

## Inspector's Follow Up Questions

### Q3 Household Projections

#### Question

The Council will be aware that the Office for National Statistics published the 2016-based Household Projections for England on 20 September 2018. It would be of assistance if the Council could provide me with their views on whether the new household projections represent a meaningful change in the housing situation in the District and if that would have any bearing on the soundness of the Plan.

#### Council Response

The latest Office of National Statistics (ONS) household projections use a 2016 base date. Nationally they show a very significant overall reduction in household growth compared with the previous 2014-based projections. This trend is reflected locally in the figures for Wycombe District and in the Bucks Housing Market Area (HMA). Table 1 below sets out the new 2016 based projections and the previous 2014 based projections for each of the Bucks authorities. This data was supplied by ORS, the Council's consultants on housing need, derived from the ONS published data.

The 2014 based projections are the projections that formed the demographic starting point for the calculation of the Objectively Assessed Housing Need as set out in the Bucks HEDNA (see Figure 122, page 42, HEDN2), although it is important to emphasise that they are only the starting point for that calculation.

**Table 1 – Comparison of 2014 based and 2016 based Household Projections**

<b>Authority</b>	<b>2014 Based Household Growth Projections (2013-33)</b>	<b>New 2016 based Household Growth Projections (2013-33)</b>	<b>Difference between the projections</b>
Aylesbury Vale	+21,027	+23,513	+2,486
Chiltern	+4,720	+3,943	-777
South Bucks	+6,035	+4,016	-2,019
Wycombe	+10,990	+6,350	-4,640
<b>Bucks HMA</b>	<b>+42,772</b>	<b>+37,822</b>	<b>-4,950</b>

The figures show a significant decline in household growth in Wycombe District with the 2014 based figures showing 10,990 household growth over the plan period and the 2016 based figures showing growth of only 6,350. This amounts to a reduction of 4,640 in household growth between the two sets of projections. Overall the

projections are lower for the Bucks HMA as a whole with only Aylesbury Vale showing an increase between the 2014 and 2016 based projections.

The reasons for the reduction in the projections are explained by a number of demographic factors including:

- Reduced number of births
- Increased deaths
- Reduced net migration both from the UK and internationally
- Household size falling at a slower rate.

In terms of the likely impact of the household projections on the OAN, ORS advise that the level of difference between a 2014 based OAN and a 2016 based OAN would be considerably less than the difference in the respective household projections. This fundamentally is because the household projections are only the starting point in the OAN calculation and various adjustments are made. There are two particular factors in the adjustment process that will have the effect of “closing the gap”:

1. The official ONS projections are informed by short term migration trends based on 5 year averages whereas the Bucks HEDNA recommended the use of longer term migration trends based on 10 year averages. Maintaining the use of longer term trends is likely to yield a higher household projection based housing need than identified by the starting point, though possibly lower than the need identified by the HEDNA Update.
2. The lower population growth associated with the new projections would probably lead to a need for a larger uplift than currently included to align jobs and workers.

It is important to emphasise that the approach taken to assessing housing requirements has been across the Bucks HMA. Considering this approach, the inherent uncertainties associated with projections, and the likely lower overall impact on the OAN when the various adjustments are made, it is not considered that this will result in a meaningful change at that level.

In terms of the implications for the soundness of the Plan, the Council considers that the Plan was published and submitted based on a sound and proportionate evidence base. Updating the evidence base in relation to housing need at this late stage in the process would have implications for the wider evidence base of the Plan and is not considered to be a proportionate approach. It would also have implications for other nearby authorities relying on the same or similar evidence base, not least Aylesbury Vale. This could result in significant delays to the adoption of the Plan, contrary to the objectives of the Government and, if changes in housing numbers across the HMA were to balance out, delaying plan preparation for no overall benefit.

The PINS guidance on examining Local Plans sets out guidance in relation to providing up to date evidence as follows:

*1.15. Evidence base documents relating to retail, employment & housing that date from 3 or more years before the submission date are at risk of having*

*been overtaken by events, particularly as they may rely on data that is even older. Key documents such as the Strategic Housing Land Availability Assessment (SHLAA), Strategic Housing Market Area Assessment (SHMA), and the Economic Needs Assessment, should be updated to incorporate findings/results from at least the year prior to submission.*

(Procedural Practice in Examining Local Plans, PINS, 2016)

The Bucks HEDNA was updated in December 2016 (HEDN3) using the latest household projections at the time (the 2014 based ONS projections) as the starting point. The HEDNA Addendum (September 2017, HEDN2) provided a minor correction to those figures in relation to the OAN. The Plan was submitted in March 2018. There were no further household projections published by ONS following HEDN2 and HEDN3 until the recently published 2016 based projections. As such the Council's evidence base in relation to the HEDNA-assessed OAN complies with the PINS guidance in terms of being up to date.

Furthermore the transitional arrangements introduced in Annex 1 of the new NPPF (2018) that provide for assessment of plans submitted until January 2019 against the old NPPF reflect the recognition that plans and their evidence base have a significant lead-in time. This suggests that the balance of advantage lies in securing the adoption of plans that are sound against the policy and evidence base they were prepared under, rather than building in delay or non-adoption of plans which would be inconsistent with the plan-led system.

More fundamentally the Council considers that the Plan and its evidence base is sound, having regard to the tests of soundness. In particular:

- It has been positively prepared because it aims to meet the properly assessed OAN across the Housing Market Area (NPPF 2012, para 47)
- It is based on a proportionate evidence base, having regard to the PINS advice on updating above, and an evidence base which must include identifying a base date and sticking to it;
- It is effective in that it is based on deliverable strategies including effective cross-boundary cooperation.

It is clear that household projections are subject to regular review through the ONS but also regular change in terms of the actual projections. The Government have made clear in relation to the 2016 based projections that, in terms of the implications for the future Local Housing Need calculations using the new methodology, they intend to review the methodology to ensure that the levels of housing set out in the Housing White Paper are achieved in any event. This is set out in the introduction to the Housing Needs Assessment section of the PPG which was updated in September 2018 (see below).

*It should be noted that the intention is to consider adjusting the method to ensure that the starting point in the plan-making process is consistent in aggregate with the proposals in [Planning for the right homes in the right places consultation](#) and*

*continues to be consistent with ensuring that 300,000 homes are built per year by the mid 2020s.”*

Since then, on 26<sup>th</sup> October 2018 the Government published “Technical consultation on updates to national planning policy and guidance” (MHCLG, October 2018)<sup>1</sup>. This consultation sets out the Government’s proposed approach in the light of the 2016 based projections. In summary, in the short term the approach is to specify that the 2014-based projections will provide the demographic baseline for the assessment of local housing need (and not the 2016-based projections). In the longer term the intention is to review the formula for assessing local housing need by the time the next projections are issued<sup>2</sup>. The intention is that this approach would be incorporated into the PPG, but at this stage the approach is only for consultation (which runs until 7 December 2018), although if the consultation document is approved as drafted the effect of the 2016 based projections will be discounted from the calculation method. The consultation document is silent on the approach to be taken under the transitional arrangements that apply to this examination in relation to the assessment of OAN.

As such, looking ahead, the assessment of housing need will be subject to change when new demographic information emerges and the Government’s intentions are to maintain higher levels of housing delivery longer term, consistent with the Housing White Paper, although the precise implications for the Local Housing Need assessment for Wycombe District in the longer term are less clear now. The Council will address this through plan review.

The Council has made clear at the hearing sessions, and at paragraph 7.23 of the Plan, that it may well be necessary to undertake an early review of the Plan partly to address such matters. This approach is supported by the PPG planning guidance on ‘Publication and examination of a Local Plan’ which states under ‘What is the role of the examination’ (Paragraph: 004 Reference ID: 12-004-20160519) that:

*The Inspector should work proactively with the local planning authority. Underpinning this is the expectation that:*

- *issues not critical to the plan’s soundness or other legal requirements do not cause unnecessary delay to the examination of the plan,*
- *.....*
- *consideration should be given to the option of the local planning authority making a commitment to review the plan or particular policies in the plan within an agreed period, where this would enable the Inspector to conclude that the plan is sound and meets the other legal requirements.*

Ultimately, for the purposes of this Plan being examined under the transitional arrangements, the revised projections are likely to result in a somewhat lower

---

<sup>1</sup> See <https://www.gov.uk/government/consultations/changes-to-planning-policy-and-guidance-including-the-standard-method-for-assessing-local-housing-need>

<sup>2</sup> See paragraph 19 of the consultation document.

housing OAN in Wycombe District and across the HMA. This would provide some additional flexibility into the Plan in addition to that identified in the Council's evidence and somewhat greater flexibility across the HMA, helping to boost the supply of housing in line with Government objectives.

Overall, the new projections involve a change on one basis of analysis (i.e. household projections) but not necessarily a meaningful change overall (in terms of the OAN). Other considerations relevant to this question are:

- the local plan period
- the desirability of assessing a plan on a reliable and proportionate evidence base
- the uncertainties over the approach being taken nationally to the projections alongside the overall Government objective to boost housing supply

Taking all these together, the Council considers that the soundness of the Plan is unaffected by the recent projections.

The Inspector's reply to Aylesbury Vale's response on the same question with regards to whether the projections have any bearing on the soundness of the Vale of Aylesbury Local Plan also accords with Wycombe District Council's view on this question. His reply is included at Appendix 1 to this response<sup>3</sup>. Following the response from the Council he concludes that the new household projections do not represent a meaningful change in the housing situation in Aylesbury Vale and should not have any bearing on the soundness of the plan.

---

<sup>3</sup> The Inspector's response includes reference to a statement issued by ONS on 19<sup>th</sup> October 2018 titled "what our household projections really show". For information the link to this statement is set out below:  
<https://blog.ons.gov.uk/2018/10/19/what-our-household-projections-really-show/>

**Appendix 1 – Vale of Aylesbury Local Plan Inspector’s reply to Aylesbury Vale’s response to Question 118 regarding the new Household Projections (ED175)**

**VALE OF AYLESBURY LOCAL PLAN EXAMINATION**

**Inspector: Mr. Paul Clark BA MA MRTPI**

---

**Inspector’s reply to the Council’s response to his  
Question 118**

The Inspector thanks the Council for their response and for the reasons given in their reply, 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 new household projections do not represent a meaningful change in the housing situation in Aylesbury Vale and should not have any bearing on the soundness of the plan.

30.10.18