

the assessment (number and size);

- identifying units to be taken out of management (demolition or replacement schemes that lead to net losses of stock).

Sources of data: Department for Communities and Local Government affordable housing supply statistics to show recent trends, and local authority and Registered Social Landlord records including housing register, transfer lists, demolition and conversion programmes, development programme of affordable housing providers.

Total affordable housing stock available =

Dwellings currently occupied by households in need + surplus stock + committed additional housing stock – units to be taken out of management

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### **What is the likely level of future housing supply of social re-lets (net) and intermediate affordable housing (excluding transfers)?**

Plan makers should calculate the level of likely future affordable housing supply taking into account future annual supply of social housing re-lets (net), calculated on the basis of past trends (generally the average number of re-lets over the previous 3 years should be taken as the predicted annual levels), and the future annual supply of intermediate affordable housing (the number of units that come up for re-let or re-sale should be available from local operators of intermediate housing schemes).

Suggested data sources: Local Authority and Registered Social Landlord (RSL) data, CORE (Continuous Recording of Lettings and sales in social housing) data on the number of lettings in the RSL sector whilst HSSA (Housing Strategy Statistical Appendix) data provides the number of lettings in council owned housing.

Future annual supply of affordable housing units =

the number of social rented units + the number of intermediate affordable units

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### **What is the relationship between the current housing stock and current and future needs?**

Plan makers should look at the house size in the current stock and assess whether these match current and future needs.

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### **What is the total need for affordable housing?**

The total need for affordable housing should be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow.

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.

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## **Methodology: assessing economic development and main town centre uses**

### **How should the current situation in relation to economic and main town centre uses be assessed?**

In understanding the current market in relation to economic and main town centre uses, plan makers should liaise closely with the business community to understand their current and potential future requirements. Plan makers should also consider:

- The recent pattern of employment land supply and loss to other uses (based on extant planning permissions and planning applications). This can be generated through a simple assessment of employment land by sub-areas and market segment, where there are distinct property market areas within authorities.
- Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums).
- Market signals, such as levels and changes in rental values, and differentials between land values in different uses.
- Public information on employment land and premises required.
- Information held by other public sector bodies and utilities in relation to infrastructure constraints.
- The existing stock of employment land. This will indicate the demand for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business). Recent statistics on take-up of sites should be consulted at this stage, along with other primary and secondary data sources to gain an understanding of the spatial implications of 'revealed demand' for employment land.
- The locational and premises requirements of particular types of business.
- Identification of oversupply and evidence of market failure (eg physical or ownership constraints that prevent the employment site being used effectively, which could be evidenced by unfulfilled requirements from business, yet developers are not prepared to build premises at the prevailing market rents).

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### **How should employment land be analysed?**

A simple typology of employment land by market segment and by sub-areas, where there are distinct property market areas within authorities, should be developed and analysed. This should be supplemented by information on permissions for other uses that have been granted, if available, on sites then or formerly in employment use.

When examining the recent take-up of employment land, it is important to consider projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and warehousing sites, and (when compared with the overall stock of employment sites) should form the context for appraising individual sites.

Analysing supply and demand will allow plan makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied.

Employment land markets can overlap several local authority areas.

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### **How should future trends be forecast?**

Plan makers should consider forecasts of quantitative and qualitative need (ie the number of units and amount of floorspace for other uses needed) but also its particular characteristics (eg footprint of economic uses and proximity to infrastructure). The key output is an estimate of the scale of future needs, broken down by economic sectors.

Local authorities should develop an idea of future needs based on a range of data which is current and robust. Authorities will need to take account of business cycles and make use of forecasts and surveys to assess employment land requirements.

Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible. Market segments should be identified within the employment property market so that need can be identified for the type of employment land advocated.

The available stock of land should be compared with the particular requirements of the area so that 'gaps' in local employment land provision can be identified

Plan makers should consider:

- sectoral and employment forecasts and projections (labour demand);
- demographically derived assessments of future employment needs (labour supply techniques);
- analyses based on the past take-up of employment land and property and/or future property market requirements;
- consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.

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### **What type of employment land is needed?**

The increasing diversity of employment generating uses (as evidenced by the decline of manufacturing and rise of services and an increased focus on mixed-use development) requires different policy responses and an appropriate variety of employment sites. The need for rural employment should not be overlooked.

Labour supply models are based on population and economic activity projections. Underlying population projections can be purely demographic or tied to future housing stock which needs to be assessed separately. These models normally make predictions for a period of 10 to 15 years. Plan makers should be careful to consider that national economic trends may not automatically translate to particular areas with a distinct employment base.

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### **How should employment land requirements be derived?**

When translating employment and output forecasts into land requirements, there are 4 key relationships which need to be quantified. This information should be used to inform the assessment of land requirements. The 4 key relationships are:

- Standard Industrial Classification sectors to use classes;
- Standard Industrial Classification sectors to type of property;
- employment to floorspace (employment density); and
- floorspace to site area (plot ratio based on industry proxies).

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