



## Gladman Developments Ltd

### Wycombe Local Plan Examination

#### **Matter 3 – Housing Provision, Supply, Affordability and Gypsy and Traveller Accommodation**

*Issue: Is the objectively assessed need for housing soundly based, supported by robust and credible evidence and is it consistent with national policy? And will it be met during the plan period?*

##### **Objectively Assessed Need for Housing**

1. Have the Housing and Economic Development Needs Assessments (HEDNA2, HEDNA3, and HEDNA5) been positively prepared and are their conclusions in respect of housing soundly based and justified?

In several respects, the HEDNAs fall short of being wholly positively prepared and lack justification for several of their conclusions on the preferred OAN for Wycombe:

- Two aspects of the HEDNA's treatment of demographic and household projections which lack clarity and where there is insufficient justification for the approach that is adopted.
- The selection of a preferred employment growth figure for Wycombe, against which housing need is tested, which appears to be lower than that implied by other forecasts that the HEDNA considers. This suggests that the Council may have opted for a lower employment growth figure than other, higher figures in its evidence base.
- A market signals adjustment which, at 20% applied to its preferred demographic projection, is substantially lower than the affordability adjustment figures now being proposed by the UK government in emerging, revised Planning Practice Guidance on how to assess housing need.

- An assessment of affordable housing need which the HEDNAs acknowledge conclude on the lower figures in the range that results from the modelling that generates the figures.

2. Is the objectively assessed need for housing (OAN) of 13,200 additional dwellings over the plan period (660 dwellings per annum) based on robust and up to date evidence?

### ***Demographic and Household Projections***

In TP2, the Council indicates (para .4.30) that an adjustment for UPC has been factored in to the population projections for Wycombe. It rightly notes that the UPC component of past change in Wycombe between 2001 and 2011 implied a substantial under-counting of population growth of c. 500-550 people a year.

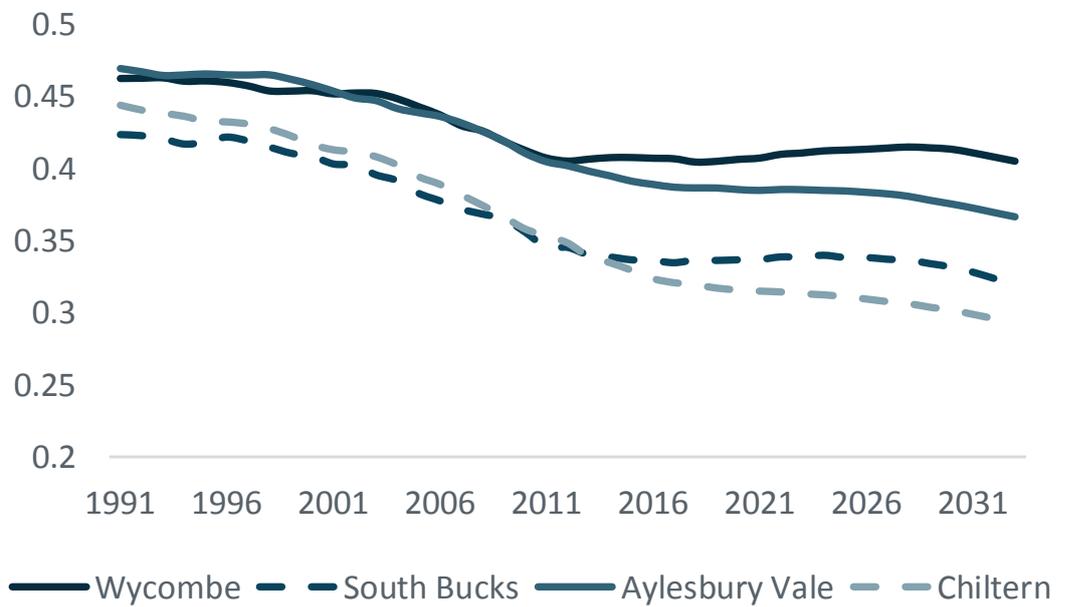
How this assertion squares with the HEDNA is not clear and needs to be explained at the examination. Our reading of the HEDNA's preferred population growth figures for Wycombe is that no adjustment for UPC is made in the future projections. This appears to be because the HEDNA regards the explanation for this change to have been under-estimates of international migration to Wycombe, an issue with the ONS population estimates during the 2000s. This was confirmed in the 2011 Census which showed a substantially higher number of residents from overseas than the population estimates would have implied. The HEDNA appears to imply that, since the population estimates post 2011 are consistent with other administrative sources of population data, there is no need for any adjustments to be made for UPC in the projections (HEDN3, para. 3.72). However, this is not stated explicitly in either the HEDNAs nor in TP2.

This issue is relevant to the robustness of the OAN figures for Wycombe. In establishing Wycombe's OAN as part of the Buckinghamshire OAN (with Aylesbury Vale, Chiltern and South Bucks), the HEDNA makes substantial downward adjustments to the population projections for Aylesbury Vale, in part to take account of a UPC that implied that Aylesbury Vale's population growth had been systematically over-estimated during the 2000s.

There is therefore a lack of consistency between the extensive treatment of Aylesbury Vale's population in the HEDNA compared with a very limited treatment of the issue in Wycombe. Since it will be not certain how Wycombe's population is changing until the publication of the 2021 Census, the potential under-counting of Wycombe's population should at least have been tested in the HEDNA given the caution with which it regards the figures for Aylesbury Vale.

On the household projections, the HEDNA maintains that no sensitivity testing or adjustments are necessary to the household formation rates used in the 2014-based projections (HEDN3, paras. 3.105). This is despite a sharp downward turn in household formation rates in 25-34 year olds during the 2000s compared with earlier years. Since the household projections are based in part on past trends, lower levels of household formation are carried through into the future projections.

Figure 1.1 Household Formation Rates, 25-34 Year Olds, 1991-2033



Source: MHCLG Household Projections

Several factors influence the rates at which younger people have formed households in previous years. Amongst them, steep rises in house prices, economic recession and past rates of housing completions have been constraints. The HEDNA dismisses the need to test further or adjust the rates in the household projections, and instead makes only a small upward adjustment of 284 dwellings or 14 per annum to allow for the effects of past constraints on household formation. How far this adjustment responds to the past downturn in household formation in younger people is not considered in the HEDNA.

### ***Economic Growth Adjustments***

The key issue is that the Council accepts the Oxford Economics forecast which assumes 11,350 additional employee jobs (7,660 full-time equivalent jobs from 2013-33 when it appears that other, Experian forecasts referred to in the HEDNA assumed higher employment growth for Wycombe over the same period (HEDN3, paras. 6.38-6.41). This is confirmed in the Submission Local Plan (para. 2.4) which indicates that the district is planning for just over 7,650 full-time equivalent jobs, the figure which corresponds to the 7,660 identified in the HEDNA.

Little justification is given for this decision to prefer the Oxford Economics forecast. The implication for housing need and the alignment of jobs and housing in Wycombe is that a no further clarification is given in TP2, which makes only very brief passing references to work on the alignment of housing and jobs having been one of the purposes of the HEDNA.

### ***Market Signals***

We note that, since the HEDNA was prepared, newly published affordability figures have been issued by the ONS. They show that, for the lower quartile price:earnings ratio (workplace-based), which is the relevant measure for what should be the most affordable segment of the housing market, it had risen to over 12.0 in 2017 compared with 11.13 in 2016. On the median measure, it stood at 11.48 in 2017. The equivalent figures for England are 7.26 and 7.91 respectively, underlining the extent to which Wycombe is substantially less affordable than the national average.

Wycombe has seen a further worsening of housing affordability at a time when it has become clearly established as one of the most critical problems in UK housing. The February 2017 Housing White Paper (Fixing Our Broken Housing Market) identifies affordability as the first issue in setting out the case for change in housing policy.<sup>1</sup> In the emerging Planning Practice Guidance, the proposed new method for OAN which has been subject to recent consultation would require upward adjustments for affordability pressures which are substantially higher than the adjustments proposed for the Buckinghamshire local authorities.<sup>2</sup> These proposed uplifts are consistent with evidence dating back to the 2004 Barker Review of Housing which have concluded that any significant impact on affordability would require housebuilding rates to be sustained at a level well beyond the demand implied by population and household projections.

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<sup>1</sup> Ministry of Housing, Communities and Local Government (February 2017) Fixing Our Broken Housing Market, p.46

<sup>2</sup> Ministry of Housing, Communities and Local Government (March 2018) Draft Planning Practice Guidance, pp.24-25.

The conclusion of Regeneris Consulting in housing need analysis carried out during early 2017 was that a minimum market signals adjustment of at least 20% should be applied in determining Wycombe's OAN. Based on the proposed new method, a 40% uplift, the maximum possible under the new method, would be applied. Simply using the 2014-based household projections with an allowance for vacant properties and second homes, the implied housing need figure would be c. 15,900 or 795 dpa, substantially higher than the 660 dpa OAN proposed by the Council. Planning for housing at this level would, on the basis of evidence about the relationship between housebuilding levels and affordability, increase the prospects of easing affordability pressures in Wycombe.

3. In order to meet the OAN for housing Policy CP4 (Delivering Homes) indicates that land will be allocated for 10,925 dwellings (550 per annum) to be constructed in Wycombe over the plan period. How and where will the remaining 2,275 dwellings be delivered?

Gladman recommend that the housing requirement figure should be expressed as a minimum requirement to be delivered and that any housing delivered in excess of this should be seen as a positive. This is of particular important given the fact that the housing figure in the plan is a constrained figure. Expressing the housing requirement figure as a minimum will help to ensure that decision makers can take a positive approach to growth

4. Will there be a 5 year supply of housing for the duration of the Plan period, how has this been calculated and is the delivery profile realistic?

Gladman have no specific comments in response to this question.

### **Housing Supply**

5. Is the make-up of the housing supply justified and supported by robust evidence?

Gladman have no specific comments in response to this question.

6. Are the allocations supported by a robust and comprehensive site assessment methodology, free from significant development constraints and demonstrated to be economically viable?

Gladman have no specific comments in relation to this question.

7. Will the Plan be an effective mechanism for delivering the housing requirements contained in Policy CP4?

With reference to Table 4 'Main Sources of Housing Land Supply'<sup>3</sup> Gladman note that the total supply identified is just 10,927, meaning the total supply is just 2 dwellings greater than the identified housing target within the Plan.

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<sup>3</sup> Table 4 of Wycombe District Local Plan – Reg 19 version

Gladman believe that in order to deliver 10,925 homes across the plan period within the District that a greater housing land supply will be needed. This would provide flexibility and contingency for when sites do not come forward as envisaged. From our experience and involvement in the examination of other local plans Gladman recommend that in order to achieve delivery in the scale of 10,925 dwellings that a 10-20% flexibility factor should be included, meaning a total land supply of circa 12,000 – 13,0000 should be identified.

This is a further reason why the Council must be seeking to maximise the number of units its can deliver in the areas it has identified as sustainable such as the Princes Risborough expansion area. At present if even one site failed, or was delayed by just 12 months the plan would not be able to deliver its development needs.

a) Are the site allocations available and deliverable within the anticipated timescales?

Gladman have no specific comments regarding this question

b) Should the plan include a policy for phased release of land for housing?

Gladman do not believe the plan should phase the release of land for housing. This would not align with national policy seeking to boost the supply of housing in response to the housing crisis.

8. Will Policy DM22 9Housing Mix) be an effective mechanism for delivering an appropriate mix of housing types, size and tenures?

Policy DM22 (1) outlines that developments will need to provide a mix of housing types, sizes and tenures based on the latest evidence of need in the district. Gladman are supportive of this flexible approach which allows schemes to respond to the current housing needs and provide a mix appropriate for the site and settlement. This flexibility is important as housing needs may change over the course of the plan period or vary in different locations across the district.

Gladman reiterate comments in relation to Policy DM22 (2) which requires any development over 100 houses to include at least 5% self-build plots. Whilst Gladman support the principle of this element of the policy which aligns with current Government thinking regarding the delivery of self/custom build housing, this element of the policy lacks both clarity and flexibility so we do not believe it will be effective.

Whilst the self build register may identify those who have expressed an interest with regards to self-build, Gladman believe that further work is required to determine the number of these that are likely to realistically achieve this aspiration. Gladman also note that self-build housing does not solely need to come through the delivery of strategic sites and that in reality they may be more likely to come forward as windfall development.

Gladman recommend that further flexibility should be provided within this policy as there is no guarantee that these units will be delivered and there may be situations where it proves difficult to deliver, which would result in non-delivery of otherwise sustainable land for housing. It could also result in significant delay in the delivery of these units. This is of particular importance in Wycombe given the scale of constraints and the inability to deliver its full OAN. Consequently, Gladman

recommend that this policy includes some form of mechanism whereby if the self-build plots are not taken up within a specific time period (for example 6 months) that they then revert back to market housing to be provided as part of the wider scheme. This will provide a degree of flexibility and help to ensure that the full amount of housing on schemes is delivered and would avoid significant delays in delivery.

9. Will Policy DM21 (Location of New Housing) and Policy DM27 (Housing for Rural Workers) provide an appropriate framework for managing the location of new housing development?

Policy DM21 outlines that development will be supported at sites allocated for housing and at windfall sites within settlement boundaries as shown on the policies map.

Gladman object to the use of settlement boundaries in this manner, as we believe this results in an inflexible, overly restrictive approach to growth. The use of settlement boundaries to arbitrarily restrict suitable development from coming forward on the edge of settlements would not accord with the positive approach to growth required by the Framework. An overly restrictive approach could result in a plan that is found to be not positively prepared or effective.

Whilst it is understood that the Council want to remain in control of where development takes place Gladman recommend that in order to deliver sustainable development across Wycombe and deliver as much as possible of their OAN that either the settlement boundaries should be removed all together or that the policy should be modified to include a more flexible criteria based approach to the application of this policy. This would allow for sustainable development lying adjacent to but outside settlement boundaries to come forward in certain circumstances so long as the development met certain criteria. This type of criteria based approach is being proposed as a modification through the Ashford Local Plan examination, as a direct response by concerns raised by participants on the lack of flexibility. Gladman recommend that similar modifications are required here.

## **Other Housing Policies**

### **Affordable Housing**

13. Have the Housing and Economic Development Needs Assessments (HEDN 2, HEDN 3 and HEDN 5) been positively prepared and are their conclusions in respect of affordable housing soundly based and justified?

The affordable housing need figure for Wycombe is identified as 3,140 dwellings in the Submission Local Plan (para. 4.49). This figure is drawn from the HEDNA (HEDN3, Figure 2). However, this is acknowledged by the HEDNA (HEDN3, para. 4.71) and in the Housing Topic Paper (TP2, para. 4.18) to be a minimum figure based on what the HEDNA acknowledges is a 'stringent' definition. The highest figure in the assessment is 5,400 (HEDN3, Figure 2). Little indication is given in the Topic Paper or Submission Local Plan as to the justification for assuming the lowest figure in the range to be the district's affordable need. No adjustment is made to the housing requirement above and beyond the OAN which might enable more affordable homes to be delivered.

14. Are the affordable housing requirements identified in Policy DM24 (Affordable Housing) deliverable and justified by robust viability evidence? And how will the affordable housing need of 3,100 dwellings be met?

Gladman reiterate previously raised objections in relation to Policy DM24. Unlike the majority of affordable housing policies found in Local Plans, the percentage requirements within this plan are in relation to total gross internal area. This approach leaves significant uncertainty in relation to the scale of affordable housing which will be delivered. It is standard practice that affordable housing contributions are calculated on the basis of the number of units. Policy DM24 should be amended to this approach.

A further concern is that whilst affordable housing may be delivered in relation to this policy requirement, this could be through very small units which will not necessarily align with the affordable housing needs of the District.

Gladman object to the approach proposed through Policy DM24 and recommend that the Council amend the policy to the more traditional approach of the percentage requirement being in relation to the number of dwellings on a scheme. As currently drafted this policy will result in significant uncertainty for the development industry and is not consistent with national policy which states *“...provide a practical framework within which decisions can be made with a high degree of predictability and efficiency.”*

15. Does Policy DM25 (Rural Exception Affordable Housing) provide a clear and consistent framework for securing affordable housing on rural exception sites?

Gladman have no specific comments to make in response to this question.

### **Gypsies and Travellers**

16. Is the Gypsy, Travellers and Travelling Showpeople Accommodation Assessment (GT1) soundly based and are its conclusions justified?

Gladman have no specific comments to make in response to this question.

17. Does Policy DM26 (Criteria for Traveller sites) provide a clear and consistent framework for assessing proposals for additional Gypsy and Traveller sites?

Gladman have no specific comments to make in relation to this question.