

Wycombe Local Plan

Matter 3: Housing Provision, Supply, Affordability and Gypsy and Traveller Accommodation

on behalf of Inland Homes

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Contact

3 Weybridge Business Park
Addlestone Road
Weybridge
Surrey KT15 2BW

T: 01932 837850

E: d.veasey@nexusplanning.co.uk

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Objectively Assessed Need for Housing

1. Have the Housing and Economic Development Needs Assessments (HEDNA 2, HEDNA3 and HEDNA 5) been positively prepared and are their conclusions in respect of housing soundly based and justified?

1.1 No.

1.2 As set out within our representations to Policy CP4 of the submission Local Plan (LP), our analysis of the HEDNA demonstrates that FOAN within Wycombe, and the wider housing market area¹ (HMA), has been under assessed and therefore results in a LP housing figure that fails to be positively prepared, justified or consistent with national policy and guidance. Our principal concerns regarding HEDNA assessment of Wycombe's housing needs are briefly summarised below:

Demographic Adjustments

1.3 The PPG is clear (ID: 2a-017) that any local changes to the official household projections need to be clearly explained and justified. The official projections are currently the 2014-based projections which with an appropriate vacancy and second home rate provide a demographic starting point housing figure of 568 dwellings per annum (dpa).

1.4 Whilst the PPG enables adjustments to be applied to the official projections, our concern is that the adjustment methodology applied is inconsistent across the HMA. The HEDNA applies downward migration flow adjustments to the Office of National Statistics (ONS) mid year population estimates (MYEs) for Aylesbury Vale to take account of a demographic component referred to as Unattributable Population Change (UPC). However, no migration flow adjustments are made in respect of the UPC figure for Wycombe.

1.5 Of concern is that the UPC figure for Aylesbury Vale is negative (i.e. the implication of an UPC migration flow adjustment results in a lower housing figure to the official projection) whereas the UPC figure for Wycombe is positive (i.e. the implication of an UPC migration flow adjustment would result in a higher housing figure to the official projection). In short, the methodology applied within the HEDNA is considered to be internally inconsistent and therefore demonstrably fails to be justified.

¹ The Buckinghamshire HMA comprising: Wycombe, Aylesbury Vale, South Bucks and Chiltern.

Migration Trend Period

- 1.6 The official projections are underpinned by five-year internal migration trends and six-year international migration trends. In the period following the recession in 2008/09, it became accepted that the short term migration trends used within the official projections (at the time these were the 2012-based projections) were for many areas recessionary influenced and therefore represented trends potentially unlikely to be observed over the longer time horizons between local plan reviews. In light of this, some local council opted to sensitively test longer term scenarios i.e. 10-year migration trends.
- 1.7 However, as time passes this recessionary influence justification diminishes as the trend periods underpinning the official projections, and other projections using on the latest MYEs, draw increasingly less on years that are potentially recessionary influenced. Furthermore, Government policy and guidance is increasingly emphasising that local plans should be reviewed every five years. A review frequency that removes any concerns that the shorter-tem trends are not appropriate for plan-making.

Given the above, and as set out in detail within our representations to Policy CP2, contrary to national guidance(PPG ID: 2a-017), no local evidence has been presented within the HEDNA to justify housing figures for Wycombe and the wider HMA based on 10-year migration trends. The approach taken within the HEDNA therefore fails to be justified.

2016-based Sub National Population Projections

- 1.8 Whilst it is noted that the 2016-based subnational population projections (2016-based SNPP) were released in May 2018, the 2014-based household projections will remain as the official household projections, and therefore the PPG compliant demographic starting point for assessing housing needs, until they are superseded by the 2016-based household projections in September 2018.
- 1.9 The ONS also consulted upon potential methodological changes over how the 2016-based household projections are to be prepared, in view of this, it would not be justified to apply the 2016-based population projections to the 2014-based household formation rate assumptions. The appropriate stage to robustly reflect on the 2016-based projections will be as part of a future LP review, or at the point in time that the 2016-based household projections are released i.e. September 2018.
- 1.10 Notwithstanding this, the demographic adjustment issues associated with the 2014-based projections (outlined above) will equally apply to the more recent 2016-based projections. In light of this, the 2016-based sub national population projections and the 2016-based household projections in due course

cannot be uncritically accepted – a comprehensive review of the HEDNA would be necessary.

Recommended Way Forward

- 1.11 Given the above, we consider that the most robust and credible approach would be to adopt the official 2014-based projections demographic starting point household figure, which with an appropriate vacancy and second home rate would provide a demographic starting point housing figure of 568 dwellings per annum.
- 1.12 As set out within our representations to Policy CP4 we support the HEDNA analysis that at least a 20% market signals uplift is necessary and justified. The implication of this being a housing figure of at least 682 dwellings per annum (at least 13,640 dwellings over the LP period). This housing figure would result in unmet needs of 2,715 dwellings over the LP period against the Policy CP4 figure of 10,925 dwellings.
- 1.13 As set out within our response to Question 13, to meet affordable housing needs in full, a market and affordable housing needs figure of at least 771 dpa would be necessary (15,420 dwellings over the LP period). This housing figure would result in unmet needs of 4,495 dwellings over the LP period against the Policy CP4 figure of 10,925 dwellings.
- 1.14 Given under the emerging Standard Methodology approach (which signals the direction of Government thinking) Wycombe's affordability uplift would be the capped 40% maximum, the 29.7% uplift from the 2014-based demographic starting point figure (568 dpa) to meet affordable housing needs in full (771 dpa) is considered a wholly appropriate and justified uplift within the context of the existing PPG (ID: 2a-029) and the Kings Lynn and West Norfolk Borough Council and Secretary of State for the Department for Communities and Local Government [2015] EWHC 2464 Judgement.

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?

- 2.1 Please refer to our response to Question 1.

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?

- 3.1 Based on the HEDNA OAN conclusions, it is understood that Aylesbury Vale, via the Duty to Cooperate, has agreed to meet Wycombe's unmet housing needs. However, as set out within our representations to the submission LP, the housing figure within the Aylesbury Vale's submitted Local Plan is also subject to significant unresolved objections.
- 3.2 Consequently, the additional housing uplift within the Aylesbury Vale Local Plan that is intended to help meet unmet needs within the wider HMA, including Wycombe, could prove to be required to meet Aylesbury's own housing needs and not unmet housing needs.
- 3.3 Until the Aylesbury Local Plan examination concludes on the housing requirement for Aylesbury Vale, there will continue to be significant uncertainty regarding how and where Wycombe's unmet need will be delivered.
- 3.4 Furthermore, as set out within our representations to Policy CP4 and response to Question 1 above, our analysis of the HEDNA demonstrates that Wycombe's unmet housing needs greater than 2,275 dwellings given Wycombe's NPPF and PPG compliant OAN should be higher than that purported as OAN within the HEDNA. For example, as set out within our response to Question 1 above, to meet the PPG compliant 2014-based household projection housing figure, with a 20% market signals uplift, the resulting unmet needs figure would be 2,715 dwellings. As set out in detail within our response to Question 13, to meet market and affordable housing needs in full, the resulting unmet needs figure would be 4,497 dwellings.

Affordable Housing

13. Have the Housing and Economic Development Needs Assessments (HEDNA 2, HEDNA3 and HEDNA 5) been positively prepared and are their conclusions in respect of housing soundly based and justified?

13.1 As set out in detail within our representations to Policy CP4, the affordable housing assessment within the HEDNA under assesses the level of affordable housing need within Wycombe (and the wider HMA) over the LP period. Our concerns are briefly set out below:

Affordability Threshold

13.2 The PPG is clear (ID: 20a-025) that assessing the gross annual estimate of newly forming affordable housing need the process to be followed should identify the maximum household income required to access lower quartile (entry level) market housing and then assess what proportion of newly forming households will be unable to access market housing.

13.3 However, as set out within our representations to Policy CP4, the HEDNA does not follow this methodology. The methodology applied excludes households who are potentially able to afford market housing, but who are not eligible for welfare support. Indeed the HEDNA acknowledges that 'a broader affordability definition [i.e. the PPG methodology definition] would probably identify a greater number of households needing affordable housing'.

13.4 Overall, we conclude that the HEDNA under assesses the level of current unmet affordable housing needs within Wycombe and the wider HMA.

Newly Arising Need

13.5 The PPG is clear (ID:2a-029) that the total need for affordable housing is based on subtracting total available stock from the total gross need. Contrary to this, it appears that the affordable housing assessment methodology used within the HEDNA is based on a net household need basis.

13.6 We are particularly concerned over the migration adjustments applied, given as stated within the HEDNA (HEDN3, paragraph 4.86) that:

"Whilst some of these households might prefer to stay in the area if housing costs were less expensive or if affordable housing was available [own emphasis], given that these households are projected to

move from the HMA (and are therefore counted in the overall housing need) it is appropriate that their affordable housing needs are also discounted”.

- 13.7 The HEDNA appears to accept that the adjustment applied risks perpetuating newly forming households being forced out of Wycombe and the wider HMA due to the lack of affordable housing provision and high housing costs.
- 13.8 Overall, the assessment of new arising need appear to under assessed affordable housing needs within Wycombe and the wider HMA over the LP period.

Need Arising from Existing Household Falling into Need

- 13.9 In accordance with the PPG (ID: 2a-025) the HEDNA assesses the number of existing households falling into need. An approach which is supported.
- 13.10 However, of fundamental concern is that without policy or guidance justification, the HEDNA then applies an “established households’ circumstance improvement”. The consequence being a net reduction of 184 households needing affordable housing each year within the HMA.
- 13.11 As set out within our representations there is no robust justification presented within the HEDNA for applying such an adjustment. Consequently the HEDNA under assessed the level of existing households falling into need over the LP period.

Private Rented Sector

- 13.12 The HEDNA affordable housing figure conclusion that 3,093 affordable homes are required within Wycombe over the HEDNA period appears to be based on the continued reliance on the private rented sector (the bottom end of the range figure). An approach contrary to the Oadby and Wigston Borough Council and Secretary of State for the Department for Communities and Local Government and Bloor Homes [2016] EWCA Civ 1040 Judgement.
- 13.13 As set out within our representations to Policy CP4, In light of the Oadby Judgement, the affordable housing needs figure should be based on at least the ‘top end of the range figures’ within the HEDNA (270 affordable homes per annum).
- 13.14 Based on a 35% affordable housing policy target the market and affordable housing figure necessary to deliver this level of affordable housing need is 771 dwellings per annum. A level significantly greater

than that concluded as FOAN within the HEDNA.

- 13.15 Given under the emerging Standard Methodology approach (which signals the direction of Government thinking) Wycombe's affordability uplift would be the capped 40% maximum, the 29.7% uplift from the 2014-based demographic starting point figure (568 dpa) to meet affordable housing needs in full (771 dpa) is considered a wholly appropriate and justified uplift within the context of the existing PPG (ID: 2a-029) and the Kings Lynn and West Norfolk Borough Council and Secretary of State for the Department for Communities and Local Government [2015] EWHC 2464 Judgement.