



# **Future Housing Needs in Swale**

## **Questions and Answers**

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## 1 INTRODUCTION

- 1.1 This paper follows from the Extraordinary Meeting of the Swale Borough Council Local Plan Panel, held on 25<sup>th</sup> February 2020. Documents tabled at the meeting included two papers commissioned from the Council from PBA (now known as Stantec) about future housing need in Swale. Members present at the meeting have raised a series of questions and comments about the two papers. We respond to those questions and comments below. Section 2 responds to questions recorded in the minutes of the meeting. Section 3 responds to handwritten notes from Councillor Monique Bonney.
- 1.2 To accompany this paper we also provide slightly revised versions of the papers considered by the Panel on 25<sup>th</sup> February. For greater clarity we have given the papers new titles: the first is a summary note and the second is a technical report by the demographer John Hollis. We have also expanded the glossary at the end of the summary note.

## 2 POINTS RAISED AT PANEL MEETING

### Question / comment

### Stantec response

1 It appeared from the report that the higher the affordability ratio, the higher the housing requirement? The Principal Planning Officer stated that that was correct however the % increase was capped at 40%.

This is correct

2a In the report it suggested using the Department for Communities and Local Government (DCLG) data rather than ONS data, was that correct?

The 2014-based household projections were produced by DCLG (now known as MHCLG), as were previous rounds of household projections. The task was then transferred to the Office for National Statistics (ONS). Hence the 2016-based projections were produced by ONS. Most of the other data used in the reports, including population estimates and projections, are from ONS.

2b The Head of Planning Services stated that the difference between the 2014 and 2016 household predication data was that mortality rates were higher in some parts of the country than had been predicted. However the figures were not significantly different from 2014 to 2016 for Swale.

This is correct.

3 The government had that day published new data, how would that be factored into the Local Housing Needs Assessment?

The standard method is very specific about the data that is to be used in the calculation. There is no data over and above that already used that would have an impact on the content of the report. New data releases of the household/population projections will be used to update the report prior to submission of the draft plan as required by government policy. The new



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data releases are expected in the summer.

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4 Concerned that the data provided was vague with a lot of presumptions made and it did not provide enough detail on housing needs and its impacts on health etc.

The data provided is based on official government statistics. The purpose of this report is to provide the local housing need figure based on the Standard Method as per government policy. The impact of housing on health etc. is not for this report. The NHS are responsible for planning for the future health care needs of the population.

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5 Too many acronyms were used, a glossary was needed.

Glossary has been expanded

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6 [Figure] 4.1 on page 43 of the report, how much of the projected population change was assumed, based on the delivery of the housing which was assumed to be a need, surely they were circular?

Demographic projections are produced by rolling forward ('projecting') the past demographic behaviour of each age / sex group into the future. Demographic behaviour includes migration rates, which are projected forward from the previous five years. Therefore, if many homes are built in (say) 2016-2020, and people move into them, the projection will show a similarly high need from 2020 onwards.

In short, other things being equal, the more homes an area builds now the greater will be its assessed need for more homes in the future. So yes, in a sense the needs assessment is circular. The assessment is based on the government's standard method – which is a fixed formula. National guidance says that the method must be followed unless there are exceptional local circumstances. In Swale we have found no such circumstances.

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7 Query why some graphs for predicting populations used a 'mean' test, whilst other graphs used a 'median' test, surely there should be a standard?

The reports use different measures for different purposes.

The median is used only for house prices and earnings. The median is the midpoint – such that half the houses cost less than the mean and half cost

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more; and half the workers earn less and the other half earn more. We do this because it is what the government's standard method requires. The method is a fixed formula, which allows no discretion. The thinking behind it is that the mean is pulled upwards by very small numbers of very expensive homes, or very high-paid individuals. Medians are better indicators of the typical house price and earnings level.

For all other variables, we use the mean, or average. For example, the annual average completion rate of 940 homes at para 4.2 (page 43) is the total homes completed in the 13 years from 2025/26 to 2037/38, divided by 13 years. In this case the median would not tell us anything useful.

'Mean' and 'median' have been added to the glossary.

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8 The glossary: affordability ratio on Page 10 of the report, were the house prices taken from the Land Registry? The Principal Planning Officer stated that the affordability ratios were published annually by the Local Government Association and only considered open market housing prices.

We use the [affordability ratios](#) published by ONS, as the standard method requires. As noted in the glossary, these take house prices from another ONS publication, House Price Statistics for Small Areas (HSSA), which reports prices paid in the 12 months ending in September each year. HSSA in turn is based on open data from the Land Registry, which cover all sales, whether 'open market' or not.

The LGA publish the affordability ratios on their website but it is the same as the ONS data.

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9 Swale had a significant population that lived in caravans, chalets, and seasonal workers how would they be recorded as they also used services. How could services such as the NHS plan if 'hidden' households were not recorded?

Population that lives in caravans and chalets: The data count all people for whom Swale is their usual place of residence, whether they live in a house, a caravan or 'any other type of site'.

Seasonal workers: are not counted in the statistics if their usual place or residence is elsewhere.

'Hidden' households: This is referred to as 'concealed families' by the

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ONS. ONS defines a concealed family as ‘one living in a multi-family household in addition to the primary family, such as a young couple living with parents’. ONS defined a household broadly as a group of people who live in one home, therefore it does not record concealed families as separate households. When (say) a young couple moves out of the parental home into their own home, then ONS records them as a household.

The NHS: The NHS are responsible for planning for the future health care needs of the population. They prepare their own future population plans and use other kinds of evidence, normally relating to population rather than households.

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10 Considered the report from Peter Brett Associates should be deferred to them for re-issue as there was a lot of clarification needed and it was not clear if local data was used. The report was not user friendly and a lot of the headings were not clear. Further explanations on some of the graphs was also needed.

Whilst it is appreciated that the report is not ‘user friendly’ it is a technical document that is required to deliver the technical information and detail to meet a specific government requirement. Additional text has been added to provide more contextual information and the glossary has been expanded to help.

The reports give sources for all the data used. All or most are local data in the sense that they are *about* Swale. Some are also *produced* locally in Swale, for example the Council’s housing trajectory, but many others are not. For example, data on population and households are produced centrally by ONS, to cover all local authority areas.

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11 Paragraph 2.38 on page 38 of the report, what was the issue with Swale’s labour force? The Principal Planning Officer stated that it was looking at the various sources that could be

The issue is with the Labour Force Survey (LFS). LFS is a survey by ONS, repeated at regular intervals. It is a sample survey, which collects information on a small proportion of people – unlike the Census, which

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used and the labour force survey information was not statistically significant that they could use it to compare data.

tries to cover everyone. For local areas the LFS results are generally not reliable, because the number of people covered in each area is too small.

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12a Concerned that consultants' report was relying on so many different statistics and dubious evidence.

We use a variety of statistical data and sources, as needed to answer the questions asked.

The report is prepared in line with government policy using the data from the sources approved by the government for this purpose.

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13a There was not sufficient evidence given in the report and would have expected to see in the report a breakdown of Swale's demographics in comparison to neighbouring authorities and a breakdown of Swale's future projections in an age-related way.

Councils can no longer use comparisons with neighbours to inform their Standard Method housing figure - so was not included in this analysis. However, for those interested, such data can be found on the ONS website – including a population analysis tool:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/analysisofpopulationestimatestool>

The tool above also provides links to other ONS population datasets.

The age structure of the Swale population, and its implication for housing need, is discussed in the updated affordable housing update paper – but as noted above, is not relevant to the Standard Method.

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14 We had a significant ageing population and this has not been included.

The ageing of the population *has been* included, because the demographic projections used in the report take account of this.

The population projections break down the population by age and sex. The household projections, which group that population into households, take account of this breakdown. For example, they know that older people are more likely to live in smaller households, so as the population ages more

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homes are needed for the same population (other things being equal).

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15 Had current predictions been compared against previous predictions and had an examination of how accurate and reliable they were been undertaken? A table detailing these would be useful.

Comparisons with past projections are not informative here because for various reasons Councils have not built homes in accordance with those projections. This includes Swale.

However projections remain, in the Governments view, the best starting point for Councils to use when looking at future needs and are embedded in the Standard Method. The projections are considered 'official statistics' and regularly audited by the ONS/MHCLG with continuing efforts to improve their quality and address any errors that emerge over time.

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16 How would the gypsy and traveller population be considered?

This topic is not covered by our brief. The Council is required to address this through a separate study, which has already been completed.

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17 The report was not sufficiently worded for the Panel to agree

The points above hopefully address any perceived gaps in the analysis.

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### 3 POINTS RAISED IN COUNCILLOR BONNEY'S NOTES

3.1 We have transcribed Councillor Bonney's questions and comments from handwritten mark-ups made on a copy of the John Hollis report. Those transcribed questions / comments are in bold type.

#### Question / comment

#### Stantec response

18 **Very little info on affordability: need commentary and evidence.**

We discuss the affordability ratio provided by ONS. No further commentary or evidence on affordability would help answer the questions addressed in our reports. The purpose of this reports is purely to provide the local housing needs assessment using the government's Standard Method.

Affordable housing need is a matter for a separate report, which should look specifically at the size, type and tenure of housing needed for different groups in the community as set out in para 61 of the NPPF.

19 **Doesn't look at characteristics of [the] area: deprivation or income profiles.**

These issues are irrelevant within the context of this report

20 **Doesn't provide any info on types of need – social rent / part buy / private 1 bed / 2 bed / 3 bed etc.**

This was not part of our brief, because the information is irrelevant within the context of the report. The brief only covers total housing need.

21 **Add in new data published on 28/2/20.**

Our reports are dated September 2019. If new data published on 28 February 2020 were liable to change the findings significantly, the Council should consider commissioning an update. We are not aware of any such data.

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		<p>We have checked the ONS data release schedule and there was no relevant data released on the 28<sup>th</sup>. <a href="https://www.ons.gov.uk/releasecalendar?uri=releasecalendar&amp;size=25">https://www.ons.gov.uk/releasecalendar?uri=releasecalendar&amp;size=25</a>). However quarterly migration data were released on the 27<sup>th</sup> and they inform the official population and household projections.</p>
22	<b>Glossary required.</b>	<p>There was a glossary at the end of the PBA summary note. We have expanded it to cover the Hollis technical report as well.</p>
23	<b>Label all data / axes.</b>	<p>We have added labels ('persons', 'households' etc) under the heading of each chart, except when it is already stated in the heading, as in 'births' and 'deaths'.</p>
24	<b>Median v mean page 43</b>	<p>We are not sure what the question is, but we may have answered it at point 7 in the previous section. We have also defined the mean and median in the glossary.</p>
25	<b>Does [John Hollis] work for local authorities or developers as well? Did he confirm that he has no conflict of interest?</b>	<p>John prepared the demographic evidence underpinning the adopted plan. He was also instrumental in responding to those objecting to that plan and arguing for a higher housing target. This made him an obvious choice to assist with this work.</p> <p>Hollis may have worked for developers in the past. He confirmed that he had no conflict of interest.</p>
26	<b>Clarify all assumptions, why relevant / not relevant.</b>	<p>Our reports state the assumptions made and show why they are relevant. If anything specific needs clarification we will be happy to provide it.</p>
27	On John Hollis's CV on the back of the technical	<p>The text referenced says nothing about possible criticisms of the work, or</p>

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report cover page: **He's hardly going to criticise his own work or the validity of the stats! he seems to have written his own paycheque.**

the validity of the statistics, or Hollis's pay. It sets out Hollis's credentials, in order to help the reader assess the credibility of the work. This is common practice.

His extensive experience acting as an independent advisor to the ONS and Census only adds credibility to his independence to advise the Council here. In previous examinations and inquiries, Inspectors put considerable weight on his experience, compared to, for example, a developer paid consultant objecting to the Councils evidence.

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28 On the disclaimer on the same page: **Get out clause.**

This is a standard disclaimer. Official statistics, including demographic data from ONS, also contain disclaimers. Unfortunately, no one can produce perfect data or perfect analysis.

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29 On the same page: 'Acknowledgement is due to Neil MacDonald's report on LHN for Basingstoke and Deane that has been taken as a model for this report']. **Why?**

Neil McDonald, in his study for Basingstoke and Deane, developed a useful analytical method. Hollis has used the same method in this study.. Hollis acknowledges his debt to McDonald, as is the usual practice. If he did not, readers might think Hollis had developed the method from scratch. This would deprive McDonald of the credit to which he is entitled.

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30 Para 2.3: Which LAs have put forward exceptional circumstances and why?

Under the current national guidance (PPG, February 2019), to our knowledge no local authority has demonstrated exceptional circumstances in a Local Plan examination.

Under the previous version of the PPG, we (with John Hollis's support) did depart from the official data in the Swale adopted plan (making a very small UPC adjustment). If we thought this was an option again, we would say so.

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31 Figure 2.1 and others: **UK or Kent or Swale?**

All charts and tables in the report relate to Swale unless otherwise specified. We have added this to the Introduction.

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32	Figure 2.4: <b>[One possible reason why people move out of Swale is that] it has] no higher education facilities</b>	We agree.
33	Para 2.17: 'But since 2001 the net flow has always been into Swale' - <b>explain</b>	Every year since 2001, more people have moved into Swale than have moved out of Swale. Therefore the net migration flow into Swale, which is the difference between people moving in and people moving out, has always been positive.
34	Para 2.16: says the next household projections will almost certainly be higher than the two previous ones: <b>That is exceptional and warrants investigation.</b>	It <i>is</i> unusual. We cannot think of any investigation that would be helpful in advance of the next household projections being published.
35	Para 2.17: 'Note that these adjusted figures were taken into account in the 2016-based projections but post-date the 2014-based set: <b>What? Plain English.</b>	The 2016-based projections take account of the revised statistics on migration since 2011-12 (these statistics are relevant because projections carry forward past trends). The 2014-based projections do not take account of these revised statistics, because when the 2014-based projections were prepared the revised statistics had not yet been published.
	Figure 2.6: on peaks in international inflows: <b>is this large developments completed?</b>	We don't know. It could be one of the reasons.
36	Figure 2.7: international outflows: on the difference between the 2018 MYE and the original version: <b>Why?</b>	Because the ONS revised its figures, see para 2.19.
37	Figure 2.9: on net housing completions and net migration: <b>That is a strong correlation! Over 10</b>	It is. Also over the whole period shown.

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**years!**

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38	Para 2.22: <b>These are reasons why we shouldn't be tied to the 2014 data.</b>	Perhaps, but we are tied to the 2014 data, because this is what the government requires us to use in the Standard Method calculation.
39	Figure 2.10: variant population projections: <b>Clearly define [the Trends projections]</b>	Para 22.4 defines the Trends projections in terms of population. Para 2.25 shows how those populations are translated into households.
40	Para 2.25: <b>What mumbo jumbo. Plain English.</b>	The report uses the appropriate language for a technical document. For those who find it too technical, we have provided a simpler version in our summary note.
41	Para 25: <b>D and what conclusion for later data?</b>	The main conclusion is in the middle of the para: 'The results for Swale are robust and offer no indication of implausibility'. The sentences that follow are observations.
42	Table 2.1: <b>Are they the same data sets as used above?</b>	Yes.
43	Table 2.1: <b>presentation of data?</b>	See 23 above.
44	Para 2.26-2.27: discrepancy in ONS statistics (the UPC): <b>Why? Lack of FE provision? We need to understand why.</b>	We don't know why. The ONS doesn't know why, despite trying hard to understand. We do not think lack of FE provision comes into it.
45	Para 2.27: <i>'The inclusion of the UPC would only have small impact on overall net migration in a projection with a base including years prior to 2011</i>	Correct. The inclusion of the UPC would only have a small impact on overall net migration as stated.

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– i.e. a 2008-18 based projection’: **not actual?**

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46	<p>Table 2.2: UPC for males aged 15-33:</p> <ul style="list-style-type: none"> <li>- MYE data: what period?</li> <li>- MYE 2011 Census-based: why so old?</li> </ul>	<p>The UPC by definition is for the period between the last two censuses, 2001-2011. It is ‘old’ because there has not been a census since 2011.</p>
47	<p>Para 2.29: <b>relevance?</b></p>	<p>Part of the evidence that leads to the conclusion at para 2.30.</p>
48	<p>Para 2.30: ‘Assuming what was estimated to have happened in the period 2014-18 as guidance of what is likely to happen in the future then this suggests that both the 2014 SNPP and 2016 SNPP underestimated the future population growth’: <b>Growth as a result of migration into area?</b></p>	<p>Yes.</p>
49	<p>Para 2.37: <b>This is significant.</b></p>	<p>It is, up to a point, but bear in mind the wider conclusion at para 2.41.</p>
50	<p>Para 2.41: HRRS: <b>What? Def?</b></p>	<p>See Glossary in the summary note. HRR (household representative rate) is a synonym of HFR (household formation rate).</p>
51	<p>Para 2.41: ‘... the over-estimation in the case of Swale is relatively small and is potentially explained by changes in the valuation list and is insufficient to argue that there are exceptional circumstances which justify departing from the published projection’. <b>Add in other factors and it <u>is</u> significant</b></p>	<p>This suggests that:</p> <ul style="list-style-type: none"> <li>- the over-estimation <i>is</i> sufficient to argue that there are exceptional circumstances which justify departing from the official projections in the case of Swale.</li> <li>- This is due to factors that we do not mention.</li> </ul> <p>We do not know what these other factors are. Unless there is new</p>

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information, we do not see any reason to change our conclusion.

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52 Para 2.52: *'The overall conclusion is that there are no exceptional circumstances that would justify departing from the standard method formula based on the 2014-based household projections'*. **This tells us nothing useful. Did we need 1 bed, 2 bed, 3 bed or 3 bed homes. Did the HFR move into larger / smaller properties. Did we have for example couples for London couples from London purchasing 4 & 5 bed houses just because they can rather than move into 1 bed flats. This report gives no useful background of what was delivered and the population at that time'**.

The purpose of this chapter of the report, as set by the Councils study brief, was to determine whether there were exceptional circumstances for Swale to depart from the standard method. The Council did not ask us to look at numbers of bedrooms, the motivations of couples from London etc. Note this would be part of the affordable housing update noted earlier.

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53 Para 3.2: *'Any population projection... must assume that nothing else changes...'* **We must now look at this. Not CoVID-19!**

COVID-19 certainly is changing demographic trends, especially as regards migration. The Government is currently reviewing the standard method and we do not know how it will respond to the pandemic.

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54 Para 3.3: **Really?**

Yes.

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55 Para 3.9 **'Hey' They**

Typographical error. We have corrected it.

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56 Para 3.9 *'the Swale housing trajectory, as shown in the Annual Monitoring Report 2016-17, is used as the guide for migration.'* **Surely a more recent one?**

The 2016-17 Annual Monitoring Report (AMR), published in January 2019, was the latest available when our reports were produced in September 2019. It is still the latest AMR posted on the Council's website.

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57	<p>Para 3.9 ‘... the trajectory has taken account of issues regarding starts and site availability. Additional dwellings rise from 387 in 2018-19 to 1,394 in 2020-21: <b>We will never meet that. This is rubbish in rubbish out!!</b></p>	<p>The AMR shows the Council’s official position. We were instructed that this should be the basis of our calculations. Whether the AMR trajectory is realistic, is a matter for the Council.</p>
58	<p>Para 4.8 ‘The affordability ratio has risen by about 50% between 2011 and 2018.’ How did he arrive at this? <b>Where is Land Registry data and wages data analysis?</b></p>	<p>The ratio is provided by ONS <a href="#">here</a>. It rose to 9.13 in 2018 from 6.16 in 2011 – an increase of 48%, which is close to 50%. As shown in the ONS document under ‘Metadata’, the underlying earnings are from the ONS Annual Survey of Hours and Earnings. The underlying house prices are from the Land Registry and reported in House Price Statistics for Small Areas, see point 8 above.</p>
59	<p>Para 5.7: Where are the hidden households 000s of caravans &amp; sofa surfers? Transient population of travellers and foreign agricultural workers?</p>	<p>See point 9 above.</p>

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