

Appeal by Catesby Estates Ltd

Land East Buckingham, Stratford Road, Maids Moreton

REBUTTAL PROOF OF EVIDENCE OF

JONATHAN LEE

ON BEHALF OF

AYLESBURY VALE DISTRICT COUNCIL

PINs Ref: APP/J0405/W/17/3175193

Introduction

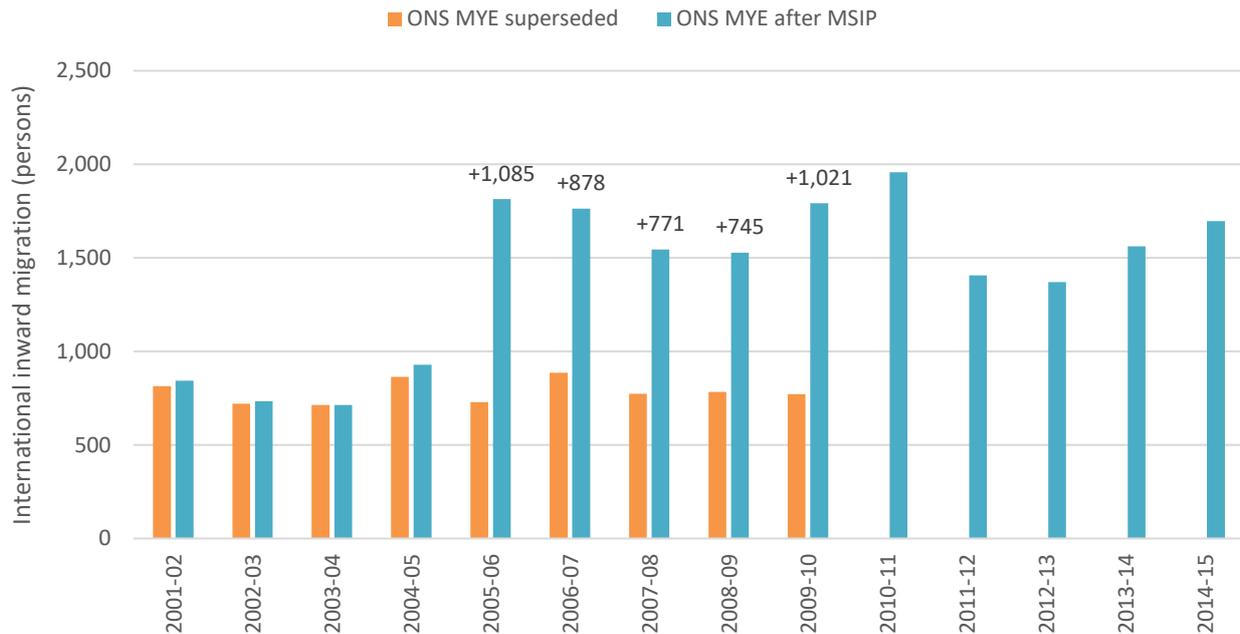
1. This rebuttal proof has been prepared to respond to a number of matters raised in the Appellant's evidence relating to housing need. I have not sought to rebut every point in the proofs with which I disagree and the fact that I have not addressed a point made should not be taken to indicate that I accept it.
2. My rebuttal considers evidence from the proof submitted by Mr Matthew Spry relating to overall housing need (MS proof) and from the proof submitted by Mr James Stacey relating to affordable housing (JS proof).
3. In essence, Mr Spry's evidence comprises only three criticisms of the HEDNA on which the Council's OAN is based. His view is that the ONS mid-year population estimates are beyond doubt. He considers the uplift of 10% proposed by the HEDNA in response to market signals to be inadequate, and favours a 15% uplift. Finally, he considers it right to ignore the future impact of housing benefit support which enables some households to afford market rent, despite there being no Government plans to withdraw this.
4. Mr Spry claims that the HEDNA departs from the standard methodology for assessing housing need as set out in PPG (MS proof, para 5.6). That is not the case. The HEDNA follows the standard methodology, but takes proper account of issues affecting local demography. The HEDNA identifies a problem with the population estimates for Aylesbury Vale, and this is considered in detail over 10 pages of the study report (pages 41-52). As a direct consequence of this, the HEDNA derives local population estimates which are used instead; but the assessment continues to follow the standard methodology for assessing housing need as set out in PPG. The HEDNA approach is entirely consistent with the PPG, which advises that "*there is no ... particular dataset(s) that will provide a definitive assessment of need*" (ID 2a-005 and MS proof, para 5.5) and specifically allows for "*adjustment to reflect factors affecting local demography*" (ID 2a-015).
5. Mr Stacey adopts the HEDNA assessment of affordable housing need, but suggests that the backlog of need should be addressed over the first five years of the plan (from 2013 to 2018). However, he mistakenly continues to count this need in later years, specifically the 4-year period from 2018 to 2022. He also ignores the future impact of housing benefit support.
6. My rebuttal seeks to clarify these issues of difference and remove ambiguity (as far as possible) for the Inspector's benefit, and reduce the amount of time likely to be needed at the hearing.

ONS Mid-Year Population Estimates

7. The ONS publish estimates of the number of people resident in each local authority area each year. These figures are not based on an official register of the population, as no such register exists. Instead, they are based on a number of data sources that are each subject to statistical uncertainty, and the published figures represent the mid-point of a range.

Unattributable Population Change (UPC)

8. Mr Spry has failed to understand the importance of local demography on Aylesbury Vale. He considers the HEDNA approach to be *“fundamentally flawed, unjustified, and not grounded in robust evidence”* (MS proof, para 5.7), but the fact that there is a problem with local data for Aylesbury Vale is confirmed by the adjustment of 5,855 persons that the ONS included in the official data following the Census (the UPC). The ONS only incorporate a UPC adjustment where there is compelling evidence.
9. The UPC adjustment is the consequence of the ONS formally recognising that the range of different official statistics for Aylesbury Vale are inconsistent with each other; but the ONS necessarily has to take a consistent approach when producing population projections for all LAs. On this basis, PPG ID 2a-015 recognises that *“factors affecting local demography”* (such as those seen in Aylesbury Vale) justify local adjustment. The HEDNA seeks to identify the cause of the specific problems in Aylesbury Vale and take proper account of these, based on reasonable judgements in the context of all of the available evidence. In simply adopting the ONS figures, Mr Spry fails to take these very important local factors into account.
10. The HEDNA concludes that the need for the UPC adjustment in Aylesbury Vale was attributed partly to the 2001 Census estimate (around 3,400 persons; HEDNA Update, para 3.20) and partly to the estimates of migration between 2001 and 2011 (around 2,400 persons; HEDNA Update, para 3.36). Mr Spry does not challenge the HEDNA conclusions about the 2001 Census, but argues that any problems associated with migration were most likely during the early part of the decade (MS proof, para 5.13), as figures for the period 2001-05 were outside the scope of the ONS Migration Statistics Improvement Programme (MSIP).
11. The HEDNA illustrated the impact of the MSIP adjustments for Aylesbury Vale at figure 19. The original estimates for international migration identified a net loss of around 1,400 persons over the period 2001-10 whereas the revised figures identified a gain of around 2,100 persons over the same period. This was primarily a consequence of MSIP increasing the estimates for international inward migration by around 4,500 persons over the period 2005-10. The two ONS estimates for international inward migration (and the impact of the adjustment) are illustrated on the following chart.



12. The original ONS estimates for international inward migration identified an overall gain of around 3,100 persons during the period 2001-2005 (figures that were not affected by the MSIP improvements). If the UPC errors associated with migration related to the early part of the decade given that this data hadn't been 'improved' (as Mr Spry asserts), then it would be necessary to reduce the ONS migration estimates for that period alone by 2,400 persons. This would suggest international inward migration yielded a 4-year gain of only 700 persons (fewer than 200 per year). Such an adjustment would entirely contradict the MSIP conclusions for the period 2005-10 which suggested an increase of 900 persons annually in addition to the existing estimates.
13. It is neither realistic nor plausible to assume migration rates of fewer than 200 persons per year persisted from 2001-04 but that the rates increased to around 1,700 persons per year from 2005-10. The UPC errors associated with migration cannot be attributed to figures from 2001-05 being excluded from MSIP,
14. Furthermore, associating the UPC errors associated with migration exclusively to the early part of the decade would imply that the Aylesbury Vale population did not grow between 2001 and 2004 – with the number of residents remaining at 162,500 throughout this period. That is despite 1,749 dwellings being delivered during this period (MS proof, table 7.2). It is neither realistic nor plausible to assume that Aylesbury Vale's population remained constant for three years at a time that the housing stock increased by almost 600 homes annually.
15. Mr Spry's explanation of UPC and his justification for ignoring the need for any adjustment fail to withstand scrutiny. In contrast, the HEDNA analysis provides a realistic assessment of past trends which is clearly explained and justified based on established sources of robust evidence.

Uncertainty Measure

16. Mr Spry notes that the ONS mid-2015 population estimate for Aylesbury Vale had an ‘uncertainty measure’ of 2.02% (MS proof, para 5.31). This is based on an extract from the ONS MYE uncertainty tables included at Appendix 2 of his proof. This extract confirms that whilst the ONS estimate for mid-2015 was 188,707 persons, this was the mid-point of a range. The lower bound of this range was 181,378 persons whereas the upper bound was 196,036 persons. There is no precise certainty as to the size of the actual population; the ONS figures are estimates.
17. The ONS tables in Appendix 2 of Mr Spry’s proof also set out the reasons for uncertainty. For the mid-2015 estimate for Aylesbury Vale, 68% of the uncertainty was associated with international migration. Given that the overall confidence interval represented a range of 14,658 persons (from the lower bound of 181,378 to the upper bound of 196,036 persons), 68% uncertainty represents 9,967 persons. The ONS identifies that there is significant uncertainty about the international migration figures for Aylesbury Vale. This contrasts with the figures for Chiltern (12% of 9,418 = 1,130 persons), South Bucks (20% of 2,528 = 506 persons) and Wycombe (23% of 6,234 = 1,434 persons).
18. The ONS tables for mid-2016 identify that the ‘uncertainty measure’ for Aylesbury Vale had increased to 2.27% and the confidence interval now extended from 184,669 up to 201,557 persons, a range of 16,888 persons. International migration figures represented 76% of this uncertainty: 12,835 persons. On this basis, it is clear that the considerable uncertainty surrounding the international migration figures for Aylesbury Vale is increasing.

ONS Simulated Population Estimates

19. The ‘uncertainty measure’ published in the ONS tables in Appendix 2 of Mr Spry’s proof are based on the ‘bias adjusted confidence interval’. The ONS also produce a separate measure known as the ‘empirical confidence interval’ (see Appendix 1). This is based on simulated population estimates that recreate the MYE processes based on the range of possible values that might occur in the underlying input data. Through repeating the process many times, this simulation process identifies a range of possible outputs values.
20. Based on 1,000 simulations, the ONS identified that the ‘empirical confidence interval’ for Aylesbury Vale in 2016 ranged from a lower bound of 185,683 to an upper bound of 194,022 persons. It is notable that the ONS mid-2016 estimate of 193,113 persons was close to the upper end of this range. The ONS figures confirm that only 25 of the 1,000 simulations yielded a population estimate above the upper bound, and based on a normal distribution we can conclude that fewer than 65 of the 1,000 simulations yielded an

estimate above the MYE of 193,113 persons. Over 935 of the 1,000 simulations yielded a population estimate that was lower than the MYE. The simulations for 2015 yield a similar conclusion.

21. The ONS simulations strongly endorse the HEDNA conclusion that the ONS mid-2015 population estimates for Aylesbury Vale are probably too high.

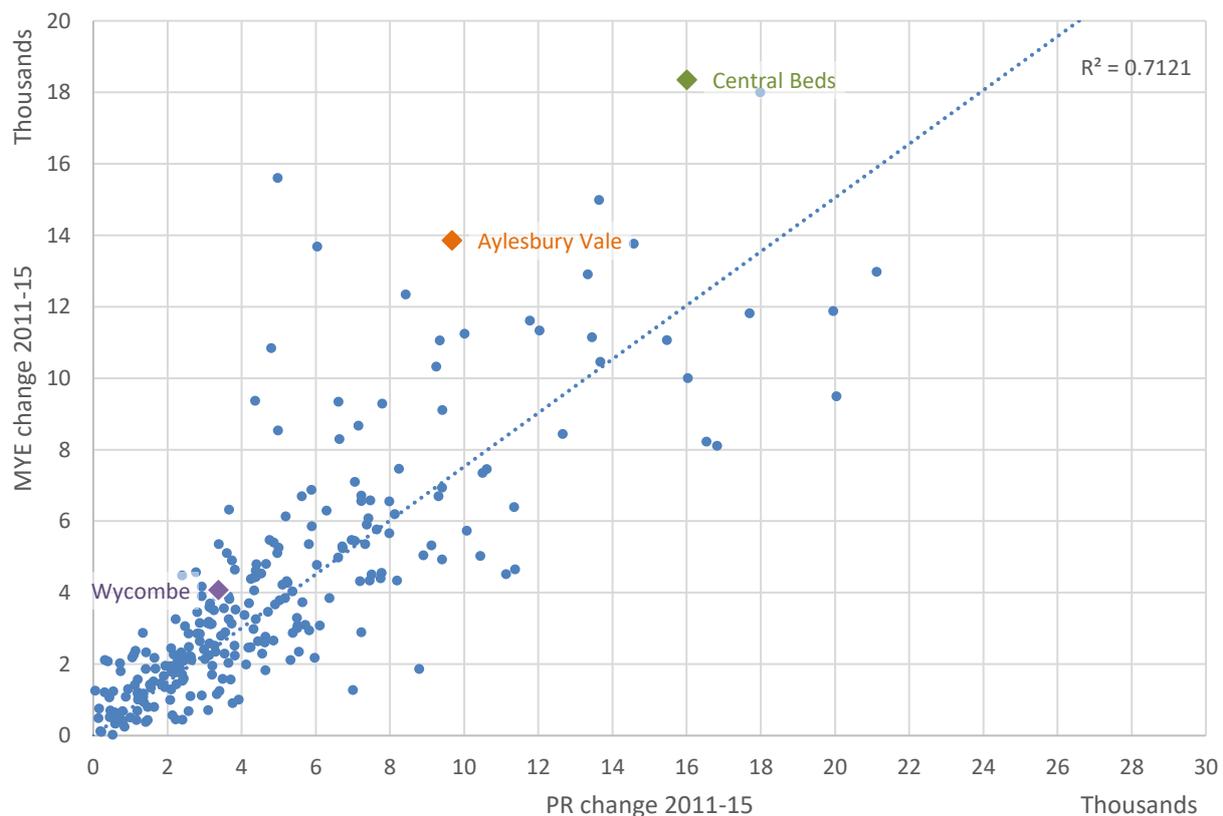
Population growth based on housing delivery

22. Mr Spry criticises the HEDNA for not taking account of housing completions for the post-2011 period, and considers that *“higher population growth for the post-2011 period is entirely reasonable and to be expected”* given that housing completions since 2011 *“have been markedly higher than seen historically”* (MS proof, para 5.22).
23. Housebuilding rates since 2011 have been higher and this would contribute to higher rates of population growth – but the recent housebuilding rates do not explain the exceptional growth in the mid-year estimates.
24. Over the period 2011-15, a total of 4,446 dwellings were delivered (MS proof, table 7.2). Given a vacancy rate of 3.7% and an average household size of 2.46 persons, this would imply population growth of 10,525 yielding an overall population of 185,405 persons by 2015. This is 3,302 persons fewer than the mid-2015 population estimate of 188,707; however, it is broadly consistent with the HEDNA estimate of 184,526: a difference of only 879 persons, equivalent to 0.48% of the population. This difference is considerably less than the uncertainty measure of 2.02% associated with the ONS mid-2015 estimate.
25. If the population had increased to 188,707 persons (as the mid-year estimates suggest) then an additional 4,446 dwellings would imply that average household sizes had increased from 2.46 persons to 2.50 persons over a 4-year period. That would be an extreme change and inconsistent with the downward trend observed since 1991 (HEDNA Update, figure 17) despite housebuilding rates being markedly higher than seen historically.
26. Housing completions since 2011 do justify higher population growth for the period since 2011; but they do not explain the rate of growth suggested by the mid-year estimates. The dwelling-led population estimate is consistent with the HEDNA estimate.

Consistency across the HMA

27. Mr Spry argues that the HEDNA adopts an inconsistent position across the HMA, and that this will undermine the overall conclusions. In particular, he suggests that the upward UPC correction in Wycombe should yield an upward adjustment to the mid-year estimates since 2011 (MS proof, para 5.28).

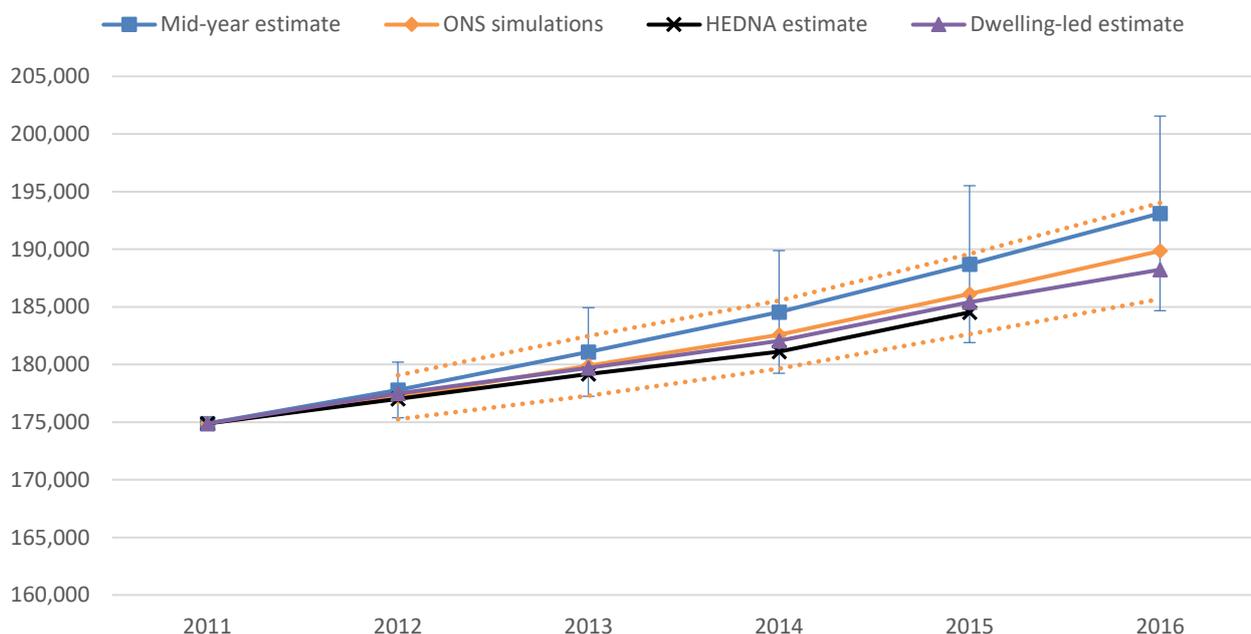
28. The HEDNA takes full account of the revisions to the mid-year estimates in Wycombe that the ONS introduced through the UPC adjustment. Future migration trends are based on overall population change after taking account of natural growth, and do not use the less reliable components of change – therefore, the HEDNA projections properly incorporate the ONS correction.
29. For the period since 2011, the mid-year estimate growth has been higher than the patient register growth in Wycombe (although the figures are much closer than in Aylesbury Vale). There is clearly no justification for a continued upward adjustment.

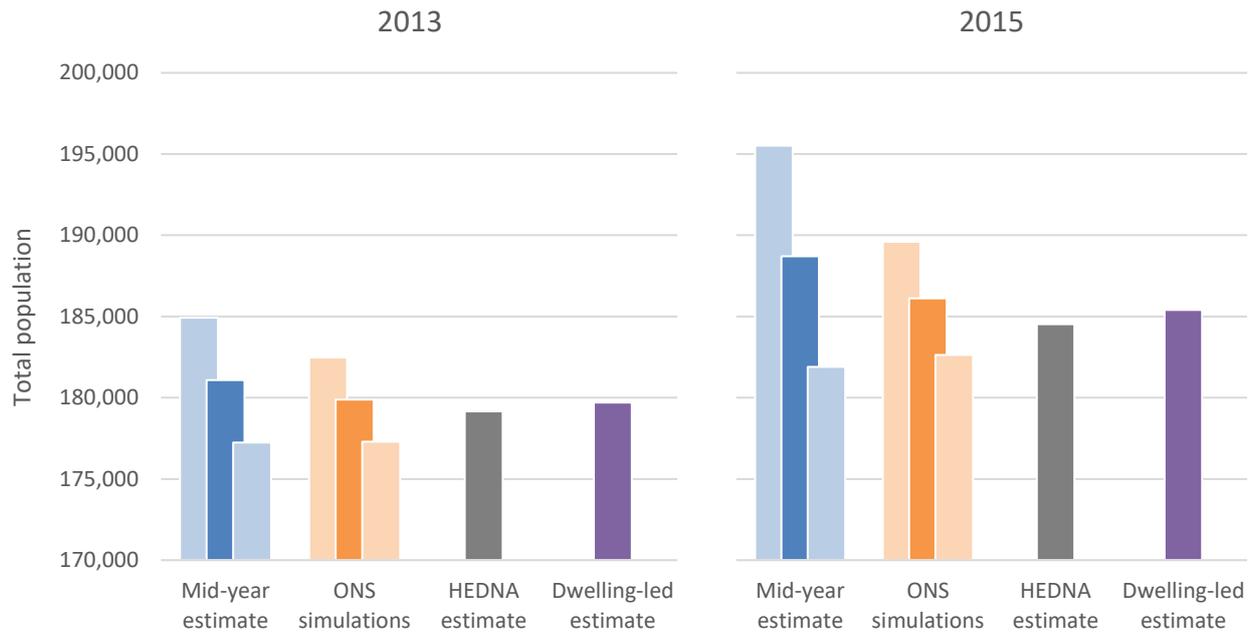


30. Furthermore, as previously noted, the ONS has far less doubt about the international migration figures in Wycombe. Paragraph 17 of this rebuttal identified that the uncertainty surrounding international migration in Wycombe was only 1,434 persons (based on the 2015 data) compared to the uncertainty of 9,967 persons in Aylesbury Vale. Over half of the uncertainty surrounding the mid-2015 estimate for Wycombe relates to the 2011 Census estimate, suggesting a likelihood that the upward UPC adjustment in that area may have been too high.
31. The HEDNA is entirely consistent in its approach. The population data for each area was critically reviewed, and the figures were only adjusted in Aylesbury Vale as this was the only area where there was robust justification for doubting the ONS mid-year estimate figures.

Conclusions

32. The ONS has identified that there was a problem with the local estimates for Aylesbury Vale prior to 2011, even after the revisions introduced by the Migration Statistics Improvement Programme. The ONS only incorporate a UPC adjustment where there is compelling evidence, and the UPC adjustment in Aylesbury Vale is the consequence of the ONS formally recognising that the range of different official statistics for Aylesbury Vale are inconsistent with each other.
33. The ONS recognise that the mid-year estimate figures are subject to uncertainty. In Aylesbury Vale, the overall confidence interval for the mid-2015 estimate represented an uncertainty range of 14,658 persons (from the lower bound of 181,378 to the upper bound of 196,036 persons). 68% of this uncertainty is associated with international migration. The level of uncertainty is increasing year-on-year.
34. The ONS has also identified an ‘empirical confidence interval’ based on simulated population estimates that recreate the MYE processes based on the range of possible values that might occur in the underlying input data to establish the associated range of output values. Over 935 of the 1,000 simulations for the mid-2016 estimate for Aylesbury Vale yielded a population estimate that was lower than the MYE. The ONS simulations strongly endorse the HEDNA conclusion that the ONS population estimates for Aylesbury Vale are probably too high.
35. Whilst housing completions since 2011 justify higher population growth for the period since 2011, they do not explain the rate of growth suggested by the mid-year estimates. The dwelling-led population estimate for 2015 is consistent with the HEDNA estimate, as illustrated by the following charts.





36. PPG explicitly states that *“there is no ... particular dataset(s) that will provide a definitive assessment of need”* (ID 2a-005). Despite quoting this extract from the PPG (MS proof, para 5.5), Mr Spry fails to recognise the uncertainties associated with the ONS mid-year population estimates and the problems with the data in Aylesbury Vale and believes the figures to be beyond doubt.
37. The HEDNA estimates are well within the confidence intervals established by ONS for the mid-year estimates in Aylesbury Vale; and the HEDNA conclusion that the mid-year estimates are too high is consistent with outputs from the ONS simulations. Estimating the population based on housebuilding rates yields a figure comparable with the HEDNA estimates for both 2013 and 2015.
38. On this basis, there is considerable reason to doubt the mid-year estimates and considerable support for the alternative figures that were established by the HEDNA.

Implications for the Population and Household Projections

39. Whilst the ONS SNPP provides a reasonable starting point for understanding local population projections (as the PPG recognises), the PPG also clearly states that the starting point estimate of overall housing need may require adjustment to reflect factors affecting local demography (PPG ID 2a-015, emphasis added).

*Household projections published by the Department for Communities and Local Government should provide the **starting point** estimate of overall housing need. The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics ... The household projection-based estimate of housing*

need **may require adjustment to reflect factors affecting local demography** and household formation rates which are not captured in past trends.

40. The HEDNA Update concluded that the methodological improvement to estimating migration that the ONS introduced from 2004-05 onwards has created a systematic problem in Aylesbury Vale which has persisted beyond 2011, and it therefore isn't appropriate to adopt this data uncritically.
41. Despite all of the evidence, Mr Spry's projections rely on the ONS mid-year estimates without regard to any other data sources. His assessment essentially relies on the ONS 2014-based starting point; and does nothing to respond to the exceptional position of the projected growth being double the national average. As a consequence, the population projections do not provide a robust basis on which to base any reliable assessment of housing need.

Migration Rates: Long-term vs. Short-term Trends

42. Given that the demographic projections are trend-based, one of the most critical factors is the period over which those trends are based. The PAS OAN technical advice note considers this issue in relation to the ONS population projections (paras 6.22 and 6.24, PAS July 2015; emphasis added):

*6.22 A more general problem relates to the ONS forecasting model. To predict migration between local authorities within the UK that model uses a base period of five years (for international migration the period is six years and the figures are controlled to national totals). **This can throw doubt on the projections, because for many areas migration varies widely over time.** Over a number of years one would expect such fluctuations to cancel out, so that long-term trends become apparent. But **a five-year base period does not seem enough for this**, bearing in mind that the ONS projections look ahead 25 years and Local Plans 15 years or longer. This is a main reason why for many areas successive rounds of population projections show very different results.*

*6.24 For all these reasons, in assessing housing need it is generally advisable to test alternative scenarios based on a longer reference, period, probably starting with the 2001 Census (further back in history data may be unreliable). Other things being equal, **a 10-to-15 year base period should provide more stable and more robust projections than the ONS's five years.***

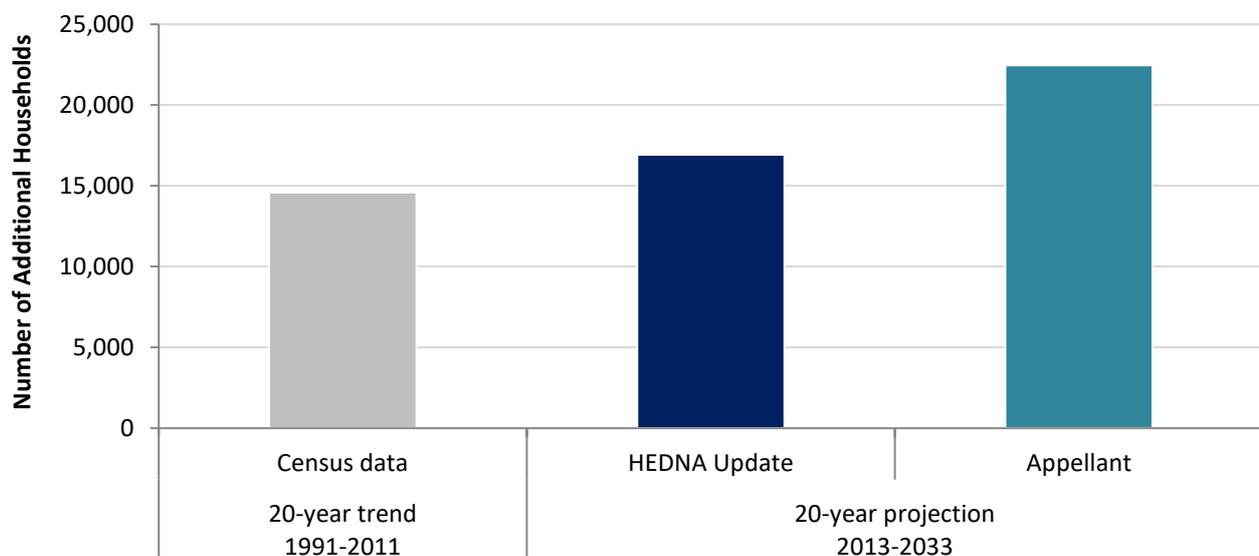
43. The issue of migration trends has been considered by Inspectors Examining numerous Local Plans. As noted in my original proof (paras 3.27-3.29), the Inspectors for BANES and Cheshire East both endorsed ORS's approach based on a 10-year period. This was approach also endorsed by Inspectors examining the Luton and Stevenage Local Plans (CD H.26 and CD H.27).

44. The use of long-term migration trends:
- » Is an approach that is allowed by the PPG (so long as it is justified);
 - » Is an approach that is supported by PAS;
 - » Is an approach which has clear precedent from Inspectors examining Local Plans and hearing Appeals elsewhere;
 - » Is an approach that is commended by academic experts in demographic analysis; and
 - » Is an approach that is adopted by industry experts.
45. In contrast, the Appellant’s OAN report essentially relies upon the 2014-based SNPP which draws on trends over the 5-year period to 2014. The 2014-based SNPP provides the basis for the CLG household projection, which in turn provides *“the starting point estimate of overall housing need”* (PPG ID 2a-015); however, *“the household projections published by the Department for Communities and Local Government ... have not been tested”* (PPG ID 3-030) and that this starting point estimate of overall housing need *“may require adjustment to reflect factors affecting local demography”* (PPG ID 2a-015).
46. PPG sets out the type of factors likely to affect local demography at paragraph 17, which notes that (PPG ID 2a-017, emphasis added):
- “Issues will vary across areas but might include: migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or **a large housing development such as an urban extension** in the last five years”*
47. Almost half (45%) of Aylesbury Vale’s recent housing delivery was based on three urban extensions, and this has led to the housing stock increasing by around 4.8% over the 5-year period 2009-14; an average of around 1% each year. This compares to the housing stock increasing by 2.5% nationally over the same period; an average of around 0.5% each year.
48. It is evident that the rate of housing delivery in Aylesbury Vale has been double the national average, and as a consequence the migration assumptions within the 2014-based SNPP have led to the area having the seventh highest rate of growth of all areas outside London (see Appendix 2 of my original proof). Despite the extreme rate of growth identified by the projection, the Regeneris study ignores the specific PPG advice of the need to take account of issues affecting local demography (ID 2a-017) and continues to rely on this starting point which has not been tested.

49. Mr Spry suggests that 10-year migration trends have little impact on his projections, and that the “*level of housing need would be between 1,010 dpa and 1,309 dpa 2013-33, depending on whether migration levels or migration rates are applied*” (MS proof, para 6.7) compared to his conclusion of the need for 1,137 dpa based on 5-year trends. However, the 2014-based SNPP are based on migration rates, which is the most appropriate way for such data to be modelled. The 1,309 dpa figure quoted is therefore irrelevant. The appropriate comparison would be between the 1,137 dpa (for 5-year trends) and 1,010 dpa (for 10-year trends). In other words, adopting more stable long-term trends would reduce Mr Spry’s household projection-based estimate of housing need by 127 dpa (11.2%).

Applying a “Reality Check” to the Household Projections

50. Given that the household projections are trend-based, it is appropriate to consider how they compare with actual increases in the number of households resident in Aylesbury Vale. The following chart shows the number of additional households resident in Aylesbury Vale – trends from Census data that cover the 20-year period 1991-2011 and projections for the 20-year period 2013-2033 from the HEDNA Update and the Appellant:



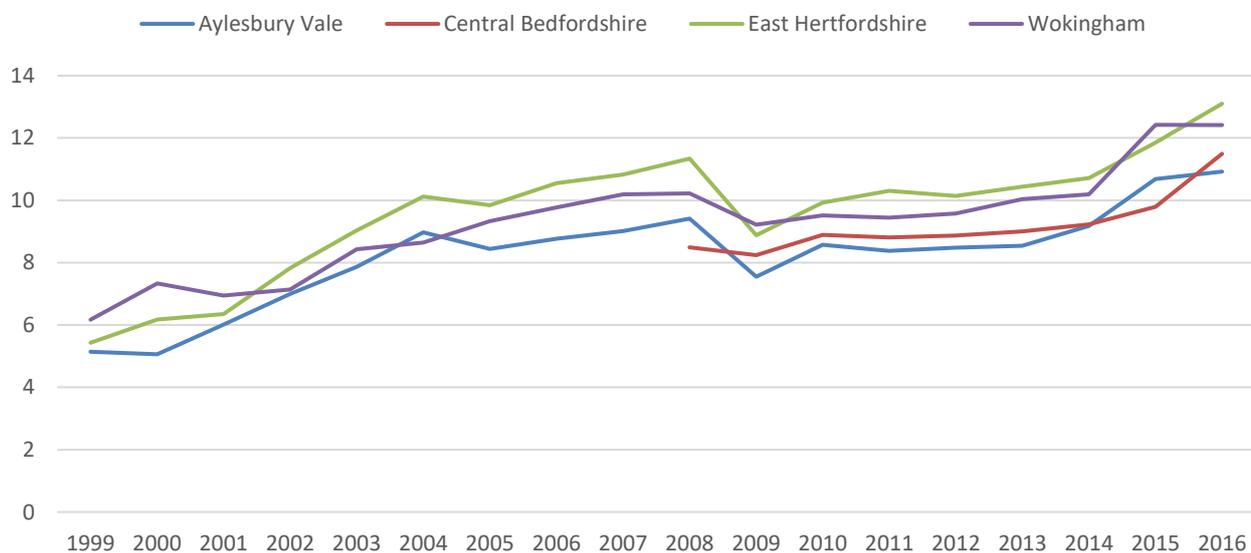
51. It is apparent that the HEDNA Update projects that the increase in households over the next 20 years will be higher than the previous 20-year period, but the increases seem to be a plausible measure of the area’s own future need. It is clear that Mr Spry’s projections fail to accurately reflect past trends in household growth. The projections suggest that the future increase in households will be more than 50% higher than over the previous 20-year period. It is important to recognise that, at this stage, the figures are intended to be **trend-based population and household projections** – so they should not include any element of additional housing to compensate for any potential constraints on the local housing market. They should simply reflect past trends, and clearly they do not.

52. The HEDNA Update provides realistic household projections for the 20-year period 2013-2033 in the context of trends over the last 20 years.
53. The demographic projections from the Appellant's assessment are fundamentally inconsistent with trends from the last 20 years. This is for three reasons:
- » They adopt population estimates for mid-2013, mid-2014, mid-2015 and mid-2016 uncritically despite the administrative data showing these to be inaccurate, which exaggerates population growth over the period 2013-16;
 - » They include erroneous migration estimates that do not take account inconsistencies with administrative data when establishing future migration assumptions: this exaggerates migration projected for the period 2016-33; and
 - » They do not take account of the impact of unattributable population change; despite this accounting for over 5,800 persons in Aylesbury Vale.

Response to Market Signals

54. It is agreed that the market signal indicators for Aylesbury Vale justify an uplift from the household projection-based estimate of housing need.
55. The HEDNA proposes a 10% uplift; whereas Mr Spry believes an increase of around 16% to be appropriate. This is based on an assortment of calculations which seek to deliver between 250,000 and 300,000 dwellings nationally. Nevertheless, these calculations are misleading.
56. Mr Spry says that *"all local authorities need to be making, on average, at least a 16% uplift on their household projections"* in order to deliver 250,000 dwellings nationally (MS proof, para 5.41). His footnote says that this is *"based on national average annual household growth of 210,000, which equates broadly to 215,000 dwellings"*.
57. Whilst the CLG 2014-based household projections for the 25-year period 2014-2039 average 210,300 households annually; for the 20-year period 2013-33 (the OAN period for this appeal) the projections identify annual growth of 219,500 households on average for England. However, the HEDNA sets out the national context for England and notes that the approach taken for international migration (based on 10-year trends) would yield projections that were 15,400 households per year higher than the CLG projections for England (HEDNA Update, para 7.9). This would yield growth of 234,900 households annually over the 20-year period 2013-33.

58. To establish a dwelling figure, it is necessary to consider the likely number of vacant and second homes. The 2011 Census identified a 4.3% rate for England, so a growth of 234,900 households would yield a need for 245,500 dwellings. On this basis, to deliver 250,000 dwellings nationally would require an uplift of less than 2% on average and not the 16% that Mr Spry suggests. Even without adopting the 10-year migration rates, the national uplift would be around 9% on average – almost half the figure suggested by Mr Spry.
59. It is not appropriate to consider the uplift needed to deliver 300,000 homes, for there is no expectation that this would form an average delivery rate. The Chancellor has announced a target of 300,000 dwellings, but this represents the peak delivery needed to deliver an average of around 250,000 homes each year.
60. It is right that the household projection-based estimate of housing need is increased in Aylesbury Vale, but PPG is clear that the extent of any uplift must reflect relative housing pressures (ID 2a-020). ORS has reflected this in recommending an overall uplift of 15% for Buckinghamshire, comprised of a 20% uplift for southern Buckinghamshire (where there are greater affordability problems; see HEDNA Update, figure 120) and a 10% uplift in Aylesbury Vale.
61. The following chart provides further context, through comparing lower quartile affordability trends in Aylesbury Vale with those for Central Bedfordshire, East Hertfordshire and Wokingham.



62. The Luton Local Plan Inspector endorsed the 10% market signals response that ORS proposed for Luton and Central Bedfordshire (CD H.26). The East Hertfordshire Inspector has endorsed the 14% market signals response that ORS proposed for West Essex and East Hertfordshire (Appendix 2). Mr Spry identifies that he proposed a market signals response of 14% for Wokingham (MS proof, para 6.45) and this was accepted. It is clear that the 10% uplift for Aylesbury Vale proposed by the HEDNA is consistent with the relative position of the area in terms of its affordability, whereas an uplift of 16% would not be consistent.

63. It is notable that Lichfields (who are representing the Appellant) presented evidence similar to that prepared for this Inquiry to the East Hertfordshire Inspector. Following the hearings, ORS prepared the note attached at Appendix 3, which sets out that very few areas have a market signals response of more than 10%. Having considered the evidence that Lichfields presented, the Inspector favoured the Council's approach set out in the ORS SHMA.
64. The extent of any market signals uplift is a judgement, and the 10% uplift proposed by the HEDNA for Aylesbury Vale is reasonable in the context of all of the evidence.

Affordable Housing Need

65. Whilst Mr Spry criticises the HEDNA assessment of affordable housing need, he fails to present any alternative assessment of housing need.
66. Paragraph 47 of the NPPF sets out the need for evidence about *“the full, objectively assessed needs for market and affordable housing in the housing market area”*. The HEDNA is the only assessment that identifies the needs for market and affordable housing in the housing market area before this Inquiry.
67. Whilst Mr Spry suggests that the HEDNA fails to follow the method set out by the PPG, the methodology set out in Chapter 4 closely follows that methodology. It identifies current affordable housing need and the new need likely to arise over the Plan period, and establishes the overall affordable housing need and the amount of affordable housing needed each year.
68. The Buckinghamshire HEDNA adopts exactly the same approach to assessing affordable housing need as used for all other ORS assessments, including the Luton and Central Bedfordshire SHMA. The Inspector examining the Luton Local Plan concluded (CD H.26, para 173, emphasis added):

Objective assessment of need for affordable housing

*173. The Plan identifies a need for 7,200 affordable homes over the plan period. **This is based on a robust analysis in the SHMA which takes into account unmet needs and projected future needs.***

69. The HEDNA Update does not rely upon the private rented sector as a means of reducing affordable housing need; whereas both Mr Spry and Mr Stacey consider that this support should be ignored. The HEDNA concludes that it would be wrong to count households in receipt of housing benefit, as they can afford to access suitable housing in the market. Indeed, they receive a welfare payment specifically for this purpose; so it would be inconsistent with the PPG to count these households as needing affordable housing (ID 2a-024):

“care should be taken ... to only include those households who cannot afford to access suitable housing in the market”

70. The HEDNA Update does caution that if this payment was withdrawn, this would have a substantial impact on the affordable housing need; but the Government has not suggested that there is any intention to universally withdraw housing benefit from those households in the private rented sector, and it is included in the Office for Budget Responsibility long-term economic forecasts.
71. It is notable that Mr Stacey adopts the HEDNA’s affordable housing assessment, though argues that the backlog need of 529 households identified at figure 76 should be addressed during the first five years of the plan (i.e. 2013-18) which equates to 106 per year. He then takes the top end of the range in figure 78 (6,080 dwellings) and deducts the backlog of 529 households to give an additional need of 5,551 arising over the 20-year Plan period, equivalent to 278 per year. Together, these figures yield the 384 dpa number put forward by Mr Stacey on affordable housing.
72. Nevertheless, as previously discussed, it is not appropriate to rely on the top end of the range in terms of OAN. Paragraph 3.9 of the HEDNA Addendum (Sept 2017) sets out that it is inappropriate to use the top end of the range, given that the Government hasn’t announced any plans to withdraw HB support for households living in PRS. Therefore, it is the bottom end of the range that should be used: 4,190 dwellings. Offsetting the backlog from this figure gives a 20-year total of 3,661 dwellings, equivalent to 183 per year.
73. Furthermore, if the backlog was to be addressed in the first 5-years of the plan, this would cover the period 2013-18. On this basis, it would be mathematically wrong to continue counting any backlog in the period 2018-22. Based on Mr Stacey’s approach but using the bottom end of the range, the need from 2013-18 would be the backlog annualised over 5 years at 106 per year, plus the annual new need of 183 – so a total of 289 dpa. That would be the figure for 2017-18; but for the remaining four years being considered by this Inquiry, the figure would be based on the annual new need of 183 without any backlog. This yields a total of 1,021 over 5 years, an average of 204 dpa.
74. Such an approach would depend on having addressed the backlog in the four year period 2013-17 – which the council has done. Counting 289 dpa over the 4-year period 2013-17 represents a total of 1,156 dwellings, compared to actual delivery at 1,160 dwellings (according to figures in Mr Stacey’s proof). Both broadly demonstrate that the affordable housing need (including backlog annualised over 5 years) has been met – so the need from 2017-22 comprises the new need at 183 (a total of 915) plus the one remaining backlog year at 106 – i.e. 1,021 equivalent to 204 dpa.

List of Additional Appendices

- Appendix 1 ONS Measures of Uncertainty for Mid-year population estimate – extract for Buckinghamshire
- Appendix 2 East Herts Inspector interim conclusions
- Appendix 3 ORS Response to the East Herts Inspector