

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?

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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

- 6) 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).

- 7) 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).
- 8) 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.
- 9) 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
- 10) 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).
- 11) 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.
- 12) 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.
- 13) Without a better explanation of this ORS sensitivity analysis and its workings it is impossible to present comparative alternative numbers than offered below.
- 14) 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).
- 15) 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?

- 16) 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.

- 17) 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).
- 18) 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."**
- 19) 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.
- 20) 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.
- 21) 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.
- 22) 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.**
- 23) 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?

- 24) 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.
- 25) 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.

- 26) 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).
- 27) 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.
- 28) 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?