

Thame

Housing Needs Assessment (HNA)

Addendum

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Quality information

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Revision History

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HNA Addendum

Context

1. AECOM produced a Housing Needs Assessment (HNA) for Thame Town Council in March 2022. As the Thame Neighbourhood Plan has proceeded toward submission, South Oxfordshire District Council (SODC) have provided comments regarding the robustness of the HNA.
2. This addendum serves to respond to those comments in general terms, provide assurance of the HNA's continued utility, and identify any additional datapoints that could be used as supplementary evidence to support relevant Neighbourhood Plan policies.

Comments on the 2022 HNA

3. The key concerns of SODC regarding the HNA can be summarised as follows:
 - That it may no longer accurately reflect the current housing position or future housing needs of the parish given the time elapsed since its production. Important changes arising since that time include:
 - The release of 2021 Census data;
 - The production of a new Joint Housing Needs Assessment for South Oxfordshire and Vale of White Horse District Councils in November 2023; and
 - Broader economic shifts relating to rental prices and other housing costs linked to interest rates, cost-of-living issues, and trends following the Covid-19 pandemic.
 - That the data inputs for the HNA's estimates of Affordable Housing need, drawn from the SODC housing register, are no longer representative of the current picture of need or turnover in the existing stock and could be interpreted differently.
 - That the HNA does not sufficiently acknowledge the possibility that these Affordable Housing estimates might underestimate true need.
 - That the HNA considers Thame's housing needs in isolation rather than as part of a district-wide picture, particularly with regard to the management of Affordable Housing need and homelessness.

AECOM Response

4. In response to the comments received, AECOM would emphasise the following overarching points:
 - Evidence base documents are always a snapshot in time. This does not mean that they are automatically invalidated by the release of newer data or wider contextual changes.
 - Updated information, however, presents a valuable source of additional evidence that can help to inform and justify Neighbourhood Plan policies. In this instance, this could be referenced or presented alongside the outputs of the HNA to further support policy choices, add nuance, or explain why a different policy direction is taken.
5. Detailed responses to the main strands of SODC's comments are provided below.

Data validity

6. The 2022 HNA was finalised prior to the release of 2021 Census data (which was released in phases, primarily during 2023, and has still not yet been released in full). In its absence, the HNA does not rely solely on 2011 Census data, but includes a range of alternative sources, such as ONS parish-level population estimates for 2020, Valuation Office Agency data on the dwelling type and size mix for 2021, and various up-to-date indicators of housing costs, local incomes, and other metrics. It therefore remains a sufficiently up-to-date and representative picture of housing need.
7. Only some of the Census inputs that have a direct bearing on the HNA's key outputs lacked a suitable alternative in 2022 and could now be meaningfully updated. In AECOM's experience of interrogating the latest Census data, its impact is a matter of degree rather than of kind. As such, observing that, for example, an ageing trend has continued to accelerate or affordability has further declined, tends to further validate the conclusions derived from previous data releases. In the unlikely event that trends have reversed in Thame in recent years, this can be highlighted to soften or change the policy direction taken.
8. Though not referenced in SODC's comments specifically, the 2023 Joint Housing Needs Assessment represents a useful and up-to-date source of additional evidence at District scale, which could be used to supplement the HNA evidence for Thame specifically when devising or justifying relevant policies. Key outputs can be scaled down to the Neighbourhood Area (NA) using population statistics or used to establish the broader context of need to which the NA might wish to contribute. However, the existence of new local authority evidence is generally not sufficient cause to update or disregard Neighbourhood level HNAs.
9. Housing affordability has undoubtedly become more challenging, both nationwide and in Oxfordshire specifically, in recent years. The HNA concluded that affordability represents an immense challenge in Thame, and made considered judgements about what policy responses might be appropriate to address this. The continued worsening of affordability further reinforces this point and the

associated policy suggestions: rather than requiring a change of direction, any more recent data can help to further justify this position. Note that the relationship between interest rates (which are subject to change) and housing price statistics is subject to a significant lag. In the current fast-changing environment, a snapshot in early 2024 would be slightly more (though not completely) up-to-date, and would become dated equally quickly in the context of a Neighbourhood Plan that looks ahead to 2037.

Affordable Housing estimates

10. In their comments SODC have provided a number of more recent datapoints from their housing register and helpful ways of thinking about how need arises and is recorded in practice. The thrust of this evidence is that both recent trends and limitations in the original data point to the future need for affordable rented housing being higher than is estimated in the HNA. The impact of this is that the newly arising need in Thame is likely to outstrip turnover rather than being broadly in balance with it – as was the result of the HNA model.
11. This advice adds weight to the HNA's conclusion that, despite the result of the relevant calculation, there are good reasons to continue to encourage the delivery of affordable rented tenures in Thame wherever possible, to the extent that this should continue to be prioritised in the Affordable Housing tenure mix over affordable routes to home ownership. The Town Council could use the further inputs provided by SODC to strengthen any policy provisions in this area or to seek more ambitious levels of Affordable Housing delivery if this is in line with the objectives of the community.
12. For the avoidance of doubt it should be clarified that the HNA outputs considered here (and summarised in paragraph 4 of the HNA executive summary) are not intended to represent the volume of future applications to SODC's housing register. They instead relate to the number of households who are likely unable to afford any other options in the market (notably private rents).
13. The number of re-lets in the existing affordable rented housing stock is another key input to the calculation in question. This allows the rate of turnover in future years to be estimated. Turnover in the existing stock is theoretically able to accommodate a proportion of newly arising needs – and in Thame's case appears potentially able to accommodate all of it due to the size of the social rented housing stock at present.
14. For this step in the calculation, AECOM used the six-year average rate of affordable housing re-lets in Thame, using data provided by SODC. A multi-year average was sought in order to smooth out the impact of short-term fluctuations. While it could be updated, this approach continues to provide a long-term view and is not necessarily invalidated by an additional year or two of data (which SODC suggest could be made available). However, if the most recent data suggests that the historic rate of turnover has since decreased, this would point to higher future needs than were identified at the time of the HNA, and further support its suggested policy approach (to promote the delivery of affordable rented housing).

15. SODC also offer an alternative approach to determining turnover rates and calculating overall needs that offers a potentially useful additional source of evidence to support a more ambitious stance toward the delivery of affordable rented housing in Thame. However, without the detailed calculations and underpinning assumptions, AECOM has not been able to specifically validate that approach.
16. Regarding SODC's sense that the HNA considers Thame's needs in isolation from the wider District context, it is acknowledged that the HNA indeed primarily investigates housing needs at the scale of the NA specifically. The Joint Local Housing Need Assessment (and Strategic Housing Market Assessment before it) supply the relevant evidence at District scale. However, it should be clarified that the HNA also fully acknowledges that Thame has fluid and complex relationships with a wider functional housing market. Specifically, it does not dispute the fact that Affordable Housing is managed centrally by SODC depending on the urgency of need and a range of other factors beyond the current address of applicants. Thame is not responsible for managing its own waiting list or homelessness initiatives, and no such assumption underpins the HNA's conclusions.

Summary

17. AECOM acknowledge that the 2022 HNA does not provide the most up-to-date possible picture of housing need in Thame, given that it was produced nearly two years ago. However, measures taken to use alternative data sources and explain the limitations of its findings mean that it remains a sufficiently accurate snapshot of housing needs for the purpose of Neighbourhood Planning.
18. AECOM agree that newly released data and additional points raised by SODC provide valuable supporting evidence for the Neighbourhood Plan, and can be used to support or to caveat any findings of the HNA which are used to justify its policies.
19. The key finding of the HNA that could beneficially be qualified in this way is its estimate of the future need for affordable rented housing. The views and additional datapoints provided by SODC suggest that the HNA calculation underestimates future needs due to the limitations of some of its main inputs and changes occurring since. This lends further support to the HNA's recommendation that affordable rented housing should continue to be secured even though the estimated need for Thame itself appeared limited at the time of the assessment. Further, AECOM acknowledge in the HNA that Thame is likely to provide a wider strategic role in meeting needs across the District.

