

To: Programme Officer, Louise St. John

For the attention of the Inspector examining the North Herts Local Plan

Dear Sir/Madam

I urge you to examine closely the excellent study by Mr David Dorman, reproduced below, refuting the North Herts District Council 2018-based Objective Assessment of Housing Needs for North Herts and of the un-met housing needs for Luton. I trust that you will conclude that the proposed developments to the east of Luton, specifically the plans to build 2,150 houses on Green Belt at Cockernhoe, are totally unnecessary and that the Green Belt should be preserved as a vital environmental and social buffer for all communities.

Yours faithfully,

Lesley Smart

MATTER 21 – THE OBJECTIVE ASSESSMENT OF HOUSING NEED (‘the OAN’) AND THE HOUSING REQUIREMENT

ED194: The 2018-based household projections and Objectively Assessed Need (OAN) paper from North Herts District Council (NHDC)

NAME OF REPRESENTOR –

Ms Lesley Smart

Introduction – the role of Opinion Research Services (ORS)

- 1) In my original representation on Matter 21 earlier this year I made the point that as a non-statistician it is very difficult to criticise the methodology from Opinion Research Services which is described as an ‘independent social research practice that works with the public, voluntary and private sectors across the UK in areas of research covering a wide range of social issues including housing’.
- 2) However, in the light of their latest work on behalf of North Herts District Council (NHDC) on the new Office for National Statistics (ONS) 2018-based population and household projections I have changed my view considerably.
- 3) The manner in which ORS has approached this latest matter has left me with a deep feeling of unease about their impartiality, objectivity and accuracy. I now feel that their very close relationships to local councils – and in our case – NHDC – renders them susceptible to producing figures/projections that suit the council rather than providing a meaningful and robust set of statistics that we as a wider community can trust. I will demonstrate this in the ensuing pages.

- 4) I start with answers to the questions posed by the Inspector. This will be backed up with detailed explanations and calculations in the three Appendices that are attached to this paper.
- 5) Appendix A deals with the analysis of the North Herts OAN figures; Appendix B is a tabulation that sets out the different housing scenarios for North Herts that result from differently calculated OANs; Appendix C covers the analysis of the Luton OAN.

Inspector's Query 21.1 Has the revised Objectively Assessed Need (OAN) figure for North Hertfordshire been arrived at correctly/on a robust basis and are the key assumptions made reasonable?

Answer: No most certainly not for a number of important reasons. Firstly, for sound statistical reasons the 10-year migration trend chosen by ORS is the most ill-suited of all the variants to project forward beyond the year 2020. The ORS assertion that the 10-year trend data should be employed is not proportionate or indeed relevant to the evidence and is not methodologically robust. We offer detailed reasons and calculations showing that the better ONS variants to employ are either the Principle Projection (2-year migration trends), or the 5-year migration trend. Both of these 2-year or 5-year trends produce much lower indicative housing numbers than the ORS calculation.

Secondly, the ORS methodology adds 1,470 houses to its indicative total through statistical reasoning and analysis that is deeply flawed for the reasons we give. These extra 1,470 houses should not be added at all.

Thirdly, ORS adds a 10% Market Signals uplift without much in the way of explanation except that it has done so before. We argue, and give sound reasons for our argument, that a negative Market Signals downgrade should be applied to reflect the current economic situation in the UK and the difficult housing market.

Fourthly, our analysis of their figures seems to indicate either a desperately poor explanation, or – what does seem more likely - some extra counting which needs to be explained clearly and, if found wanting, corrected. Essentially, ORS states that a 10% Market Signals uplift is not sufficient and that at least 17% would be needed to correct past housing shortcomings. We don't agree with this statement as a matter of principle, but close scrutiny of their figures shows that they have added the 10% and then a further 17%, rather than what they describe which should be 10% plus a further 7%. All this serves to ratchet up the housing numbers.

For all these reasons we state categorically that the OAN for North Hertfordshire has not been arrived at correctly/on a robust basis and the key assumptions are not reasonable and are open to serious challenge.

Inspector's Question 21.2:

Has there been a 'meaningful change' in the housing situation in North Herts?

Answer: Yes. As the draft Local Plan OAN is 14,000 houses, a drop to between 6,318, or 6,690, or 7,061, as I suggest, represents a 'meaningful change.' It is also a 'meaningful change' compared to the previous October 2019 OAN calculation of 12,900.

Inspector's Question 21.3:

If there has been a 'meaningful change' in the housing situation in North Hertfordshire, should the Local Plan's housing requirement be modified to reflect it?

Answer: Yes. The meaningful change is so large that it must be acted upon. The ORS conclusion that the Market Signal is +10% is neither proportionate to the evidence, nor methodologically robust. A Market Signals rate of -20% has merit given the severe economic conditions that are with us now. But the economy should grow again in the mid-term and therefore a mid-range between -5% to -15% using the ONS 5-year trend variant is suggested. This would give a final NHDC OAN of between $7433 \times 85\% = 6,318$ (-15%MS); or $7,433 \times 90\% = 6,690$ (-10%MS) or $7433 \times 95\% = 7,061$ (-5% MS). All of these figures are considerably lower than the 11,500 houses suggested by the ORS paper.

Inspector's Question 21.4 – Has the indicative OAN figure for Luton been arrived at correctly/on a robust basis and are the key assumptions made reasonable?

Answer: The ORS methodologies are not robust and include aspects that are impenetrable and incorrect. Fundamentally, Market Signals should be downgraded to reflect the challenging economic and house purchasing environment that looks set for a number of years. This would mean that the inappropriate ORS standard 10% uplift should be dropped and replaced with a range (as offered) of downgraded Market Signals from -5% -15%.

The selection by ORS of the ONS 10-year migration variant plus its Market Signal uplift, and dubious sensitivity analysis is pretty much the only scenario that results in NHDC possibly having to provide housing on the Green Belt on the east of Luton sites to help meet Luton's unmet needs. All the other scenarios that are offered discount this possibility comprehensively.

Inspector's Question 21.5 - In the light of this, has there been a 'meaningful change' in the housing situation in Luton?

Answer: ORS argues that under its analysis and with an OAN of 16,700 representing a 6% change from the Luton Local Plan's 17,800 this does not represent a 'meaningful change'. My paper shows that taking any of the proposed alternatives including even those using the ONS 2018 10-year migration variant with Market Signal downgrades results in percentage ranges of a 58% change through to 46%. Using the ONS 5-year migration projections and with negative Market Signals applied results in percentages changes ranging from 35% to 40%.

All of these scenarios presented definitely result in a 'meaningful change'.

Inspector's Question 21.6 - If there has been a 'meaningful change' in the housing situation in Luton, should the East of Luton sites be modified or deleted from the Local Plan?

Answer: In all of the scenarios offered in my paper, only one has some theoretical need of a contribution from neighbouring authorities that might result in the East of Luton sites being called upon to provide some houses. Of the other scenarios shown, the unmet need is so low that either Central Bedfordshire (as the first port of call as recommended by the Luton

Inspector) will be well able to provide all of the housing required, or alternatively, Luton's own minimum house building of 8,500 will cover all of the shortfall.

Furthermore, the analysis of OANs and unmet needs is thrown into considerable confusion because of the actual high over-delivery of housing from within Luton itself that renders any unmet need to be non-existent under most analyses and almost non-existent on one.

The revised Statement of Common Ground (SOCG) of July 2020 signed between NHDC, Central Bedfordshire Council and Luton Borough Council, as was requested by the Inspector, is a worthless piece of self-serving paper. It simply states that all three Councils agree that the revised OAN suggested by ORS shows that this results in there not being a meaningful change in the housing numbers required for Luton. My analysis shows that to be very clearly untrue. Furthermore, the Inspector asked the three Councils in this SOCG to also include in the document the requirement to set out the need for housing which cannot be accommodated in Luton based on the adopted Luton Local Plan. This they have not done.

Even if you take at face value the ORS analysis which shows a smaller reduced unmet need for Luton of 8,200 (instead of 9,300), this has serious implications for two of the three councils. This new lower figure would result in Central Bedfordshire being required to provide its 7,350 houses as the first port of call (as clearly stated by the Inspector who examined and approved the Luton Local Plan), leaving 850 as the residue to be picked up by NHDC. NHDC cannot build just 850 houses on the east of Luton sites as this would fall seriously foul of Herts County Council's policy statement that the proposed east of Luton sites have to be self-sustaining in terms of secondary school provision. It states that the only way that it can sanction capital expenditure for secondary school provision on the east of Luton sites is if the entire 2,150 houses are built.

In the SOCG, the Inspector also asked all three councils to provide comparative figures based upon the most up-to-date information set out in the 2018-based projections and set out conclusions on what this means for both the NHDC and the Central Bedfordshire Local Plan examinations. Again, they have not done this.

It is worth adding at this point that in Matter 22 there will be a discussion of a new development from NHDC in relation to the east of Luton sites that is buried in their supporting paper (Housing delivery and five-year housing land supply at 1 April 2020). In paras 31 and 32 of that paper NHDC is now suggesting that only 1,400 houses will be able to be built on the east of Luton sites through to 2031. They now regard the potential delivery of these houses to be a buffer site to give surety of supply to ensure the delivery of the planned housing needs for North Herts. Whatever happened to the unmet need from Luton that these houses on the east of Luton sites have always been planned for? Why suddenly are these proposed houses now meant to be for North Herts? Given, as stated above, that there seems no realistic way in which North Herts can possibly just build 1,400 houses in this area due to the Herts County Council secondary school ruling, in the circumstances, and as shown in Appendix B, I now feel it realistic to remove these 1,400 houses from any North Herts housing consideration.

As a final point it is frankly shocking that in order to continually pursue its relentless stated aim of building the 1,950 houses to the east of Luton to meet the supposed unmet housing needs of Luton, NHDC has never (in all documentation we have seen) done due diligence to take any notice of Luton's past house building track record, current build rates, new developments and brownfield sites earmarked for future housing use, which renders the unmet need as largely disappeared. This is a shameful dereliction of duty and a worrying

demonstration of why the Government is intent, in its new Planning White Paper, to abolish the Duty to Co-operate. The antics of NHDC demonstrate clearly that the principle of the Duty to Co-operate has been hijacked by this lamentable council.

In summary, there is no need for any housing contribution from the east of Luton sites on the Green Belt and consequently these sites should be deleted entirely from the Local Plan.

September 2020

APPENDIX A

DETAILED ANALYSIS OF THE REVISED OAN FOR NORTH HERTFORDSHIRE

QUESTIONS 21.1, 21.2 AND 21.3 FROM THE INSPECTOR

The new projections by Opinion Research Services (ORS) for North Hertfordshire – ‘Review of the Official Projections for North Hertfordshire’ July 2020

Introduction

- 6) The new projections from ORS based on the Office of National Statistics (ONS) 2018 population and household projections, carried out on behalf of NHDC, show an objectively assessed housing need across North Hertfordshire of 11,500 dwellings which NHDC considers a ‘meaningful change’. It is also a further reduction from the previous work in October 2019 by ORS (covered in ED171) which showed an OAN of 12,900.
- 7) So, the new OAN produced by ORS is a reduction from the draft Local Plan figure of 14,000 houses required to meet NHDC’s needs (13,800 houses from within the Stevenage HMA and 200 falling within the Luton HMA in the area around Cockernhoe). The new reduction is 2,500 houses across the Local Plan period (2011-2031).
- 8) NHDC states that this reduction from 14,000 – 11,500 (a drop of 2,500) or just under 18% represents a ‘meaningful change’.

a) But is this new ORS projection proportionate and robust? I believe not.

- 9) The ONS 2018 household and population projections give several variations, the major difference being how the ONS treats migration – both migration to the UK from overseas and also inter-UK migration.
- 10) The Principle Projection covers a 2-year trend (2016-2018); the 5-year migration trend is (2013-2018) and the ONS 10-year migration trend (2008-2018). ORS has chosen the 10-year migration trend.
- 11) This 10-year trend gives the highest projected household numbers. But, fundamentally, this trend averages migration data over the past 10 years. Thus, for example, the year 2009 (11 years old) adds as much weight to the average as the latest year 2018. Consequently, if migration is changing rapidly towards the end of the trend period, the 10-year average will not reflect that change to the extent necessary.

- 12) By comparison, the ONS 2018 Principle Projection, of only two years old, cannot include events which have occurred since and which now (in 2020) are thought to be likely to occur in the near future. These changes may have a significant effect on housing need beyond 2018 and through to the end of the Local Plan period in 2031. Evidence currently known of housing need in 2021 and beyond is obviously much more significant than what happened 13 years ago in 2008, particularly considering the huge changes likely due to the effects of Covid-19, the Lockdown, economic recession, rising unemployment and increased house buying difficulties for younger people.
- 13) Therefore, such large present and future changes should not be reduced in their impact by averaging in data from well before these significant events.
- 14) An additional negative aspect of the 10-year trend is that it gives higher numbers for migration when lower migration is expected for a number of reasons.
- 15) Air travel into the UK is down significantly from 4.2 million in January 2020 to just around 100,000 in April after Lockdown (source: Forbes.com). This must affect migration particularly as most migrants enter the UK by air. Gatwick Airport recently stated that air travel might not return to pre-pandemic levels until 2025. Many aviation analysts predict that the air travel downturn may never recover to pre-Covid-19 levels. With stronger border checks, quarantines, longer check-in periods and higher prices it is inevitable that lower passenger numbers will result. Thus future international immigration levels will remain low.
- 16) With the downturn in the economy it seems also clear that inter-UK migration will also drop.
- 17) Thus the 10-year migration trend chosen by ORS is the most ill-suited of all the variants to project forward beyond the year 2020. The ORS assertion that the 10-year trend data should be employed is not proportionate or indeed relevant to the evidence and is not methodologically robust.
- 18) The better ONS variants to employ are either the Principle Projection (2-year migration trends), or the 5-year migration trend. For the Local Plan period the outline figure for North Herts is 6,393 (2-year trend); and 7,433 (5-year trend). This compares to the ORS calculation (10-year trend) which shows a much higher outline figure of 8,638.

b) But what does ORS then calculate and why this is wrong?

- 19) To their figure of 8,638 houses ORS adds a further 1,470 for the following reasons that are fundamentally flawed.
- 20) ORS states that 797 of the 1,470 were missing from the period 2001-2011 as insufficient houses were built in that decade and that therefore these houses should be provided for in the current Local Plan.
- 21) But if houses had not been available in that decade resulting in people then not being able to buy/rent in North Herts, in all probability they have moved on. If a household couldn't form because of a lack of housing 10 – 20 years ago it doesn't follow that houses should be provided for them now.
- 22) To support this calculation ORS gives an assessment of the impact of declining household rates between 2001-2011 for age groups from 16-40 only (figure 13). They have ignored the effects of age groups higher than 40 (though they have, inconsistently, included all age groups - 16-80s - in a similar study in Luton). It is very well possible that in North Herts the effect of higher age groups could negate that of the lower age groups (e.g. older people downsizing, or moving into care homes, to

free up houses). This missing data - without any explanation - makes the ORS conclusion unreliable.

- 23) They also state that had the rates not declined during this 2001-2011 period these additional 797 households would have formed in North Herts. It cannot be assumed that young people did not create a household in North Herts because of a lack of housing; there could be many reasons for their decision (e.g. job offer elsewhere, desire to go travelling).
- 24) ORS also maintains that a further 673 houses were overlooked by the Department of Communities and Local Government (CLG) and the ONS for the period 2011-2031. This calculation employs the 10-year trend variant and seems to be based on data from Figure 12 in their paper with no link given as to that data source. Again the arguments above for the decade 2001-2011 apply beyond 2011.
- 25) For these reasons the 797 +693 houses calculated by ORS should not be added to the 6,393 from the ONS Principle Projection.
- 26) *Interestingly, in their last household projection for North Hertfordshire carried out in October 2019, ORS did not mention the supposed significance of this 'suppressed' household formation. None of these extra house numbers were added to their calculations only 11 months ago, but the statistics were certainly available, with some going back to 2001. If it was so important why was this not flagged up beforehand?*
- 27) With the removal of the 1,470 extra houses, therefore, the ONS Principal Projection remains at either 6,393 or 7,433 using the other two variants.

c) But what about the so-called 'Market signals'?

- 28) Market signals are a bit of a mystery, covering a range of variables such as land and house prices, private sector rents, overcrowding and concealment, under occupation etc. Councils and their consultants have to apply Market Signals to the outline housing numbers. Application of market signals is open to very great interpretation, none more so than now in regard to these ORS calculations.
- 29) ORS has applied a +10% uplift to the housing projections as a consequence of market signals. No justification is given (in para 40) other than the same uplift has been applied in previous years and by other local authorities.
- 30) But this 10% increase bears little relation to today's market signals, stemming from Covid-19, Lockdown and economic recession.
- 31) The following market signals are relevant today:
 - House building expected to be 35% lower in 2020 compared to 2019 (Knight Frank);
 - The Construction Products Association predicts new housing starts will be only 40% of last year's numbers. 2021 housing starts will be 25% down on 2019, and dependent on a strong economic recovery;
 - The Office of Budget Responsibility (OBR) predicts an annual GDP drop of initially 20% reaching -5% in 5 years' time with a worse case of -10%;
 - A 15% deposit is now generally required to get a mortgage. That deposit, or even part of the deposit, has to be earned by the borrower –no bank of Mum and Dad (data Hometrack).
 - The Bank of England predicts (August 2020) that the unemployment rate will increase after Lockdown and the furlough scheme to reach 7.5%. That equates to 2.46 million unemployed which is 1.2 million more than in 2019;

- The EU Commission states that the EU faces a deep and uneven recession. This is bound to reflect on UK economic activity;
 - National debt to GDP ratio has just exceeded 100%.
 - Immigration to the UK has dropped sharply since Covid-19.
- 32) These predictions indicate a severe down-turn in the house purchasing power of the UK public and the developers' ability to build must, and will, reflect that – which is not to say that the builders will not increase their already overflowing land bank if it is offered to them via this Local Plan.
- 33) Therefore, true Market Signals on the need for new houses are in reality deeply negative. A Market Signals effect of **-20%** is more likely to be the case. However, that might result in a heavily skewed OAN that could be too low and might not reflect any economic upturn over the mid-term. I offer (in Appendix B) a range of Market Signals calculations from the +10% chosen by ORS through to the - 20%. I believe that Market Signals of between -5% and -15% might be the most appropriate.

d) But there may be extra-counting going on!!

- 34) However, there is a possibility of extra-counting in the ORS figures, or such a poor and confused explanation of their methodology that this further calls into question their analysis.
- 35) From figure 14, their chosen Household Growth figure of 8,638 is based upon the ONS 10-year Migration trend. From this they deduce a household projection-based housing need of 8,892 with no explanation how and why these extra 254 houses are added, but I will leave that figure standing. They have added their 10% Market Signals uplift to give the 9,781 in the tabulation. But in para 34 they argue the need for the suppressed household formation going back to 2001-11 and the supposed suppressed formation in the 2018-based household projections (see my paragraphs 14-22 above). They say: **'a 10% market signals uplift would no longer be sufficient, as an uplift of at least 17% would be needed to address the reductions within the headship rates.'**
- 36) The way this reads is, that, in addition to the 10% uplift, a further 7% uplift is needed for the 17% increase they talk about. Thus, an additional 7% on 9,781 gives 685 extra houses, totalling 10,466. But their calculated figure is 11,445 (rounded up to 11,500) for their new OAN. To reach that figure of 11,445, we need to take the 9,781 – with its 10% market signal uplift added - and then multiply it by 17% which gives 1,663. Adding the 1,663 to the 9,781 gives 11,444 which is the 11,445 figure they show. **Thus, they have increased the number of houses required by a factor of 10% and then a further 17%, not by 10% and then 7%**
- 37) This raises serious questions about their calculations and inadequate explanations as to how those calculations are derived.

In Appendix B please see further calculations, together with explanatory methodology, showing the impact of the range of revised OANs on housing delivery as discussed above.

From these various OANs chosen, and with the removal of the 1,400 houses proposed for build on the east of Luton sites through to 2031 for the reasons as stated in the methodology, it becomes apparent that in all of these scenarios there will be an over build of housing in North Herts, sufficient to allow some other Green Belt sites to be spared.

APPENDIX B

ANALYSIS OF OANS/MARKET SIGNALS AND HOUSING NUMBERS – (NO ADDITION OF 1,470 HOUSES DUE TO SUPPOSED SUPRESSED DEMAND)

SOURCES: (a) ORS REVIEW OF THE OFFICIAL PROJECTIONS FOR NORTH HERTFORDSHIRE

(b) REVISED PROPOSED HOUSING TRAJECTORY AS OF 1 APRIL 2020

Methodology

A – I have taken the three household projections supplied by ONS for its 2018-based projections covering the 2-year trend, the 5-year trend and the 10-year trend. The highest trend is the 10 year trend which is favoured by ORS in its analysis. To each of those three trends I have calculated market signals ranging from -20% to +10% to give indicative OANs. ORS favours the OAN calculated using the highest market signal – an uplift of 10%. The 2-yr calculations are shown in black; the 5-yr calculations are in red; and the 10-year calculations are depicted in green.

B – To these OAN figures I have deducted the 1,400 houses which NHDC says will be built on the East of Luton sites through to 2031, ostensibly and originally to meet so-called unmet needs from Luton. But, NHDC has now changed its tune in para 31/32 of its paper ‘Housing delivery and five-year housing land supply as at April 1 2020’. We have proved in Matter 24 that an unmet need from Luton hardly exists, so the Council is now saying these 1,400 houses are now needed as a buffer for North Herts own requirements. While we disagree profoundly with that about-turn by NHDC, it does mean that we are justified in removing those houses from the tabulation (as they are now stated to be for North Herts needs) – particularly as there is severe doubt as to whether that lesser number of houses can ever be built on this land due to it contravening the stance taken by Herts County Council in relation to secondary school provision on this site where they say it can only be justified if the total allocation of 2,150 houses are built.

C – I then deduct houses already built during this Local Plan period (2,814) – built between 2011- March 2020 (Source: Revised Proposed Housing Trajectory completions – base data 1 April 2020)

D - From the same Trajectory tabulation as above I have deducted the number of house permissions granted on 32 sites across North Herts as these are houses that are being built for completion through to 2024 and totalling 2,075. Adding this 2,075 to the 2,184 already completed houses gives a running total of 4,889 houses built or being built.

E – From here and still using NHDC’s Trajectory I deduct 222 houses as these are proposed allocations from 6 sites (BA5, BK2, BK3, LG18, RY7 and Windfalls 1 – small sites) that are scheduled to start delivering house builds during the period from 2022-2024. None of these sites or houses are in the Green Belt.

F – from figure E we need to deduct the remaining planned allocations in the Trajectory that are yet to be given full permission or to finish the completion of the site allocation (BA5, BA7, BA11, BK2, BK3, HT8, LG18, PR1, RD1, RY4, RY7, RY11, TH1, Broad Locations -1, Windfalls 1 –small sites, Windfalls 2 – large sites). These come to a further 1,011 houses, none of which are in the Green Belt.

F DEDUCT REMAININ G ALLOCATI ONS FROM TRAJECT ORY NOT IN GREEN BELT (- 1011)				-2408 (overb uild of 2408) -1576 (overb uild of 1576) -612 (overb uild of 612)	-2088 (overb uild of 2088) -1204 (overb uild of 1204) -180 (overb uild of 180)	-1769 (overb uild of 1769) -832 (overb uild of 832) +252 (shortf all of 252)	-1449 (overb uild of 1449) -461 (overb uild of 461) +684 (shortf all of 684)	-809 (overb uild of 809) +283 (shortf all of 283) +1548 (shortf all of 1548)	-490 (overb uild of 490) +654 (shortf all of 654) +1980 (shortf all of 1980)
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Conclusion

Using any of the three OANs I suggest of the 5-year trend variant, and with Market Signals of between -5%, -10% and -15% applied, results in an overbuild of housing delivery ranging from 461 to 1,204 over the period of the Local Plan. These numbers also indicate that there would be sufficient latitude to allow some other significantly impacted and contentious Green Belt sites to be spared.

The analysis also indicates that taking the NHDC preferred (as calculated by ORS) 10-year variant and with their +10% Market Signal added, but with the removal of the contentious 1,470 houses from the flawed analysis and also the removal of the 1,400 houses from the east of Luton sites, results in close to a 2,000 (1,980) shortfall in house building during the Local Plan period.

September 2020

APPENDIX C

DETAILED ANALYSIS OF THE REVISED OAN FOR LUTON

QUESTIONS 21.4, 21.5 AND 21.6 FROM THE INSPECTOR

The new projections by Opinion Research Services (ORS) – ‘Review of the Luton population and household projections’ – July 2020

a) What is a realistic revised OAN for Luton? And what about Market Signals?

- 38) For the Luton OAN the objective here, I believe, is not to question the adopted Luton Local Plan but to understand how recalculated OAN figures will impact on NHDC’s plan to build 1,950 homes on the east of Luton sites for Luton’s unmet needs.
- 39) ORS strives to strike a balance between the Office of National Statistics (ONS) 2018 Principal Projection figure of only 3,775 households for Luton and the much higher figures from the Department of Communities & Local Government (CLG) 2012 and 2014 projections which yielded, respectively, 21,682 and 23,336 households. These are dramatic differences between the earlier figures and the latest projections. It was the 21,682 figure (CLG-2012 based) which informed the Luton Local Plan.
- 40) But ORS opts again to choose the ONS 2018 10-year migration figure of 11,494 as its starting point (Figure 1) with very little justification. That figure does not take into

account the same powerful statistical arguments as presented for North Herts in Appendix A. It is entirely likely that instead of a Market Signals increase, there should be applied a significant drop, and given the dramatic downturn indicated by the ONS population projections, that would seem to be a sensible course to pursue.

41) In trying to find a middle ground it is worth considering the ONS 2018 5-year migration trend at 8,543, because of the stark difference in the numbers presented by the different ONS 2018 trends and particularly the much lower 2-year Principal Projection which seems so low that it doesn't resonate at all with what is actually going on in Luton at the moment in terms of house building.

42) The ONS 2018 2-year Principal projection shows 3,775 as the baseline figure which becomes 3,877 as the housing need in the ORS calculation (no explanation for this increase). The 10% and 20% uplifts as ORS shows gives 4,265 and 4,652 respectively. But a more realistic and up to date downgraded Market Signal results in figures of:

-5% downgrade = 3,683

-10% downgrade = 3,489

-15% downgrade = 3,295

-20% downgrade = 3,102

43) These figures are still very low and difficult to understand, given the scale of Luton's house building programme. If these are meant to be indicative of the housing need from Luton, it doesn't seem to square with the actuality of the house building programme in Luton which, in the current Local Plan period, will reach 7,835 by end-2021. (Source ED189 Luton SHLAA November 2019 Luton Borough Council).

44) Using the ONS 5-year mid-range figure of 8,543 (increased to 8,773 as the housing need) results in 9,651 and 10,528, when applied with the 10% and 20% uplift (figure 1).

45) A more appropriate/realistic Market Signal downgrade results in:

-5% downgrade = 8,334

-10% downgrade = 7,896

-15% downgrade = 7,457

-20% downgrade = 7,018.

46) However, ORS uses the ONS 2018 10-year migration trend of 11,494, (which becomes 11,804 as the housing need) but if instead of the 10% and 20% market uplifts proposed by ORS (giving 12,984 and 14,164 respectively), the following results from Market Signals downgrades as follows:

-5% downgrade = 11,214

-10% downgrade = 10,624

-15% downgrade = 10,033

-20% downgrade = 9,443

47) In Fig 4 ORS creates an impossibly impenetrable convoluted argument and calculation that takes their preferred ONS 2018 10-year migration variant of 11,449 and, via a so-called and unexplained sensitivity analysis, to a new OAN for Luton of 16,700 houses (compared to the 17,800 that is in the Luton Local Plan).

48) It is not acceptable that an increase from 11,449 to 16,700 (5,251 extra houses) can be promoted without a much more detailed explanation as to how that calculation is derived.

49) Remember this 16,700 figure includes Market Signals uplifts that are not supported by current economic and statistical data and therefore this final OAN figure is too high.

- 50) Without a better explanation of this ORS sensitivity analysis and its workings it is impossible to present comparative alternative numbers than offered below.
- 51) The alternative suggestion is for the ONS 5-year Trend with its range of negative Market Signals as shown above. This results in new OANs of between 7,018 (-20% MS), 7,457 (-15% MS), 7,896 (-10% MS) and 8,334 (-5% MS).
- 52) All these numbers result in significant changes from the 17,800 in the Luton Local Plan – drops ranging between 10,782 through to 9,446. These seem more realistic than either the ONS 2018 Principal Projection which leads to an OAN of around 3,020 (far too low and already overtaken by the actuality of house building in Luton), or the ORS preferred projection that results in only a small housing drop, which does not seem right with the thrust/direction of travel of the latest ONS population projections.

b) What do these projections means for Luton’s unmet housing needs?

- 53) Of the 17,800 houses required in the Luton Local Plan, Luton says it will build a **minimum of 8,500** leaving 9,300 as the unmet need. The ORS revised OAN of 16,700 would mean the unmet need drops to 8,200 (16,700 - 8,500). The Inspector who approved the Luton Local Plan indicated that any unmet need from Luton should first be directed towards Central Bedfordshire with its closer links, better transport provision and infrastructure. Central Bedfordshire’s allocation to meet its share of Luton’s unmet need is 7,350 which would leave 850 as the unmet need.
- 54) There is a major flaw in any thinking that this 850 could be accommodated within the east of Luton site around Cockernhoe. Herts County Council has stated that they cannot sanction capital expenditure for secondary schooling on this proposed site for anything less than the 2,100 houses proposed (ED109: February 2018; letter of July 10, 2015 from Herts County Council to Mr Simon Ellis, NHDC).
- 55) NHDC agrees. In a document (ED173 Paper C of 27 November 2019 “The proposed East of Luton sites”), para 23 they say: **“It is finally worth re-emphasising that a key influence on the scale of the proposed allocation East of Luton is the requirement for it to be self-sustaining in terms of education provision. This point has already been explained at length to the examination. In NHDC’s view, the contribution that this authority makes to Luton’s unmet needs will be 1,950 homes or it will be nothing.”**
- 56) It does seem that the planners and councillors from NHDC are suffering from collective amnesia by forgetting this vital piece of information! It looks as if the ORS projected OAN of 16,700 with its built-in Market Signals uplift is a non-starter.
- 57) Now we look at the ONS 2018 10-year migration variant and apply the range of OANs that arise from Market Signal downgrades, as appears more realistic in the current circumstances. This gives a range of possibilities from 9,443 – 11,214. With these figures and with Luton’s build as a **minimum of 8,500**, this gives unmet needs from 943 through to 2,714. Central Bedfordshire will be able to meet all of this reduced unmet need as per the Luton Inspector’s recommendation with its allocation of 7,350.
- 58) If we take the ONS 5-year trend with its range of OANs between 7,018 - 8,334 then in all of these scenarios the Luton plan to build a **minimum of 8,500** houses means that no unmet need will exist.
- 59) So with Luton’s house building programme in their Local Plan at the **minimum** stated of 8,500, the calculation by ORS of the OAN to be 16,700 is the **only possible number that would yield an unmet need that might potentially require houses to be built on the Green Belt around Cockernhoe. It seems possible that the**

statistics have been chosen/manipulated in order to achieve a desired pre-determined outcome, rather than producing a statistical result that is robust and from which an alternative policy has to be formulated.

60) Every other calculation shown, either using a lower ONS projection and/or applying more realistic downgraded Market Signals, results in a housing requirement in Luton that will be met by the planned build of the **minimum of 8,500** houses in the town or with a small contribution from Central Bedfordshire.

c) But what is the reality of house building in Luton?

61) But fundamentally, (as is discussed in Matter 24: The proposed East of Luton sites), Luton itself is building considerably more houses than its '**minimum**' target of 8,500.

62) By end 2021 Luton will have built 7,835 houses (ED189: November 2019 SHLAA Luton Borough Council). The projections in that document show a planned trajectory for a further 4,547 houses in the town to be built on 66 brownfield sites, through to 2031. This brings the planned total to 12,372. More will also be built on smaller windfall sites, conversion of offices to houses, and from re-instating unused houses on a systematic basis.

63) These figures are not aspirational. The planned build on each identified site per year is tabulated through to 2035 (I have taken figures only to 2031 to tie in with the Luton and NHDC Local Plan periods).

64) What impact a revised and lower OAN for Luton will mean to its own house building programme is difficult to judge, but that is immaterial to the main question here – what is the impact on the east of Luton sites? Even if Luton were to stop building by end 2021, the small unmet need of 1,465 (9,300 -7,835) will be well within the capacity of Central Bedfordshire to take up and too small for the proposed east of Luton sites due to the Herts County Council stance on problems with education provision for less than 2,150 houses.

65) At what point does NHDC take note of the actuality of Luton's house building programme? At what point does NHDC stop relying on what the Luton Local Plan says it will theoretically build and instead apply the real world situation? Is planning law such an arcane procedure that it fails to see what is actually going on rather than sticking rigidly to old, outdated and inaccurate documents?

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