

The 2018-based household projections and Objectively Assessed Need

1. The Inspectors examining the North Hertfordshire (NHDC) and Central Bedfordshire (CBC) local plans have requested that the two authorities provide information regarding the impact of the 2018-based household projections on the assessment of Objectively Assessed Need (OAN). In their letter of 8 July 2020 (the Inspectors' letter), the Inspectors raise a number of specific questions and queries on this matter. In particular, the Inspectors' letter asks for clarity upon:
 - An assessment of the objectively assessed need based on the most up-to-date household projections;
 - Whether the Council consider the above represents a 'meaningful change' from the figures previously examined;
 - The implications of any meaningful change for the housing requirement figure in each Plan;
 - Comparative figures showing the updated (unmet) need for Luton (LBC) against those set out in their adopted Plan;
 - Whether there are implications on the need to release land from the Green Belt around Luton to address that authority's unmet need, including the demonstration of *exceptional circumstances*; and
 - The implications of the judgement in *Aireborough Neighbourhood Development Forum v Leeds City Council [2020] EWHC45 (Admin)*.
2. These issues are dealt with in turn below. All references to 'the Plan' or 'the Local Plan' in this response are to the submitted Plan (LP1) as suggested to be altered by the Proposed Main Modifications issued in November 2018 unless otherwise stated. All references to the National Planning Policy Framework (NPPF) are to the 2012 version unless otherwise stated.
3. This response by NHDC is accompanied by a Statement of Common Ground (SoCG) agreed with Central Bedfordshire and Luton. The SOCG sets out the extent of agreed matters between the authorities.
4. It can be seen from the below that the Council considers that the revised figures for North Hertfordshire do represent a 'meaningful change' and, the housing requirement should be adjusted accordingly. However, for the reasons provided, NHDC consider no change is required to its spatial strategy in relation to Luton's unmet need.
5. Alongside this response, the Council has also provided additional information on housing supply and delivery. This takes account of updated monitoring information to 1 April 2020 and the matters in this paper. The housing delivery paper explains NHDC's proposed approach to the spatial strategy for addressing the District Council's own housing needs.
6. Both papers should be read alongside one another.

Inspectors' Query 1 – Establishing an appropriate 2018-based OAN

Firstly, please can you individually, provide an assessment of the objectively assessed need for housing for both Central Bedfordshire and North Hertfordshire based on the most up-to-date household projections. This should include details of how you have arrived at each figure...

(Paragraph 4 of the Inspectors' letter)

7. The figures in this section relate to the objectively assessed need for housing in North Hertfordshire only.
8. The principal projection in the 2018-based household projections suggests an increase of approximately 6,400 households over the plan period 2011-2031. However, PPG recognises that Government population and household projections are the 'starting point' for considering this matter and it is necessary to have regard to a wide range of factors.
9. Opinion Research Services (ORS) have produced an update considering the matters requested. This is attached as Appendix 1. It identifies that an OAN for North Hertfordshire using the 2018-based projections would be **11,500** dwellings. The explanation for this revised figure is set out in the attached Appendix 1.
10. The figure of **11,500 homes over the period 2011-2031** consists of:

ONS 10-year migration trend:	8,638 households
<i>Plus</i> adjustment for suppressed household formation:	1,470 households
Total	10,108 households
Converted to dwellings	10,405 dwellings
<i>Plus</i> 10% uplift for market signals	1,041 dwellings
Total – Objectively assessed need	11,445 dwellings

11. The approach taken in this latest update is proportionate and methodologically robust. It establishes a demographic baseline using accepted inputs. It reviews factors which have influenced the 2018-based projections and makes necessary adjustments and allowances for these. It considers whether the 2018-based figures would provide an appropriate homes / jobs balances and makes a 10% adjustment for market signals. This 10% adjustment remains the same adjustment as that presented in HOU3 and considered at length as part of the original examination hearings. The Council is satisfied that the update provides a sound response to the Inspectors' queries on this matter.

Inspectors' Query 2 – Whether the matters above result in a 'meaningful change'

...Secondly, please can you advise whether or not you consider this represents a meaningful change for the purposes of the PPG and provide reasons for your conclusions. (Paragraph 4)

12. The commentary in this section relates to the objectively assessed need for housing in North Hertfordshire only.
13. The latest, 2018-based figure is lower than those previously presented to the examination. The ORS report, attached as Appendix 1, recommends that the most appropriate 2018-based OAN figure would be 11,500 homes for the period 2011-2031. This represents a reduction of 2,300 dwellings (-17%) on the 2014-based figure of 13,800 homes that supported the Plan at the point of its submission (HOU3). It is a reduction of 1,400 dwellings (-11%) on the 2016-based figures of 12,900 homes provided to the Examination in 2019 (ED171). A 2018-based OAN of 11,500 homes is a robust figure informed by the most recent projections.
14. The Council considers the 2018-based OAN figure for NHDC does represent a meaningful change for the purposes of the PPG from the OAN currently underpinning the Local Plan housing requirement.

Inspectors' Query 3 – The implications for the housing requirement

...If the latest household projections do represent a meaningful change, what are the implications for the housing requirement figures in each Plan? (Paragraph 4)

15. The commentary in this section relates to the implications for the housing requirement for North Hertfordshire's needs only. Policy SP8(a) of the Local Plan presently sets this requirement at "...at least 14,000 net new homes".
16. The figure of 14,000 net new homes includes a small uplift of 200 homes on the 2014-based OAN of 13,800 homes. The justification for this was set out in HOU1 (paragraphs 5.20 to 5.22, p.28) and explained in the Council's Matter 8 statement and relates to the way in which future needs for communal establishments (effectively care homes in Use Class C2) are reached.
17. These considerations remain valid in principle as the 2018-based household projections make the same broad statistical assumption. However, the proposed institutional population in the 2018-based household projections is around 1/3rd lower than the projections underpinning the submitted Plan. This uplift is therefore reduced to 100 homes in response.
18. Adding 100 homes to the 2018-based OAN of 11,500 would give a revised housing requirement for North Hertfordshire's own housing needs of 11,600 homes. Based upon the housing market area boundaries in HOU2 and the approach previously applied, this

would consist of 11,450 homes within the Stevenage Housing Market Area and 150 homes within that small part of the District falling within the Luton HMA.

19. These figures exclude any allowance for unmet needs from Luton which would need to be added to the housing requirement. The answers below and the accompanying paper on housing delivery and five-year supply set out the Council's proposed approach in further detail.

Inspectors' Query 4 – Updated figures for Luton

...please can you also advise what implications the latest household projections have on housing needs in Luton? (Paragraph 6)

...This should set out the need for housing which cannot be accommodated in Luton based on the adopted Luton Local Plan (2011-2031), provide comparative figures based on the most up-to-date information set out in the 2018-based projections (Paragraph 7)

20. The figures in this section relate to the objectively assessed need for housing arising from Luton Borough only. A Statement of Common Ground has been prepared with Central Bedfordshire and Luton and is attached Appendix 2.

21. The status of the Luton Local Plan, as an adopted plan, is such that the housing need identified for Luton has been independently examined and is set in the statutory Development Plan for the Borough. The Council considers, as a matter of planning judgement, that it is outside the remit of the Examinations into the plans of CBC or NHDC to formally re-examine Luton's objectively assessed need. This position is clearly supported by relevant case law¹.

22. Notwithstanding this, the Inspector should, in reaching his own conclusions on this matter, have regard to any material changes in circumstances which might affect the extent to which it is reasonable to continue to address the unmet need as set out in Luton's adopted Plan. We have therefore carried out work jointly with Central Bedfordshire and Luton to understand what the 2018 projections might mean for Luton. This is attached as Appendix 3.

23. The principal projection in the 2018-based household projections suggests an increase of 3,775 households over the plan period 2011-2031. However, PPG recognises that Government population and household projections are the 'starting point' for considering this matter and it is necessary to have regard to a wide range of factors.

24. ORS have indicatively modelled several scenarios. These suggest that, in the event Luton's OAN was formally reassessed under the provisions of the 2012 NPPF, a revised

¹ CPRE Surrey v Waverley Borough Council [2019] EWCA Civ 1826 (31 October 2019), <https://www.bailii.org/ew/cases/EWCA/Civ/2019/1826.html>

figure of approximately **16,700 homes** for the period 2011-2031 would be considered the most robust at this level of analysis.

25. The table below compares the latest figures against those supporting Luton’s adopted Plan. Using the indicative 2018-based figures from ORS, an unmet need figure of approximately 8,200 homes would be considered most robust at this level of analysis.

	Adopted Plan	2018-based indicative figures
Total OAN for Luton	17,800	16,700
Adopted housing requirement for Luton	8,500	8,500
Residual ‘unmet need’	9,300	8,200

Inspectors’ Query 5 – Implications for meeting Luton’s unmet need

...are there any implications from the 2018-based projections on the need to release land from the Green Belt around Luton? Do the exceptional circumstances, as required by paragraphs 79-86 of the 2012 Framework, exist to justify the proposed revisions to Green Belt boundaries? (Paragraph 6)

26. A Statement of Common Ground has been prepared with Central Bedfordshire and Luton and is attached Appendix 2.

27. The adopted Luton Local Plan (2011-2031) provides the most appropriate basis for considering Luton’s unmet housing needs. The Luton Local Plan was adopted in November 2017 and its OAN was subject to examination and significant scrutiny in determining the soundness of the Plan.

28. The adopted Local Plan is based on an objectively assessed housing need (OAN) for the borough of 17,800 net additional dwellings (890 per annum). The Luton Local Plan makes provision for 8,500 homes over the plan period within the administrative area. Luton, therefore, has an unmet housing need of 9,300 net additional dwellings over the plan period (465 per annum).

29. The indicative revised figures presented above do not represent a ‘meaningful change’ from those contained in the adopted Luton Plan. The most robust, indicative figure at this level of analysis, suggests a potential decrease of just 6% against the OAN underpinning the Plan. The 2018-based projections are supportive of the approach being taken to Luton’s unmet needs.

30. There is therefore no requirement, as a matter of planning judgement, to re-assess the housing needs of Luton or the approach taken in North Hertfordshire to Luton’s unmet need and there is still a requirement for the plans of both North Hertfordshire and Central Bedfordshire to meet those unmet needs. There are no new implications from the 2018-based projections on the need to release land from the Green Belt around Luton and the

exceptional circumstances, as required by paragraphs 79-86 of the 2012 Framework, continue to exist to justify the proposed revisions to Green Belt boundaries. Therefore, this recently published data should have no impact on the examination of NHDC.

Inspectors' Query 6 – Implications of Leeds case

...we would also be grateful for any comments that you wish to make on Aireborough Neighbourhood Development Forum v Leeds City Council [2020] EWHC 1461 (Admin). In particular, if there has been a meaningful change in the housing situation, what implications, if any, the judgement has for both examinations (Paragraph 8)

31. Leeds' Core Strategy was adopted in 2014 with an overall housing requirement of 70,000 homes over the plan period with the source of 66,000 of these to be identified through a subsidiary Site Allocations Plan (SAP). The Core Strategy recognised accommodating this level of development would require a review of the Green Belt.
32. By the time the Council brought forward the Leeds SAP for examination, it had also set out its intention to review the housing requirement through a selective review of the Core Strategy. This was to be based upon the Government's 'standard method' which indicated a significantly lower figure, 42,000 homes, than that which lay behind the Core Strategy.
33. Notwithstanding this, the Inspectors' report into the site allocations document concluded that *exceptional circumstances* to justify Green Belt releases existed. The adoption of the site allocations document was successfully challenged in the case referenced above.
34. The judgement (see especially paragraphs 98 to 107) makes clear that the error of law lay in the fact that the Inspectors failed to properly consider the prospective updated housing requirement and give clear reasons as to whether they did / did not affect the existence of the *exceptional circumstances* required to release land from the Green Belt.
35. There was no 'in principle' reason, as a matter of law, as to why the Plan could not proceed, or continue to demonstrate *exceptional circumstances* in the face of a prospective revised housing requirement. There was a failure to give adequate reasons.
36. Although the findings of this case are relevant, they are perhaps less pertinent in the present circumstances; the reduction in OAN for North Hertfordshire is of a less significant magnitude than in *Leeds* whilst the review of the revised household projections relevant to Luton have led to the conclusion they do not represent a 'meaningful change'.
37. However, the judgement reinforces the suggestion in paragraph 22 that the Inspectors should acknowledge the new projections and provide a clear rationale for their conclusions in any future report(s).

Conclusions

38. This supplementary paper clearly addresses the key issues raised by the Inspectors in relation to the Objectively Assessed Need for housing. In summary:

- A 2018-based OAN for the District of **11,500 homes** has been identified;
- The Council considers this 17% decrease on the 2014-based OAN of 13,800 homes for North Hertfordshire to represent a 'meaningful change';
- A revised housing requirement based upon the 2018-based OAN would be for 11,600 net new homes for North Hertfordshire's own needs;
- An indicative 2018-based figure for Luton of **16,700** homes has been identified;
- The Council considers this does not represent a 'meaningful change' from the figures in Luton's adopted Plan which have been subject to more detailed scrutiny;
- On this basis, the necessary *exceptional circumstances* required to release land from the Green Belt around Luton remain; while
- The *Leeds* case does not raise any fundamental issues of principle; rather it reinforces the need for the Inspectors to clearly grapple with any relevant material considerations on this matter and provide clear and cogent reasons for their conclusions.

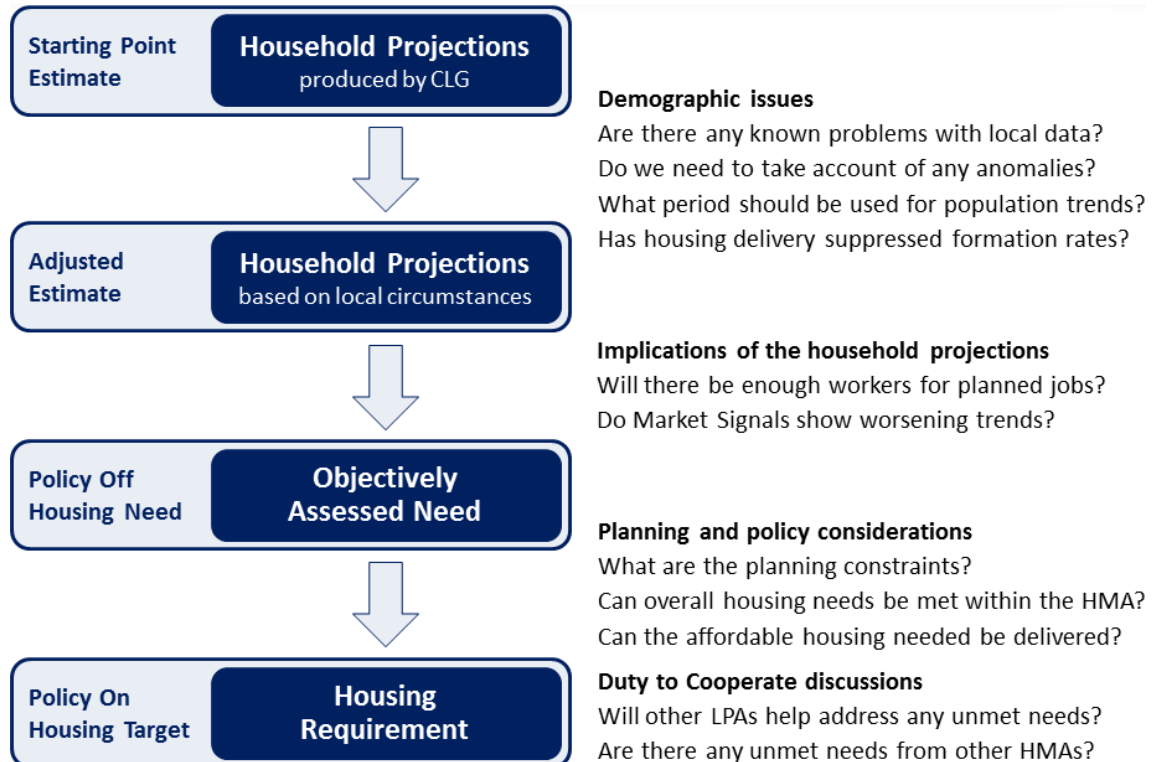
Appendix 1 – ORS analysis of 2018-based projections for North Hertfordshire

Review of the Official Projections for North Hertfordshire

Introduction

1. The Office for National Statistics (ONS) published the 2018-based sub-national population projections (SNPP) in March 2020. These formed the basis of the 2018-based household projections, published in June 2020. As the official projections provide the starting point estimate for housing need for the submitted Local Plan,¹ North Hertfordshire District Council commissioned Opinion Research Services (ORS) to consider whether the latest figures represent “a meaningful change in the housing situation”.²
2. Whilst the official projections provide the starting point estimate, it is important to recognise that there are a number of further considerations when establishing the Objectively Assessed Need (OAN) for housing. Figure 1 provides an overview of this process.

Figure 1: Process for establishing the Objectively Assessed Need for Housing (Source: ORS based on NPPF 2012 and PPG)



¹ Planning Practice Guidance (PPG) ID 2a-015-20140306

² PPG ID 2a-017-20140306

Population and Household Projections

3. Figure 2 presents the range of official population and household projections that have been published since the original SHMA was commissioned, together with the various independent projections that have been produced by ORS to inform the SHMA. These include:
- » The 2012-based projections, the starting point for the original 2015 SHMA;
 - » The 2014-based projections, the starting point for the 2016 OAN update;
 - » The 2016-based projections, considered in the Council's previous response to the Inspector; and
 - » The 2018-based projections, which have led to the Inspector's most recent questions.
4. The table sets out the key assumptions for each projection (in terms of the migration period, the rates applied for fertility and mortality and the household formation method used) together with the total population and households resident in 2011, the equivalent projections for 2031 and the net change over the 20-year Local Plan period 2011-2031.

Figure 2: Population and Household Projections for North Hertfordshire, 2011-2031 (Sources: CLG; ONS; SHMA)

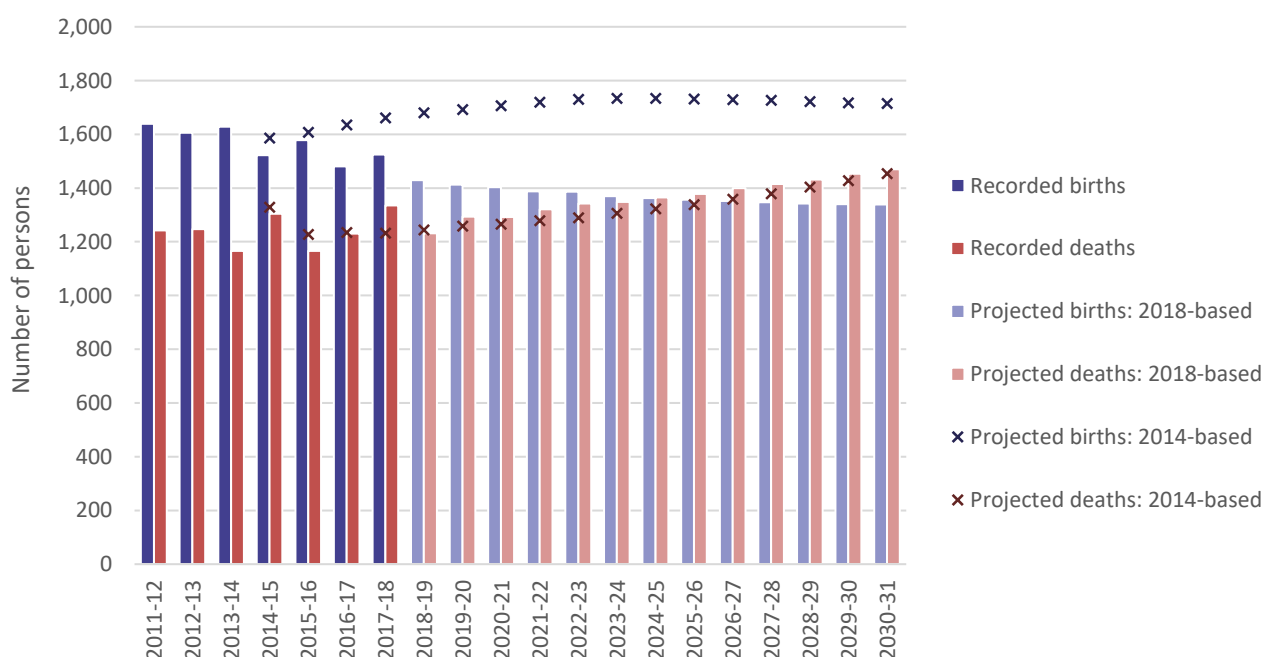
Projection	Migration Period	Fertility/ Mortality	Household Formation	Total Population			Households			
				2011	2031	2011-31	2011	2031	2011-31	
OFFICIAL PROJECTIONS										
CLG 2012-based	5-yr trend 2007-12	2012-based SNPP rates	CLG method	127,494	153,419	25,925	53,580	67,285	13,705	
CLG 2014-based	5-yr trend 2009-14	2014-based SNPP rates		127,494	154,336	26,842	53,599	67,397	13,798	
ONS 2016-based sensitivity 2	5-yr trend 2011-16	2016-based SNPP rates	ONS method	127,494	146,485	18,991	53,427	64,255	10,828	
ONS 2016-based principal scenario							53,260	63,008	9,748	
ONS 2016-based 10-yr migration							10-yr trend 2006-16	21,489	53,260	63,807
ONS 2018-based principal scenario	2-year trend 2016-18	2018-based SNPP rates	ONS method	127,494	137,085	9,591	53,260	59,653	6,393	
ONS 2018-based 5-yr migration	5-year trend 2013-18						12,962	53,260	60,693	7,433
ONS 2018-based 10-yr migration	10-yr trend 2008-18						15,515	53,260	61,898	8,638
SHMA PROJECTIONS										
SHMA Update June 2015	10-yr trend 2001-11	2012-based SNPP rates	CLG method	127,494	150,914	23,420	53,577	66,284	12,707	
OAN Update August 2016	10-yr trend 2005-15	2014-based SNPP rates					22,691	53,600	65,714	12,114
EiP Update September 2019	10-yr trend 2008-18	2016-based SNPP rates	ONS method	127,494	147,386	19,892	53,600	64,948	11,348	
							53,260	63,336	10,076	

5. It is apparent that the 2018-based projections are considerably lower than previous official projections, both in terms of the overall population and the associated number of households.
6. The 2012-based projections that formed the starting point for the 2015 SHMA identified a population of 153,419 persons by 2031 and total of 67,285 households, an increase of 13,705 households over the 20-year period 2011-31. The 2014-based projections were comparable: 154,336 persons (a difference of 0.6%) and 67,397 households (a difference of less than 0.2%) by 2031, an increase of 13,798 households over the same 20-year period (a difference of 0.7%).
7. However, both projections were based on relatively short-term migration trends (covering the 5-year periods 2007-12 and 2009-14 respectively). As migration trends tend to be cyclical (and have peaks and troughs) the SHMA projections were based on trends that covered 10-year periods, and these suggested marginally lower rates of growth than the official projections. The 2015 SHMA projected 66,284 households by 2031 with a growth of 12,707 households over the 20-year period 2011-31, 998 fewer than the 2012-based starting point; and the 2016 OAN update projected 65,714 households with a growth of 12,114 households over the same period, 1,684 fewer than the 2014-based starting point.
8. The differences between the official projections and the associated SHMA projections were due to the underlying migration trends, as they were based on the same fertility and mortality rates and the same methodology for calculating household formation. The more recent 2016-based and 2018-based projections take account of more up-to-date fertility and mortality trends and use an entirely new methodology for calculating household formation. The following analysis considers the impact of these changes.

Births and Deaths

9. Figure 3 shows the number of births and deaths recorded annually for North Hertfordshire from 2011-12 to 2017-18, together with the numbers that were projected by the ONS 2014-based official projection and the numbers currently projected by the 2018-based official projection.

Figure 3: Recorded and Projected Births and Deaths for North Hertfordshire, 2011-12 to 2030-31 (Source: ONS)



10. It is evident that the number of births has slowly reduced from around 1,600 per annum at the start of the decade to around 1,500 annually in the most recent years. The resulting fertility rates were much higher in the 2014-based projections than in the 2018-based projections, such that the 2014-based projections identified far more births than projected by the latest figures. This has a significant impact on the projected number of children and young people resident in the area, but very limited impact on the projected number of households.
11. Considering the number of deaths recorded in the area, this has been relatively stable in recent years, albeit that the number of recorded deaths was higher in 2017-18 than in previous years. The number of deaths identified by the 2014-based projections is broadly comparable with the 2018-based projections, although the latest figures are based on marginally higher mortality rates which is offset against a lower number of older residents, due to a reduction in migration.

Migration

12. Figure 4 details the number of migrants moving to and from North Hertfordshire from elsewhere in the UK and internationally over the 20-year period 2011-31.
- » Data for the 2014-based projections is based on estimated migration for the period 2011-2014 and projected migration (based on 5-year trends) for the period from 2014 onwards.
 - » Data for the 2018-based projections is based on estimated migration for the period 2011-2018 and projected migration (based on three different trends) for the period from 2018 onwards.
13. It is evident that international migration has only limited impact on population change in North Hertfordshire: the 2014-based projections identify a loss of 13 persons per year, and the 2018-based projections range from an annual loss of 10 persons up to an annual gain of 28 persons. However, domestic migration has a far greater impact: the 2014-based projections identify a gain of 962 persons per year on average, and the 2018-based projections range from an annual gain of 325 persons (based on 2-year trends) up to an annual gain of 638 persons (based on 10-year trends). It is worth noting that the rate of inward migration from elsewhere in the UK has remained relatively stable (the annual average ranging from 7,628 to 7,912 persons) and lower levels of net migration are largely as a consequence of more residents moving away from the area.

Figure 4: Recorded and Projected UK and International Migration to and from North Hertfordshire, 2011-31 (Source: ONS)

Component Flow	2014-based projections		2018-based projections					
			Principal projection		Alternative internal migration variant		10-year migration variant	
	Total 2011-31	Annual average	Total 2011-31	Annual average	Total 2011-31	Annual average	Total 2011-31	Annual average
UK Migration								
UK in	155,809	7,790	158,248	7,912	155,489	7,774	152,563	7,628
UK out	136,567	6,828	151,757	7,588	146,020	7,301	139,804	6,990
UK net	+19,242	+962	+6,491	+325	+9,469	+473	+12,759	+638
International Migration								
International in	7,332	367	7,913	396	7,913	396	8,013	401
International out	7,597	380	7,356	368	7,356	368	8,205	410
International net	-265	-13	+558	+28	+558	+28	-192	-10

Population Trends

14. Figure 5 shows the current and historic mid-year **population** estimates and Census estimates over the period since 1981. The data shows that the local authority’s population increased more rapidly over the decade 2001-11 than over the previous 20-years, but the rate of growth has slowed over more recent years with a small decline in the estimates between mid-2017 and mid-2018. This is evident in Figure 6 which shows the annual net change in population based on both current and superseded ONS mid-year population estimates, where it is evident that methodological improvements have had limited impact in North Hertfordshire.

Figure 5: Official population estimates for the period 1981-2018 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

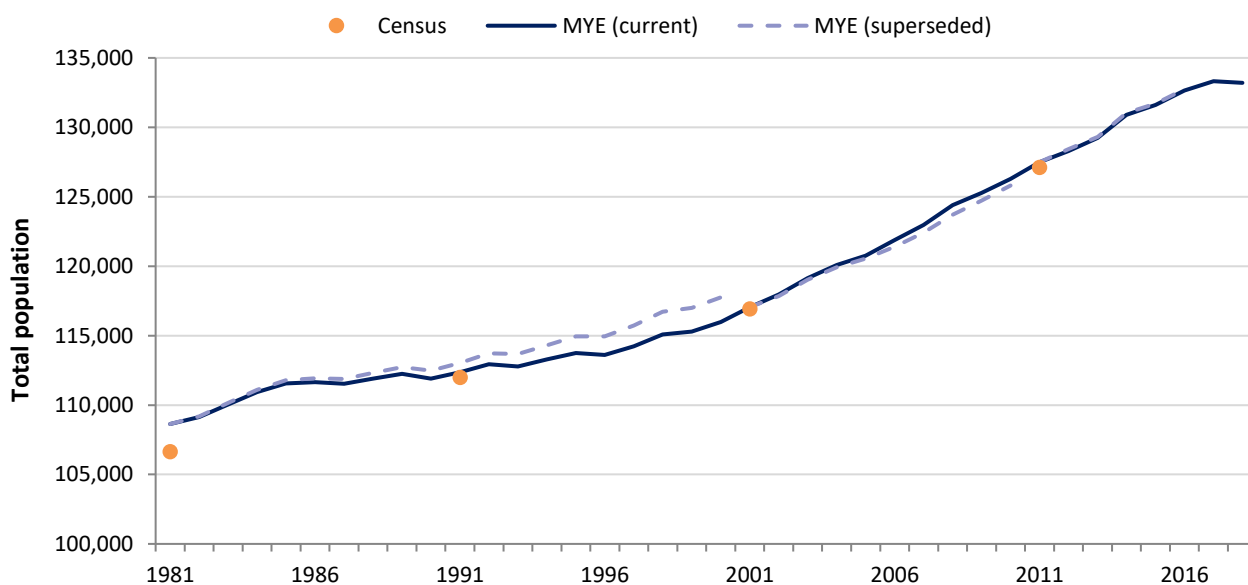
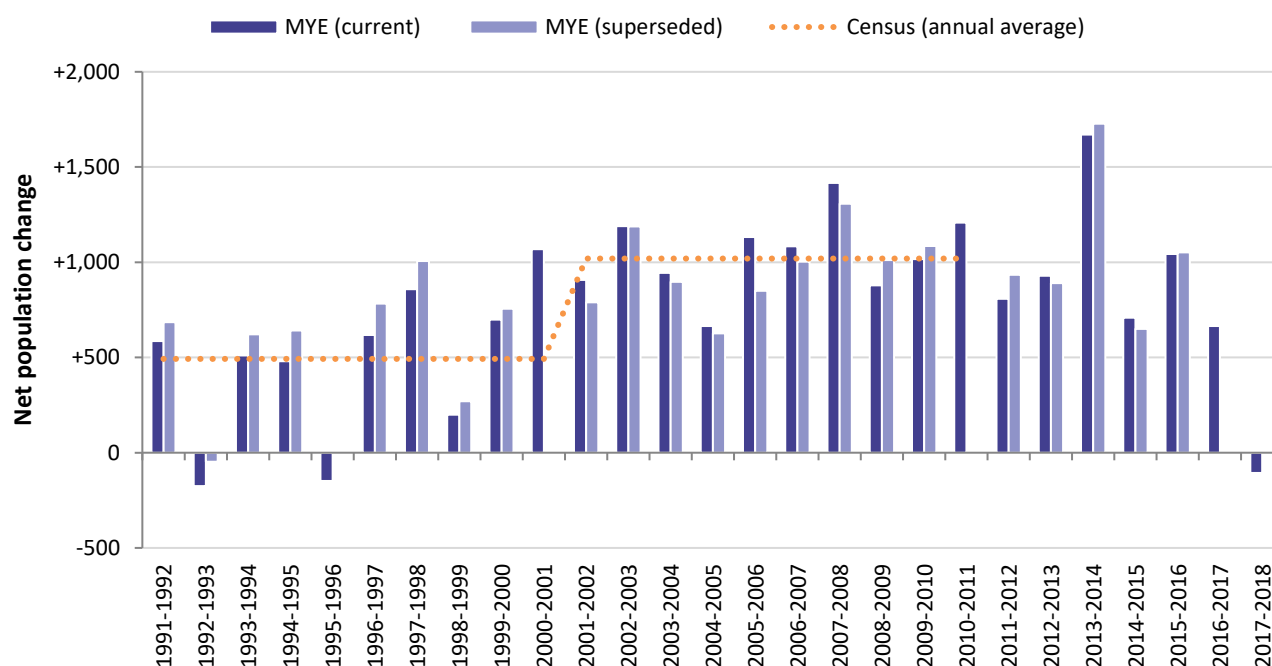


Figure 6: Annual net change in population based on official population estimates for the period 1991-2018 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



- 15. Figure 7 separates out natural change (i.e. births minus deaths) from net migration and other changes, and this clearly shows that migration forms the dominant part of the overall change the district's population.
- 16. Figure 8 shows this migration component with 2-year, 5-year and 10-year rolling averages. Whilst the 2-year average is a little less erratic than the annual figures, peaks and troughs remain evident and these tend to be smoothed to some extent by the 5-year average and almost entirely by the 10-year average.

Figure 7: Components of population change 1991-2018 (Source: ONS Mid-Year Population Estimates, revised)

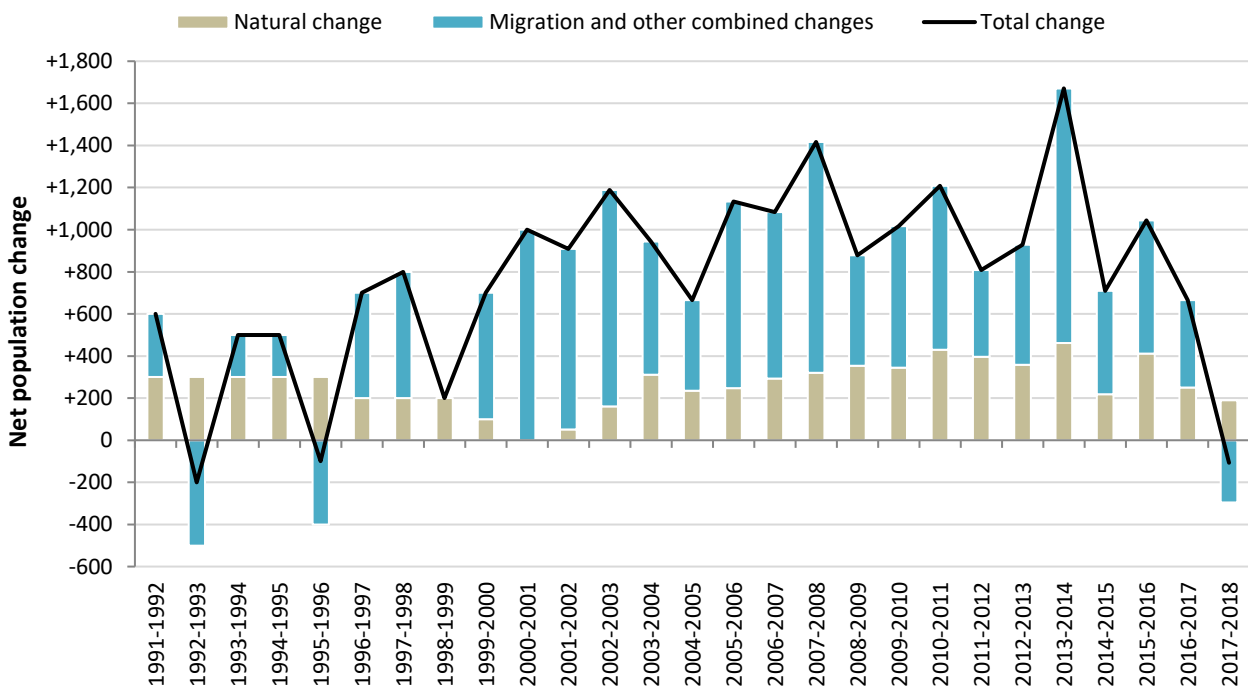
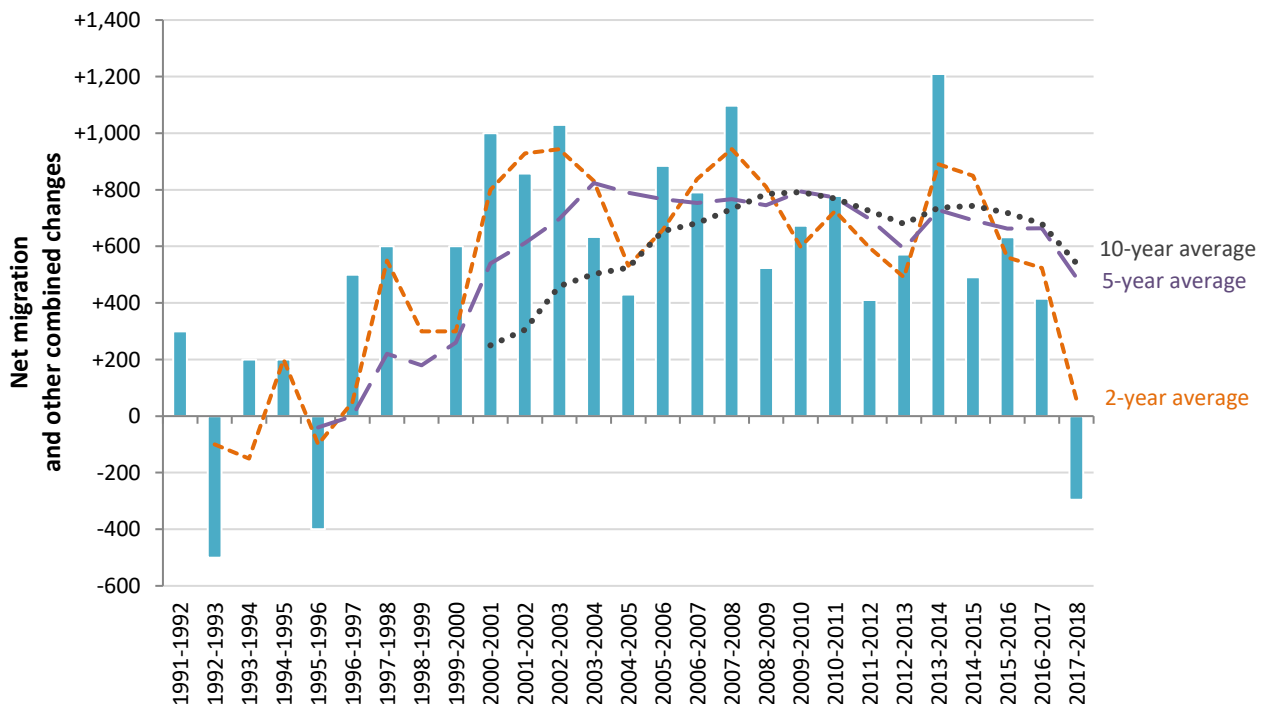


Figure 8: Annual net migration with 2-year, 5-year and 10-year averages, 1991-2018 (Source: ONS Mid-Year Population Estimates, revised)

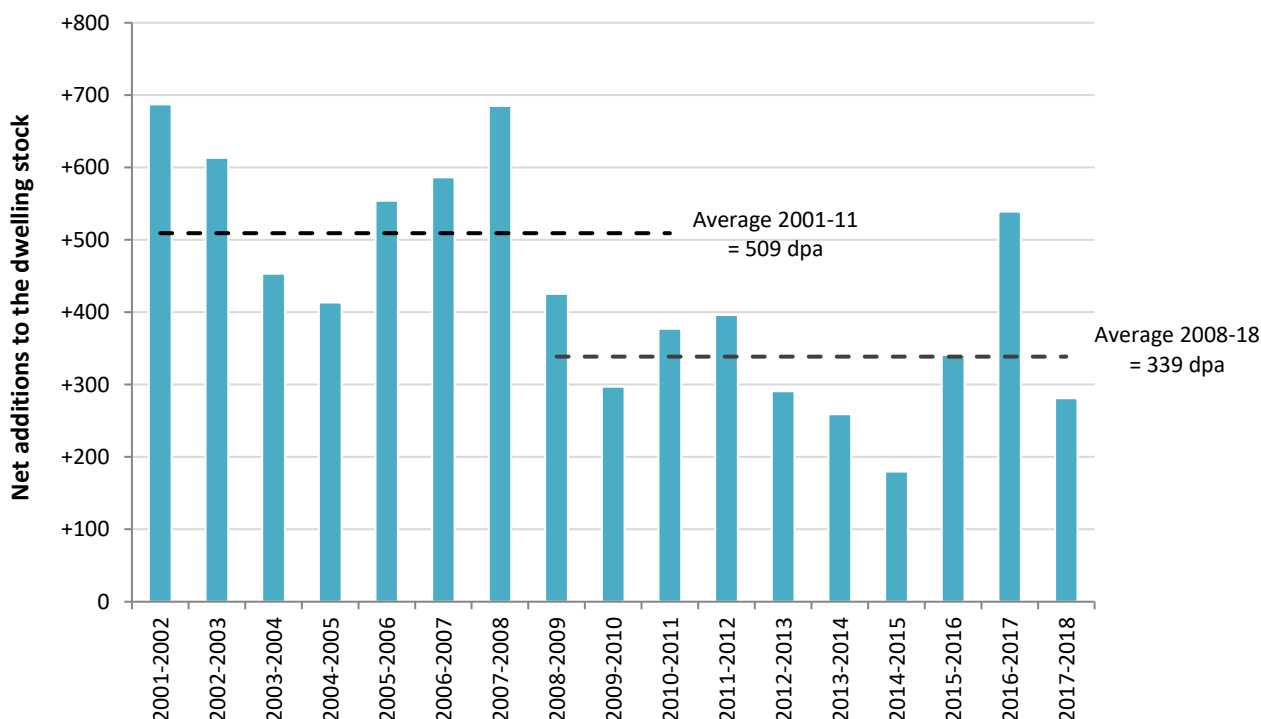


- 17. The 10-year average shows that there was a sustained growth in net migration between 2001 and 2011, from a net gain of around 300 persons annually on average over the decade ending 2001 to a net gain of almost 800 persons annually on average over the decade ending 2010. Whilst this rate showed some decline in more recent years, there was a sustained gain of between 700 and 800 persons annually on average for each 10-year period up until 2006-2016; but more recently the level has reduced, with an average of 680 per year recorded from 2007-2017 and around 540 per year recorded in the most recent 10-year period 2008-2018, around 250 persons lower than the previously sustained rates.

Net Additions to the Dwelling Stock

- 18. Whilst migration is cyclic and subject to peaks and troughs from year-to-year, the rate of net migration is influenced by the availability of housing. An area that is providing significant numbers of additional homes will see a larger number of people moving to live in the area (and/or fewer moving away) than an area where there is only a limited supply of new housing available.
- 19. Figure 9 shows the net additions to the dwelling stock each year based on the published Government figures. It is evident that the number of additional dwellings that were provided over the decade ending 2011 averaged around 170 dwellings more than the most recent 10-year period 2008-2018 (509 cf. 339 dpa). It is likely that this lower rate of housing supply accounts for the reduction in the annual net migration trends, which would need to be considered when establishing the OAN.

Figure 9: Annual net additions to the dwelling stock 2001-2018 (Source: MHCLG Live Tables 122)



Projected Population by Age

20. Figure 10 compares the 2014-based official projection with the 2018-based principal projection for 2031 by 5-year age band, and Figure 11 shows the data together with the variant projections by broad age bands.

Figure 10: North Hertfordshire Projected Population for 2031 by 5-year age band (Source: ONS)

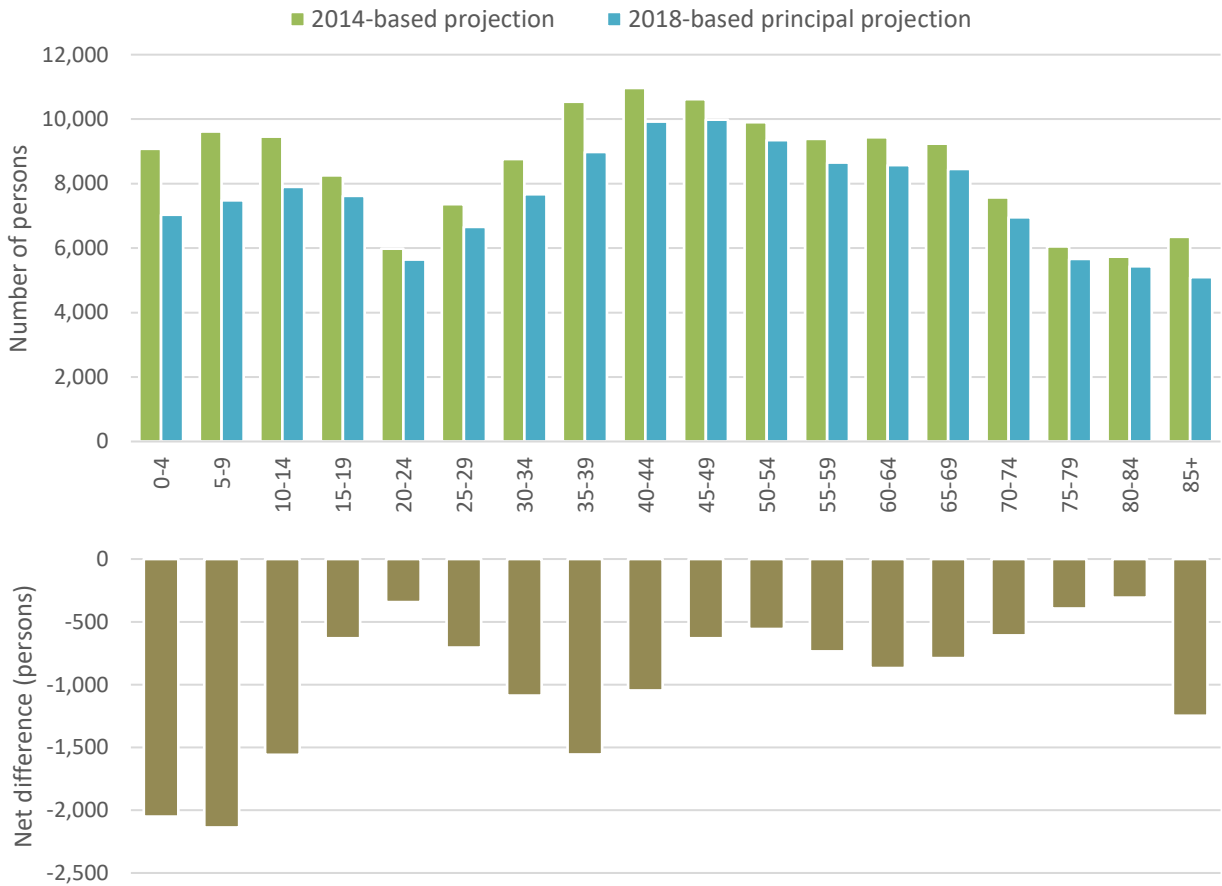
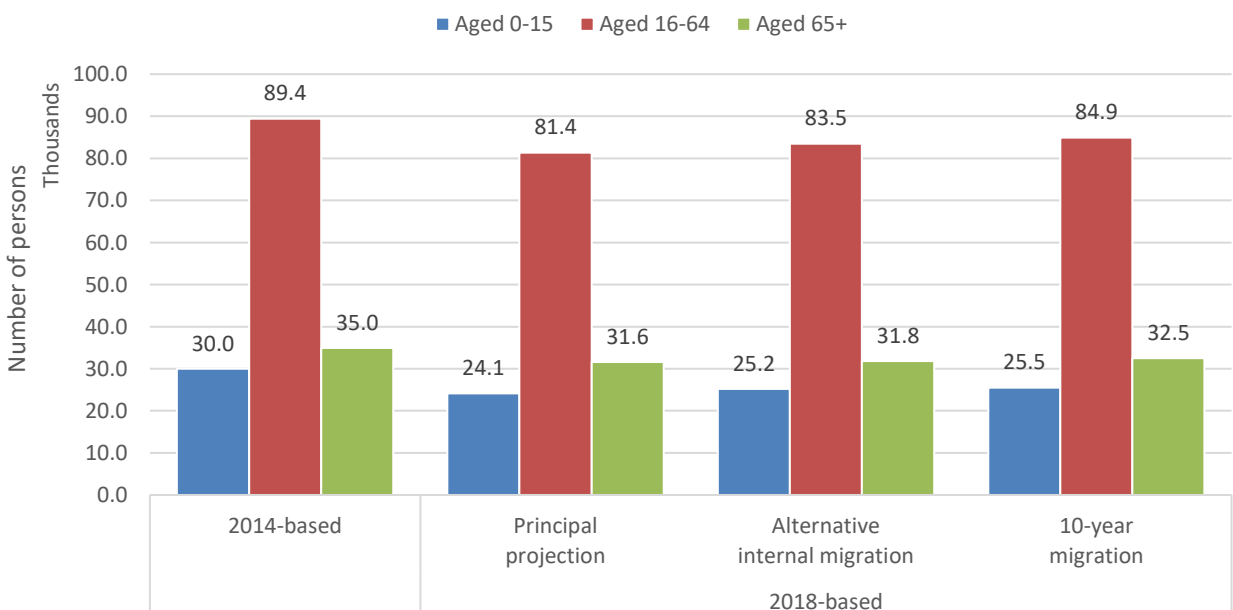


Figure 11: North Hertfordshire Projected Population for 2031 by broad age band (Source: ONS)

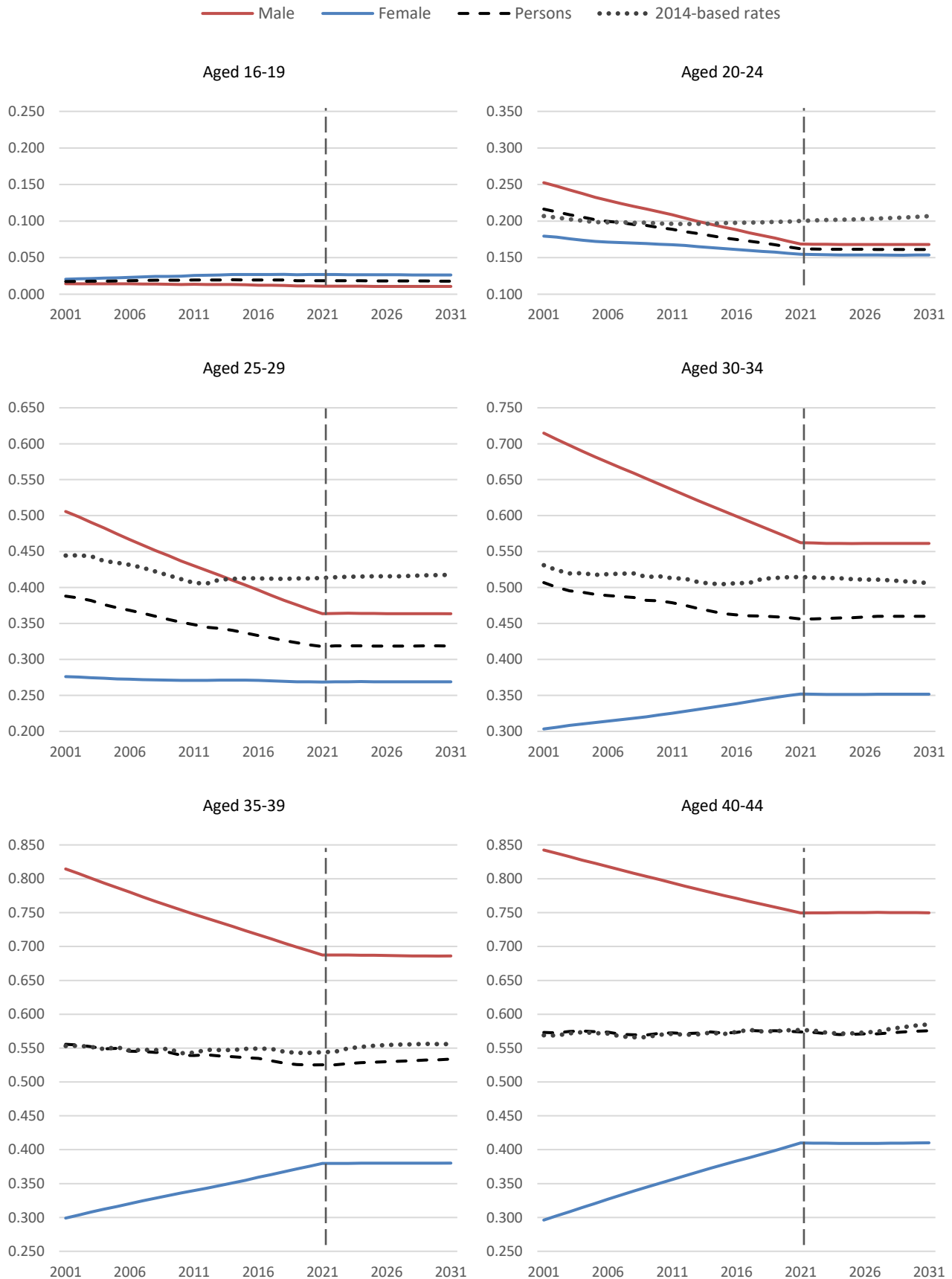


21. It is evident that the changes to fertility rates have led to a significant reduction of children aged under 16 that are projected to be resident by 2031. Whilst the 2014-based projection showed around 30,000 children, the 2018-based projections show between 24,100 and 25,500 children which represents a reduction of 15-20%.
22. The lower migration trends account for most of the changes to the adult population, with the projected number of residents aged 16-64 ranging from 81,400 to 84,900 persons based on the latest figures compared to 89,400 persons projected by the 2014-based data. This represents between 4,500 and 8,000 fewer residents in this age group, a reduction of 5-9%. There is also a reduction of older people aged 65 or over, with the latest data ranging from 31,600 to 32,500 persons, between 2,500 and 3,400 fewer than previously projected which represents a reduction of 7-10% in this age group.
23. The reduction in working aged population is particularly relevant to the OAN, given the need to ensure alignment between future jobs and workers. Whilst not all residents aged 16-64 will be economically active, many will be working or actively seeking work and any change to this population will impact on the number of workers available.
24. The 2015 SHMA concluded that there was a surplus of 2,700 workers across the Stevenage and North Herts combined area (para 3.35). That analysis was based on the 2015 SHMA projections, which identified a total of 87,200 residents aged 16-64 for North Hertfordshire in 2031.
25. Given this context, it is likely that the 2018-based principal projection which identifies 81,400 persons aged 16-64 (a population that is 5,800 lower than the SHMA) would lead to a shortfall of workers; and the 10-year migration variant projection which identifies 84,900 persons aged 16-64 (2,300 lower than the SHMA) could be marginal in ensuring sufficient workers would be available for the planned jobs across the housing market area.

Household Formation

26. As previously noted, the ONS introduced an entirely new methodology for calculating household formation when they took responsibility for the 2016-based household projections. Both the new ONS method and the previous CLG method for establishing household formation are based on the probability of individuals being household representatives (the statistical “head of household”), with past estimates based on Census data for individual age/gender groups in each area. Whilst the previous CLG household formation method used Census data covering the period 1971 to 2011 to establish the trends (see the 2015 SHMA paras 2.64-2.72), and therefore recent changes (such as the reduction in young households being able to form in some areas) had only limited impact. However, the new ONS household formation method only uses data from the 2001 and 2011 Census – assuming that these trends will continue up until 2021 with rates then held constant from 2021 onwards – so recent changes are likely to have a more significant impact on the projection.
27. Figure 12 shows the male and female household representative rates by age group for North Hertfordshire from the 2018-based household projections, and how these are projected to change over time. It is clear that the rate is projected to decline for males in all age groups under 45 and for females in all age groups under 30. The charts also show a combined rate for all persons for the 2018-based projections, and the equivalent combined rate for the 2014-based projections. The 2018-based projections identify that the overall rate is projected to decline across all age groups under 40 and remain stable for those aged 40-44. In contrast, the 2014-based projections generally showed no change in the overall rate (or a small increase) across all age groups over the period 2011-2031.

Figure 12: Household representative rates from the ONS 2018-based household projections by age and gender, 2001-2031 and from the CLG 2014-based household projections by age (Source: ONS; CLG)



28. Equivalent rates identified by earlier household projections (albeit based on a different definition) had been increasing for younger age groups throughout the 1990s – so it is argued that if more housing had been delivered over the 10-year period 2001-2011 at a price that was sufficiently affordable for local residents, more young people would have been able to form new households and the household representative rates would not have declined.
29. Figure 13 sets out the change in household representative rates between the Census years in 2001 and 2011 by age group and gender. The number of households is calculated by multiplying these rates with the household populations by age and gender. This shows that had the rates not declined over this period, an additional 797 households would have formed in the area.

Figure 13: Impact of declining household representative rates over the period 2001-2011 (Source: ONS)

		Household representative rate		Change 2001-11	Impact on household total for 2011
		2001	2011		
MALE	Aged 16-19	0.0144	0.0136	-0.0008	-2
	Aged 20-24	0.2525	0.2088	-0.0437	-136
	Aged 25-29	0.5058	0.4303	-0.0755	-278
	Aged 30-34	0.7148	0.6362	-0.0786	-321
	Aged 35-39	0.8146	0.7476	-0.0669	-303
	Total	-	-	-	-1,040
FEMALE	Aged 16-19	0.0205	0.0256	+0.0051	+14
	Aged 20-24	0.1794	0.1678	-0.0116	-34
	Aged 25-29	0.2761	0.2709	-0.0052	-20
	Aged 30-34	0.3034	0.3252	+0.0219	+91
	Aged 35-39	0.2990	0.3395	+0.0405	+192
	Total	-	-	-	+248
OVERALL TOTAL		-	-	-	-797

30. Through undertaking a similar analysis for the population in 2031 using the 10-year migration variant scenario from the 2018-based projections, we can establish that there would have been a further 673 household formations had the household representative rates remained at the levels recorded in 2001.
31. Taking account of the 797 additional households in 2011 and the further 673 households that would have formed between 2011-31 would suggest a need to make an allowance for at least 1,470 households over and above the identified household growth in order to properly allow for suppressed household formation that is likely to have been introduced within the 2018-based household projections. This is notably higher than the 309 concealed families and homeless households that was allowed for by the 2015 SHMA and the 2016 OAN Update, albeit that this did form part of the larger market signals uplift.

Establishing Objectively Assessed Need

32. Figure 14 identifies the various stages that the SHMA methodology adopted to translate the projected household growth into the OAN. The SHMA analysis took projected household growth (column 2), applied a vacancy rate to derive a dwelling number (“household projection-based housing need” – column 3), and then added a 10% market signals uplift to establish the OAN for the period 2011-31. The table identifies the OAN resulting from each of the different projections following the consistent application of the SHMA approach.

Figure 14: Summary of OAN based on the range of available Household Projections

Projection	Population change 2011-31	Household growth 2011-31	Household projection-based housing need	10% market signals uplift	Objectively Assessed Need	
OFFICIAL PROJECTIONS						
CLG 2012	25,925	13,705	14,107	1,411	15,518	
CLG 2014	26,842	13,798	14,203	1,420	15,623	
ONS 2016 sensitivity 2	18,991	10,828	11,146	1,115	12,261	
ONS 2016 principal scenario	18,991	9,748	10,034	1,003	11,037	
ONS 2016 10-yr migration	21,489	10,547	10,857	1,086	11,943	
ONS 2018 principal scenario	9,591	6,393	6,581	658	7,239	
ONS 2018 5-yr migration	12,962	7,433	7,651	765	8,416	
ONS 2018 10-yr migration	15,515	8,638	8,892	889	9,781	
SHMA PROJECTIONS						
SHMA Update June 2015	23,420	12,707	13,080	1,308	14,388	
OAN Update August 2016	22,691	12,114	12,470	1,247	13,717	
EiP Update Sept 2019	CLG method	19,892	11,348	11,681	1,168	12,849
	ONS method	19,892	10,076	10,372	1,037	11,409

33. The latest official projections (the ONS 2018-based projection principal scenario, using 2-year migration trends and the new ONS methodology for establishing household formation) suggest an OAN of 7,239 dwellings; but this increases to 8,416 dwellings when 5-year trends are applied for internal migration and 9,781 dwellings when 10-year migration trends are applied. However, the new ONS method projects far fewer household formations than when the previous CLG method is applied to the same population and therefore a larger uplift in response to market signals would be necessary.
34. The earlier analysis suggested that an allowance of at least 1,470 households would be needed over and above the identified household growth to allow for suppressed household formation introduced within the 2018-based household projections. On this basis, a 10% market signals uplift to the 10-year migration variant (equivalent to an additional 889 dwellings) would no longer be sufficient, as an uplift of at least 17% would be needed to address the reductions within the headship rates.
35. Furthermore, the analysis also identified that 10-year migration trends had reduced, but that this coincided with a reduction in housing delivery. PPG sets out that assessments “*need to reflect the consequences of past under delivery of housing*” [ID 2a-015-20140306] which affect household formation (as considered above) and which also have consequences for migration trends.
36. The 2015 SHMA concluded an OAN of 720 dpa and the 2016 OAN Update concluded an OAN of 690 dpa, which were both higher than the delivery of 509 dpa that was achieved on average from 2001-11 (Figure 9). This increase was partly necessary to address the reduced rates of household formation experienced over

- that decade, which the latest ONS data suggests to be around 797 households (Figure 13). However, housing supply over the 10-year period 2008-18 reduced to 339 dpa on average, which has led to lower net migration (Figure 8) and household formation trends continuing to decline (Figure 12).
37. Whilst it is evident that the latest projections suggest a lower level of household growth than was identified by the 2015 SHMA, the 2016 OAN Update, and the 2016-based official projections, the need to take account of past under delivery of housing means that it would be inappropriate to conclude that the OAN figure had also reduced by an equivalent amount.
 38. Considering the 2018-based projections, we would not consider either the principal scenario (where internal migration is based on 2-year trends) or the “alternative internal migration variant” (based on 5-year trends) to provide an appropriate basis for establishing the OAN as both are based on short-term trends in migration. Furthermore, it is unlikely that either of these scenarios would provide sufficient workers to align with the planned jobs growth. Of those scenarios available, we would only consider the 10-year migration variant providing a suitable starting point for the OAN figure – a growth of 8,638 households which yields a household projection-based housing need of 8,892 dwellings.
 39. As this projection is based on the new ONS household formation method, it is necessary to make a specific adjustment for suppressed household formation – a total of 1,470 households, comprised of 797 households at the start of the plan period and a further 673 households that would have formed between 2011-31 but who have not been captured due to the suppressed trends within the projection. Allowing for these additional households would increase the trend-based growth of 8,638 households to an increase of 10,108 households overall, equivalent to a housing need of 10,405 dwellings.
 40. It would still be necessary to make an appropriate adjustment in response to market signals, which would also help to offset the reduced levels of net migration within the household projections. The 2015 SHMA, the 2016 OAN Update and the response to the ONS 2016-based projections consistently applied a 10% uplift to the household projection-based housing need using the previous CLG household formation method. Applying a 10% uplift to the household growth identified by the ONS 2018-based projections together with the adjustment for suppressed household formation would yield an uplift of 1,041 dwellings with an overall housing need of 11,445 dwellings.
 41. **On this basis, taking account of the latest demographic trends from the ONS 2018-based projections, a Full Objectively Assessed Need for housing in North Hertfordshire would be 11,500 dwellings over the 20-year period 2011-2031.** Whilst this is lower than the previously identified OAN for the period, it reflects the substantial reduction to the projected household growth whilst remaining 33% higher than the preferred scenario from the ONS 2018-based projections (the 10-year migration variant) and 80% higher than their principal scenario.
 42. Whilst we have not undertaken any further analysis of the required housing mix, it is unlikely that the number of affordable homes needed will have changed very much – for typically the need for affordable housing tends to be driven by local need more than by migration. Therefore, a reduction in overall housing need is likely to have increased the percentage of affordable housing need and it will be important for the Council to continue to maximise the number of affordable homes that are delivered over the 20-year Local Plan period.



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**Appendix 2 – Statement of Common Ground between Central Bedfordshire, Luton
and North Hertfordshire Councils**

**Statement of Common Ground
agreed between
North Hertfordshire District Council,
Central Bedfordshire Council and Luton Borough Council**

July 2020

Purpose

1. This Statement of Common Ground (SoCG) has been agreed between Central Bedfordshire Council, North Hertfordshire District Council and Luton Borough Council in relation to the North Hertfordshire and Central Bedfordshire Local Plan Examinations.
2. It has been prepared in response to a joint letter (dated 8 July 2020) written to both Central Bedfordshire and North Hertfordshire Council's, from their respective Inspectors, concerning the 2018 Household Projections and Luton's unmet need, which seeks the preparation of a SoCG at paragraph 7.
3. CBC and NHDC have also individually provided further views on these figures, and the questions raised, in their own responses to this letter, in relation to their respective Examinations.

2018 Household Projections

4. The Luton Local Plan (2011-2031) was adopted in November 2017. It is based on an objectively assessed housing need (OAN) for the borough of 17,800 net additional dwellings (890 per annum). The Luton Local Plan makes provision for 8,500 homes over the plan period within the administrative area. Luton, therefore, has an unmet housing need of 9,300 net additional dwellings over the plan period (465 per annum).
5. The status of the Luton Local Plan, as an adopted plan, is such that the housing need identified for Luton has been independently examined and is set in the statutory Development Plan for the Borough.
6. However, ORS, as requested by all three authorities, have indicatively modelled several scenarios. These suggest that, in the event Luton's OAN was formally reassessed under the provisions of the 2012 NPPF, a revised figure of approximately 16,700 homes is the most robust figure at this level of analysis and based on the methodology previously accepted by the Inspector examining the Luton Local Plan.
7. CBC, NHDC and LBC are all agreed that the indicative revised figures which represent a 6% difference do not represent a 'meaningful change' from those contained in the adopted Plan.

Signed on behalf of Central Bedfordshire Council


Name: **Councillor Kevin Collins**

Signature: 

Date: 05.08.2020

Signed on behalf of North Hertfordshire District Council

Name: Councillor Paul Clark

Signature: 

Date 05.08.2020

Signed on behalf of Luton Borough Council

Name: Councillor P. Castleman

Signature: 

Date: 05.08.2020

Appendix 3 – ORS analysis of 2018-based projections for Luton

Review of the Luton Population and Household Projections

1. The Office for National Statistics (ONS) published the 2018-based sub-national population projections (SNPP) in March 2020. These formed the basis of the 2018-based household projections, published in June 2020.
2. The official projections provided the starting point estimate for housing need in the context of the original National Planning Policy Framework (NPPF) and associated Planning Practice Guidance (PPG),¹ and given that the local plans for Central Bedfordshire and North Hertfordshire are being examined under the original NPPF and both Plans provide for Luton's unmet need, Luton Borough Council, Central Bedfordshire Council and North Hertfordshire District Council have jointly commissioned Opinion Research Services (ORS) to consider if the latest figures represent "a meaningful change in the housing situation" [ID 2a-017-20140306].
3. Figure 1 presents the range of official population and household projections that have been published since the original SHMA was commissioned, together with the independent projections produced by ORS that have informed the SHMA analysis. The table sets out the key assumptions for each projection (in terms of the migration period, the rates applied for fertility and mortality and the household formation method used) together with the change in population and households resident over the 20-year period covered by the Luton Local Plan (2011-2031) and the associated housing need prior to any market signals uplift, and with uplifts of 10% and 20% applied.

Figure 1: Population and Household Projections for Luton, 2011-2031 (Sources: CLG; ONS; SHMA)

Projection		Migration Period	Fertility/ Mortality	Household Formation	Change 2011-31		Housing Need			
					Pop	HH	No uplift	10% uplift	20% uplift	
CLG 2012-based		5-yr trend 2007-12	2012-based SNPP rates	CLG method	45,111	21,682	22,306	24,537	26,767	
2015 SHMA		10-yr trend 2001-11			30,576	14,349	14,762	16,238	17,714	
CLG 2014-based		5-yr trend 2009-14			2014-based SNPP rates	48,979	23,336	23,965	26,361	28,758
2017 SHMA		10-yr trend 2005-15				43,813	16,651	17,100	18,810	20,520
ONS 2016-based	Sensitivity analysis 2	5-yr trend 2011-16	2016-based SNPP rates	ONS method	34,154	19,110	19,625	21,587	23,550	
	Principal scenario					13,776	14,147	15,562	16,977	
	10-yr migration variant	10-yr trend 2006-16			35,341	13,624	13,991	15,390	16,789	
ONS 2018-based	Principal scenario	2-year trend 2016-18	2018-based SNPP rates	ONS method	1,077	3,775	3,877	4,264	4,652	
	Alt. internal migration variant	5-year trend 2013-18			17,558	8,543	8,773	9,651	10,528	
	10-yr migration variant	10-yr trend 2008-18			26,815	11,494	11,804	12,984	14,164	

¹ Planning Practice Guidance (PPG) ID 2a-015-20140306

4. It is apparent that the ONS 2018-based projections are considerably lower than previous official projections, with the principal projection showing a growth of only 3,775 households over the 20-year period 2011-2031 equivalent to an average of 189 per year. This contrasts with the CLG 2012-based projections (the starting point for the 2015 SHMA, which informed the Luton Local Plan) which showed a growth of 21,682 households over the same 20-year period (an average of 1,084 per year) and the CLG 2014-based projections which showed yet higher growth of 23,336 households (1,167 per year).
5. However, all of these projections are based on relatively short-term migration trends: the 2012-based and 2014-based projections covering the 5-year periods 2007-12 and 2009-14 respectively, and the 2018-based projections covering the 2-year period 2016-18. As migration trends tend to be cyclical (and often have peaks and troughs) the SHMA projections were based on trends that covered 10-year periods. At the time that the SHMA analysis was prepared, these suggested lower rates of growth than the official projections. Whilst the 2012-based projections identified a growth of 21,682 households, the 2015 SHMA projections identified a growth of 14,349 households – a figure that was around one third (33.8%) lower than the starting point.
6. The official household projections that were published by CLG did not provide any migration sensitivity tests; however, the more recent ONS figures provide variants based on a number of scenarios, which include an analysis based on 10-year migration trends. This scenario shows a growth of 11,494 households for Luton, which is only 2,855 households fewer than identified by the 2015 SHMA projections based on 10-year trends (14,349 households); a reduction of less than a fifth (19.8%). This contrasts with the 17,907 household difference between the 2012-based starting point (21,682 households) and the 2018-based principal scenario (3,775 households); a reduction of more than four-fifths (82.6%).
7. The Luton projections exemplify why it is right to focus on longer-term migration trends (as was argued by the SHMA and endorsed by the Inspector that examined the Luton Local Plan) and not rely uncritically on the starting point figures. It would have been wrong to rely on the CLG 2012-based projection, as it was unduly high; and it would be equally wrong to rely on the ONS 2018-based principal projection, as it is unduly low. Given this context, when considering the latest official projections, it is appropriate to focus on the 10-year migration variant to determine if these figures represent a “*a meaningful change*”.
8. On balance, it would probably be reasonable to conclude that a reduction of a fifth was a meaningful change if the figures had been derived on an otherwise like-for-like basis. However, changes that the ONS introduced for establishing household formation when they took responsibility for the producing the 2016-based figures have had a significant impact in Luton.
9. Using the new ONS household formation method, the 2016-based projection identified a growth of 13,776 households; but “sensitivity analysis 2” showed that the same population projections would result in a growth of 19,110 households if the previous CLG household formation method had been applied. Therefore, the methodological change that was introduced for calculating household formation resulted in 5,334 fewer households. On this basis, we can conclude that the 2018-based household projections are not directly comparable with the projections that were produced by the SHMA, given the impact of the different household formation calculations.

Household Formation

10. As previously noted, the ONS introduced an entirely new methodology for calculating household formation when they took responsibility for the 2016-based household projections. Whilst the previous CLG household formation method used Census data covering the period 1971 to 2011 (see the Luton & Central Bedfordshire SHMA Refresh 2015, paras 2.87-2.94) the new ONS household formation method only uses data from the 2001 and 2011 Census. Consequently, recent trends (such as the reduction in young households being able to form in some areas) can have a significant impact on the future projection.
11. Furthermore, the 2001 Census had a particularly low response rate in Luton which led to a likely under-enumeration of the population for this area (see the SHMA Refresh 2015, paras 2.20-2.24). Whilst this had an impact on migration trends, it would also affect household formation.
12. The methodology for establishing household formation is based on the probability of individuals being household representatives (the statistical “head of household”). This is based on dividing the total number of persons in the household population within each age/gender group with the total number of household representatives within that same group. If the total number of persons is underestimated, then this would lead to the household representative rate (i.e. the probability of individuals being household representatives) being overestimated.
13. Since the household representative rates calculated based on 2001 Census data formed only one of the five Census data points in the trends used to inform the previous CLG household formation method, the impact of any error in the 2001 Census would only have had limited impact. However, as the 2001 Census data forms one of only two Census data points in the trends used to inform the new ONS household formation method, any errors in that data would have a substantial impact on the resulting projections.
14. Figure 2 shows the male and female household representative rates by age group for Luton from the 2018-based household projections, and how these are projected to change over time. The new ONS method assumes that the trends observed between the 2001 and 2011 Census will continue up until 2021, and then holds the rates constant from 2021 onwards. The charts also show a combined rate for all persons for the 2018-based projections, but this is only illustrative as the household projections are based on the separate male and female data.
15. It is clear that the overall rates declined across all 5-year age bands for those aged under 40 over the 10-year period 2001 to 2011, with similar reductions evident for those aged between 60 and 79. Since the projections are trend-based, the rates for each of these 5-year age bands are projected to continue declining until 2021, at which point they are held constant.
16. Figure 3 compares the combined rates by age group for Luton from the 2018-based household projections with the previous CLG 2014-based projections. Once again, this is illustrative given that the previous CLG method divided each age band into six groups, with separate male and female rates established for those (i) currently living as a couple (either married or cohabiting); (ii) previously married but now separated, divorced or widowed; and (iii) single people who have never been married.
17. It is apparent that the new ONS household formation method is based on lower household representative rates than were projected by the previous CLG method across all age groups aged under 45 and also for those aged between 60 and 74. As a consequence of these lower rates, there is less probability of individuals being counted as household representatives which results in fewer households overall; so the ONS 2018-based projections are more likely to result in suppressed household formation.

Figure 2: ONS 2018-based Household Representative Rates for Luton by age and gender, 2001-2031

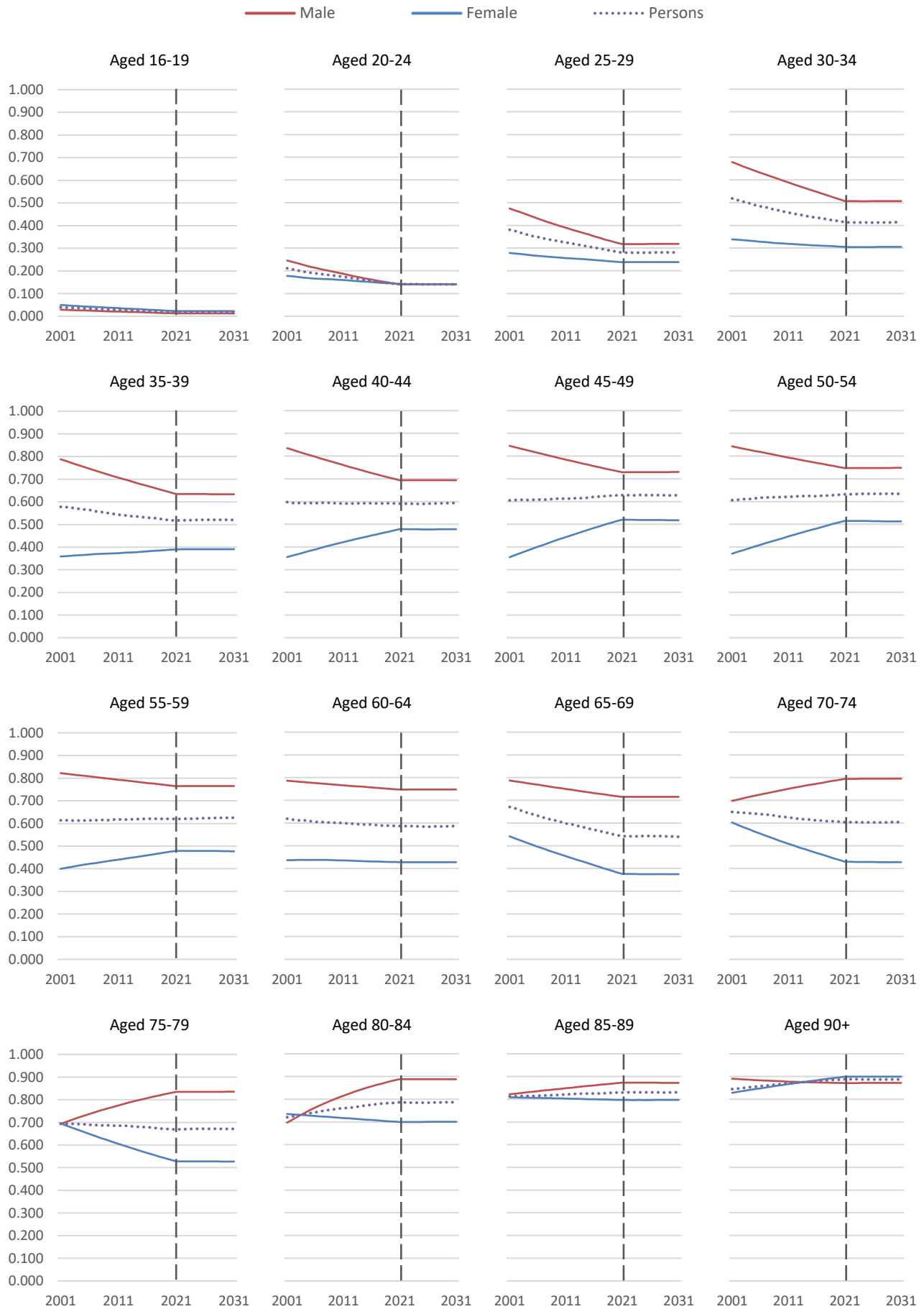
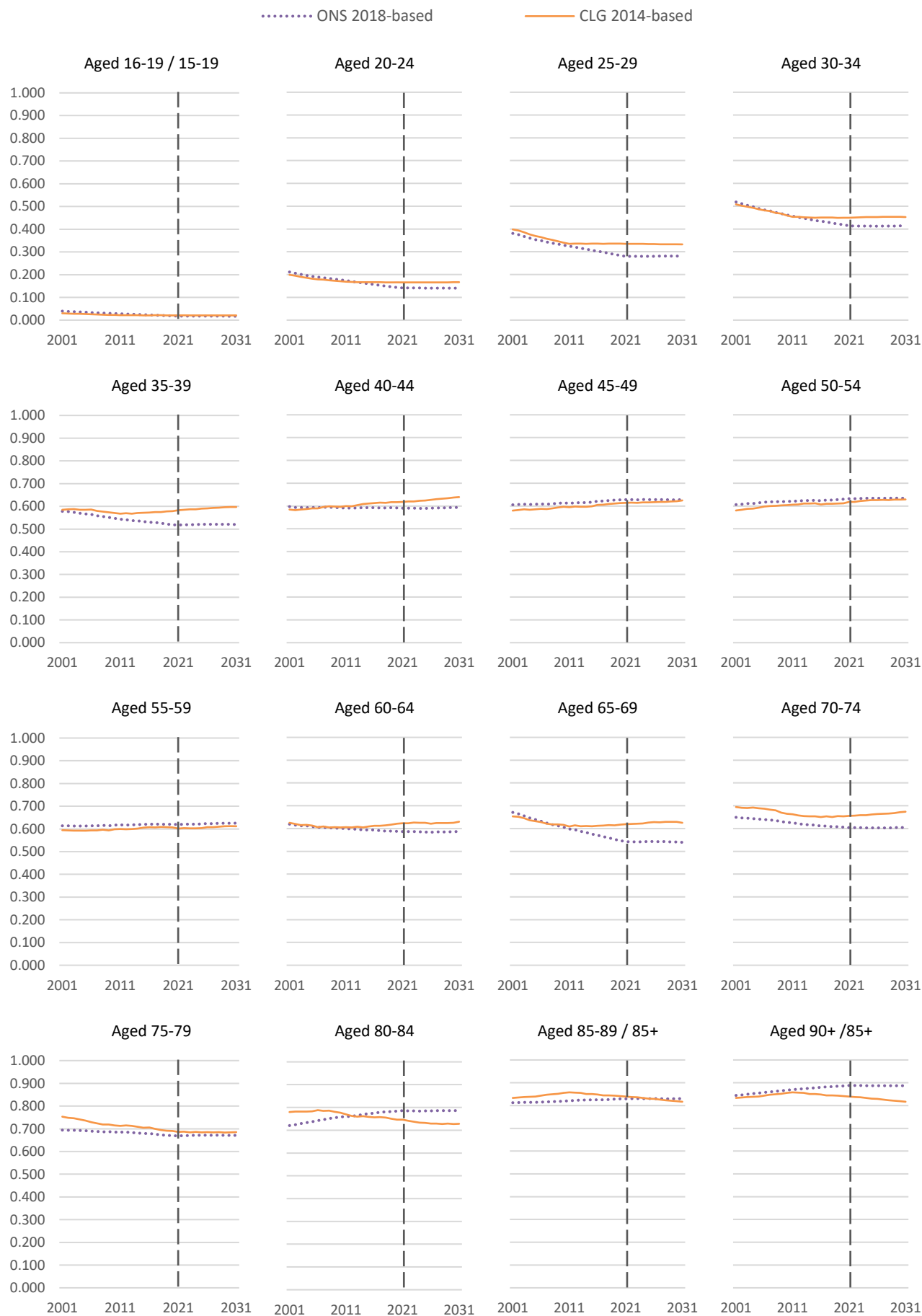


Figure 3: Comparison of ONS and CLG Household Representative Rates for Luton by age and gender, 2001-2031



18. Whilst it is likely that the ONS 2018-based household projections under-estimate future household growth, it is also likely that the CLG 2014-based household projections over-estimated the likely growth. This was partly due to the reliance on historic data from 1971 and 1981 at a time that the demographic characteristics and ethnic mix of Luton were very different to that of the current population; but, more importantly, as a consequence of not taking account of cohort effects within the analysis.
19. This was reviewed by the 2017 SHMA, which considered the likely impact of the ethnic mix across the different population cohorts (see the Luton & Central Bedfordshire SHMA 2017, paras 3.90-3.100). The SHMA concluded that some of the household representative rates for Luton from the CLG 2014-based household projections were probably too high, and as a consequence both the currently estimated and the projected future average household sizes were too low (2017 SHMA, figure 55). Therefore, the rates from the 2014-based projections were adjusted to take account of local evidence.
20. To establish the impact of each of these different household formation calculations, ORS has undertaken sensitivity analysis using the 10-year migration variant of the official 2018-based population projections; applying the household formation rates from the CLG 2014-based projections (an analysis that is comparable with “sensitivity analysis 2” undertaken by the ONS as part of the 2016-based projections) and also the adjusted rates that were used for the 2017 SHMA. Figure 4 shows the outcome of this analysis set alongside the figures from the 2015 SHMA which informed the Luton Local Plan.

Figure 4: Sensitivity analysis based on the ONS 2018-based Population Projections for Luton, 2011-2031

Household Projection		Change 2011-31		Housing Need		
		Population	Households	No uplift	10% uplift	20% uplift
ONS 2018-based household projections 10-year migration variant		26,815	11,494	11,804	12,984	14,164
ORS sensitivity analysis	CLG 2014-based household formation rates		16,179	16,615	18,276	19,938
	2017 SHMA adjusted household formation rates		13,501	13,865	15,251	16,638
2015 SHMA household projections 10-year migration trends		30,576	14,349	14,762	16,238	17,714

21. Both of the sensitivity analysis are based on the same population as the 2018-based household projections: the 10-year migration variant, which projects a growth of 26,815 persons over the 20-year period 2011-2031. However, whilst the ONS household formation method yields a growth of 11,494 households, applying the previous CLG method yields a notably higher growth: a total of 16,179 households, which is 4,685 more than projected by the ONS method, equivalent to an increase of around two-fifths (40.8%).
22. On this basis, it is reasonable to take a range of between 11,494 and 16,179 households when considering household growth based on the latest official population projections. However, for the reasons set out above it is likely that the official figure published by the ONS is too low for establishing housing need given (i) the extent of suppressed household formation, and (ii) errors likely to have been introduced by relying unduly on data from the 2001 Census. Therefore, for the reasons set out in the 2017 SHMA (paras 3.90-3.100), it is likely that sensitivity analysis based on the CLG 2014-based rates yields a figure that is too high.
23. The adjusted rates that were derived for the 2017 SHMA yield a growth that is between these two extremes: 13,501 households, which is 2,007 more than the ONS method (an increase of 17.5%) but 2,678 fewer than the CLG method (a reduction of 16.6%). Taking account of all of the evidence, we believe that this provides the most appropriate basis for considering if there has been “*a meaningful change in the housing situation*”.

Conclusions

24. When compared with the 2015 SHMA (which formed the basis of the OAN for the Luton Local Plan), it is evident that the latest data shows a lower rate of population growth (26,815 cf. 30,576 persons) and a lower household growth based on our best estimates (13,501 cf. 14,349 households). Therefore, whilst the starting point for establishing housing need in Luton has reduced from a growth of 14,349 households to only 3,775 households, projections based on longer-term migration trends and that take account of changes to the household formation method provide far more consistency.
25. Taking these household projections as a basis for establishing housing need on a like-for-like basis with that used for the 2015 SHMA – which made an allowance for vacant and second homes and then applied an uplift of 20% as a response to the market signals in Luton – would yield a housing need of 16,638 dwellings. **On this basis, a full Objectively Assessed Need would be 16,700 dwellings for the 20-year period 2011-2031 equivalent to an average of 835 dpa.** This compares to the OAN of 17,800 dwellings (890 dpa) that formed the basis of the housing numbers in the Luton Local Plan.
26. On balance, whilst it is likely that the overall OAN has reduced by around 55 dpa over the Plan period, **we do not consider that a reduction of only 6% represents a meaningful change.**



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