

The Local Choices Toolkit

Setting Housing and Employment Targets

Under the Government’s localism agenda, local planning authorities are free to set their own planning targets for housing and jobs. Many are replacing existing targets with lower figures. Others have paused or slowed down the plan-making process. For housebuilders, developers and landowners, this policy vacuum means stalled schemes and damaging uncertainty. RTP’s Local Choices Toolkit helps solve the problem.

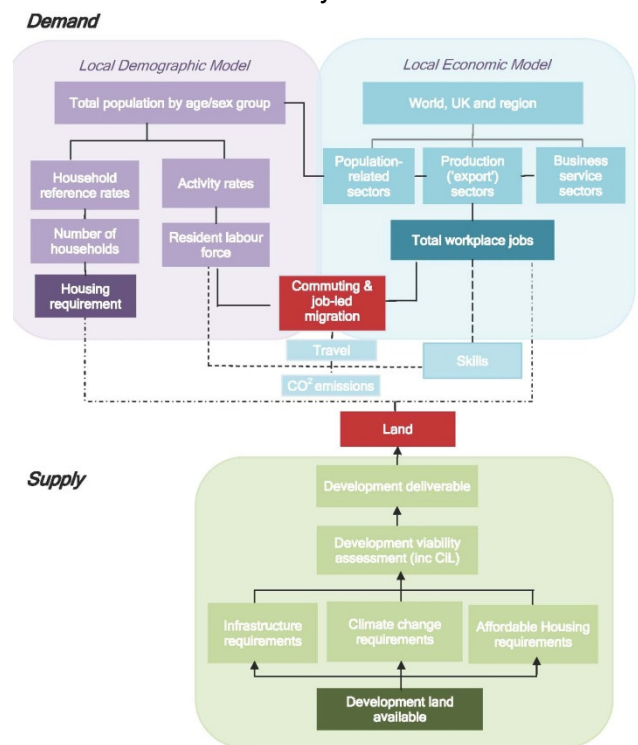
Reducing housing numbers may have negative implications which the authorities haven’t thought of. If housing development slows, infrastructure, employment schemes and even new retail developments may be at risk. Economic development and affordable housing objectives may no longer be attainable. The Toolkit produces independent assessments of future housing requirements. It can also show the implications of too-low numbers being put forward by some authorities. The Toolkit uses state-of-the-art modelling to forecast housing demand. It also goes further, producing forecasts of jobs and economic growth linked to housing and population. The results provide evidence to support planning applications, appeals and LDF submissions. Examples of Toolkit outputs include:

- Traditional housing needs assessments, using ONS/CLG projections;
- Alternative ‘local-needs-only’ assessments, to estimate housing need assuming no net migration into or out of the area;
- Economic-development-led assessments, estimating how much housing will be required if the area is to meet job growth aspirations.

Many authorities are cutting housing numbers because they consider that development is constrained by infrastructure, environmental factors or land availability. The toolkit can test the implications of these constrained housing numbers:

- By comparing the authority’s numbers with true requirements, our models can show how far provision will fall short of real need, forcing households to look for housing elsewhere.

- By translating local authority numbers into jobs and retail spend, the models can also show the impact of reduced housing targets on the local economy.



The Toolkit has many other applications. Employment numbers can be translated into employment land requirements, to support applications for commercial development, or conversely for employment land to be released for other uses. Housing and population numbers can feed into infrastructure need assessments and negotiations on developer’s contributions.

At the centre of the Toolkit are a demographic model and an economic model, which can be linked interactively.



The Demographic Model

The model projects population, households and housing requirements, based on a cohort survival method and migration assumptions. It uses activity rates to convert population into labour force, which in turn links to workplace jobs through commuting. The model can be used conventionally to derive housing requirements from population and housing forecasts and assumptions on migration. Conversely, starting from a given housing provision, it can use a goal-seeking process, to find the population required to generate the correct number of households and the migration required to produce that population.

Unlike standard models, ours treats in-migration and out-migration separately, allowing us to draw different migration profiles to fit different localities and types of housing. Our experience shows that differences in migration profiles can have powerful effects on household formation and the growth of the labour force.



The Economic Model

The economic model forecasts workplace jobs in an area, based on:

- A highly respected suite of global, national and



regional models

- Oxford Economics' understanding of sectors and places;
- Inter-relationships between different sectors and the demographic profile of the area.

Workplace jobs are linked, through commuting assumptions, to the resident workforce – which in turn is linked into the demographic forecast through modelling of migration.

Additional modules translate jobs into skills requirements and predict journeys to work by major mode of transport and resulting CO2 emissions. Feedback from the skills, transport or environmental outputs can be put back into the model to act as constraints or enablers to economic or population growth.

Roger Tym & Partners

RTP is an independent consultancy that offers the full range of planning services, together with advice, research and analysis on regeneration and economic development. The firm's expertise uniquely combines economics, planning and property. RTP has a long and respected track record that covers housing, retail, leisure, employment and infrastructure, serving both the private and public sectors.

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Oxford Economics

Oxford Economics is a leading provider of forecasting and analysis to government and business across the world. The firm employs over 70 professional staff in Europe, the Middle East, Asia and America. Its Global Economic Model covers some 45 economies and allows analysis of alternative global scenarios and policy choices at the level of nations, sectors, regions and local areas.