

VALP LOCAL PLAN 2013-2033 EXAMINATION

Discussion Document D5

Acting on Interim Findings

- 1) My Interim Findings were issued on 29 August 2018. The Council wrote to me with an initial response on 7 September. Consideration of that response leads me to the conclusion that further advice is necessary both to clarify points in those Interim Findings because, of their nature, Interim Findings are not set out in as much detail as would be my final Report and also to discuss ways of responding to my Interim Findings.
- 2) My Q118, sent on 26 September, intimated that I would not be able to issue any clarification of my Interim Findings until I had the Council's response to that question. I now have the Council's response which is that the latest household projections do not give rise to a pressing need to change the housing requirement in VALP, either with or without the changes consequent on my Interim Findings. For the reasons given in that response and in the light of the statement by the ONS dated 19 October; "what our household projections really show" together with the government's "Technical consultation on updates to national planning policy and guidance October 2018" published on 26 October, I concur that the examination of VALP should proceed on the basis of evidence previously submitted.

Cambridge-Milton Keynes-Oxford arc (CaMKOx)

- 3) The concern with CaMKOx which I expressed in my Interim findings was with VALP's apparent difference in approach in the way it deals with CaMKOx in relation to employment land on the one hand and housing land on the other. I perhaps need to state that although CaMKOx growth arc figured in my consideration of Housing requirements, it was an issue which was relatively not central to my findings of unsoundness in relation to the OAN uplifts for migration and affordability.
- 4) The government's decision on the corridor for the Oxford to Cambridge Expressway was published on 12 September 2018. Its response to the NIC report has now been published on 29 October 2018 and so the current position on the arc is clearer now than when I provided my Interim Findings. The government's response assists considerably in setting the context for the future work on the arc. In the light of all the information currently available, it is clear that the arc should not have any influence over the housing requirement or the soundness issues of the plan.
- 5) In paragraph 11 of Appendix 1 to its response to my Interim Finding of a difference in approach in its approach to housing and employment land in the light of CaMKOx, the Council canvasses the possibility that it would wish to review its decision to retain an excess of employment allocations. However, I consider this would not be the right way forward for the following reasons.

- 6) Of its nature, my Interim Findings only cover matters where I consider that further work may be necessary to arrive at modifications necessary to find the plan sound. They do not cover matters where I am satisfied that the plan is already sound. I have considered the evidence in which the Council provides seven arguments in favour of the retention of a generous allocation of employment land proposed in VALP in the face of representations to the contrary. One of those arguments is that it is required to allow for the potential effects of East-West Rail and the Oxford-Cambridge Expressway but there are six others as well. I find those arguments convincing. Other than the modest modification relating to the Gatehouse Industrial Estate (GIE) suggested in paragraph 67 of my Interim Findings, I have not found the employment allocations in VALP unsound.
- 7) My Interim Findings highlighted a potential inconsistency between the plan's response to the arc in terms of housing and employment land and that one way this might be addressed could be through identifying additional broad locations for housing development in this plan. However, I understand that the Council does not wish to pursue that option and I respect that choice. I am content that these are issues that would properly be dealt with through a forthcoming strategic planning process across the arc and in a review of VALP. As I have already stated, I am satisfied that the broad allocation of employment land is justified for reasons which are separate to the arc. Consequently, it is not necessary for soundness for VALP to delete proposed employment land (other than at GIE) or to increase the supply of housing land specifically in response to the arc.

Leighton-Linslade

- 8) To be clear; there is meant to be no implicit suggestion in my Interim Findings concerning the designation of land at Leighton-Linslade. I repeat that on the information currently before me there is no reason to consider the Council's proposals in relation to Leighton-Linslade other than sound. However, as it goes about the business of identifying land for development in response to other of my Interim Findings concerning the OAN and the housing requirement, the Council must remain conscious of the third bullet of NPPF (2012) paragraph 82 and of paragraphs 83 and 84 in terms of the stipulation that once established, Green Belt boundaries should only be altered in exceptional circumstances and in terms of what the consequences of the proposal would be for sustainable development by the designation of this land as Green Belt. In other words, I am simply asking the Council to be sure of its long-term intentions for this piece of land before I issue my final report endorsing this Green Belt designation.

Housing requirement

- 9) I am grateful to ORS for the recognition in paragraphs 20-23 of their comments that the uplift I am calling for in VALP is a combination of response to market signals as well as what ORS calls a "policy on" consideration. I concur with their observation in paragraph 4 of Appendix 2 of the Council's comments on my Interim Findings to the effect that whilst the Council's concerns may not necessarily impact on the final housing number for the plan, it is important that the different components are appropriately identified to avoid any unnecessary misunderstandings. I had intended paragraphs 15 and 16 of my Interim

Findings to make it clear that I was deliberately conflating a “policy on” consideration with the OAN in order to arrive at a Housing Requirement figure. I did that because although I was convinced that the figure for the migration component of the OAN calculation was too low there was no objective evidence to indicate what should be the “correct” figure to use. In my final report, I will endeavour to make this more explicit. I am happy to entertain suggestions from the Council for a corrected figure to allow for greater migration.

10) To be clear, the components of my finding of unsoundness in relation to the OAN and the housing requirement in VALP are;

- That the migration component of the Council’s population projections is too low and so the projections should be uplifted by a percentage which can only be a matter of judgement, albeit informed by evidence. I would be content for the Council in the first place to suggest an appropriate figure. This leads to a higher OAN.
- That the affordability uplift based on the “Eastleigh comparison” is too low and should be increased to 15%. This leads to a higher OAN.
- That any affordability uplift based on the “Eastleigh comparison” would be too low in any event and should be increased still further by a percentage which can only be a matter of judgement. I would be content for the Council in the first instance to suggest an appropriate figure. This leads to a higher OAN.
- That the buffer for uncertainty over and above the OAN of 5.2% is about right

11) As a sense check on my Interim Findings, I have revisited the affordability data referred to in paragraph 15 of ORS’s comments. Table 6c of the latest issue of the ONS workplace-based affordability ratios is that for the lower quartile of house prices. It shows that over the last twenty years Aylesbury Vale has sometimes been more affordable than Wycombe and sometimes the reverse. The difference between the two peaked in 2006 and again in 2013 when Wycombe’s affordability ratio was 10.19 and Aylesbury Vale’s was 8.54 but at other times, (e.g in 2008 and in 2015) Aylesbury Vale has been the less affordable of the two. This confirms my view that, if using the “Eastleigh comparison”, Aylesbury Vale should have an affordability uplift comparable to that of Wycombe.

12) But, my Interim Findings also reflect the suggestion made during the examination (not by the Council) that any uplift based on the “Eastleigh comparison” would be too low. The arguments supporting that suggestion are briefly summarised in paragraph 20 of my Interim Findings. They are;

- That the Eastleigh figure was arrived at through professional judgement in the absence of any precedent and without the assistance of any scientifically based objective method
- That the Local Plans Expert Group (LPEG) report offers a systematic method
- That the LPEG method produces a higher figure than the “Eastleigh comparison” method

I find those arguments compelling.

- 13) I note ORS's advice, referencing other inspectors' decisions, all issued prior to the issue of a revised NPPF in July 2018 and subsequent revisions to national Guidance, that it is inappropriate to conclude a market signals response of 25% based upon the LPEG recommendations but to take the view that that is what I have done is a mistaken understanding of my Interim Findings. What I have done is to refer to the LPEG report in support of the argument, which I accept, that the "Eastleigh comparison" method produces an uplift which is too low. What that uplift should be is a matter for judgment and, as stated above, I would be content for the Council in the first instance to suggest an appropriate figure.
- 14) I am confirmed in that view by the government's subsequent adoption, in national planning Guidance, of a formula to provide an adjustment factor to take account of affordability. That affordability adjustment uses the median workplace based affordability ratios rather than the lower quartile ones used in ORS's work. It produces an adjustment factor of 0.4425, or 44.25% for Aylesbury Vale.
- 15) I do not apply that adjustment factor to reach the Aylesbury Vale housing requirement because paragraph 214 of the July 2018 version of the NPPF states that the policies in the previous Framework will apply for the purpose of examining plans where those plans are submitted on or before 24 January 2019. That sentiment also applies to national Guidance. So, for examining VALP, uplifts to the OAN for affordability remain a matter of judgement, as do those for considerations of policy in relation to supply in reaching a figure for the Housing Requirement. My judgement is as stated in paragraph 28 of my Interim Findings.
- 16) In my Interim Findings I suggested that the difference between the way the plan dealt with the CaMKOx arc in relation to employment and housing added to my findings of unsoundness in relation to the housing requirement. Now that I have been able to clarify and quantify my concerns with the OAN I do not need to add to my concerns in this way. As I have stated above, I am content that these are issues that should properly be dealt with through a forthcoming strategic planning process across the arc and in a review of VALP. As I have already stated, I am satisfied that the broad allocation of employment land is justified for reasons which are separate to the arc. Consequently, it is not necessary for soundness for VALP to delete proposed employment land (other than at GIE) or to increase the supply of housing land specifically in response to the arc.
- 17) In the first place it is for the Council to consider whether VALP needs to identify more site allocations to meet a higher OAN/housing requirement. To meet the requirements of NPPF paragraph 47 sufficient allocations should be identified to meet a 5 year supply plus a 5% buffer. But for later years of the plan the council has a choice between identifying a supply of specific deliverable sites or of broad locations for growth or a combination of both. One option is indeed for the Council to work now to identify more sites to meet the whole of the increased OAN/housing requirement for the whole plan period. Another option for the council to consider might be to provide more supply in years 1-5 but leave years 6+ to a plan review/CaMKOx arc spatial plan. Other options for the Council to consider would be a range between those two options. Whichever option is chosen, the references in VALP to a review

will need a modification so as to be more specific as to purpose, content and timing in order to reflect the choice made.

Early review

- 18) Paragraph 3.77 of the submitted VALP notes that the Plan is envisaged to “need to be reviewed soon after adoption”. In the new terminology of the 2018 NPPF I have understood that to mean an intent to update the plan soon after adoption rather than just to review it in order to consider whether it requires updating.
- 19) By contrast, the Luton Local Plan, adopted in November 2017 and to which the Council refers me, requires a review to commence just over two years after adoption and for an update to be submitted by mid-2021, which is four years after adoption, not two as stated by the Council.
- 20) More relevant perhaps to AVDC is Proposed Main Modification 30 to the submitted Plan:MK, for an authority facing some of the same uncertainties as AVDC which commits that Council to submission (not adoption) of what it calls an “early” review (ie update) no later than the end of 2022, about four years after adoption, with adoption of any changes resulting from that review (update) presumably following later. “Early” must be read in the context of the (statutory) requirement for a review every five years to assess whether a plan needs updating.
- 21) My Interim Findings were intended to persuade the Council to propose modifications which will do two things; (a) reduce any pressing need for update when matters for modification can be identified and addressed now and (b) enable VALP to be specific about the matters which it cannot currently address and are likely to require update on first review including when appropriate progress has been made on joint strategic planning for the CaMKOx arc.

Conclusion

- 22) My Interim Findings led the Council to respond in relation to four matters. In this discussion document I have sought to provide clarity in relation to my findings on OAN and the housing requirement. These result in a need for the Council to do some work in the preparation of modifications. I have also sought to clarify my Interim Findings in relation to Leighton-Linslade. These do not require any modification to be put forward but simply an affirmation of the Council’s intentions subsequent to the further work on the OAN and any consequential housing allocations which may arise from that. I have also sought to clarify my Interim Findings in relation to the CaMKOx arc and the need for a review of the plan and of the timetable for that work.

P. W. Clark

Inspector

2 December 2018