District in the period to 2026. The Council is committed to protecting the character of its towns, villages and countryside, whilst enabling appropriate new development to support local communities. As such, the Spatial Strategy aims primarily to protect the Green Belt by focusing new development on previously developed land within existing settlements. The Principal Settlements of Beaconsfield, Gerrards Cross, and to a lesser extent Burnham, are the main focus for new development.

- ^{2.37} Strategic Objective 1 seeks to manage the rate and scale of new housing development to deliver 2,200-2,800 net new dwellings between 2006 and 2026 (Core Policy 1). Whilst at least 80% of this will be provided in the Principal Settlements, the Opportunity Sites at Mill Lane and Wilton Park and some small scale rural exception sites will be developed.
- ^{2.38} Strategic Objective 13 seeks to promote a balanced local economy in terms of jobs, skills and the local labour supply, and support existing businesses and start-ups. It states that there should be no overall net loss of B use class floorspace on the important employment sites. Core Policy 10 states that new employment development will be accommodated in the District and Local Centres on previously developed land, on the Opportunity Sites and through appropriate intensification on existing employment sites excluded from the Green Belt.

Employment Land Review – Update (March 2010)

- ^{2.39} South Bucks District Council reviewed and updated parts of the Buckinghamshire Employment Land Review (ELR) (2006). The Study updates the policy and socio-economic context and the supply analysis of employment land within the District but didn't not provide an up-date on the employment demand forecasts for the District.
- ^{2.40} The Study found that the real estate renting and business activities, and wholesale and retailing sectors employ the largest number of people in South Bucks. Compared with Buckinghamshire as a whole, South Bucks has a lower percentage of people employed in manufacturing activities and education services and a higher percentage employed in real estate, renting and business activities and wholesale and retail trade. In terms of key growth sectors, South Bucks has particular strengths in software and digital media, and aerospace and defence.
- ^{2.41} South Bucks has a high proportion of micro businesses and a new firm formation rate ranking 7th of all UK local authorities, although the firm closure rate is also high.
- ^{2.42} With the Green Belt constraint in South Bucks, the Study acknowledges that there is a strong argument in favour of retaining employment sites in employment use, because once they have been redeveloped for other uses, there are very few opportunities to identify new employment land areas.
- ^{2.43} Despite some losses in the employment land stock in South Bucks since the Buckinghamshire ELR 2006, the Study notes that there was a 10,888 sqm net gain in employment floorspace and that there are outstanding planning permissions for over 100,000 sqm of employment floorspace, and some 20,000 sqm of vacant floorspace in the District capable of delivering economic growth.
- ^{2.44} The Study supports the Core Strategy Core Policy 1 which will protect all employment land in employment use, other than in exceptional circumstances. Such circumstances will include where there is a significant increase imbalance between local job opportunities and the size of the resident workforce, to be identified through the Council's monitoring. Any employment land to be released for alternative uses will be identified through the LDF process.

Employment Site Appraisals (2013)

- ^{2.45} The Employment Site Appraisals consider the nature and quality of existing employment sites in the District; levels of vacant floorspace and land with development potential; the suitability of the sites to accommodate future growth sectors; and their overall market attractiveness. It includes an assessment of

the quality and strategic value of employment sites to meet economic development objectives – excluding town centre sites.

- ^{2.46} The District had an estimated 38,000 jobs in 2010, with a concentration of employment in media; financial and professional services; property; scientific and technical activities; accommodation and food; and construction.
- ^{2.47} The Appraisals found that South Bucks has a diverse employment portfolio which overall is performing well. The main employment locations in the District are Denham and the principal settlements of Beaconsfield, Gerrards Cross and Burnham along with a concentration of employment generating development to the south of Iver village mainly on the Ridgeway Trading Estate, Thorney Business Park, (formerly the Bison Estate) and Court Lane. Other significant employment sites include Uxbridge Business Park; Pinewood Studios; Sefton Park, Stoke Poges and Wexham Springs.

Wycombe District

Adopted Local Plan (as amended July 2013)

- ^{2.48} The Local Plan was adopted in January 2004, following adoption of the Core Strategy in July 2008 and the Delivery of Site Allocations Plan in July 2013 only some of the policies contained in the Adopted Local Plan were saved. This includes Policy E3 which permits the development of land for employment generating uses on sites identified as Employment Areas on the proposals map. On such sites planning permission will both be granted for uses which fall outside the Use classes B1, B2 and B8.

New Local Plan

- ^{2.49} The Council are in the process of developing a new Local Plan for the District. The new Local Plan will set out how much land is required for new homes and jobs and identify the locations for where new development should take place up to the year 2033. It will also include a number of policies covering design of development, affordable housing, the historic environment, infrastructure and the Green Belt.

The Core Strategy (2008)

- ^{2.50} The 2008 adopted Core Strategy provides the strategic framework for the development of the District up to 2026. The Council aims to secure the long-term retention of a portfolio of employment sites and premises within the District which are attractive to the market and which will provide a range of jobs to meet local needs. Policy CS11 identifies that the needs of businesses in the District will be met through the protection of four types of business areas, which include prime business areas (mainly B1 use), general business areas (mainly B class uses with some non-B class uses), scattered business sites (small sites with some non-B class uses) and mixed use business area/sites.

The Delivery and Site Allocations Plan (DSA) (2013)

- ^{2.51} The DSA, adopted in July 2013, includes policies to protect Scattered Employment Sites as sites for business unless certain criteria are met. The criteria for such development identified by Policy DM5 include:
- » Permission will be granted for B-class uses and other economic uses – which include some sui generis uses, community uses and main town centre uses such as retail (subject to national policy).
 - » Redevelopment for residential uses will only be permitted if it can be demonstrated that economic (employment-generating) uses are no longer practicable.

- » To demonstrate that economic use is impractical due to lack of occupier demand, applicants have to show that the site has been marketed for such use, for a reasonable period of time and on reasonable terms.

^{2.52} Policy HWTC4 identifies 'High Wycombe Town Centre and Southern Quadrant' scheme as having a central role for high quality office development. Key sites for development / intensification for office development include: HWTC 8 Council Offices and Royal Mail Sorting Office; HWTC 10 Swan Frontage; HWTC 16 Oxford Road Roundabout; HWTC 17 Bridge Street; and HWTC 19 Rapid House.

Wycombe Economy Study & Employment Land Review (2014)

^{2.53} The Economy Study & Employment Land Review assesses the need for employment land in Wycombe over the plan period to 2031, both in terms of quantity and qualitative mix, based on analysis of the District's economy. The Study also assesses the existing and potential employment sites in relation to that need.

^{2.54} Wycombe has the potential to build on its strengths in knowledge-based and high-value sectors in order to keep pace with other core locations, such as Reading and Maidenhead. The High Wycombe / Marlow area is the most likely location to attract these type of occupiers. Throughout the District, older stock provides for lower-profile occupiers, including SMEs and start-ups.

^{2.55} The Study identified that there is demand for between 7,000 and 26,490 jobs under the different scenarios. This Buckinghamshire HEDNA will update the employment need requirement for the next Local Plan. For offices, the estimated net additional supply of 69,585 sq. m is only 44% of the expected need for 157,854 sq. m over the plan period. It would be necessary to find capacity for a further 88,269 sq. m of net new office space. At the standard plot ratio this would require around 15ha. For industrial space, the land supply estimated earlier is negative, equal to a loss of 13.7 ha. This equals 72% of the expected negative demand for 18.9 ha of industrial land.

^{2.56} The Study identifies that the District needs to secure a supply of new land if it is to meet its employment land need. This is based upon creating an extensive area for new high quality employment development in accessible locations, and improving access to High Wycombe as a whole. The Study identifies a number of potential development locations:

- » Identifying land for strategic office development close to the A404.
- » This can be justified to open up the area around the new junction, including Abbey Barns but also a more extensive area, for new high quality employment development.
- » Identifying land for large-scale industrial development at Wycombe Air Park, which would need new infrastructure.
- » Consider securing a future supply of new land in Princes Risborough; most likely through a mixed use allocation at Longwick Road together with Park Mill Farm.

Other Relevant Cross-District Studies

Buckinghamshire Thames Valley Local Economic Partnership (BTV LEP) Strategic Economic Plan (2012-2031), (2014)

^{2.57} The Buckinghamshire Thames Valley Local Enterprise Partnership brings together representatives from leading Buckinghamshire businesses with Buckinghamshire County Council and the districts of Aylesbury

Vale, Wycombe, Chiltern and South Bucks, along with Buckinghamshire New University and local further education colleges.

- ^{2.58} Key sectors identified by the BTV LEP including higher value manufacturing (particularly manufacture of computers), ICT (particularly software) and media (particularly programming and broadcast activities). The BTV LEP strategic economic plan makes it clear that the 'major viable strategic opportunities are to improve north-south connectivity' between the M40 in the south, up to the M1 in the north (via main population centres, including Beaconsfield, High Wycombe, Princes Risborough, Aylesbury and Milton Keynes).

Buckinghamshire Thames Valley Local Economic Partnership (BTV LEP) Growth Deal, (2014)

- ^{2.59} The Buckinghamshire Thames Valley Local Enterprise Partnership and central government have agreed to co-invest in the following jointly-agreed priorities:

- » **Aylesbury Eastern Link Road and Stocklake Link scheme** will complete and enhance transport infrastructure both North-South and East-West around Aylesbury, connecting new major development areas with the town centre and trunk road network. Advanced provision will accelerate the pace of planned housing and employment delivery, and a major new employment and mixed use development area will be promoted to link to the trunk road network.
- » **High Wycombe Southern Quadrant scheme** will accelerate delivery of the transport components of a masterplan to reconfigure the layout of High Wycombe town centre and to open up an area of land for employment use which will act as a key gateway to the town centre.
- » **A355 Improvement Scheme** improving North South Connectivity and connecting residual Ministry of Defence land by developing the A355 Improvement Scheme.
- » **Transforming Amersham and Wycombe College Estate** modernise the buildings at the Amersham Centre to support curriculum development and quality improvement. Renewal of the main buildings and essential maintenance, remodelling and upgrading of teaching and specialist facilities. Development of the campus as a specialist hub for creative and media industries.
- » **5G Testbed** stimulating growth in Buckinghamshire electronics and telecommunications sector through early access to 5G technologies (cross-LEP Project).
- » **Crossrail and East West Connectivity projects:**
 - Delivering modal shift by improving sustainable transport links to Crossrail stations in Taplow (linking Slough and Maidenhead).
 - Delivering modal shift by improving sustainable transport links to Crossrail stations in Iver.
 - Delivering modal shift by improving bus and cycle connections between Buckingham and the East West Rail in Winslow Station.

- ^{2.60} By 2021, the Buckinghamshire Thames Valley Local Economic Partnership Growth Deal aspires to create at least 4,000 jobs and allow 600 homes to be built.

South East Midlands Local Economic Partnership (SEMLEP)

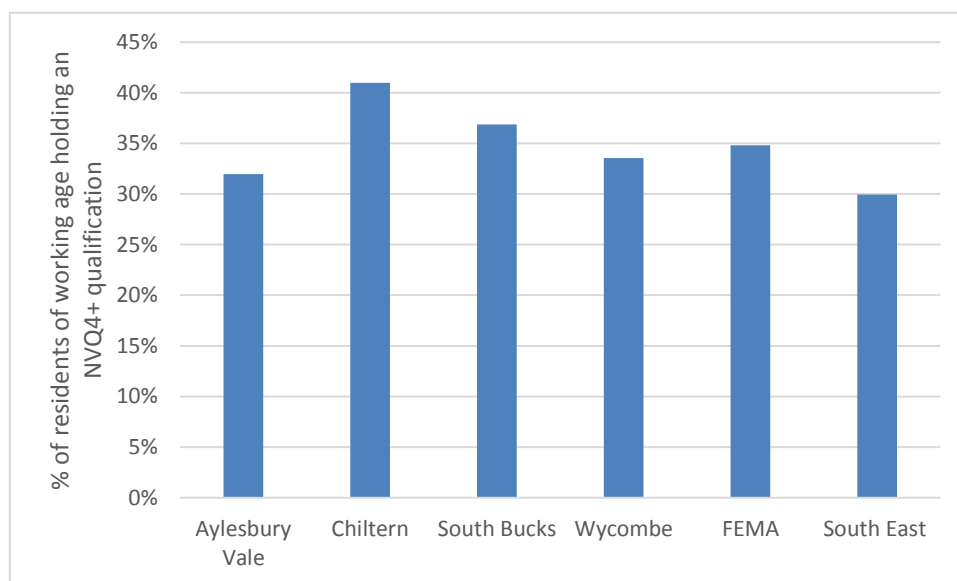
- ^{2.61} The SEMLEP is a local economic development partnership, which covers 11 local authorities, including the four unitary authorities of Milton Keynes, Bedford, Central Bedfordshire and Luton, the seven districts of South Northamptonshire, Northampton, Daventry, Kettering, Corby, Aylesbury Vale and Cherwell. In 2015 the SEMLEP secured significant investment via two Local Growth Deals, worth a combined £126m which will enable the SEMLEP to deliver its' Strategic Economic Plan.

- ^{2.62} The Strategic Economic Plan (2015-2020) states that the construction of the £500m East-West Rail project that will link Oxford to Aylesbury, Milton Keynes and Bedford has started and is due to be completed at the end of 2017.
- ^{2.63} The Strategic Economic Plan identifies a new priority project for Waterside North in Aylesbury. The project masterplan for the development of Waterside North, a prime development site in the centre of Aylesbury, includes a mixed-use scheme of housing, retail and leisure with public realm improvements. This is designed to support the regeneration of Aylesbury town centre to meet changing expectations and help Aylesbury fulfil its potential as a major centre for housing and employment growth.
- ^{2.64} In addition, a new highway scheme is planned to link A418 east of Bierton to A41 east of Aylesbury, including the new crossing of the Aylesbury Arm of the Grand Union Canal; Stocklake Link connecting Eastern Link Road (north of Canal) to A4157 Oakfield Road Aylesbury; and Stocklake Urban Improvement connecting A4157 Oakfield Road to A418 Park Street, including a new network for pedestrians and cyclists.

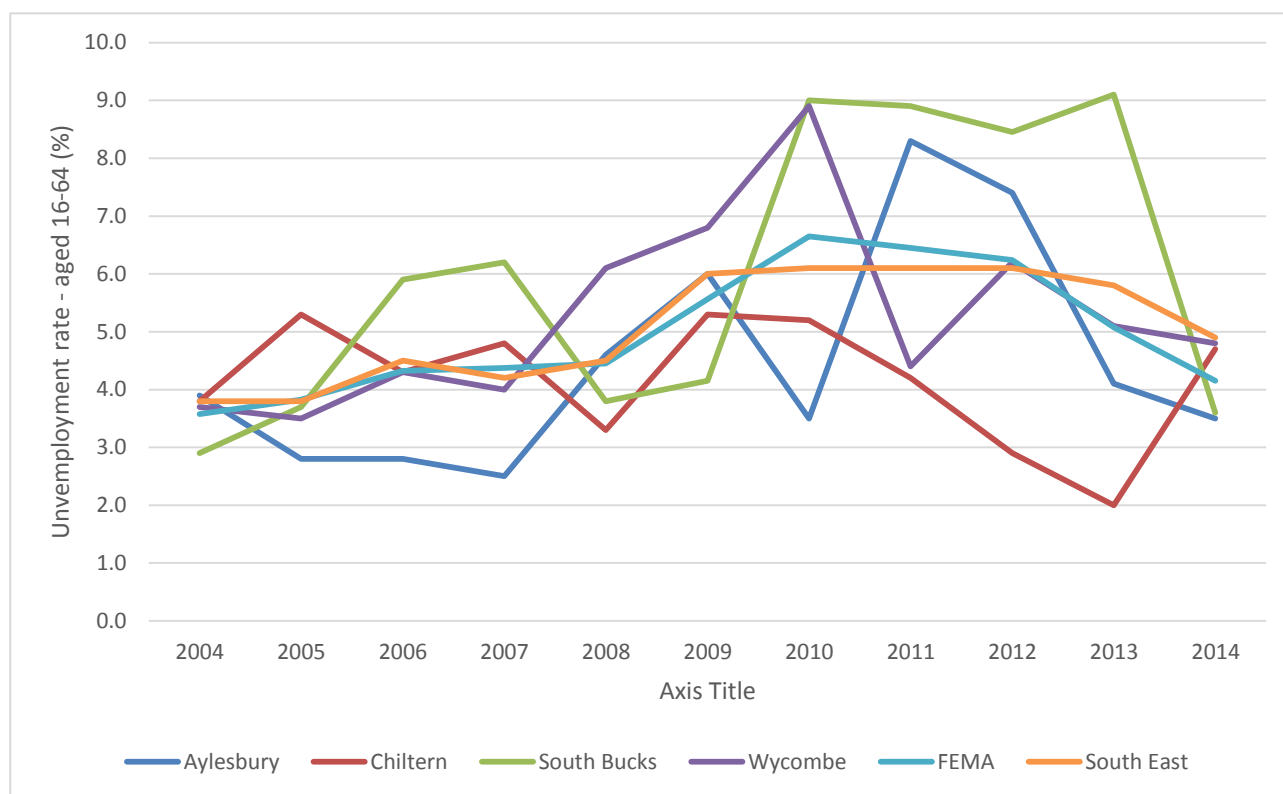
Key Socio-economic Indicators

- ^{2.65} Approximately 35% of residents of working age in the Functional Economic Market Area (FEMA) hold an NVQ4+ qualification, which is higher than the South East average (30%). All of the districts have a higher proportion of residents of working age holding an NVQ4+ qualification than the South East Average. Chiltern has the highest proportion with 41%, followed by South Bucks with 37%, Wycombe with 34% and Aylesbury Vale with 32% (Figure 7).

Figure 7: Percentage of residents holding an NVQ4+ qualification (Source: Annual Population Survey, ONS)



- ^{2.66} The four Districts that make up the FEMA are some of the least deprived in the Country. Chiltern District (ranking 312th), South Bucks District (ranking 290th) Aylesbury Vale District (ranking 288th) and Wycombe District (ranking as 258th) most deprived local authority in the English Indices of Deprivation 2010 (where 1st is the most deprived local authority in England and 326th the least deprived). In 2014, all four districts had a low employment rate, with Aylesbury Vale achieving 3.5%, Chiltern with 4.7%, South Bucks with 3.6% and Wycombe with 4.8%.
- ^{2.67} The FEMA's unemployment rate averaged 5.0% over the period 2004 to 2014 compared to an average of 5.1% across the South East. It recently fell to a low of 4.2% during 2014 which was lower than the South East average (4.9%) (Figure 8). At the District level, Wycombe and South Bucks had a peak in unemployment rate post financial crisis (both with 8.9% in 2010), Aylesbury peaked a little later (8.3% in 2011) and Chiltern's unemployment rate remained fairly consistent throughout the period.

Figure 8: Unemployment rate - aged 16-64 (Source: Annual Population Survey, ONS)

^{2.68} The FEMA has a higher level of self-employment than the wider South East Region, with 12.3% of residents aged 16-64 being self-employed (compared to the South East average of 11.4%). The majority of residents in employment (56%) work in the FEMA (Figure 9)⁶. On a district level, a higher proportion of people living in South Bucks commute outside of the FEMA for work (Figure 9). Approximately 8% work from home and the majority commute to work by car (65%)⁷.

Figure 9: Travel to Work (Source: Travel to work data, ONS, 2011)

	Residents that work in the FEMA		Residents that work outside the FEMA		TOTAL	
Aylesbury	41,987	59%	28,622	41%	70,649	100%
Chiltern	17,429	52%	15,959	48%	33,388	100%
South Bucks	7,610	30%	17,464	70%	25,074	100%
Wycombe	43,412	65%	17,464	35%	66,970	100%
FEMA TOTAL	110,438	56%	72,264	44%	196,081	100%

^{2.69} The FEMA has a high concentration of jobs in the Public administration, education & health sector (34% of all jobs in the FEMA), followed by Public admin, education & health and the Distribution, hotels & restaurants sector (both with 22% of all jobs in the FEMA)⁸. Conversely, it has a low concentration of jobs in the manufacturing and construction sectors (9%) (Figure 10). The South East region has a higher concentration in Public admin, education & health (36%), followed by the Distribution, hotels & restaurants sector (23%).

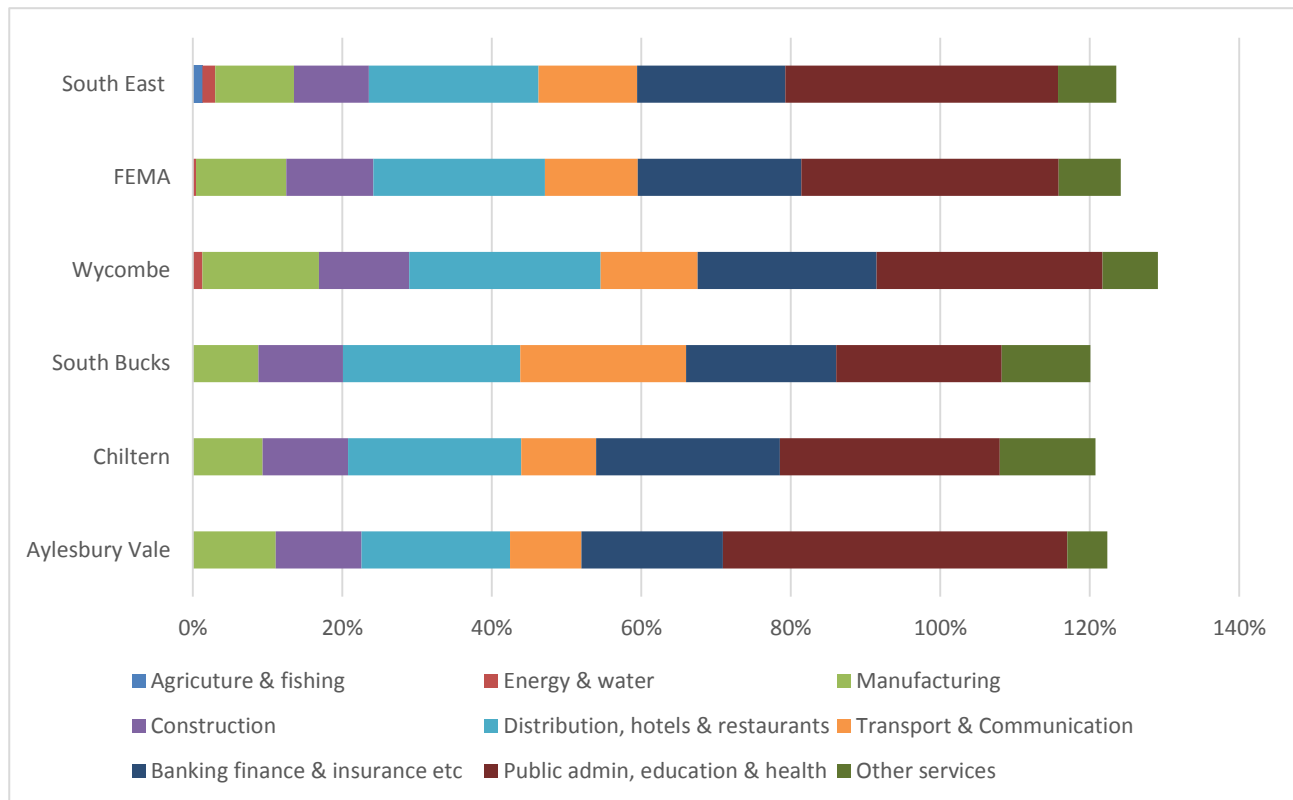
⁶ Travel to work data, 2011 Census

⁷ Method of travel to work, 2011 Census

⁸ Office of National Statistics (ONS) Annual Population Survey data for the period January 2014 - December 2014,

- ^{2.70} At the District level, Aylesbury Vale had the highest concentration of jobs in the Public administration, education & health sector (37%) followed by Distribution, hotels & restaurants sector (18%). Chiltern had the highest concentration of jobs in the Distribution, hotels & restaurants sector (25%) followed by the Public administration, education & health sector (22%). South Bucks had the highest concentration of jobs in Distribution, hotels & restaurants (24%). Wycombe had the highest concentration of jobs in the Public administration, education & health sector (27%) followed by Banking, finance & insurance sector (21%).

Figure 10: FEMA jobs by broad sector (Source: Annual Population Survey - Workplace Analysis, ONS)



- ^{2.71} According to the current 2013 ONS data, the FEMA had a jobs density of 0.81 which is slightly lower than the South East's jobs density of 0.82. This means there are 0.81 jobs for every resident aged 16-64 in the FEMA (Figure 2-4). This partly explains the high levels of out-commuting as people are travelling out from the FEMA for jobs with higher wages (Figure 2-5). Between 2002 and 2014, residents living but not working in the FEMA typically earned on average 10% more than those that worked in the FEMA (Figure 11).
- ^{2.72} According to the latest Travel to Work data (2011), the majority of residents in the FEMA commute to other parts of the South East (74%) and London (17%) for work. Within the South East, the most popular commuting destinations for residents living the FEMA include Wycombe (22%), Aylesbury Vale (20%), Chiltern (9%), South Bucks (5%) and Westminster (5%).
- ^{2.73} The latest Travel to Work data (2011) also show that approximately 34% of all commuters come from outside of the FEMA. Of those that commute into the FEMA from outside of the FEMA, the majority come from Slough (9%), Windsor and Maidenhead (8%), South Oxfordshire (8%), Dacorum (6%), Hillingdon (6%), Milton Keynes (5%) and Central Bedfordshire (5%).
- ^{2.74} Figure 11 shows that the job density in the FEMA has reduced over the period (2000 – 2013) from 1.02 (in 2000) to 0.81 (in 2013), whilst the job density in the South East has remained constant at an average of

0.82. At the District level, job density in Wycombe and South Bucks has slightly fallen over the period. Job density in Chiltern and Aylesbury Vale has remained broadly constant over the period.

^{2.75} Figure 12 compares the average annual salary of residents that live inside the FEMA but commute outside the FEMA for work against people that work inside the FEMA. Between 2002 and 2014, residents who commuted outside of the FEMA for work, typically earned an average of approximately £30,300, which is 10% more than people who work in the FEMA (approximately £27,300).

Figure 11: Job Density (Source: ONS)

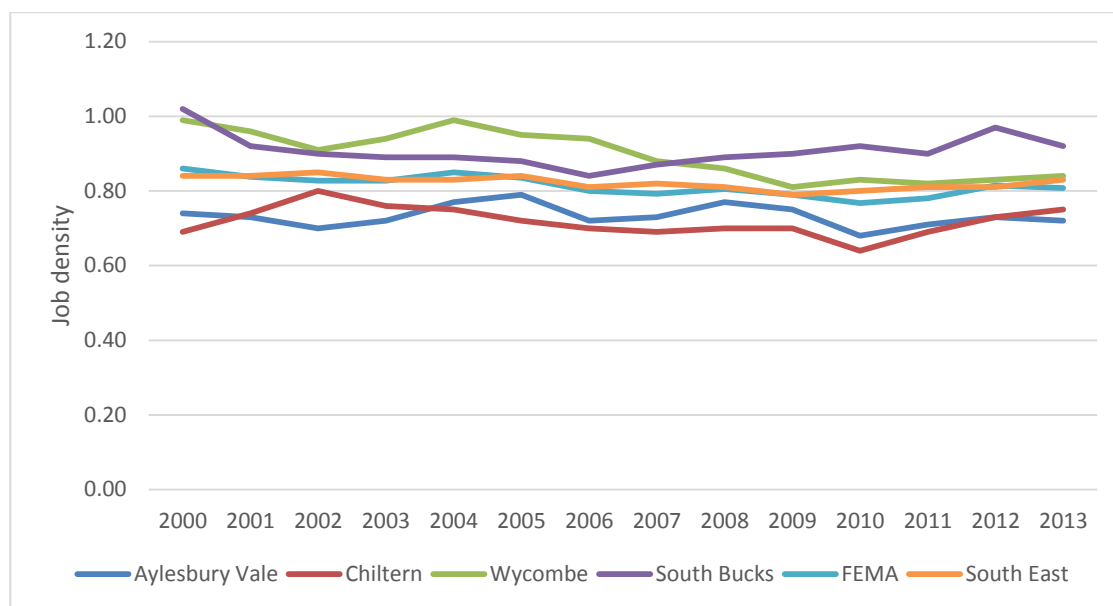
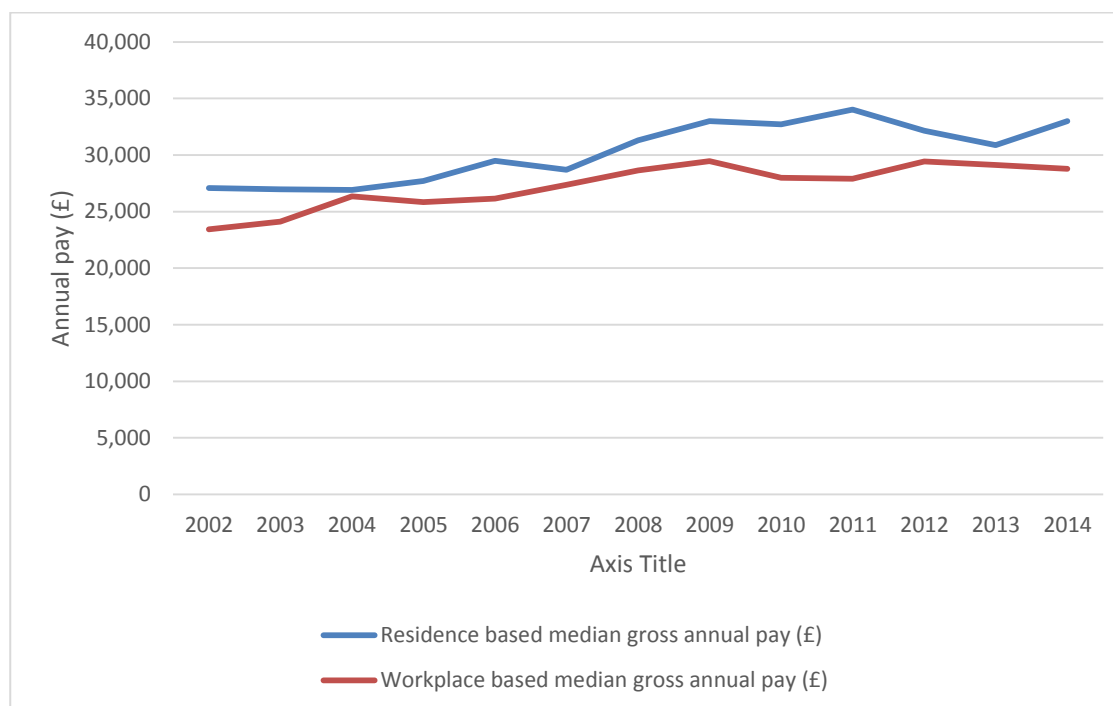


Figure 12: Median gross annual pay - full time workers in the FEMA (Source: Annual Survey of Hours and Earnings)



Summary

- ^{2.76} The NPPF requires local authorities to have a clear understanding of business needs within the economic markets. This is also reiterated in national guidance (PPG) that states that economic development needs should be taken into consideration when preparing their Local Plans and supporting evidence base.
- ^{2.77} The FEMA has low levels of deprivation, low levels of unemployment and a greater proportion of residents working within the FEMA than commuting outwards to other parts of the South East and Greater London⁹. However, the FEMA has a growing population whilst jobs density has declined, as such there will be a need to continue to focus on economic development and regeneration, with a particular emphasis on safeguarding local jobs and supporting and encouraging the creation of new employment opportunities.

Aylesbury Vale

- ^{2.78} The Aylesbury Vale Economic Development Strategy sets out the economic vision for the District up to 2026. The Strategy seeks to support and nurture key sector strengths, which include high performance engineering, tele-health and rehabilitation technologies, food and ICT. There is a key focus on enhancing knowledge economy skills through strengthening links to universities and supporting the next generation of start-ups within the District. The Key Employment Sites Assessment identified 43 sites that could be brought forward for development in the District, although some of these may be easier to unlock than others.

Chiltern

- ^{2.79} The Chiltern Employment Land Needs Assessment identifies that Chiltern has seen growth in business services, recreation, health and media sectors, but will need to improve its economic productivity in order to keep up with its neighbours such as Wycombe, Three Rivers and Aylesbury Vale. The Employment Site Appraisals provides an assessment of the quality and strategic value of employment sites within the District. A key recommendation from the assessment identified that there should be proactive investment in delivering new small business floorspace, subject to availability of capital funding. This might include small, affordable workshops and office suites for micro enterprises or incubation space.

South Bucks

- ^{2.80} The South Bucks Employment Land Review (ELR) identified that the real estate renting and business activities, and wholesale and retailing sectors employed the largest number of people in South Bucks. The ELR identifies that the key growth sectors for South Bucks are software and digital media, and aerospace and defence. With the Green Belt constraint in South Bucks, the ELR acknowledges that there is a strong argument in favour of retaining employment sites in employment use, because once they have been redeveloped for other uses, there are very few opportunities to identify new employment land areas.

Wycombe

- ^{2.81} The Wycombe Economy Study & Employment Land Review identified that Wycombe has the potential to build on its strengths in knowledge-based and high-value sectors (particularly in the Wycombe / Marlow area) in order to keep pace with other core locations, such as Reading and Maidenhead. The Study identifies a number of development locations for large-scale industrial development and mixed use development.

⁹ On a district level, a higher proportion of people living in Chiltern District commute outside of the FEMA for work.

Other Studies and Work

- ^{2.82} The Buckinghamshire Thames Valley Local Enterprise Partnerships identified key sectors for the area as higher value manufacturing (particularly manufacture of computers), ICT (particularly software) and media (particularly programming and broadcast activities).
- ^{2.83} The Buckinghamshire authorities have signed a Memorandum of Understanding relating to their local plans and evidence gathering.

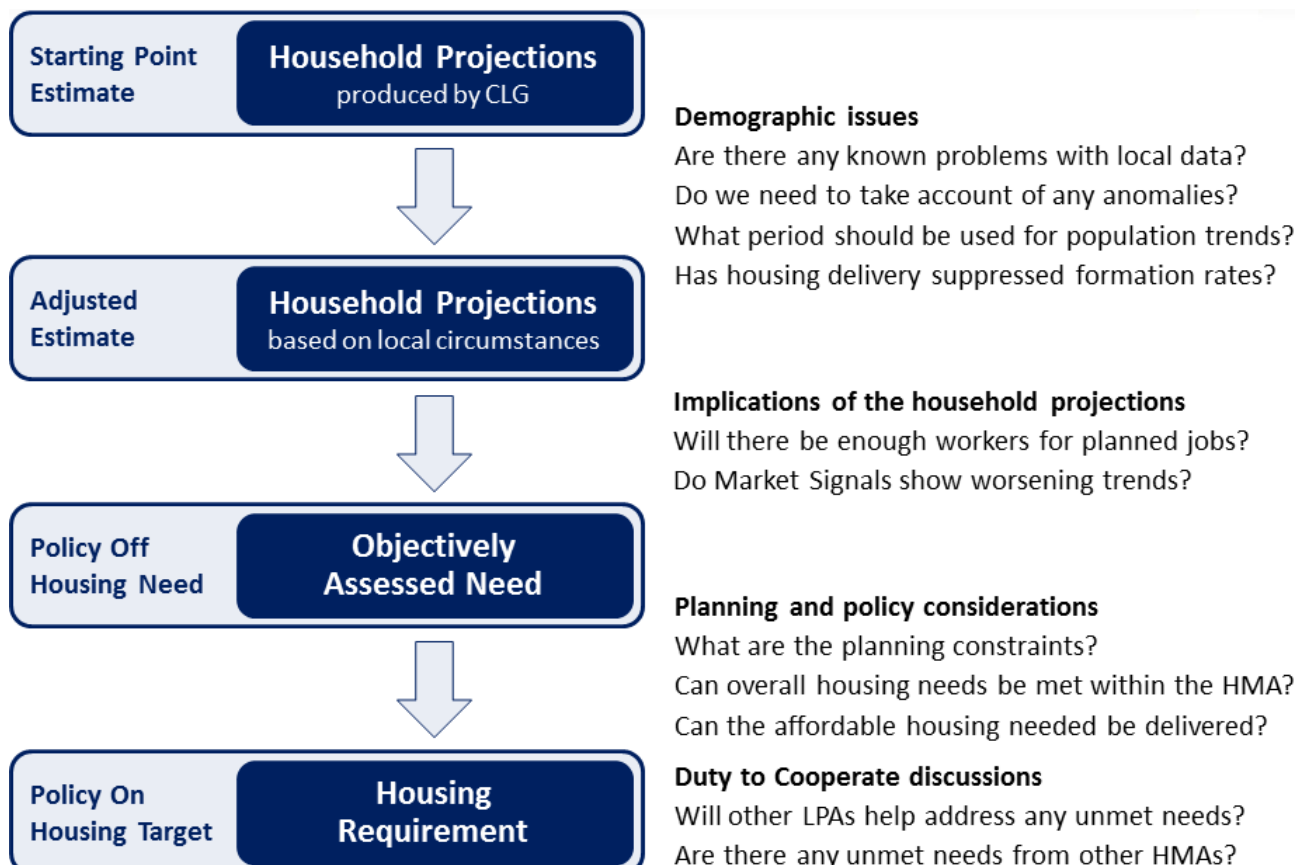
3. Demographic Projections

The starting point for Objectively Assessed Housing Need

Process for Establishing Objectively Assessed Housing Need

- 3.1 The Objective Assessment of Need identifies the quantity of housing needed (both market and affordable) in the Housing Market Area over future plan periods. This evidence assists with the production of the Local Plan (which sets out the spatial policy for a local area).
- 3.2 Figure 13 sets out the process for establishing the housing number for the Housing Market Area. It starts with a demographic process to derive housing need from a consideration of population and household projections. This chapter therefore considers the most appropriate demographic projection on which to base future housing need.
- 3.3 To establish the Objectively Assessed Need (OAN), external market and macro-economic constraints are applied to the demographic projections ('Market Signals') in order to ensure that an appropriate balance is achieved between the demand for and supply of dwellings. Nevertheless, it is important to recognise that the OAN does not take account of any possible constraints to future housing supply. Such factors should subsequently be considered by the local planning authorities as part of the plan-making process in order to establish the appropriate Housing Requirement and planned housing number.

Figure 13: Process for establishing the housing number for the HMA (Source: ORS based on NPPF and PPG)



Official Household Projections

- 3.4 Planning Practice Guidance published in March 2014 places emphasis on the role of **CLG Household Projections** as the appropriate starting point in determining objectively assessed need. PPG was updated in February 2015 following the publication of the 2012-based Household Projections.

Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.

The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics.

Planning Practice Guidance (March 2014), ID 2a-015

The 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth.

Planning Practice Guidance (March 2015), ID 2a-016

- 3.5 Given this context, Figure 14 sets out the 2012-based **household** projections together with previous household projections that CLG has produced for the area. The projections have varied over time, with the most recent set of projections showing the lowest projected rates of growth. Each set of household projections will be influenced by a wide range of underlying data and trend-based assumptions, and it is important to consider the range of projected growth and not simply defer to the most recent data.

Figure 14: CLG Household Projections for Buckinghamshire HMA: annual average growth (Source: CLG Household Projections)

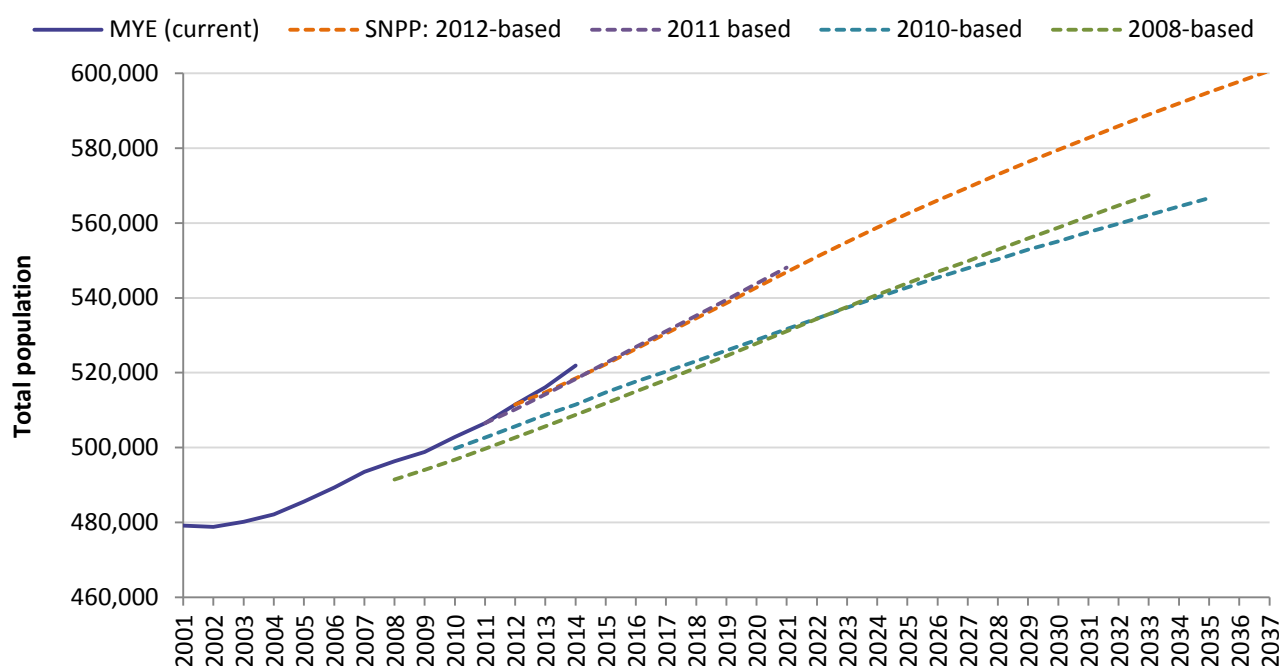
	2012-based		2011-based interim		2008-based	
	10 years 2012-22	25 years 2012-37	10 years 2011-21	25 years Not published	10 years 2008-18	25 years 2008-33
Aylesbury Vale	980	890	990	-	780	740
Chiltern	190	230	210	-	250	280
South Bucks	310	320	310	-	360	350
Wycombe	600	560	380	-	480	500
TOTAL	2,080	2,000	1,890	-	1,870	1,860

- 3.6 The CLG 2012-based household projections show an increase of 2,000 households each year over the 25-year period 2012-37, and a marginally higher rate (2,080 p.a.) in the initial 10-year period. These figures project forward over the normal 25-year period and supersede both the 2008-based household projections (which projected a household growth of 1,860 per year from 2008-33) and the interim 2011-based household projections (which projected growth of 1,890 per year from 2011-21). The differences are largely due to changes in the ONS population projections (Figure 15) on which the CLG household projections are based; although there have also been changes to household representative rates (considered later in this chapter).
- 3.7 Given that the 2012-based household projections show an increase from 205,250 to 246,097 households in Buckinghamshire over the 20-year period 2013-33, we can establish that the “starting point estimate of overall housing need” for Buckinghamshire should be based on an overall growth of 40,847 households, with a further growth of 5,462 households projected for the subsequent period 2033-36 (equivalent to averages of 2,042 and 1,821 households per year respectively).

Official Population Projections

- 3.8 Figure 15 shows the outputs from the latest (2012-based) ONS Sub National **Population** Projections together with the previous projections that have informed the various CLG household projections (though note that CLG did not produce household projections based on the 2010-based SNPP). It is evident that the 2012-based projection follows a similar trajectory to the 2011-based projection, but a notably higher rate of increase than projected by the 2008-based and 2010-based projections.

Figure 15: ONS Mid-Year Estimates and Sub-National Population Projections for Buckinghamshire HMA (Source: ONS. Note: There were methodological changes to the migration assumptions between the 2008-based and subsequent SNPP. Household projections were not produced for the 2010-based SNPP)



- 3.9 Differences in the projected increase in population between the different projections are largely associated with the **assumed migration rates**, which are based on recent trends using 5-year averages – so short-term changes in migration patterns can significantly affect the projected population growth. There were also methodological changes to the migration assumptions between the 2008-based and 2010-based figures. However, it is clear that the 2008-based household projections were based on a lower rate of population growth than is currently projected.

Population Trends

- 3.10 Whilst PPG identifies CLG household projections as the starting point for establishing housing need, it also recognises the need to consider sensitivity testing this data and take account of local evidence.

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 ... Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence.

Planning Practice Guidance (March 2014), ID 2a-017

Population Trends for Aylesbury Vale

^{3.11} Figure 16 shows the official population estimates for Aylesbury Vale for the period since 1981, based on Census data and ONS Mid-Year Population Estimates. The ONS Mid-Year Population Estimates were revised upwards following the 2001 Census (the estimate for mid-2010 increasing from 161,100 to 164,000) and revised downwards following the 2011 Census (mid-2010 reducing from 174,400 to 172,900 persons).

Figure 16: Aylesbury Vale official population estimates for the period 1981-2014 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

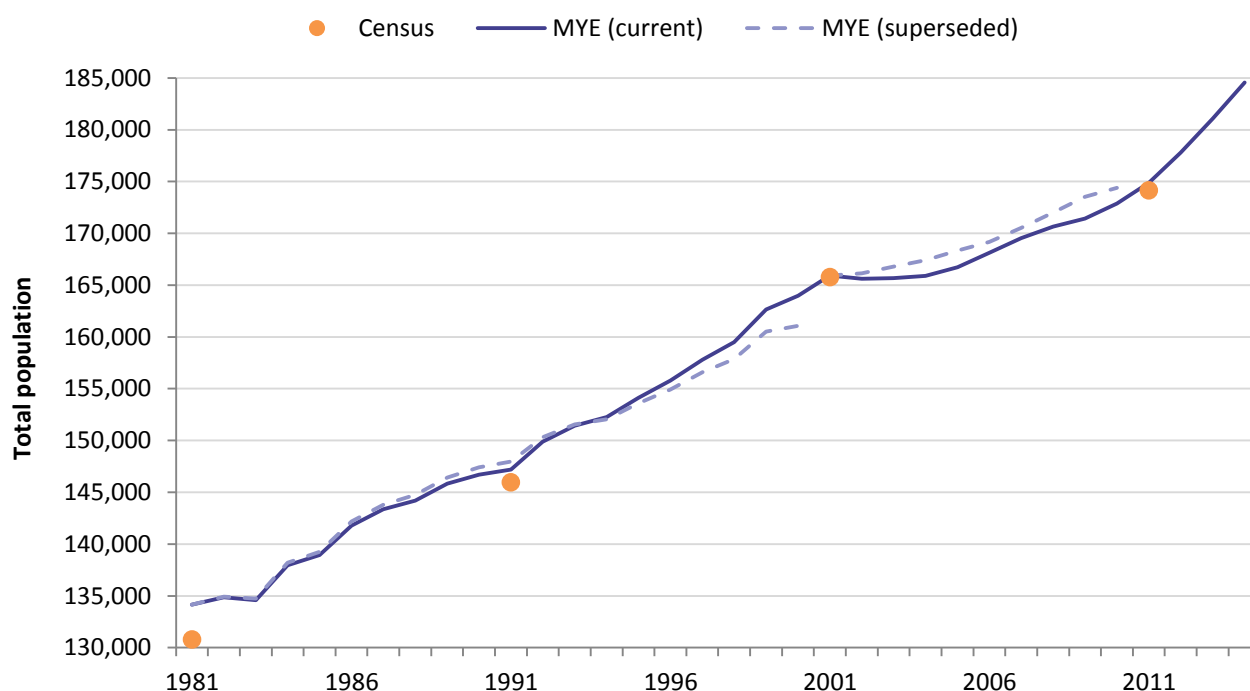
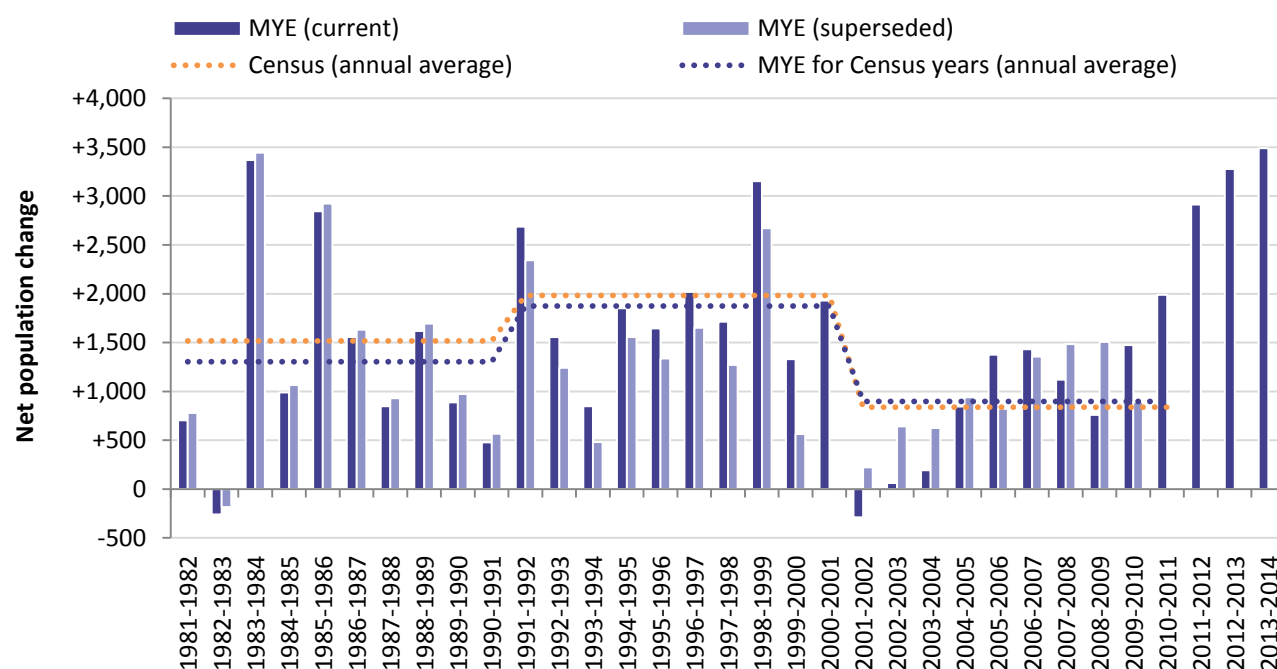


Figure 17: Aylesbury Vale annual net change in population based on official population estimates for the period 1981-2014 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

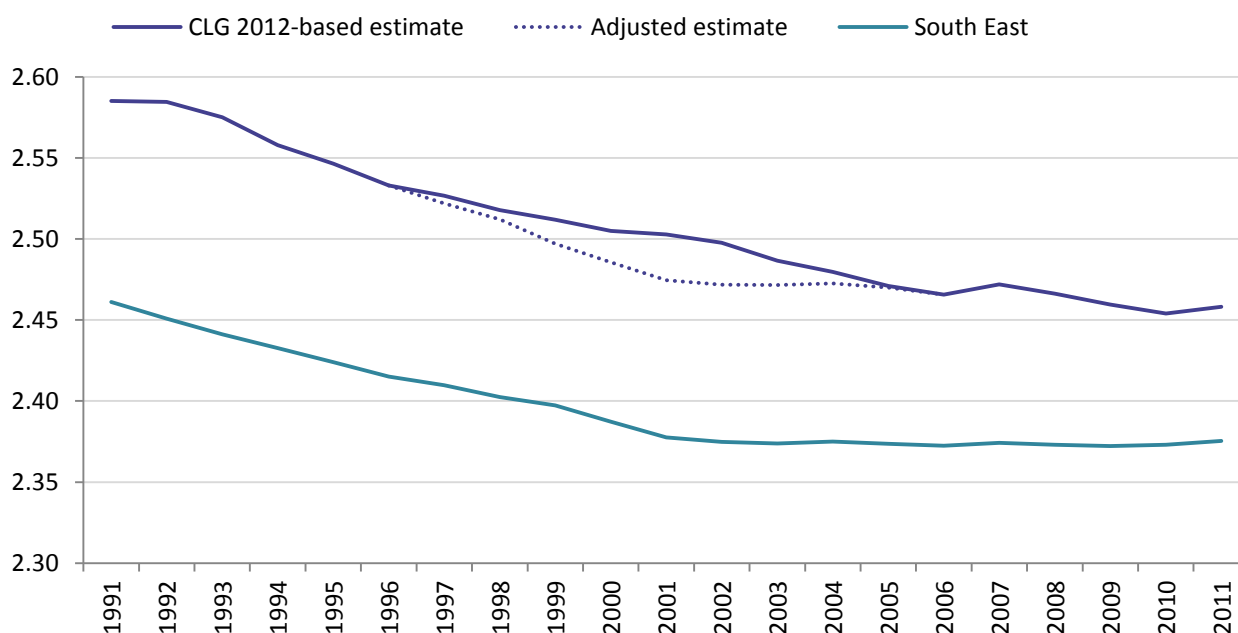


- ^{3.12} It is interesting to note that the Census data suggests that population increase averaged 1,520 persons per year from 1981-91 and 1,980 persons per year from 1991-2001; but increased by an average of only 840 persons per year from 2001-11. Nevertheless, there are methodological differences in the way in which that previous Censuses have enumerated the population (such as the way in which students were counted). The ONS Mid-Year Estimates (MYE) provide a more consistent approach over time; and the estimates for Census years are based predominantly on Census data, without any reliance on the estimates of population flows that are used when establishing the MYE in other years.
- ^{3.13} Over the period 1981-2011, the MYE has increased from 134,200 persons to 174,900 persons – an overall growth of 40,700 persons, equivalent to an average of 1,360 persons annually over the 30-year period. Growth over the initial 10-year period 1981-91 averaged 1,300 persons each year (equivalent to compound growth rate of 0.93% per annum), and the original MYE estimates suggested that annual growth averaged 1,460 persons over the period 1991-2000 (0.95% per annum).
- ^{3.14} Nevertheless, as previously noted, the ONS revised the MYE for 2010 upwards by around 2,900 persons following the 2001 Census. This was due to the 2001 Census estimating there to be 165,760 persons resident in the area, which was more than had previously been assumed. Following this revision, growth for the 10-year period 1991-2001 averaged 1,870 persons annually (equivalent to a compound rate of 1.21% per annum, which is 30% higher than the previous decade).
- ^{3.15} The MYE was revised downwards by around 1,500 persons following the 2011 Census (as fewer persons were resident in the area than the ONS had originally estimated), therefore growth for the 10-year period 2001-11 was 900 persons annually (0.53% per annum). Nevertheless, growth over the 20-year period 1991-2011 has averaged 1,380 persons annually (equivalent to a rate of 0.87%).
- ^{3.16} Given this context, we can summarise that:
- » Annual population growth was estimated to be 1,300 persons (0.93%) over the period 1981-91;
 - » Prior to the 2001 Census data being considered, annual population growth was estimated to be 1,460 persons (0.95%) from 1991-2000; and
 - » MYE data based on the 1991 and 2011 Census data suggests that annual population growth for the period 1991-2011 averaged 1,380 persons (0.87%).
- ^{3.17} These conclusions, which are not dependent on the 2001 Census estimate, are all broadly consistent and suggest relatively stable population growth over time for the area. Nevertheless, the 2001 Census implies that the rate of population growth over the decade 1991-2001 was more than double the growth experienced over the following decade 2001-2011 (1,870 cf. 900 persons per year) and there is no clear explanation for this difference.
- ^{3.18} Housing completions recorded for the two periods were largely comparable (7,500 dwellings 1991-2001 cf. 7,000 dwellings 2001-11), so it would be reasonable to expect a more even distribution of population growth over the 20-year period 1991-2011.
- ^{3.19} The 2001 Census achieved a 92.7% response rate in Aylesbury Vale and the Census Coverage Survey achieved a response rate of 89.4%. Overall, the relative confidence interval for the 2001 Census estimate was 2.0% (at the 95% confidence level) – so whilst 165,760 persons was the most statistically likely estimate, this sat in a range from 162,400 up to 169,100 persons. The MYE for 2001 was 165,900 persons, which was towards the middle of this statistical range and the most likely figure in the context of the evidence available at the time. However, had the original MYE trends continued, the population estimate

for 2001 would have been around 162,500 persons which is also within the 95% confidence interval for the Census estimate.

- 3.20 With the benefit of data from the 2011 Census, it seems likely that the uplift was unnecessary and that **the population in 2001 was around 162,500 persons; 3,400 fewer than concluded at the time.** On this basis, we can conclude that the population increase averaged 1,300 persons per year from 1981-91, and probably increased by an average of around 1,530 persons per year from 1991-2001 (notably lower than the average of 1,870 persons suggested by MYE based on 2001 Census data) and 1,240 persons per year from 2001-11 (notably higher than the MYE average of 900 persons).
- 3.21 The number of dwellings without any usual residents identified by the 2001 Census was also inconsistent with data from 1991 and 2011; in these years the rate for Aylesbury Vale was around 15% below the national average (5.0% for Aylesbury Vale cf. 6.0% for England in 1991; 3.7% cf. 4.4% respectively in 2011), but in 2001 the rate was notably different: 37% lower than the national average (2.4% for Aylesbury Vale cf. 3.9% for England). An underestimate of properties without any usual residents would lead to an overestimate of households living in the area, which in turn is likely to suggest a higher population. Based on the consistent evidence about the relative rates from the 1991 and 2011 Census, we would expect the proportion of dwellings without any usual residents in Aylesbury Vale to have been around 3.3% in 2001 (15% below the 3.9% rate for England). This would imply that **there were around 63,900 households resident in the area in 2001; 600 fewer than identified at the time.**
- 3.22 Based on the 2001 Census data, the average household size for Aylesbury Vale was estimated to be 2.50 persons at that time. This compares to an average of 2.59 persons in 1991 and 2.46 persons in 2011; which implies an overall decline in the average of 0.13 persons, with 65% of that decline over the first ten years and 35% in the later period. Reducing the population by 3,400 persons and reducing the number of households by 600 suggests that the average household size was 2.47 persons in 2001. This implies that almost all of the decline in the average was experienced over the decade 1991-2001; however this is consistent with the position for the South East where the average household size reduced from 2.46 to 2.38 over the period 1991-2001 and subsequently remained relatively stable until 2011 (Figure 18).

Figure 18: Trends in average household size for Aylesbury Vale (Source: CLG 2012-based Household Estimates)



3.23 On the basis of all of the evidence, there would appear to be substantial doubt about the reliability of the 2001 Census estimate:

- » Trends in annual population growth have generally been consistent with relatively stable growth over time, however the 2001 Census estimate does not fit with other data sources;
- » Housing completion trends were comparable for 1991-2001 and 2001-2011, which supports that a broadly even distribution of population growth was likely;
- » The number of dwellings without any usual residents in the 2001 Census was inconsistent with estimates from 1991 and 2011, suggesting fewer households lived in the area at that time;
- » Revising the estimates for population and household numbers imply a larger reduction in household sizes over the period 1991-2001, which is consistent with regional trends.

3.24 Therefore, we conclude that the population for Aylesbury Vale in 2001 was around 162,500 persons with 63,900 households living in the area. The population growth over the period 2001-11 was around 12,400 persons with a 5,600 increase in households.

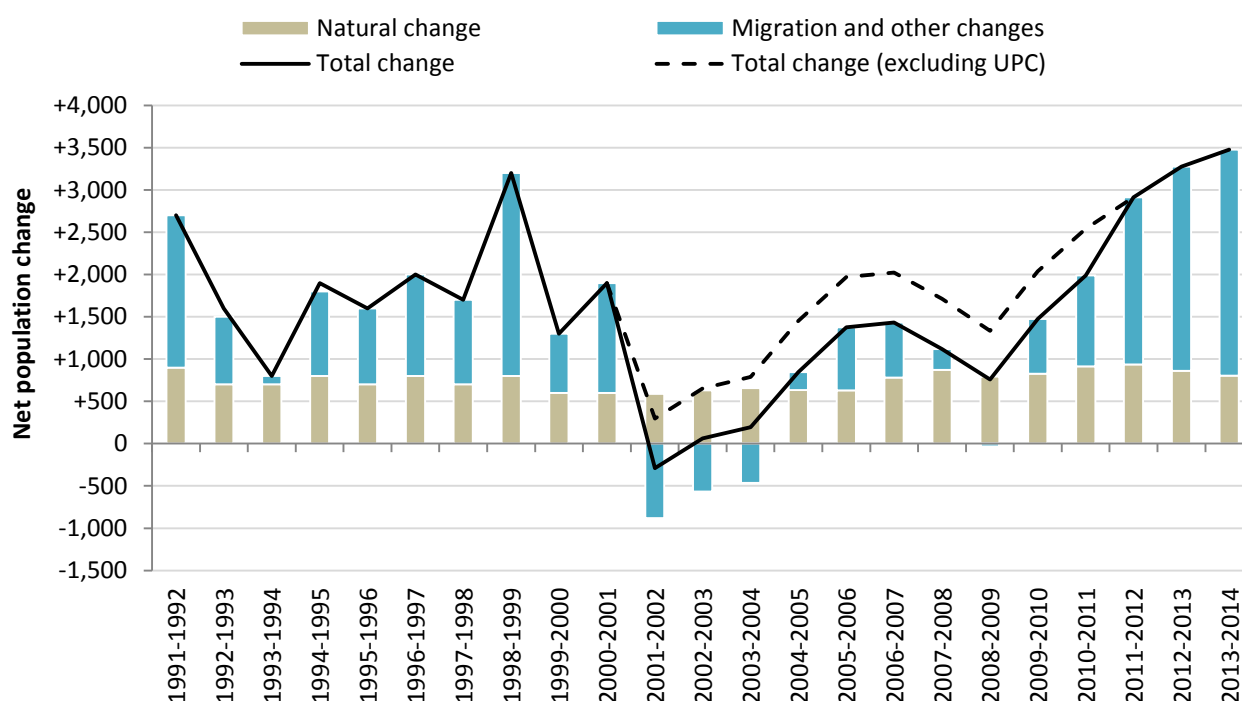
Components of Population Change

3.25 Changes in the population can be broadly classified into two categories:

- » Natural change in the population (in terms of births and deaths); and
- » Changes due to migration, both in terms of international migration and also moves within the UK.

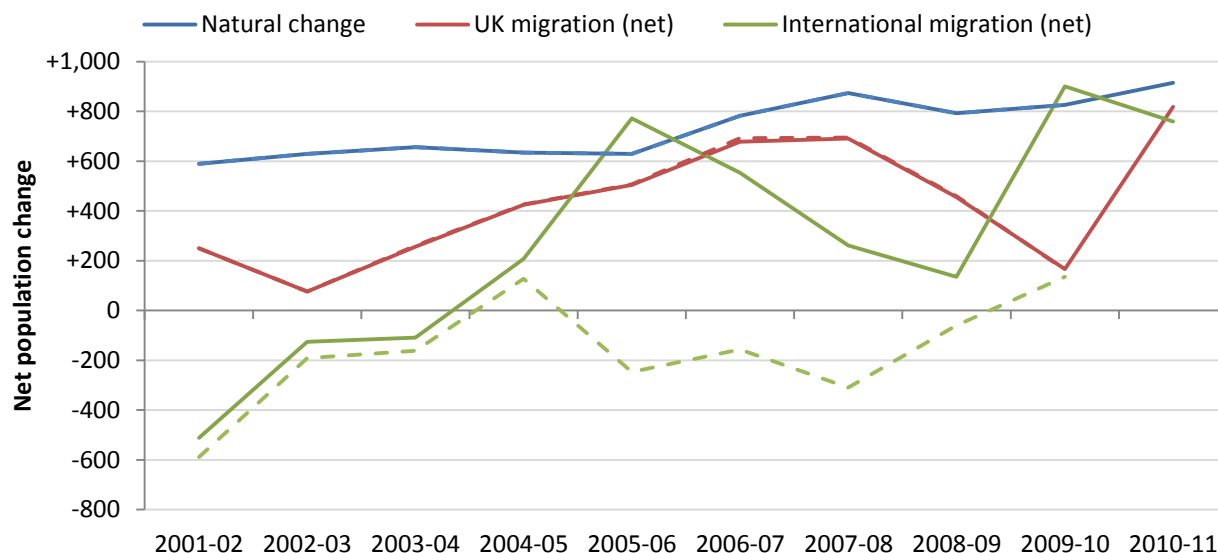
3.26 Figure 19 illustrates the annual components of change data for Aylesbury Vale, together with the total change in population recorded by the estimates. For the periods 2001-02 to 2010-11, the components of change include an “accountancy” adjustment known as “**Unattributable Population Change**” (UPC) to ensure that this data reconciles with population estimates for the two Census years. The impact of removing this adjustment is also illustrated on the chart.

Figure 19: Aylesbury Vale components of population change (Source: ONS Mid-Year Population Estimates, revised)



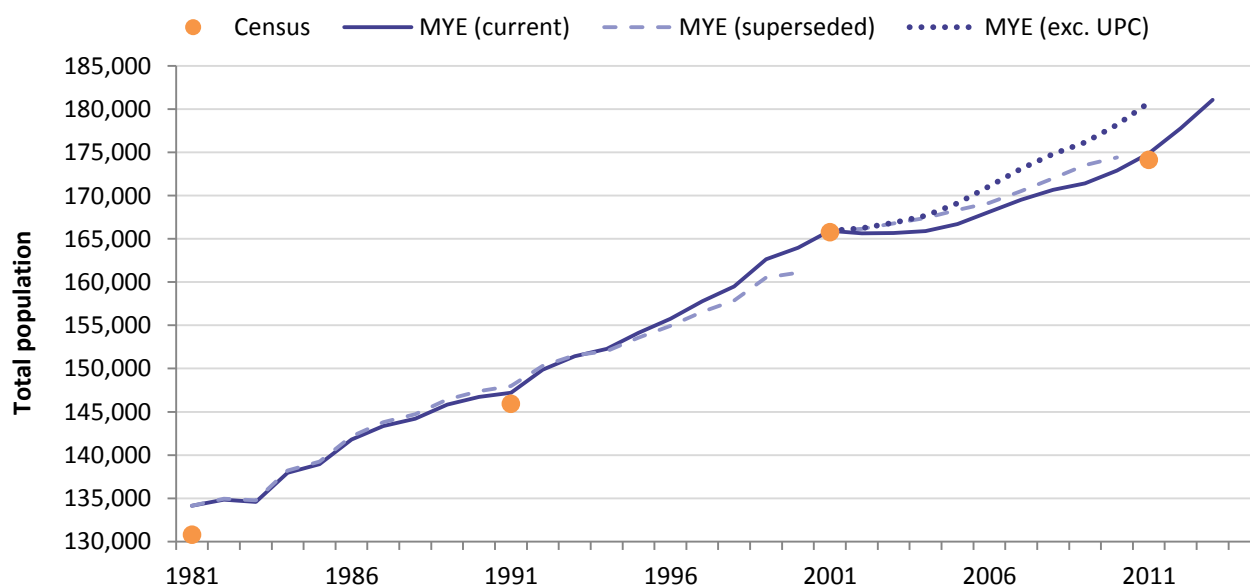
3.27 The individual components of population change are estimated by the ONS each year when deriving the MYE, however the original estimates for 2001-02 to 2009-10 were revised following the 2011 Census. Figure 20 shows these estimates for Aylesbury Vale.

Figure 20: Components of population change for Aylesbury Vale for the period 2001-2011 showing the impact of revisions following the 2011 Census (Note: Solid lines show current estimates, dashed lines show superseded estimates. Source: ONS Mid-Year Estimate Components of Change, including data since superseded)



3.28 It is evident that the estimates for natural change and UK migration did not change substantively, however international migration estimates changed marginally for the period 2001-04 and were fundamentally revised from 2005-06 onwards. The original estimates for international migration identified a net loss of around 1,400 persons over the period 2001-10 whereas the revised figures identified a gain of around 2,100 persons over the same period. This change led to an additional 3,500 persons being incorporated in the population estimate for mid-2010, which increased from 174,400 to 178,200 (Figure 21)¹⁰.

Figure 21: Official population estimates for Aylesbury Vale for the period 1981-2013 showing the impact of the adjustments to international migration (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates)



¹⁰ The remainder of the difference was due other adjustments, including changes to UK migration and prisoner and armed forces populations.

- 3.29 Applying the revised components of change data year-on-year for the 10-year period 2001-11 suggests an overall population growth of 14,815 persons; which applied to the mid-2001 population estimate of 165,920 persons suggests a population of 180,735 persons for mid-2011. However, taking account of data from the 2011 Census, the ONS population estimate for mid-2011 was actually 174,880 persons; an increase of 8,960 persons, notably lower than suggested by the component of change data.

Unattributable Population Change

- 3.30 Given that the ONS consider the population estimates in 2001 and 2011 to be more robust than the component of change data from year-to-year, an “accountancy” adjustment is factored into the components of change to correct this data and ensure that it reconciles with the population estimates for the two Census years. Therefore, in addition to the known population flows, an element of “**Unattributable Population Change**” (UPC) is included in these figures.

- 3.31 Figure 22 presents the underlying data from the components of annual population change.

Figure 22: Aylesbury Vale components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Population Estimates, revised. Note: “Other Changes” includes adjustments for prisoners, armed forces and other unattributable changes. Figures for 2001-02 onward presented unrounded for transparency, but should only be treated as accurate to the nearest 100. Figures for earlier years rounded to the nearest 100)

	Births	Deaths	Natural Change	UK Migration		International Migration		Other Change	UPC	Migration and Other Changes	Total Change
				In	Out	In	Out				
1991-92	2,200	1,200	+900	-	-	-	-	-	-	+1,800	+2,700
1992-93	2,100	1,300	+700	-	-	-	-	-	-	+800	+1,600
1993-94	2,100	1,400	+700	-	-	-	-	-	-	+100	+800
1994-95	2,100	1,300	+800	-	-	-	-	-	-	+1,000	+1,900
1995-96	2,100	1,400	+700	-	-	-	-	-	-	+900	+1,600
1996-97	2,100	1,300	+800	-	-	-	-	-	-	+1,200	+2,000
1997-98	2,000	1,300	+700	-	-	-	-	-	-	+1,000	+1,700
1998-99	2,100	1,400	+800	-	-	-	-	-	-	+2,400	+3,200
1999-00	2,000	1,300	+600	-	-	-	-	-	-	+700	+1,300
2000-01	2,000	1,400	+600	-	-	-	-	-	-	+1,300	+1,900
2001-02	1,913	1,323	+590	9,180	8,930	843	1,355	-30	-587	-879	-289
2002-03	1,945	1,315	+630	8,886	8,809	734	859	+71	-591	-568	+62
2003-04	2,010	1,353	+657	8,913	8,657	714	824	-15	-595	-464	+193
2004-05	2,027	1,392	+635	8,470	8,045	929	720	+181	-605	+210	+845
2005-06	1,962	1,333	+629	8,751	8,246	1,814	1,042	+65	-594	+748	+1,377
2006-07	2,035	1,253	+782	9,243	8,564	1,763	1,209	+9	-592	+650	+1,432
2007-08	2,170	1,296	+874	8,403	7,712	1,544	1,282	-115	-593	+245	+1,119
2008-09	2,108	1,315	+793	7,606	7,150	1,528	1,392	-49	-577	-34	+759
2009-10	2,112	1,286	+826	7,871	7,705	1,792	891	+147	-566	+648	+1,474
2010-11	2,215	1,300	+915	7,980	7,161	1,957	1,198	+50	-555	+1,073	+1,988
2011-12	2,278	1,340	+938	9,044	7,784	1,407	640	-52	-	+1,975	+2,913
2012-13	2,163	1,304	+859	9,523	7,877	1,370	661	+64	-	+2,419	+3,278
2013-14	2,163	1,360	+803	10,069	8,643	1,561	457	+143	-	+2,673	+3,476

- 3.32 It is evident that the UPC adjustment was typically a reduction of around 550-600 persons each year (a total of 5,855 persons over the 10-year period) which was needed to reconcile the component of change data with the Census population estimates for 2001 and 2011.

3.33 The ONS “Report on Unattributable Population Change” (ONS, January 2014)¹¹ notes (page 3):

“The UPC is likely to be due to a combination of sampling variability, or other issues, in the following:

- International migration estimates*
- Census estimates, both 2001 and 2011*
- Internal migration estimates (at subnational level only)”*

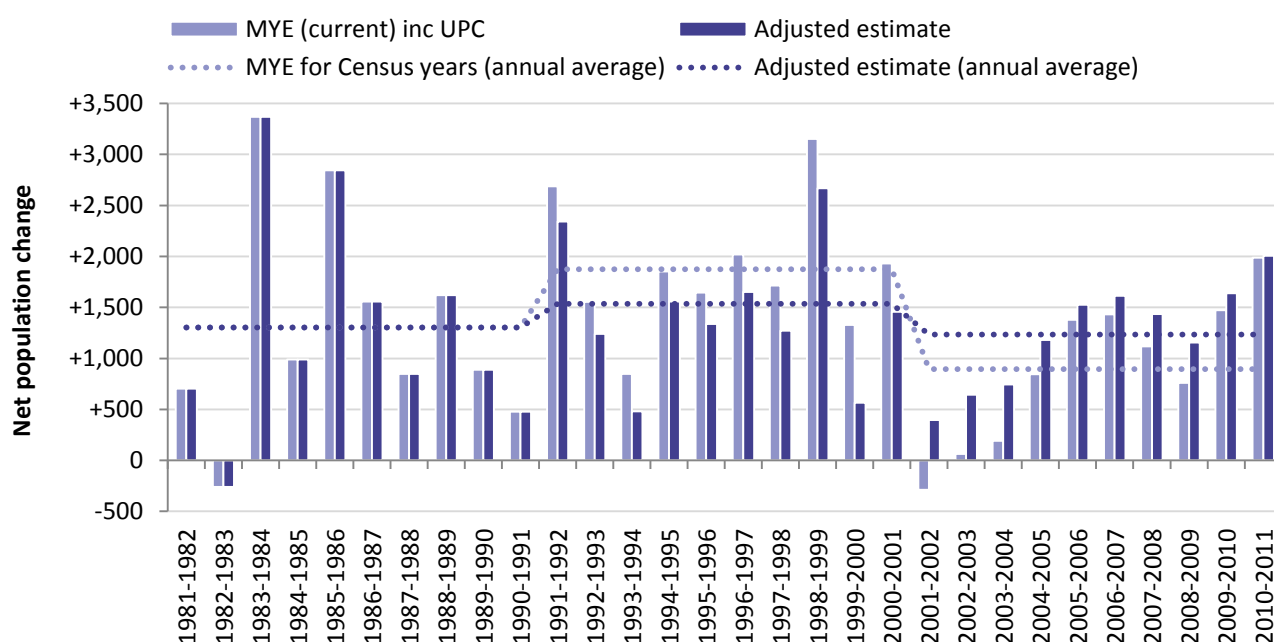
3.34 We have already established that the 2001 Census probably overstated the population for Aylesbury Vale by around 3,400 persons – but this only explains part of the UPC adjustment which totals 5,855 persons.

3.35 As previously noted, the relative confidence interval for the 2001 Census estimate for Aylesbury Vale was 2.0%, and the relative confidence interval for the 2011 Census was 0.9% (both at the 95% confidence level); so we can establish that the statistical probability for the population increasing by 14,815 people (as suggested by the component of change data) is less than 1%. **Therefore, we are more than 99% confident that the component of population change data from the revised ONS mid-year estimates overestimates population growth for Aylesbury Vale.**

3.36 Based on the previous analysis of the 2001 Census, we concluded that the population growth over the period 2001-11 was likely to be around 12,400 persons; around 2,400 persons fewer than suggested by the growth of 14,815 persons based on the component of change data – so even when adjustments to the 2001 Census estimates are considered, the component of change data continues to overestimate actual population growth based on the ONS’ new approach for estimating international migration.

3.37 Figure 23 sets out adjusted estimates of population change based on the range of available data. For the period 1991-2001 the estimates are based on the superseded ONS estimates (rolled forward for 2010-11); and for the period 2001-11, the estimates are based on current ONS estimates (excluding UPC) adjusted to match the overall population growth of around 12,400 persons.

Figure 23: Aylesbury Vale annual net change in population based on official population estimates and adjusted estimates for the period 1981-2011 (Source: ONS Mid-Year Estimates, Buckinghamshire HEDNA)



¹¹ <http://www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/consultations/consultation-on-the-2012-based-subnational-population-projections-for-england/snpp-consult-upc.pdf>

Mid-Year Estimates since 2011

- 3.38 Figure 17 showed that the net population change in the component of change data for 2011-12, 2012-13 and 2013-14 are all notably higher than in previous years. It is important to recognise that “unattributable change” isn’t factored in for any of these periods, as this would only be incorporated once data is published from the 2021 Census – but given the scale of adjustment required post the 2011 Census, it is important to consider whether or not the flow data that is recorded for this period may be continuing to overstate the actual level of population increase.
- 3.39 Alongside the Mid-Year Estimates published in mid-2013 and mid-2014, the ONS published quality assurance packs which provide a range of comparative data from administrative sources. Whilst this administrative data does not provide a direct estimate of population, it provides a useful triangulation point. Figure 24 shows the mid-2011 and mid-2014 population estimates together with the administrative data for the same years across the relevant age cohorts.

Figure 24: Mid-Year Population Estimates and Administrative Data 2011 and 2014 for Aylesbury Vale (Source: ONS)

Age	Mid-Year Estimate		Patient Register		School Census		State pension (aged 65+)	
	2011	2014	2011	2014	2011	2014	2011	2014
Aged 0 - 4	11,370	12,070	10,900	11,550	-	-	-	-
Aged 5 - 9	10,640	12,050	10,630	11,620	9,810	10,790	-	-
Aged 10 - 14	11,250	11,100	11,370	11,110	10,050	9,810	-	-
Aged 15 - 19	11,060	11,420	11,240	11,270	-	-	-	-
Aged 20 - 24	8,790	9,460	9,440	9,980	-	-	-	-
Aged 25 - 29	9,870	10,760	10,320	10,500	-	-	-	-
Aged 30 - 34	10,930	11,410	10,940	11,210	-	-	-	-
Aged 35 - 39	12,030	11,980	12,480	11,640	-	-	-	-
Aged 40 - 44	14,100	13,700	14,660	13,820	-	-	-	-
Aged 45 - 49	14,560	14,880	15,090	15,240	-	-	-	-
Aged 50 - 54	12,690	13,930	12,890	14,190	-	-	-	-
Aged 55 - 59	10,520	11,590	10,860	11,810	-	-	-	-
Aged 60 - 64	10,770	10,050	11,040	10,200	-	-	-	-
Aged 65 - 69	8,080	10,000	8,200	10,170	-	-	7,870	9,530
Aged 70 - 74	6,220	6,970	6,340	7,070	-	-	6,110	6,970
Aged 75 - 79	4,980	5,530	4,930	5,510	-	-	4,900	5,440
Aged 80 - 84	3,620	3,820	3,550	3,800	-	-	3,520	3,760
Aged 85+	3,410	3,860	3,310	3,720	-	-	3,380	3,740
TOTAL	174,890	184,580	178,190	184,410	19,860	20,600	25,780	29,440
Increase 2011-14	+9,690		+6,220		+740		+3,660	
MYE Total for same age cohorts	174,890	184,580	174,890	184,580	21,890	23,150	26,310	30,180
Increase 2011-14	+9,690		+9,690		+1,260		+3,870	
Difference between MYE and admin data	-		+3,470		+520		+210	

- 3.40 In summary, over the 3-year period 2011-14:

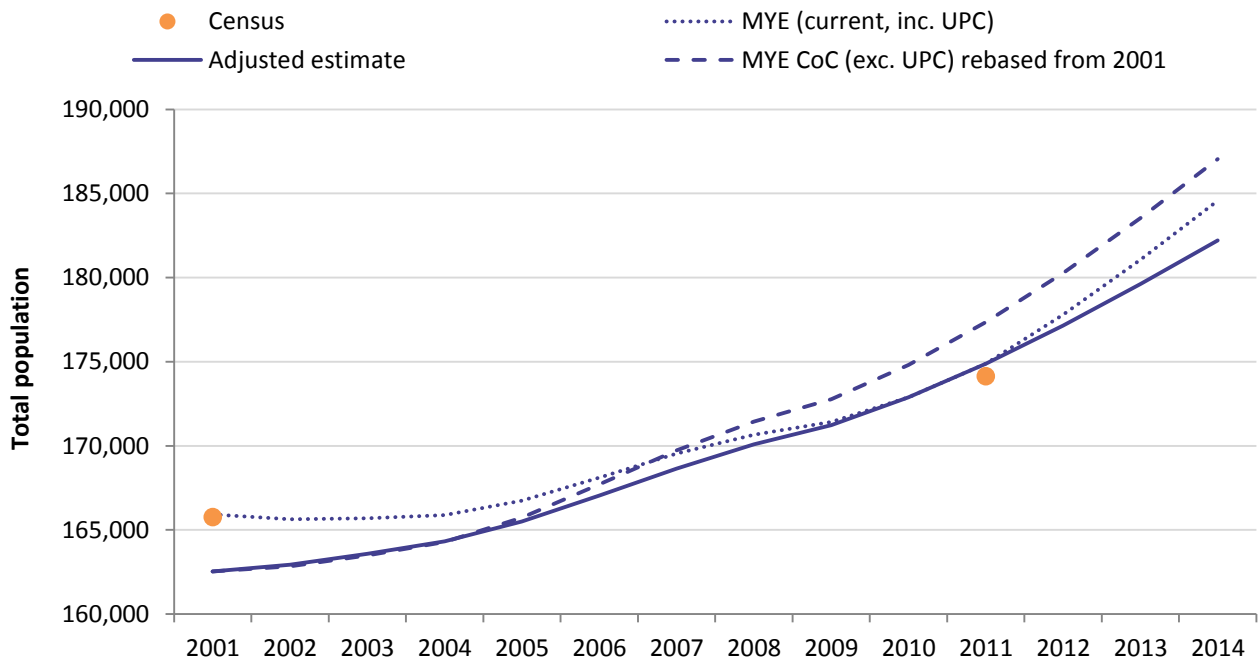
- » The mid-year estimates suggest a population increase of 9,690 persons, which is **3,470 higher** than the 6,220 increase recorded on the NHS patient register – a difference of 1,160 persons on average each year;

- » The mid-year estimates suggest an increase of 1,260 children aged 5-14, which is **520 higher** than the 740 increase on the school census; and
- » The mid-year estimates suggest an increase of 3,870 people aged 65 or over, which is **210 higher** than the 3,660 increase in people aged 65+ receiving state pension.

- 3.41 It is evident that all of the administrative data sources that ONS identified for validating the population estimates suggest that the population is increasing slower than suggested by the estimates for the period mid-2011 to mid-2014, especially for those younger age groups that are particularly impacted by migration. It appears that the methodological improvement to estimating migration that the ONS introduced from 2004-05 onwards has created a systematic problem in Aylesbury Vale which has persisted beyond 2011, and it therefore isn't appropriate to adopt this data uncritically.
- 3.42 It is important to recognise that there has been no change in the ONS methodology for establishing the MYE since the mid-2011 estimates were produced – so any systematic error that existed at that time will continue to impact on more recent estimates, and therefore cannot be ignored. Whilst the ONS will not have a robust basis for correcting this data until the results of the 2021 Census are available (and therefore no correction can yet be made), it is apparent that corrections made to the mid-2011 estimates should also be applied to the data for more recent years unless the underlying issues can be addressed through changes to the methodology.
- 3.43 The administrative data clearly justifies the continued need for an adjustment, and the correction that the ONS applied to data for the period 2001-11 was an average reduction of 586 persons per year – however this addressed issues associated with the 2001 Census as well as errors in the component of change data. Insofar as the systematic problems are associated with migration, it is important to consider this element of the data independently. Based on an overall population growth of around 12,400 persons over the period 2001-11 of which 7,331 was associated with natural change (i.e. births minus deaths), we can conclude that net migration accounted for around 5,000 extra persons over the 10-year period. The component of change flows suggested that migration contributed 7,484 persons during this period, around 50% higher than the corrected estimate.
- 3.44 It is therefore appropriate to apply comparable adjustments to the 2011-12, 2012-13 and 2013-14 migration flow estimates. These adjustments suggest that the population increased by 7,339 persons over the period 2011-14. Whilst this is around 25% lower than the increase of 9,690 persons suggested by the official estimates for the period, it remains higher than the increase of 6,220 persons indicated by the patient register and therefore may still overstate the actual population growth.

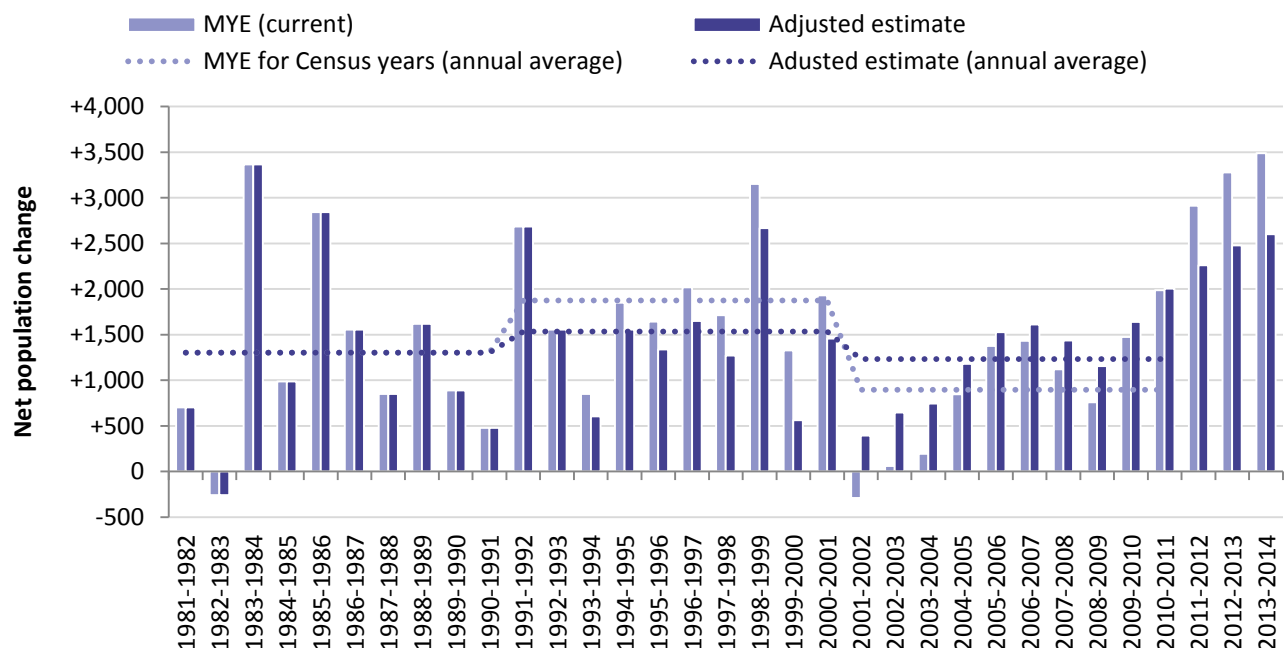
Adjusted Population Estimates

- 3.45 Figure 25 shows the combined impact of these adjustments on the population trends for the period since 2001. It is evident that the population starts from a lower base in 2001 and increases at a rate much faster than suggested by the current MYE for the period 2001-11 (which incorporates UPC) but at a rate slower than suggested by MYE for the period 2011-12 onwards (which does not incorporate any UPC). This is due to part of the UPC adjustment addressing systematic problems with migration flow estimates.
- 3.46 The adjusted population estimate is in line with the ONS component of change data over the period to 2004, however when the revised approach for estimating international migration is introduced (from 2004-05 onwards) the ONS estimate yields a higher growth trajectory which is inconsistent with 2011 Census data. The adjusted population estimate takes account of this, and reconciles the trajectory with the Census and more recent administrative data.

Figure 25: Adjusted population estimates for Aylesbury Vale the period 1981-2014 (Source: Buckinghamshire HEDNA)

^{3.47} Figure 26 compares the net population change each year based on the current MYE and the adjusted estimates. Whilst the period 2001-04 represented net population decline in the current MYE (a loss of 30 persons) now shows a population growth of 1,790 persons in the adjusted estimate. This largely offsets a reduction in the net population growth suggested by the MYE for 1998-2001, where the impact of the adjusted estimate is to reduce the estimated growth for this 3-year period from 6,410 to 4,690 persons.

^{3.48} Whilst the evidence demonstrates that the population growth suggested by more recent official estimates is likely to be overestimated, it remains likely that growth has steadily increased year-on-year over the period since 2008-09, which is consistent with higher levels of housebuilding.

Figure 26: Aylesbury Vale annual net change in population based on adjusted population estimates for the period 1981-2014 (Source: Buckinghamshire HEDNA)

Population Trends for Chiltern

3.49 Figure 37 shows the current and historic mid-year **population** estimates and Census estimates for Chiltern over the period since 1981. The Census data suggests that the local authority's population did not change significantly over the 1980s and 1990s. ONS Mid-Year Estimates for the period since 2001 originally estimated a period of slow population growth after the 2001 Census (Figure 27) but the 2011 Census identified a larger population than had previously been estimated. In the light of the Census data, the estimates were marginally revised – but this adjustment averaged around 100 persons annually, so is far less significant than the change in Aylesbury Vale and doesn't require the same level of further analysis.

Figure 27: Chiltern official population estimates for the period 1981-2014 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

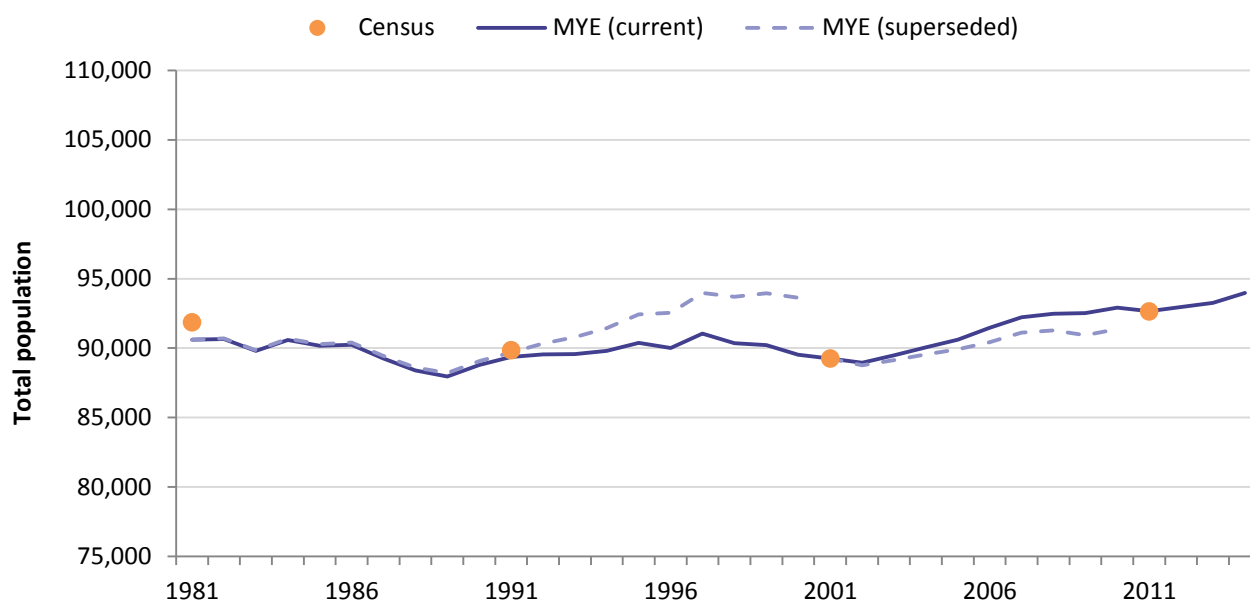
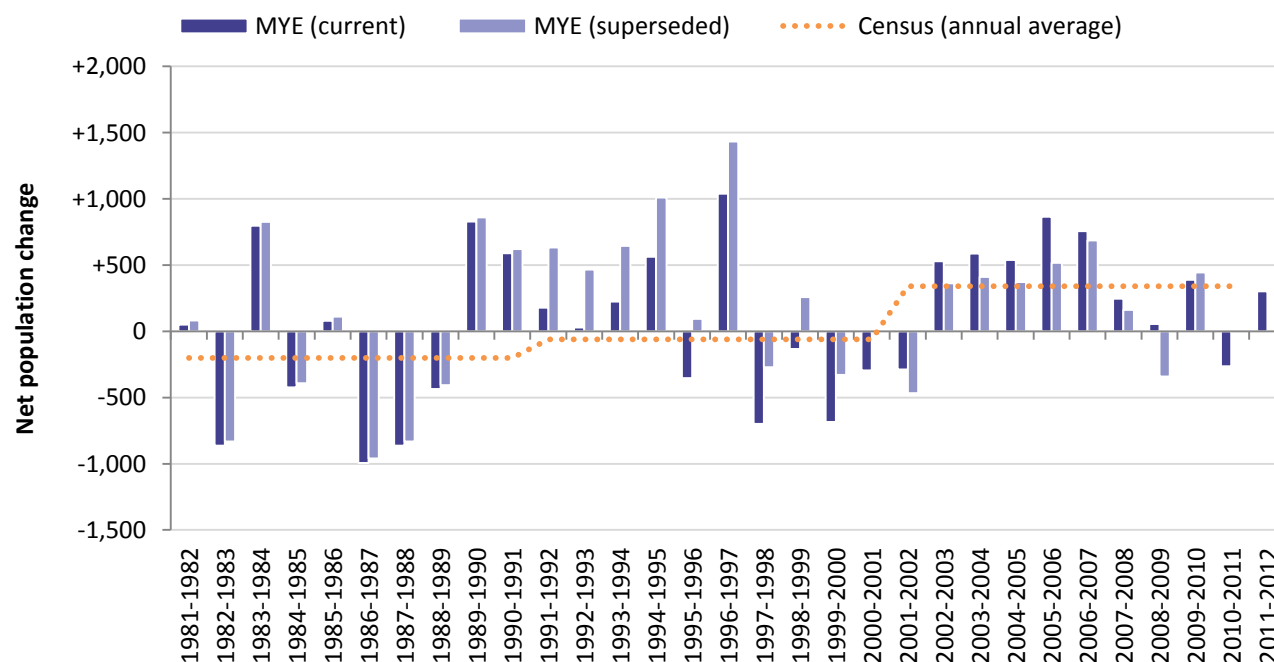


Figure 28: Chiltern annual net change in population based on official population estimates for the period 1981-2012 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



Components of Population Change

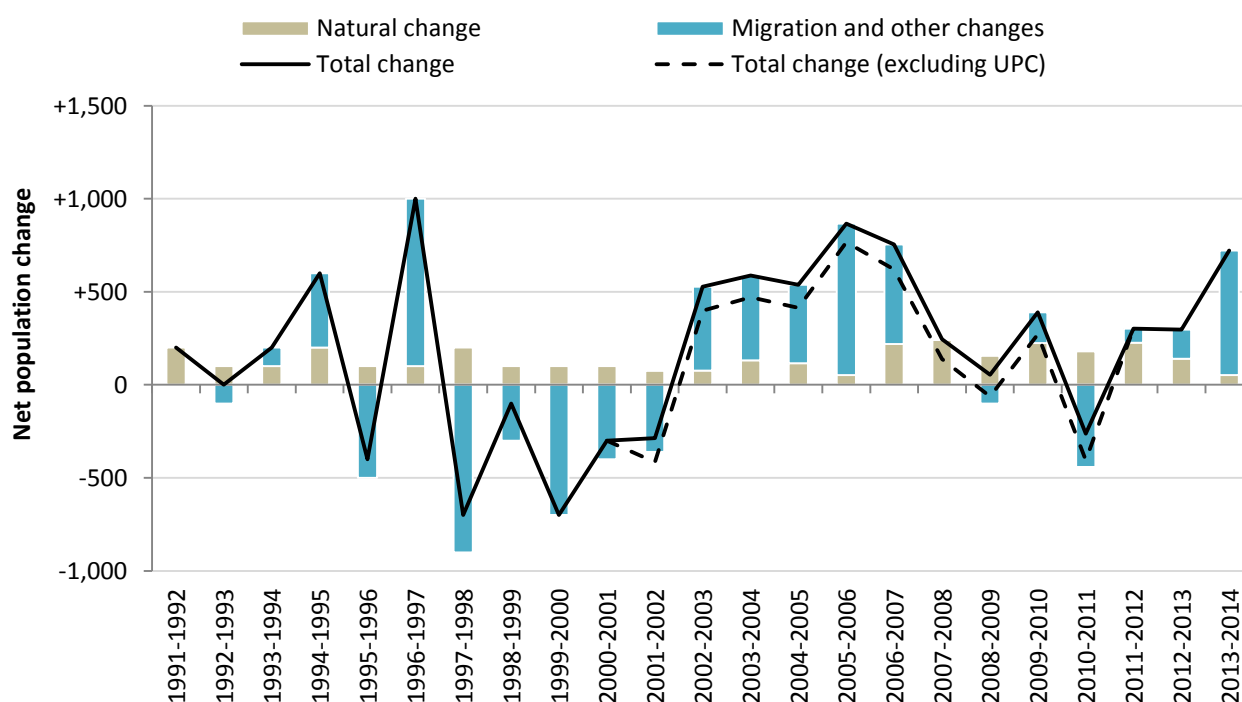
^{3.50} Changes in the population can be broadly classified into two categories:

- » Natural change in the population (in terms of births and deaths); and
- » Changes due to migration, both in terms of international migration and also moves within the UK.

^{3.51} Figure 29 illustrates the annual components of change data for Chiltern, together with the total change in population recorded by the estimates. For the periods 2001-02 to 2010-11, the components of change include an “accountancy” adjustment known as “**Unattributable Population Change**” (UPC) to ensure that this data reconciles with population estimates for the two Census years. The marginal impact of removing this adjustment is also illustrated on the chart.

^{3.52} It is apparent that natural change remained relatively consistent over the entire period, averaging a gain of 140 persons each year. Migration and other changes vary much more – ranging from a net loss of 900 persons recorded for 1997-98, up to a net gain of around 900 persons recorded for 1996-97 (based on ONS Mid-Year Population Estimates).

Figure 29: Chiltern components of population change (Source: ONS Mid-Year Population Estimates, revised)



^{3.53} Figure 30 presents the underlying data from the components of annual population change over the period 1991 to 2014.

Figure 30: Chiltern components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Population Estimates, revised. Note: “Other Changes” includes adjustments for prisoners, armed forces and other unattributable changes. Figures for 2001-02 onward presented unrounded for transparency, but should only be treated as accurate to the nearest 100. Figures for earlier years rounded to the nearest 100)

	Births	Deaths	Natural Change	UK Migration		International Migration		Other Change	UPC	Migration and Other Changes	Total Change
				In	Out	In	Out				
1991-92	1,000	900	+200	-	-	-	-	-	-	0	+200
1992-93	1,000	800	+100	-	-	-	-	-	-	-100	0
1993-94	1,000	900	+100	-	-	-	-	-	-	+100	+200
1994-95	1,000	800	+200	-	-	-	-	-	-	+400	+600
1995-96	900	800	+100	-	-	-	-	-	-	-500	-400
1996-97	1,000	900	+100	-	-	-	-	-	-	+900	+1,000
1997-98	1,000	800	+200	-	-	-	-	-	-	-900	-700
1998-99	1,000	900	+100	-	-	-	-	-	-	-300	-100
1999-00	1,000	900	+100	-	-	-	-	-	-	-700	-700
2000-01	900	800	+100	-	-	-	-	-	-	-400	-300
2001-02	882	808	+74	5,315	5,432	617	936	-54	+129	-361	-287
2002-03	922	846	+76	5,559	5,484	793	547	+1	+130	+452	+528
2003-04	943	812	+131	5,473	5,314	701	511	-11	+118	+457	+588
2004-05	875	759	+116	5,310	5,184	561	387	-4	+125	+422	+538
2005-06	895	842	+53	5,915	5,364	672	505	-6	+100	+813	+866
2006-07	974	754	+220	6,087	5,651	510	538	-7	+134	+535	+755
2007-08	997	756	+241	5,231	5,290	480	517	-8	+106	+4	+245
2008-09	904	748	+156	4,764	4,909	425	494	-4	+117	-101	+55
2009-10	973	748	+225	5,144	5,078	307	330	+3	+118	+164	+389
2010-11	965	786	+179	4,800	5,178	379	593	+7	+143	-442	-263
2011-12	943	716	+227	5,297	5,089	317	466	+16	-	+75	+302
2012-13	854	713	+141	5,474	5,159	306	472	+6	-	+155	+296
2013-14	866	813	+53	5,755	5,196	386	280	+4	-	+669	+722

Mid-Year Estimates since 2011

- ^{3.54} Alongside the Mid-Year Estimates published in mid-2013 and mid-2014, the ONS published quality assurance packs which provide a range of comparative data from administrative sources. Whilst this administrative data does not provide a direct estimate of population, it provides a useful triangulation point. Figure 31 shows the mid-2011 and mid-2014 population estimates together with the administrative data for the same years across the relevant age cohorts.

Figure 31: Mid-Year Population Estimates and Administrative Data 2011 and 2014 for Chiltern (Source: ONS)

Age	Mid-Year Estimate		Patient Register		School Census		State pension (aged 65+)	
	2011	2014	2011	2014	2011	2014	2011	2014
Aged 0 - 4	5,490	5,400	5,320	5,220	-	-	-	-
Aged 5 - 9	5,810	6,250	5,970	6,120	4,720	4,920	-	-
Aged 10 - 14	6,350	6,290	6,450	6,340	5,200	5,090	-	-
Aged 15 - 19	5,690	5,680	5,790	5,870	-	-	-	-
Aged 20 - 24	3,710	3,810	4,410	4,650	-	-	-	-
Aged 25 - 29	3,640	3,650	4,400	4,480	-	-	-	-
Aged 30 - 34	4,370	4,020	5,080	4,780	-	-	-	-
Aged 35 - 39	5,630	5,470	6,130	5,830	-	-	-	-
Aged 40 - 44	6,980	6,830	7,580	7,250	-	-	-	-
Aged 45 - 49	7,760	7,500	8,330	7,910	-	-	-	-
Aged 50 - 54	7,110	7,500	7,350	7,880	-	-	-	-
Aged 55 - 59	5,830	6,420	6,050	6,640	-	-	-	-
Aged 60 - 64	6,180	5,350	6,500	5,550	-	-	-	-
Aged 65 - 69	5,250	5,820	5,300	5,980	-	-	5,120	5,500
Aged 70 - 74	4,160	4,470	4,180	4,540	-	-	4,040	4,460
Aged 75 - 79	3,590	3,890	3,560	3,800	-	-	3,510	3,740
Aged 80 - 84	2,580	2,810	2,570	2,770	-	-	2,590	2,770
Aged 85+	2,540	2,820	2,440	2,730	-	-	2,540	2,760
TOTAL	92,670	93,980	97,410	98,340	9,920	10,010	17,800	19,230
Increase 2011-14	1,310		930		90		1,430	
MYE Total for same age cohorts	92,670	93,980	92,670	93,980	12,160	12,540	18,120	19,810
Increase 2011-14	1,310		1,310		380		1,690	
Difference between MYE and admin data	-		+380		+290		+260	

- ^{3.55} It is evident that the administrative data sources that ONS identified for validating the population estimates suggest that the population is increasing at a comparable rate to the population estimates for the period mid-2011 to mid-2014. Whilst the growth in population aged 5-14 is perhaps higher than would be expected based on both the school census and patient register data for the relevant age cohorts, on the whole the Mid-Year Estimates for Chiltern published since 2011 appear reasonable.

Population Trends for South Bucks

^{3.56} Figure 37 shows the current and historic mid-year **population** estimates and Census estimates for South Bucks over the period since 1981. The Census data suggests that the local authority's population did not change significantly over the 1980s and 1990s. ONS Mid-Year Estimates for the period since 2001 estimated a period of slow population growth after the 2001 Census (Figure 27) which was broadly consistent with the population estimate based on the 2011 Census. In the light of the Census data, the estimates were marginally revised – but this adjustment averaged less than 100 persons annually, marginally less than the adjustment needed in Chiltern.

Figure 32: South Bucks official population estimates for the period 1981-2014 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

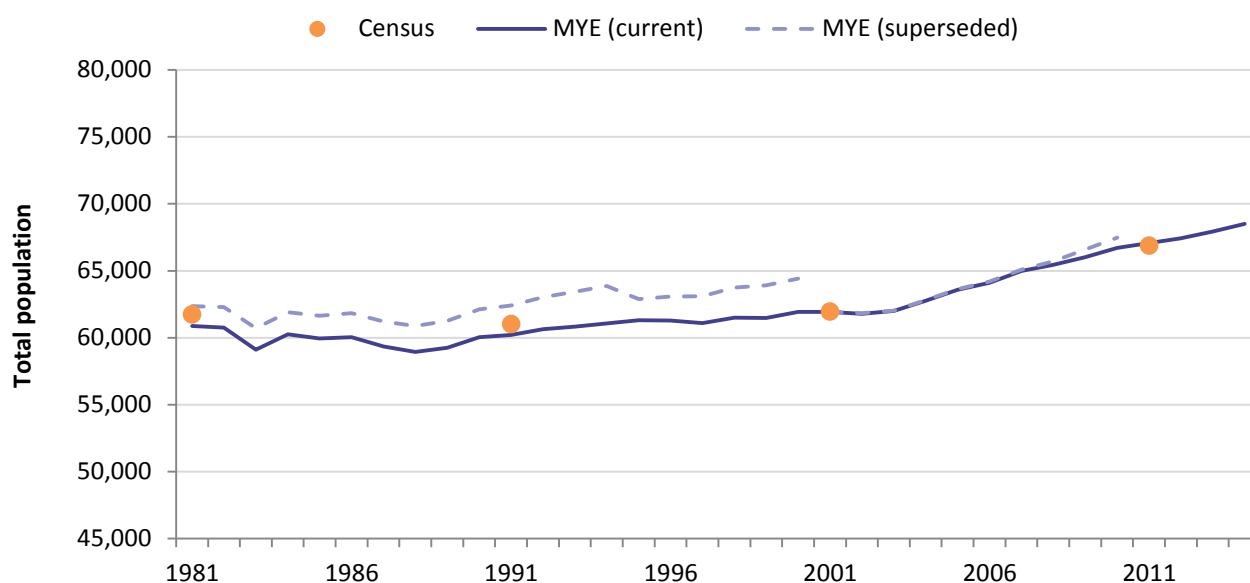
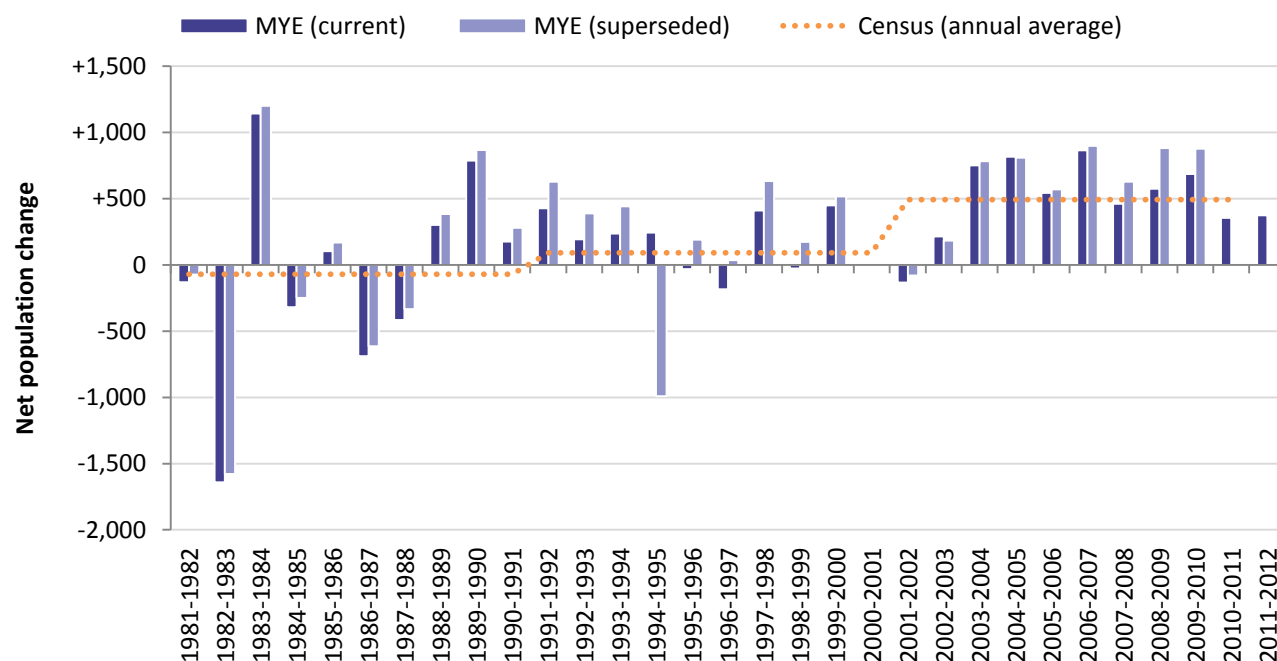


Figure 33: South Bucks annual net change in population based on official population estimates for the period 1981-2012 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



Components of Population Change

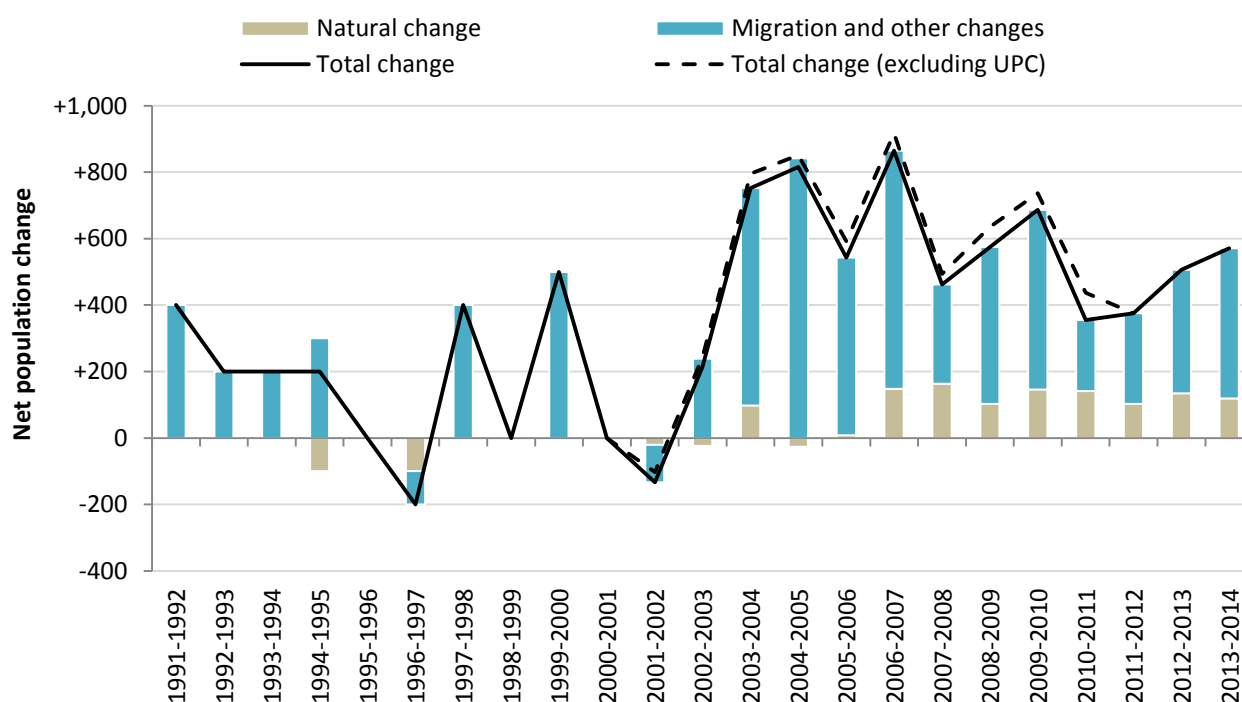
3.57 Changes in the population can be broadly classified into two categories:

- » Natural change in the population (in terms of births and deaths); and
- » Changes due to migration, both in terms of international migration and also moves within the UK.

3.58 Figure 29 illustrates the annual components of change data for South Bucks, together with the total change in population recorded by the estimates. For the periods 2001-02 to 2010-11, the components of change include an “accountancy” adjustment known as “**Unattributable Population Change**” (UPC) to ensure that this data reconciles with population estimates for the two Census years. The marginal impact of removing this adjustment is also illustrated on the chart.

3.59 It is apparent that natural change has remained relatively consistent since around 2006, averaging a gain of 140 persons each year. Migration and other changes vary much more – ranging from a net loss of around 100 persons recorded for 2001-02, up to a net gain of over 800 persons recorded for 2004-05 (based on ONS Mid-Year Population Estimates).

Figure 34: South Bucks components of population change (Source: ONS Mid-Year Population Estimates, revised)



^{3.60} Figure 30 presents the underlying data from the components of annual population change over the period 1991 to 2014.

Figure 35: South Bucks components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Population Estimates, revised. Note: “Other Changes” includes adjustments for prisoners, armed forces and other unattributable changes. Figures for 2001-02 onward presented unrounded for transparency, but should only be treated as accurate to the nearest 100. Figures for earlier years rounded to the nearest 100)

	Births	Deaths	Natural Change	UK Migration		International Migration		Other Change	UPC	Migration and Other Changes	Total Change
				In	Out	In	Out				
1991-92	700	700	0	-	-	-	-	-	-	+400	+400
1992-93	700	700	0	-	-	-	-	-	-	+200	+200
1993-94	700	700	0	-	-	-	-	-	-	+200	+200
1994-95	700	700	0	-	-	-	-	-	-	+300	+200
1995-96	700	700	0	-	-	-	-	-	-	0	0
1996-97	700	700	0	-	-	-	-	-	-	-100	-200
1997-98	600	600	0	-	-	-	-	-	-	+400	+400
1998-99	700	700	0	-	-	-	-	-	-	0	0
1999-00	700	700	0	-	-	-	-	-	-	+500	+500
2000-01	600	600	0	-	-	-	-	-	-	0	0
2001-02	617	638	-21	4153	4324	452	391	+28	-30	-112	-133
2002-03	620	644	-24	4262	4423	655	250	+24	-29	+239	+215
2003-04	677	579	+98	4614	4385	758	221	-68	-44	+654	+752
2004-05	625	651	-26	4530	4222	727	145	-13	-35	+842	+816
2005-06	598	590	+8	4634	4379	572	237	-6	-49	+535	+543
2006-07	709	561	+148	5115	4552	517	299	-12	-52	+717	+865
2007-08	705	542	+163	4525	4250	456	399	-1	-32	+299	+462
2008-09	691	588	+103	4417	3785	393	478	-14	-61	+472	+575
2009-10	734	588	+146	4764	4082	364	452	-3	-50	+541	+687
2010-11	716	575	+141	4383	4061	415	449	+8	-82	+214	+355
2011-12	732	629	+103	4621	4188	342	496	-7	-	+272	+375
2012-13	780	646	+134	4888	4326	321	494	-17	-	+372	+506
2013-14	703	584	+119	4,996	4,581	399	325	-37	-	+452	+571

Mid-Year Estimates since 2011

^{3.61} Alongside the Mid-Year Estimates published in mid-2013 and mid-2014, the ONS published quality assurance packs which provide a range of comparative data from administrative sources. Whilst this administrative data does not provide a direct estimate of population, it provides a useful triangulation point. Figure 31 shows the mid-2011 and mid-2014 population estimates together with the administrative data for the same years across the relevant age cohorts.

Figure 36: Mid-Year Population Estimates and Administrative Data 2011 and 2014 for South Bucks (Source: ONS)

Age	Mid-Year Estimate		Patient Register		School Census		State pension (aged 65+)	
	2011	2014	2011	2014	2011	2014	2011	2014
Aged 0 - 4	3,957	4,017	3,880	3,960	-	-	-	-
Aged 5 - 9	3,854	4,299	3,960	4,240	3,030	3,320	-	-
Aged 10 - 14	4,071	4,000	4,200	4,050	3,210	3,100	-	-
Aged 15 - 19	3,963	3,716	4,130	3,890	-	-	-	-
Aged 20 - 24	3,107	2,980	3,440	3,650	-	-	-	-
Aged 25 - 29	3,419	3,553	3,740	3,970	-	-	-	-
Aged 30 - 34	3,499	3,656	3,770	4,090	-	-	-	-
Aged 35 - 39	4,013	3,897	4,490	4,260	-	-	-	-
Aged 40 - 44	5,165	4,712	5,590	5,060	-	-	-	-
Aged 45 - 49	5,408	5,513	5,780	5,820	-	-	-	-
Aged 50 - 54	5,037	5,339	5,230	5,520	-	-	-	-
Aged 55 - 59	4,242	4,601	4,460	4,690	-	-	-	-
Aged 60 - 64	4,249	3,961	4,450	4,070	-	-	-	-
Aged 65 - 69	3,528	3,999	3,540	4,120	-	-	3,330	3,720
Aged 70 - 74	3,066	3,115	3,120	3,140	-	-	2,950	2,990
Aged 75 - 79	2,522	2,769	2,480	2,740	-	-	2,450	2,680
Aged 80 - 84	2,022	2,147	1,970	2,110	-	-	1,960	2,070
Aged 85+	1,938	2,238	1,900	2,170	-	-	1,850	2,140
TOTAL	67,060	68,512	70,130	71,550	6,240	6,420	12,540	13,600
Increase 2011-14	1,452		1,420		180		1,060	
MYE Total for same age cohorts	67,060	68,512	67,060	68,512	7,925	8,299	13,076	14,268
Increase 2011-14	1,452		1,452		374		1,192	
Difference between MYE and admin data	-		32		194		132	

^{3.62} It is evident that the administrative data sources that ONS identified for validating the population estimates suggest that the population is increasing at a comparable rate to the population estimates for the period mid-2011 to mid-2014. Whilst the growth in population aged 5-14 is perhaps higher than would be expected based on the school census data, on the whole the Mid-Year Estimates for South Bucks published since 2011 appear reasonable.

Population Trends for Wycombe

^{3.63} Figure 37 shows the current and historic mid-year **population** estimates and Census estimates for Wycombe over the period since 1981. The data shows that the local authority's population increased more rapidly over the decade 2001-11 than over the previous 20-years. The 2011 Census recorded the population at 127,100 which was much higher than ONS MYE figures for previous years. The explanation for this discrepancy was much higher rates of international migration to the authority than had previously been assumed, which was confirmed by Census data about the number of residents born overseas.

Figure 37: Wycombe official population estimates for the period 1981-2014 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

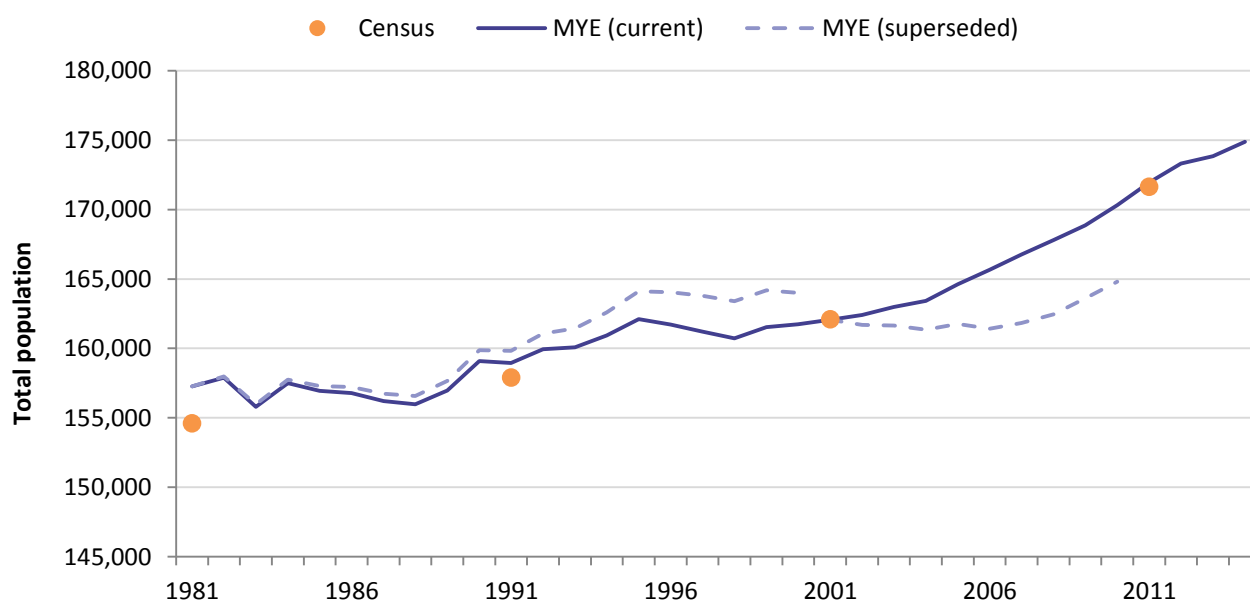
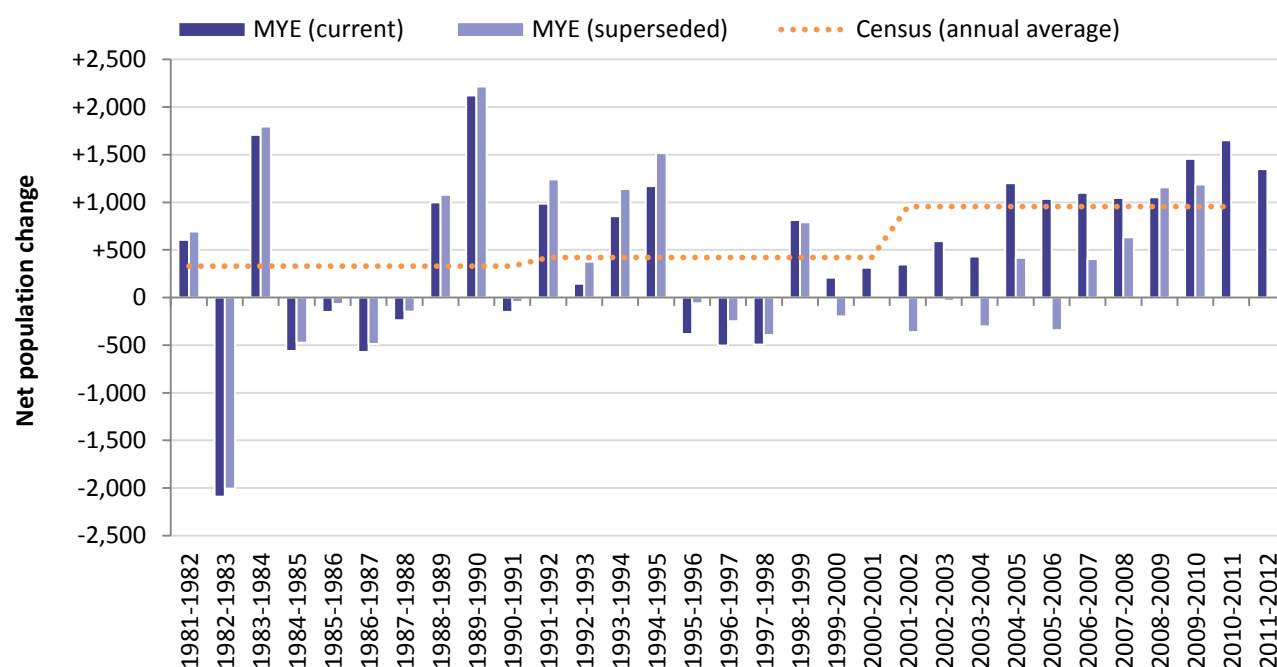


Figure 38: Wycombe annual net change in population based on official population estimates for the period 1981-2012 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



Components of Population Change

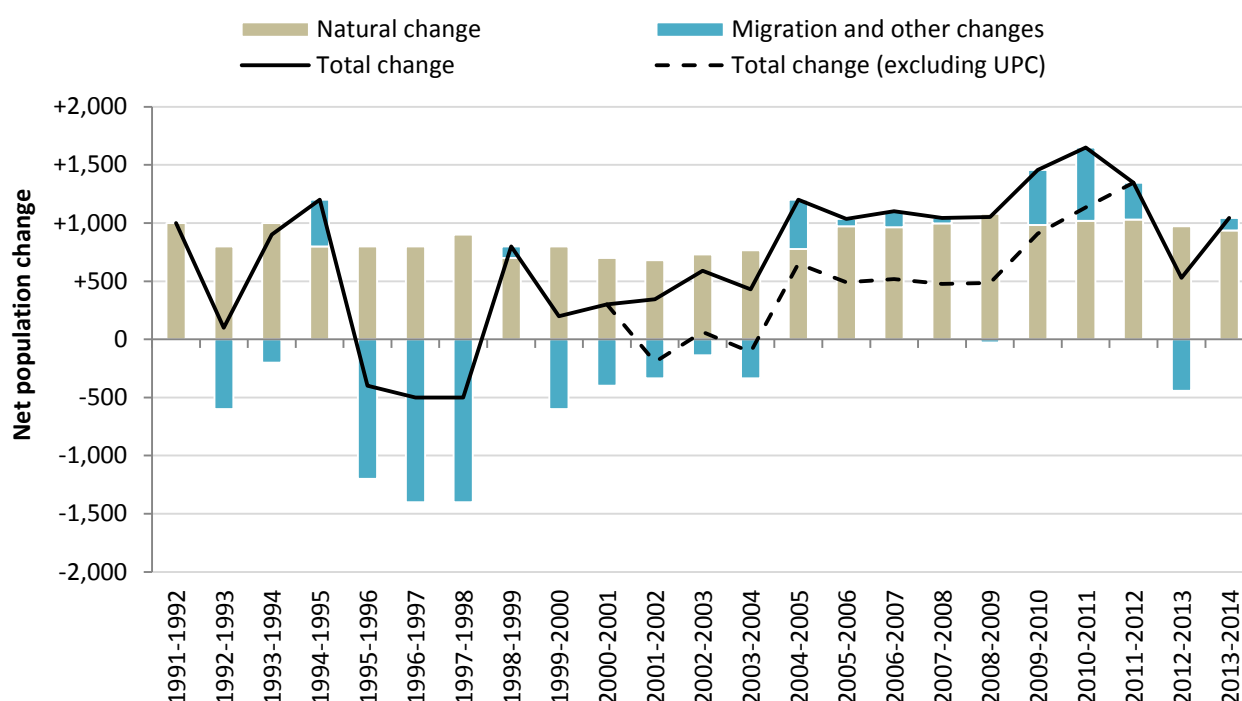
3.64 Changes in the population can be broadly classified into two categories:

- » Natural change in the population (in terms of births and deaths); and
- » Changes due to migration, both in terms of international migration and also moves within the UK.

3.65 Figure 39 illustrates the annual components of change data for Wycombe, together with the total change in population recorded by the estimates. For the periods 2001-02 to 2010-11, the components of change include an “accountancy” adjustment known as “**Unattributable Population Change**” (UPC) to ensure that this data reconciles with population estimates for the two Census years. The impact of removing this adjustment is also illustrated on the chart.

3.66 It is evident from Figure 39 that natural change now contributes around 1,000 additional persons each year. Again, migration and other changes vary much more, with significant out-migration to be seen between 1995 and 1998.

Figure 39: Wycombe components of population change (Source: ONS Mid-Year Population Estimates, revised)



Unattributable Population Change

3.67 Given that the ONS consider the population estimates in 2001 and 2011 to be more robust than the component of change data from year-to-year, an “accountancy” adjustment is factored into the components of change to correct this data and ensure that it reconciles with the population estimates for the two Census years. Therefore, in addition to the known population flows, an element of “**Unattributable Population Change**” (UPC) is included in these figures.

3.68 Figure 40 presents the underlying data from the components of annual population change. It is evident that the UPC adjustment was typically a increase of around 500-550 persons each year (a total of 5,482 persons over the 10-year period) which was needed to reconcile the component of change data with the Census population estimates for 2001 and 2011.

Figure 40: Wycombe components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Population Estimates, revised. Note: “Other Changes” includes adjustments for prisoners, armed forces and other unattributable changes. Figures for 2001-02 onward presented unrounded for transparency, but should only be treated as accurate to the nearest 100. Figures for earlier years rounded to the nearest 100)

	Births	Deaths	Natural Change	UK Migration		International Migration		Other Change	UPC	Migration and Other Changes	Total Change
				In	Out	In	Out				
1991-92	2,300	1,300	+1,000	-	-	-	-	-	-	0	+1,000
1992-93	2,100	1,400	+800	-	-	-	-	-	-	-600	+100
1993-94	2,300	1,300	+1,000	-	-	-	-	-	-	-200	+900
1994-95	2,100	1,300	+800	-	-	-	-	-	-	+400	+1,200
1995-96	2,100	1,300	+800	-	-	-	-	-	-	-1,200	-400
1996-97	2,100	1,300	+800	-	-	-	-	-	-	-1,400	-500
1997-98	2,100	1,200	+900	-	-	-	-	-	-	-1,400	-500
1998-99	2,000	1,300	+700	-	-	-	-	-	-	+100	+800
1999-00	2,100	1,300	+800	-	-	-	-	-	-	-600	+200
2000-01	2,000	1,300	+700	-	-	-	-	-	-	-400	+300
2001-02	1,975	1,294	+681	8,731	9,758	966	883	+68	+541	-335	+346
2002-03	1,993	1,264	+729	8,599	9,901	1,386	780	+30	+527	-138	+591
2003-04	2,061	1,296	+765	8,407	9,658	1,476	971	-127	+538	-336	+429
2004-05	2,001	1,223	+778	8,305	8,964	1,260	817	+87	+552	+423	+1,201
2005-06	2,157	1,185	+972	8,528	9,422	1,642	1,229	+1	+545	+64	+1,036
2006-07	2,104	1,141	+963	8,805	9,491	1,356	1,084	-31	+584	+138	+1,101
2007-08	2,184	1,187	+997	8,023	8,763	1,255	997	-37	+566	+47	+1,044
2008-09	2,251	1,172	+1,079	7,648	8,195	1,062	1,088	-20	+567	-26	+1,053
2009-10	2,139	1,155	+984	8,393	8,368	896	1,005	+10	+547	+473	+1,457
2010-11	2,299	1,279	+1,020	8,261	8,068	1,059	1,164	+27	+515	+630	+1,650
2011-12	2,203	1,174	+1,029	8,819	8,387	824	942	+5	-	+319	+1,348
2012-13	2,212	1,240	+972	8,855	9,162	828	885	-80	-	-444	+528
2013-14	2,100	1,162	+938	9,067	9,380	1,060	715	+74	-	+106	+1,044

3.69 As previously noted when considering the data for Aylesbury Vale, the ONS “*Report on Unattributable Population Change*” suggests that UPC is likely to be due to the variability (or other issues) relating to the Census estimates (both 2001 and 2011) combined with estimates of migration (both international migration and, at subnational level, internal migration between LAs). The PAS technical advice note suggests that problems with Census data are more likely to be associated with the 2001 Census than 2011, but that migration is also a likely cause (second edition, para 6.28):

“The UPC may be due to miscounted population in one or both Censuses – though this is more likely to be in 2001 than 2011, because in 2011 methods were considerably improved. It may also be due to unrecorded or misrecorded migration between the Censuses. More likely both factors are at work.”

3.70 The UPC adjustment in Aylesbury Vale represented a **reduction** in the population – i.e. people were being counted when they didn’t really exist. The UPC adjustment in Wycombe represented an **increase** in the population – i.e. there were people “missing” from the estimate who hadn’t been counted. Whilst the component of change data suggests a net gain of around 2,300 persons due to international migration over the inter-censal period 2001-11, Census data shows that the population born outside the UK resident in Wycombe increased from 18,500 to 25,800 over the same period – an increase of 7,300 persons. This difference of 5,000 persons is a realistic explanation of the cause of the UPC adjustment in Wycombe.

Mid-Year Estimates since 2011

- 3.71 Alongside the Mid-Year Estimates published in mid-2013 and mid-2014, the ONS published quality assurance packs which provide a range of comparative data from administrative sources. Whilst this administrative data does not provide a direct estimate of population, it provides a useful triangulation point. Figure 50 shows the mid-2011 and mid-2014 population estimates together with the administrative data for the same years across the relevant age cohorts.

Figure 41: Mid-Year Population Estimates and Administrative Data 2011 and 2014 for Wycombe (Source: ONS)

Age	Mid-Year Estimate		Patient Register		School Census		State pension (aged 65+)	
	2011	2014	2011	2014	2011	2014	2011	2014
Aged 0 - 4	11,100	11,310	11,100	11,230	-	-	-	-
Aged 5 - 9	10,720	11,350	10,720	11,270	9,860	10,390	-	-
Aged 10 - 14	10,840	10,820	10,820	10,790	9,520	9,650	-	-
Aged 15 - 19	10,870	10,650	10,690	10,570	-	-	-	-
Aged 20 - 24	10,410	10,470	10,530	10,320	-	-	-	-
Aged 25 - 29	10,510	10,160	11,020	10,850	-	-	-	-
Aged 30 - 34	11,200	11,200	11,870	11,750	-	-	-	-
Aged 35 - 39	11,860	11,560	12,610	12,050	-	-	-	-
Aged 40 - 44	13,280	12,860	13,740	13,120	-	-	-	-
Aged 45 - 49	12,890	13,100	13,520	13,390	-	-	-	-
Aged 50 - 54	11,060	11,960	11,650	12,500	-	-	-	-
Aged 55 - 59	9,910	10,190	10,380	10,750	-	-	-	-
Aged 60 - 64	9,870	9,230	10,200	9,440	-	-	-	-
Aged 65 - 69	8,400	9,190	8,150	9,220	-	-	7,830	8,500
Aged 70 - 74	6,340	7,160	6,510	7,140	-	-	6,220	6,980
Aged 75 - 79	5,410	5,640	5,410	5,740	-	-	5,340	5,580
Aged 80 - 84	3,810	4,300	3,800	4,250	-	-	3,780	4,230
Aged 85+	3,490	3,750	3,420	3,690	-	-	3,450	3,780
TOTAL	171,970	174,900	176,140	178,070	19,380	20,040	26,620	29,070
Increase 2011-14	2,930		1,930		660		2,450	
MYE Total for same age cohorts	171,970	174,900	171,970	174,900	21,560	22,170	27,450	30,040
Increase 2011-14	2,930		2,930		610		2,590	
Difference between MYE and admin data	-		+1,000		-50		+140	

- 3.72 It is evident that the administrative data sources that ONS identified for validating the population estimates suggest that the population is increasing at a comparable rate to the population estimates for the period mid-2011 to mid-2014. Whilst the growth in the overall population is around 1,000 persons higher than would be expected based on the patient register data, this represents a difference of only 330 persons each year across the whole population; and the mid-year estimates are consistent with data from the school census and state pensions. Given this context, the Mid-Year Estimates for Wycombe published since 2011 appear reasonable.

Population Projections Based on Local Circumstances

- 3.73 Whilst PPG identifies CLG household projections as the starting point for establishing housing need, it also recognises the need to consider sensitivity testing this data and take account of local evidence.

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 ... Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence.

Planning Practice Guidance (March 2014), ID 2a-017

- 3.74 Given that the demographic projections are trend-based, one of the most critical factors is the period over which those trends are based. The PAS OAN technical advice note considers this issue in relation to the ONS population projections (first edition, paragraphs 5.12-5.13):

“To predict migration between local authorities within the UK, the ONS population projections carry forward the trends of the previous five years. This choice of base period can be critical to the projection, because for many areas migration has varied greatly over time. ... The results of a demographic projection for (say) 2011-31 will be highly sensitive to the reference period that the projection carries forward.”

- 3.75 This issue has also been reinforced in PAS advice to Local Authorities¹², where it has been emphasised that whilst the CLG household projections provide the starting point, these official projections can be very unstable given that they are based on migration trends covering only five years:

“For migration the base period is only five years:

- Makes the official projections very unstable*
- And recent projections lock in the recession”*

- 3.76 The second version of the PAS OAN technical advice note (July 2015)¹³ has also strengthened the recommendation on the relevant period for assessing migration (second edition, paragraph 6.24):

“In assessing housing need it is generally advisable to test alternative scenarios based on a longer reference period, probably starting with the 2001 Census (further back in history data may be unreliable). Other things being equal, a 10-to-15 year base period should provide more stable and more robust projections than the ONS’s five years. But sometimes other things will not be equal, because the early years of this long period included untypical one-off events as described earlier. If so, a shorter base period despite its disadvantages could be preferable.”

- 3.77 The relevant period for assessing migration trends was considered by an article by Ludi Simpson (Professor of Population Studies at the University of Manchester) and Neil MacDonald (previously Chief Executive of the National Housing and Planning Advice Unit) published in Town and Country Planning (April 2015)¹⁴.

“The argument for using a five-year period rather than a longer one is that the shorter the period, the more quickly changes in trends are picked up. The counter-argument is that a

¹² “SHLAA, SHMA and OAN aka ‘Pobody’s Nerfect’”, PAS presentation at Urban Design London (July 2015)

<http://learningspace.urbandesignlondon.com/course/view.php?id=339>

¹³ <http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvisenote/f1bfb748-11fc-4d93-834c-a32c0d2c984d>

¹⁴ “Making sense of the new English household projections”, Town and Country Planning (April 2015)

shorter period is more susceptible to cyclical trends, an argument that has particular force when the five-year period in question – 2007-12 – neatly brackets the deepest and longest economic downturn for more than a generation. ... A large number of local authority areas are affected by this issue. For 60% of authorities the net flow of migrants within the UK in 2007-12 was different by more than 50% from the period 2002-07. While this is comparing a boom period with a recession, it serves to indicate the impact of the choice of reference period for trend projections.”

- 3.78 The issue has also been referenced by Inspectors examining numerous Local Plans, for example the following comments provided by the Cornwall Inspector in the letter setting out his preliminary findings (June 2015)¹⁵:

“3.6 Migration. The demographic model used in the SHMNA and the more recent ONS projection uses migration flows from the previous 5 years only. Given the significance of migration as a component of change for Cornwall and to even-out the likely effect of the recent recession on migration between 2008-2012 a longer period than 5 years would give a more realistic basis for projecting this component. A period of 10-12 years was suggested at the hearing and I consider that this would be reasonable, rather than the 17 year period used in ID.01.CC.3.3. I also consider that the ONS’ Unattributable Population Change component should be assigned to international migration for the reasons given by Edge Analytics in ID.01.CC3.3. This approach was not disputed at the hearing.”

- 3.79 On balance, we consider that:

- » 5-year trend migration scenarios are less reliable: they have the potential to roll-forward short-term trends that are unduly high or low and therefore are unlikely to provide a robust basis for long-term planning.
- » 10-year trend migration scenarios are more likely to capture both highs and lows and are not as dependent on trends that may be unlikely to be repeated. **Therefore, we favour using 10-year migration trends as the basis for our analysis.**

- 3.80 This HEDNA has, therefore, produced additional projections based on long-term migration trends as part of the analysis. Whilst no one scenario will provide a definitive assessment of the future population; considering demographic projections where migration is based on long-term trends provides a more appropriate basis on which to consider future housing need.

- 3.81 Given the inherent uncertainties associated with the estimates of migration flows within the ONS Mid-Year Estimates, it is important to consider changes recorded for the most recent inter-censal period (2001-11) as the data for inter-censal periods is far more robust than other 10-year periods, especially in areas where there are UPC issues identified. This approach was supported by the Inspector examining the Core Strategy for Bath and North East Somerset. His report¹⁶ concluded (paragraphs 42-43):

“Given the uncertainties inherent in some of the data, particularly for flows of migrants internationally, a 10 year period is a reasonable approach ... The inter-censal period provides a readily understandable and robust check on the reasonableness of the average of about 550 per year for migration and other change used in the ORS model. Thus I consider that the ORS mid-trend population projection is a reasonable demographic projection.”

¹⁵ <https://www.cornwall.gov.uk/media/12843214/ID05-Preliminary-Findings-June-2015-2-.pdf>

¹⁶ Report on the Examination into Bath and North East Somerset Council’s Core Strategy (June 2014)

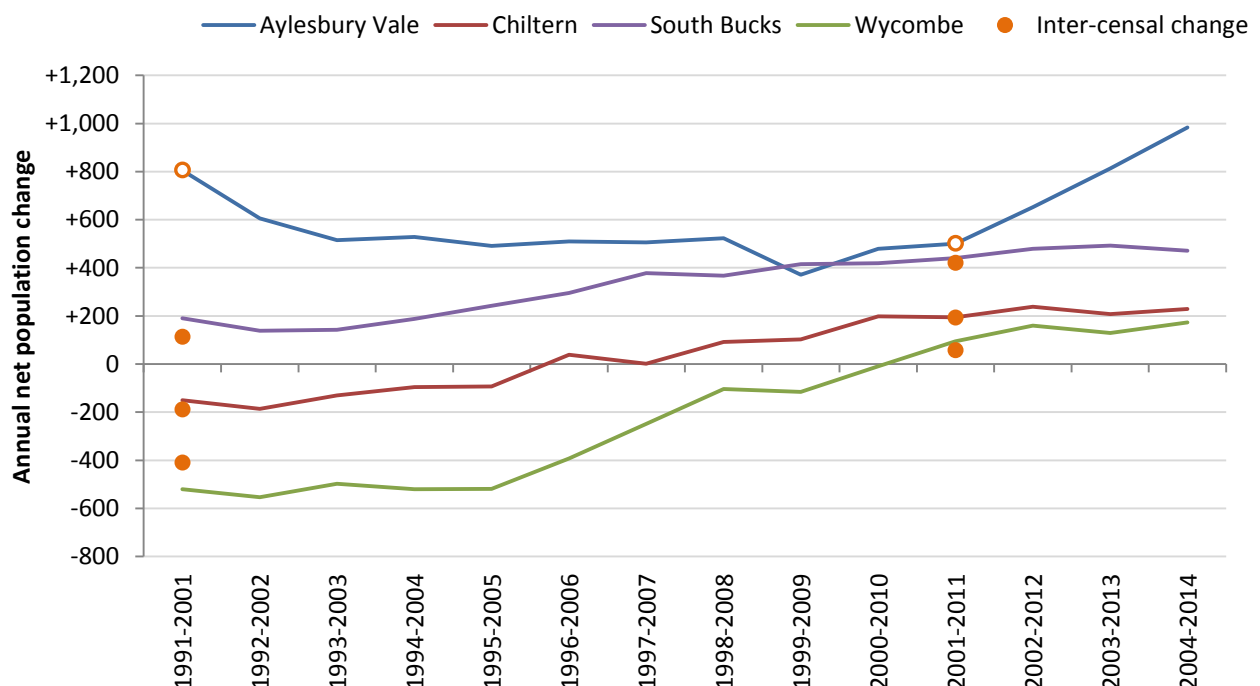
^{3.82} Nevertheless, it is also important to recognise long-term trends in migration patterns which could suggest that future migration patterns may differ from those over the period 2001-11.

Considering Migration Assumptions

^{3.83} Figure 42 shows how 10-year migration trends have changed since 1991.

- » **Aylesbury Vale:** long-term migration trends have reduced from an annual average gain of 800 persons in 1991-2001 to a gain of 500 persons from 2001-2011, which takes account of the adjustment to the 2001 population estimate (without the adjustment, the 1991-2001 rate would be higher, and the 2001-2011 rate would be lower). More recent data suggests that migration has increased year-on-year, and even taking into account some of the issues affecting the reliability of this data, the net gain for 2004-14 is estimated to be around 980 persons each year;
- » **Chiltern:** long-term migration trends have increased from an annual average loss of 190 persons in 1991-2001 to an annual average gain of 190 persons from 2001-2011. More recent data suggests that this rate has remained relatively stable, with an average gain of around 230 persons each year over the period 2004-14;
- » **South Bucks:** long-term migration trends have increased from an annual average gain of around 110 persons in 1991-2001 to an annual average gain of 420 persons from 2001-2011. More recent data suggests that this rate has remained relatively stable, with an average gain of around 470 persons each year over the period 2004-14;
- » **Wycombe:** long-term migration trends have increased from an annual average loss of 410 persons (based on Census data) or 520 persons (based on MYE data) in 1991-2001 to an annual average gain of around 60 persons from 2001-2011. More recent data suggests that long-term migration trends have continued to increase, albeit at a slower pace, with an average gain of around 170 persons each year over the period 2004-14.

Figure 42: 10-year migration trends 1991-2001 to 2004-2014 (Source: UK Census of Population 1991, 2001 and 2011; ONS Mid-Year Population Estimates, revised; Buckinghamshire HEDNA adjusted estimates for Aylesbury Vale)



- ^{3.84} As previously noted, the ONS places far more weight on population estimates based on Census data and retrospective adjustments are made to the Mid-Year Estimates when these differ from the Census. Given this context, it is appropriate that Census data is also given significant weight when establishing long-term projections. On this basis, it is appropriate to consider 10-year migration trends based on the inter-censal period 2001-2011 alongside more recent data.
- ^{3.85} The population projections for this study therefore present a range, with a baseline projection based on migration trends for the 10-year period 2001-2011 and also an alternative projection based on migration trends for the more recent 10-year period 2004-2014, which includes the latest available data. The trends for the period 2001-2011 do not depend on component of change data for establishing overall migration levels, and therefore provides a more robust basis for the analysis. The trends for the period 2004-2014 are dependent on the component of change data which introduces more uncertainty into the figures; however this is based on a more recent period.
- ^{3.86} Consistent with the base date of the Plan periods in Aylesbury Vale and Wycombe, both the baseline and alternative population projections adopt a baseline population estimate for 2013 (rather than a projection). PPG also identifies that:

Account should also be taken of the most recent demographic evidence including the latest Office of National Statistics population estimates.

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- ^{3.87} The ONS has published population estimates for mid-2014, therefore in line with the PPG both population projections (the baseline projection based on migration trends for the period 2001-11 and the alternative projection based on migration trends for the period 2004-14) take account of the ONS population estimates recorded for the period 2013-14, and then project forward from 2014 onwards. As previously noted, the evidence suggests that ONS population estimates for Aylesbury Vale have systematically overestimated population growth since 2011, and therefore both scenarios take account of the adjusted population estimates for Aylesbury Vale.

Establishing Population Projections for Aylesbury Vale

3.88 Figure 43 compares the 2012-based sub-national population projections (SNPP) (based on short-term migration trends) with the projections based on longer-term migration trends over the 20-year period 2013-33. The SNPP projections suggest that the population will increase by 35,400 during this period, whilst the 10-year trends project a growth of between 27,900 and 34,400 persons over the same time.

Figure 43: Aylesbury Vale population projection based on migration trends

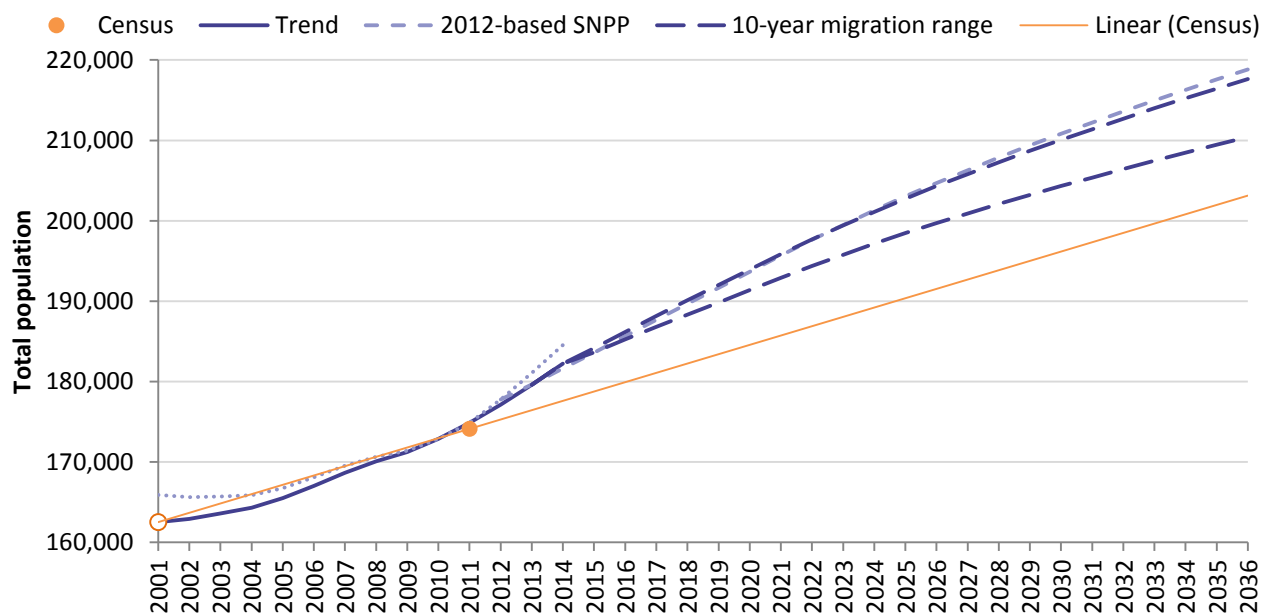


Figure 44: Aylesbury Vale population projections 2013-33 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2013			2033								
				2012-based SNPP			Baseline 10-yr trend (2001-11)			Alternative 10-yr trend (2004-14)		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total
Aged 0-4	5,979	5,804	11,783	6,153	5,894	12,046	5,854	5,592	11,447	6,105	5,832	11,937
Aged 5-9	5,917	5,642	11,558	6,630	6,282	12,912	6,349	5,983	12,332	6,602	6,223	12,826
Aged 10-14	5,795	5,252	11,047	6,978	6,475	13,452	6,739	6,207	12,946	6,972	6,425	13,397
Aged 15-19	5,929	5,200	11,128	6,647	5,924	12,571	6,463	5,705	12,168	6,655	5,883	12,538
Aged 20-24	4,599	4,439	9,038	4,873	4,381	9,254	4,681	4,156	8,836	4,874	4,343	9,217
Aged 25-29	4,862	5,168	10,030	5,532	5,343	10,875	5,318	5,056	10,374	5,542	5,281	10,822
Aged 30-34	5,379	5,791	11,169	5,728	5,572	11,300	5,485	5,266	10,751	5,724	5,504	11,228
Aged 35-39	5,849	5,864	11,713	6,593	6,427	13,020	6,374	6,105	12,479	6,648	6,375	13,024
Aged 40-44	6,693	6,985	13,678	7,151	7,074	14,225	6,827	6,709	13,535	7,097	6,976	14,073
Aged 45-49	7,391	7,484	14,875	6,744	6,953	13,696	6,506	6,693	13,200	6,741	6,921	13,662
Aged 50-54	6,703	6,656	13,359	6,667	6,971	13,637	6,436	6,728	13,164	6,637	6,918	13,555
Aged 55-59	5,631	5,553	11,184	6,166	6,260	12,426	6,005	6,115	12,120	6,166	6,260	12,426
Aged 60-64	4,955	5,111	10,066	6,422	6,845	13,267	6,313	6,707	13,020	6,457	6,847	13,304
Aged 65-69	4,659	4,898	9,557	6,527	7,015	13,542	6,416	6,867	13,284	6,545	6,997	13,542
Aged 70-74	3,154	3,529	6,683	5,688	6,135	11,822	5,532	5,976	11,508	5,632	6,078	11,710
Aged 75-79	2,474	2,816	5,290	4,430	4,873	9,303	4,346	4,768	9,113	4,416	4,841	9,256
Aged 80-84	1,647	2,150	3,797	3,431	4,136	7,567	3,368	4,049	7,418	3,417	4,107	7,524
Aged 85+	1,192	2,472	3,663	4,021	6,037	10,059	3,927	5,857	9,785	3,986	5,962	9,948
Total	88,805	90,813	179,618	106,378	108,596	214,975	102,939	104,541	207,480	106,218	107,770	213,988

Establishing Population Projections for Chiltern

3.89 Figure 45 compares the 2012-based sub-national population projections (based on short-term migration trends) with the projections based on longer-term migration trends over the 20-year period 2013-33. The SNPP projections suggest that the population will increase by 6,900 during this period, whilst the 10-year trends project a growth of between 8,600 and 9,100 persons over the same time.

Figure 45: Chiltern population projection based on migration trends

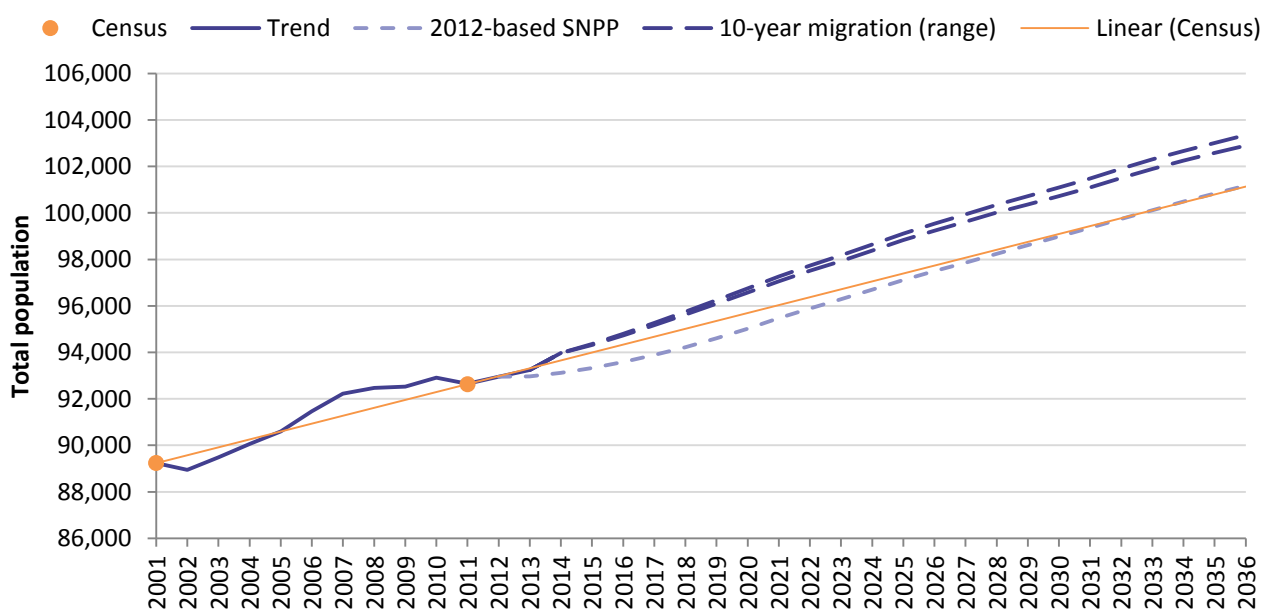


Figure 46: Chiltern population projections 2014-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2013			2033								
				2012-based SNPP			Baseline 10-yr trend (2001-11)			Alternative 10-yr trend (2004-14)		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total
Aged 0-4	2,774	2,666	5,440	2,653	2,501	5,154	2,698	2,540	5,237	2,712	2,553	5,266
Aged 5-9	3,182	3,028	6,210	3,271	3,073	6,344	3,335	3,117	6,452	3,351	3,133	6,483
Aged 10-14	3,165	2,995	6,160	3,545	3,361	6,906	3,624	3,415	7,039	3,640	3,430	7,070
Aged 15-19	2,903	2,731	5,634	3,092	2,851	5,943	3,178	2,912	6,090	3,191	2,924	6,116
Aged 20-24	1,862	1,845	3,707	1,766	1,705	3,471	1,817	1,737	3,554	1,828	1,748	3,576
Aged 25-29	1,725	1,824	3,549	1,791	1,756	3,547	1,846	1,792	3,638	1,857	1,803	3,661
Aged 30-34	1,932	2,151	4,083	1,815	1,905	3,720	1,867	1,940	3,807	1,878	1,951	3,830
Aged 35-39	2,614	2,823	5,437	2,535	2,628	5,163	2,600	2,672	5,272	2,614	2,687	5,301
Aged 40-44	3,271	3,565	6,836	3,154	3,253	6,407	3,225	3,302	6,527	3,241	3,319	6,560
Aged 45-49	3,774	3,942	7,716	3,258	3,403	6,661	3,322	3,449	6,771	3,337	3,465	6,802
Aged 50-54	3,603	3,778	7,381	3,367	3,447	6,814	3,421	3,507	6,928	3,435	3,520	6,956
Aged 55-59	3,081	3,090	6,171	3,102	3,100	6,202	3,208	3,220	6,428	3,220	3,230	6,450
Aged 60-64	2,675	2,805	5,480	3,107	3,300	6,407	3,194	3,319	6,513	3,204	3,328	6,532
Aged 65-69	2,837	3,049	5,886	3,138	3,362	6,500	3,177	3,415	6,592	3,186	3,423	6,609
Aged 70-74	1,958	2,272	4,230	2,779	3,139	5,918	2,822	3,173	5,995	2,829	3,180	6,008
Aged 75-79	1,683	2,135	3,818	2,211	2,549	4,760	2,245	2,576	4,821	2,250	2,581	4,831
Aged 80-84	1,215	1,540	2,755	1,779	2,229	4,008	1,775	2,235	4,010	1,779	2,239	4,018
Aged 85+	953	1,804	2,757	2,665	3,527	6,192	2,677	3,545	6,221	2,683	3,555	6,237
Total	45,207	48,043	93,250	49,028	51,089	100,117	50,031	51,866	101,896	50,236	52,070	102,306

Establishing Population Projections for South Bucks

^{3.90} Figure 45 compares the 2012-based sub-national population projections (based on short-term migration trends) with the projections based on longer-term migration trends over the 20-year period 2013-33. The SNPP projections suggest that the population will increase by 12,600 during this period, whilst the 10-year trends project a growth of between 8,900 and 9,500 persons over the same time.

Figure 47: South Bucks population projection based on migration trends

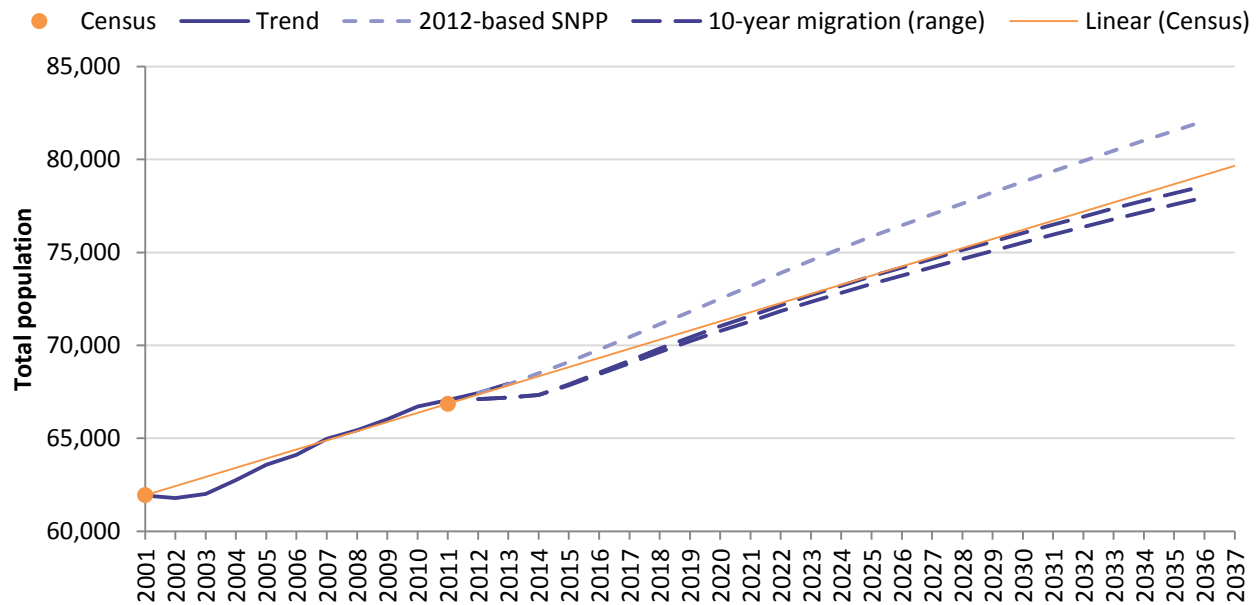


Figure 48: South Bucks population projections 2014-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2013			2033								
				2012-based SNPP			Baseline 10-yr trend (2001-11)			Alternative 10-yr trend (2004-14)		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total
Aged 0-4	2,131	1,929	4,060	2,131	2,062	4,193	2,011	1,946	3,957	2,029	1,964	3,993
Aged 5-9	2,097	2,063	4,160	2,394	2,338	4,732	2,267	2,215	4,482	2,288	2,235	4,523
Aged 10-14	2,120	1,886	4,006	2,549	2,417	4,966	2,425	2,299	4,724	2,445	2,319	4,764
Aged 15-19	1,858	1,778	3,636	2,288	2,089	4,377	2,178	1,990	4,168	2,197	2,007	4,204
Aged 20-24	1,463	1,509	2,972	1,510	1,375	2,885	1,430	1,289	2,719	1,443	1,303	2,746
Aged 25-29	1,763	1,732	3,495	1,851	1,731	3,582	1,748	1,629	3,377	1,763	1,646	3,409
Aged 30-34	1,718	1,903	3,621	1,750	1,795	3,545	1,649	1,690	3,339	1,665	1,706	3,371
Aged 35-39	1,875	2,065	3,940	2,170	2,250	4,420	2,052	2,130	4,182	2,072	2,151	4,223
Aged 40-44	2,335	2,504	4,839	2,552	2,536	5,088	2,400	2,395	4,795	2,422	2,416	4,838
Aged 45-49	2,659	2,802	5,461	2,544	2,688	5,232	2,413	2,560	4,973	2,436	2,581	5,017
Aged 50-54	2,616	2,680	5,296	2,650	2,746	5,396	2,510	2,623	5,133	2,530	2,642	5,172
Aged 55-59	2,331	2,147	4,478	2,447	2,460	4,907	2,295	2,346	4,641	2,310	2,362	4,672
Aged 60-64	1,949	1,987	3,936	2,498	2,620	5,118	2,432	2,552	4,984	2,449	2,565	5,014
Aged 65-69	1,914	2,111	4,025	2,494	2,664	5,158	2,414	2,565	4,979	2,427	2,577	5,004
Aged 70-74	1,398	1,668	3,066	2,225	2,495	4,720	2,147	2,442	4,589	2,159	2,454	4,613
Aged 75-79	1,204	1,470	2,674	1,846	2,030	3,876	1,802	1,951	3,753	1,808	1,958	3,766
Aged 80-84	868	1,256	2,124	1,437	1,813	3,250	1,389	1,779	3,168	1,395	1,786	3,181
Aged 85+	700	1,411	2,111	1,878	3,153	5,031	1,804	3,026	4,830	1,812	3,041	4,853
Total	32,999	34,901	67,900	39,214	41,262	80,476	37,366	39,427	76,793	37,650	39,713	77,363

Establishing Population Projections for Wycombe

^{3.91} Figure 49 compares the 2012-based sub-national population projections (based on short-term migration trends) with the projections based on longer-term migration trends over the 20-year period 2013-33. The SNPP projections suggest that the population will increase by 19,600 during this period, whilst the 10-year trends project a growth of between 19,300 and 20,800 persons over the same time.

Figure 49: Wycombe population projection based on migration trends

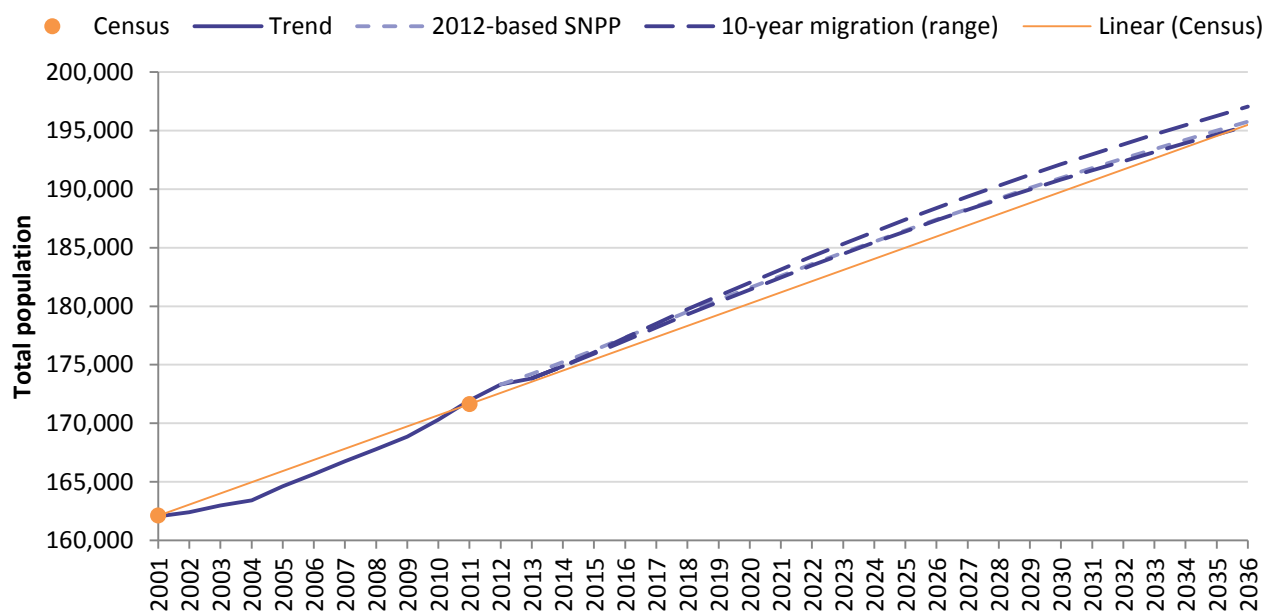


Figure 50: Wycombe population projections 2013-33 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2013			2033								
				2012-based SNPP			Baseline 10-yr trend (2001-11)			Alternative 10-yr trend (2004-14)		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total
Aged 0-4	5,796	5,617	11,413	5,710	5,470	11,180	5,694	5,447	11,141	5,754	5,504	11,258
Aged 5-9	5,668	5,380	11,048	6,036	5,716	11,752	6,029	5,690	11,719	6,088	5,746	11,835
Aged 10-14	5,449	5,379	10,828	6,160	6,105	12,265	6,157	6,074	12,231	6,210	6,125	12,335
Aged 15-19	5,413	5,375	10,788	6,033	5,903	11,936	6,007	5,858	11,865	6,049	5,900	11,949
Aged 20-24	5,264	5,319	10,583	5,753	5,494	11,247	5,759	5,479	11,238	5,811	5,533	11,344
Aged 25-29	4,957	5,204	10,161	5,480	5,249	10,729	5,498	5,216	10,714	5,555	5,274	10,828
Aged 30-34	5,422	5,721	11,143	5,259	5,196	10,455	5,280	5,170	10,450	5,338	5,228	10,566
Aged 35-39	5,794	5,701	11,495	5,917	5,803	11,720	5,950	5,793	11,744	6,014	5,857	11,871
Aged 40-44	6,379	6,622	13,001	6,265	6,295	12,560	6,252	6,255	12,507	6,313	6,316	12,630
Aged 45-49	6,721	6,453	13,174	5,846	6,102	11,948	5,853	6,059	11,912	5,904	6,110	12,014
Aged 50-54	5,800	5,732	11,532	5,835	6,066	11,900	5,855	6,045	11,900	5,899	6,086	11,985
Aged 55-59	4,955	5,086	10,041	5,349	5,427	10,776	5,383	5,430	10,813	5,417	5,461	10,878
Aged 60-64	4,562	4,767	9,329	5,433	5,764	11,197	5,463	5,767	11,230	5,493	5,795	11,287
Aged 65-69	4,497	4,691	9,188	5,467	5,521	10,988	5,485	5,504	10,989	5,511	5,528	11,039
Aged 70-74	3,228	3,543	6,771	4,514	4,831	9,345	4,510	4,845	9,355	4,529	4,864	9,393
Aged 75-79	2,599	2,966	5,565	3,637	4,109	7,746	3,621	4,116	7,737	3,635	4,129	7,764
Aged 80-84	1,805	2,324	4,129	3,013	3,534	6,548	3,022	3,522	6,544	3,032	3,533	6,565
Aged 85+	1,283	2,362	3,645	3,855	5,274	9,128	3,821	5,259	9,080	3,836	5,283	9,118
Total	85,592	88,242	173,834	95,562	97,857	193,419	95,640	97,527	193,167	96,387	98,271	194,659

Establishing Population Projections for Buckinghamshire HMA

- ^{3.92} Considering the projections for the four local authorities collectively suggests that the 2012-based SNPP (based on short-term migration trends) are higher than the projections based on 10-year migration trends based on the inter-censal period 2001-11, but broadly consistent with 10-year migration trends based on the more recent period 2004-14: the SNPP projections suggest that the population will increase to 589,000 by 2033 from an estimated population of 514,600 in 2013, an increase of 74,300 persons; whilst the 10-year migration trend scenarios project that the population will be between 579,300 and 588,300 persons by the end of the same period, a 20-year increase of between 64,700 and 73,700 persons.
- ^{3.93} As previously noted, when deriving the projections for each area, longer-term projections typically benefit from longer-term trends – so the 10-year migration trends provide the appropriate range that the further HEDNA analysis will consider when establishing housing need based on demographic projections.

Figure 51: Buckinghamshire HMA population projection based on migration trends

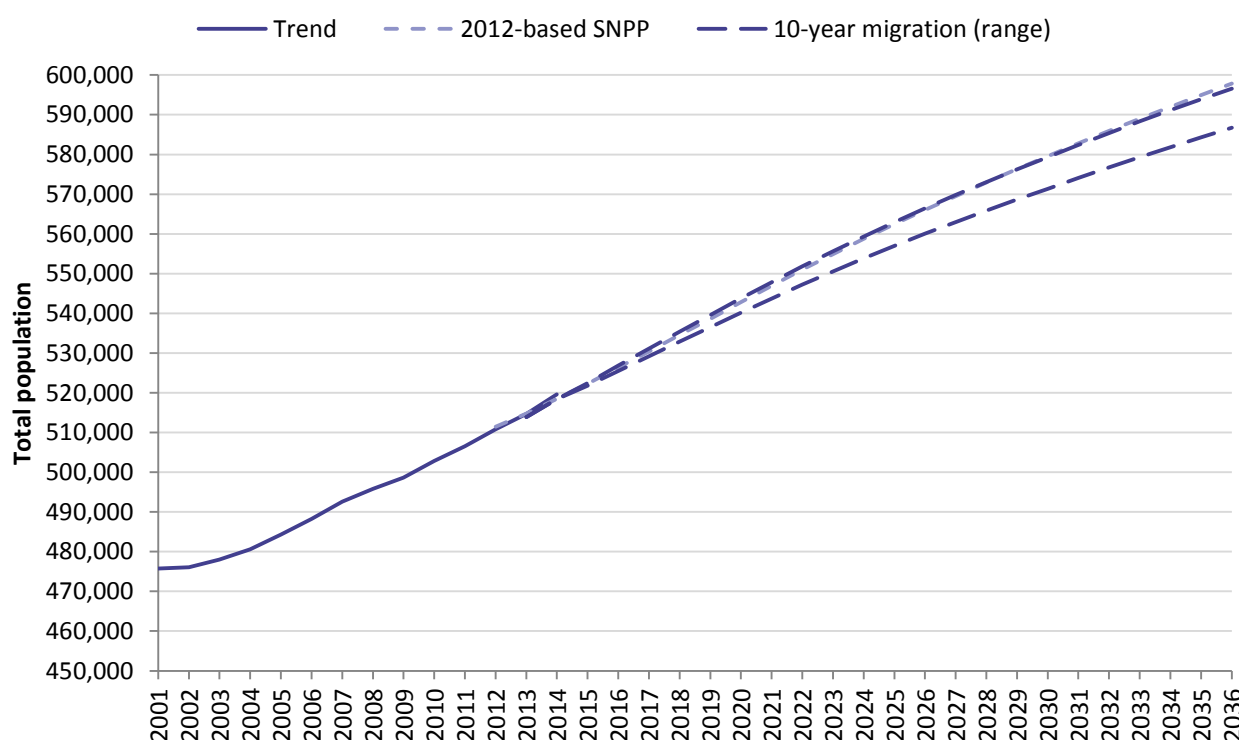


Figure 52: Buckinghamshire HMA population projections 2013-33 based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

	Aylesbury Vale	Chiltern	South Bucks	Wycombe	TOTAL
Population estimate 2013	179,618	93,250	67,941	173,834	514,643
Population projection 2033					
2012-based SNPP (5-yr trend)	214,975	100,117	80,475	193,419	588,986
Baseline 10-yr trend (2001-11)	207,480	101,896	76,789	193,167	579,333
Alternative 10-yr trend (2004-14)	213,988	102,306	77,364	194,659	588,318
Population growth 2013-33					
2012-based SNPP (5-yr trend)	35,357	6,867	12,534	19,585	74,343
Baseline 10-yr trend (2001-11)	27,862	8,646	8,848	19,333	64,690
Alternative 10-yr trend (2004-14)	34,370	9,056	9,423	20,825	73,675

Establishing Household Projections for Buckinghamshire

Household Population and Communal Establishment Population

- ^{3.94} Prior to considering household projections, it is necessary to identify the household population and separate out the population assumed to be living in Communal Establishments (institutional population). The methodology used by the HEDNA is consistent with the CLG approach¹⁷:

“For the household projections, the assumption is made that the institutional population stays constant at 2011 levels by age, sex and marital status for the under 75s and that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s. The rationale here is that ageing population will lead to greater level of population aged over 75 in residential care homes that would not be picked up if levels were held fixed but holding the ratio fixed will.” (page 12)

- ^{3.95} The 2011 Census identified 7,984 persons living in Communal Establishments in Buckinghamshire (3,486 in Aylesbury Vale, 764 in Chiltern, 1,048 in South Bucks and 2,686 in Wycombe), which is consistent with the estimate for 2011 in the CLG 2012-based household projections. Figure 53 shows the breakdown between the projected household population and population living in Communal Establishments.

Figure 53: Population projections 2013-33 by gender and 5-year age cohort (Note: Communal Establishment population held constant for population aged under 75 (light blue cells), and held proportionately constant for each relationship status for population aged 75 or over (orange cells))

Age	2013			Baseline 10-yr trend (2001-11)			Alternative 10-yr trend (2004-14)		
	HH	CE	Total	HH	CE	Total	HH	CE	Total
Aged 0-4	32,650	46	32,696	31,735	46	31,781	32,408	46	32,454
Aged 5-9	32,937	41	32,978	34,944	41	34,985	35,626	41	35,667
Aged 10-14	31,355	686	32,041	36,254	686	36,940	36,880	686	37,566
Aged 15-19	29,627	1,559	31,186	32,734	1,559	34,293	33,248	1,559	34,807
Aged 20-24	25,394	906	26,300	25,442	906	26,348	25,978	906	26,884
Aged 25-29	26,833	403	27,236	27,699	403	28,102	28,317	403	28,720
Aged 30-34	29,712	304	30,016	28,043	304	28,347	28,691	304	28,995
Aged 35-39	32,343	240	32,583	33,437	239	33,676	34,178	239	34,417
Aged 40-44	38,060	294	38,354	37,069	295	37,364	37,806	295	38,101
Aged 45-49	40,964	261	41,225	36,595	262	36,857	37,234	262	37,496
Aged 50-54	37,362	206	37,568	36,916	208	37,124	37,460	208	37,668
Aged 55-59	31,737	138	31,875	33,863	138	34,001	34,288	138	34,426
Aged 60-64	28,661	149	28,810	35,599	149	35,748	35,988	149	36,137
Aged 65-69	28,530	125	28,655	35,718	125	35,843	36,069	125	36,194
Aged 70-74	20,609	141	20,750	31,307	141	31,448	31,582	141	31,723
Aged 75-79	17,055	293	17,348	24,954	469	25,423	25,147	473	25,620
Aged 80-84	12,260	544	12,804	20,284	855	21,140	20,426	862	21,288
Aged 85+	10,362	1,818	12,179	25,949	3,965	29,914	26,155	4,001	30,156
Total	506,451	8,154	514,604	568,542	10,792	579,334	577,481	10,838	588,319
Aylesbury Vale	176,066	3,553	179,618	202,806	4,674	207,480	209,280	4,708	213,988
Chiltern	92,449	801	93,250	100,691	1,205	101,896	101,099	1,208	102,306
South Bucks	66,814	1,088	67,902	75,254	1,536	76,790	75,825	1,540	77,365
Wycombe	171,122	2,712	173,834	189,791	3,376	193,167	191,277	3,382	194,659

¹⁷ Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

- ^{3.96} It will be important to recognise the projected growth of population aged 75 or over living in communal establishments when establishing the overall housing requirement. This population is projected to increase from 8,154 persons to between 10,792 and 10,838 persons over the 20-year period 2013-33; a growth of between 2,638 and 2,684 persons, equivalent to an average of around 130 persons each year (around 60 persons in Aylesbury Vale, 20 persons in Chiltern, 20 persons in South Bucks and 30 persons in Wycombe).
- ^{3.97} Given that the population projections have already established the total population aged 75 or over, a consequence of the assumed increase in institutional population for these age groups is fewer older people being counted in the household population. This affects the projected household growth for the area. It is therefore necessary to plan for the increase in institutional population, as this will be additional to the projected household growth; although the councils will need to consider the most appropriate types of housing in the context of future plans for delivering care and support for older people. Chapter 8 provides further analysis of the range of different types of housing required specifically for older people.
- ^{3.98} Whilst the household projections assume no growth in communal establishment population aged under 75, Buckinghamshire County Council has undertaken specific modelling of the housing needs of people with learning disabilities which identifies an increase of around 200 persons over the period to 2035. This planned growth in institutional population would affect the projected household population which would marginally reduce the projected household growth for the area.

Household Representative Rates

- ^{3.99} Household Representative Rates (HRRs) are a demographic tool used to convert population into households and are based on those members of the population who can be classed as “household representatives” or “heads of household”. The HRRs used are key to the establishment of the number of households and, further, the number of households is key to the number of homes needed in future.
- ^{3.100} The proportion of people in any age cohort who will be household representatives vary between people of different ages, and the rates also vary over time. HRRs are published as part of the household projections produced by CLG. The 2011 Census identified that the CLG 2008-based household projections had significantly overestimated the number of households. Nevertheless, this had been anticipated and the methodology report published to accompany the 2008-based projections acknowledged (page 10):

“Labour Force Survey (LFS) data suggests that there have been some steep falls in household representative rates for some age groups since the 2001 Census ... this can only be truly assessed once the 2011 Census results are available.”

- ^{3.101} The CLG 2012 based household projections technical document confirmed the findings (page 24):

“At the present time the results from the Census 2011 show that the 2008-based projections were overestimating the rate of household formation and support the evidence from the Labour Force Survey that household representative rates for some (particularly younger) age groups have fallen markedly since the 2001 Census.”

- ^{3.102} Prior to the publication of CLG 2012 based household projections, Inspectors had been keen to avoid perpetuating any possible “recessionary impact” associated with the lower formation rates suggested by the interim data. Nevertheless, the interim 2011-based household projections were prepared before the necessary Census data was available and it has become evident that some of the historic household representative rates were estimated inaccurately. The 2012-based household projections published in February 2015 incorporate far more data from the 2011 Census and provide data for the 25-year period

2012-37 based on long-term demographic trends. The household representative projections use a combination of two fitted trends through the available Census points (1971, 1981, 1991, 2001 and 2011).

- ^{3.103} Ludi Simpson (Professor of Population Studies at the University of Manchester and the originator and designer of the PopGroup demographic modelling software) considered the CLG households projections in an article published in Town and Country Planning (December 2014):

“Although it is sometimes claimed that the current household projections are based on the experience of changes between 2001 and 2011, this is true only of the allocation of households to household types in the second stage of the projections. The total numbers of households in England and in each local authority are projected on the basis of 40 years of trends in household formation, from 1971 to 2011.”

- ^{3.104} It is possible to understand the impact of the new household representative rates through applying the 2012-based rates and the 2008-based and interim 2011-based rates to the same population. Using the household population data in the 2012-based projections for the 10-year period 2011-2021 (the only years where household representative rates are available from all three projections), the 2012-based rates show an annual average growth of 218,600 households across England. This compares to 241,600 households using the 2008-based rates and 204,600 households using the interim 2011-based rates. Therefore, the 2012-based rates yield household growth that is 7% higher than the interim 2011-based rates and only 10% lower than the 2008-based rates. At a local level, a third of local authorities have 2012-based rates that are closer to 2008-based rates than the interim 2011-based rates.

- ^{3.105} The 2012-based projections supersede both the 2008-based household projections and the interim 2011-based household projections. The changes since 2008 were anticipated and these reflect real demographic trends, and therefore we should not adjust these further; although the extent to which housing supply may have affected the historic rate is one of the reasons that we also consider market signals when determining the OAN for housing.

Household Projections

- ^{3.106} Using the CLG 2012-based household representative rates, we can establish the projected number of additional households. The projected increase in households across the Buckinghamshire HMA is summarised in Figure 54.

- ^{3.107} Figure 54 also provides an estimate of dwelling numbers, which takes account of vacancies and second homes based on the proportion of dwellings without a usually resident household identified by the 2011 Census. This identified a rate of 3.7% for Aylesbury Vale, 3.6% for Chiltern, 4.4% for South Bucks and 3.4% for Wycombe.

Figure 54: Projected households over the 20-year period 2013-33

Area	2013	Baseline 10-yr trend (2001-11)		Alternative 10-yr trend (2004-14)	
		2033	Net change 2013-33	2033	Net change 2013-33
HOUSEHOLDS					
Aylesbury	71,616	87,344	+15,728	89,760	+18,144
Chiltern	37,338	42,494	+5,156	42,642	+5,304
South Bucks	26,793	32,198	+5,405	32,413	+5,620
Wycombe	68,914	80,448	+11,534	80,998	+12,084
HMA	204,661	242,484	+37,823	245,813	+41,152

^{3.108} Figure 55 provides an estimate of dwelling numbers, which takes account of vacancies and second homes based on the proportion of dwellings without a usually resident household identified by the 2011 Census. This identified a rate of 3.7% for Aylesbury Vale, 3.6% for Chiltern, 4.4% for South Bucks and 3.4% for Wycombe.

Figure 55: Projected dwellings over the 20-year period 2013-33 (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in the 2011 Census)

Area	2013	Baseline 10-yr trend (2001-11)		Alternative 10-yr trend (2004-14)	
		2033	Net change 2013-33	2033	Net change 2013-33
DWELLINGS					
Aylesbury	74,368	90,700	+16,332	93,209	+18,841
Chiltern	38,732	44,081	+5,349	44,234	+5,502
South Bucks	28,012	33,662	+5,650	33,887	+5,876
Wycombe	71,340	83,280	+11,940	83,849	+12,509
HMA	212,452	251,723	+39,271	255,179	+42,728

Conclusions

^{3.109} PPG identifies that the starting point for estimating housing need is the CLG 2012-based household projections. For the 20-year period 2013-33, these projections suggest an increase of 40,847 households across the Buckinghamshire HMA. Based on longer-term 10-year migration trends, the data above projects a likely increase of between 37,823 and 41,152 households over the 20-year period 2013-33.

^{3.110} Projections based on Census data generally provide the most reliable estimates and ONS retrospectively adjust the Mid-Year Estimates based on Census data; so we also favour Census data for establishing long-term migration trends. However, Census data shows that migration to Buckinghamshire over the period 2001-2011 was marginally higher than the previous intercensal period 1991-2001. Given this context, we have based the HEDNA's further analysis on the upper end of the projected range: a growth of 41,152 households (42,728 dwellings) over the 20-year period 2013-33.

^{3.111} Figure 56 identifies the household growth and associated housing need for the relevant Plan period for each of the local authority areas. These figures provide the most appropriate demographic projection on which to base the Objectively Assessed Need (OAN) for housing.

Figure 56: Housing need based on household projections by LA (Source: CLG; Buckinghamshire HEDNA. Note: Figures relate to individual Local Authority Plan periods which differ across the HMA)

	Aylesbury Vale	Chiltern	South Bucks	Wycombe	Bucks HMA
Household growth	<i>Plan period 2013-33</i>	<i>Plan period 2014-36</i>	<i>Plan period 2014-36</i>	<i>Plan period 2013-33</i>	<i>20-year period 2013-33</i>
CLG starting point estimate	18,404	5,151	7,172	11,369	40,847
HEDNA estimate (taking account of local circumstances)	18,144	5,826	6,240	12,084	41,152
Housing need based on household projections taking account of local circumstances (dwellings)	18,841	6,044	6,524	12,509	42,728
<i>Annual average housing need (dwellings)</i>	942	275	297	625	2,136

4. Affordable Housing Need

Identifying households who cannot afford market housing

- 4.1 Demographic projections provide the basis for identifying the Objectively Assessed Need for all types of housing, including both market housing and affordable housing.
- 4.2 PPG notes that affordable housing need is based on households “*who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market*” (paragraph 22) and identifies a number of different types of household which may be included:

What types of households are considered in housing need?

The types of households to be considered in housing need are:

- » *Homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income)*
- » *Households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households)*
- » *Households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ*
- » *Households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation*
- » *Households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move*

Planning Practice Guidance (March 2014), ID 2a-023

- 4.3 PPG also suggests a number of data sources for assessing past trends and recording current estimates for establishing the need for affordable housing (paragraph 24):
- » Local authorities will hold data on the number of homeless households, those in temporary accommodation and extent of overcrowding.
 - » The Census also provides data on concealed households and overcrowding which can be compared with trends contained in the English Housing Survey.
 - » Housing registers and local authority and registered social landlord transfer lists will also provide relevant information.
- 4.4 The following section considers each of these sources in turn, alongside other relevant statistics and information that is available.

Past Trends and Current Estimates of the Need for Affordable Housing

Local Authority Data: Homeless Households and Temporary Accommodation

- 4.5 In Buckinghamshire, there has been a long-term downward trend in the number of households accepted as being homeless and in priority need (Figure 57). There were 177 such households in the first quarter of 2001 which reduced to 59 households by the first quarter of 2013, a net reduction of 118 households. Nevertheless, recent short-term trends show an increase, with over 90 households accepted as being homeless and in priority need during the first two quarters of 2015.
- 4.6 There has also been a long-term downward trend in households living in temporary accommodation. There were 520 such households in 2001, including 61 in bed and breakfast accommodation and a further 150 in hostels; however this had reduced to 100 in 2011, a net reduction of 420 households. Nevertheless, the number of homeless households in temporary housing recently increased, with 132 households at the end of the first quarter of 2013. There were no households that had been accepted homeless but without temporary accommodation provided during the first quarter of 2013 (Figure 57).

Figure 57: Households accepted as homeless and in priority need and households in temporary accommodation 2001-15
(Source: CLG P1E returns)

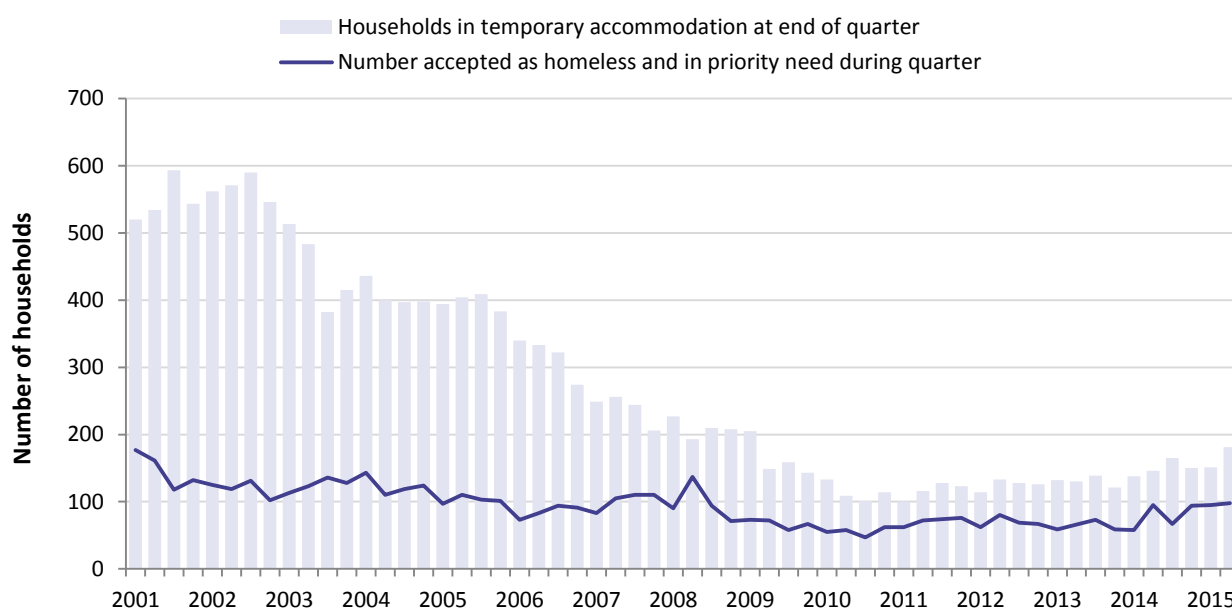


Figure 58: Households in temporary accommodation (Source: CLG P1E returns for March 2001, March 2011 and March 2013)

		Buckinghamshire			England 2013
		2001	2011	2013	
Households in temporary accommodation	Bed and breakfast	61	0	10	-
	Hostels	150	22	35	-
	Local Authority or RSL stock	252	75	86	-
	Private sector leased (by LA or RSL)	45	3	0	-
	Other (including private landlord)	12	0	1	-
	TOTAL	520	100	132	-
	<i>Rate per 1,000 households</i>	<i>2.7</i>	<i>0.5</i>	<i>0.6</i>	<i>2.5</i>
Households accepted as homeless but without temporary accommodation provided		120	0	0	-

- 4.7 It is evident that statutory homelessness has not become significantly worse in Buckinghamshire over the period since 2001, but this does not necessarily mean that fewer households risk becoming homeless. Housing advice services provided by the councils limit the number of homeless presentations, through helping people threatened with homelessness find housing before they become homeless. Housing allocation policies can also avoid the need for temporary housing if permanent housing is available sooner; however many households facing homelessness are now offered private rented housing.
- 4.8 Changes to the Law in 2011 means private sector households can now be offered accommodation in the Private Rented Sector and this cannot be refused, provided it is a reasonable offer. Prior to this change, Local Authorities could offer private sector housing to homeless households (where they have accepted a housing duty under Part 7 of the Housing Act 1996) but the applicant was entitled to refuse it. The Localism Act 2011 means refusal is no longer possible providing the offer is suitable. While the change aims to reduce the pressures on the social housing stock, an indirect result is that there are further demands on the private rented sector as Councils seek to house homeless households.

Census Data: Concealed Households and Overcrowding

- 4.9 The Census provides detailed information about households and housing in the local area. This includes information about **concealed families** (i.e. couples or lone parents living with another household) and **sharing households** (i.e. more than one household living in the same dwelling). These households lack the sole use of basic facilities (e.g. a bathroom or kitchen) and have to share these with their “host” household (in the case of concealed families) or with other households (for those sharing).

Concealed Families

- 4.10 The number of **concealed families** living with households in Buckinghamshire increased from 1,714 to 2,603 over the 10-year period 2001-11 (Figure 59), an increase of 889 families (52%). Nearly two-fifths of this growth was in Wycombe (+325 families), about a third was in South Bucks (+281) and a further one-fifth (+192 families) in Aylesbury Vale. There was a far more moderate increase in Chiltern (+91 families).

Figure 59: Concealed families in Buckinghamshire by age of family representative (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Aged under 25	218	440	222
Aged 25 to 34	603	816	213
Aged 35 to 44	241	244	3
Aged 45 to 54	99	250	151
Sub-total aged under 55	1,161	1,750	589
Aged 55 to 64	156	242	86
Aged 65 to 74	300	340	40
Aged 75 or over	97	271	174
Sub-total aged 55 or over	553	853	300
All Concealed Families	1,714	2,603	889

- 4.11 Although many concealed families do not want separate housing (in particular where they have chosen to live together as extended families), others are forced to live together due to affordability difficulties or other constraints – and these concealed families will not be counted as part of the CLG household projections. Concealed families with older family representatives will often be living with another family in

order to receive help or support due to poor health. Concealed families with younger family representatives are more likely to demonstrate un-met need for housing. When we consider the growth of 889 families over the period 2001-11, two thirds (66%) have family representatives aged under 55, with substantial growth amongst those aged under 35 in particular (in line with national trends).

Sharing Households

- 4.12 The number of **sharing households** increased from 272 to 356 over the 10-year period 2001-11 (Figure 60) an increase of 84 households (31%).

Figure 60: Shared Dwellings and Sharing Households in Buckinghamshire (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Number of shared dwellings	70	79	+10
Number of household spaces in shared dwellings	342	447	+105
All Sharing Households	272	356	+84
Household spaces in shared dwellings with no usual residents	70	91	+21

- 4.13 Figure 61 shows that the number of **multi-adult households** living in the area increased from 7,358 to 8,912 households over the same period, an increase of 1,554 (21%).

Figure 61: Multi-adult Households in Buckinghamshire (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Owned	4,631	5,050	+419
Private rented	1,959	3,151	+1,192
Social rented	768	711	-57
All Households	7,358	8,912	+1,554

- 4.14 These people also have to share basic facilities, but are considered to be a single household as they also share a living room, sitting room or dining area. This includes **Houses in Multiple Occupation (HMOs) with shared facilities**, as well as **single people living together as a group** and **individuals with lodgers**. The growth in multi-adult households was focussed particularly in the private rented sector, with an increase in single persons choosing to live with friends together with others living in HMOs. This growth accounts for 1,192 households (an increase from 1,959 to 3,151 households over the period) and this represents over three quarters (77%) of the total increase in multi-adult households living in the area.
- 4.15 Nevertheless, shared facilities is a characteristic of HMOs and many people living in this type of housing will only be able to afford shared accommodation (either with or without housing benefit support). Extending the Local Housing Allowance (LHA) Shared Accommodation Rate (SAR) allowance to cover all single persons up to 35 years of age has meant that many more young people will only be able to afford shared housing, and this has further increased demand for housing such as HMOs.
- 4.16 There is therefore likely to be a continued (and possibly growing) role for HMOs, with more of the existing housing stock possibly being converted. Given this context, it would not be appropriate to consider households to need affordable housing only on the basis of them currently sharing facilities (although there may be other reasons why they would be considered as an affordable housing need).

Overcrowding

- 4.17 The Census also provides detailed information about occupancy which provides a measure of whether a household's accommodation is **overcrowded or under occupied**:

“There are two measures of occupancy rating, one based on the number of rooms in a household's accommodation, and one based on the number of bedrooms. The ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula. The number of rooms/bedrooms required is subtracted from the number of rooms/bedrooms in the household's accommodation to obtain the occupancy rating. An occupancy rating of -1 implies that a household has one fewer room/bedroom than required, whereas +1 implies that they have one more room/bedroom than the standard requirement.”

- 4.18 When considering the number of rooms required, the ONS use the following approach to calculate the room requirement:

- » A one person household is assumed to require three rooms (two common rooms and a bedroom); and
- » Where there are two or more residents it is assumed that they require a minimum of two common rooms plus one bedroom for:
 - each couple (as determined by the relationship question)
 - each lone parent
 - any other person aged 16 or over
 - each pair aged 10 to 15 of the same sex
 - each pair formed from any other person aged 10 to 15 with a child aged under 10 of the same sex
 - each pair of children aged under 10 remaining
 - each remaining person (either aged 10 to 15 or under 10).

- 4.19 For Buckinghamshire, **overcrowding** increased from 9,474 to 12,553 households (an increase of 3,079) over the 10-year period 2001-11 (Figure 62). The change in overcrowding represents a growth of 24%, which is lower than South West Hertfordshire (32%) and West Kent (32%) but slightly higher than West Surrey (19%). It is a similar increase to the national increase for England (23%).

- 4.20 When considered by tenure, overcrowding has increased by 125 households in the owner occupied sector, by 418 households in the social rented sector; however the largest growth was in the private rented sector, where the number increased from 2,061 to 4,597 households, a growth of 2,536 over the 10-year period.

Figure 62: Proportion of overcrowded households 2011 and change 2001-11 by tenure (Note: Overcrowded households are considered to have an occupancy rating of -1 or less. Source: UK Census of Population 2001 and 2011)

	Occupancy rating (rooms)						Occupancy rating (bedrooms) 2011	
	2001		2011		Net change 2001-11			
	N	%	N	%	N	%	N	%
Aylesbury Vale								
Owned	1,390	2.8%	1,363	2.7%	-27	-5%	1,011	2.0%
Private rented	694	10.8%	1,563	15.4%	+869	+43%	818	8.1%
Social rented	1,308	14.2%	1,464	16.3%	+156	+15%	700	7.8%
All Households	3,392	5.3%	4,390	6.3%	+998	+20%	2,529	3.6%
Chiltern								
Owned	360	1.3%	417	1.5%	+57	+13%	336	1.2%
Private rented	221	7.9%	463	12.5%	+242	+58%	251	6.8%
Social rented	570	12.8%	626	13.7%	+56	+7%	366	8.0%
All Households	1,151	3.3%	1,506	4.1%	+355	+25%	953	2.6%
South Bucks								
Owned	347	1.8%	423	2.1%	+76	+19%	304	1.5%
Private rented	161	6.9%	345	10.2%	+184	+47%	169	5.0%
Social rented	343	10.9%	349	10.7%	+6	-2%	209	6.4%
All Households	851	3.4%	1,117	4.2%	+266	+23%	682	2.6%
Wycombe								
Owned	1,678	3.5%	1,697	3.5%	+19	+1%	1,272	2.7%
Private rented	985	14.1%	2,226	19.8%	+1,241	+40%	1,038	9.2%
Social rented	1,417	16.5%	1,617	18.7%	+200	+13%	803	9.3%
All Households	4,080	6.4%	5,540	8.2%	+1,460	+27%	3,113	4.6%
BUCKINGHAMSHIRE								
Owned	3,775	2.6%	3,900	2.7%	+125	+1%	2,923	2.0%
Private rented	2,061	11.1%	4,597	16.2%	+2,536	+45%	2,276	8.0%
Social rented	3,638	14.3%	4,056	15.9%	+418	+11%	2,078	8.2%
All Households	9,474	5.0%	12,553	6.3%	+3,079	+24%	7,277	3.6%
All Households								
ENGLAND	-	7.1%	-	8.7%	-	+23%	-	4.6%
South West Hertfordshire	-	6.0%	-	8.0%	-	+32%	-	4.1%
West Kent	-	4.5%	-	6.0%	-	+32%	-	3.0%
West Surrey	-	5.4%	-	6.5%	-	+19%	-	3.3%

English Housing Survey Data

Overcrowding

- 4.21 The English Housing Survey (EHS) does not provide information about individual local authorities, but it does provide a useful context about these indicators in terms of national trends between Census years.
- 4.22 The measure of overcrowding used by the EHS provides a consistent measure over time **however the definition differs from both occupancy ratings provided by the Census**. The EHS approach¹⁸ is based on a “*bedroom standard*” which assumes that adolescents aged 10-20 of the same sex will share a bedroom, and only those aged 21 or over are assumed to require a separate bedroom (whereas the approach used by the ONS for the Census assumes a separate room for those aged 16 or over):

“The ‘bedroom standard’ is used as an indicator of occupation density. A standard number of bedrooms is calculated for each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allowed for each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex, and each pair of children under 10. Any unpaired person aged 10-20 is notionally paired, if possible, with a child under 10 of the same sex, or, if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child under 10.

“Households are said to be overcrowded if they have fewer bedrooms available than the notional number needed. Households are said to be under-occupying if they have two or more bedrooms more than the notional needed.”

- 4.23 Nationally, overcrowding rates increased for households in both social and private rented housing, although the proportion of overcrowded households has declined in both sectors since 2011. Overcrowding rates for owner occupiers have remained relatively stable since 1995.

Figure 63: Trend in overcrowding rates by tenure (Note: Based on three-year moving average, up to and including the labelled date. Source: Survey of English Housing 1995-96 to 2007-08; English Housing Survey 2008-09 onwards)



¹⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284648/English_Housing_Survey_Headline_Report_2012-13.pdf

4.24 Whilst the EHS definition of overcrowding is more stringent than the Census, the measurement closer reflects the definition of statutory overcrowding that was set out by Part X of the Housing Act 1985 and is consistent with statutory Guidance¹⁹ that was issued by CLG in 2012 to which authorities must have regard when exercising their functions under Part 6 of the 1996 Housing Act (as amended).

4.25 This Guidance, “Allocation of accommodation: Guidance for local housing authorities in England”, recommends that authorities should use the bedroom standard when assessing whether or not households are overcrowded for the purposes of assessing housing need:

4.8 The Secretary of State takes the view that the bedroom standard is an appropriate measure of overcrowding for allocation purposes, and recommends that all housing authorities should adopt this as a minimum. The bedroom standard allocates a separate bedroom to each:

- married or cohabiting couple
- adult aged 21 years or more
- pair of adolescents aged 10-20 years of the same sex
- pair of children aged under 10 years regardless of sex

4.26 The bedroom standard therefore provides the most appropriate basis for assessing overcrowding. By considering the Census and EHS data for England, together with the Census data for Aylesbury Vale, Chiltern, South Bucks and Wycombe, we can estimate overcrowding using the bedroom standard. Figure 64 sets out this calculation based on the Census occupancy rating for both rooms and bedrooms. Based on the bedroom standard, it is estimated that **1,473 owner occupied, 899 private rented and 1,418 social rented households were overcrowded** in Buckinghamshire HMA in 2013. Student households have been excluded from this calculation given that their needs are assumed to be transient.

Figure 64: Estimate of the number of overcrowded households in Buckinghamshire by tenure based on the bedroom standard
(Source: EHS; UK Census of Population 2011)

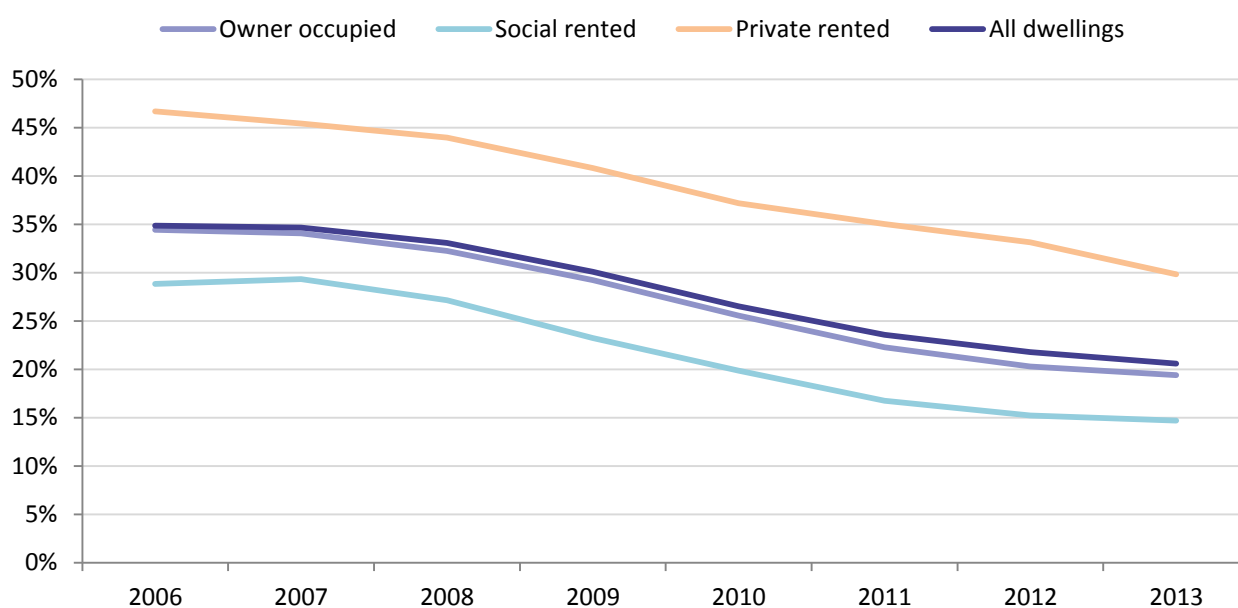
	Owned		Private Rented		Social Rented	
ENGLAND						
EHS bedroom standard 2011						
Percentage of households overcrowded [A]	1.3%		5.6%		7.3%	
Census occupancy rating	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>
Percentage of households overcrowded [B]	2.3%	3.3%	8.8%	20.2%	8.9%	16.9%
Proportion of these overcrowded households based on bedroom standard [C = A ÷ B]	57%	40%	64%	28%	83%	43%
BUCKINGHAMSHIRE HMA						
Census occupancy rating	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>
Number of overcrowded households [D]	2,923	3,900	2,276	4,597	2,078	4,056
Full-time student households [E]	410	398	942	1,162	165	169
Overcrowded households (excluding students) [F = D - E]	2,513	3,502	1,334	3,435	1,913	3,887
Estimate of overcrowded households based on the bedroom standard [G = C × F]	1,432	1,401	854	962	1,588	1,671
Estimate of overcrowded households in 2011 based on the bedroom standard (average)	1,417		908		1,630	
EHS bedroom standard						
Change in overcrowding from 2011 to 2013	+4%		-1%		-13%	
Estimate of overcrowded households in 2013 based on the bedroom standard	1,473		899		1,418	

¹⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5918/2171391.pdf

Housing Condition and Disrepair

- 4.27 The EHS also provides useful information about **housing disrepair**. The EHS headline report for 2013-14 identifies that private rented sector dwellings had the highest rate of disrepair: 7% compared with 4% of owner occupied dwellings and 3% of social sector dwellings.
- 4.28 The Decent Homes Standard provides a broad measure of **housing condition**. It was intended to be a minimum standard that all housing should meet and that to do so should be easy and affordable. It was determined that in order to meet the standard a dwelling must achieve all of the following:
- » Be above the legal minimum standard for housing (currently the Housing Health and Safety Rating System, HHSRS); and
 - » Be in a reasonable state of repair; and
 - » Have reasonably modern facilities (such as kitchens and bathrooms) and services; and
 - » Provide a reasonable degree of thermal comfort (effective insulation and efficient heating).
- 4.29 If a dwelling fails any one of these criteria, it is considered to be “non-decent”. A detailed definition of the criteria and their sub-categories are described in the ODPM guidance: “A Decent Home – The definition and guidance for implementation” June 2006.
- 4.30 Figure 65 shows the national trends in non-decent homes by tenure. It is evident that conditions have improved year-on-year (in particular due to energy efficiency initiatives), however whilst social rented properties are more likely to comply with the standard, almost a third of the private rented sector (33.1%) remains currently non-decent. This is a trend that tends to be evident at a local level in most areas where there are concentrations of private rented housing, and there remains a need to improve the quality of housing provided for households living in the private rented sector.

Figure 65: Trend in non-decent homes by tenure (Source: English House Condition Survey 2006 to 2007; English Housing Survey 2008 onwards)



Housing Register Data

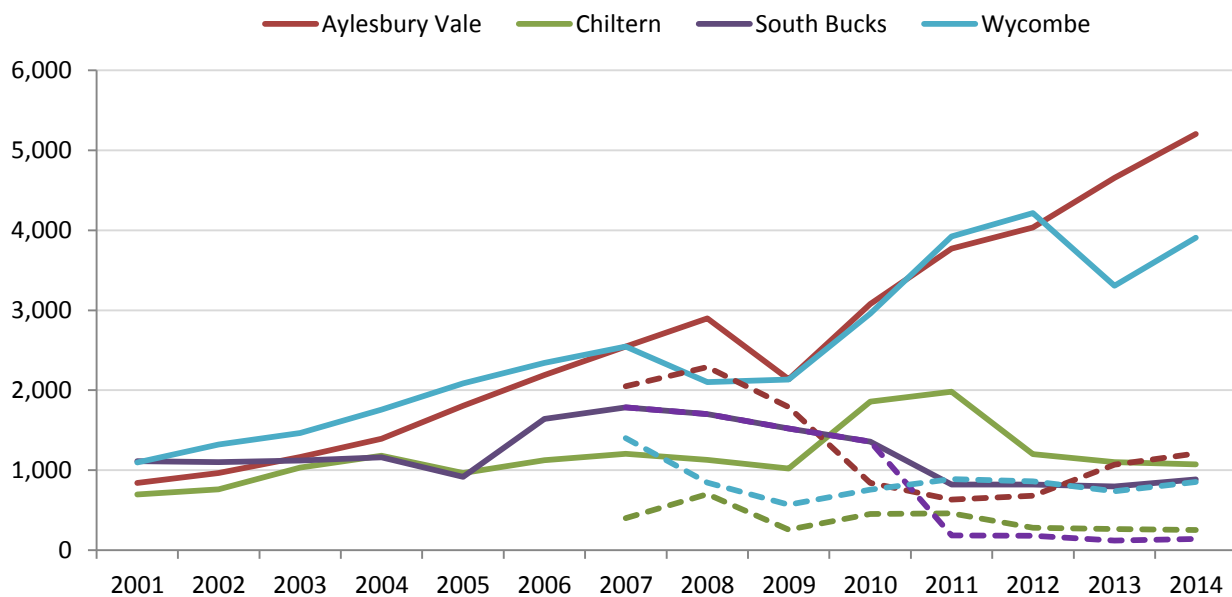
4.31 The local authority **housing register** and **transfer lists** are managed through the *Bucks Home Choice* choice-based lettings scheme which covers the whole of Buckinghamshire. Households register for the scheme and ‘bid’ for available homes based on their priority banding.

4.32 Figure 66 shows the trend in households on the housing register over the period since 2001:

- » **Aylesbury Vale:** households on the housing register rose from 800 in 2001 to 5,200 by 2014;
- » **Chiltern:** household numbers increased from 700 in 2001 to almost 2,000 in 2011, however the number of households registered in 2014 was around 1,100
- » **South Bucks:** household numbers reduced from 1,100 in 2001 to 800 in 2011, however the number of households registered in 2014 was around 900; and
- » **Wycombe:** households numbers have increased from around 1,100 households in 2001 to a peak of 4,200 households in 2012, with 3,900 households on the register in 2014.

4.33 Overall, the trends show that the number of households registering for affordable housing has increased substantially in both Aylesbury Vale and Wycombe over the last decade, but numbers have been relatively stable in Chiltern and South Bucks.

Figure 66: Number of households on the local authority housing register 2001-14 (Note: Solid line shows total number of households; dotted line shows number of households in a reasonable preference category. Source: LAHS and HSSA returns to CLG)



4.34 Figure 66 also show the number recorded in a reasonable preference category since 2007. Reasonable preference categories are defined in the Housing Act 1996, which requires “reasonable preference” for housing to be given to people who are:

- » Legally homeless;
- » Living in unsatisfactory housing (as defined by the Housing Act 2004);
- » Need to move on medical/welfare grounds; or
- » Need to move to a particular area to avoid hardship.

- 4.35 Figure 67 provides further detailed information for the last 2 years. The number of households in **reasonable preference categories** has also been subject to variation from year-to-year, although these have not always followed the trends in the overall number of households on the register. The number of households with a reasonable preference in 2014 was 2,457 which was an increase of 262 households on the 2,195 households registered with a reasonable preference in 2013.

Figure 67: Number of households on the local authority housing register at 1st April (Source: LAHS returns to CLG)

	Aylesbury Vale		Chiltern		South Bucks		Wycombe		Bucks HMA	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Total households on the housing waiting list	4,654	5,204	1,101	1,075	798	886	3,308	3,908	9,861	11,073
Total households in a reasonable preference category	1,068	1,209	265	252	123	143	739	853	2,195	2,457
People currently living in temporary accommodation who have been accepted as being homeless (or threatened with homelessness)	65	47	16	27	14	38	50	0	145	112
Other people who are homeless within the meaning given in Part VII of the Housing Act (1996), regardless of whether there is a statutory duty to house them	93	133	38	24	14	20	2	45	147	222
People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions	891	963	191	169	87	66	529	719	1,698	1,917
People who need to move on medical or welfare grounds, including grounds relating to a disability	79	92	20	32	11	19	78	87	188	230
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	5	21	0	0	0	0	80	2	85	23

- 4.36 The number of people recorded by the housing register as homeless or owed a duty under the Housing Act appears to be broadly consistent with the local authority data about homelessness.
- 4.37 Nevertheless, we previously estimated that there were around 3,790 overcrowded households in the Buckinghamshire HMA, based on the bedroom standard (Figure 64) – but only 1,917 people were recorded by the housing registers in 2014 as currently *“occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions”*. Therefore, there are likely to be many households who have not registered for affordable housing despite being overcrowded. This will partly reflect their affordability (for example, most owner occupiers would not qualify for rented affordable housing due to the equity in their current home) whilst others may only be temporarily overcrowded and will have sufficient space available once a concealed family is able to leave and establish an independent household.
- 4.38 When considering the types of household to be considered in housing need, the PPG also identified “households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ” and “households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move”. It is only through the housing register that we are able to establish current estimates of

need for these types of household, and not all would necessarily be counted within a reasonable preference category. Nevertheless, there were 230 people registered “*who need to move on medical or welfare grounds, including grounds relating to a disability*” and a further 23 “*who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)*”.

Households Unable to Afford their Housing Costs

- 4.39 The PPG emphasises in a number of paragraphs that affordable housing need should only include those households that are unable to afford their housing costs:

Plan makers ... will need to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market (ID 2a-022, emphasis added)

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of ... those that cannot afford their own homes. Care should be taken to avoid double-counting ... and to include only those households who cannot afford to access suitable housing in the market (ID 2a-024, emphasis added)

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 (ID 2a-025, emphasis added)

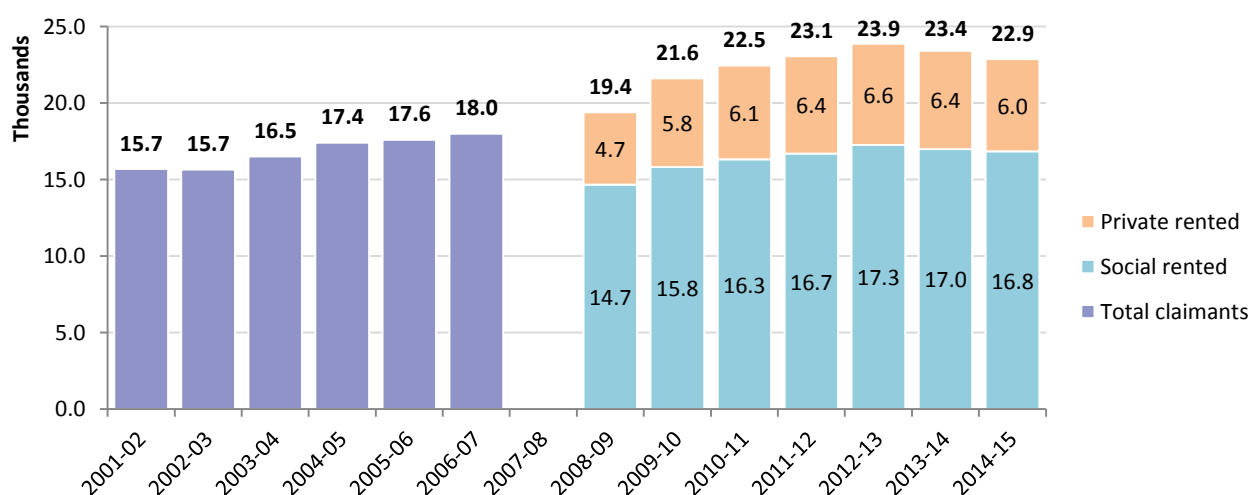
Planning Practice Guidance (March 2014)

- 4.40 Housing benefit data from the Department for Work and Pensions (DWP) provides reliable, consistent and detailed information about the number of families that are unable to afford their housing costs in each local authority area. Data was published annually from 2001-02 to 2006-07 which identified the total number of claimants in receipt of housing benefit, and more detailed information has been available since 2008-09 which includes more detailed information about claimants and the tenure of their home.

Housing Benefit Claimants in Buckinghamshire HMA

- 4.41 Figure 68 shows the trend in the number of housing benefit claimants in Buckinghamshire HMA.

Figure 68: Number of claimants in receipt of housing benefit in Buckinghamshire by tenure (Source: DWP)



- ^{4.42} The number of housing benefit claimants in Buckinghamshire HMA increased from 15,692 to 18,000 over the period 2001-02 to 2006-07, equivalent to an average annual growth of around 460 families. The number of claimants reached 23,875 in 2012-13, therefore a much faster growth of around 980 families each year on average over the period from 2006-07. The largest growth was experienced between 2008-09 and 2009-10, shortly after the “credit crunch”, when the number of claimants increased by about 2,200 families.
- ^{4.43} Considering the information on tenure, it is evident that the number of claimants in social rented housing increased from 14,666 to 17,252 over the period 2008-09 to 2012-13 – an increase of about 2,600 families (18%); however over the same period the number of claimants in private rented housing increased from 4,725 to 6,623 families – an increase of about 1,900 families (40%).
- ^{4.44} This increase in housing benefit claimants, in particular those living in private rented housing, coincides with the increases observed on the housing register. Indeed, it is likely that many households applying for housing benefit would have also registered their interest in affordable housing. Nevertheless, many of them will have secured appropriate housing in the private rented sector which housing benefit enabled them to afford; so not all will necessarily need affordable housing, though many may prefer this type of housing if it were available.
- ^{4.45} The information published by DWP provides the detailed information needed for understanding the number of households unable to afford their housing costs. Of course, there will be other households occupying affordable housing who do not need housing benefit to pay discounted social or affordable rents but who would not be able to afford market rents. Similarly there will be others who are not claiming housing benefit support as they have stayed living with parents or other family or friends and not formed independent households. However, providing that appropriate adjustments are made to take account of these exceptions, **the DWP data provides the most reliable basis for establishing the number of households unable to afford their housing costs and estimating affordable housing need.**

Establishing Affordable Housing Need

- ^{4.46} In establishing the Objectively Assessed Need for affordable housing, it is necessary to draw together the full range of information that has already been considered in this report.
- ^{4.47} PPG sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

How should affordable housing need be calculated?

This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock.

Planning Practice Guidance (March 2014), ID 2a- 022

Current Unmet Need for Affordable Housing

- ^{4.48} In terms of establishing the **current** unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing.

How should the current unmet gross need for affordable housing be calculated?

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in overcrowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
- » *the number of households from other tenures in need and those that cannot afford their own homes.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance (March 2014), ID 2a-024

- 4.49 Earlier sections of this chapter set out the past trends and current estimates for relevant households based on the data sources identified by PPG (based on a reference point of March 2013). Although this evidence does not provide the basis upon which to establish whether or not households can afford to access suitable housing, we believe that it is reasonable to assume that certain households will be unable to afford housing, otherwise they would have found a more suitable home.

Establishing the Current Unmet Need for Affordable Housing

- 4.50 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 4.51 Given this context, our analysis counts the needs of all of these households when establishing the Objectively Assessed Need for affordable housing at a base date of 2013.
- 4.52 Only around half of households currently living in **overcrowded** housing (based on the bedroom standard) are registered in a reasonable preference category, which will partly reflect their affordability. It is likely that most owner occupiers would not qualify for rented affordable housing (due to the equity in their current home); but it is reasonable to assume that households living in overcrowded rented housing are unlikely to be able to afford housing, otherwise they would have found a more suitable home.
- 4.53 Our analysis counts the needs of all households living in overcrowded rented housing when establishing the OAN for affordable housing (which could marginally overstate the affordable housing need) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Buckinghamshire.

- 4.54 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household, and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Councils have a range of statutory enforcement powers to improve housing conditions.
- 4.55 When considering **concealed families**, it is important to recognise that many do not want separate housing. Concealed families with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to experience affordability difficulties or other constraints (although not all will want to live independently).
- 4.56 Concealed families in a reasonable preference category on the housing register will be counted regardless of age, but our analysis also considers the additional growth of concealed families with family representatives aged under 55 (even those not registered on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).
- 4.57 The needs of these households are counted when establishing the OAN for affordable housing and they also add to the OAN for overall housing, as concealed families are not counted by the CLG household projections.
- 4.58 Figure 69 sets out the assessment of current affordable housing need for Buckinghamshire.

Figure 69: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

	Affordable Housing		Increase in Overall Housing Need
	Gross Need	Supply	
Homeless households in priority need (see Figure 58)			
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	45		45
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	1		
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	86	86	
Households accepted as homeless but without temporary accommodation provided	0		
Concealed households (see Figure 59)			
Growth in concealed families with family representatives aged under 55	589		589
Overcrowding based on the bedroom standard (see Figure 64)			
Households living in overcrowded private rented housing	899		
Households living in overcrowded social rented housing	1,418	1,418	
Other households living in unsuitable housing that cannot afford their own home (see Figure 67)			
People who need to move on medical or welfare grounds, including grounds relating to a disability	230	19	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	23	2	
TOTAL	3,291	1,525	634

- 4.59 Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that there are **3,291 households currently in affordable housing need in the Buckinghamshire HMA who are unable to afford their own housing**. This assessment is based on the criteria set out in the PPG and avoids double-counting (as far as possible).
- 4.60 Of these households, 1,525 currently occupy affordable housing that does not meet the households' current needs, mainly due to overcrowding. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. **There is, therefore, a net need from 1,766 households (3,291 less 1,525 = 1,766) who currently need affordable housing and do not currently occupy affordable housing in the Buckinghamshire HMA** (although a higher number of new homes may be needed to resolve all of the identified overcrowding).
- 4.61 This number includes 634 households that would not be counted by the household projections. There is, therefore, a need to increase the housing need based on demographic projections to accommodate these additional households. As for the household projections, we have also added an additional allowance for transactional vacancies (once again based on the proportion of dwellings with no usually resident household); this increases the need for overall housing provision by 659 dwellings.
- 4.62 Providing the net additional affordable housing needed will release back into the market (mainly in the private rented sector) the dwellings occupied by a total of 1,132 households (1,766 less 634 = 1,132) that are currently in affordable housing need who are unable to afford their own housing.

Projected Future Affordable Housing Need

- 4.63 In terms of establishing **future** projections of affordable housing need, the PPG draws attention to new household formation (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.

How should the number of newly arising households likely to be in housing need be calculated?

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. This process should identify the minimum household income required to access lower quartile (entry level) market housing (plan makers should use current cost in this process, but may wish to factor in changes in house prices and wages). It should then assess what proportion of newly-forming households will be unable to access market housing.

Planning Practice Guidance (March 2014), ID 2a-025

- 4.64 The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis that is 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.
- 4.65 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. 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.

- ^{4.66} The Housing Mix Model considers the future number and type of households based on the household projections alongside the existing dwelling stock. Whilst the Model considers the current unmet need for affordable housing (including the needs of homeless households, those in temporary accommodation, overcrowded households, concealed households, and established households in unsuitable dwellings or that cannot afford their own homes), it also provides a robust framework for projecting the future need for affordable housing.

Households Unable to Afford their Housing Costs

- ^{4.67} 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”* (ID 2a-025). PPG also emphasises that *“Care should be taken ... to include only those households who cannot afford to access suitable housing in the market”* (ID 2a-024).

- ^{4.68} The emphasis here is very different to the previous 2007 SHMA Practice Guidance (now withdrawn), which identified that (page 42):

“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”

- ^{4.69} Given this context, previous housing needs assessments based on the superseded SHMA guidance counted all households where market rent would exceed 25% of their gross household income as needing affordable housing, even though many such households would in practice spend a higher proportion of their income on rent in order to access market housing. As a consequence, the level of affordable housing need identified by such historic assessments was often very high.

- ^{4.70} The PPG identifies that it is only the needs of those households who cannot afford to buy or rent housing in the market area that should be counted when assessing affordable housing need; and, unlike the previous SHMA guidance, the PPG does not suggest an income multiplier. In assessing the ability of households to afford, the Model considers **data published by DWP about housing benefit claimants alongside detailed housing tenure information from the 2011 Census** based on the following assumptions:

- » Where households are claiming housing benefit, it is assumed that they cannot afford market housing; and the Model also assumes that households occupying affordable housing will continue to do so; and
- » 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.

- ^{4.71} However, 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 that this will also differ between age cohorts. Therefore, the affordability percentages in Figure 70 are calculated separately for each household type and age group.

Figure 70: Assessing affordability by household type and age (Source: ORS Housing Model based on Census 2011 and DWP)

	Under 25	25-34	35-44	45-54	55-64	65+
AYLESBURY VALE:						
Percentage unable to afford market housing						
Single person household	33%	15%	19%	23%	25%	25%
Couple family with no dependent children	12%	4%	4%	8%	7%	11%
Couple family with 1 or more dependent children	56%	23%	10%	7%	8%	12%
Lone parent family with 1 or more dependent children	90%	85%	49%	29%	23%	29%
Other household type	30%	22%	20%	19%	15%	11%
CHILTERN:						
Percentage unable to afford market housing						
Single person household	60%	25%	27%	27%	24%	21%
Couple family with no dependent children	20%	6%	8%	10%	6%	9%
Couple family with 1 or more dependent children	77%	35%	9%	5%	5%	9%
Lone parent family with 1 or more dependent children	99%	82%	51%	27%	20%	2%
Other household type	27%	17%	27%	19%	15%	9%
WYCOMBE:						
Percentage unable to afford market housing						
Single person household	28%	11%	19%	24%	25%	26%
Couple family with no dependent children	11%	4%	6%	7%	6%	7%
Couple family with 1 or more dependent children	54%	26%	11%	7%	8%	24%
Lone parent family with 1 or more dependent children	98%	83%	53%	34%	23%	33%
Other household type	16%	18%	22%	19%	15%	9%
SOUTH BUCKS:						
Percentage unable to afford market housing						
Single person household	28%	13%	18%	20%	25%	24%
Couple family with no dependent children	7%	4%	6%	10%	7%	10%
Couple family with 1 or more dependent children	64%	21%	9%	6%	4%	12%
Lone parent family with 1 or more dependent children	89%	87%	51%	27%	35%	42%
Other household type	14%	13%	16%	13%	11%	12%

4.72 The affordability assessment used by the Model is relatively stringent insofar as it is only households that would be eligible for welfare support that are counted within the identified affordable housing need. There are likely to be other households who are spending more than 25% of their gross income (and sometime much more than this proportion), but who are not eligible for welfare support in relation to their housing. The Model's assessment therefore focusses on those **households with the most acute needs**, and a broader affordability assessment would probably identify a greater number of households needing affordable housing. **The Model therefore identifies a minimum level of affordable housing need.**

Components of Projected Household Growth

- 4.73 PPG identifies that the CLG household projections “*should provide the starting point estimate for overall housing need*” (ID 2a-015) and that “*the 2012-2037 Household Projections ... are the most up-to-date estimate of future household growth*” (ID 2a-016). **However, when considering the number of newly arising households likely to be in affordable housing need**, the PPG recommends a “*gross annual estimate*” (ID 2a-025) suggesting that “*the total need for affordable housing should be converted into annual flows*” (ID 2a-029).
- 4.74 The demographic projections developed to inform the overall Objectively Assessed Need include annual figures for household growth, and these can therefore be considered on a year-by-year basis as suggested by the Guidance; but given that elements of the modelling are fundamentally based on 5-year age cohorts, it is appropriate to annualise the data using 5-year periods.
- 4.75 Figure 71 shows the individual components of annual household growth from the baseline household projections, based on 10-year migration trends for the period 2004-14.

Figure 71: Components of average annual household growth by 5-year projection period (Source: ORS Housing Model)

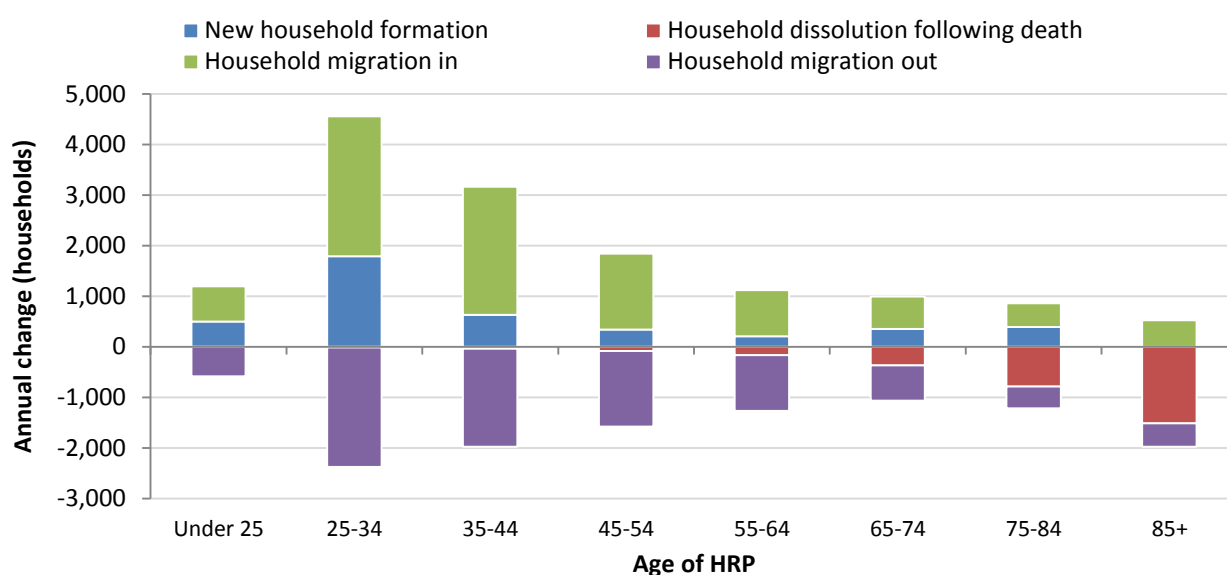
	Annual average for 5-year periods during Plan				Annual average 2013-33
	2013-18	2018-23	2023-28	2028-33	
New household formation	4,177	4,307	4,386	4,523	4,348
Household dissolution following death	2,965	3,119	3,347	3,652	3,270
Net household growth within Buckinghamshire HMA	+1,212	+1,189	+1,039	+871	+1,078
Household migration in	10,053	10,034	10,291	10,593	10,243
Household migration out	9,064	9,092	9,320	9,574	9,263
Net household migration	+988	+941	+971	+1,019	+980
Total household growth	+2,201	+2,129	+2,010	+1,890	+2,058

- 4.76 Over the initial 5-year period (2013-18) the model shows that:
- » There are projected to be 4,177 new household formations each year; but this is offset against 2,965 household dissolutions following death – so there is an **average net household growth of 1,212 households** locally in Buckinghamshire HMA;
 - » There are also projected to be 10,053 households migrating to Buckinghamshire HMA offset against 9,064 households migrating away from the area – which yields an **increase of 988 households attributable to net migration**;
 - » The total household growth is therefore **projected to be 2,201** (1,212 plus 988 = 2,201) **households each year** over the initial 5-year period of the projection.
- 4.77 During the course of the full projection period, net household growth within Buckinghamshire HMA is projected to be higher in the early part of the projection period than in the later years. This is despite gross household formation being projected to increase, due to a larger number of households projected to dissolve over the projection period.
- 4.78 Over the 20-year period 2013-33, total **household growth averages 2,058 households** each year with an average annual net growth of 1,078 households within the HMA and a net gain of 980 households based on migration.

Change in Household Numbers by Age Cohort

- 4.79 To establish the **proportion of newly forming households unable to buy or rent** in the market area, it is necessary to consider the characteristics of the 4,177 new households projected to form in Buckinghamshire each year over the period 2013-18 (Figure 71) alongside the detailed information about household affordability (Figure 70).
- 4.80 Figure 72 shows the age structure of each of the **components of household change**. Note that this analysis is based on changes within each age cohort, so comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 72: Annual change in household numbers in each age cohort by age of HRP (Source: ORS Housing Model)



- 4.81 Together with information on household type, this provides a framework for the Model to establish the proportion of households who are unable to afford their housing costs.
- 4.82 The Model identifies that 22% of all newly forming households are unable to afford their housing costs, which represents 916 households each year (Figure 73). The Model shows that a lower proportion of households migrating to the area are unable to afford (19%), but this still represents 1,941 households moving in to the area. Some of these households will be moving to social rented housing, but many others will be renting housing in the private rented sector with housing benefit support. **Together, there are 2,857 new households each year who are unable to afford their housing costs.**

Figure 73: Affordability of new households over the initial 5-year period 2013-18 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	4,177	3,261	916	22%
Households migrating in to the area	10,053	8,111	1,941	19%
All new households	14,230	11,372	2,857	20%

- 4.83 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” (ID 2a-029), **but this over-simplifies what is a very complex system.**

- 4.84 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 their housing costs at a later date – for example:
- » Two newly formed single person households may both be unable to afford housing, but together they might create a couple household that can afford suitable housing;
 - » Similarly, not all households that are unable to afford housing are allocated affordable housing;
 - » Some will choose to move to another housing market area and will therefore no longer require affordable housing.
- 4.85 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.
- 4.86 Considering those components of household change which reduce the number of households resident in the area, the Model identifies **2,965 households are likely to dissolve** following the death of all household members. Many of these households will own their homes outright; however 17% are unable to afford market housing: most living in affordable housing.
- 4.87 When considering **households moving away** from the Buckinghamshire HMA, the Model identifies that an average of 9,064 households will leave the area each year. Some will be leaving social rented housing, which will become available for another household needing affordable housing. Whilst others will not vacate a social rented property, those unable to afford their housing costs will have been counted in the estimate of current need for affordable housing or at the time they were a new household (either newly forming or migrating into the area). Whilst some of these households might prefer to stay in the area if housing costs were less expensive or if more affordable housing was available, given that these households are projected to move from the HMA (and are therefore not counted in the overall housing need) it is appropriate that their affordable housing needs are also discounted.
- 4.88 Figure 74 summarises the total household growth. This includes the 2,857 new households on average each year who are unable to afford their housing costs, but offsets this against the 2,214 households who will either vacate existing affordable housing or who will no longer constitute a need for affordable housing in the Buckinghamshire HMA (as the household has either dissolved or moved to live elsewhere).

Figure 74: Components of average annual household growth 2013-18 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	4,177	3,261	916	22%
Households migrating in to the area	10,053	8,111	1,941	19%
All new households	14,230	11,372	2,857	20%
Household dissolutions following death	2,965	2,452	513	17%
Households migrating out of the area	9,064	7,363	1,701	19%
All households no longer present	12,029	9,815	2,214	18%
Average annual household growth 2013-18	2,201	1,557	643	29%

- 4.89 Overall, the Model projects that household growth will yield a net increase of 643 households on average each year (over the period 2013-18) who are unable to afford their housing, which represents 29% of the 2,201 overall household growth for this period.

Projecting Future Needs of Existing Households

- ^{4.90} PPG also identifies that in addition to the needs of new households, it is also important to estimate “*the number of existing households falling into need*” (ID 2a-025). Whilst established households that continue to live in Buckinghamshire will not contribute to household growth, changes in circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the Model, and it is **estimated that an average of 480 established households fall into need each year** in the HMA. This represents a rate of 2.3 per 1,000 household falling into need each year.
- ^{4.91} Finally, whilst the PPG recognises that established households’ circumstances can deteriorate such that they fall into need, it is also important to recognise that **established households’ circumstances can improve**. For example:
- » When two people living as single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately). Figure 70 showed that 33% of single person households aged under 25 in Aylesbury Vale could not afford housing, compared to 12% of couples of the same age; and for those aged 25 to 34, the proportions were 15% and 4% respectively.
 - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period. Figure 70 showed that 35% of couple families with dependent children aged 25 to 34 in Chiltern could not afford housing, compared to 9% of such households aged 35 to 44.
- ^{4.92} Given this context, it is clear that **we must also recognise these improved circumstances which can reduce the need for affordable housing over time**, as households that were previously counted no longer need financial support. The Model identifies that the circumstances of **715 households improve each year** such that they become able to afford their housing costs despite previously being unable to afford. This represents a rate of 3.5 per 1,000 household climbing out of need each year.
- ^{4.93} Therefore, considering the overall changing needs of existing households, **there is an average net reduction of 234 households** (715 less 480 = 234) **needing affordable housing each year**.

Projecting Future Affordable Housing Need (average annual estimate)

- 4.94 Figure 75 provides a comprehensive summary of all of the components of household change that contribute to the projected level of affordable housing need. More detail on each is provided earlier in this Chapter.

Figure 75: Components of average annual household growth 2013-18 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	4,177	3,261	916	22%
Households migrating in to the area	10,053	8,111	1,941	19%
All new households	14,230	11,372	2,857	20%
Household dissolutions following death	2,965	2,452	513	17%
Households migrating out of the area	9,064	7,363	1,701	19%
All households no longer present	12,029	9,815	2,214	18%
Average annual household growth 2013-18	+2,201	+1,557	+643	29%
Existing households falling into need	-	-480	+480	100%
Existing households climbing out of need	-	+715	-715	0%
Change in existing households	-	+234	-234	-
Average annual future need for market and affordable housing 2013-18	+2,201	+1,792	+409	19%

- 4.95 Overall, there is a projected need from **2,857 new households who are unable to afford their housing costs** (916 newly forming households and 1,941 households migrating to the area) each year; however, **2,214 households will either vacate existing affordable housing or will no longer need affordable housing** in the Buckinghamshire HMA (as they have moved to live elsewhere) **thereby reducing the new need to a net total of 643 households.**
- 4.96 Considering the needs of existing households, there are 480 households expected to fall into need each year (a rate of 2.3 per 1000 households) but this is offset against 715 households whose circumstances are projected to improve. There is, therefore, an **average net reduction of 234 existing households that need affordable housing each year.**
- 4.97 Based on the needs of new households and existing households, there is a **projected increase of 409 households each year on average for the initial period 2013-18 who will need affordable housing** (643 less 234 = 409).
- 4.98 Using the approach outlined above for the initial 5-year period of the projection, the Model also considers the need for affordable housing over the 20-year period 2013-33 based on the scenario which assumes migration trends from the period 2004-14. The Model identifies that the **need for affordable housing will increase by 8,174 households over the period 2013-33**; an annual average of 409 households per year.

Assessing the Overall Need for Affordable Housing

^{4.99} Figure 76 brings together the information on assessing the unmet need for affordable housing in 2013, and the future affordable housing need arising over the 20-year period 2013-33.

Figure 76: Assessing total need for market and affordable housing with household projections based on baseline migration trends (2004-14) (Source: ORS Housing Model)

	Housing Need (households)		Overall Housing Need
	Market housing	Affordable housing	
Unmet need for affordable housing in 2013 (see Figure 69)			
Total unmet need for affordable housing	-	3,291	3,291
Supply of housing vacated	1,132	1,525	2,657
Overall impact of current affordable housing need	-1,132	+1,766	+634
Projected future housing need 2013-33			
Newly forming households	67,287	19,679	86,966
Household dissolutions following death	54,241	11,168	65,410
Net household growth within Buckinghamshire HMA	+13,045	+8,511	+21,557
Impact of existing households falling into need	-10,308	+10,308	-
Impact of existing households climbing out of need	+15,613	-15,613	-
Impact of households migrating to/from the area	+14,627	+4,969	+19,595
Future need for market and affordable housing 2013-33	+32,977	+8,174	+41,152
Total need for market and affordable housing			
Projected impact of affordable housing need in 2013	-1,132	1,766	634
Future need for market and affordable housing 2013-33	32,977	8,174	41,152
Total need for market and affordable housing	31,845	9,940	41,786
Average annual need for housing	1,592	497	2,089
Proportion of need for market and affordable housing	76%	24%	100%

^{4.100} Figure 69 estimated there to be **3,291 households in need of affordable housing in 2013**. However, as 1,525 of these already occupied an affordable home, our previous conclusion was therefore a net need from 1,766 households (3,291 less 1,525 = 1,766) who need affordable housing and do not currently occupy affordable housing in the Buckinghamshire HMA.

^{4.101} The 20-year projection period 2013-33 then adopts the approach that was previously outlined for the initial 5-year period of the projection. Based on the higher demographic projection (the alternative scenario assuming migration trends for the period 2004-14), the Model identifies that **the number of households in need of affordable housing will increase by 8,174 households over the period 2013-33**, alongside an increase of 32,977 households able to afford market housing.

^{4.102} Overall, there will be a **need to provide additional affordable housing for 9,940 households** over the period 2013-33. Data from CLG Local Authority Housing Statistics and HCA Statistical Data Return identify a vacancy rate of 1.4% for affordable housing in Buckinghamshire, therefore adding an additional allowance for vacancies this **identifies a total affordable housing need of 10,081 dwellings** in addition to the current stock, an average of 504 dwellings per year. **Any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.**

Need by Local Authority Area

^{4.103} Figure 77 sets out the current unmet need for affordable housing and projected future affordable housing need for the 20-year period 2013-33 for each of the three local authority areas with household projections based on the baseline migration scenario (based on migration trends for the period 2004-14).

Figure 77: Assessing affordable housing need by local authority with household projections based on alternative migration trends (2004-14) (Source: ORS Housing Model)

	Affordable Housing Need (households)				
	Aylesbury Vale	Chiltern	South Bucks	Wycombe	TOTAL
Unmet need for affordable housing in 2013					
Total unmet need for affordable housing	1,058	442	417	1,374	3,291
Supply of housing vacated	501	275	141	608	1,525
Overall impact of current affordable housing need	557	167	276	766	1,766
Future need for affordable housing 2013-33 based on alternative migration trends (2004-14)	3,824	764	1,083	2,504	8,174
Total need for affordable housing 2013-33	4,381	931	1,359	3,270	9,940
Percentage of overall housing need	24.0%	17.4%	23.4%	26.5%	23.9%

^{4.104} The highest level of affordable housing need is in Aylesbury Vale (4,381 households) equivalent to around a quarter of the overall housing need (24.0%). Affordable housing need in Wycombe is 3,270 households, which represents a marginally higher proportion of overall housing need (26.5%). Affordable housing need is lower in South Bucks (1,359 households, 23.4%) and Chiltern (931 households, 17.5%), reflecting the lower levels of existing housing need recorded in these areas together with higher proportions of the population able to afford despite the higher housing costs (given both higher incomes and the proportion of households with existing equity).

Future Policy on Housing Benefit in the Private Rented Sector

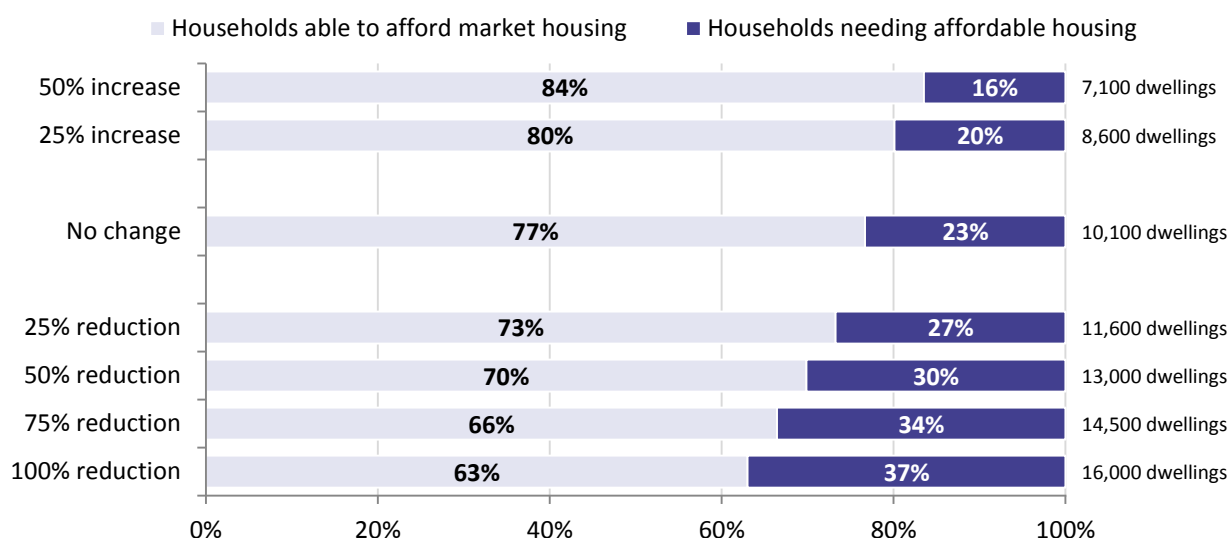
^{4.105} The Model also recognises **the importance of housing benefit and the role of the private rented sector**. The Model assumes that the level of housing benefit support provided to households living in the private rented sector will remain constant; however this is a national policy decision which is not in the control of the Councils.

^{4.106} It is important to note that private rented housing (with or without housing benefit) does not meet the definitions of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

^{4.107} The model adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The model does not count any dwellings in the private rented sector as affordable housing supply;** however it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.

^{4.108} To sensitivity test this position, Figure 78 shows the impact of reducing (or increasing) the number of households receiving housing benefit to enable them to live in the private rented sector.

Figure 78: Theoretical impact of reducing or increasing Housing Benefit support for households living in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2013-33 and associated number of affordable dwellings



^{4.109} If no households were to receive housing benefit support in the private rented sector, almost two fifths (37%) of the growth in dwellings would need to be provided as affordable housing; a total of 16,000 affordable homes over the 20-year period 2013-33.

^{4.110} The Summer 2015 Budget introduced a four-year freeze to local housing allowance rates together with changes to the benefit cap, however this typically affects the amount of housing benefit paid rather than the number of households (although there were eligibility changes for those aged under 21). It will be necessary for the local planning authorities to consider the impact of these changes when determining the most appropriate affordable housing targets.

Conclusions

^{4.111} Based on the household projections previously established, we have established the balance between the need for market housing and the need for affordable housing. This analysis has identified a need to increase the overall housing need by 634 households to take account of concealed families and homeless households that would not be captured by the household projections.

^{4.112} **The housing mix analysis identified a need to provide additional affordable housing for 9,940 households over the 20-year period 2013-33. This yields a total affordable housing need of 10,081 dwellings, equivalent to 504 dwellings per year.** This would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.

^{4.113} However, it is important to recognise that this need is based on a relatively stringent assessment of affordability insofar as it is only households that would be eligible for welfare support that are counted within the identified affordable housing need. There are likely to be other households who are spending a high proportion of their gross income on housing costs but who are not eligible for welfare support (in terms of their housing) and are therefore not counted. Given that the assessment focusses on only those **households with the most acute housing needs, the affordable housing need identified should be considered as a minimum.**

- ^{4.114} Furthermore, the analysis also assumes that the level of housing benefit support provided to households living in the private rented sector remains constant. Private rented housing (with or without housing benefit) does not meet the definitions of affordable housing and is not counted as affordable housing supply; however households in receipt of housing benefit are assumed be able to afford their housing costs, so they are not counted towards the need for affordable housing. Nevertheless, if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
- ^{4.115} Providing sufficient affordable housing for all of households in receipt of housing benefit in the private rented sector would increase the need to around 16,000 affordable homes over the 20-year period (800 each year); but it is important to recognise that, in this scenario, the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market and this is likely to have significant consequences which would be difficult to predict.
- ^{4.116} On this basis, **the need for affordable housing could be considered as a range: from a minimum of around 10,100 dwellings to a maximum of 16,000 dwellings over the 20-year period 2013-33.** Figure 79 identifies the range for each local authority area.

Figure 79: Range of assessed need for affordable housing by LA: 2013-33 (Source: ORS Housing Model)

	Affordable Housing Need (dwellings)				
	Aylesbury Vale	Chiltern	South Bucks	Wycombe	TOTAL
Bottom end of range: No change in number of households renting privately with housing benefit support	4,440	940	1,380	3,320	10,100
Top end of range: Affordable housing provided for all households renting privately with housing benefit support	6,580	1,750	1,950	5,670	16,000

- ^{4.117} As policy decisions about housing benefit support provided to households living in the private rented sector are determined by the Government, it will be necessary for the local planning authorities to consider the possible impact of any changes when determining the most appropriate affordable housing targets for the area. This will also need to take account of the latest information from the local authority housing registers. Furthermore, given the unmet need from almost 1,800 households needing affordable housing at the start of the Plan periods, it will be appropriate to maximise affordable housing delivery in the early years of the Plans, providing that this does not unduly compromise overall levels of housing delivery in the area.

5. Current Economic Market

Analysis of the local property market and existing supply

- 5.1 The first section of this chapter provides an examination of the market for B-class uses in the FEMA that includes the districts of Aylesbury Vale, Chiltern, South Bucks and Wycombe. The second section then considers the existing and future supply of business premises in the FEMA.

Local Property Market

- 5.2 This section draws upon the EGi (Estates Gazette) commercial property database to identify 'market signals', such as vacancy rates, stock and rental levels by location and property type. The following provides a summary of our property market research; it provides detail on recent market activity across the FEMA and the Districts according to the main property market indicators, including rents, investment deals and leasing activity and discussions with local commercial agents²⁰.
- 5.3 The research has been informed by consultation with property agents, business representatives and other business organisations from the area active across the FEMA through telephone interviews. In addition, a consultation event was held in The Hub, High Wycombe in May 2015 to discuss local employment land issues and to inform the findings of this study²¹. The workshop notes are included in Appendix B.
- 5.4 The consultation event was attended by stakeholders representing:
- » Wycombe District Council;
 - » Aylesbury Vale District Council;
 - » Chiltern District Council;
 - » Buckinghamshire Thames Valley LEP;
 - » Buckinghamshire County Council; and
 - » Local property agents active in the area.
- 5.5 The purpose of the consultation event was to capture local perspectives on the FEMA's economic growth prospects, challenges and opportunities and their implications for the supply and demand for employment land and premises. It should be noted that the consultation feedback discussed reflects the views of the stakeholders that attended the consultation event and does not necessarily coincide with the views of Wycombe District Council, Aylesbury Vale District Council or Chiltern District Council.

Offices

- 5.6 The FEMA is not considered to be a prime office market, given the limited connectivity, in comparison to Milton Keynes, Watford and Oxford. The FEMA's office market is considered to serve mainly locally based companies. Local commercial agents in the area identified that leasing inquiries for office space tended to be for smaller sized units between 140 - 185 sq. m serving the needs of small local businesses. Car parking

²⁰ Refer to Appendix A

²¹ This stakeholder consultation event took place before South Bucks was included in the Study.

facilities and / or good access to the railway station were considered to be important factors in determining the desirability of office locations.

- 5.7 Whilst connectivity between London and the FEMA is good from centres such as High Wycombe and Marlow, connectivity by train across the FEMA is limited. This is likely to improve with the delivery of the East-West Rail that will link Aylesbury to Winslow, Milton Keynes and Bedford. The East-West Rail scheme will deliver an hourly rail service from Aylesbury north to Milton Keynes, linking with the West Coast Main Line and significantly improving connectivity northwards. New services are currently scheduled to begin operation in December 2017. This can be expected to support potential for residential and commercial development in Aylesbury Town Centre (up to 115,000sqm) through improving connectivity to Milton Keynes; and will support job creation within Aylesbury Town Centre²².
- 5.8 Infrastructure projects such as the East-West Rail scheme and the potential scheme dualling the carriageway on A421 could lead to significant impacts to the FEMA economy (jobs and commuting), particularly within Aylesbury Vale. At present there is uncertainty regarding timescales for delivery of these infrastructure projects, and there is no evidence to establish a view on what the impact of these projects will be. If the position changes prior to local plans inquiries, this Study should be reviewed to consider the impacts.
- 5.9 Local Agents noted that Permitted Development Rights (PDR) (allowing for the change of use from office to residential development without the need for a planning application) has contributed to the perceived decline in town centre office accommodation, particularly within Aylesbury, there is also anecdotal evidence from Chiltern District Council that PDR conversions are having an impact on office availability in Chesham. Between 2013 and 2014 a total of 10,714 sq. m of office floorspace were granted prior approvals that allow for the conversion of office accommodation into residential development.
- 5.10 The quality of office space was not raised as a key concern with most local commercial agents agreeing that landlords were quite flexible on the requirements and rental rates offered to businesses. Local commercial agents noted that whilst there was a lack of new office stock, some of the premises have undergone refurbishment.

Industrial

- 5.11 Local commercial agents consider that there is a steady stream of transaction activity (e.g. lettings / sales) for B1c/B2 industrial units from local businesses operating in the FEMA. The FEMA supports local distribution and manufacturing as opposed to a regional level of distribution.
- 5.12 There is considered to be a lack of supply of suitable B1c/B2 stock across the FEMA area. There is an insufficient supply of employment locations with enough capacity to accommodate B1c/B2 industrial uses that are wanting to expand their premises within the FEMA.
- 5.13 Local commercial agents consider that additional sites need to be brought forward for B1c/B2 class development, in order to accommodate SMEs. Local commercial agents identified that leasing inquiries for industrial space tended to be for units between 45 sq. m to 235 sq. m primarily from local businesses expanding within the area. Typically demand was in light industrial space which was confirmed by the EGi market data reflecting a lack of available properties in this category.

²² Atkins, August 2014, East West Rail - Central Section Conditional Outputs Statement

Property Market Indicators

- 5.14 The property market indicators that were analysed for the FEMA and Aylesbury Vale, Chiltern, South Bucks and Wycombe districts include rents, investment deals and leasing activity using the EGi market data and discussions with local commercial agents. Comparisons were made against other key competing centres, including Milton Keynes, Watford and Oxford Office rents.

Office Rents

- 5.15 Typical monthly rents for office premises currently marketed, range from £50 - £310 per sq. m with an average of £125 per sq. m. Higher quality offices such as new build, business park office space is attracting an average asking rent range from £150 to £310 per sq. m, according to the EGi market data. Second hand B grade and new refurbished office space typically had a rental range from £50 - £215 per sq. m. Local commercial agents identified that good quality office accommodation typically achieved rental values of £170 per sq. m and older office accommodation typically achieved around £105 - £130 per sq. m depending on specifications offered.
- 5.16 According to local agents, demand for offices is generally for small-medium sized office accommodation in the range of around 45 sq. m to 465 sq. m. There is considered to be more interest in small sized serviced office accommodation between 140 sq. m to 185 sq. m in Aylesbury. There is also local interest in office accommodation in High Wycombe and Marlow (although Marlow has poorer transport connectivity than High Wycombe due to an infrequent train service). However, High Wycombe town centre was considered to be an undesirable location for office businesses to be based as the quality of the environment for business purposes was considered to be poor. In particular, the physical environment of the town centre was considered to be of poor quality. Local agents did not make any reference to office supply issues.
- 5.17 Local agents noted that across the FEMA office rents varied from £50 to £305 per sq. m, with higher quality office accommodation achieving around £130 – £170 per sq. m

» Aylesbury Vale

Aylesbury Vale has a relatively modest office market. Aylesbury is the largest centre and accommodates the majority of office activity in the District; although this is much smaller than competing centres, such as Milton Keynes or Hemel Hempstead. Typical monthly rents for office premises currently marketed, range from £50 – £295 per sq. m with an average of £130 per sq. m. There is limited new-build office space in the District. Higher quality offices such as new build, business park office space is attracting an average asking rent of around £130 per sq. m, according to the EGi market data. Second hand B grade and new refurbished office space typically had a rental range from £50 – £155 per sq. m.

» Chiltern

Chiltern District's office accommodation largely services the local employment sectors of professional services, digital and creative media and healthcare, which is generally concentrated within the main settlements of Chesham, Amersham, Chalfont St Peter and Little Chalfont. Typical monthly rents for office premises currently marketed, range from £55 – £265 per sq. m with an average of £135 per sq. m. There are no recorded higher quality offices such as new build, business park office space and second hand grade A according to the current EGi market data. Second hand B grade and new refurbished office space typically had an average range of £55 – £210 per sq. m.

» South Bucks

South Bucks' supply of office space is limited. Beaconsfield town centre is a popular location which has seen some investment in recent years, whilst Gerrards Cross offers better public transport links compared with the rest of the District. Typical monthly rents for office premises currently marketed, range from £110 - £270 per sq. m with an average of £200 per sq. m. Higher quality offices such as new build, business park office space are attracting an average asking rent of around £215 per sq. m, according to the EGi market data. Second hand B grade and new refurbished office space typically had an average rent of £110 – £270 per sq. m.

» Wycombe

Office accommodation in Wycombe District supports local business and is mainly concentrated in High Wycombe and Marlow. Typical monthly rents for office premises currently marketed, range from £55 - £305 per sq. m with an average of £135 per sq. m. Higher quality offices such as new build, business park office space are attracting an average asking rent of around £170 per sq. m, according to the EGi market data. Second hand B grade and new refurbished office space typically had an average rent of £55 – £200 per sq. m.

- 5.18 The FEMA is achieving much lower rents than other neighbouring prime office location. For example, Oxford achieves a much high rate for office accommodation at £215 – £325 per sq. m in comparison to the FEMA which achieved around £105 – £130 per sq. m. Rents for accommodation in the neighbouring areas of Milton Keynes (£150 – £240 per sq. m) and Watford (£210 – £245 per sq. m) are also higher than those in the FEMA. The FEMA's office market is relatively weak in comparison to major centres of Oxford, Milton Keynes and Watford.

Industrial Rents

- 5.19 EGi market data identified that typical monthly rents for industrial (B1c/B2 and B8) typically ranged from £30 – £130 with an average of £75 per sq. m. Local commercial agents identified that industrial premises typically achieved realistic rental values of £53 - £80 per sq. m.
- 5.20 According to local agents, there was limited supply and increasing demand for industrial premises. The demand is considered to be generally for small-medium sized accommodation in the range of around 45 sq. m to 235 sq. m and 1,850 to 2,800 sq. m. The motor trade sector in particular was facing difficulties in finding appropriate premises for mechanical workshops.
- 5.21 Local agents noted that across the FEMA industrial rents varied from around £135 - £140 for good quality industrial premises located along major transport routes to around £75 - £80 for older industrial premises (30 years +) typically located in Wycombe District. Industrial accommodation with good vehicle access and parking are key priorities for industrial businesses.

» Aylesbury Vale

EGi market data identified that typical monthly rents for industrial (B1c/B2 and B8) typically ranged from £70 – £100 with an average of £70 per sq. m.

» Chiltern

EGi market data identified that typical monthly rents for industrial (B1c/B2 and B8) typically ranged from £40 – £100 with an average of £80 per sq. m.

» **South Bucks**

EGi market data identified that typical monthly rents for industrial (B1c/B2 and B8) typically ranged from £105 – £115 with an average of £110 per sq. m.

» **Wycombe**

EGi market data identified that typical monthly rents for industrial (B1c/B2 and B8) typically ranged from £30 – £130 with an average of £80 per sq. m.

- 5.22 Much of the industrial stock across the FEMA is older and second-hand and limited new build industrial development is coming to the market, in comparison to nearby locations, such as Milton Keynes. There is perceived to be a lack of new build developments catering for industrial uses, although local commercial agents noted that some new premises have been developed at Westcott Venture Park in Aylesbury Vale.

Investment Deals

- 5.23 There have been quite a few sale and investment transactions in both office and industrial sectors in the FEMA in 2013 – 2015, with 43 sales for industrial units and 71 sales recorded for office units. Most sales transactions for industrial uses were for units of between 180 sq. m and 780 sq. m with price varying between £150,000 and £825,000. There were five transactions for industrial uses over 1,500 sq. m.

- 5.24 In office sales most transactions were between 210 sq. m to 530 sq. m with transaction values varying between £160,000 and £1.65 million. There were 16 transactions for office premises over 1,500 sq. m according to EGi data.

» **Aylesbury Vale**

There have been quite a few sale and investment transactions in both office and industrial sectors in Aylesbury Vale in 2013 – 2015, with 15 sales for industrial units and ten sales recorded for office units. Most sales transactions for industrial uses were for units of between 200 sq. m and 800 sq. m with price varying between £150,000 and £600,000. There were four transactions for industrial uses over 1,500 sq. m.

In office sales most transactions were between 215 sq. m to 580 sq. m with transaction values varying between £160,000 and £695,000. There were four transactions for office premises over 1,500 sq. m according to EGi data.

» **Chiltern**

There have been quite a few sale and investment transactions in both office and industrial sectors in Chiltern in 2013 – 2015, with eight sales for industrial units and 28 sales recorded for office units. Most sales transactions for industrial uses were for units of between 240 sq. m and 850 sq. m with price varying between £225,000 and £825,000. There was one transaction for an industrial use over 1,500 sq. m.²³

In office sales most transactions were between 120 sq. m to 325 sq. m with transaction values varying between £155,000 and £900,000. There were a five transactions for office premises over 1,500 sq. m according to EGi data.

» **South Bucks**

There have been only two limited sales and investment transactions in the industrial sector in South Bucks over the period 2013 to 2015. In comparison, there were 17 sales recorded for office units. Most sales transactions for industrial uses were for units of between 1,895 sq. m and 35,465 sq. m

²³ The Coach Yard, Lycrome Road, Chesham (3,538 sq. m).

with price varying between £2.2m and £45.9m. There were two transactions for industrial units over 1,500 sq. m.²⁴

In office sales, most sales transactions for industrial uses were for units of between 265 sq. m and 3,390 sq. m with price varying between £600,000 and £9.3m. There were eight transactions for office premises over 1,500 sq. m according to EGi data.

» Wycombe

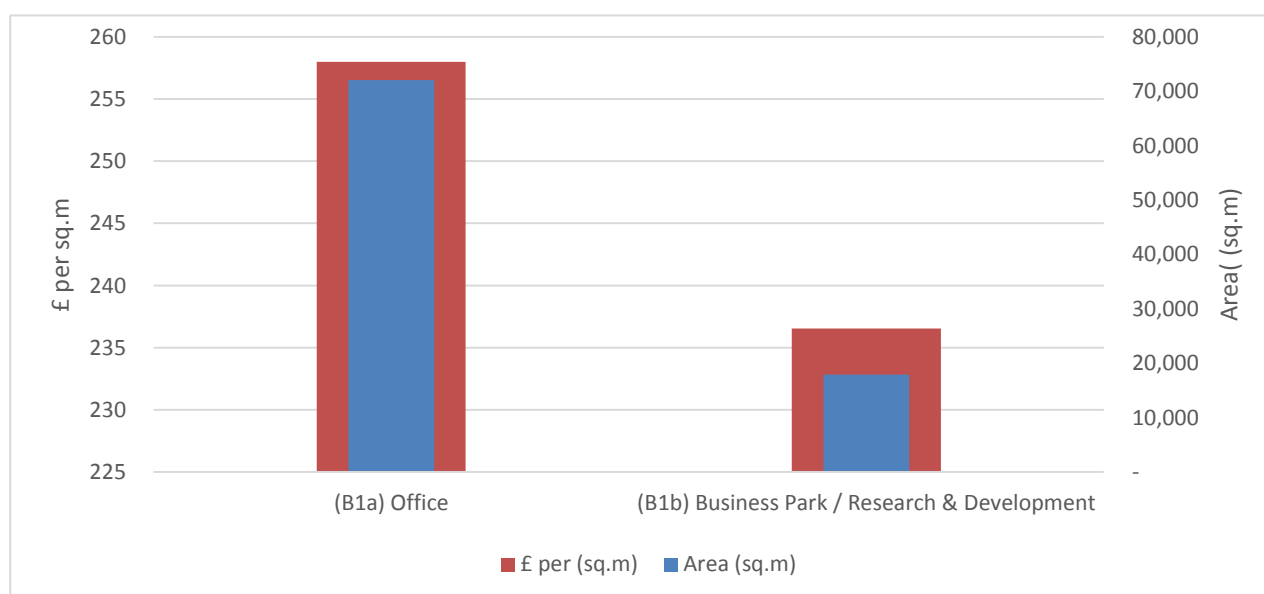
There have been quite a few sale and investment transactions in both office and industrial sectors in Wycombe in 2013 – 2015, with 20 sales for industrial units and 33 sales recorded for office units. Most sales transactions for industrial uses were for units of between 210 sq. m and 445 sq. m with price varying between £275,000 and £340,000. There were no transactions for industrial uses over 1,500 sq. m, however there were five industrial premises that had transactions for industrial uses that were over 1,000 sq. m.

In office sales most transactions were between 190 sq. m to 880 sq. m with transaction values varying between £210,000 and £4.7 million. There were seven transactions for office premises over 1,500 sq. m according to EGi data.

Leasing Activity

- ^{5.25} In comparison to investment deals, there has been a consistent stream of leasing activity in the FEMA, particularly for office space. New office leases in the FEMA totalled some 64,000 sq. m between March 2013 and March 2015 (EGi).
- ^{5.26} Figure 80 shows the total office floorspace leased by type and the average annual rental for the period March 2013 to March 2015. Typically 80% of all office space leasing was for office development (B1a), whilst the remaining 20% was in research / business parks (B1b use class). Office space was leased at an average rental of £258 per sq. m (depending on size and location). The average leased area per transaction for business parks / research & development was £237 per sq. m.

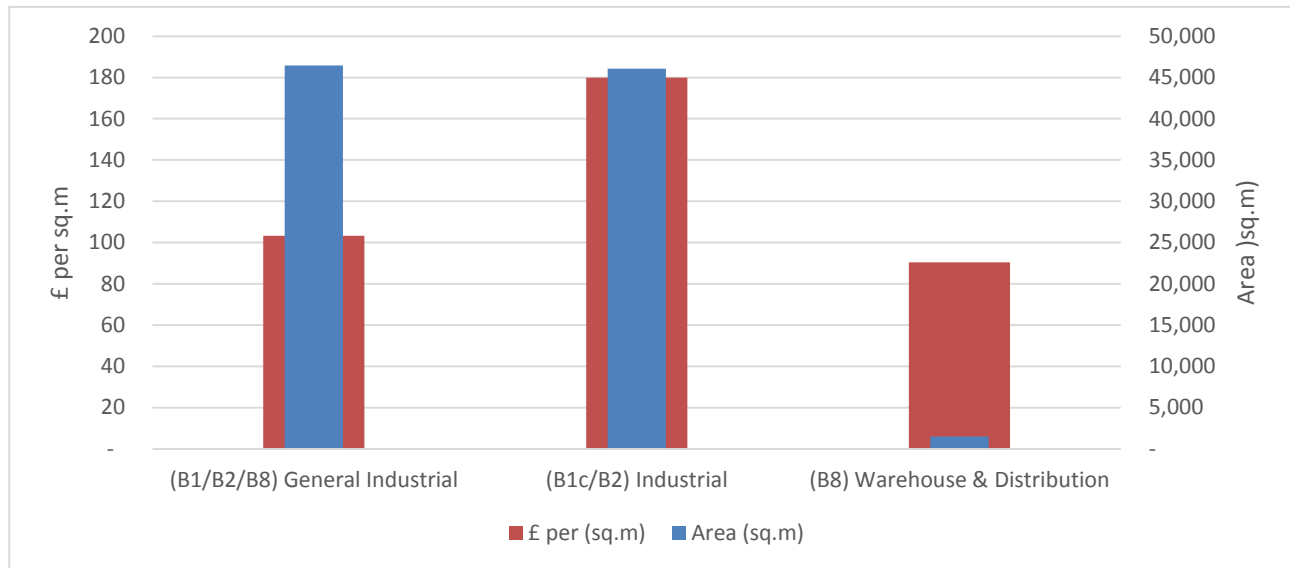
Figure 80: Total office floorspace leased by type (March 2013 - March 2015) and average rental for the FEMA (Source: Atkins based on EGi data, 2013-2015)



²⁴ Mariner Business Park The Ridgeway Iver Buckinghamshire (1,895 sq.m) and Ridgeway Trading Estate The Ridgeway Iver Buckinghamshire (35,465 sq.m)

5.27 New industrial leases in the FEMA have totalled some 87,000 sq. m of floorspace between March 2013 and March 2015. Figure 81 shows the total industrial floorspace leased by type and the average annual rental for the period March 2013 to March 2015. Typically 49% of all leasing was in dedicated Industrial parks (B1c/B2 use classes) with an average rental rate of £103 per sq. m and around 49% in general industrial space (B1/B2/B8 use classes)²⁵ with an average rental rate of £180 per sq. m. Typically 2% of all leasing was in Warehouse & Distribution (B8 use classes) floorspace with an average rental rate of £90 per sq. m

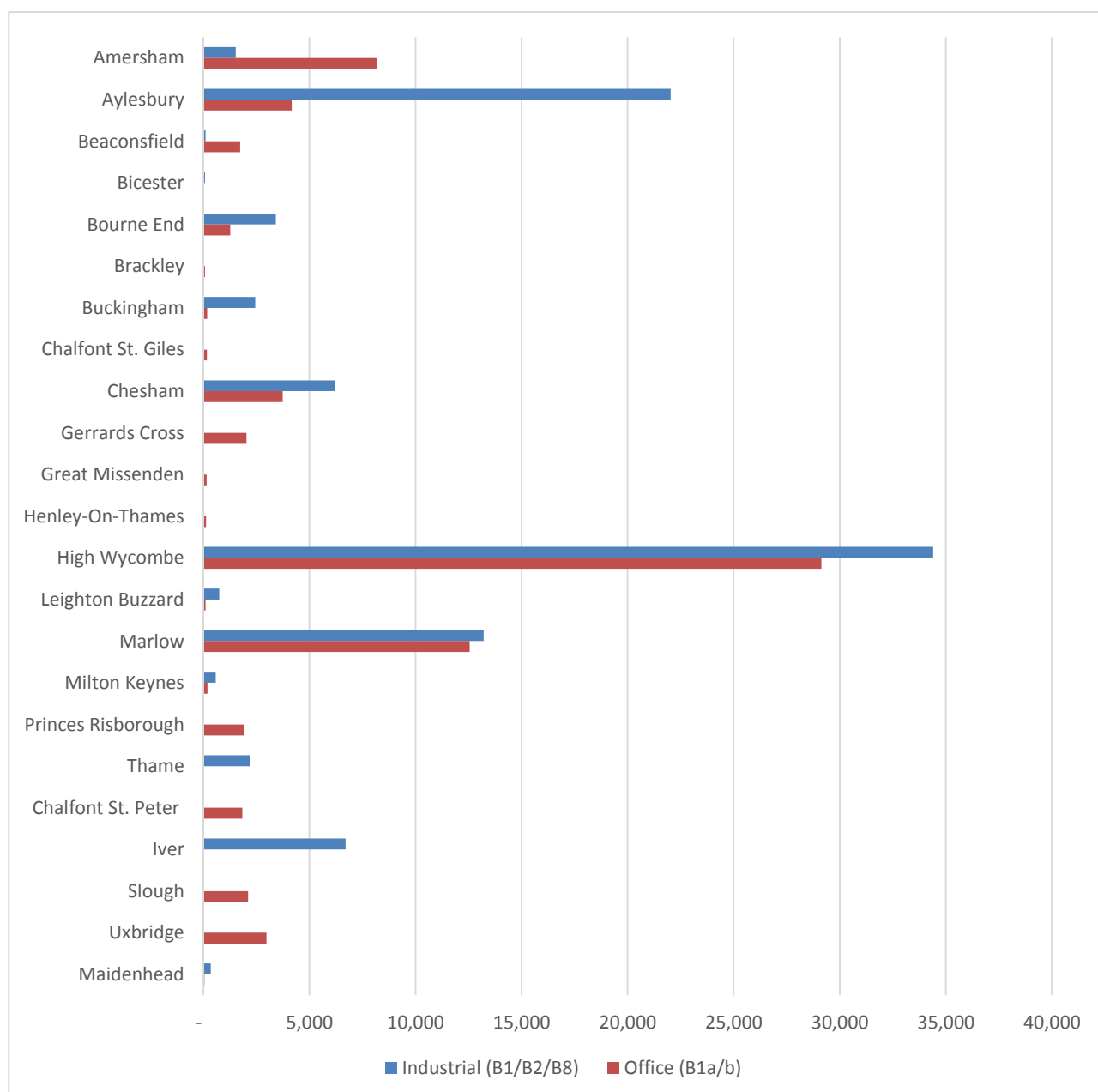
Figure 81: Total industrial floorspace leased by type (March 2012 – March 2014) and average rental for the FEMA (Source: Atkins based on EGi data, 2013-2015)



5.28 Figure 82 shows the total volume of B class employment floorspace leased across towns in the FEMA. High Wycombe has received the largest volume of floorspace leased in the industrial market (37% share), followed by Aylesbury (23% share). In the office market, High Wycombe the largest volume of leased office floorspace (40% share), followed by Marlow (17% share).

²⁵ EGi classification for general industrial includes B1 uses classes which is assumed to small office to support industrial uses

Figure 82: Total B class employment floorspace premises leased by type by town centre area (March 2012 – March 2014) (sq. m)
(Source: Atkins based on EGi data, 2013-2015)

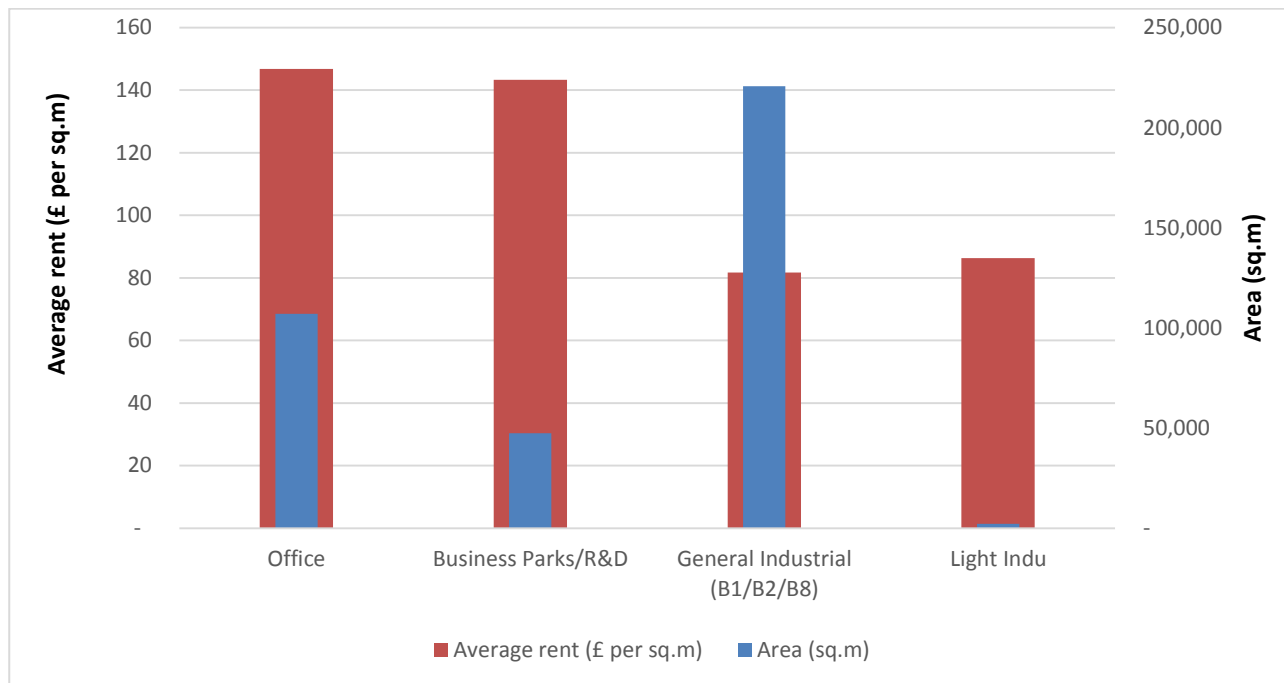


B-Class Commercial Property Market

5.29 Figure 83 shows the distribution of available B-class commercial floorspace by type against the most recent asking price. The EGi data identifies that the FEMA has over 377,500 sq. m of actively marketed B-class use employment vacant floorspace.

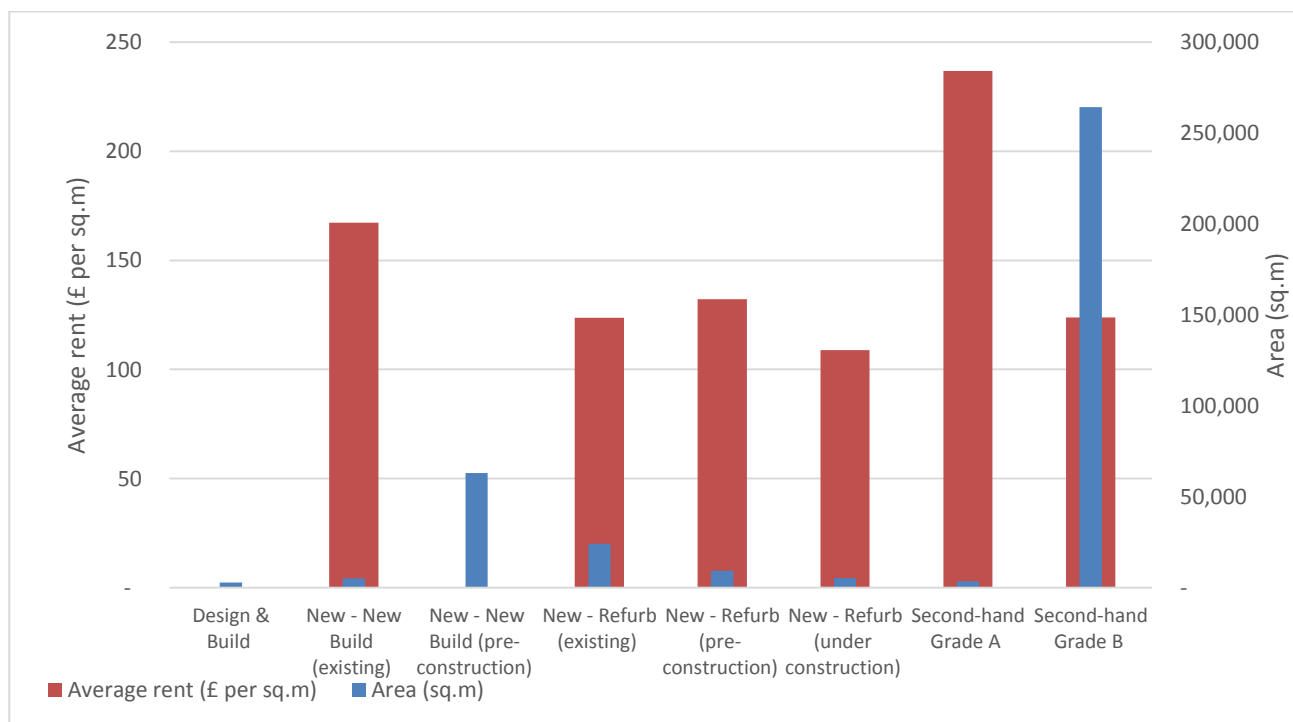
5.30 The majority of available B-class commercial floorspace is concentrated in mixed industrial (B1/B2/B8) floorspace (58%) which constituted around 220,700 sq. m, office floorspace (B1a) accounted for 28% of available floorspace, this equated to around 107,100 sq. m of floorspace and around 47,500 sq. m of business parks R&D (13%). In contrast light industrial / business units (B1c use class) constituted 1% of the market with around 2,200 sq. m of floorspace.

Figure 83: Availability of industrial and office floorspace against last quoted rental value in the FEMA (Source: Atkins based on EGi data, 2013-2015)



5.31 Figure 84 shows EGi data on current actively marketed office and industrial space by quality against the most recent asking price.

Figure 84: Marketed industrial and office floorspace by quality and average rental in the FEMA (£ per sq. m) (Source: Atkins based on EGi data, 2013-2015)



5.32 The quality of office and industrial space shows that 70% of all actively marketed space is second-hand grade B. This may limit the choice of industrial and office businesses looking to locate or expand in the FEMA, in terms of quality and flexibility of premises on offer. In comparison, other nearby locations, such as Milton Keynes were considered to have newer and better quality premises.

Existing Supply

- 5.33 This section draws on a range of information, including Valuation Office Agency (VOA) data, and a review of the major industrial and potential development areas within the FEMA. The results of the review provide the basis upon which to consider how future supply requirements align to the anticipated levels of demand (detailed in Chapter 6).
- 5.34 Valuation Office Agency (VOA) data provides the most recently available details of business units in the FEMA that are subject to business rates. The VOA assesses the 1.8 million non-domestic properties in England and Wales that are liable for business rates and collects information on these properties, including the type of property, the location, the floorspace and rateable value. Commercial data sourced from Estates Gazette (EGi) provides details of currently marketed B-class floorspace within the FEMA. The two sources of data together allow for the identification of the total stock of B-class employment land within the FEMA.
- 5.35 The VOA and EGi data (Figure 85) identifies that the FEMA has approximately 5 million sq. m of B-class use employment floorspace. The majority of this floorspace consists of warehousing and distribution (B8) with a 45% share of total B-class employment floorspace. The next largest share of B-class employment floorspace accommodates light and general industrial (B1c/B2) development constitutes the smallest share of B-class employment floorspace with a combined share of 31%. The majority of the total employment floorspace is located within the districts of Aylesbury Vale and Wycombe, which have a 36% and 33% share, respectively. Figure 85 also provides an indication of the average size of different B-class premises within the FEMA. Average warehousing premises (B8) are the largest at 1,219 sq. m. The overall average for all premises is 613 sq. m.

Figure 85: Total Stock (sq. m) of B-class Employment Land (Source: Atkins based on VOA and EGi data)

	B1a/B1b	B1c/B2	B8	Total
Aylesbury Vale	251,393	725,754	844,493	1,821,640
Chiltern	168,102	240,486	188,322	596,910
South Bucks	201,152	78,264	643,469	922,886
Wycombe	542,185	534,005	604,810	1,681,000
FEMA Total	1,162,832	1,578,509	2,281,095	5,022,436
FEMA Total (%)	23%	31%	45%	100%
Average size of premises (sq m)	396	1,219	1,116	613

Vacant Floorspace

- 5.36 Vacant floorspace refers to vacant premises which are marketed (vacant land is considered below). The EGi availability data has been analysed to give an indication of the current availability of B-class floorspace. Figure 86 identifies the amount of vacant floorspace in the FEMA including all vacant floorspace that is in the EGi database. It should be noted that there may be other floorspace currently available that is not currently being marketed.
- 5.37 The EGi data identified that the FEMA has approximately over 377,450 sq. m of B-class floorspace that is being actively marketed; the majority is B8 use class with some 146,700 sq. m and followed by B1a/b (around 138,570 sq. m). Vacancy rates have been identified by calculating vacant floorspace as a percentage of total B-class floorspace as outlined in Figure 85.

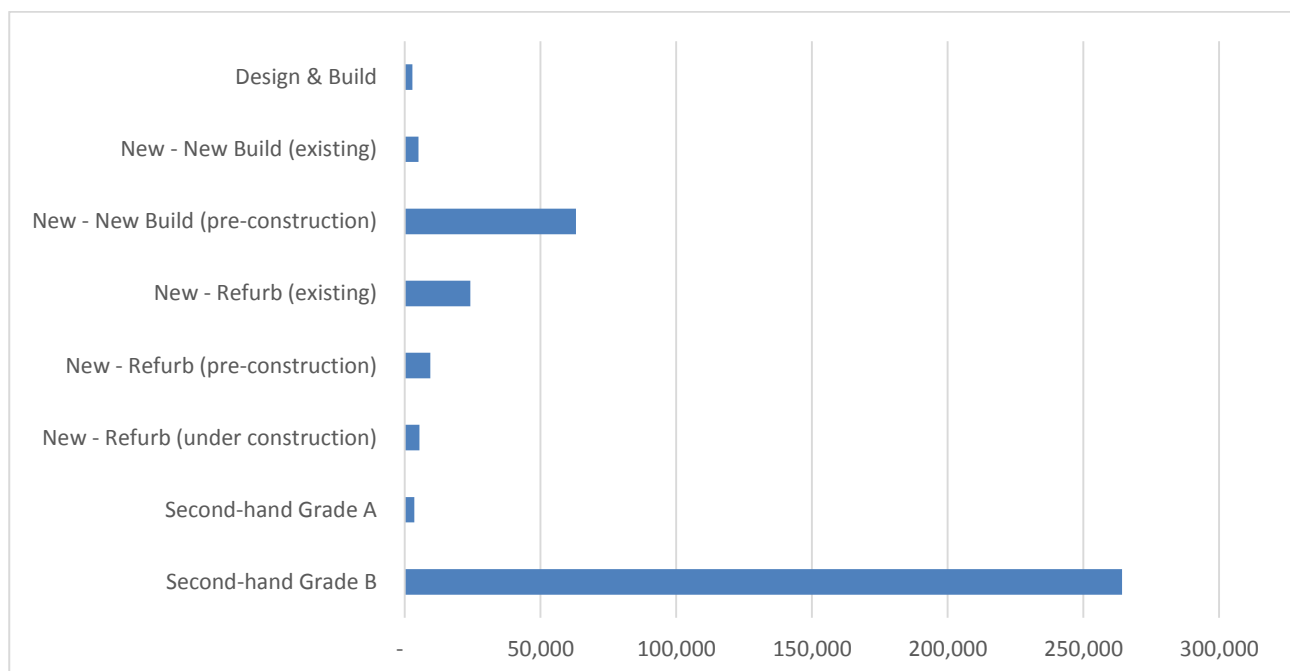
- 5.38 The FEMA has a low vacancy rate of 8%. This vacancy level is considered to be consistent with the efficient operation of the market (allowing for churn) and suggests strong levels of demand and little to no opportunity to release employment land across the FEMA. There are however variations by use class with Office (B1a/b) showing the highest vacancy levels at 13%. A vacancy rate of between 7-10% is considered necessary for the efficient operation of the market and suggests strong levels of demand and little to no opportunity to release employment land, below this rate could suggest an undersupply of floorspace while rate significantly over 10% can be an indication that there are issues with the demand for the type of accommodation available.
- 5.39 Vacancy rates vary between the districts, Aylesbury Vale has the highest overall vacancy rate at 9%, followed by Wycombe with 8%, South Bucks with 6% and Chiltern with 4%. The vacancy rate for office (B1a/b) accommodation is high in both Aylesbury Vale and Wycombe Districts particularly in comparison to industrial (B1c/B2) and warehousing (B8).

Figure 86: Vacant Floorspace (sq. m) and Vacancy Rate by Use Class (Source: Atkins based on EGI and VOA data. Figures in the table are rounded)

	B1a/B1b		B1c/B2		B8		Total	
	sq. m	%	sq. m	%	sq. m	%	sq. m	%
Aylesbury Vale	43,086	17%	39,997	6%	79,900	9%	162,983	9%
Chiltern	12,590	7%	4,211	2%	9,634	5%	26,435	4%
South Bucks	34,166	17%	1,211	2%	16,440	3%	51,817	6%
Wycombe	64,708	12%	30,790	6%	40,718	7%	136,216	8%
FEMA Total	120,383	13%	74,998	5%	130,252	8%	325,633	8%

- 5.40 Figure 87 illustrates the quality of vacant premises within employment sites across the FEMA. Second hand - Grade B floorspace makes up 70% of vacant premises. New and refurbished premises are more attractive to new investors and are therefore potentially more likely to be occupied more quickly than second-hand buildings.

Figure 87: Quality of Vacant B-class Floorspace (Source: Atkins based on EGI data)



Quality of Employment Supply

- 5.41 In qualitative terms, it will be important that the portfolio of sites in the FEMA provides adequate provision for a range of employment land needs and suitable accommodation. The three local authorities are all carrying out Housing and Economic Land Availability Assessments (HELAA). HELAA will identify a future supply of land which is suitable, available and achievable for housing and economic development uses over the plan period. As part of our work to consider whether there are any qualitative gaps in employment land supply, the consultants carried out a site reconnaissance exercise to consider whether any of the larger sites had opportunities (vacant and under-utilised land) that could form part of the employment land supply (set out in Appendix C). The site reconnaissance exercise will help to inform the HELAAs that each local authority is undertaking. The following summarises the quality of sites across the Districts in accordance with the latest evidence base²⁶.

Aylesbury Vale

- 5.42 Key employment locations within Aylesbury town centre, include the Gatehouse Employment Area, the Rabans Lane Employment Area and the Town Centre. Whilst, the Rabans Lane Employment Area provides good quality modern business accommodation, the Gatehouse provides older accommodation and is undergoing regeneration.
- 5.43 Aylesbury Town Centre has a relatively limited supply of good quality office floorspace that is becoming out-dated and less attractive for local businesses. There is no Grade A town centre office floorspace in the town. There is also a limited supply of out-of-town office / research and development floorspace in Aylesbury. Out-of-town floorspace may be more attractive to occupiers without 'customer-facing' functions and is likely to provide a greater level of parking provision relative to town centre provision.
- 5.44 The views expressed at the employment land consultation workshop also suggested that although Aylesbury Vale has a number of safeguarded employment sites local agents considered that many of these sites are not suitable for development for employment uses as a result of their lack of adequate transport connections and other services and facilities. Aston Clinton MDA has not yet been brought forward for development. However, economic development officers at Aylesbury Vale District Council are discussing options with the site owners.
- 5.45 The Buckinghamshire area has a number of employment sites located close to the A421 including the very successful Buckingham Industrial Park. Existing employment sites in this area are successful and well occupied, with an above average level of higher value-added activities.
- 5.46 There is a reasonable supply of employment land provision in the southwest of the District taking account of the consented development schemes at Westcott Venture Park (Solids Area) and the extension of Haddenham Business Park that could provide good quality accommodation.

Chiltern

- 5.47 Chiltern's commercial property market is relatively localised and self-contained with a mixed industrial and office character. Employment space is generally concentrated within the main settlements of Chesham, Amersham and Chalfont St Peter and dispersed across a range of small to medium sized sites. Amersham and the Chalfonts accommodate the majority of the District's most important sites, while sites in Chesham

²⁶ Aylesbury Vale District, Final Employment Land Review Update Report, 2012; Chiltern District Council, Chiltern Employment Land Review, March 2013; and Wycombe District Council, Economy Study & Employment Land Review, 2014

are more mixed in quality, accounting for the majority of 'least important' sites in the District and have more scope for better utilisation.

- 5.48 Much of the District's industrial space is relatively old with limited modern space built in recent years. As a result, this poor quality stock has led to perceptions of an oversupply of industrial space in Chiltern, particularly where there are concentrations of older supply as is the case in areas such as Chesham. The views expressed at the employment land consultation workshop also suggested that older premises are not meeting the needs of local businesses that need flexible modern style accommodation. In addition, stakeholders identified that Chiltern has very little land available for B8 use class growth and is generally more constrained than Aylesbury Vale in accommodating new development.

South Bucks

- 5.49 South Bucks' commercial property market is small and primarily office-based. Neighbouring areas of High Wycombe, Maidenhead, Slough, Uxbridge and the M4 and A40 Corridor are more attractive locations for occupiers owing to their better public transport connectivity and amenities. By contrast, the M40 in South Bucks has a reputation as a car-oriented location.
- 5.50 South Bucks' supply of office space is limited. It is mixed in quality, size and location – located both in town centres and in business parks. Beaconsfield town centre is a popular location which has seen some investment in recent years, whilst Gerrards Cross offers better public transport links compared with the rest of the District.
- 5.51 South Bucks is not a significant industrial location. It has few industrial estates and little strategic employment land dedicated for industrial purposes. The District's relatively high land values result in a preference for office uses and the conversion to residential use of industrial units outside of strategic employment areas. Where industrial uses exist, they range in size and are dispersed rather than located in industrial estates. The M40 is an attractive location for food and drinks distributors who require access to London's West End and Heathrow Airport.
- 5.52 The District faces strong competition from the neighbouring major industrial areas of Uxbridge, Slough and the A40 Corridor. Supply constraints and rising rents in these markets are causing some occupiers to relocate to along the M40 in South Bucks however, as explained above, this continues to be a second choice location due to its relatively poor transport links.

Wycombe

- 5.53 High Wycombe town centre does not have an office core, in which office uses are concentrated. Instead, offices are scattered around the retail area, often located above shops and in converted dwelling houses. These properties do not meet modern corporate requirements for large floorplates and most offer little or no on-site parking. There are also larger, purpose-built offices in the town, ranging in age from the 1960s to the early 2000s that do provide larger floorplates and better specification though their appearance is less attractive. In High Wycombe, unlike many other places, modern offices have been developed in the urban area rather than out-of-town sites (e.g. Kingsmead Business Park).
- 5.54 The views expressed at the employment land consultation workshop also suggested that Wycombe has very little land available for B8 use class growth and is generally more constrained than Aylesbury Vale in accommodating new development (for example, Wycombe's terrain in certain locations poses challenges for development).

- 5.55 Marlow is on the fringes of the Thames Valley and has some town centre office accommodation and edge-of-town business parks. Globe Park is possibly the best strategic office location in Wycombe district, closest to the core of the Thames Valley. At present Globe Park is not fulfilling its full potential. Property agents report that major occupiers are deterred from taking space there due to poor access into the park (especially at peak travel times), inadequate on-site car parking and poor on-site amenities.

Conclusions

- 5.56 The volume of commercial investment transactions for employment premises (B use class) has been fairly active with 114 transactions between 2013 and 2015. For the same period there has been a consistent stream of leasing activity with new office leases totalling some 64,000 sq. m and new industrial leases totally some 87,000 sq. m within the FEMA. The transaction activity was particularly concentrated around High Wycombe and Aylesbury.
- 5.57 The FEMA's industrial market is considered to be constrained by a lack of flexible industrial premises that can accommodate SMEs. Local commercial agents confirmed that there was minimal demand for larger office space, while most of the remaining demand was from smaller local businesses around the FEMA. The FEMA is not considered to be a prime office market, in comparison to competing centres of Oxford, Watford and Milton Keynes which have better transport connectivity and strong office demand which are reflected in the higher rents. Local agents considered that these locations benefitted from high quality modern office premises and out-of-town business parks serving local and national level companies, such as marketing agencies and IT consultancies.
- 5.58 The majority of actively marketed B-class commercial floorspace is concentrated in the industrial market (B1, B2 & B8 use classes), which has a 63% share of the total stock. This is followed by offices (25% share), business parks / R&D (12%) share and Light Industrial/Business Units (0.5% share). Local commercial agents noted there was demand for light industrial business units (B1c/B2 use classes) which was confirmed by EGi data that showed a lack of availability of marketed space in this category.
- 5.59 Analysis of EGi market data showed that 71% of the marketed B-class stock was second hand grade-B, which may limit the options and flexibility offered to potential businesses looking to invest in the FEMA. Local commercial agents agreed that the flexibility of premises to accommodate a mix of uses (light industrial with supporting office uses) was a major decision criteria. In addition, local commercial agents acknowledged that some local industrial businesses looking to expand were faced with a limited supply of suitable accommodation.

Aylesbury Vale

- 5.60 Aylesbury Vale has a relatively modest office market. Aylesbury is the largest centre and accommodates the majority of office activity in the District. Typical monthly rents for office premises currently marketed, range from £50 – £295 per sq. m with an average of £130 per sq. m.
- 5.61 There is perceived to be a lack of new build developments catering for industrial uses, although local commercial agents noted that some new premises have been developed at Westcott Venture Park in Aylesbury Vale (agents did not mention other industrial spaces coming forward at Silverstone and Woodlands). EGi market data identified that typical monthly rents for industrial (B1c/B2 and B8) typically ranged from £70 – £100 with an average of £70 per sq. m.

Chiltern

- ^{5.62} Chiltern District's office accommodation largely services the local employment sectors of professional services, digital and creative media and healthcare, which is generally concentrated within the main settlements of Chesham, Amersham and Chalfont St Peter. Typical monthly rents for office premises currently marketed, range from £55 – £265 per sq. m with an average of £135 per sq. m.
- ^{5.63} Chiltern District has older and second-hand and limited new build industrial development is coming to the market. EGi market data identified that typical monthly rents for industrial (B1c/B2 and B8) typically ranged from £40 – £100 with an average of £80 per sq. m.

South Bucks

- ^{5.64} South Bucks' commercial property market is small and primarily office-based. Beaconsfield and Gerrards Cross are popular locations which have seen some investment in recent years. In general, the supply of office space in South Bucks is limited and is located in town centres and business parks. Typical monthly rents for office premises currently marketed, range from £110 - £270 per sq. m with an average of £200 per sq. m.
- ^{5.65} South Bucks is not a significant industrial location. It has few industrial estates and little strategic employment land dedicated for industrial purposes. EGi market data identified that typical monthly rents for industrial (B1c/B2 and B8) typically ranged from £105 – £115 with an average of £110 per sq. m.

Wycombe

- ^{5.66} Office accommodation in Wycombe District supports local business and is mainly concentrated in High Wycombe and Marlow. Typical monthly rents for office premises currently marketed, range from £55 - £305 per sq. m with an average of £135 per sq. m.
- ^{5.67} The industrial stock is older and second-hand and there is limited new build industrial development. EGi market data identified that typical monthly rents for industrial (B1c/B2 and B8) typically ranged from £30 – £130 with an average of £80 per sq. m.

6. Employment Forecasts

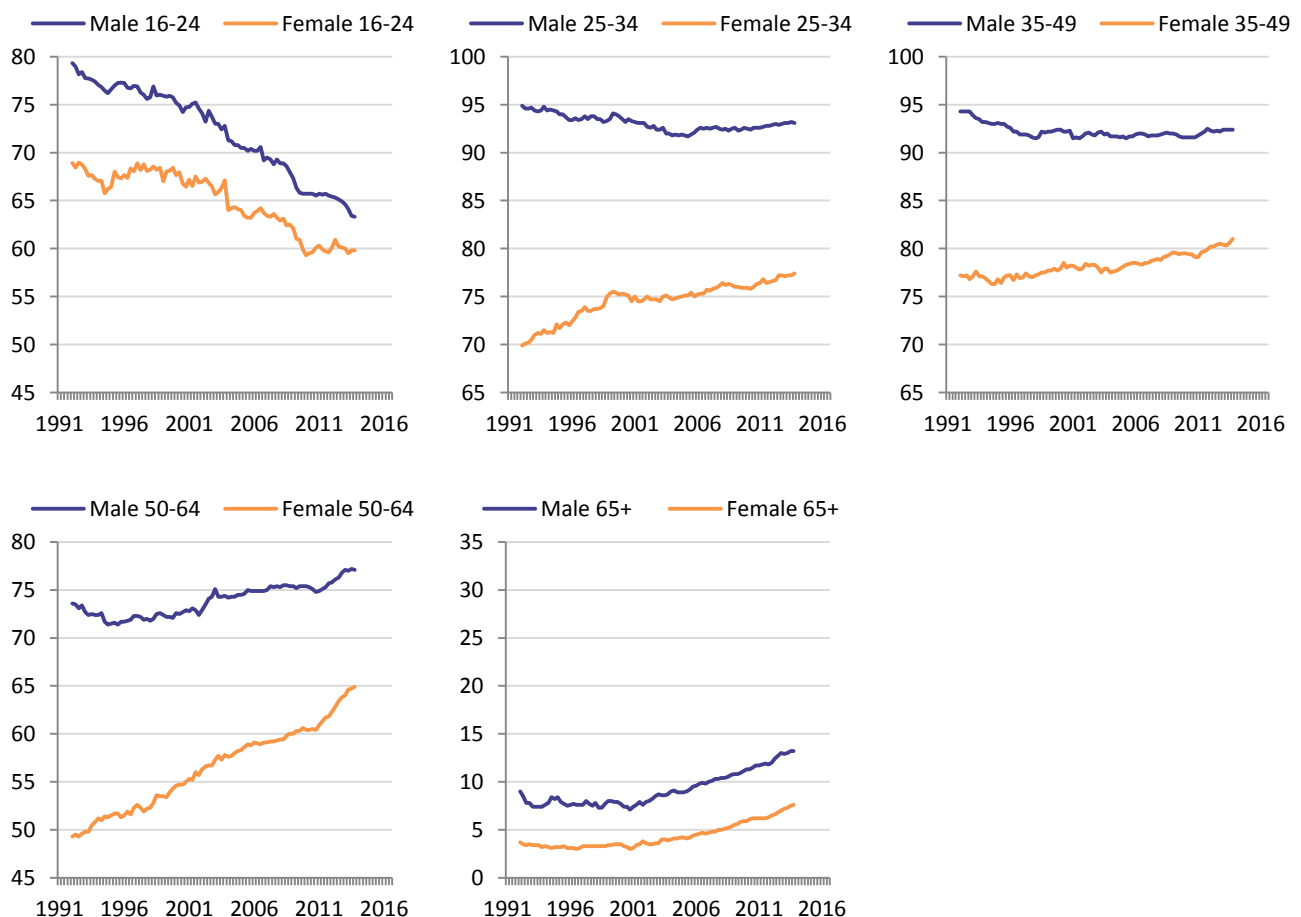
Estimating future workers, jobs and demand for floorspace

- 6.1 This chapter considers the future trends in economics development needs as required by Planning Practice Guidance (PPG). The first section considers economic activity and the labour supply within the FEMA and how that is likely to change over time. PPG advises plan makers to consider sectoral and employment forecasts and projections. The second section sets out our employment forecasts (on a sectoral basis) and how this translates into employment floorspace requirements in the FEMA up to 2033 and 2036.

Economic Activity Rates

- 6.2 Forecasting future economic activity rates is a challenge: the analysis is inherently complex and dependent on a range of demographic, socio-economic and structural changes in the labour market. However, the impact of changing employment patterns affects the estimate of future workers. The **Labour Force Survey (LFS)** is a continuous survey of the employment circumstances of the nation's population: it provides the official measures of employment and unemployment. Figure 88 shows economic activity rates (EAR) by age and gender for the UK since 1991, based on LFS data.

Figure 88: Economic Activity Rate long-term UK trends (Source: Labour Market Statistics based on Labour Force Survey)



6.3 There are a number of notable trends evident:

- » Economic activity rates for people aged under 25 have steadily declined, primarily as a consequence of the increased numbers remaining in full-time education;
- » Economic activity rates for women in all groups aged 25+ have tended to increase, in particular those aged 50-64 where the rate has increased by almost a third (from 49% to 65%); and
- » Economic activity rates for men and women aged 50+ have tended to increase, in particular over the period since 2001.

6.4 These changes in participation identified by the Labour Force Survey have been confirmed by Census data, which also shows that national trends are typically reflected at a local level. It is evident that EAR rates are unlikely to remain constant in future as illustrated by past trends.

Labour Market Participation Projections

6.5 The most recent economic activity rate projections produced by ONS were published in January 2006 and covered the period to 2020²⁷; however these figures suggested substantially lower changes in activity rates than actually experienced over the last decade. However, the performance of the labour market is important for national government, particularly in terms of forecasting the long term sustainability of tax revenues. As part of their scrutiny of Government finances, the Office for Budget Responsibility (OBR) provide an independent and authoritative analysis of the UK's public finances for Government, which includes detailed analysis of past and future labour market trends²⁸.

6.6 The labour market participation projections produced by the OBR are based on historic profiles of different cohorts of the overall population – subsets that are grouped by year of birth and gender. Their analysis is not based on simplistic trends but is designed to capture dynamics that are specific to particular ages and those that cut across generations:

“We project each cohort into the future using age-specific labour market entry and exit rates as they age across time. These exit and entry rates are generally held constant, although we adjust entry rates for younger cohorts (discussed further below), and exit rates for people approaching the State Pension age (SPA), since the SPA rises over our projection period.”

6.7 Their analysis concludes:

- » **Older people;** economic activity rates of older people will increase in future years, mainly from a combination of factors including changes to State Pension age, less generous final salary pensions and increasing healthy longevity;
- » **Female participation;** in addition to changes to state pension age, economic activity rates for women will also increase due to cohort change: more women born in the 1980s will work compared to those born in the 1970s across all comparable ages, and the rates for women born in the 1970s will be higher than for those born in the 1960s and so on; and
- » **Young people;** economic activity rates of younger people will stop declining, although young people will continue to stay longer in education and the lower participation rates recently observed are not assumed to increase in future.

²⁷ Projections of the UK labour force, 2006 to 2020 by Vassilis Madouros; published in ONS Labour Market Trends, January 2006

²⁸ OBR Fiscal Sustainability Report, July 2014: <http://cdn.budgetresponsibility.org.uk/41298-OBR-accessible.pdf>

Older People

- 6.8 Recent increases in State Pension age (SPA) are expected to prompt a labour market response as people retiring at an older age will exit the labour market later. Recent research from the Institute for Fiscal Studies (IFS) and University College London²⁹ concluded that:

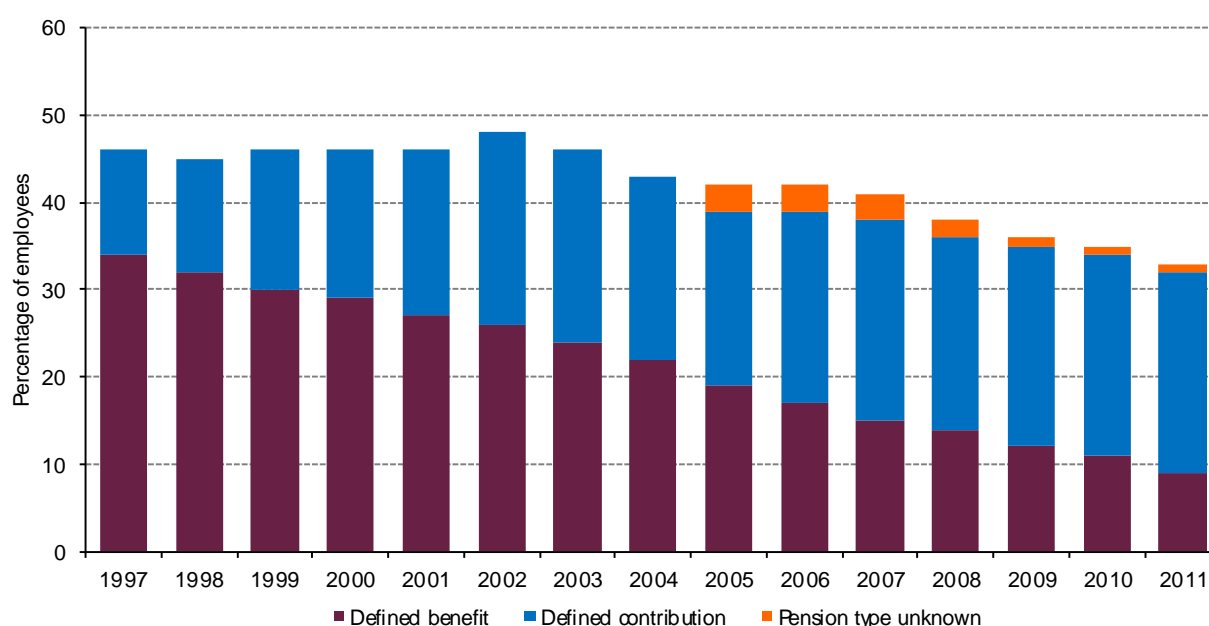
“Future increases in the state pension age will lead to a substantial increase in employment”.

- 6.9 However, the issue is complex: most people do not retire at the SPA precisely, and other factors influence retirement decisions:

- » **Health:** longer, healthier lives mean people spend longer in employment;
- » **Education:** higher levels of education are associated with working for longer and service sector expansion (including new technology and self-employment) give new options for some people to work for longer;
- » **Family circumstances:** evidence suggests couples make joint retirement decisions, choosing to retire at similar points in time;
- » **Financial considerations:** expectations of post-retirement incomes are changing as people (especially women) have to wait longer before receiving their State Pension and defined benefit pensions continue to decline; and
- » **Compulsory retirement age:** the default retirement age (formerly 65) has been phased out – most people can now work for as long as they want to. Retirement age, therefore, is when an employee chooses to retire. Most businesses don’t set a compulsory retirement age for their employees³⁰.

- 6.10 Nevertheless, financial drivers are particularly important in the decision of when to retire, and changes to the State Pension age coupled with reduced membership of private schemes (Figure 89) will inevitably lead to higher economic activity rates amongst the older population.

Figure 89: Membership of private sector defined benefit and defined contribution schemes (Source: NAO)

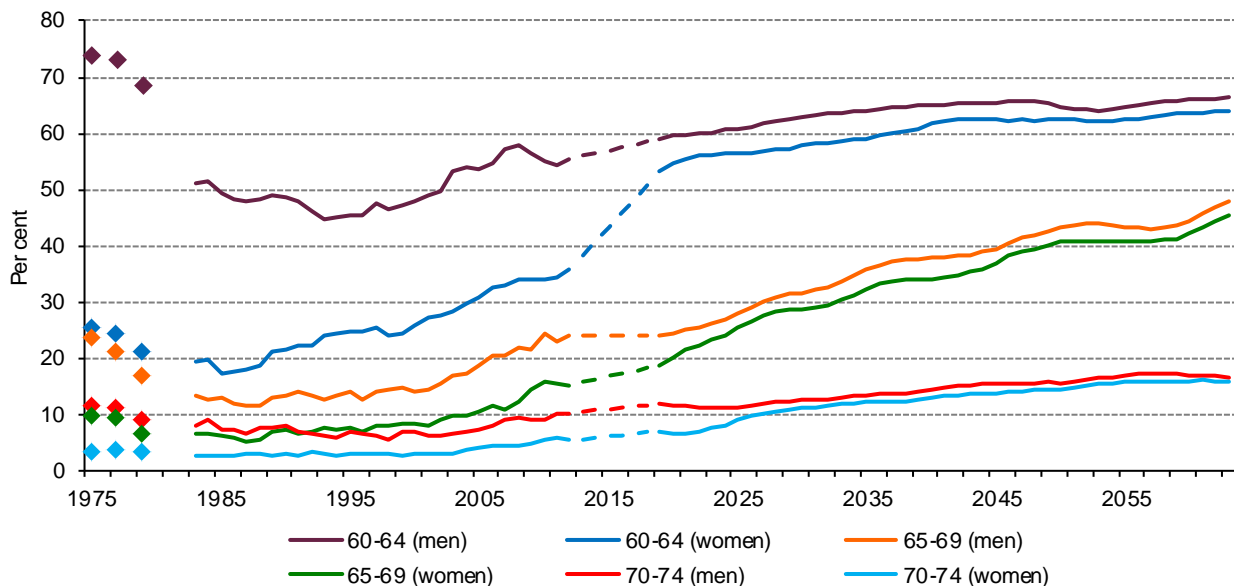


²⁹ http://www.ifs.org.uk/pr/spa_pr_0313.pdf

³⁰ <https://www.gov.uk/retirement-age>

6.11 Figure 90 shows the long-term trends in employment rates for men and women aged 60-74 together with the OBR short-term and longer-term projections.

Figure 90: Employment rates for 60-74 years olds (Source: ONS, OBR. Note: Prior to 1983, the Labour Force Survey does not contain an annual series for these indicators, so only available years are shown. The OBR medium-term forecast to 2018 is produced top-down, not bottom-up, so the dotted lines for that period are a simple linear interpolation)



6.12 In summary, for those:

- » **Aged 60-64:** employment rates for women are projected to continue increasing rapidly over the short-term as the SPA is equalised. Rates for both men and women are then projected to increase more marginally over the longer-term, although the projected rates for men remain notably lower than those actually observed in the late 1970s;
- » **Aged 65-69:** the gap between rates for men and women is projected to reduce over the short-term, with rates for both expected to increase progressively over the longer-term; and
- » **Aged 70-74:** the rates for these older men and women are projected to converge, although only marginal increases in the rates are otherwise expected – fewer than 1-in-8 people in this age group are expected to be working until at least the 2030s.

Female Participation

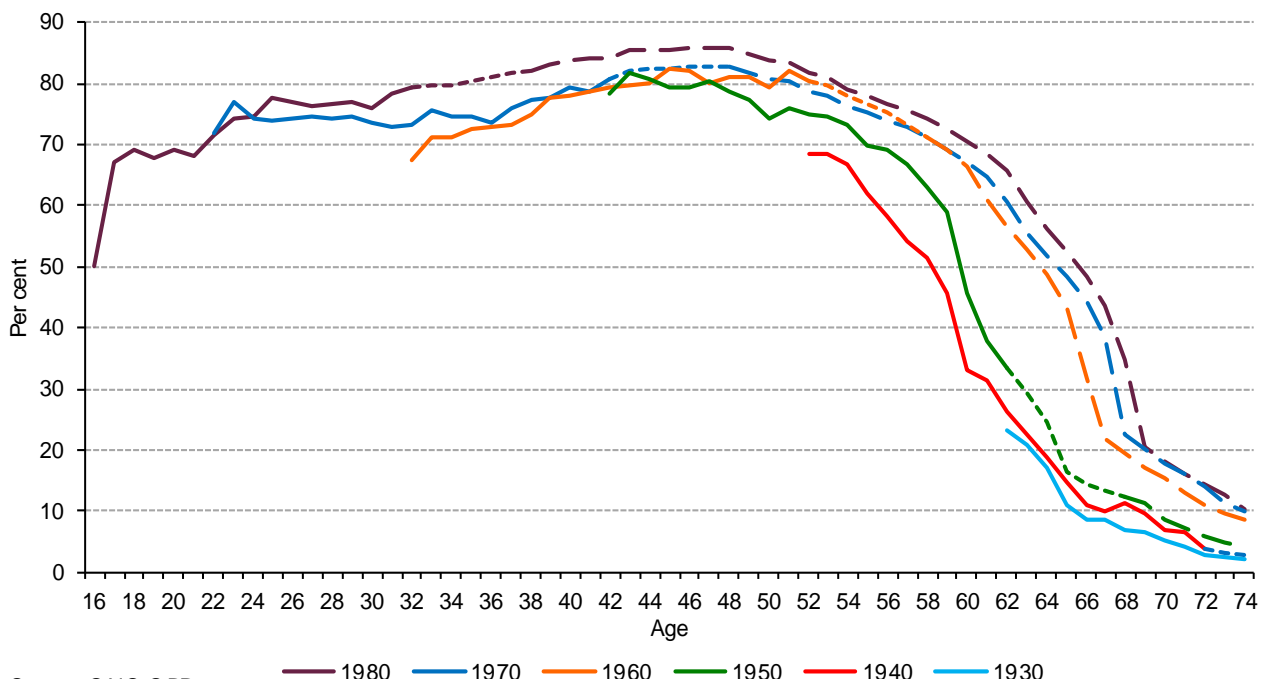
6.13 Women's participation in the labour force has increased, particularly since the 1970s, for a complex range of societal and economic reasons:

- » **Childbirth:** decisions regarding children are changing. More women choose childlessness, or childbirth is delayed until women are in their 30s or 40s. Post childbirth decisions on return to the workforce are also influenced by a variety of factors (e.g. childcare arrangements, tax implications for second incomes, family circumstances);
- » **Lone parents:** employment rates for lone parents lag behind mothers with partners, but this gap has been closing;
- » **Support services for women in work:** an increase in available options to support women in work (e.g. childcare services, flexible working arrangements);

- » **Equal pay:** the gender wage differential has been narrowing (although still exists) giving women higher rewards for work; and
- » **Education:** higher levels of education have opened new career opportunities outside historically traditional female sectors.

- ^{6.14} National policy still aspires to encourage more women into work. The Government is seeking to “*incentivise as many women as possible to remain in the labour market*”³¹ and the Autumn Statement in 2014 included plans for more support for childcare (for example, Tax Free Childcare; Childcare Business Grant) and an ambition to match countries with even higher employment rates for women. The July 2015 Budget expanded free childcare for working families with 3 and 4 year old children from 15 hours to 30 hours from September 2017.
- ^{6.15} Historic data clearly shows that women born in the 1950s (who are now approaching retirement) have been less likely to be economically active than those born more recently, based on the comparison of data for individual ages. Participation rates for women have progressively increased over time: women born in the 1960s had higher rates than those born in the 1950s, women born in the 1970s had higher rates again, and women born in the 1980s have had the highest rates. The OBR projections take account of these historic differences between cohorts, but they do not assume that female cohorts yet to enter the labour market have even higher participation rates.
- ^{6.16} Figure 91 shows the trends in female economic participation rates by year of birth together with the OBR projections, which show how this cohort effect is likely to contribute towards higher economic activity rates in future.

Figure 91: Female participation rates by Cohort (Source: ONS, OBR)



³¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/371955/Women_in_the_workplace_Nov_2014.pdf

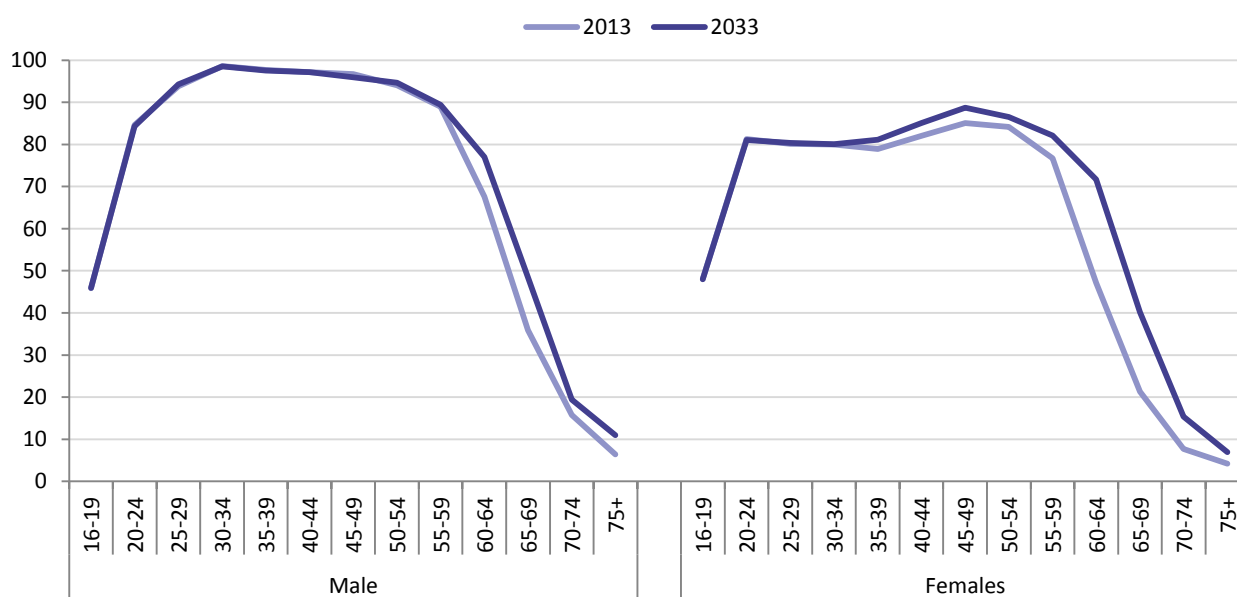
Young People

- ^{6.17} The key issue for young people is at what age they enter the labour market. There has been a pronounced fall in economic participation rates for 16 and 17 year olds over time, but this fall in economic activity complements an increase in academic activity as young people stay longer in education³². There have been similar (though less pronounced) declining trends for 18-20 year olds.
- ^{6.18} National policy is also changing. The school leaving age rises to 18 in 2015 and the Government has removed the cap on student numbers attending higher education³³.
- ^{6.19} The policy changes indicate it is unlikely that economic participation rates will increase for these younger age groups. However, it should be noted that OBR projections expect these lower participation rates to stabilise at the current level rather than continue to decline. Further, the projections assume that this increased academic activity will not reduce economic activity rates as individuals get older. For example, entry rates into the labour market for people in their twenties are assumed to be higher than previously observed to take account of those who have deferred economic activity due to academic study.

Projecting Future Economic Activity for Buckinghamshire

- ^{6.20} Figure 92 shows the estimated economic activity rates for 2013 and the projected rates for 2033 based on Census data for Buckinghamshire, and the OBR labour market participation projections.

Figure 92: Economic activity rates in 2013 and 2033 by age and gender based on OBR Labour Market Participation Projections



- ^{6.21} Participation rates for men under 60 are not projected to change, except for a very small decline in activity for those aged 16-19. There is increased in participation projected for men aged 60 and over, but these changes are only relatively marginal.
- ^{6.22} Participation rates for women are projected to change due to the cohort effects previously discussed. The rates for those aged under 35 are relatively stable (as there is no increased participation assumed for women born after the 1980s), but there are increased participation rates projected for all older age groups.

³² <http://www.hefce.ac.uk/pubs/year/2015/201503/>

³³ <http://www.bbc.co.uk/news/education-25236341>

6.23 Figure 93 shows the estimated economically active population for Buckinghamshire HMA in 2013 and the projected economically active population in 2033 based on the population projections produced in Chapter 3 based on 10-year migration trends.

Figure 93: Projected economically active population 2013-33 (Note: All figures presented unrounded for transparency)

Gender and Age	2013	Baseline 10-yr trend (2001-11)		Alternative 10-yr trend (2004-14)	
		2033	Net change 2013-33	2033	Net change 2013-33
Male					
Aged 16-19	5,904	6,314	+410	6,414	+509
Aged 20-24	11,072	11,420	+348	11,649	+577
Aged 25-29	12,486	13,277	+791	13,565	+1,079
Aged 30-34	14,192	13,816	-376	14,133	-59
Aged 35-39	15,664	16,251	+587	16,609	+945
Aged 40-44	18,190	17,795	-395	18,149	-41
Aged 45-49	19,729	17,237	-2,492	17,544	-2,185
Aged 50-54	17,699	17,060	-639	17,322	-377
Aged 55-59	14,329	14,887	+558	15,084	+755
Aged 60-64	9,499	13,307	+3,808	13,459	+3,961
Aged 65-69	5,062	8,412	+3,350	8,498	+3,436
Aged 70-74	1,574	2,905	+1,331	2,932	+1,358
Aged 75+	521	1,266	+745	1,277	+755
Total male	145,920	153,945	+8,025	156,633	+10,713
Female					
Aged 16-19	5,817	6,134	+317	6,233	+416
Aged 20-24	10,619	10,493	-126	10,713	+94
Aged 25-29	11,229	11,346	+117	11,598	+369
Aged 30-34	12,445	11,566	-879	11,833	-612
Aged 35-39	12,883	13,858	+975	14,167	+1,284
Aged 40-44	16,009	16,205	+196	16,526	+518
Aged 45-49	17,417	16,718	-699	17,003	-415
Aged 50-54	15,819	16,465	+646	16,698	+879
Aged 55-59	12,213	14,185	+1,972	14,353	+2,141
Aged 60-64	6,859	13,178	+6,319	13,316	+6,457
Aged 65-69	3,167	7,693	+4,526	7,766	+4,599
Aged 70-74	864	2,602	+1,738	2,623	+1,759
Aged 75+	403	1,013	+610	1,020	+617
Total female	125,744	141,455	+15,711	143,848	+18,104
Total	271,665	295,400	+23,735	300,482	+28,817
Aylesbury Vale	98,047	107,730	+9,683	111,435	+13,388
Chiltern	46,566	49,363	+2,797	49,583	+3,017
South Bucks	34,561	38,056	+3,495	38,367	+3,807
Wycombe	92,491	100,251	+7,760	101,097	+8,606

6.24 The baseline 10-year migration (2001-11) scenario projects that the economically active population is likely to increase by around 23,700 persons over the 20-year period 2013-33, with an increase of around 9,700 in Aylesbury Vale, 2,800 in Chiltern, 3,500 in South Bucks and 7,800 in Wycombe. The alternative (preferred) 10-year migration scenario (2004-14) yields a growth of around 28,800 economically active persons over the same period: 13,400 in Aylesbury Vale, 3,000 in Chiltern, 3,800 in South Bucks and 8,600 in Wycombe. The two scenarios represent annual average growth of around 1,190 and 1,440 economically active persons respectively.

Economic Forecasts

- ^{6.25} This section assesses future employment floorspace and land requirements by use class (B1a/b, B1c/B2, and B8) for each local authority and the FEMA as a whole. In accordance with PPG and best practice, the assessment of future employment land requirements considers a range of scenarios including:
- » **Scenario 1:** A scenario based on the employment forecasts released by Experian in March 2015³⁴;
 - » **Scenario 2:** A scenario based on the employment forecasts released by Oxford Economics in March 2015³⁵; and
 - » **Scenario 3:** A trend-based scenario based on historical employment growth levels³⁶.
- ^{6.26} The assessment period for the FEMA as a whole is 2013-2036, however the assessment period for each local authority varies, in order to align with each Council's local plan period:
- » Aylesbury Vale: 2013-2033;
 - » Chiltern: 2014-2036;
 - » South Bucks: 2014-2036; and
 - » Wycombe: 2013-2033.
- ^{6.27} This section identifies the findings from demand forecasting across the FEMA and for each district in the FEMA for a preferred scenario based on Oxford Economics employment forecasts. The summary outputs from the Experian based forecasts and the trend based forecasts are also provided. Appendix D sets out the full demand analysis for the Experian and Trend-based scenarios.
- ^{6.28} Under all scenarios, employment sectors have been mapped to the core B1a/b (office and research and development), B1c/B2 (light and general industrial) and B8 (storage and distribution) "employment" uses³⁷. Job numbers have been converted to floorspace and land requirements by applying appropriate employment density and plot ratio assumptions.
- ^{6.29} The employment densities and plot ratios used are in-line with the Homes and Communities Agency's (HCA) Employment Densities Guide 2nd Edition (2010)³⁸ and the Employment Land Reviews: Guidance Note (2004)³⁹. The way we design and build employment floorspace in the UK has not changed radically in the last 5 years that would make this guidance now out of date in terms of its conclusions on office employment densities and plot ratios therefore the Consultants consider the guidance to still be appropriate for this Study. Employment densities and plot ratios can vary significantly, depending on a range of factors including location (e.g. urban or out of town), site size and layout, and price-range (e.g. high-end or low-cost).
- ^{6.30} Changing working practices, home-working and hot-desking are affecting employment densities across all sectors, and particularly in the office sector. This is reflected in the HCA Employment Densities Guide 2nd Edition, which has higher densities than the 1st edition.

³⁴ Experian baseline runs to 2031 and Atkins have extrapolated up to 2036.

³⁵ Oxford Economics baseline runs to 2035 and Atkins have extrapolated up to 2036.

³⁶ The time period covered by the past trends (1997 – 2013), includes both positive and negative economic cycles. Selecting a longer period of time for the trend analysis ensures that the outputs are less impacted by short-term periods of negative/positive economic activity.

³⁷ Please refer to Appendix E.

³⁸ Latest available guidance and no detail in PPG is provided employment densities or plot ratios.

³⁹ Although Guidance Note has been cancelled, Atkins still consider the plot ratios to be appropriate

- 6.31 In the case of plot ratios, a key influencing factor is the number of parking spaces provided. The plot ratios adopted have taken into consideration the existing local pattern of employment premises development in the FEMA and take into account how this may change in the future. The consultants have made a broad assumption on plot ratio by use class for the purposes of defining employment land requirements. Therefore the employment density and plot ratio assumptions summarised in Figure 94 below are meant to be indicative averages only.

Figure 94: Employment density and plot ratio assumptions (Source: Atkins)

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

- 6.32 All figures presented in this chapter are rounded and may therefore not completely add up. Furthermore all projections of employment numbers, as well as floorspace and land requirements should be treated as indicative only as they are sensitive to the assumptions underpinning their calculation, and they are subject to the inherent uncertainties of long term economic forecasting.

Future Demand across the Scenarios

- 6.33 The following is a short summary on the findings from the three employment scenarios and identifies the preferred scenario for the study. This chapter provides a detailed analysis of the preferred scenario (Oxford Economics) and summary findings of the other two scenarios (Experian and Trend), a detailed analysis of the Experian and Trend forecasts is set out in Appendix D. A summary of the land demand forecasts of all scenarios is presented in Figure 95.

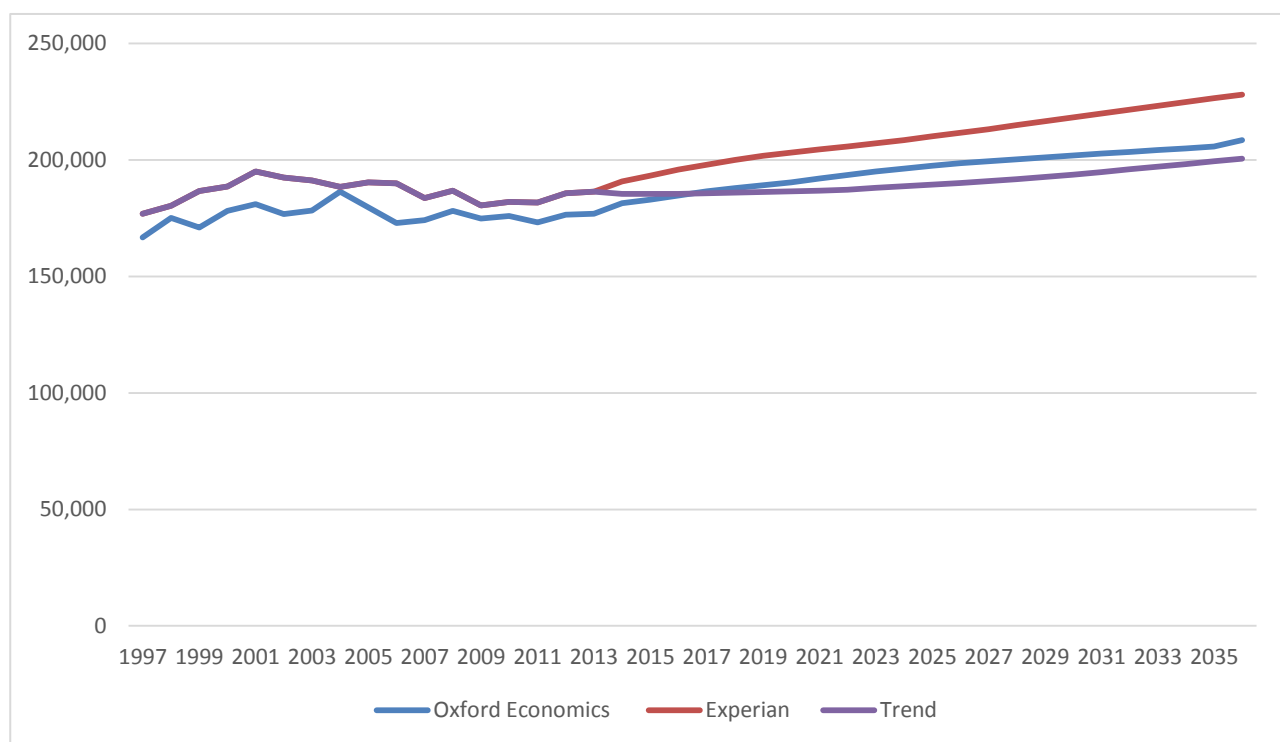
Figure 95: Projected change in land demand by use class under different scenarios 2013-2036 (Source: Experian and Oxford Economics)

Growth scenario	B1a/b	B1c/B2	B8	Total B use
Scenario 1: Experian	+35	-4	+64	+95
Scenario 2: Oxford Economics	+40	-30	+42	+53
Scenario 3: Trend	+27	-81	-58	-112

- 6.34 Scenarios 1 and 2 (based on the employment forecasts of Experian and Oxford Economics respectively), are broadly aligned, suggesting additional need for B1a/b and B8 floorspace, and reduced demand for B1c/B2 floorspace. They both forecast similar levels of additional B1a/b requirements over the period to 2036 (35-40 hectares across the FEMA). Scenario 1 suggests higher levels of B8 growth and very modest decline in B1c/B2, whereas Scenario 2 indicates significant levels of B1c/B2 decline and lower levels of B8 growth.
- 6.35 Scenario 3 (trend-based scenario), also projects growing B1a/b land need (although more modest than scenarios 1 and 2) but forecasts a much more significant decline in B1c/B2 and unlike the other two scenarios projects a significant decline in B8 use class land requirements.
- 6.36 Taking into consideration the market analysis, stakeholder consultation and review of past employment floorspace gains and losses, it is recommended that the Oxford Economics scenario is used as the preferred scenario for informing employment land policies across the FEMA.

- 6.37 As Figure 96 illustrates, Oxford Economics' employment projections (though not estimated historical data) are higher than the trend-based projections but lower than Experian's. In that sense, the Experian scenario can be viewed as a high-growth scenario and the trend-based scenario as a low-growth scenario, with the Oxford Economics scenario sitting between the two (but closer to the trend-based projection) and providing a more balanced view of the economic growth prospects across the FEMA.

Figure 96: FEMA FTE employment across all sectors 1997-2036 (Source: Experian and Oxford Economics)



- 6.38 The market analysis shows there are low levels of vacancy in B8 premises. This suggests there is a good market/demand for B8 premises. The views expressed at the employment land consultation workshop also suggested that there is good demand for B8 premises but current supply is constrained by the availability of sites and existing infrastructure. If further supply came into the market, it is likely it would be taken up. There is therefore good justification for adopting Oxford Economics' B8 growth projections. In contrast, the trend based scenario forecasts significant levels of B8 decline, while the Experian scenario suggests extraordinary levels of B8 growth that do not appear to be realistic.
- 6.39 In terms of B2 employment levels and resulting land demand, the Oxford Economics scenario suggests much lower levels of decline than the trend-based scenario. This is aligned with the general consensus that decline in manufacturing is slowing down and any future decline is unlikely to be as profound as it has been in the past. In fact there is a nation-wide resurgence in certain high-value manufacturing sub-sectors such as advanced manufacturing and engineering.
- 6.40 Therefore, it is recommended that the Oxford Economics projections is the preferred scenario. The Oxford Economics projections are considered to provide the most realistic projection of future employment land requirements, and are aligned to the key signals emerging from the market review and stakeholder consultation.

Employment Projections

- ^{6.41} According to Oxford Economics' forecasts, the number of full time equivalent jobs across all sectors in the FEMA will increase by approximately 31,630 over the period 2013-2036, an increase of 18% (Figure 97).
- ^{6.42} Key growth sectors (in terms of absolute number of jobs) are projected to include Professional, scientific and technical activities; Wholesale and retail trade; Administrative and support service activities; and Information and communication. The greatest employment decline in absolute terms is projected to take place in the Manufacturing sector, which is projected to lose some 4,000 FTE jobs by 2036.

Figure 97: FEMA Oxford Economics employment forecasts (FTEs) – sectors showing significant numerical changes in employment 2013-2036 (Source: Oxford Economics)

Sector	Change 2013-2033	Change 2033-2036
Professional, scientific and technical activities	+5,500	+800
Wholesale and retail trade; repair of motor vehicles and motorcycles	+4,330	+910
Administrative and support service activities	+4,030	+670
Information and communication	+3,660	+490
Public administration and defence; compulsory social security	-710	-80
Manufacturing	-3,540	-520
All sectors	+27,350	+4,280

- ^{6.43} The proportion of FTE employment in non-B use class sectors is projected to remain largely constant between 2013 and 2036, accounting for just under half of all FTE employment (approximately 47%). The largest non-B use class sectors in terms of employment share are projected to be retail, accommodation and food services, and human health and social work activities. Construction also is a significant sector for employment in the FEMA which requires non-B use class land.
- ^{6.44} As presented in Figure 98, the number of FTE employees in B use class sectors is forecast to increase from approximately 93,450 in 2013 to 110,090 in 2036, an increase of approximately 18% (Figure 98). Most of the employment growth is projected to come from B1a/b sectors (approximately 16,550 additional FTE jobs). B8 employment is projected to grow by 14%, while industrial employment making use of B1c/B2 classes is forecast to decline by 24%.

Figure 98: FEMA Oxford Economics – Employment Forecasts and Floorspace Need (sq. m) (Source: Oxford Economics, Atkins. Note: 2013 floorspace figures are indicative based on employment densities and plot ratios assumptions and do not represent actual supply)

Use class	2013	2033	2036	Change 2013-2033	Change 2033-2036
Employment Forecasts					
Total employees (not FTE)	259,200	301,500	307,200	+42,300	+5,700
FTEs in B class use sectors					
B1a/b	59,170	73,540	75,720	+14,370	+2,180
B1c/B2	12,520	9,960	9,570	-2,570	-380
B8	21,760	24,320	24,790	+2,560	+470
Total B use class	93,450	107,810	110,090	+14,360	+2,270
Floorspace Need (sq. m)					
B1a/b	710,000	882,500	908,700	+172,500	+26,200
B1c/B2	500,900	398,200	382,800	-102,700	-15,400
B8	1,523,200	1,702,100	1,735,500	+178,900	+33,400
Total B use class	2,734,100	2,982,800	3,027,000	+248,700	+44,200

^{6.45} Based on the Oxford Economics employment forecasts, Figure 99 shows that the FEMA is projected to need approximately 39 hectares of additional B1a/b land over the period 2013-2036 (or 40 hectares when rounded to the nearest hectare), and 43 hectares of additional B8 land. B1c/B2 requirements are projected to decrease by 30 hectares.

Figure 99: FEMA Oxford Economics B use class land need (hectares) (Source: Oxford Economics. Note: Full data is presented in Appendix D)

Use class	2013	2033	2036	Change 2013-2033	Change 2033-2036
B1a/b	142	176	182	+34	+5
B1c/B2	125	100	96	-26	-4
B8	305	340	347	+36	+7
Total B use class	572	616	625	+45	+8

Aylesbury Vale

^{6.46} According to Oxford Economics' forecasts, the number of full time equivalent employment across all sectors in Aylesbury Vale is forecast to increase from 57,210⁴⁰ FTE employees in 2013 to approximately 68,500 in 2033, an increase of approximately 20% (Figure 100).

^{6.47} Key growth sectors (in terms of absolute number of jobs) will include Wholesale and retail trade; Administrative and support service activities; and Professional, scientific and technical activities⁴¹. The greatest employment decline in absolute terms is projected to take place in the Manufacturing and Public administration and defence sectors.

⁴⁰ Oxford Economics' and Experian's 2013 FTE figures differ, primarily as a result of the use of different FTE definitions.

⁴¹ Oxford Economics uses different (more aggregate) sector definitions than Experian, therefore a like-for-like comparison is not possible.

Figure 100: Aylesbury Vale Oxford Economics employment forecasts (FTEs) – sectors showing significant numerical changes in employment (Source: Oxford Economics)

Sector	Change 2013-2033	% change 2013-2033
Wholesale and retail trade; repair of motor vehicles and motorcycles	+2,160	+20%
Administrative and support service activities	+2,000	+38%
Professional, scientific and technical activities	+1,450	+36%
Human health and social work activities	+1,360	+19%
Accommodation and food service activities	+1,130	+40%
Construction	+1,070	+33%
Education	+860	+16%
Public administration and defence; compulsory social security	-340	-10%
Manufacturing	-1,000	-21%
All sectors	+11,260	+20%

6.48 Non-B use class sectors are projected to account for approximately 48% of all FTE employment in 2033, the same as in 2013. Key non-B use class employment sectors are projected to include retail, human health and social work activities, accommodation and food services, and education. The number of FTE employees in B use class sectors is forecast to increase from 29,900 in 2013 to 35,280 in 2033, an increase of approximately 18% (Figure 101). Most of the employment growth is projected to come from B1a/b sectors (approximately 4,810 additional FTE employees), while B8 employment is also forecast to grow. Industrial employment is forecast to decline by approximately 680 FTE employees (-16%).

Figure 101: Aylesbury Vale Oxford Economics employment forecasts (Source: Oxford Economics, Atkins)

	2013	2033	Change 2013-2033	% change 2013-2033
Employment Forecasts				
Total employees (not FTE)	84,900	102,500	17,600	+21%
FTEs in B class use sectors				
B1a/b	18,960	23,770	+4,810	+25%
B1c/B2	4,320	3,640	-680	-16%
B8	6,620	7,870	+1,250	+19%
Total B use class FTEs	29,900	35,280	+5,380	+18%

6.49 Based on the above employment forecasts, Aylesbury Vale is projected to need some 57,700 square metres of additional B1a/b floorspace by 2036. Figure 102 shows that Aylesbury Vale is projected to need approximately 12 hectares of additional B1a/b land over the period 2013-2033, and 18 hectares of additional B8 land. B1c/B2 requirements are projected to decrease by 7 hectares.

Figure 102: Aylesbury Vale Oxford Economics B use class floorspace need (square metres) and land need (hectares) (Source: Oxford Economics, Atkins. Note: 2013 Floorspace figures are indicative based on employment densities and plot ratios assumptions and do not represent actual supply. Full data is presented in Appendix D)

Use class	FLOORSPACE NEED (sq. m)			LAND NEED (hectares)		
	2013	2033	Change 2013-2033	2013	2033	Change 2013-2033
B1a/b	227,500	285,300	+57,700	46	57	+12
B1c/B2	172,900	145,500	-27,400	43	36	-7
B8	463,400	550,900	+87,600	93	110	+18
Total B use class	863,800	981,700	+117,900	181	204	+22

Chiltern

- ^{6.50} According to Oxford Economics' forecasts, Chiltern's number of full time equivalent employees across all sectors will increase by approximately 2,590 over the period 2014-2036, an increase of 9% (Figure 103).
- ^{6.51} Key growth sectors (in terms of additional FTE employment) will include Professional, scientific and technical activities, Information and communication, and Construction. The greatest employment decline in absolute terms is projected to take place in the Manufacturing and Public administration and defence sectors.

Figure 103: Chiltern Oxford Economics employment forecasts (FTEs) – sectors showing significant numerical changes in employment (Source: Oxford Economics)

Sector	Change 2014-2036	% change 2014-2036
Professional, scientific and technical activities	+930	+25%
Information and communication	+500	+25%
Construction	+410	+25%
Wholesale and retail trade; repair of motor vehicles and motorcycles	+310	+5%
Public administration and defence; compulsory social security	-100	-21%
Manufacturing	-660	-29%
All sectors	+2,590	+9%

- ^{6.52} Non-B use class sectors are projected to account for approximately 47% of all FTE employment in 2036, the same as in 2014. Key non-B use class employment sectors are projected to include retail, human health and social work activities, education, and accommodation and food services.
- ^{6.53} The number of FTEs in B use class sectors is forecast to increase from 14,850 in 2014 to 16,430 in 2036, an increase of approximately 11% (Figure 104). Most of the employment growth is projected to come from B1a/b sectors (approximately 1,920 additional FTE employees). Modest growth is forecast for B8 employment (+5%), while industrial employment is forecast to decline by approximately 490 FTE jobs (-24%).

Figure 104: Chiltern Oxford Economics employment (Source: Oxford Economics, Atkins)

	2014	2036	Change 2014-2036	% change 2014-2036
Employment Forecasts				
Total employees (not FTE)	43,300	48,500	+5,200	+12%
FTEs in B class use sectors				
B1a/b	9,720	11,640	+1,920	+20%
B1c/B2	2,030	1,540	-490	-24%
B8	3,100	3,250	+150	+5%
Total B use class (FTEs)	14,850	16,430	+1,580	+11%

- ^{6.54} Based on the above employment forecasts, Chiltern is projected to need approximately five hectares of additional B1a/b land over the period 2014-2036, and two hectares of additional B8 land. B1c/B2 requirements are projected to decrease by five hectares (Figure 105).

Figure 105: Chiltern Oxford Economics B use class floorspace need (square metres) and land need (hectares) (Source: Oxford Economics, Atkins. Note: 2014 Floorspace figures are indicative based on employment densities and plot ratios assumptions and do not represent actual supply. Full data is presented in Appendix D)

Use class	FLOORSPACE NEED (sq. m)			LAND NEED (hectares)		
	2014	2036	Change 2014-2036	2014	2036	Change 2014-2036
B1a/b	116,700	139,700	+23,000	23	28	+5
B1c/B2	81,200	61,700	-19,500	20	15	-5
B8	216,900	227,600	+10,700	43	46	+2
Total B use class	414,800	428,900	+14,100	87	89	+2

South Bucks

- ^{6.55} Oxford Economics forecasts suggest that total FTE employment in South Bucks will increase by approximately 6,100 between 2014 and 2036, equivalent to a 22% increase. Across all sectors, it is forecast there will be 34,310 FTE employees in 2036.
- ^{6.56} Figure 106 presents forecasts of FTE employment growth for selected sectors. The largest absolute increase in FTE employment is forecast for Professional, scientific and technical activities. Other sectors exhibiting significant growth are Administrative and support services, Wholesale and retail trade, Information and communication and Construction. In line with the general trend, manufacturing is forecast to experience significant decline with FTE employment contracting by 33%.

Figure 106: South Bucks Oxford Economics employment forecasts (FTEs) – sectors showing significant numerical changes in employment (Source: Oxford Economics)

Sector	Change 2014-2036	% change 2014-2036
Professional, scientific and technical activities	+1,310	+36%
Wholesale and retail trade; repair of motor vehicles and motorcycles	+990	+17%
Administrative and support service activities	+970	+44%
Information and communication	+650	+33%
Construction	+600	+37%
Human health and social work activities	+570	+20%
Manufacturing	-430	-33%
All sectors	+6,130	+22%

- ^{6.57} Employment in non-B use classes is forecast to increase by approximately 2,540 to 15,880 by 2036. Employment in these sectors will grow slower than in B use class sectors, with 19% growth from 2014 to 2036. The share of employment in non-B use class sectors is therefore forecast to fall very slightly from 47% in 2014 to 46% in 2036.
- ^{6.58} Forecast growth in employment in B use classes is summarised in Figure 107. In total, B use class FTE employment is projected to grow by approximately 3,600 jobs, equivalent to a 24% increase. This is driven by growth in B1a/b uses, though mitigated by a significant fall in B1c/B2 employment of 24%, similar to that observed in other areas.

Figure 107: South Bucks Oxford Economics employment forecasts (Source: Oxford Economics, Atkins)

	2014	2036	Change 2014-2036	% change 2014-2036
Employment Forecasts				
Total employees (not FTE)	40,900	50,200	+9,300	+23%
FTEs in B class use sectors				
B1a/b	10,220	13,530	+3,310	+32%
B1c/B2	1,230	940	-290	-24%
B8	3,390	3,960	+570	+17%
Total B use class (FTEs)	14,840	18,430	+3,590	+24%

- 6.59 These employment forecasts suggest that total need for B use class floorspace is projected to increase by 17%, and total land demand by 15%. The absolute forecast changes in both floorspace demand (square metres) and land demand (hectares) by use class are detailed in Figure 108.

Figure 108: South Bucks Oxford Economics B use class floorspace need (square metres) and land need (hectares) (Source: Oxford Economics, Atkins. Note: 2014 Floorspace figures are indicative based on employment densities and plot ratios assumptions and do not represent actual supply. Full data is presented in Appendix D)

Use class	FLOORSPACE NEED (sq. m)			LAND NEED (hectares)		
	2014	2036	Change 2014-2036	2014	2036	Change 2014-2036
B1a/b	122,600	162,300	+39,700	25	32	+8
B1c/B2	49,400	37,700	-11,600	12	9	-3
B8	237,100	276,900	+39,900	47	55	+8
Total B use class	409,000	477,000	+68,000	84	97	+13

Wycombe

- 6.60 According to Oxford Economics' forecasts, full time equivalent employment across all sectors in Wycombe will increase by approximately 7,000 over the period 2013-2033, an increase of 11% (Figure 109).
- 6.61 Key growth sectors (in terms of additional FTE employment) will include Information and communication; Professional, scientific and technical activities, and Wholesale and retail trade. The greatest employment decline in absolute terms is projected to take place in the Manufacturing sector, which is projected to lose over 1,500 FTE employees by 2033.

Figure 109: Wycombe Oxford Economics employment forecasts (FTEs) –sectors showing significant numerical changes in employment (Source: Oxford Economics)

Sector	Change 2013-2033	% change 2013-2033
Information and communication	+1,760	+31%
Professional, scientific and technical activities	+1,460	+25%
Wholesale and retail trade; repair of motor vehicles and motorcycles	+1,200	+8%
Construction	+1,120	+27%
Water supply; sewerage, waste management and remediation activities	-370	-26%
Manufacturing	-1,520	-29%
All sectors	+7,040	+11%

- ^{6.62} FTE employment in non-B use class sectors is projected to account for approximately 46% of all jobs in 2033, the same as in 2013. Key non-B use class employment sectors are projected to include retail, human health and social work activities, education, and accommodation and food services.
- ^{6.63} The number of FTE employees in B use class sectors is forecast to increase from 34,990 in 2013 to 38,480 in 2033, an increase of approximately 10% (Figure 110). Most of the employment growth is projected to come from B1a/b sectors (approximately 3,990 additional FTE jobs). Employment growth is also forecast for B8 sectors (8%), while industrial employment is forecast to decline by approximately 24%.

Figure 110: Wycombe Oxford Economics employment forecasts (Source: Oxford Economics, Atkins)

	2013	2033	Change 2013-2033	% change 2013-2033
Employment Forecasts				
Total employees (not FTE)	92,800	103,400	+10,600	+11%
FTEs in B class use sectors				
B1a/b	21,400	25,390	+3,990	+19%
B1c/B2	4,900	3,720	-1,180	-24%
B8	8,690	9,370	+680	+8%
Total B use class (FTEs)	34,990	38,480	+3,500	+10%

- ^{6.64} Based on the above employment forecasts, Figure 111 shows that Wycombe is projected to need approximately 10 hectares of additional B1a/b land over the period 2013-2033, and 10 hectares of additional B8 land. B1c/B2 requirements are projected to decrease by 12 hectares.

Figure 111: Wycombe Oxford Economics B use class floorspace need (square metres) and land need (hectares) (Source: Oxford Economics, Atkins. Note: 2013 Floorspace figures are indicative based on employment densities and plot ratios assumptions and do not represent actual supply. Full data is presented in Appendix D)

Use class	FLOORSPACE NEED (sq. m)			LAND NEED (hectares)		
	2013	2033	Change 2013-2033	2013	2033	Change 2013-2033
B1a/b	256,800	304,700	+47,900	51	61	+10
B1c/B2	195,900	148,900	-47,000	49	37	-12
B8	608,200	655,900	+47,700	122	131	+10
Total B use class	1,060,900	1,109,500	+48,600	222	229	+7

Conclusions

- ^{6.65} The employment land requirements derived from the Oxford Economics employment forecasts are the preferred scenario for the purposes of planning across the FEMA. The Oxford Economics employment scenario is considered to provide the most realistic projection of future employment land requirements, and are aligned to the key signals emerging from the market review and stakeholder consultation.
- ^{6.66} The Oxford Economics forecasts identify potential net growth in B class employment of around 14,360 full time equivalent employees for the FEMA over the period 2013-2033 (with an additional 2,270 jobs for the period 2033-2036). Employment growth is anticipated to come primarily from B1a/b sectors. The Oxford Economics forecasts suggest the FEMA will gain an additional 14,370 FTE B1a/b employees over the period 2013-2033 (and a further 2,180 in the period 2033-2036). The Oxford Economics forecasts identify smaller levels of B8 growth and an approximately equal decline in employment in industrial sectors (B1c/B2).
- ^{6.67} For the purposes of land use planning, it is important to convert the projected levels of employment growth into additional floorspace and land requirements. The additional requirement for B class floorspace over the period 2013-2033 across the FEMA is projected to be around 248,700 sq. m (with an additional 44,200 sq. m for the period 2033-2036). This translates into an indicative additional requirement for 45 hectares of B class land 2013-2033 (with an additional 8 hectares for the period 2033-2036).
- ^{6.68} Whilst it is important for land use planning purposes to consider the quantitative needs for B-class employment floorspace, it is also be important to consider the quality of existing employment premises and land and whether they will meet the anticipated economic development needs of the FEMA in the future (see chapter 5). Each local authority will consider in detail through their own HELAA what the future supply of land which is suitable, available and achievable for housing and economic development uses over the plan period. Through the local plan making process each local authority will need to consider the qualitative gaps in economic development needs as well as the quantitative needs identified in this chapter.

7. Objectively Assessed Housing Need

Analysing the evidence to establish overall housing need

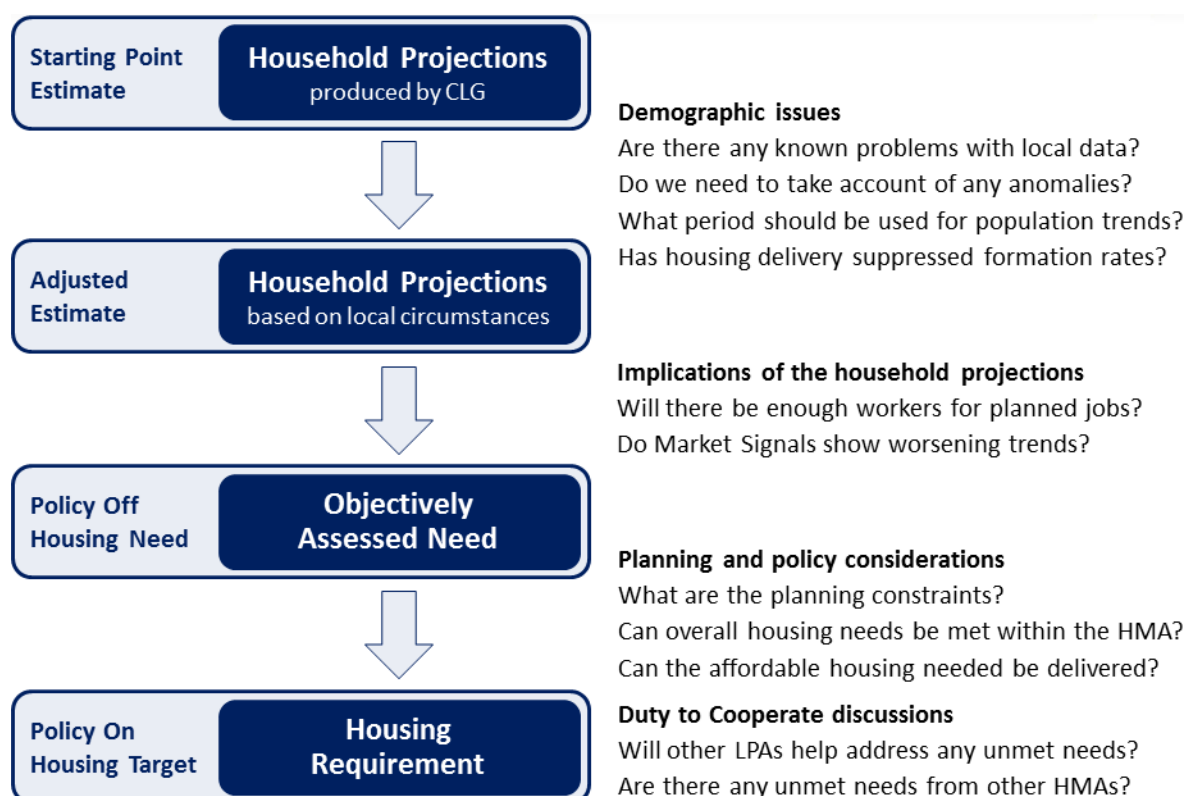
- ^{7.1} A key objective of this study is to establish the Objectively Assessed Need (OAN) for housing. The OAN identifies the future quantity of housing that is likely to be needed (both market and affordable) in the Housing Market Area (HMA) over the future plan period. It is important to recognise that the OAN does not take account of any possible constraints to future housing supply. Such factors will be subsequently considered by the local planning authorities before establishing the final Housing Requirement.

The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.

Planning Practice Guidance (March 2014), ID 2a-004

- ^{7.2} Figure 112 sets out the process for establishing the housing number for the HMA. It starts with 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 ensure that an appropriate balance is achieved between the demand for and supply of dwellings.

Figure 112: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG)



National Context for England

- ^{7.3} The NPPF requires Local Planning Authorities to “ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area” and “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 change” (paragraphs 47 and 159).
- ^{7.4} PPG further identifies that “household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need ... The 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth” (ID 2a-015 to 016).

Household Growth

- ^{7.5} The 2012-based CLG household projections show that the number of households in England will increase from 22.3 million to 27.5 million over the period 2012 to 2037. This represents a growth of 5.2 million households over 25 years, equivalent to an annual average of 210,000 households each year, and this provides the starting point estimate of overall housing need for England.
- ^{7.6} It should be noted that the annual average of 210,000 households is already much higher than current housing delivery: CLG data for April 2013 to March 2014 identifies that construction started on 133,900 dwellings and 112,400 dwellings were completed during the year. Therefore, to build sufficient homes to meet annual household growth would require housebuilding to increase by 57% – so providing for household growth in itself would require a significant step-change in the number of homes currently being built.

International Migration

- ^{7.7} The 2012-based CLG household projections are based on the ONS 2012-based sub-national population projections. These projections identify an average net gain of 151,600 persons each year due to international migration, and a net loss of 6,400 persons each year from England to other parts of the UK. Therefore, the 2012-based projections are based on net migration averaging 145,100 persons each year.
- ^{7.8} However, these estimates for future international migration may be too low. Oxford University research (March 2015) showed net international migration to be 565,000 persons over the 3-year period 2011-14, an average of 188,300 per annum; and net migration to England averaged 211,200 persons annually between the Census in 2001 and 2011. Both figures suggest that the 2012-based SNPP may underestimate international migration, which would have knock-on implications for projected population growth.
- ^{7.9} As previously noted, longer-term projections typically benefit from longer-term trends and therefore ORS routinely consider migration based on trends for the 10-year period 2001-11. On this basis, our trends are based on a period when net migration to England averaged 211,200 persons each year: 66,100 persons higher than assumed by the 2012-based SNPP, which represents an additional 29,000 households each year based on CLG average household sizes. Therefore, the approach taken for establishing migration based on longer-term trends would increase household growth for England from 210,000 households to 239,000 households each year on average.

Market Signals

- ^{7.10} The NPPF also sets out that *“Plans should take account of market signals, such as land prices and housing affordability”* (ID 2a-017) and PPG identifies that *“the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals”*.
- ^{7.11} The market signals identified include land prices, house prices, rents, affordability and the rate of development; but there is no formula that can be used to consolidate the implications of this data. Nevertheless, the likely consequence of housing affordability problems is an increase in overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation. PPG identifies that these indicators *“demonstrate un-met need for housing”* and that *“longer term increase in the number of such households may be a signal to consider increasing planned housing numbers”* (ID 2a-019).
- ^{7.12} The Census identified that the number of concealed families living in England increased from 161,000 families to 276,000 families over the decade 2001 to 2011, which represents a growth of 115,000 families over 10 years. Although many concealed families do not want separate housing (in particular where they have chosen to live together as extended families), others are forced to live together due to affordability difficulties or other constraints – and these concealed families will not be counted as part of the CLG household projections.
- ^{7.13} Concealed families with older family representatives will often be living with another family in order to receive help or support due to poor health. Concealed families with younger family representatives are more likely to demonstrate un-met need for housing. When we consider the growth of 115,000 families over the period 2001-11, over three quarters (87,100) have family representatives aged under 55, with substantial growth amongst those aged 25-34 in particular. This is a clear signal of the need to increase the planned housing numbers in order to address the increase in concealed families over the last decade and also factor in their impact on current and future average household sizes.
- ^{7.14} Addressing the increase in concealed families would increase projected household growth by 87,100 over the 25-year period, an average of 3,500 households each year over the period 2012-37 (or higher if the need is addressed over a shorter period). Therefore, adjusting for longer-term migration trends and taking account of the market signals uplift for concealed families yields an average household growth for England of 242,500 each year.

Converting to Dwellings

- ^{7.15} Finally, in converting from households to dwellings we need to allow for a vacancy and second home rate as not all dwellings will be occupied. At the time of the 2011 Census this figure was 4.3% of all household spaces in England: we have applied this to future household growth, and on this basis the growth of 242,500 households would require the provision of **253,400 dwellings each year across England**. This is the average number of dwellings needed every year over the 25-year period 2012-37 and represents a 1.1% increase in the dwelling stock each year.
- ^{7.16} This takes account of household growth based on CLG 2012-based projections (the starting point); adjusts for long-term migration trends which assume a higher rate of net migration to England; responds to market signals through providing for the growth of concealed families; and takes account of vacant and second homes.

- ^{7.17} Whilst the uplift for market signals represents less than 2% of the projected household growth, the household growth itself is much higher than current rates of housing delivery. **The identified housing need of 253,400 dwellings requires current housebuilding rates to increase by 89%** (based on dwelling starts in 2013-14).
- ^{7.18} Development industry campaigners (such as Homes for Britain⁴²) are supporting a position which requires 245,000 homes to be built in England every year, a figure derived from the Barker Review (2004)⁴³. It is evident that objectively assessed need based on household projections which take account of longer-term migration trends together with a market signals adjustment for concealed families exceeds this target, so any further increase in housing numbers at a local level (such as adjustments which might be needed to deliver more affordable housing or provide extra workers) must be considered in this context.

Establishing Objectively Assessed Need for Buckinghamshire HMA

- ^{7.19} The earlier part of this Chapter sets out the context for national change in households, and the underlying complexities and features around this. We now move on to the position for Buckinghamshire. Our approach for this section follows the format of the earlier section, albeit with specific reference to the Buckinghamshire HMA. Essentially, therefore, this section is concerned with:
- » CLG 2012-based household projections (the starting point);
 - » Migration adjustments, based on Census, for longer-term migration trends (which incorporate higher international migration rates and correct for errors in previous population estimates);
 - » Market signals, including an uplift for concealed families;
 - » Converting from household growth to a requirement for dwellings, taking account of vacancies and second homes.
- ^{7.20} In addition, we consider employment trends and the relationship between the jobs forecast and projected number of workers, and the need for affordable housing.

CLG Household Projections

- ^{7.21} The “starting point” estimate for OAN is the CLG household projections, and the latest published data is the 2012-based projections for period 2012-37. These projections suggest that household numbers across the study area will increase from 205,250 to 246,097 households over the period 2013-33; an increase of 40,847 households over the 20-year period, equivalent to 2,042 households per year.
- ^{7.22} However, the notes accompanying the CLG Household Projections explicitly state that:
- “The 2012-based household projections are linked to the Office for National Statistics 2012-based sub-national population projections. **They are not an assessment of housing need or do not take account of future policies, they are an indication of the likely increase in households given the continuation of recent demographic trends.**”*
- ^{7.23} The ONS 2012-based sub-national population projections are based on migration trends from the 5-year period before the projection base date; so trends for the period 2007-2012. Short-term migration trends are generally not appropriate for long-term planning, as they risk rolling-forward rates that are unduly high

⁴² <http://www.homesforbritain.org.uk>

⁴³ http://webarchive.nationalarchives.gov.uk/+/http://www.hmtreasury.gov.uk/barker_review_of_housing_supply_recommendations.htm

or unduly low. Projections based on long-term migration trends are likely to provide a more reliable estimate of future households.

Adjustments for Local Demographic Factors

- ^{7.24} ORS has calculated household projections based on local circumstances. Consistent with PAS advice, these are based on longer-term migration trends; with a baseline projection based on migration trends for the 10-year period 2001-2011 and also an alternative projection based on migration trends for the more recent 10-year period 2004-2014. These projections based on local circumstances also take full account of errors in the trend-based data for Aylesbury Vale. These problems were identified by the 2011 Census, however administrative data sources also show that systematic problems continue to affect more recent data.
- ^{7.25} On the basis of these 10-year migration trends, household numbers across the study area are projected to increase between 37,800 and 41,200 households over the 20-year period 2013-33. The identified range in Aylesbury Vale is marginally lower than the CLG starting point; however this is mainly due to errors in the local population trend data. The identified range in both Chiltern and Wycombe is higher than the CLG starting point, whereas the identified range in South Bucks is lower than the CLG starting point: all due to the underlying population projections and the associated patterns of migration.
- ^{7.26} Projections based on Census data generally provide the most reliable estimates and ONS retrospectively adjust the Mid-Year Estimates based on Census data; so we also favour Census data for establishing long-term migration trends. However, Census data shows that migration to Buckinghamshire over the period 2001-2011 was marginally higher than the previous intercensal period 1991-2001.
- ^{7.27} Given this context, we have based the OAN for Buckinghamshire on the upper end of the projected range: a growth of 41,152 households over the 20-year period 2013-33, equivalent to 2,058 households per year. **Providing for this increase yields a housing need of 42,728 dwellings over the period 2013-33, an average of 2,136 dwellings each year across the Buckinghamshire HMA. The annual housing need based on demographic projections for Aylesbury Vale is 942 dwellings, for Chiltern is 275 dwellings, for South Bucks is 294 dwellings and for Wycombe is 625 dwellings.**
- ^{7.28} As these projections are based on long-term migration trends and take full account of local demography issues, these give the most reliable and appropriate demographic projections for establishing housing need.

Affordable Housing Need

- ^{7.29} The HEDNA has undertaken a comprehensive analysis of the existing unmet need for affordable housing in chapter 4. This analysis identified that **overall housing need should be increased by 634 households** to take account of **concealed families** and **homeless households** that would not be captured by the household projections. When the unmet needs from existing households living in unsuitable housing were also included, the analysis established an overall need from 3,291 households in need of affordable housing in 2013.
- ^{7.30} Nevertheless, 1,525 of these households already occupy an affordable home (albeit unsuitable for their current needs) – so the home that will be vacated when their needs are resolved must be offset against the overall need to establish the unmet need. **There is an unmet need from 1,766 households (3,291 less 1,525 = 1,766) who will need affordable housing at the start of the Plan period and do not already occupy affordable housing in the Buckinghamshire HMA.**

- 7.31 Based on the household projections, the HEDNA has established the balance between the future need for market housing and affordable housing. The 20-year projection identifies that the number in need of affordable housing will increase by 8,174 households over the period 2013-33. **Overall, there will be a need to provide additional affordable housing for 9,940 households, which represents a total affordable housing need of 10,081 dwellings over the period 2013-33.** Figure 113 summarises the overall need for market housing and affordable housing over the 20-year period 2011-33 in terms of the projected number of households.

Figure 113: Summary of housing need based on household projections (taking account of suppressed household formation) by local authority (Source: ORS Housing Model)

	Aylesbury Vale	Chiltern	South Bucks	Wycombe	TOTAL
HOUSEHOLDS					
Market Housing	13,893	4,411	4,453	9,088	31,845
Affordable Housing	4,381	931	1,359	3,270	9,940
Total	18,274	5,342	5,812	12,358	41,786
<i>Percentage of overall housing need</i>	<i>24.0%</i>	<i>17.4%</i>	<i>23.4%</i>	<i>26.5%</i>	<i>23.8%</i>

- 7.32 This would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but assumes that the level of housing benefit support provided to households living in the private rented sector remains constant. Furthermore, any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.
- 7.33 Given this context, the HEDNA has identified that the need for affordable housing could be considered as a range: from a minimum of around 10,100 dwellings to a maximum of 16,000 dwellings. **The proposed OAN for affordable housing is therefore 10,500 dwellings over the 20-year period 2013-33,** which recognises that some households currently renting privately with housing benefit support will need to move to affordable housing.

Employment Trends

- 7.34 While demographic trends are key to the assessment of OAN, it is also important to consider current Employment Trends and how the projected growth of the economically active population fits with the future changes in job numbers.

Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.

Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.

Planning Practice Guidance (March 2014), ID 2a-018

- 7.35 Chapter 6 of the HEDNA considered employment forecasts in relation to future jobs and workers.

- ^{7.36} The demographic analysis (based on 10-year migration trends) identified that the economically active population would increase by between 23,700 and 28,800 people over the 20-year period 2013-33 (Figure 93); and as the overall OAN for Buckinghamshire is based on the upper end of the projected range, the future number of workers should also be considered on this basis: **there is likely to be a growth of around 28,800 economically active persons over the 20-year period.**
- ^{7.37} The future number of jobs was considered based on forecasts from both Oxford Economics and Experian over the initial 20-year period to 2033 and the subsequent period to 2036. This information was considered alongside past trends, and concluded that the number of employees across the Buckinghamshire FEMA was likely to increase by around 27,350 FTEs over the 20-year period 2013-33 (Figure 97). In establishing the balance between jobs and workers, it is necessary to consider the likely number of workers needed to fulfil the FTE positions and factor in those self-employed people living in the area. Figure 98 identified that **total employment in the FEMA is likely to increase by around 42,300 jobs over the 20-year period 2013-33.**
- ^{7.38} It is evident that the overall increase in jobs is forecast to be higher than the projected increase in workers across the housing market area. This is also the position when we consider the balance between jobs and workers in each of the two sub-FEMAs:
- » Aylesbury town sub-FEMA (which on a “best fit” basis corresponds to Aylesbury Vale district) has an increase of 17,600 jobs and growth of 13,400 workers; and
 - » High Wycombe and Amersham sub-FEMA (which on a “best fit” basis corresponds to Chiltern, South Bucks and Wycombe districts) has an increase of 24,700 jobs and 15,400 workers.
- ^{7.39} Nevertheless, it is necessary to consider a range of other factors when balancing jobs and workers, particularly the issue of unemployment and commuting.
- ^{7.40} The number of **unemployment benefit claimants** recorded by DWP reduced by around 3,400 over the period March 2013 to March 2015, which increases the number of available workers from within the existing economically active population – and therefore this should be counted in addition to the future growth of economically active persons projected to live in the area. Taken together, these figures suggest that the number of available workers will increase by around 32,300 over the 20-year period 2013-33 (without any further reduction in unemployment), equivalent to an average of around 1,600 additional workers each year.
- ^{7.41} When considering commuting:
- » **Out-commuting:** Based on 2011 Census commuting flows, 66.2% of working residents in Buckinghamshire are also employed in the local area. This implies that 33.8% commute to jobs outside the area. Therefore, of the additional 32,300 workers projected to live in the area, we would expect 21,400 (66.2%) would work locally and 10,900 (33.8%) would commute outside of the area. On this basis, we have assumed that the number of workers that out-commute from the area to work elsewhere will increase by 10,900 over the 20-year period 2013-33.
 - » **In-commuting:** at the time of the 2011 Census, 25.0% of jobs in Buckinghamshire were filled by people travelling in from other authorities. Therefore, a jobs growth of 42,300 is likely to draw in 10,600 (25.0%) additional in-commuters; leaving 31,700 jobs that need to be filled by workers living in the area (again assuming no change in commuting patterns). There is therefore assumed to be a baseline increase in net out-commuting of 300 workers.

^{7.42} It is also important to recognise that the jobs forecast includes full-time and part-time work, and some workers may have more than one job. Based on 5.9% of workers “double jobbing”, providing sufficient people for 31,700 additional jobs would need an extra 29,900 workers living in the area. Considering these factors collectively, we can conclude that the demographic projections (without any uplift for market signals) would provide 21,400 extra workers locally whereas 29,900 extra workers would be needed. **There is therefore a shortfall of 8,600 workers based on the increase in jobs that is currently forecast.**

^{7.43} As previously noted, PPG identifies that plan makers need to consider the most appropriate response when “the supply of working age population that is economically active ... is less than the projected job growth”. The PAS technical advice notes that (second edition, para 8.2):

“Planning Inspectors have interpreted this to mean that demographic projections should be tested against expected future jobs, to see if housing supply in line with the projections would be enough to support those future jobs. If that is not the case, the demographically projected need should be adjusted upwards accordingly; such adjustments overlap with the adjustments for past supply and market signals”

^{7.44} Given this context, there is need to increase housing delivery to ensure that there will be enough workers for the likely increase in jobs in the area. An extra 8,600 workers would need a further 5,900 dwellings to be provided over the 20-year period 2013-33, increasing the housing need from 42,700 dwellings to 48,600 dwellings (equivalent to an uplift of around 14%).

^{7.45} Figure 114 and Figure 115 set out the calculation for the FEMA and two sub-FEMAs.

Figure 114: Balancing future jobs and workers for Buckinghamshire FEMA and sub-FEMAs

	Sub-FEMA		TOTAL
	Aylesbury town	High Wycombe and Amersham	
JOBS			
Forecast change in total employment 2013-33	17,555	24,744	42,299
LESS Jobs fulfilled by workers commuting to the FEMA (based on current commuting rates)	3,881	6,702	10,583
LESS Impact of local workers with more than one job	762	1,005	1,767
Extra local workers needed to balance with future jobs	12,912	17,037	29,949
WORKERS			
Projected change in economically active population 2013-33	13,388	15,428	28,816
PLUS Recorded reduction in unemployment 2013-15	1,179	2,259	3,438
LESS Workers commuting to jobs outside the FEMA (based on current commuting rates)	4,666	6,227	10,893
IMPACT of changes to commuting between the sub-FEMAs	-299	+299	-
Projected increase in local workers	9,602	11,759	21,361
BALANCING JOBS AND WORKERS			
Extra local workers needed to balance with future jobs	12,912	17,037	29,949
LESS Projected increase in local workers	9,602	11,759	21,361
Shortfall (or surplus) of local workers	3,310	5,278	8,588

Figure 115: Overall housing need to balance jobs and workers by LA

	Aylesbury Vale	Chiltern	South Bucks	Wycombe	TOTAL
IMPACT ON HOUSING NEED (dwellings)					
Housing need based on demographic projections	18,841	5,502	5,876	12,509	42,728
PLUS Additional housing to balance jobs and workers	2,313	818	873	1,860	5,864
OVERALL HOUSING NEED TO BALANCE JOBS AND WORKERS	21,154	6,320	6,749	14,369	48,592

Conclusions on Jobs and Workers

- 7.46 While demographic projections form the starting point for OAN calculations it is necessary to ensure a balance between future jobs and workers.
- 7.47 Based on the conclusions about future jobs, the overall increase in employment is likely to yield 42,300 extra jobs in Buckinghamshire over the 20-year period 2013-33; so it is appropriate that we balance future workers against these extra jobs. Taking account of existing commuting patterns and changes to unemployment recorded over the period 2013-15, the demographic projections (without any uplift for market signals) would provide 21,400 extra workers locally whereas 29,900 extra workers would be needed. **Therefore, there is need to increase housing delivery to ensure that there will be enough workers for the likely increase in jobs in the area.**
- 7.48 An extra 8,600 workers would need a further 5,900 dwellings to be provided over the 20-year period 2013-33, increasing the housing need from 42,700 dwellings to 48,600 dwellings (equivalent to an uplift of around 14%). Of course, any uplift to the overall housing need in response to market signals or uplift to the housing requirement to help to deliver affordable housing is also likely to draw in additional population, which would increase the number of workers; so it will be important to consider the cumulative impact of any uplifts that are applied.
- 7.49 Whilst the primary geographic focus of the HEDNA is on the needs of Buckinghamshire HMA and FEMA overall, it is also helpful to consider the balance between jobs and workers for the two local housing market areas and sub-FEMAs that have been identified: namely, Aylesbury town sub-FEMA (which had a “best fit” with the Aylesbury Vale administrative area) and High Wycombe and Amersham sub-FEMA (which had a “best fit” with Chiltern, South Bucks and Wycombe administrative areas).
- 7.50 Considering the balance of jobs and workers in the two sub-FEMAs:
- » Aylesbury town sub-FEMA needs an extra 12,900 workers locally whereas a growth of 9,600 is identified: a shortfall of 3,300 workers. Balancing jobs and workers yields an extra housing need of 2,300 dwellings, which increases the overall housing need to 21,200 dwellings.
 - » High Wycombe and Amersham sub-FEMA needs an extra 17,000 workers locally whereas a growth of 11,800 is identified: a shortfall of 5,300 workers. Balancing jobs and workers yields an extra need of 3,600 dwellings, increasing the overall housing need to 27,400 dwellings.
- 7.51 Balancing jobs and workers across the two areas yields an extra housing need of 2,313 dwellings in Aylesbury and 3,551 dwellings across Chiltern, South Bucks and Wycombe. This increases the overall housing need in Aylesbury to 21,154 dwellings (an uplift of 12%) and 6,320 dwellings in Chiltern, 6,749 dwellings in South Bucks and 14,369 dwellings in Wycombe (an uplift of 15% in each of the three areas).

Market Signals

- 7.52 While demographic trends are key to the assessment of OAN, it is also important to consider current Market Signals and how these may affect housing needs. PPG identifies a range of housing market signals that should be considered when determining the future housing number. Key to this is how market signals should be taken into account:

The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.

A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.

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- 7.53 The Market Signals include:

- » Land and house prices;
- » Rents and affordability;
- » Rate of development; and
- » Overcrowding.

- 7.54 Furthermore, there are other issues that should be considered, for example the macro-economic climate. Further, there are wider market trends and drivers to consider. A full range of market signals are considered and their implications are considered especially where these may indicate undersupply relative to demand and the need to deviate from household projections.

- 7.55 PPG and the PAS OAN technical advice note emphasise the importance of considering indicators in the context of longer-term trends and looking at rates of change as well as absolute levels – for example, house prices in the housing market may be higher or lower than the national average, however the more important consideration is whether or not they are becoming more (or less) expensive at a rate that differs from the national rates or rates in similar areas.

Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the housing market area; similar demographic and economic areas; and nationally.

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- 7.56 To identify areas with similar demographic and economic characteristics to Buckinghamshire, we have analysed data from the ONS area classifications together with data from the CLG Index of Multiple Deprivation. This analysis showed that the following areas had similar characteristics to the HMA:

- » **South West Hertfordshire:** Dacorum, Hertsmere, St. Albans, Three Rivers and Watford;
- » **West Kent:** Tonbridge & Malling, Sevenoaks and Tunbridge Wells; and
- » **West Surrey:** Guildford, Surrey Heath, Waverley and Woking.

- 7.57 Therefore, in considering market signals, we have considered these areas as appropriate comparators and compared them to Buckinghamshire alongside the national data for **England**.

House Prices

- 7.58 House prices in England and Wales have been relatively volatile in the past 15 years. House prices have increased by 6.4% in the 12 months to April 2014; the fastest rises were in London (17.0%), the East of England (6.6%) and the South East (6.1%). The average UK house price in 2014 was £172,000 compared to the high of £181,500 in 2007. Average house price trends 2008-2014 (Source: ONS) show the price divergence between London and the rest of the UK.

Figure 116: Annual house price rates of change, UK all dwellings 2004-2014 (Source: Regulated Mortgage Survey. Note: Not seasonally adjusted)

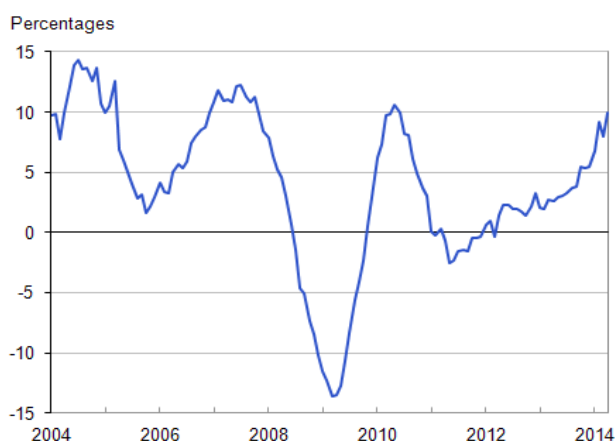
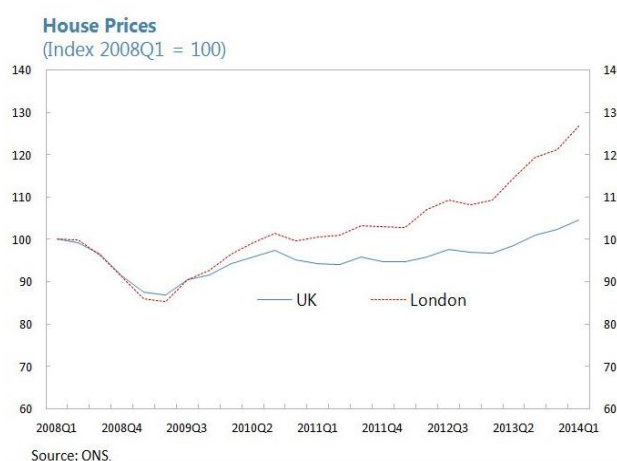


Figure 117: UK and London House Price Index 2008-2014 (Source: ONS)



- 7.59 The Bank of England has overall responsibility for UK monetary policy: it has become concerned about the risks posed by house prices, high levels of borrowing and any housing 'bubble' to national economic recovery. In his speech at the Mansion House in June 2014, the Governor of the Bank said:

"The underlying dynamic of the housing market reflects a chronic shortage of housing supply, which the Bank of England can't tackle directly. Since we are not able to build a single house, I welcome the Chancellor's announcement tonight of measures to increase housing supply.

To be clear, the Bank does not target asset price inflation in general or house prices in particular.

It is indebtedness that concerns us.

This is partly because over-extended borrowers could threaten the resilience of the core of the financial system since credit to households represents the lion's share of UK banks' domestic lending.

It is also because rapid growth in or high levels of mortgage debt can affect the stability of the economy as a whole."

- 7.60 The International Monetary Fund (IMF) has also highlighted concerns about these risks and especially the high borrowings of households relative to income, especially in London:

"The increase in the number of high loan-to-income (LTI) mortgages is more pronounced in London and among first-time buyers. As a result, an increasing number of households are vulnerable to negative income and interest rate shocks."

- ^{7.61} However, the surge in prices appears to be cooling; the Council of Mortgage Lenders (CML) latest Credit Conditions Survey (Summer 2014) suggests

“This source of stimulus may now be drying up, amid signs that lenders may be approaching the limits of their risk appetite with respect to maximum loan-to-value (LTV) and income multiples.”

- ^{7.62} The Government has strengthened the existing powers of the Bank of England to recommend to regulators a limit on the proportion of high loan to income mortgages. From May 2015, lenders are prevented from extending more than 15% of their mortgages to customers needing to borrow 4.5 times their income.
- ^{7.63} The future for the housing market is difficult to predict, although long term trends indicate continued demand issues from household growth, albeit with issues around affordability. The current Government policy towards national economy recovery, and the role played in this by the Bank of England, indicate that action may be taken to contain any housing price ‘bubble’. Interest rates seem likely to rise in the medium term, and this could expose risk of those borrowing high LTV at low interest rates.

Local House Prices

- ^{7.64} House price trends (2001-2013) are shown in Figure 118 and Figure 119 shows lower quartile house prices adjusted to take account of the impact of inflation. Therefore, the values in Figure 119 reflect real changes which have occurred since 2001 when removing the impact of background inflation.
- ^{7.65} It is evident that real house prices across Buckinghamshire increased substantially in the period 2001-2004 (from £134,700 to £214,100 at 2013 values, a real increase of 59%), and prices continued to rise to a peak of £231,800 by the end of 2007. Nevertheless, values reduced to £186,300 by the start of 2009 and have largely plateaued since that time.

Figure 118: House Price Trends: Lower Quartile Prices (Source: CLG Live Tables)

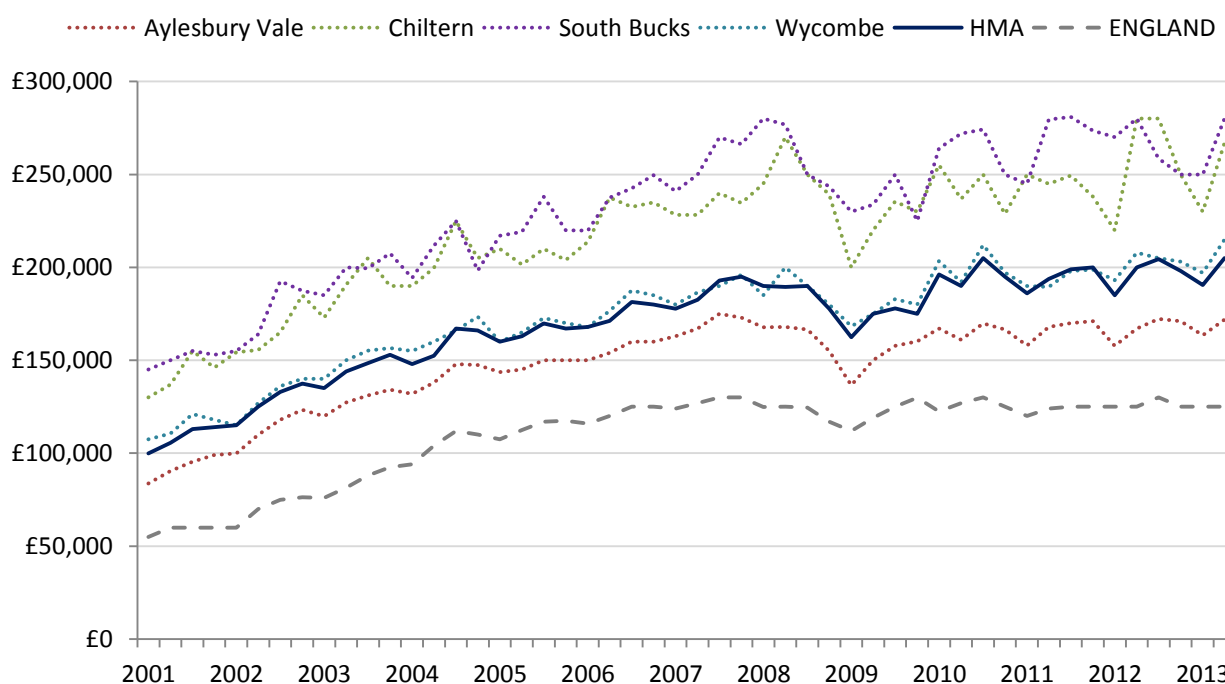
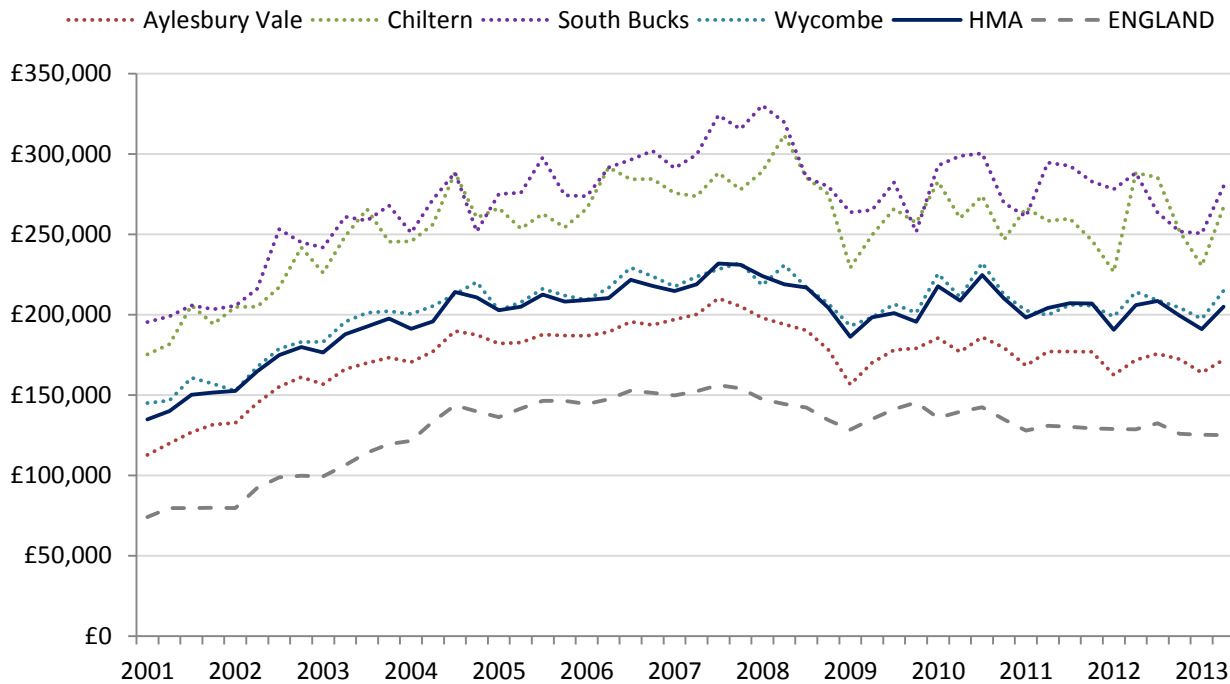
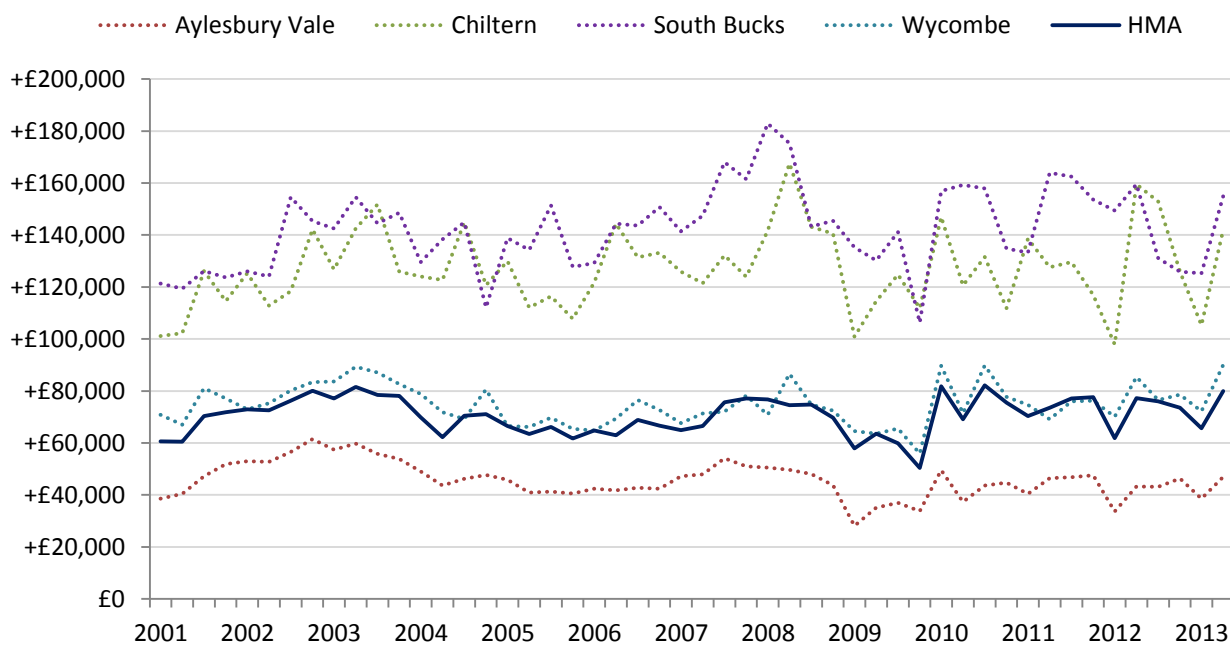


Figure 119: Real House Price Trends: Lower Quartile Prices adjusted to 2013 values using CPI (Source: CLG Live Tables; Bank of England)



^{7.66} Figure 120 shows how real house prices in Buckinghamshire have varied when compared with the English average. This shows that real house prices in the area have consistently been around £60,000-80,000 above the English average over the period since 2001.

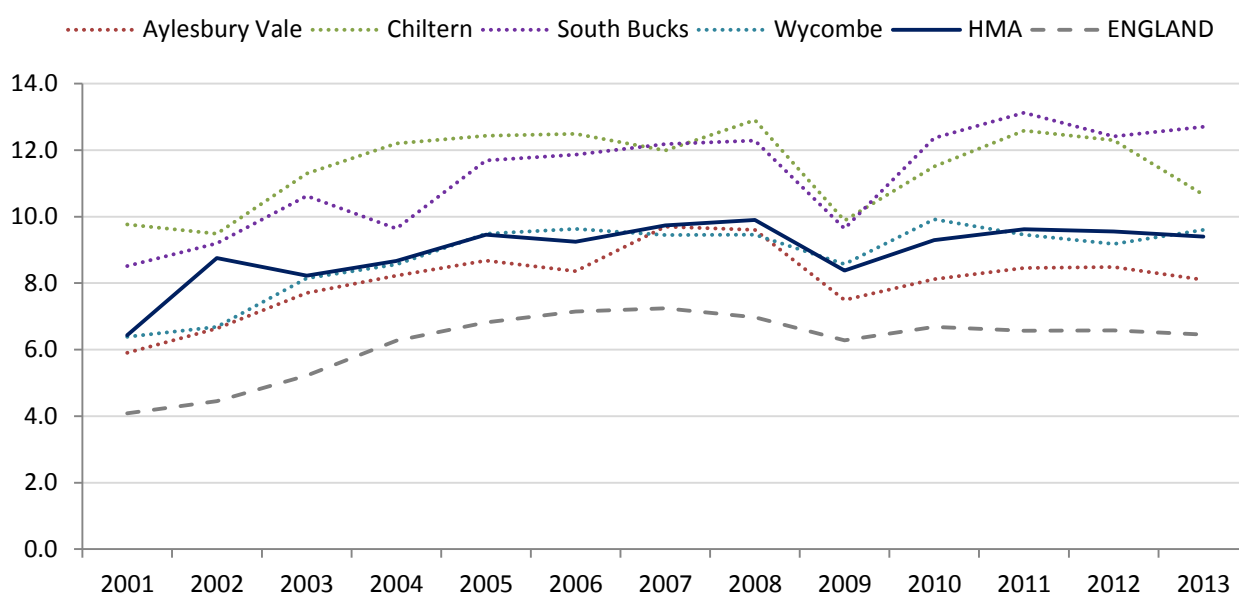
Figure 120: Real House Price Trends relative to England: Lower Quartile Prices adjusted to 2013 values using CPI (Source: CLG Live Tables; Bank of England)



Affordability

^{7.67} Figure 121 below shows the ratio of lower quartile house price to lower quartile earnings in the HMA between 2001 and 2013. This long term trend for the HMA shows that affordability worsened in the period 2001-05 (when there was an increase in real house prices), however the multiplier has remained relatively stable since that time. Of course, it is also important to remember that affordability can be influenced by supply issues (e.g. lower housing delivery levels) and demand side issues (e.g. lower availability of mortgage finance for first time buyers).

Figure 121: Ratio of Lower Quartile House Price to Lower Quartile Earnings (Source: DCLG)



Overcrowding

^{7.68} Overcrowding was considered in detail when establishing the need for affordable housing, and based on the bedroom standard we estimated that 3,790 households were overcrowded in the HMA (Figure 64), including 1,473 owner occupiers, 899 households renting privately and 1,418 households in the social rented sector.

^{7.69} PPG also identifies a series of other factors to monitor alongside overcrowding, including concealed and sharing households, homelessness and the numbers in temporary housing:

Indicators on overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation demonstrate un-met need for housing. Longer term increase in the number of such households may be a signal to consider increasing planned housing numbers.

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^{7.70} These were also considered when establishing the need for affordable housing, and the overall housing number was increased to take account of the needs of homeless households and concealed families with younger family representatives who would not have been counted as part of the household projections. This adjustment has already been incorporated as a response to the identified un-met need for housing, and can be considered as part of the response to market signals.

Summary of Market Signals

^{7.71} In terms of headline outputs, the market signals when compared to relevant comparator areas show:

Figure 122: Summary of Market Signals

		Bucks	South West Herts	West Kent	West Surrey	England
INDICATORS RELATIING TO PRICE						
House prices						
Lower quartile house price	2012- 13 value	£198,300	£219,100	£192,200	£231,500	£126,200
	Relative to England	+57%	+74%	+52%	+83%	-
	2007-08 value	£190,100	£209,800	£191,000	£217,100	£128,000
	5-year change	+4%	+4%	+1%	+7%	-1%
Rents						
Average monthly rent	2013- 14 value	£1,044	£1,087	£1,062	£1,139	£720
	Relative to England	+45%	+51%	+48%	+58%	-
	2008 value	£582	£639	£594	£662	£501
	5-year change	+79%	+70%	+79%	+72%	+44%
Affordability						
Lower quartile house price to earnings	2013 ratio	9.4	10.9	10.0	11.3	6.5
	Relative to England	+46%	+69%	+55%	+75%	-
	2008 ratio	9.9	11.2	10.0	10.8	7.0
	5-year change	-5%	-3%	0%	+4%	-7%
INDICATORS RELATIING TO QUANTITY						
Overcrowding						
Overcrowded households	2011 proportion	6.3%	8.0%	6.0%	6.5%	8.7%
	Relative to England	-28%	-9%	-32%	-26%	-
	2001 proportion	5.0%	6.0%	4.5%	5.4%	7.1%
	10-year change	+24%	+32%	+32%	+19%	+23%
Rate of development						
Increase in stock	2001-11 change	+7.6%	+8.1%	+10.5%	+6.1%	+8.3%
	Relative to England	-9%	-3%	+26%	-27%	-

^{7.72} As acknowledged earlier in this section, there is no single formula that can be used to consolidate the implications of this information; and furthermore the housing market signals will have been predominantly influenced by relatively recent housing market trends – but on the basis of this data we can conclude:

- » **House Prices:** lower quartile prices are higher than the national average, with a lower quartile price of £198,300, compared to England's £126,200 (based on 2012-13 values). The current price in the HMA is higher than West Kent but lower than both South West Hertfordshire and West Surrey. Over the last 5-years, prices have remained relatively stable across all of the comparator areas;
- » **Rents:** for average private sector rents in 2013-14, the study area is above the national average (£1,044 pcm cf. £720 pcm); however, market rents are notably higher in all of the comparator areas. Average rents in the study area have increased in the past 5 years at a similar rate to all comparator areas, which has been at a faster rate than the national rate for England (44%);

- » **Affordability** (in terms of the ratio between lower quartile house prices and lower quartile earnings) is currently 'worse' in the study area than across England as a whole (9.4x cf. 6.5x), however the rate is notably 'better' than in the comparator areas. Furthermore, affordability ratios in the study area have improved since 2008 at a rate that is broadly consistent with the national average and comparator areas;
- » **Overcrowding** (in terms of Census occupancy rates) shows that 6.3% of households in the study area are overcrowded based on an objective measure, which is less than the rate for England (8.7%) and comparable with most of the comparator areas;
- » **Rate of development** (in terms of increase in dwelling stock over the last 10 years) shows that development has increased the stock size by 7.6%, which is lower than England (8.3%), South West Herts and West Kent, but is higher than West Surrey. Of course, these figures will inevitably be influenced by local constraints as well as individual policies.

^{7.73} On the basis of the Market Signals (in particular indicators relating to price), we can conclude that conditions across Buckinghamshire suggest that the level of **Objectively Assessed Need for the HMA should be higher than suggested by household projections** in isolation.

^{7.74} The analysis of overcrowding for the assessment has already identified that the overall housing need should be increased by 589 households to take account of **concealed families** and a further 45 **homeless households** that would not be captured by the household projections. This specific and identifiable adjustment should be incorporated as a response to market signals to take account of the identified un-met need for housing, representing an uplift of 1.5% on the household projections.

^{7.75} Given the Market Signals context, it is probably appropriate to increase this uplift – but as previously noted, there is no definitive guidance on what level of uplift is appropriate. In the Eastleigh Local Plan, the Inspector judged 10% to be reasonable:

"It is very difficult to judge the appropriate scale of such an uplift. I consider a cautious approach is reasonable bearing in mind that any practical benefit is likely to be very limited because Eastleigh is only a part of a much larger HMA. Exploration of an uplift of, say, 10% would be compatible with the "modest" pressure of market signals recognised in the SHMA itself."

^{7.76} On this basis, it is helpful to compare the Market Signals for Buckinghamshire with those for Eastleigh and its wider HMA (which we have based on Southampton with Eastleigh and the New Forest). In summary:

- » **House prices** at the lowest quartile are higher in Buckinghamshire (£198,300) than in both Eastleigh and its wider HMA (£169,000 and £156,000 respectively);
- » **Market rents** in Buckinghamshire (£1,044 pcm) are also higher than in Eastleigh and its wider HMA (£798 pcm and £782 pcm respectively);
- » **Affordability** is worse in at the lowest quartile (9.4x) than in Eastleigh and its wider HMA (8.4x and 8.1x respectively);
- » **Overcrowding** in Buckinghamshire is higher than in Eastleigh (7% cf. 5%), but lower than its wider HMA (9%); and
- » **Rates of development** over the last decade were lower in Buckinghamshire (8%) than in Eastleigh and its wider HMA (both at 9%).

- 7.77 The indicators therefore appear to show more housing pressure in Buckinghamshire than in Eastleigh (and its wider HMA), so it would seem reasonable to conclude that the response to Market Signals across the Buckinghamshire area as a whole should be more than 10%.
- 7.78 In determining the appropriate uplift, it is important to recognise the particular emphasis that PPG places on affordability when considering the response to market signals:

The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.

Market signals are affected by a number of economic factors, and plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.

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- 7.79 Considering the affordability ratios for Eastleigh and its wider HMA (8.4x and 8.1x respectively at the lowest quartile), the indicator is around 30% higher than equivalent ratio for England (6.5x) whereas the ratio for Buckinghamshire HMA (9.4x) is around 45% above the national rate. Affordability pressure in Buckinghamshire is therefore around 1.5x the “modest” pressure identified in Eastleigh and it would probably be appropriate for the response to Market Signals to also be 1.5x the Eastleigh rate. This implies that the 10% uplift applied for “modest” pressure should be increased to 15% to respond to the pressure in Buckinghamshire. On this basis, we would propose to increase the Market Signals response from 1.5% (which took account of concealed families and homeless households) to an overall uplift of **15% of the housing need identified based on the household projections as a response to Market Signals across the housing market areas as a whole**.
- 7.80 However, it is evident that the market signals for the two local HMAs (Aylesbury town local HMA and High Wycombe and Amersham local HMA) are notably different. More specifically, whilst affordability across the Buckinghamshire HMA is 9.4x at the lowest quartile, the rate for Aylesbury Vale (the “best fit” for Aylesbury town local housing market area) is 8.1x (the same as Eastleigh’s wider HMA) whereas the combined rate for Chiltern, South Bucks and Wycombe (the “best fit” for the High Wycombe and Amersham local housing market area) is notably higher at 10.5x lower quartile earnings, around 60% higher than the national rate. The position relative to the national figure is therefore double that for Eastleigh, where the indicator is around 30% higher than England. The differences between the two local housing market areas are also evident in relation to other market signals indicators.
- 7.81 Given this context, the evidence would support a differential response for the local housing market areas. Therefore, as a response to Market Signals, for the two areas we would recommend:
- » **Aylesbury Vale:** based on the “modest” affordability pressure identified, we would propose an overall uplift of **10% of the housing need** identified based on the household projections; and
 - » **Chiltern, South Bucks and Wycombe:** based on affordability being around double the level associated with “modest” pressure, we would propose that the response to Market Signals should also be doubled with an overall uplift of **20% of the housing need** identified based on the household projections.

Housing Backlog

- ^{7.82} The Planning Advisory Service Good Plan Making Guide⁴⁴ identifies that an SHMA should “re-set the clock” and provide a new baseline assessment of all housing need. However, the SHMA must take account of ‘backlog’: any unmet need for housing that exists at the start of the plan period.

“Having an up-to-date, robust Strategic Housing Market Assessment should re-set the clock, and therefore carrying forward under-provision from a previous plan period would be ‘double counting’. Make sure however that the Strategic Housing Market Assessment takes account of ‘backlog’ which is unmet need for housing that still exists at the start of the new plan period (for example, the needs of the homeless and other households living in unacceptable accommodation). The Strategic Housing Market Assessment should show all those in need. It is therefore vitally important to have a properly done Strategic Housing Market Assessment that has the right scope.” (page 49)

- ^{7.83} The SHMA undertaken as part of this HEDNA has fully considered the unmet needs of homeless and other households living in unacceptable accommodation and counted this ‘backlog’ that will exist at the start of the new Plan periods.
- ^{7.84} Given that the HEDNA identifies all housing need from a baseline date of 2013, all needs arising over the 20-year period 2013-33 have been identified, and the ‘backlog’ includes any additional unmet needs that must be counted at the start of the new Plan period for Aylesbury Vale and Wycombe.
- ^{7.85} The new Joint Plan for Chiltern and South Bucks covers the period 2014-36, therefore it is necessary to consider the need identified between the baseline date for this study and the start of the Plan. As previously noted, the population for 2014 was based on estimates of the population resident at that time rather than projections based on an earlier date; and as the data for 2014 is based on the actual population and not a projection, there are no further unmet needs to be counted at the start of the new Plan period. All needs arising over the 22-year period 2014-36 have been identified and the ‘backlog’ includes any additional unmet needs that must be counted at the start of the new Joint Plan period for Chiltern and South Bucks.

Conclusions

- ^{7.86} The “starting point” estimate for OAN is the CLG household projections, and the latest published data is the 2012-based projections for period 2012-37. These projections suggest that household numbers across the study area will increase by 40,847 over the 20-year period 2013-33, an average of 2,042 per year. However, on the basis of 10-year migration trends, household numbers across the study area are projected to increase between 37,823 and 41,152 households over the 20-year period 2013-33; and the OAN has been based on the upper end of this range: a growth of 41,152 households, equivalent to 2,058 households per year. **Providing for an increase of 41,152 households yields a need for 42,728 dwellings over the 20-year period 2013-33, equivalent to an average of 2,136 dwellings per year.**
- ^{7.87} We have identified that the baseline household projections should be increased by 634 households (659 dwellings) to take account of **concealed families** and **homeless households** that would otherwise not be captured due to suppressed household formation rates. This adjustment responds to identified un-met need for affordable housing and also addresses suppressed household formation rates, and yields a

⁴⁴ <http://www.pas.gov.uk/documents/332612/6363137/Pages+from+FINAL+PAS+Good+Plan+Making+-6.pdf>

baseline housing need of 43,388 dwellings over the 20-year period 2013-33, equivalent to an average of 2,169 dwellings per year. This comprises a need for 18,976 dwellings in Aylesbury Vale (as a “best fit” to the Aylesbury town local HMA) and 24,412 dwellings across Chiltern, South Bucks and Wycombe (as a “best fit” to the High Wycombe and Amersham local HMA).

- ^{7.88} While demographic projections form the starting point for Objectively Assessed Need calculations, it is necessary to consider whether a higher rate of housing delivery may be needed to help address housing market problems. Further adjustments may be needed in response to balancing jobs and workers, market signals or any backlog of housing provision. However, it is important to recognise that these adjustments are not necessarily cumulative: it is necessary to consider them collectively.
- ^{7.89} For the Aylesbury town local HMA (based on Aylesbury Vale LPA), an uplift of 10% (equivalent to 1,884 dwellings) is proposed in response to market signals. This includes the increase of 135 dwellings already applied to take account of concealed families and homeless households not captured by the household projections; therefore a further uplift of 1,749 dwellings is needed. Nevertheless, evidence from planned jobs and workers identifies a need to increase housing delivery by 2,313 dwellings to provide enough workers for the likely increase in jobs in the Aylesbury town sub-FEMA. On this basis, the baseline housing need of 18,976 dwellings is increased by 2,313 dwellings; yielding **an overall total of 21,289 dwellings over the 20-year Plan period 2013-33, equivalent to an average of 1,064 dwellings per year.** This will provide sufficient housing for the workers needed and exceed the proposed uplift in response to market signals.
- ^{7.90} For the High Wycombe and Amersham local HMA (based on Chiltern, South Bucks and Wycombe LPAs), an uplift of 20% (equivalent to 4,777 dwellings) is proposed in response to market signals. This includes the increase of 524 dwellings already applied to take account of concealed families and homeless households not captured by the household projections; therefore a further uplift of 4,253 dwellings is needed. Evidence from planned jobs and workers identifies a need to increase housing delivery by 3,551 dwellings to provide enough workers for the likely increase in jobs in the High Wycombe and Amersham sub-FEMA. On this basis, the baseline housing need of 18,335 dwellings is increased by 4,253 dwellings; yielding **an overall total of 28,664 dwellings over the 20-year period 2013-33, equivalent to an average of 1,433 dwellings per year.** This will provide sufficient housing to deliver the proposed uplift in response to market signals and exceed the identified number of workers needed.
- ^{7.91} On this basis, the Buckinghamshire HMA baseline housing need of 43,388 dwellings is increased by 6,566 dwellings overall (2,313 dwellings in Aylesbury Vale and 4,253 in Chiltern, South Bucks and Wycombe combined). **This yields a total of 49,954 dwellings over the 20-year period 2013-33, equivalent to an average of 2,498 dwellings per year.** This represents an overall uplift of 21% on the baseline household projections and an uplift of 22% on the CLG starting point estimate.
- ^{7.92} The OAN includes the ‘backlog’ of unmet needs of homeless and other households living in unacceptable accommodation that will exist at 2013 and identified all needs arising over the 20-year period 2013-33, so there is no need to include any further ‘backlog’ of additional unmet need for housing at the start of new Plan period.

^{7.93} Figure 123 summarises each of the stages for establishing the Full Objectively Assessed Need for Housing.

Figure 123: Full Objectively Assessed Need for Housing across Buckinghamshire 2013-33

Stage		Aylesbury local HMA	High Wycombe and Amersham local HMA			TOTAL
		Aylesbury Vale	Chiltern	South Bucks	Wycombe	
HOUSEHOLDS						
Demographic starting point CLG household projections 2013-33		18,404	4,552	6,522	11,369	40,847
Adjustment for local demographic factors and migration trends 10-year migration trend		-260	+752	-902	+715	+305
Baseline household projections taking account of local circumstances		18,144	5,304	5,620	12,084	41,152
DWELLINGS						
Allowance for transactional vacancies and second homes Based on dwellings without a usually resident household		697	198	256	425	1,576
Housing need based on household projections taking account of local circumstances		18,841	5,502	5,876	12,509	42,728
Adjustment for suppressed household formation rates Concealed families and homeless households with allowance for vacancies and second homes		130 + 5 = 135	38 + 1 = 39	192 + 4 = 201	274 + 10 = 284	634 + 25 = 659
Baseline housing need based on demographic projections		18,976	5,541	6,077	12,793	43,388
Further adjustment s needed...	In response to balancing jobs and workers Projected growth in workers exceeds forecast jobs growth and planned jobs growth therefore no further adjustment needed	2,313	818	873	1,860	5,864
	In response to market signals Dwellings needed (in addition to the adjustment for concealed families and homeless households) to deliver the overall percentage uplift proposed	10% x 18,841 = 1,884 1,884 - 135 = 1,749	20% x 5,502 = 1,100 1,100 - 39 = 1,061	20% x 5,876 = 1,175 1,175 - 201 = 974	20% x 12,509 = 2,502 2,502 - 284 = 2,218	15% x 42,728 = 6,409 6,409 - 659 = 5,750
Combined impact of the identified adjustments		+2,313	+1,061	+974	+2,218	+6,566
Full Objectively Assessed Need for Housing 2013-33		21,289	6,602	7,051	15,011	49,954

^{7.94} Of course, it is important to remember that “*establishing future need for housing is not an exact science*” (PPG ID 2a-014). Whilst the OAN must be underwritten by robust evidence that is based on detailed analysis and informed by reasonable assumptions, the final conclusions should reflect the overall scale of the housing needed in the housing market area without seeking to be spuriously precise.

^{7.95} The HEDNA therefore identifies the Full Objective Assessed Need for Housing in Buckinghamshire HMA to be 50,000 dwellings over the 20-year period 2013-33, equivalent to an average of 2,500 dwellings per year. This includes the Objectively Assessed Need of Affordable Housing for 10,500 dwellings (based on 9,940 households) over the same period, equivalent to an average of 525 per year.

^{7.96} This is the average number of dwellings needed every year over the period 2011-33 and represents a 1.1% increase in the dwelling stock each year across Buckinghamshire HMA (consistent with the 1.1% growth required across England to deliver 253,600 dwellings annually).

^{7.97} Considering the needs in each local housing market area, the HEDNA concludes that the OAN for Housing over the 20-year period as being 21,300 dwellings for Aylesbury Vale (as a “best fit” to the Aylesbury town local housing market area) and a combined OAN of 21,700 dwellings for Chiltern, South Bucks and

Wycombe (as a “best fit” to the High Wycombe and Amersham local housing market area): an OAN of 6,600 dwellings for Chiltern, 7,000 for South Bucks and 15,100 dwellings for Wycombe.

^{7.98} Figure 124 sets out the mix of market and affordable housing need by dwelling type and size for each local authority over the relevant Plan periods. Most of the market housing need is for housing (36,500 dwellings over the 20-year period) with a need for 3,000 flats also identified (around 8%). The need for affordable housing is also predominantly for housing (around 8,000 dwellings), however there is also a need for around 2,500 flats (around 24%).

Figure 124: Market and affordable housing mix by LA (Source: ORS Housing Model. Note: Figures relate to individual Local Authority Plan periods which differ across the HMA)

		Aylesbury Vale	Chiltern	South Bucks	Wycombe	TOTAL
		<i>Plan period 2013-33</i>	<i>Plan period 2014-36</i>	<i>Plan period 2014-36</i>	<i>Plan period 2013-33</i>	<i>20-year period 2013-33</i>
MARKET HOUSING						
Flat	1 bedroom	630	150	80	490	1,300
	2+ bedrooms	630	250	310	650	1,700
House	2 bedrooms	2,190	350	280	970	3,700
	3 bedrooms	8,650	2,730	2,510	6,410	19,800
	4 bedrooms	3,480	1,780	1,780	2,550	9,300
	5+ bedrooms	1,120	940	1,240	630	3,700
Total Market Housing		16,700	6,200	6,200	11,700	39,500
AFFORDABLE HOUSING						
Flat	1 bedroom	420	40	310	490	1,200
	2+ bedrooms	260	170	300	560	1,300
House	2 bedrooms	1,730	330	310	710	3,000
	3 bedrooms	1,770	400	560	1,210	3,900
	4+ bedrooms	420	160	120	430	1,100
Total Affordable Housing		4,600	1,100	1,600	3,400	10,500
TOTAL		21,300	7,300	7,800	15,100	50,000
AFFORDABLE RENT						
Flat	1 bedroom	390	40	280	410	1,100
	2+ bedrooms	220	140	240	460	1,000
House	2 bedrooms	1,380	260	240	570	2,400
	3 bedrooms	1,410	340	460	1,020	3,200
	4+ bedrooms	390	150	110	410	1,000
Total Affordable Rent		3,800	900	1,300	2,900	8,700
% of affordable housing		82%	84%	83%	85%	83%
INTERMEDIATE HOUSING						
Flat	1 bedroom	40	-	30	70	100
	2+ bedrooms	50	40	70	110	300
House	2 bedrooms	330	70	70	130	600
	3 bedrooms	360	60	100	190	700
	4+ bedrooms	40	10	10	20	100
Total Intermediate Housing		800	200	300	500	1,800
% of affordable housing		18%	16%	17%	15%	17%

- ^{7.99} Across the Buckinghamshire HMA, almost a quarter of the affordable housing need (24%) is a need for flats with just over three quarters for houses (29% 2-bedroom and 37% 3-bedroom). The balance between flats and houses suggested by the Model is based on the future mix of households (by type and age) and housing currently occupied by each of these groups in each area. Therefore, it may be necessary to take a judgement on this balance where the Model identifies a particularly high (or particularly low) proportion of flats (or houses).
- ^{7.100} Whilst the need for affordable housing with four or more bedrooms accounts for only 10% of the overall need, this still represents a need for around 1,100 large affordable homes that need to be provided over the 20-year period 2013-33. Much of this need will be from existing households who are currently living in overcrowded accommodation.
- ^{7.101} When considering the need by affordable housing tenure, over four-fifths (83%) of households in need of affordable housing need Affordable Rented housing (or Social Rented housing) and many would need housing benefit to pay their rent. Nevertheless, 17% could afford intermediate affordable housing products, such as shared equity or other forms of low cost home ownership. Marginally higher proportions of need for 2-3 bedroom properties is for intermediate affordable housing, but very few households that need 1 bedroom flats and houses with 4 or more bedrooms could afford the cost of intermediate affordable housing.

Options for the Housing Mix of Additional Housing Provided in Response to Market Signals

- ^{7.102} It is also important to remember that the overall housing need in Chiltern, South Bucks and Wycombe was increased substantially in response to Market Signal indicators, in particular those associated with affordability, with an overall uplift of 20% of the housing need identified based on the household projections. The affordable housing needs assessment identified that a number of households unable to afford their housing costs are likely to move away from the area, and some might prefer to stay in the area if housing costs were less expensive or if more affordable housing was available. This trend is particularly evident in Chiltern and South Bucks where housing costs are highest.
- ^{7.103} The proposed uplift should increase the overall amount of housing available in the housing market area and therefore ease the housing market pressures that have been identified. Nevertheless, it is unlikely that house prices will adjust sufficiently to enable many of those households who are unable to afford their housing costs from moving away from the area. **The Councils may therefore want to consider providing some of the additional housing proposed in response to market signals as intermediate affordable housing, including low cost home ownership products.** This would accord with the objectives set out at paragraph 50 of the NPPF to *“widen opportunities for home ownership and create sustainable, inclusive and mixed communities”*.
- ^{7.104} Providing some of the proposed uplift as affordable housing would not change the overall housing need identified but would increase the proportion of affordable housing (and intermediate affordable housing in particular). It would be appropriate for the local planning authorities to consider this option when determining the most appropriate affordable housing targets for the area.

8. Housing Requirements

Considering the policy response to identified housing need

8.1 The HEDNA has established the Full Objectively Assessed Need for Housing in the Buckinghamshire HMA to be 50,000 dwellings over the 20-year period 2013-33, however this figure will need to be tested through the Statutory Plan-making Process. Until it is tested at examination, the OAN must not be portrayed as a new housing requirement for planning purposes: the existing adopted Core Strategies for each Local Authority will continue to fulfil this role.

8.2 This is confirmed by Planning Practice Guidance for housing and economic land availability assessment, which states that “housing requirement figures in up-to-date adopted Local Plans should be used as the starting point for calculating the five year supply” (paragraph 30). This point was further emphasised in a letter from the Housing Minister to the Planning Inspectorate in December 2014:

“Many councils have now completed Strategic Housing Market Assessments either for their own area or jointly with their neighbours. The publication of a locally agreed assessment provides important new evidence and where appropriate will prompt councils to consider revising their housing requirements in their Local Plans. We would expect councils to actively consider this new evidence over time and, where over a reasonable period they do not, Inspectors could justifiably question the approach to housing land supply.

“However, the outcome of a Strategic Housing Market Assessment is untested and should not automatically be seen as a proxy for a final housing requirement in Local Plans. It does not immediately or in itself invalidate housing numbers in existing Local Plans.

“Councils will need to consider Strategic Housing Market Assessment evidence carefully and take adequate time to consider whether there are environmental and policy constraints, such as Green Belt, which will impact on their overall final housing requirement. They also need to consider whether there are opportunities to co-operate with neighbouring planning authorities to meet needs across housing market areas. Only after these considerations are complete will the council’s approach be tested at examination by an Inspector. Clearly each council will need to work through this process to take account of particular local circumstances in responding to Strategic Housing Market Assessments.”

8.3 The individual local authorities are currently in the process of preparing Local Plans. In establishing the OAN, the HEDNA has taken full account of all unmet need for housing that is likely to exist at the start of new Plan periods; therefore any under-delivery against current housing targets need not be counted again. However, whilst the OAN identified by the HEDNA will be a key part of the evidence base, the Local Plans will be the mechanism through which the HEDNA evidence will be assessed against environmental and policy constraints, such as Green Belt, to identify a sustainable and deliverable plan requirement.

8.4 The Local Plans will also consider the spatial distribution of the OAN across the functional housing market area for Buckinghamshire. The Local Plans will establish the most appropriate location for market and affordable housing, and the type and size of properties to be provided in different areas.

Affordable Housing Need

- 8.5 The HEDNA has identified a substantial need for additional affordable housing: a total of 10,500 dwellings across the Buckinghamshire HMA over the 20-year period 2013-33, which includes almost 3,300 households in need of affordable housing in 2013. The analysis also identified that a number of households unable to afford their housing costs are likely to move away from the area, and some might prefer to stay in the area if housing costs were less expensive or if more affordable housing was available.
- 8.6 Given the overall level of affordable housing need identified, it will be important to maximise the amount of affordable housing that can be delivered through market housing led developments throughout the 20-year period. Key to this is the economic viability of such developments, as this will inevitably determine (and limit) the amount of affordable housing that individual schemes are able to deliver.
- 8.7 As part of their strategic planning and housing enabling functions, the Councils will need to consider the most appropriate affordable housing target in order to provide as much affordable housing as possible without compromising overall housing delivery. This target should provide certainty to market housing developers about the level of affordable housing that will be required on schemes, and the Councils should ensure that this target is achieved wherever possible in order to increase the effective rate of affordable housing delivery.
- 8.8 PPG identifies that Councils should also consider “an increase in the total housing figure” where this could “help deliver the required number of affordable homes”; although this would not be an adjustment to the OAN, but a policy response to be considered in the local plan:

The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.

Planning Practice Guidance (March 2014), ID 2a-029

- 8.9 It will therefore be important for the Councils to consider the need for any further uplift once the affordable housing target has been established. However, as confirmed by the Inspector examining the Cornwall Local Plan in his preliminary findings⁴⁵ (paragraphs 3.20-21):

*“National guidance requires **consideration** of an uplift; it does not automatically require a mechanistic increase in the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites. The realism of achieving the intended benefit of additional affordable housing from any such uplift is relevant at this stage, otherwise any increase may not achieve its purpose.*

Any uplift on the demographic starting point ... would deliver some additional affordable housing and can be taken into account in judging whether any further uplift is justified.”

- 8.10 Given that the identified OAN already incorporates an uplift of more than 15% on the baseline household projections across the Buckinghamshire HMA, this will contribute to increasing the supply of affordable homes through market housing led developments. The Councils will need to consider whether there is

⁴⁵ <https://www.cornwall.gov.uk/media/12843214/ID05-Preliminary-Findings-June-2015-2-.pdf>

sufficient justification for any further increase in the total housing figures included in the local plan (beyond the identified OAN) as part of their policy response to meeting the identified need for affordable housing; although it will be important for them to consider the implications of providing a higher level of market housing than identified by the OAN, in particular the impact on the balance between jobs and workers.

8.11 The contribution towards affordable housing delivery that can be achieved through market housing led developments shouldn't be considered in isolation. The Government has launched a series of new initiatives in the past five years to attempt to boost the supply of homes, including affordable homes. The key Homes and Communities Agency (HCA) investment programmes include:

- » **Affordable Homes Programme:** the flagship HCA investment programme(s) for new affordable homes – the 2015-18 programme intends to support the building of 43,821 new affordable homes across 2,697 schemes in England
- » **Affordable Homes Guarantees Programme:** guaranteeing up to £10bn of housing providers' debt in order to bring schemes forward
- » **Care and Support Specialised Housing Fund:** funding used to accelerate the development of the specialised housing market such as Older People and those with disabilities
- » **Community Right to Build:** (Outside London) including some provision for affordable homes
- » **Empty Homes programme**
- » **Estate Regeneration Programme:** often creating mixed tenure communities
- » **Get Britain Building:** aiming to unlock locally-backed stalled sites holding planning permission and including affordable homes

8.12 However, there are currently a number of constraints that are affecting the delivery of new affordable housing; although there is also a range of other initiatives that may help increase delivery in future.

Constraints affecting the delivery of new affordable housing	Other initiatives potentially increasing the delivery of new affordable housing
<p>Welfare reform Most stakeholders (including private landlords, house builders, local authorities and RPs) are concerned at the impact of benefit reform and the risk to their revenue. Credit rating agency have also signalled concerns.</p> <p>Registered Providers Many RPs have become more risk averse in their approach to developing new homes. The move to Affordable Rent as opposed to Social Rent housing and the resultant reduction in grant rates has made delivery and viability issues more pronounced. Grant level reductions in the AHP 2015-18 have, arguably, increased risk perceptions further.</p> <p>Stock rationalisation by Registered Providers The new regulatory framework for RPs continues the emphasis on economic regulation. This could, potentially, reduce current supply of affordable housing. Already, sector trends indicate many associations are identifying under-performing stock with a view to rationalisation.</p> <p>Extension of Right to Buy (RTB) to Registered Providers The Government pledge to introduce an RTB for RP tenants mean many associations will need to assess the risk to their Business Plans and this might reduce appetite for new development.</p>	<p>Councils building more new homes Many Councils are now trying to bring new rental schemes forward following reform of the HRA system.</p> <p>New 'for profit' providers Over 30 'for profit' providers to deliver AHP homes have so far registered with the HCA, mainly in order to deliver non-grant affordable housing. There is arguably potential for increased supply of affordable homes for rent by 'for profit' providers.</p> <p>Co-operative Housing Given current delivery constraints, co-operative housing has been identified as a further alternative supply for households unable to access ownership or affordable housing. The Confederation of Co-operative Housing, working with RPs, is currently trying to bring schemes forward. The HCA has held back funding for Co-operative Housing in the previous AHP.</p>

- 8.13 The Government also sees the growth in the private rented sector as positive. Whilst private rented housing (with or without housing benefit) does not meet the definitions of affordable housing, it offers a flexible form of tenure and meets a wide range of housing needs. The sector also has an important role to play given that many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. If there isn't sufficient private rented housing available at a price these households can afford, the need for affordable housing would be higher.
- 8.14 A Government task force was established in 2013 to encourage and support build-to-let investment⁴⁶. The HCA also has several investment programmes to help bring schemes forward. These include a £1 billion Build to Rent Fund, which will provide equity finance for purpose-built private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these new homes. New supply of private rented housing therefore seems likely from various sources, despite current volumes being relatively low:
- » **Registered Providers** are potential key players in the delivery of new PRS supply and recently several have begun to enter the market in significant scale⁴⁷, particularly in response to the Build to Rent Fund, although other institutional funding is also being sought. Overall, although interest is high, it remains unclear as to the scale of development which may deliver.
 - » **Local Authorities** can also enable new PRS supply to come forward investing local authority land, providing financial support (such as loan guarantees), and joint ventures with housing associations, developers or private investors under the Localism Act. Whilst LA initiatives may contribute to new build PRS, these will take time to deliver significant numbers of units.
 - » **Local Enterprise Partnerships** are another potential source of new build PRS homes⁴⁸. The Growing Places Fund provides £500 million to enable the development of local funds to promote economic growth and address infrastructure constraints in order to enable the delivery of jobs and houses. Any funding for housing, however, has to compete with other priorities e.g. skills and infrastructure. However, LEPs could potentially enable new PRS housing delivery and some attempts have been made in this regard to increase supply.
 - » **Insurance companies and pension funds** have been expanding into property lending in recent years; especially schemes in London. Nearly a quarter of new UK commercial property finance came from non-bank lenders in 2013.
- 8.15 National Government policy is also focussed on improving the quality of both management and stock in the private rented sector, and local councils also have a range of enforcement powers. This is particularly important given the number of low income households that rent from a private landlord.
- 8.16 The HEDNA has identified that the need for affordable housing could be considered as a range: from a minimum of around 10,100 dwellings to a maximum of 16,000 dwellings over the 20-year period 2013-33. **The proposed OAN for affordable housing is 10,500 dwellings**, which recognises that some households currently renting privately with housing benefit support will need to move to affordable housing.
- 8.17 **Given the substantial need for affordable housing identified across the Buckinghamshire HMA, the Councils will need to consider the most appropriate affordable housing target as part of their strategic planning and housing enabling functions. However, it will also be important for the Councils to consider all of the options available to help deliver more affordable homes in the area.**

⁴⁶ <https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector#appendix-9-private-rented-sector>

⁴⁷ <http://www.insidehousing.co.uk/business/development/transactions/lq-to-launch-prs-subsidiary/7009701.article>

⁴⁸ <https://www.gov.uk/government/publications/growing-places-fund-prospectus>

Older People

- 8.18 Britain's population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 21.6m by 2037⁴⁹ for the over 60s, and from 1.4m (2012) to 3.6m by 2033 for the over 85s. Given this context, PPG recognises the importance of providing housing for older people:

Housing for older people

The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over ... Plan makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to move. This could free up houses that are under occupied.

The future need for older persons housing broken down by tenure and type (e.g. sheltered, enhanced sheltered, extra care and, registered care) should be assessed and can be obtained from a number of online tool kits provided by the sector. The assessment should set out the level of need for residential institutions (Use Class C2). But identifying the need for particular types of general housing, such as bungalows, is equally important.

Planning Practice Guidance (March 2014), ID 2a-021

- 8.19 The demographic projections from the housing needs assessment (chapter 3) show that the population of Buckinghamshire is likely to increase by between 64,700 and 73,700 persons over the 20-year period 2013-33. The number of people aged 75 or over is projected to increase by around 35,000 persons, around half of the overall growth. This includes an extra 18,000 persons aged 85 or over, around a quarter of the total increase. Most of these older people will already live in the area and many will not move from their current homes; but those that do move home are likely to need accessible housing.
- 8.20 The Older People housing options considered in this section follow the definitions in the 2012 *Housing Our Ageing Population* report (HAPPI2)⁵⁰. This defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes). The specialist housing requirements were modelled using the Housing LIN methodology (2012)⁵¹. This forecasts future population and then applies a benchmark need for particular housing types per thousand people aged 75+.

Figure 125: Benchmark Figures for Specialist Accommodation based on Section A of the Strategic Housing for Older People Resource Pack (Housing LIN, ADASS, IPC) 2012

	Demand per 1,000 persons aged 75+		
	Owned	Rented	TOTAL
Extra care	30	15	45
Sheltered 'plus' or 'Enhanced' Sheltered	10	10	20
Dementia	-	6	6
Leasehold Schemes for the Elderly (LSE)	120	-	120

⁴⁹ <http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2012-based-projections/stb-2012-based-npp-principal-and-key-variants.html#tab-Changing-Age-Structure>

⁵⁰ [http://www.housinglin.org.uk/library/Resources/Housing/Support materials/Other reports and guidance/Housing our Ageing Population Plan for Implementation.pdf](http://www.housinglin.org.uk/library/Resources/Housing/Support%20materials/Other%20reports%20and%20guidance/Housing%20our%20Ageing%20Population%20Plan%20for%20Implementation.pdf)

⁵¹ www.housinglin.org.uk/housinginlaterlife_planningtool

- 8.21 Based on the growth in population aged 75+ identified across the population projection scenarios, the table below identifies the potential requirement for new specialist housing (using the Housing LIN Older People Resource Pack 2012). As can be seen, there is a significant need for LSE schemes.

Figure 126: Modelled Demand for Older Person Housing (Source: Housing LIN Toolkit. Note: Figures relate to individual Local Authority Plan periods which differ across the HMA)

		Aylesbury Vale	Chiltern	South Bucks	Wycombe	TOTAL
		Plan period 2013-33	Plan period 2014-36	Plan period 2014-36	Plan period 2013-33	20-year period 2013-33
Change in population aged 75+ over Plan period		+13,978	+6,570	+5,678	+10,108	+34,784
Demand for Older Person Housing						
Extra care	Owned	420	200	170	300	1,040
	Rented	210	100	90	150	520
Sheltered 'plus' or 'Enhanced' Sheltered	Owned	140	70	60	100	350
	Rented	140	70	60	100	350
Dementia		80	40	30	60	210
Leasehold Schemes for the Elderly (LSE)		1,680	790	680	1,210	4,170
TOTAL		2,670	1,250	1,080	1,920	6,600
Percentage of Overall OAN		12.5%	17.1%	13.8%	12.8%	13.3%

- 8.22 The toolkit identifies future need for around 6,600 specialist older person housing units of various types over the 20-year period 2013-33; however almost two thirds of this need (63%, 4,180 dwellings) is for LSE housing. The total need for older person housing represents 13.3% of the overall OAN for the housing market area, however some of this specialist housing may be provided as an alternative to bedspaces in residential care homes and would therefore be additional to the OAN.
- 8.23 PPG identifies that “assessments should set out the level of need for residential institutions (Use Class C2)” (ID 2a-021). Planning Practice Guidance for Housing and Economic Land Availability Assessment also states the following in relation to housing for older people:

How should local planning authorities deal with housing for older people?

Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.

Planning Practice Guidance (March 2015), ID 3-037

- 8.24 It is important to recognise that the identified OAN of 50,000 dwellings does not include the projected increase of institutional population, which represents a growth of around 2,700 persons over the 20-year period 2013-33. This increase in institutional population is a consequence of the CLG approach to establishing the household population⁵², which assumes “that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s” on the basis that “ageing population will lead to greater level of population aged over 75 in residential care homes”. Figure 127 shows the overall Housing Need and the projected increase in institutional population for each local authority.

⁵² Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

Figure 127: Overall housing need and growth of institutional population by LA (Note: Figures relate to individual Local Authority Plan periods which differ across the HMA)

	Aylesbury Vale	Chiltern	South Bucks	Wycombe	TOTAL
Overall Housing Need	<i>Plan period 2013-33</i>	<i>Plan period 2014-36</i>	<i>Plan period 2014-36</i>	<i>Plan period 2013-33</i>	<i>20-year period 2013-33</i>
Market Housing	16,700	6,200	6,200	11,700	39,500
Affordable Housing	4,600	1,100	1,600	3,400	10,500
TOTAL	21,300	7,300	7,800	15,100	50,000
Increase in institutional population aged 75+	1,160	460	520	670	2,700

- 8.25 The Councils will therefore need to consider the most appropriate way to count the supply of bedspaces in residential institutions (Use Class C2) as part of their overall housing monitoring, and decide whether this should form part of the overall housing supply. **If bedspaces in residential institutions in Use Class C2 are counted within the housing supply, then the increase in institutional population aged 75 or over would need to be counted as a component of the housing requirement (in addition to the assessed OAN).** If these bedspaces are not counted within the housing supply, then there is no need to include the increase in institutional population as part of the housing requirement.
- 8.26 Nevertheless, older people are living longer, healthier lives, and the specialist housing offered today may not be appropriate in future years and the Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. Therefore, despite the ageing population, current policy means that the number of care homes and nursing homes may actually decline, as people are supported to continue living in their own homes for longer.
- 8.27 Although the institutional population is projected to increase by around 2,700 persons over the period 2013-33 (based on the CLG assumption that there will be a *"greater level of population aged over 75 in residential care homes"*), it does not necessarily follow that all of this need should be provided as additional bedspaces in residential institutions in Use Class C2 – but any reduction in the growth of institutional population aged 75 or over would need to be offset against higher growth for these age groups in the household population; which would yield more households than assumed when establishing the OAN. If fewer older people will live in communal establishments than projected, the needs of any additional older people in the household population would need to be counted in addition to the assessed OAN.
- 8.28 More generally, it is important that the need for specialist older person housing is considered in partnership with other agencies, in particular those responsible for older person support needs. It is also important to consider other factors and constraints in the market:
- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may differ from current needs;
 - » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme;
 - » **Existing supply:** while there is considerable existing specialist supply, this may be either inappropriate for future households or may already be approaching the end of its life;
 - » **Other agencies:** any procurement of supply needs to be undertaken with other agencies who also plan for the needs of Older People, particularly the County Council and the Health Service; and
 - » **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision.

Households with Specific Needs

- 8.29 Paragraph 50 of the NPPF identifies that local planning authorities should plan households with specific needs, and PPG states:

Households with specific needs

There is no one source of information about disabled people who require adaptations in the home, either now or in the future.

The Census provides information on the number of people with long-term limiting illness and plan makers can access information from the Department of Work and Pensions on the numbers of Disability Living Allowance/Attendance Allowance benefit claimants. Whilst these data can provide a good indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home.

Applications for Disabled Facilities Grant will provide an indication of levels of expressed need, although this could underestimate total need. If necessary, plan makers can engage with partners to better understand their housing requirements.

Planning Practice Guidance (March 2015), ID 2a-021

- 8.30 Personal Independence Payments started to replace the Disability Living Allowance from April 2013, and these are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions). Higher Mobility Component (HMC) is awarded when applicants have “*other, more severe, walking difficulty*” above the Lower Mobility Component (which is for supervision outdoors).
- 8.31 Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over. It is paid at two different rates: a lower rate is paid for those who need help or constant supervision during the day, or supervision at night; a higher rate is paid where help or supervision throughout both day and night is needed, or if people are terminally ill.
- 8.32 Nevertheless, PPG recognises that neither of these sources provides information about the need for adapted homes as “*not all of the people included within these counts will require adaptations in the home*”.
- 8.33 Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs. Grants cover a range of works, such as widening doors and installing ramps; improving access to rooms and facilities, for example stair lifts or a downstairs bathroom; providing a heating system suitable for needs; and adapting heating or lighting controls to make them easier to use. Local data about DFGs was published by CLG in Live Table 314⁵³, and this indicated that 251 DFGs were funded in the study area in 2010/11 at an average cost of £8,996. This represents around 10% of the overall annual housing need identified, however PPG notes that whilst patterns of DFG applications “*provide an indication of expressed need*” it cautions that this could “*underestimate need*”. Of course, it is also important to recognise that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.
- 8.34 Buckinghamshire County Council has undertaken specific modelling of the housing needs of people with learning disabilities. This concludes a need for around 200 additional units by 2035, likely to be provided in around 20 developments across the county; although this would be an increase in C2 bedspaces.

⁵³ Table 314 has now been discontinued by CLG

8.35 As previously noted, the Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the 2015 edition of Approved Document M: Volume 1 (Access to and use of dwellings)⁵⁴. This introduces three categories of dwellings:

- » Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
- » Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
- » Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

8.36 Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for Category 2 and Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability. Planning Practice Guidance for Housing optional technical standards states:

Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.

To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.

Planning Practice Guidance (March 2015), ID 56-007

8.37 The demographic projections from the HEDNA (Chapter 3) show that the Buckinghamshire population is likely to increase by between 64,700 and 73,700 persons over the 20-year period 2013-33. The number of people aged 65 or over is projected to increase by around 53,000 persons, around three-quarters of the overall growth. This includes an extra 18,000 persons aged 85 or over, around a quarter of the total increase. Most of these older people will already live in the area and many will not move from their current homes; but those that do move home are likely to need accessible housing. **Given this context, the evidence supports the need for all dwellings to meet Category 2 requirements, providing that this does not compromise viability.** This approach has been adopted in Local Plans elsewhere.

8.38 The CLG guide to available disability data⁵⁵ (referenced by PPG) shows that currently around 1-in-30 households in England (3.3%) have at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). It is also important to recognise that these proportions are likely to increase over the period to 2033 in the context of the larger numbers of older people projected to be living in the area. **The evidence therefore supports the need for 10% of market housing and 15% of affordable housing to meet Category 3 requirements.** This recognises the changing demographics of the area and also provides an element of choice for households that need wheelchair user dwellings now as well as those households considering how their needs may change in future.

⁵⁴ <http://www.planningportal.gov.uk/buildingregulations/approveddocuments/partm/adm/admvol1>

⁵⁵ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

People Wishing to Build their Own Homes

- 8.39 Paragraph 50 of the NPPF identifies that local planning authorities should plan for people wishing to build their own homes, and PPG states:

People wishing to build their own homes

The Government wants to enable more people to build their own home and wants to make this form of housing a mainstream housing option. There is strong industry evidence of significant demand for such housing, as supported by successive surveys. Local planning authorities should, therefore, plan to meet the strong latent demand for such housing.

Planning Practice Guidance (March 2014), ID 2a-021

- 8.40 Over half of the population (53%) say that they would consider building their own home⁵⁶ (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 10% of housing completions in the UK, compared to rates of around 40% in France and 70 to 80% elsewhere in Europe.
- 8.41 The attractiveness of self-build is primarily reduced costs; however the Joseph Rowntree Foundation report *"The current state of the self-build housing market"* (2001) showed how the sector in the UK had moved away from those unable to afford mainstream housing towards those who want an individual property or a particular location.
- 8.42 *"Laying the Foundations – a Housing Strategy for England"* (HM Government, 2011)⁵⁷ redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. *"Build-it-yourself? Understanding the changing landscape of the UK self-build market"* (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build 'Vanguards' to test how the 'Right to Build' could work in practice in a range of different circumstances.
- 8.43 In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act⁵⁸ 2015 has now placed a duty on local planning authorities to:
- » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
 - » Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and
 - » Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.
- 8.44 Government funding⁵⁹ is currently available via the HCA Custom Build Homes Fund programme (short-term project finance to help unlock group custom build or self-build schemes). The Government announced

⁵⁶ Building Societies Association Survey of 2,051 UK consumers 2011

⁵⁷ <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england-2>

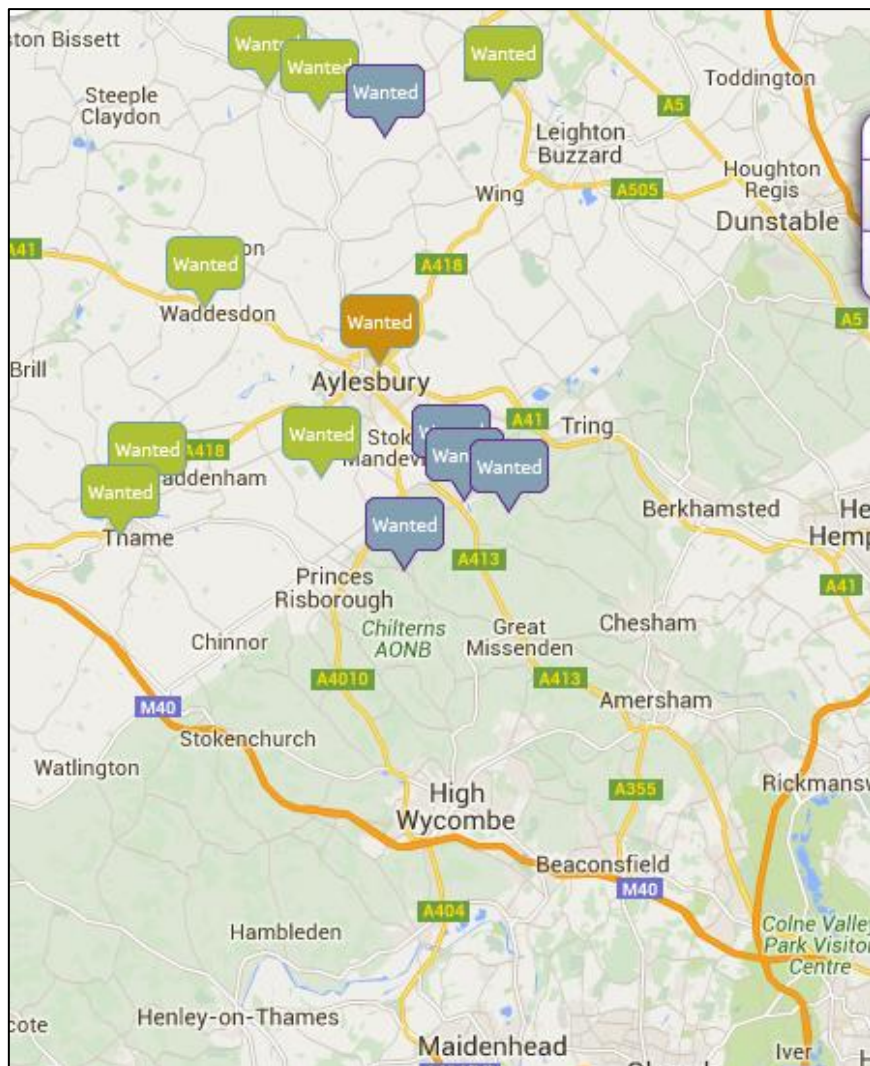
⁵⁸ <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

⁵⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364100/custom_build_homes_fund_prospectus_120712.pdf

further measures in 2014 (Custom Build Serviced Plots Loan Fund) to encourage people to build their own homes, and to help make available 10,000 'shovel ready' sites with planning permission.

- ^{8.45} In May 2012 a Self-Build Portal⁶⁰ run by the National Custom and Self Build Association (NCaSBA) was launched. Figure 128 shows the current registrations from groups and individuals looking for land in the HMA on the 'Need-a-Plot' section of the portal. Whilst there is clearly some interest in self-build across the area (around ten groups or individuals in October 2015), this represents only a very limited number of people and an exceptionally small proportion of the overall housing need identified each year.

Figure 128: Group and Individual Registrations currently looking for land in and around Buckinghamshire on the 'Need-a-Plot' Portal (Source: NCaSBA, July 2015. Note: Green flags represent solo plots wanted, brown flags represent group plots wanted and blue flags represent group or solo plots wanted)



- ^{8.46} Given the historic low supply of self-build homes and the challenges in bringing schemes forward it seems unlikely that self-build will make a significant contribution locally to meeting housing need in its current form; but any self-build properties would be a component of (and not additional to) the overall housing need identified. Nevertheless, the Councils should put arrangements in place to comply with the Self-Build and Custom Housebuilding Act (if they have not already done so). A survey to ascertain levels of demand for self-build could be undertaken in future; however it would be important to ensure that appropriate questions are designed that can effectively separate aspiration from effective market demand.

⁶⁰ <http://www.selfbuildportal.org.uk/>

Service Families

- 8.47 Paragraph 50 of the NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families.
- 8.48 The Government made a commitment towards housing members of the armed forces in the Armed Forces Covenant (2011) and *“Laying the Foundations: A Housing Strategy for England 2011”* (HM Government). Subsequently, in June 2012, the Government revised Guidance regarding priority for access to social housing for former members of the armed forces above that offered to other people in housing need. Whereas Local authorities had been **expected** to give seriously injured service personnel “additional preference” (higher priority) for the allocation of social housing since 2009, this “additional preference” **should** now be given to applications from certain serving and ex-members of the armed forces who come within the reasonable preference categories defined in sub-section 166A (3) of the *“Housing Act 1996”* who have urgent housing needs.
- 8.49 *“The Allocation of Housing (Qualification Criteria for Armed Forces Personnel) (England) Regulations 2012”* and the *“Housing Act 1996 (Additional Preference for Former Armed Forces Personnel) (England) Regulations 2012”* both strengthened the position of some armed forces personnel in seeking to access social housing. There are a number of housing schemes that are available to the Service and Ex-Service community under the HomeBuy umbrella. HomeBuy enables social tenants, Ministry of Defence Personnel and other first time buyers to buy a share of a home and get a first step on the housing ladder in England. In addition, the MOD Referral Scheme with Housing Associations in c.180 locations aims to provide low-cost, rented accommodation for people coming out of the Services.
- 8.50 Mandatory Disabled Facilities Grants (DFGs) are available from local authorities, subject to a means test, for essential adaptations to give disabled people better mobility at home and access to essential facilities. *“The Nation’s Commitment: Cross Government Support to our Armed Forces, their Families and Veterans”* (July 2008) made it clear that injured service personnel who bought a home through what was then the Key Worker Living Scheme might be eligible for a DFG to carry out necessary adaptation work.
- 8.51 Considering service families in Buckinghamshire HMA, Figure 129 shows the number of residents employed in the Armed Forces. There were a total of 1,891 service personnel living in the area at the time of the 2011 Census; most living in households with 370 persons living in communal housing (such as military barracks).

Figure 129: Buckinghamshire residents employed in the Armed Forces by LA (Source: 2011 Census)

	Aylesbury Vale	Chiltern	South Bucks	Wycombe	TOTAL
Usual residents employed in the Armed Forces					
Living in a household	545	92	91	793	1,521
Living in a communal establishment	94	0	118	158	370
TOTAL	639	92	209	951	1,891
<i>Percentage of population aged 16+</i>	<i>0.46%</i>	<i>0.13%</i>	<i>0.39%</i>	<i>0.70%</i>	<i>0.47%</i>

- 8.52 This represents less than 0.5% of the population aged 16 or over, therefore service families are relatively small in number in the area. The needs of these families are already included within the overall level of housing need identified for Buckinghamshire HMA; however the Councils will need to ensure that arrangements are in place to properly address the needs of service families in the area.

9. Employment Land Requirements

Understanding the future mix of floorspace

- 9.1 Chapters 5 and 6 highlighted the main issues facing Buckinghamshire in terms of current supply and future demand for employment land and premises. This section assesses the suitability of existing identified employment sites the FEMA to meet future business accommodation requirements to 2036. Chiltern has a different plan period (2014-2036) to Aylesbury Vale and Wycombe (2013-2033).
- 9.2 The process undertaken can be summarised as follows:
- » The amount of additional floorspace that needs to be provided in order to meet future requirements has been identified. This yields an estimate of net land requirements to be provided during the period to 2033 and 2036 (Chapter 4);
 - » The employment development sites have been evaluated in terms of their suitability for future employment use⁶¹; and
 - » Approximation of the amount of floorspace potentially available (see below).

National Policy Context

Permitted Development Rights

- 9.3 Permitted Development (PD) rights allow certain types of development including changes of use without the need for a planning application. In May 2013 the Government introduced PD rights to allow the change of use from B1a offices to C3 residential for a period of three years (until May 2016). As of April 2015, prior approval also applies to the conversion of B8 units to residential (until May 2019). This is now being enacted by the Government.
- 9.4 The Government announced a number of changes to the planning system through a ministerial statement by Eric Pickles on 25 March 2015. The changes will be taken forward through additions and updates to the National Planning Policy Framework (NPPF), the Town and Country Planning (General Permitted Development) (Amendment) (England) Order (GPDO), the Development Management Procedure Order (DMPO), and through other mechanisms such as the Deregulation Bill 2015. Changes in GPDO include the PDR from B8 (storage and distribution) to C3 (residential) with prior approval for a trial period of three years. Additionally, there are new PD provisions to allow for 'click and collect' facilities in business and retail units.
- 9.5 The Government's rationale for these PD rights amendments is to bring underused and outdated employment premises back to life and create much needed new homes. However, many local authorities have expressed concerns about the impact of changes to PD rights as they restrict local control over development and potentially risk the integrity of the plan-led system and local decision-making.

⁶¹ Based on the site reconnaissance, review of evidence base documents and the latest monitoring data and prior approvals data provided by each local planning authority.

- ^{9.6} Local authorities face the challenge of enabling the re-use of surplus, vacant or derelict offices without losing fit-for-purpose and in-demand office floorspace. Whilst also avoiding a market failure situation where the relationship between the value of land in housing and office use leads to a shortage of office supply and the subsequent loss of jobs. The loss of smaller, affordable office units in particular, could have an adverse impact on smaller businesses, as well as business start-ups.

Article 4 Directions

- ^{9.7} Article 4 of the Town and Country Planning (General Permitted Development) Order 1995 gives local planning authorities the power to remove permitted development rights in some circumstances. The Secretary of State maintains the power to modify or cancel most Article 4 directions, and local authorities need to provide clear justification that an Article 4 direction is necessary to protect local amenity or the wellbeing of an area.
- ^{9.8} An Article 4 direction does not mean that planning consent would not be granted but that an application needs to be submitted so that it can be properly examined by the local planning authority. Article 4 directions can be used as a means to control the change of use from office to residential.

Starter Homes Initiative

- ^{9.9} In March 2015 the Government introduced The Starter Homes Initiative⁶², a new national policy which seeks to introduce 100,000 new high quality, low cost starter homes for first time buyers. The policy states that Local Authorities 'should look for opportunities to create exception sites on commercial and industrial land that is either under-used or unviable in its current or former use'. This new policy therefore poses further risk to existing employment land in Aylesbury Vale, Chiltern and Wycombe.
- ^{9.10} The Conservative Party Manifesto (May 2015) included a policy to increase the Starter Homes Initiative to 200,000 homes, but at the time of writing no amendments to the initiative have been published.

Brownfield Land

- ^{9.11} The Government announced a new initiative in July 2015 that could see automatic planning permission granted on brownfield sites in an attempt to raise the productivity of the economy.⁶³ The document states that the government will introduce a new zonal system which will effectively give automatic permission on suitable brownfield sites.

Implications

- ^{9.12} Permitted Development Rights are contributing to the reduction of office supply. The new Starter Homes Initiative is expected to further increase pressure on employment floorspace given the Government's desire to make use of under-used or unviable sites. The extension of PD rights to cover storage and distribution buildings (B8) could further affect the supply of employment land going forward.

Potential Sources of Employment Land Supply

- ^{9.13} In order to assess ways in which future demand can be met, we have examined a range of potential sources of employment land supply, which include:

⁶² <https://www.gov.uk/government/news/young-first-time-buyers-can-register-online-for-100000-cut-price-homes>

⁶³ HM Treasury, Fixing the Foundations: creating a more prosperous nation, July 2015

- » Allocated Employment Land (without planning consent);
- » Land identified in Neighbourhood Plans;
- » Commercial development pipeline; and
- » Prior approvals (this is not a source of supply but is considered as it represents a future reduction in supply).

Allocated Employment Land (without planning consent)

- ^{9.14} The Site Reconnaissance exercise identified vacant/underutilised⁶⁴ on existing employment sites and sites that are identified for future employment uses. It is important to identify these opportunities as these areas offer potential supply of employment land. The majority of these sites have planning consent and therefore would be captured in the commercial development pipeline (which identifies the total floorspace that has valid planning consent for B class development)
- ^{9.15} Land that is allocated for B class employment use but does not have valid planning consent is identified in Figure 130 below.
- ^{9.16} Further detailed site assessments and consultation with land owners and tenants is required before the land can be considered as forming a component of future supply to accommodate employment needs during the period to 2033/2036.

Neighbourhood Plans

- ^{9.17} The Buckingham Neighbourhood Development Plan (Pre-submission consultation version, January 2015) has identified 10ha of land for employment development for B-class uses. The Plan sets out the vision for the town of Buckingham until 2031. To ensure that this vision is achieved the Plan includes clear planning policies which are in general conformity with other planning policies namely the saved policies of the Aylesbury Vale District Local Plan (AVDLP).
- ^{9.18} The Winslow Neighbourhood Plan (2014-2031) (published June 2014) identifies 4.2 ha of new commercial development on an employment land allocation (Land at Buckingham Road). However, as this employment land allocation has planning permission it is picked up in the commercial development pipeline.
- ^{9.19} At the time of writing there are no Neighbourhood Plans for Chiltern or Wycombe districts.

Commercial Development Pipeline

- ^{9.20} The commercial development pipeline takes into account valid planning permissions (obtained from annual monitoring data) that are yet to be implemented, which is sourced from the most recent 2014-2015 annual monitoring data from the three District authorities. The pipeline (included below) also sets out the latest information on prior approvals, where permission has been approved for the conversion of offices into residential uses.

⁶⁴ Vacant land constitutes a parcel of greenfield or previously developed land that currently has no development on it and could be developed for a B class employment use. Underutilised land is land that either has a derelict buildings on it, or could if redeveloped provide more efficient use of the land (i.e. with more floorspace).

Prior Approvals

- ^{9.21} Valid approved prior approvals where offices have been granted the right to be converted into residential development due to the Government's changes to Permitted Development Rights (PDR) (2014-2015).
- ^{9.22} Figure 130 below contains a summary of the additional floorspace that could potentially be made available within existing employment sites and sites identified for future employment development. It should be noted that Table 6-1 provides an indicative and not prescriptive estimate of the types and quantum of B-class uses that could be accommodated on each of the vacant / underutilised sites.
- ^{9.23} Since the introduction of PDR, there have been 225 applications that have been approved in the FEMA⁶⁵, which equates to approximately 31,200 sq. m of B class floorspace that could be converted into residential floorspace. So far, only 14% of the applications have been constructed or are under-construction and the implementation of the approvals is not certain. However for the purposes of our assessment we assume that 100% of the floorspace will be lost to residential use, as a 'worst case' scenario.

Figure 130: FEMA B use class employment floorspace (sq. m) – potential supply 2013-2036 (Source: Atkins Figures have been rounded)

Local Authority	Employment Site	B1(a)/b	B2 / B1(c)	B8	Total
ALLOCATED EMPLOYMENT LAND (without planning consent)					
Chiltern	Raans Road	-	3,800	1,900	5,700
	Asheridge Road	-	1,700	20,800	22,500
Wycombe	Undeveloped land at Princes Estate, Princes Risborough	-	7,500	2,500	10,000
	Swan Frontage, High Wycombe	5,000	-	-	5,000
Sub Total		5,000	13,000	25,200	43,200
NEIGHBOURHOOD PLANS					
Aylesbury Vale	Buckingham Development Plan	30,000	8,000	10,000	48,000
Sub Total		30,000	8,000	10,000	48,000
COMMERCIAL DEVELOPMENT PIPELINE (Extant Permissions)					
Aylesbury Vale	2014/2015 ⁶⁶	100,000	92,200	106,000	298,200
Chiltern	2014/2015	-9,700	-1,700	3,600	-7,800
South Bucks	2014/2015	-1,500	2,400	-1,200	-300
Wycombe	2014/2015	53,900	-39,000	8,000	22,900
Sub Total		142,700	53,900	116,400	313,000
PRIOR APPROVAL⁶⁷					
Aylesbury Vale	2013/2014	-6,900	-	-	-6,900
Chiltern	2013/2014	-2,800	-	-	-2,800
Wycombe	2013/2014	-21,500	-	-	-21,500
Sub Total		-31,200	-	-	-31,200
TOTAL		146,500	74,900	151,600	373,000
Total (%)		39%	20%	41%	100%

⁶⁵ South Bucks District Council do not currently record how much B1a floorspace is lost as part of the Prior Approval process. Their latest monitoring data shows that 17 applications have been approved in South Bucks, which would lead to an increase in 131 housing units.

⁶⁶ For mixed use B class development, it is assumed that there is equal split of floorspace across B1a/b, B1c/B2 and B8.

⁶⁷ South Bucks do not currently monitor the floorspace

Demand / Supply Balance

- 9.24 For the market to function efficiently and to allow effectively for churn, choice and flexibility, it will always be necessary for the supply of land and premises to be in excess of projected levels of future demand. In simply planning for an amount of supply which matches future estimates of demand in quantitative terms, the operation of the market will be distorted which would result in a significant element of demand not being met. In allowing employment growth to materialise through new development, a surplus in supply is required to ensure that actual demand can be met in terms of location, type, timing, quality and size. It will be for the individual local authorities to determine how much employment land surplus they need to plan for to meet the requirements of the local market, having regard to the nature of their area, the type of supply they have and the likely certainty of delivery of sites.
- 9.25 To convert employment floorspace requirements into land area requirements, the same plot ratios that have been applied to convert employment floorspace requirements to land as identified in Chapter 5 have been applied. The plot ratio assumption summarised in Figure 131 below are meant to be indicative averages only.

Figure 131: Employment plot ratio assumptions (Source: Atkins)

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

- 9.26 Figure 132 sets out the relationship between the estimated supply and demand for employment floorspace in the FEMA by B use class. It compares the total supply identified in Figure 130 to the floorspace requirements of the scenarios presented in Figure 132 to Figure 133.

Figure 132: FEMA Supply/demand floorspace balance (sq. m) and land balance (hectares) under the Oxford Economics Scenario (up to 2036) (Source: Atkins. Note: Negative values indicate shortfall, positive values indicate surplus. All numbers are rounded)

	2013-2033	2033-2036	2013-2036
Floorspace Balance (sq. m)			
B1a/b	-26,000	-26,200	-52,200
B1c/B2	+177,600	+15,400	+193,000
B8	-27,300	-33,400	-60,700
Total B use class	+124,300	-44,200	+80,100
Land Balance (hectares)			
Supply	+77	0	+77
Demand	+45	+6	+51
Total B use class	+32	-6	+26

- 9.27 Whilst there is a significant pipeline of industrial supply, there is a shortfall in the supply of warehousing (B8) floorspace (some 60,700 sq. m) and a smaller shortfall in office (B1a/b) (some 52,200 sq. m) under the Oxford Economics scenario.

- 9.28 The supply demand balance assumes under all scenarios that all identified sites will come forward for development. The planned and committed supply will not always be translated into the physical provision of floorspace. In this context, it will be important to protect existing, viable employment areas and not rely on potential supply that may not reach the market place.
- 9.29 Even though B8 use class employment numbers and land requirements are projected to decline, it is important that the FEMA maintains a core of industrial and warehousing activities in order to maintain a diverse economy that provides a wide range of employment opportunities for local people. Therefore, any B1a/b, B2 and B8 businesses that are affected by the loss of employment land should be relocated to alternative suitable premises so that viable office, industrial and warehousing businesses are not adversely affected.
- 9.30 Any release of surplus employment land should not be to the detriment of successful B1a/b, B2 and B8 businesses. Therefore fit for purpose B1a/b, B2 and B8 sites should be safeguarded to maintain a diverse range of business activities in the FEMA, while surplus sites that are not fit for purpose should be considered for release to other uses.
- 9.31 Figure 133 sets out the supply/demand balance for each of the three Districts. The timeframe for analysis is in line with their local planning process. Under the preferred Oxford Economics scenario, Aylesbury Vale and South Bucks have an oversupply of B1a/b floorspace, whilst Chiltern and Wycombe have a shortfall of B1a/b floorspace provision. All of the Districts have an oversupply of B1c/B2 floorspace. Wycombe and South Bucks have a shortfall of B8 floorspace, whilst Aylesbury Vale and Chiltern have an oversupply.
- 9.32 Where there is an identified shortfall in provision in a certain B class floorspace within a Local Authority area, the Local Authority should work with the other authorities in the FEMA to consider whether the need could be met elsewhere within the FEMA.
- 9.33 Figure 133 also identifies the supply-demand balance in terms of land requirements. There is a shortfall of total B class employment land provision in Wycombe and South Bucks and an oversupply of land in Aylesbury Vale and Chiltern.

Figure 133: FEMA supply/demand floorspace balance (sq. m) and land balance (hectares) under the Oxford Economics Scenario (up to 2036) (Source: Atkins. Note: This table sets the baseline position for supply and other factors e.g. some allocations and planning permissions may not be implemented. The assessment period for each local authority varies, in order to align with each Council's local plan period: Aylesbury Vale and Wycombe: 2013-2033; Chiltern and South Bucks: 2014-2036. Negative values indicate shortfall, positive values indicate surplus. All numbers are rounded)

	Aylesbury Vale 2013-33	Chiltern 2014-36	South Bucks 2014-36	Wycombe 2013-33	FEMA 2013-36
Floorspace Balance (sq. m)					
B1a/b	+65,400	-35,500	-41,200	-10,500	-52,200
B1c/B2	+127,600	+23,300	+14,000	+15,500	+193,000
B8	+28,400	+15,600	-41,100	-37,200	-60,700
Total B use class	+221,400	+3,500	-68,300	-32,200	+80,100
Land Balance (hectares)					
Supply	+73	+2	+0	+2	+77
Demand	+22	+2	+13	+7	+51
Total B use class	+51	0	-13	-5	+26

Conclusions

- 9.34 This section sets out our conclusions and recommendations for taking forward employment land policies in the FEMA and at the District level.

Projected Demand

- 9.35 Having considered the scenarios tested as part of this study, we recommend that the Oxford Economics scenario is used to inform the FEMA's future employment land policies.
- 9.36 The Oxford Economics forecast anticipated identifies potential B class employment growth of around 16,600 additional B-class jobs for the FEMA over the period 2013-2036. Employment growth is anticipated to come primarily from B1a/b sectors (mainly office based jobs).
- 9.37 For the purposes of land use planning, it is important to convert the projected levels of employment growth into additional floorspace and land requirements. The additional requirement for B1a/b floorspace over the period 2013-2036 is projected to be around 198,700 sq. m. This translates into an indicative additional requirement for 39 hectares of B1a/b land.
- 9.38 The Oxford Economics forecast makes a clear case for the need to safeguard existing B1a/b and B8 floorspace and to explore opportunities for intensification, increased densities and the provision of additional B1a/b and B8 capacity.
- 9.39 Whereas the projections of all three scenarios suggest further decline in B1c/B2 employment and land requirements, it will still be important to safeguard good quality, well-occupied and fit-for-purpose industrial sites, in order to maintain a balanced mix of economic activity across the area and to continue to provide employment opportunities for people with different levels of skills and qualifications.
- 9.40 Any industrial sites that are not fit for purpose and unlikely to meet future business needs should be considered for release. Any release of employment sites should be subject to appropriate market evidence or robust viability assessments.

Supply / Demand Balance

- 9.41 Most of the FEMA's employment sites are well occupied, with a low vacancy rate of approximately 8%. A low vacancy rate of between 7-10% is considered necessary for the efficient operation of the market and suggests strong levels of demand and little to no opportunity to release employment land.
- 9.42 The supply / demand balance assessment presented in Chapter 6 considered the range of potential sources of employment land that could help meet the FEMA's future B use class requirements. These include:
- » Commercial development pipeline;
 - » Prior approval; and
 - » Employment floorspace from vacant land in existing employment sites and sites that are identified for future employment uses.
- 9.43 By combining the above, the FEMA should theoretically have some 373,000 square metres of B use class floorspace available, which would be sufficient to meet its needs over the period to 2036. However, our stakeholder consultation and telephone interviews with stakeholders and property agents suggests that there is a lack of suitable land. It is clear that some of the sites will require significant investment in infrastructure to come forward for development. There is also the perception that the type of premises

available is lacking in certain respects. There is considered to be a lack of flexible space that is suitable for start-ups or for SMEs looking to expand. Larger industrial premises are also considered to be in short supply.

- ^{9.44} In addition there is a need to factor in the potential loss of employment sites as a result of permitted development rights and the government's initiatives to build new homes on brownfield land. Furthermore, the availability of vacant sites or plans for significant levels of B use class development do not necessarily mean that developments will actually come forward over the assessment period. Planned and committed supply will not always be translated into the physical provision of floorspace and therefore it will be important to protect existing, viable employment sites, rather than rely on potential supply that may not reach the market place.
- ^{9.45} It should be noted that the quantitative supply / demand balance assessment reflects a level of uncertainty inherent in long-term employment forecasting, and the availability and development viability of the identified available supply. Furthermore, it does not consider the potential suitability of available sites to meet specific future business demands, e.g. in terms of location, quality, type, size, and layout.
- ^{9.46} Each of the local authorities will be undertaking a detailed evaluation through the HELAAs to determine the precise supply/demand balance, and any shortfall in provision of B class floorspace will need to be addressed through local plan options. In addition, this evaluation does not take into account the impact of specific local factors that could impact on employment growth levels, such as East West Rail, HS2 or the development at Silverstone. Forecasting employment requirements is based on the translation of national and regional forecasts down to the district level rather than being built up from local data. If data on the likely impact in terms of jobs growth becomes available this would need to be factored into plan making. Where necessary local planning authorities would need to consider whether any additional employment (generated by these local factors) over that currently identified would need additional adjustments to housing provision.

Losses of Employment Space

- ^{9.47} It is anticipated that over the plan period at the District and FEMA levels that there will be some further loss of employment land, which in some cases could lead to the displacement of existing business occupiers. Where this occurs each of the local authorities would be justified in seeking replacement employment land to account for these losses (this would be over and above the amount of employment land identified as a result of employment growth in section 5). The amount of replacement land to account for losses will depend on the degree to which losses are causing displacement of business in each authority and this should be determined by the local authority based on its monitoring evidence. An amount of additional land for losses should be planned for either when the plan is prepared (where evidence exists), or through a review of the plan if monitoring identifies that displacement of businesses through loss of employment has become an issue.

Non-Delivery of Allocations or Permitted Sites

- ^{9.48} Given the long term nature of plan making at the District and FEMA levels, there may be some uncertainty as to whether all the allocated land and sites with planning permission will come forward. If this is the case then the local authority would have a shortfall of employment floorspace. As such, each local authority may choose to build in a buffer in its land allocation to account for non-delivery. The level of buffer required is for the local authority to decide based on evidence about the likelihood of allocations coming forward during the plan period.

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