

SUBMISSION TO THE PUBLIC INQUIRY (FURTHER HEARINGS) ON NORTH HERTS DISTRICT COUNCIL'S LOCAL PLAN FOR HOUSING 2011-2031.

COMMENTS ON **ED 191A, 191B**, SPECIFIC TO QUESTIONS POSED IN **ED194**

ED194 21.1 Of the latest new household formation projections for North Herts, produced by the Office of National Statistics (ONS), the Council quotes the Principal Projection of 6400. However *Opinion Research Services* (ORS), the agency the Council pays to produce a final figure for its Objectively Assessed Need (OAN), uses as its starting point a figure of 8638. This is the highest of the 5 'variants' produced by ONS; it incorporates a factor for inward migration based on a past 10-year period 2009 – 2019. The figures for each individual year in this period is averaged to produce a straight line graph, thereby giving the 2009 figure equal weight to the 2019 figure. The early part of the period saw record immigration from Eastern Europe, particularly Poland. This is not a reality now; the trend has been reversed, partly as a consequence of Brexit. The Principal Projection is sensitive to this and projects it as a continuing trend.

ORS does not explain why it regards the least likely variant as the most appropriate. It ignores every indicator within the current geopolitical and economic situation that the rate of inward migration will fall. Such indicators include the effects of Brexit, the likelihood of stricter border controls, the effects of the pandemic (the stasis in travel and inevitable global recession). ONS is only concerned with producing variants to reflect different possibilities; it has no interest in likelihood, nor 'political circumstances', even if there are clear political signals. By contrast, this is exactly the province of ORS – to be sensitive to current geopolitical and economic trends and explore their impact on each of the variants. Thereafter, in view of economic forecasts from Office of Budget Responsibility, a good case could even be made for adopting the lowest migration variant, let along the Principle Projection.

A complete and reputable statistical approach would fully analyse each of the variants in an impartial manner, rather than promote just one of them. This calls the agency's independence into question. The 'Standard Method' for calculating OAN states the baseline should be a consecutive 10-year trend *starting with the current year*. ORS's baseline 10-year trend starts in 2009! It is therefore invalid by the criteria of the Standard Method.

There are other constituents of ORS's 34% uplift: 1470 addition for "suppressed household formation" and 1041 for "market signals". The first might relate to singles and couples still living in the parental home who might, if the housing were available, form households of their own. The problem with this is it includes estimates of this phenomenon dating back to 2001. It therefore assumes that a suppressed household in 2001 is still suppressed in 2020. In reality, a large number of these cases are likely to have been resolved within this period. "Suppressed Households" might also apply to young single immigrants who are assumed to be waiting to house-buy with a view to starting a household. In reality, a great many of these young males are here to earn money to send home and eventually to return home themselves. A broader definition might be simply "homelessness" in which case the whole range of housing need is covered and already calculated in the ONS projections. Its inclusion as a separate category is therefore double-counting. ORS has not

previously sought an uplift by this factor, prompting the obvious question: if it was not a quantifiable problem before, why is it now?

The 10% uplift for “market signals” is a singularly perverse inclusion. It is no more than an estate agent’s pipedream. The market is in fact signalling the exact opposite of an increase with house building frozen in uncertainty and the current house buying spike predicted to be a short-lived bounce followed by a market slump. An honest assessment of “market signals” would acknowledge the inevitability of recession and admit a cut in the entire OAN by about 20%. This would be in line with the Office for Budget Responsibility’s prediction of an initial annual reduction of 20%

NHDC summarises these three ORS inclusions in ED191A para 10 . Each one is based on old data and outdated assumptions. The ONS Principal Projection factors in all three – inward migration, suppressed households and market signals – all to a realistic level and sensitive to those most recent trends which ORS ignores. Quite apart from quite unjustifiably conflating their figures with those of bygone eras, ORS is actually double-counting what the Principal Projection has already included. The Principal Projection represents the highest reasonable projection of inward migration. Arguably, this projection is still too high and the low migration variant should be used.

22.1(a) Justifying an over-high OAN by the promise of an early review of the figures is kicking the can down the road. It is an attempt to put off proper decision-making until after the new planning system (*WhitePaper: Planning for the Future*) becomes law, meaning there will be no right of public consultation and the Council can simply declare no adjustment is indicated by its review. The Council has a record of maximising its housing figures beyond need or reason and will do so again. For the sake of public trust, the figures must be finalised at this public hearing.

22.1(b) asks if the supply of sites should be reduced. If the Principal Projection of 6400 new homes were adopted, then this would of itself obviate the need for many of the strategic sites on the Green Belt, and, owing to their environmental sensitivity, these should be the first to be eliminated from the Plan. However, regardless of which OAN is deemed appropriate, ONS also supplies useful projections as to the nature and size of future households which show clearly how the number of sites can and should be reduced. They show that the true need is for smaller units in denser developments, thereby requiring less space and fewer sites. They show that nationally 64% of household growth is projected to be in the over-75 age group, reflected in the following data, specifically for North Herts, for the period 2018-28:

%change of households with 2 dependent children: -0.4

%change of households with 3 or more dependent children: -5.4

%change of households with 1 adult only: +9

%change of households with 2 adults only: +6.8

Putting these figures together, it is clear NHDC is planning for the wrong type of housing. That need is for smaller homes in denser developments close to town centre services, suitable for older people and first time buyers who may not own cars; not for 3-plus bedroomed homes on the edge of towns on the Green Belt. Too many of these remove the bottom rung of the ladder for first-time buyers and do not give the elderly opportunities to downsize.

If the Plan were modified to reflect the *actual* need, sensitive sites could be saved.

22.1(d) The buffer cannot be said to relate to new homes, the need for which is “severe and acute”. Following the precedent of *Calverton v City of Nottingham*, this is the only justification NHDC brings to bear to satisfy the requirement of “exceptional circumstances” to build on the Green Belt.

If housing is included in the Plan the need for which is not “severe and acute”, then the claim of “exceptional circumstances” is invalid.

Logically, the follow-on question cannot be avoided: do the ORS uplifts relate to “severe and acute” housing need? Emphatically they do not. They are a set of speculations based on data which is not only outdated but highly improbable as a scenario for the future. Hence 50% of the OAN cannot legally be built on the Green Belt (and the other 50% *need* not if the right size and type of household is regarded.)

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