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VALP Proposed Main Modifications Consultation

RESPONSE FORM

Responses are encouraged via the Council's online consultation system available on the website, see <https://aylesburyvaledc.jdi-consult.net/localplan>. However, this form can be returned via email to localplanconsult@aylesburyvaledc.gov.uk or in hard copy if necessary to:

Planning Policy, Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury, Bucks, HP19 8FF

The consultation runs from 12pm Tuesday 5 November until 5.15pm Tuesday 17 December

This form has two parts:

Part A - Personal Details and Part B - Your comments

PART A

1. Personal Details

Title	<input type="text" value="Mr"/>
First Name	<input type="text" value="Simon"/>
Last Name	<input type="text" value="Willis"/>
Organisation (Where relevant)	<input type="text" value="Willis Dawson"/>
Address Line 1	<input type="text"/>
Address Line 2	<input type="text"/>
Address Line 3	<input type="text"/>
Post Code	<input type="text"/>
E-mail Address	<input type="text"/>
Telephone Number	<input type="text"/>

2. Agent's Details (if applicable)

Title	<input type="text" value="Mrs"/>
First Name	<input type="text" value="Sarah"/>
Last Name	<input type="text" value="Hamilton-Foyn"/>
Organisation	<input type="text" value="Pegasus Group"/>
Address Line 1	<input type="text" value="Pegasus House"/>
Address Line 2	<input type="text" value="Querns Business Park"/>
Address Line 3	<input type="text" value="Whitworth Road, Cirencester"/>
Post Code	<input type="text" value="GL7 1RT"/>
E-mail Address	<input type="text" value="sarah.hamilton-foyn@pegasusgroup.co.uk"/>
Telephone Number	<input type="text" value="01285 641717"/>

PART B

REPRESENTATION FORM

Please Note: You do not need to return this form if you have made the same comments via the council's online system for this consultation. Duplicates will not be considered.

Please specify which Proposed Main Modification, part of the Sustainability Appraisal addendum or Habitat Regulation Assessment your comments relate to. Any representations on the content of the new evidence published alongside the Proposed Main Modifications must also relate to a specified Main Modification to the VALP or they will not be accepted. If you wish to comment on more than one Modification please use a separate form for each.

e.g. MM001

MM001

Do you support or object?

Support Object

Do you consider the Local Plan to be legally compliant?

Yes No

Do you consider the Local Plan to be sound?

Yes No

If you do NOT consider the Local Plan to be sound, please specify on what grounds:

Positively prepared Justified Effective Consistent with National Policy

Enter your full representation here:

This representation addresses MM001 and all consequent modifications including MM002, MM003, MM009, MM010, MM011, MM012, MM024 and MM025.

The Inspector published Interim Findings on August 2018 which included consideration of the objectively assessed need for housing (OAN), the housing requirement and housing supply. The Council was afforded the opportunity to respond but no other party was invited to do so. In the Inspector's Response to the Council's Reply to Discussion Document D5 (ED181), the Inspector appears to accept a housing requirement of 28,600 homes "in the absence of any comment from any other party". Whilst it is unfortunate that other parties were not provided the opportunity to inform this discussion and that this may have resulted in abortive work, it is understood that other parties are being provided this opportunity through the Main Modifications consultation. Pegasus Group therefore address the OAN, the housing requirement and the housing supply within this representation and others.

From the Interim Findings of the Inspector, it is apparent that the Inspector identified the following concerns:

- The influence of other Housing Market Areas upon Aylesbury Vale;
- The migration trends assumed by the Council;
- The market signals uplift;
- The Cam-MK-Ox Growth Arc;
- The housing requirement.

Whilst Pegasus Group maintains its objections on numerous other aspects of the identified housing need,

the following representation focusses upon some of these specific matters below.

The migration trends assumed by the Council

In paragraphs 13 and 14 of the Interim Findings, the Inspector notes that the Council has opted to use 10-year migration trends covering two periods, both of which are likely to be affected by the financial crisis.

The Inspector concludes that as a result, the projections do not include sufficient migration flows. However, the Inspector notes that there is little objective evidence before the examination upon which an alternative figure can be based including consideration of sufficient migration flows. In the absence of the necessary robust information, the Inspector, pragmatically recommends that the projections should be uplifted to encompass the insufficient migration flows and then an additional uplift applied in response to market signals. It would obviously be preferable for the detailed modelling to have been undertaken, but in the absence of the necessary evidence, this is considered an appropriate way forward.

The Council responded in ED167B identifying that the 10-year average migration flows from 2005-15 which are assumed within the HEDNA are higher than earlier periods. However, whilst the average over the period 2005-15 may have been greater than the average in preceding decades, with the exception of 2004-14 according to Figure 41 of the HEDNA, that does not mean that these migration flows have not been constrained by the financial crisis. The evidence of the Council does not address the Inspector's concern.

For example, using the data in Figure 21 of the HEDNA, it can be calculated that the population change attributable to migration change was on 1,700 persons per annum over the period 2005-15. This figure is notably greater than that achieved in any preceding 10-year period. However, if the anomalous reduction in migration changes in the period 2007-09 experienced during the depths of the financial crisis was removed from this average, there would have been an average change attributable to migration of 1,932 persons per annum. It is therefore apparent that the financial crisis has reduced the annual population change attributable to migration by circa 12%. This difference of 232 persons per annum represents 10.5% of the total average population change of 2,198 people per annum in the period 2005-15.

The full effects of the financial crisis continued for a longer period. If the migration changes which occurred during the period 2007-11 were removed from the average, this would have the effect of uplifting the projection by 19.7%.

The fact that the average across the period 2005-15 was greater than in preceding decades in no way addresses the fact that migration appears to have been reduced as a result of the financial crisis. It remains necessary to uplift the projections to address this issue. To exclude the influence of the financial crisis, in accordance with the Inspector's Interim Findings, it would therefore be necessary to uplift the population projections by at least 10.5%.

The Inspector reconfirmed this necessity in paragraph 10 of Discussion Document D5, although was not provided the necessary calculations in order to conclude that this would result in at least a 10.5% uplift.

The Council then responded in ED180 suggesting that as the Inspector had found the adjustments to the population estimates convincing in the Interim Findings, it must necessarily be the case that the Inspector had found all of the adjustments including the migration adjustments convincing. However, this is not what the Inspector had concluded. The Interim Findings identify that the Inspector was convinced by the "explanations" of the adjustments but not the adjustments themselves and the Inspector proceeds to identify that he was not fully convinced by the population projections in every

respect, including as a result of the absence of any consideration of the influence of the financial crisis.

The Council then proceeded to rehearse the same point in ED180, namely that the average migration flows over the period 2005-15 were greater than that in previous decades, notwithstanding the fact that this does not address the Inspector's concern. In this document however, the Council go further and state that "the position expressed in Discussion Document D5, that based on the general experience of the recession the trend-based migration component of the HEDNA population projection might be too low, cannot be maintained in the light of evidence." This is far from true. The average rates may be higher than in previous years, but they have been reduced as a result of the financial crisis. The evidence therefore demonstrates that it is appropriate to uplift the projections by at least 10.5%.

The uplift of at least 10.5% would uplift the projections from 17,584 to at least 19,430 dwellings.

The market signals uplift

In addition to the need for an uplift to the population projections to take account of the effect of the financial crisis, the Inspector's Interim Findings also identify that it is necessary to apply an additional market signals uplift.

The Inspector considered the comparative market signals uplift applied in other LPAs, including Eastleigh, and concluded that it was appropriate to uplift the projections by an additional 15%. The Inspector put this in context by identifying that the LPEG report had recommended an uplift of 25%.

The Council responded in ED167B identifying that the affordability ratio for Aylesbury Vale was identical for that across Eastleigh's wider HMA. The affordability figures within the original HEDNA upon which this statement rely do not accord with the official statistics, they are based on the lower quartile ratios rather than the median ratios, they have somehow been aggregated for HMAs, they present a snapshot in time and it is unclear which year they represent.

Over the plan period to date, 2013-18, the median affordability ratios have actually increased from 8.54 to 11.20 in Aylesbury Vale, an increase of 31% as compared to the change from 8.20 to 10.44 in Eastleigh which represents an increase of only 27%. Similarly, the lower quartile affordability ratios have increased from 8.54 to 11.51 in Aylesbury Vale, an increase of 35% as compared to the change from 8.75 to 11.06 in Eastleigh which represents an increase of only 26%. Therefore, the affordability ratios for average households and for lower earners is both greater and it has increased more rapidly in Aylesbury Vale than in Eastleigh. It is therefore entirely appropriate to apply a greater market signals uplift in Aylesbury Vale than in Eastleigh.

In ED167B, the Council also suggest that only four LPAs have been subject to a market signals uplift of more than 10% in the South East and that each of these are less affordable than Aylesbury Vale. The first two of these, namely Waverley and Mid Sussex were subject to market signals adjustments well in excess of the 15% recommended by the Inspector and so do not in any way suggest that 15% would be too great.

Lewes is also identified and was subject to a 13% uplift. Lewes is actually significantly more affordable than Aylesbury Vale, with a median affordability ratio of 9.91 rather than 11.20 and it has experienced significantly lower growth in the affordability ratio of +12% rather than +31%. This example, therefore supports a market signals uplift in excess of 13% in Aylesbury Vale and if anything suggests the proposed market signals uplift of 15% is conservative.

On the other hand, East Hertfordshire was subject to a 14% uplift and this LPA is both less affordable than Aylesbury Vale and has experienced greater increases in the affordability ratio. This would therefore suggest that the market signals adjustment should be slightly below 14%.

It is therefore apparent that there is unsurprisingly, inconsistency across the country, but that the market signals adjustments of other LPAs would support a market signals adjustment of the order of 14-15% in Aylesbury Vale.

The standardised method of the new NPPF requires an affordability uplift of in excess of 40% in 41 of the 67 LPAs in the South East, and an affordability uplift of in excess of 30% in an additional 18 LPAs. This demonstrates that the identified market signals adjustments of below 14% in every LPA in the South East, except for two, does not provide for the actual needs. Whilst these affordability uplifts do not form any part of the revoked national guidance which applies for the purposes of the examination, the Inspector is correct to identify these as a material consideration. The fact that the market signals adjustments in other LPAs were providing for an insufficient number of homes, would further support the identification of a market signals uplift in excess of the 14-15% identified in other LPAs, and accordingly the 15% identified by the Inspector is considered very conservative.

In Discussion Document D5, the Inspector identifies that having reviewed additional evidence, the market signals uplift should be comparable to that in Wycombe. The HEDNA recommends a market signals uplift of 20% in Wycombe. Such a market signals uplift of between 15-20% would reflect that applied in other LPAs including Lewes and take account of the fact that the market signals uplifts in other LPAs has been significantly below the need identified by the current NPPF. This is to be welcomed.

The Council then identify in paragraphs 27 to 29 of ED180A that if the approach adopted within the HEDNA was adopted consistently across England, it would only be necessary to apply an uplift of 3% in addition to 2% over the period 2012-32, to provide for 300,000 homes per annum across the country. This is somewhat misleading as the calculations are entirely dependent upon the approach of the HEDNA being adopted in every LPA nationally contrary to what has actually occurred. Numerous consultants have been employed nationally, each with their own methodology, to identify a different figure based on a different approach in each LPA.

A more reasonable comparison would be that if the 2014 based official household projections are used, as they are as a starting point in every LPA nationally under both the former and current NPPF, and the proportion of vacant and second homes identified in the Census is applied, there would be an average baseline housing need of 224,122 homes per annum nationally. This would require an average market signals uplift of 34% in every LPA to provide for 300,000 homes per annum.

It is also unclear why ED180A identifies undertakes such a convoluted calculation to establish this proposition. The average growth of the HEDNA approach over the period 2014-39 is identified but then this is confined to the shorter-term growth with an inexplicable adjustment to the base-date and then the completions to 2018 are deducted. It would be far simpler and less open to suspicion if the average national housing need identified by the HEDNA had been identified over the period 2018-32, notwithstanding the fact that this is based on the false-premise that the approach of the HEDNA is adopted consistently everywhere.

The available evidence therefore demonstrates that in order to deliver 300,000 homes per annum it is necessary to uplift the number of homes which arise from the projections by approximately 34%. This would again suggest that the market signals uplifts supported in other LPAs and the uplift of 15% recommended by the Inspector are extremely conservative and will frustrate the Government's objective.

In paragraph 46 of ED180A it is identified that Pegasus Group proposed an uplift of 10% in response to market signals. Pegasus Group did not consider the appropriate uplift within their representations other than alluding to the PAS Guidance which infers that the maximum uplift should be 10%. The uplift proposed by the Council was therefore accepted in the absence of any analysis of the material considerations. However, as identified above, it is not the case that the uplift has been limited to 10% in

other LPAs and having reviewed the material considerations, it is considered that the circumstances in this LPA would clearly justify a greater market signals adjustment.

In any event, the Council accept within ED180A that it is appropriate to apply a 15% uplift. Whilst, as outlined above, this is considered conservative, this would increase the projections (including the migration uplift) from 19,430 to 22,345 homes.

In addition to the unmet needs of 8,000 homes across the remainder of the HMA, this provides for a need of 30,345 homes in Aylesbury Vale to meet the OAN across the HMA.

The Council has correctly identified in ED167B that the appropriate terminology needs to be used when describing the various figures. In particular, the Council suggest that the unmet need does not form part of the OAN. However, paragraph 47 of the former NPPF identifies that the OAN should be met across the HMA. Therefore, in order to meet the OAN it is necessary for the unmet needs to be included in the need figure for Aylesbury Vale whether that is described as the OAN or not. In order to avoid any ambiguity, Pegasus Group refer to the figure of 22,345 (or 20,600 according to the Council) should be referred to as "the OAN of Aylesbury Vale in isolation" and the figure of 30,345 (or 28,600 according to the Council) should be referred to as "the OAN of the HMA to be met within Aylesbury Vale".

The housing requirement

The Inspector recommended in paragraph 27 of the Interim Findings that the OAN of the HMA to be met within Aylesbury Vale should be uplifted by 5.2% to allow for uncertainties and this should be included in the housing requirement.

The Council responded in ED167A suggesting that this buffer does not form part of the housing requirement. However, other Inspectors have included such a buffer within the housing requirement including in the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy examination where the Inspector uplifted the OAN by 5% to identify the housing requirement.

It is a matter of judgement for the Inspector as to whether or not the buffer should be included in the housing requirement, but the Council is wrong to suggest that the buffer absolutely does not form part of the housing requirement.

A buffer of this magnitude would normally be supported. However, in Aylesbury Vale, there are particular circumstances which indicate that it would be appropriate to plan for a greater buffer. Paragraph 33 of the NPPF identifies that policies should be reviewed at least once every five-years. Therefore, it will be necessary to review the policies of the VALP in 2025 or 2026. At this point, paragraph 60 of the NPPF identifies that the housing requirement should be informed by the standard method in addition to unmet needs. The standard method currently identifies a minimum local housing need for 1,474 homes per annum which in addition to the unmet need for 400 homes per annum results in a minimum annual need for 1,874 homes per annum or almost 37,500 over a 20 year plan period.

Similarly, as the Inspector identifies in paragraph 23 of the Interim Findings, the NIC identify that house building rates will need to double across the Growth Arc. Whilst the level of growth in each LPA will be a matter for future policy, if house building rates were to double in Aylesbury Vale from those achieved over the plan period to date, there would be a requirement to deliver 2,700 homes per annum.

It is therefore evident that house-building will need to boost significantly in Aylesbury Vale in the relatively short-term from the levels proposed in the VALP. In order to enable such a boost to be achieved, plans should be put in place now. This may necessitate a greater buffer being identified now to ensure continuity of supply to respond to the imminent significant increase.

If your representation is more than 100 words, please provide a summary under 100 words here:

The proposed housing requirement of 28,600 homes does not respond to the concerns identified by the Inspector. It is necessary, as a minimum, to increase this to 30,345 homes, although this could well be greater depending upon the market signals uplift and the inclusion of the buffer within the housing requirement.

Please specify the changes you think are needed to be made to the proposed main modification. It will be helpful if you are able to put forward your suggested revised wording of any policy or text.

All of the references to the housing requirement or objectively assessed need should be amended accordingly.

If the inspector decides further hearing sessions are needed would you wish to speak at these?

Yes No

If Yes - you wish to speak at any further hearings, please outline why you consider this to be necessary:

The proposed revised housing requirement has yet to be subject to any consultation. The issues identified in this representation are of fundamental importance to the soundness of the VALP and it is considered that all parties should be afforded the opportunity to be heard on such a critical matter.

Do you wish to be notified...

When the Inspector's report is published?

When the Vale of Aylesbury Local Plan is adopted?

**Vale of Aylesbury Local Plan: Responses should be returned to Aylesbury
Vale District Council by 5.15pm Tuesday 17 December 2019
(responses will not be accepted after this time)**