

Milton Keynes Local Plan EIP

Response to further questions on jobs and workers arising from the hearing session

Introduction

1. During the hearing sessions on Wednesday 11th July 2018 examining the Milton Keynes Local Plan a number of issues were raised in relation to the issue of the balance between jobs and workers. This document has been prepared by Opinion Research Services (ORS) to provide additional evidence to clarify these issues.

Commuting Ratios

2. In the Council's response to Question 3.7 it was noted that:

The 2016 EEFM suggests a growth of 27,400 resident workers, which aligns closely with the 27,500 increase in workers. There is virtually no change in the number of net commuters (an increase of only 100 commuters in total over 15-years). Consequently, the commuting ratio (based on total resident workers divided by total jobs) increased from 0.748 to 0.764 over the 15-year period.

3. As noted in the original response, this ratio was calculated based on the "total resident workers divided by total jobs" which correctly included both employees and self-employed workers.
4. This data was questioned by Bidwells who at page 29, paragraph 6.2.3 and Figure 6.2 of their evidence stated that:

Figure 6.2 shows the 2016 EEFM results for total jobs, employees in employment and the commuting ratio. The most notable issue is the impact that the model has on the commuting ratio, which in no way reflects the historical trends, particularly those seen between 2001 and 2011. The trend is clearly volatile with the average commuting ratio over this period at 0.873, increasing to 0.855 between 2006 and 2016. For the assessment period to gradually increase to 0.846 by 2031 is clearly unreasonable.

5. The difference between these figures was queried at the hearings, as it would appear to suggest a substantial rise in net in-commuting to Milton Keynes over the Local Plan period.
6. However, the commuting ratio derived by Bidwells was calculated based on the total resident workers divided by "employees in employment". This figure excludes self-employed workers. There is no justifiable reason for excluding self-employed workers from the figures. Including self-employed workers yields the same commuting ratios as provided in the Council's evidence. The Bidwells ratio is based on incorrect data.

Consistency with the EEFM

7. In the Council's response to question 3.7 it was noted that:

On this basis, the SHMA concludes that there will be an increase of 53,900 residents (23% higher than the official projections) with a need to provide 1,767 dwellings each year. This is based on an increase of around 3,800 additional net in-commuters, but this assumes no change in either the commuting rates or the commuting ratio.

In contrast, the 2016 EEFM concludes that there will be an increase of 68,400 residents (56% higher than the official projections) with a need to provide 2,155 dwellings each year. This is based on no change in the number of net commuters, which implies an increase in the commuting ratio.

8. Therefore, the 2016-based EEFM assumes that nearly 1,000 more people per annum move to Milton Keynes and the jobs they fill prevent the commuting numbers to the local authority area from rising; that is despite well-established patterns of inward commuting to Milton Keynes from many surrounding areas.

9. In considering the wider area, the Council's response to question 3.7 noted:

It is also important to recognise that outputs from economic forecasts can sometimes be erratic when considered for individual areas in isolation, and outputs across wider geographic areas tend to be more stable. The 2016 EEFM identifies an overall housing need of 166,600 additional dwellings over the 15-year period 2016-31 across the 13 local authorities that comprise the South East Midlands LEP area, equivalent to an average of 11,109 per year. The SEMLEP local authorities have collectively identified a housing need of 11,289 per year; so the overall level of housing growth is consistent with the jobs growth across this wider area, and the level of planned housing should not constrain the potential for economic growth that has been identified.

10. Data for the wider area was presented as summarised in the table below. However, the 2017-based EEFM has now been published; so these latest figures are also included for reference.

Area	Local Assessment of Housing Need (OAN)	Housing Need from EEFM 2016	Housing Need from EEFM 2017
Aylesbury Vale	970	1,079	1,457
Bedford	950	834	996
Central Bedfordshire	1,600	1,238	1,739
Cherwell	1,142	698	535
Luton	890	966	875
Milton Keynes	1,767	2,155	1,452
North Northants JPU	1,750	1,803	2,182
West Northants JPU	2,220	2,336	2,140
TOTAL	11,289	11,109	11,376

11. It is evident that the overall number of homes needed across the SEMLEP areas is broadly consistent across the identified OAN figures (based on local assessments of housing need) as well as both the 2016-based and 2017-based EEFM. All identify a need for around 11,300 dwellings. However, as noted in the Council's original response, the economic forecast outputs can be erratic at a local level.
12. Considering the figures for Milton Keynes, the SHMA identified an OAN of 1,767 dpa. In contrast, the EEFM suggested a need for 2,155 dpa in the 2016-based outputs but only 1,452 dpa in the 2017-based outputs. Both figures are erratic and neither should be relied upon uncritically. The OAN provides a reliable and robust assessment of local housing need for Milton Keynes in the context of well-established commuting patterns. Neither of the EEFM figures (either 2,155 dpa or 1,452 dpa) provide a reliable alternative.