

VALE OF AYLESBURY LOCAL PLAN EXAMINATION

MATTER 2B: RESPONSE TO ED108.B

ON BEHALF OF: CALA HOMES LTD

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PLANNING | **DESIGN** | **ENVIRONMENT** | **ECONOMICS**

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1. INTRODUCTION

1.1.1 Following the deadline for the preparation of Hearing Statements, the Council have published ED108.B. Pegasus Group on behalf of CALA Homes had reserved the right to respond to this once it was available.

1.1.2 The following short statement provides the factual background to the verbal responses which Pegasus Group intend to make at the Hearing Session for Matter 2c. It is hoped that this statement will assist the Inspector.

2. DEMOGRAPHIC ADJUSTMENTS

2.1.1 In paragraph 18, ED108.B identifies a number of considerations which are used to justify the demographic adjustments adopted in Aylesbury Vale. However, the same considerations have not been undertaken across the HMA (the area for which the OAN has to be established to accord with paragraph 47 of the NPPF). The following short statement undertakes the necessary comparative analysis and provides commentary on the respective justifications.

i) Population projections

2.1.2 The first bullet point identifies that the sub-national population projections identify that the population growth of Aylesbury Vale is within the top 10% across England. Indeed, Aylesbury Vale is projected to experience the 26th greatest level of population growth of the 326 LPAs in England (Districts and Unitary Authorities). This (as acknowledged by the HEDNA) does not indicate any error, as it is inevitable that some LPAs will be forecast to receive greater levels of growth than others. However, the HEDNA considers that this is worthy of further investigation.

2.1.3 The sub-national population projections indicate that Buckinghamshire (the HMA) will experience the 8th greatest level of population growth of the 26 counties in England. This puts the population growth of the HMA within the top 31%, with 15.3% growth as compared to the 13.2% growth across England. This already suggests that across the HMA, any justification for adjusting the population projections is much less pronounced (if there was any justification in the first place).

2.1.4 Those areas with the greatest population pressures including those close to London would be expected to experience the greatest proportionate level of population growth, especially in light of the unmet needs of London which have arisen over recent years. Indeed, on further analysis, all of the other counties which surround London are expected to see greater levels of population growth than Buckinghamshire. This would suggest that the level of growth projected in the sub-national population projections in the Buckinghamshire HMA is actually conservative compared to that projected in similar locations and that accordingly there is no justification for applying a negative adjustment to these projections.

2.1.5 In summary, not only does this indicator provide no justification for against adjustments to the sub-national population projections, the population growth across the HMA is actually less than for any other county surrounding London. Therefore, any downward adjustment in Aylesbury Vale would need to be compensated for by upward adjustments across the remainder of the HMA. Even if such unjustified adjustments were undertaken, the projections would still be conservative compared to those in similar locations.

ii) UPC allowance

2.1.6 The second bullet point suggests that the UPC adjustment of -5,855 in Aylesbury Vale provides another justification for adjustment.

2.1.7 However, as addressed in our previous representations, across the HMA the ONS identify a UPC adjustment of +383. Therefore, even if the UPC did justify a significant downward adjustment in Aylesbury Vale, this would be more than offset by corresponding upward adjustments across the remainder of the HMA.

iii) MSIP effects

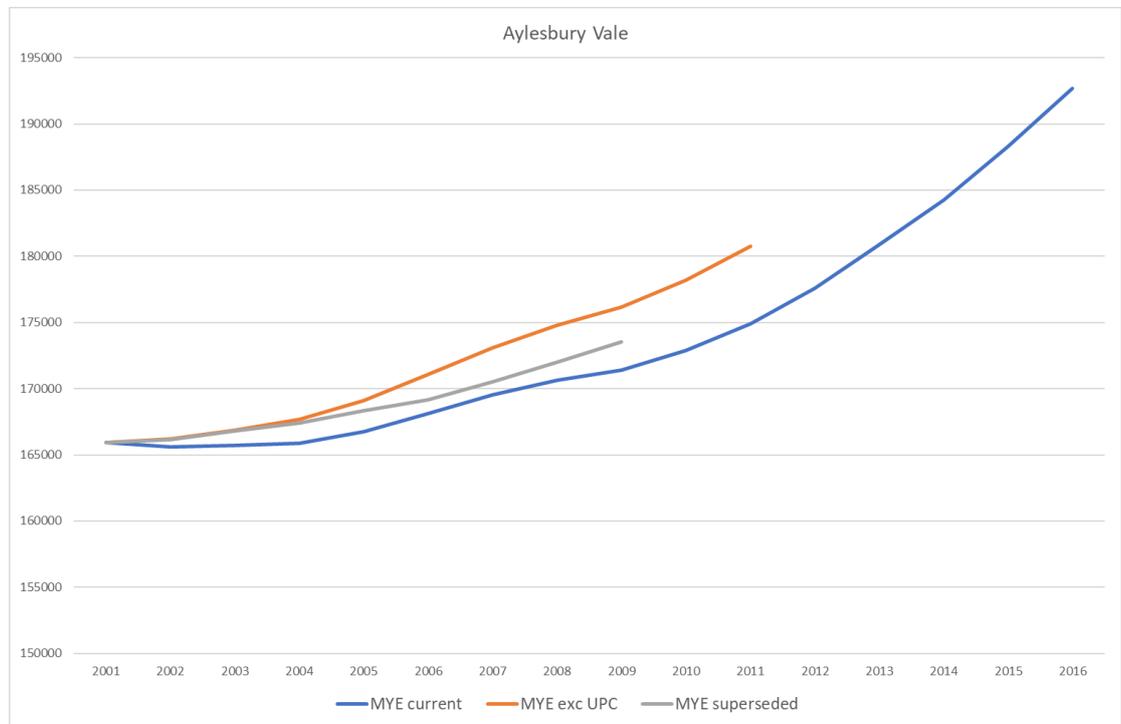
2.1.8 The third bullet point suggests that the MSIP has exacerbated the inaccuracies in Aylesbury Vale such that the MYE are now even less accurate than they were previously.

2.1.9 It is accepted that the MSIP (Migration Statistics Improvement Programme) has affected the way in which migration flows are estimated as demonstrated in Figure 19 of the HEDNA. The MSIP has been rigorously implemented by ONS implementing improvements to both data collection and to the methodology employed to estimate migration flows. The results are that the estimates of migration flows should have improved, rather than worsened as suggested by the third bullet point.

2.1.10 Indeed, had there been any evidence to demonstrate that the MSIP had resulted in a worsening of estimates, it would be expected that the authors of the HEDNA would have contacted the ONS to verify this and/or to seek an explanation. However, this has not been undertaken, and so there is no explanation of the cause of the alleged inaccuracies and therefore no justification for this suggestion. One is simply asked to accept that these exist by the HEDNA.

2.1.11 The alleged inaccuracies are suggested to be demonstrated in Figure 20 of the HEDNA which is replicated in Figure 2.1 below.

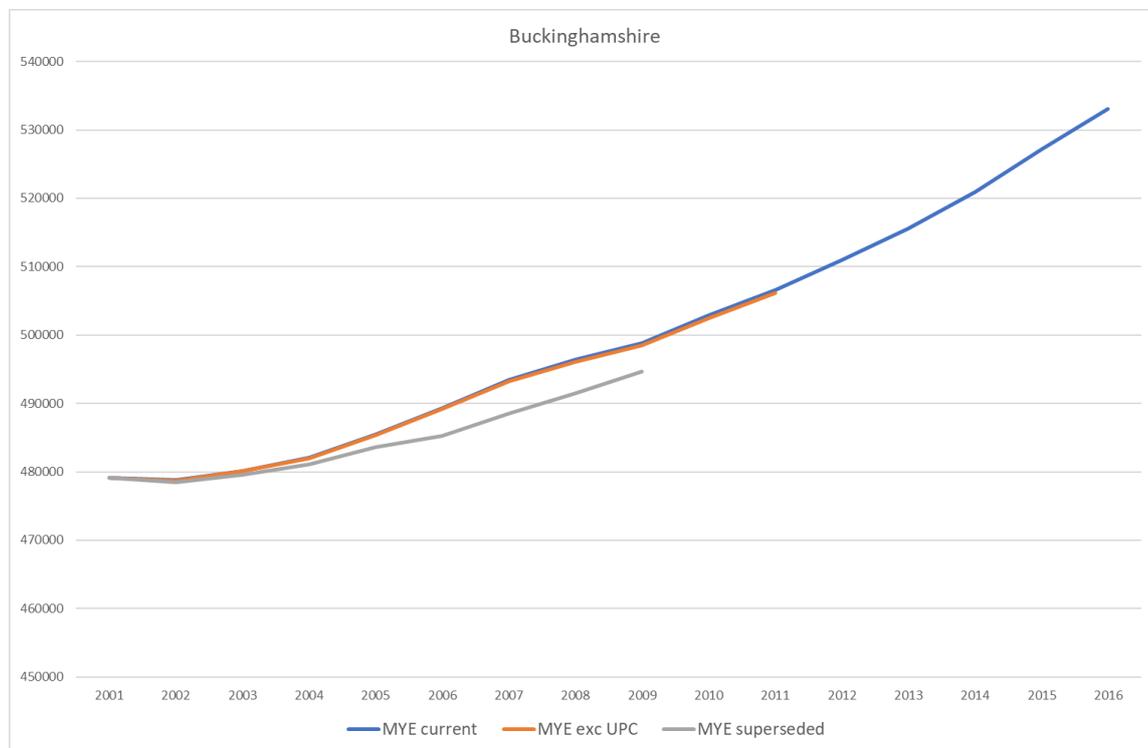
Figure 2.1: Extract of Figure 20 of the HEDNA



2.1.12 The third bullet suggests that as the MSIP (post 2005) produces MYEs which diverge from the superseded MYE depending on whether UPC is included or not, the inaccuracies have increased.

2.1.13 The comparative analysis is undertaken for the HMA in Figure 2.2 below. This demonstrates that as a result of the MSIP programme the MYEs are broadly consistent regardless of the inclusion of UPC or not, which indicates that the MSIP has significantly improved the accuracy of the MYEs since 2005 across the HMA.

Figure 2.2: Comparative analysis for the HMA



2.1.14 Once again, the proposed justification for a negative adjustment for Aylesbury Vale would necessitate a corresponding positive adjustment across the remainder of the HMA to reflect the improved accuracy at this level.

iv) Period of error

2.1.15 The fourth bullet suggests that it is unlikely that the potential error in Aylesbury Vale is entirely attributable to the earlier part of the decade. However, as identified above, across the HMA there is no error and so there is no need to attribute this to any period.

v) Net migration

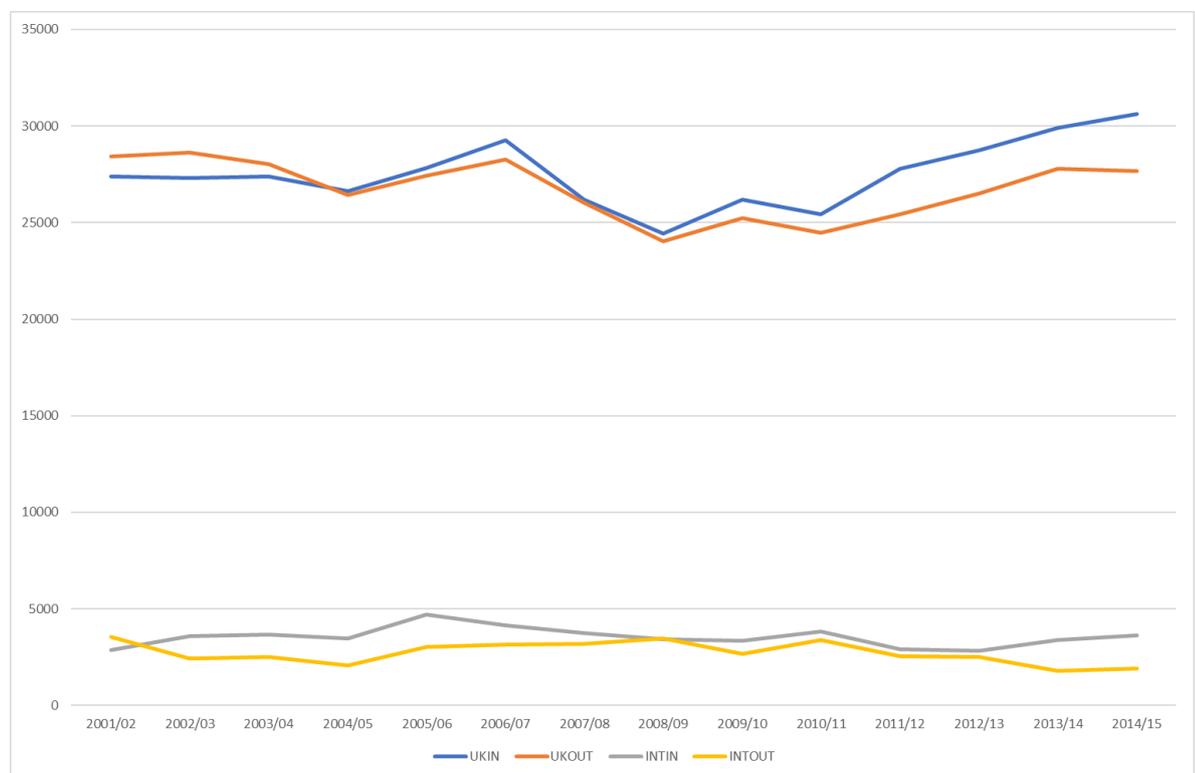
2.1.16 The fifth bullet indicates that the net migration of the MYEs post-2011 is higher than that which was experienced in the period 1991-2011. It therefore suggests that these migration levels are unlikely to have occurred.

2.1.17 There are broadly speaking three issues with this justification. Firstly, the corresponding analysis has not been undertaken for the HMA (which is the level at which the OAN has to be established according to paragraph 47 of the

NPPF). Secondly, the comparison of trends in net-migration is not informative as this is the result of four separate inputs which should be compared individually. Finally, there could be particular reasons why migration patterns have changed since 2011.

2.1.18 The four inputs to net-migration are internal in-migration (UKIN), internal out-migration (UKOUT), international in-migration (INTIN) and international out-migration (INTOUT). The trends of these across the HMA are presented in Figure 2.3.

Figure 2.3: Analysis of the components of net-migration



2.1.19 Figure 2.3 clearly shows that the trends of each of the four inputs are broadly stable across the HMA and that there is no significant departure from 2011 which would justify an adjustment.

2.1.20 However, it is acknowledged that there has been a slight (but not abnormal) increase in the level of internal in-migration to the districts in the HMA. This would be expected during the economic recovery and in those areas which provided opportunities to address the unmet needs of London, such as Buckinghamshire. It is therefore unsurprising that internal in-migration flows

have seen slight increases from that seen in the past and indeed it is perhaps surprising that they have not increased to a greater extent.

2.1.21 In fact, Aylesbury Vale has seen a significant increase in housing delivery since 2011. Over the period 1991-2011 there were an average of 725 completions per annum (according to paragraph 3.18 of the HEDNA), whereas since 2011 there have been an average of 1,196 completions per annum (calculated from ED113). This significant increase in housing delivery would be expected to support an increase in migration from 2011 as assumed within the MYEs.

2.1.22 In summary, there have been small changes in the individual components of the migration flows across the HMA and there are reasons why any slight changes may have occurred. These therefore do not provide any justification for the adjustments proposed.

vi) Population growth

2.1.23 The sixth bullet point indicates that the assumed population growth in Aylesbury Vale in the period 2011-15 was 12% greater than that which occurred in the previous decade.

2.1.24 However, in Wycombe the assumed population growth over the period 2011-15 was 28% lower than the average which had occurred in the previous decade. This does not appear to be taken into account to justify corresponding positive adjustments for this LPA (within the HMA).

2.1.25 Nevertheless, the assumed population growth across the HMA has been markedly greater than that experienced in the previous decade. However, this is true for England as whole (for which the population estimates are considered robust) and the growth is expected to be particularly pronounced in those areas which provide an opportunity to address the unmet needs of London such as Buckinghamshire.

2.1.26 Furthermore, the increase in the population is a direct result of the migration trends which as discussed above do not warrant any adjustment.

2.1.27 Indeed, the 2017 MYE were released on 28th June 2018 and these identify that the population of Aylesbury Vale has actually grown a lot more quickly than identified by the 2014-based sub-national population projections. The

new MYEs indicate that the population of Aylesbury Vale in 2017 was 196,020, whereas the projections upon which the HEDNA is based suggested that it would be 192,420. This again demonstrates that as a result of factors which are occurring on the ground there is no justification for a downward adjustment to the projections in Aylesbury Vale (and on this basis, there may actually be justification for an upward adjustment).

vii) Systematic errors

2.1.28 The seventh bullet point suggests that any systematic error in the overstatement of the population estimates prior to 2011 would persist in projections.

2.1.29 However, the Census figures (505,283) broadly accord with the MYE figures (506,164) across the HMA and so at this level there was no systematic error. If there was any systematic error this would relate to the division of growth between Aylesbury Vale and the rest of the HMA rather than to the population growth across the HMA. Therefore, if any adjustment is considered to be justified this would have to be compensated by a corresponding adjustment across the remainder of the HMA which would more than offset the initial adjustment.

viii) ONS uncertainty

2.1.30 The eighth bullet point identifies that the ONS identify a significant level of uncertainty in the MYE and that this appears to be increasing.

2.1.31 The fact that the uncertainty is increasing is a consequence of the length of time which has passed since the last Census. Indeed, of the 326 LPAs in England, the likely population range has increased from 2015 to 2016 in only 11. The remaining 315 all have a greater range of uncertainty. Similarly, the proportion of this uncertainty which is attributable to international migration has increased in 100% of LPAs.

2.1.32 Therefore, if the increased uncertainty in Aylesbury Vale formed a justification for applying adjustments, it would be necessary to abandon the official statistics in every LPA in England.

ix) ONS empirical confidence

2.1.33 The ninth bullet identifies that for Aylesbury Vale, the MYE are towards the very upper end of the empirical confidence interval and that once a normal distribution is applied, it would be expected that in the majority of instances the actual population would be less than that identified by the MYE.

2.1.34 However, across the HMA, the MYE are well within the empirical confidence interval and accordingly the evidence for any such justification across the HMA would be far less pronounced. Again, as set out numerous times before, any justification for an adjustment for Aylesbury Vale (as included in the HEDNA) would necessitate a corresponding adjustment for the remainder of the HMA (which is not undertaken in the HEDNA).

x) Patient Register

2.1.35 The tenth bullet point identifies that there is a discrepancy between the MYE and the patient register for Aylesbury Vale.

2.1.36 The ONS advise that:

“The Patient Register has a number of issues when used for statistical purposes. The source has a number of both under- and over-coverage issues (when compared with the target statistical population) and time lags in the data. The source has limited audit and there is potential for distortive effects because of its role in General Practitioner (GP) finance. The effect of these issues will vary by geography, age and sex, the main variables in demographic statistics.” (my emphasis)

2.1.37 Therefore, the starting point is that the Patient Register would not be expected to precisely accord with the MYE. There will be discrepancies between the two datasets. Indeed, such discrepancies are common where there have been significant levels of in-migration. This is an effect of the fact that many new residents do not register with a GP practice until they need that service.

2.1.38 In Aylesbury Vale, as discussed above, the MYE assume that there has been an increase in internal in-migration. In such locations it would therefore be expected that the patient register would not keep pace with the population increases.

2.1.39 This proposed justification therefore simply provides another way of looking at the assumed increase in migration flows, which as set out above are conservative for a location such as Aylesbury Vale.

xi) Housebuilding

2.1.40 The eleventh bullet point adopts a methodology to calculate the number of residents likely to be accommodated in the number of homes which have actually been built. It identifies that (based on these assumptions) the number of dwellings would not be able to accommodate the population identified by the MYE. However, the methodology adopted assumes that new dwellings have the same number of residents as the existing dwelling stock, that vacancy rates remain constant, and that none of the population growth is accommodated in communal establishments. These factors are taken account of below.

2.1.41 In 2011, the Census identifies that there were 71,883 dwellings in Aylesbury Vale. Since this time (April 2011) until mid-2015 there have been 4,744 net dwelling completions¹ providing a total dwelling stock of 76,627².

2.1.42 The 2011 Census identified a vacancy rate of 3.7%. Since this time, the DCLG Live Tables have identified that the vacancy rates have declined by 64%. Therefore, it would be expected that in 2015 there was a vacancy rate of 2.8%³. This would indicate that the dwelling stock of 76,627 accommodated 74,569 households.

2.1.43 According to the 2014-based sub-national household projections, it was expected that there would be an average of 2.46 persons per household in 2015. The 74,569 households would therefore be expected to accommodate 183,524 residents.

¹ Assuming a quarter of the completions in 2015/16 occurred in the first quarter of the year

² This figure aligns with data on dwelling stock from DCLG (Live Table 125) which suggests there were 76,330 dwellings in April 2015 in Aylesbury Vale, and Council Tax data which suggests there were 76,963 dwellings in October 2015.

³ We note that Council Tax base data for 2015 shows that vacancy rates in Aylesbury Vale were even lower than this at 1.7%. This suggests even more households (and therefore people) were accommodated in the District.

2.1.44 The household projections also identify 3,644 people in communal establishments which would produce a total population of 187,168 people. This compares to the 188,707 identified in the MYE, a difference of only 0.82%. This would suggest that the population growth predicted by the MYE is broadly consistent with that which would be expected from the dwelling growth in Aylesbury Vale.

2.1.45 Indeed, if the corresponding calculations were undertaken for England, the MYE would produce a population 1.49% of that which would be expected to be accommodated in the number of dwellings which have been built. Therefore, the MYE's would appear to be more accurate for Aylesbury Vale than they are for England (at which level they are considered robust) based on the number of dwelling completions.

2.1.46 It is notable that if HEDNA's estimate of the population in 2015 were applied to the estimated stock which was occupied, this would imply an average household size in 2015 of 2.425⁴ - the 2014-based projections did not project average household size in Aylesbury Vale to be at this level in 2015, indeed a level of 2.425 is not projected until the early-2020s. This means that the assumptions within the HEDNA are that the average household size will have decreased significantly more dramatically than anticipated by the household projections.

xii) Further improvements to the estimates

2.1.47 The twelfth bullet point identifies that the 2016 MYE identify a slightly lower population in 2016 (192,680) in Aylesbury Vale than the previous set (193,113) owing to improvements to the estimates. This suggests that if it were necessary to make any adjustments to the original population estimates for Aylesbury Vale, this would be in the order of a few hundred people, not a few thousand as advocated in the HEDNA. The Council have not addressed the vast difference in adjustments between ONS's revised estimates and the HEDNA's adjusted estimates.

⁴ The HEDNA identifies a population of 174,890 in 2011 (see Figure 23), and a population growth of 9,646 over the period 2011-15 (see paragraph 3.44). This produces a population in 2015 of 184,536 (= 174,890 + 9,646). Assuming that 2% of these people live in communal establishments (based on the 2011 Census) this would produce a household population of 180,842. 180,842 people in 74,569 households produces an average household size of 2.425

2.1.48 Furthermore, the revised ONS estimate of 192,680 for 2016 compares to the population of 189,900 identified in the 2014-based sub-national population projections to which the HEDNA applies downwards adjustments. In fact, the improved population estimates indicate that the population of Aylesbury Vale is greater than the projections and accordingly this provides no justification for the downward adjustment. Indeed, if anything it suggests the need for an upward adjustment in Aylesbury Vale.

xiii) Statistical Population Dataset

2.1.49 The final bullet point identifies that the SPD currently produces population outputs consistent with that identified by the HEDNA and that this provides some support.

2.1.50 It is important to acknowledge that the SPD are not official statistics. They are part of an exploratory research project which is investigating the feasibility and accuracy of replacing the existing official statistics and have yet to be complemented by further analysis. Accordingly, no weight can or should be afforded to these at present.

2.1.51 Indeed, there is a disclaimer attached to the SPD which states:

“The Research Outputs are NOT official statistics on the population. Rather they are published merely as outputs from research into a methodology different to that currently used in the production of population statistics.

It is important that the information and research presented on these pages be read alongside the outputs to aid interpretation and avoid misunderstanding. These outputs must not be reproduced without this disclaimer and warning note.”

3. CONCLUSIONS

3.1.1 Having reviewed all of the identified justifications for the negative adjustments to the population projections in Aylesbury Vale, the following conclusions can be drawn in response to the Inspectors Matters for Discussion.

3) The need to diverge from ONS projections

- ED108.B accepts that the increase in population growth in itself does not justify any adjustment;
- The HEDNA does not consider the context within which the changes to migration may have occurred which would indicate that the ONS projections are robust (including the fact that London has not met its housing needs and as a result migration trends to locations such as Buckinghamshire have become established; and the fact that there has been a significant increase in housing delivery in Aylesbury Vale which would be expected to accommodate a greater number of migrants);
- The HEDNA does not undertake a detailed analysis of the components of migration flows, which individually appear to be robust;

5) The approach to UPC

- The UPC adjustment is not applied consistently across the HMA. If such an adjustment was considered to be justified, then it would be necessary to apply this consistently which would more than offset the negative adjustments applied in Aylesbury Vale;

6) The use of the Patient Register to adjust migration figures

- The HEDNA does not consider the characteristics of different datasets including the Patient Register, which under-estimates population growth in areas which have experienced high levels of in-migration (as patients often take time to re-register with GP practices);
- The HEDNA does not take account of the fact that the Patient Register carries with it a disclaimer that it provides for distortive effects;

7) The significance of housing completions to substantiate increased migration rates

- The number of dwellings built in Aylesbury Vale would be expected to accommodate a population which broadly aligns with official statistics. Indeed, the alignment in Aylesbury Vale is far closer than it is across the nation at which level the official statistics are certainly robust;
- The population identified by the HEDNA in 2015 would require that the average household size had already declined to a level not expected until the early 2020's;

8) Improvements in ONS data since 2008-2011

- ED108.B suggests that the Migration Statistics Improvement Programme was had negative effects on the accuracy of migration statistics in Aylesbury Vale, entirely contrary to the objectives of this programme;
- Even if the MSIP had resulted in negative effects on the accuracy in migration in Aylesbury Vale, this is certainly not the case across the HMA and so any negative adjustment would need to be offset by a corresponding positive adjustment across the remainder of the HMA;
- The MYE's indicate that the population growth in Aylesbury Vale has been significantly greater than anticipated in the 2014-based population projections to which the HEDNA applies negative adjustments. This would suggest that any negative adjustments are not justified and indeed positive adjustments may be necessary;

10) Other matters arising from the representations

- The justification for the negative adjustments to the demographic projections in Aylesbury Vale, would necessitate corresponding positive adjustments across the remainder of the HMA which has not been undertaken;
- ED108.B also seeks to rely upon exploratory non-official statistics without taking account of the appropriate disclaimer.

3.1.2 As a result, it is not considered that there is any justification for departing from official statistics in Aylesbury Vale, but that if there were it would be

necessary to undertake the corresponding analysis for the remainder of the HMA which is likely to more than offset the identified negative adjustments in Aylesbury Vale.