

For: Mr P CRYSELL

Inspector

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14 January 2015

A Comparison of the Models

1. On Adobe page 52 in paragraph 29 PBA state that *Experian confirm that all models work in a similar way, all models flex similar variables when estimating how many jobs to project.*
2. There is insufficient detail on the Cambridge and Oxford models to make a valid technical comparison between these two models and the Experian model and therefore to either agree or disagree with the Experian statement.
3. In the Conclusion on page 52, in paragraph 33 PBA state that *All three models produce a similar number of jobs in the economy.*
4. But on page 6 in the table in paragraph 1.1 the 2011-31 figure for Experian is 13,640, for Cambridge is 12,800 and for Oxford is 8,300. Thus Oxford is 39% less than Experian and 35% less than Cambridge. It is difficult to see why PBA considers that the 3 model results are similar.
5. The PBA report provides an outline description of the Oxford model in paragraph 2.8 on page 8. This states *that in areas of weaker labour market demand workers will migrate elsewhere.*
6. The PBA report states on page 51 in paragraph 24 that *the sector structure of the HMA is not 'high growth' and that The new Government is actively constraining the public sector.*
7. Thus from the description of the Oxford model it is likely that for the sort of area described in paragraph 24, that is *not 'high growth'* and which is being actively constrained, the Oxford model would probably produce low migration into the district for work. The reality is that migration into the district has declined, since before the onset of the recession in 2007, according to the PBA 2014 Strategic Housing Market Report (Adobe page 15 paragraph 3.23).
8. The Oxford model's approach to the economics associated with migration may well mean that it provides a more accurate representation of migration than the Experian and Cambridge models.

9. The Oxford model's significantly lower job number may well be due to the fact that it incorporates a more realistic model of migration.
10. On this basis I would say that the Oxford model is preferable to the Experian and Cambridge models.
11. For the reasons given in paragraph 7 above I would also say that the Oxford jobs total of 8,300 is more realistic than the jobs totals produced by Experian and Cambridge.

Conclusion

12. The Oxford model should be the preferred model and its job total of 8,300 is the most realistic of the three job totals.

UK GDP, dpa and the job totals

13. The PBA Summary on page 11 in paragraph 5.4 states that: *By providing for 775 dpa, the plan allows considerable flexibility for more jobs to be provided within the proposed housing target, if for example, the economy should further improve.*
14. The 775 figure is based upon the PBA 2001-2007 trend prediction *seen in the 'boom' period* (PBA SHMA Report July 2014, page 40, paragraph 7.4, 6th dot). The GPP growth in 2007 was quoted by Chancellor Alistair Darling in 2007 to be 3% (BBC News website: *Darling signals economic slowdown*)
15. The Experian report (PBA Adobe page 26) in section 4.1 has a table showing projected GDP growth figures. For the period 2016 to 2023 the projection is 2.5% and for 2024-2031 it is 2.4%.
16. Experian's GDP projections are very significantly below the 3% GDP growth upon which the 775 dpa was based. For a mature economy such as the UK's, a 0.5% or 0.6% growth in GDP is a very significant growth in GDP. Such growth is not easily achieved, and especially not without very significant increases in productivity, of the sort which consistently eludes the UK economy.
17. The difference between the 775dpa 3% GDP growth and the Experian projections of 2.5% and 2.4% will probably mean that the job growth will never attain the level commensurate with the 775dpa. This will theoretically result in an increase in unemployment, given the description of the employment market in West Dorset on page 51, in paragraph 24.