

EX103

Part I

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All Wards

WELWYN HATFIELD BOROUGH COUNCIL
CABINET PLANNING AND PARKING PANEL – 3 JULY 2019
REPORT OF THE DIRECTOR (PUBLIC PROTECTION, PLANNING AND
GOVERNANCE)

IMPLICATIONS OF THE 2016 HOUSEHOLD AND POPULATION PROJECTIONS FOR THE LOCAL PLAN

EXECUTIVE SUMMARY

- 1.1 This report considers the implications of the Government's 2016-based population and household projections for the Objective Assessment of Need for housing and the plan period.
- 1.2 The Council's consultant Turley were appointed to review the latest projections and their implications for the Local Plan and the plan period.
- 1.3 The report also considers a report produced for the Save Symondshyde Group by Green Balance on the same topic.

2 Recommendations

- 2.1 That the Panel notes the content of this report and its appendices which will be forwarded to the Examination Inspector via the Programme Officer and be subject to consultation should the Inspector consider it appropriate.

3 Background

- 3.1 The National Planning Policy Framework (NPPF) requires that Local Plans should seek to meet objectively assessed needs for housing (OAN). Under transitional arrangements within the 2019 NPPF, the Welwyn Hatfield Local Plan is being examined under the policy requirements of the 2012 NPPF. This requires the preparation of a Strategic Housing Market Assessment (SHMA) within which the Objective Assessment of Need for housing should be identified. This needs to be informed by the latest population and household projections. This means that the Council is required to continue to justify and evidence its OAN for housing in the context of the SHMA methodology.
- 3.2 The 2019 NPPF replaces the objectively assessed need for housing with the local housing need assessment using the government's standard methodology.

- 3.3 The examination hearing sessions in October 2017 considered the evidence set out in the SHMA Update 2017, which concluded that the OAN resulted in a dwelling requirement of 800 dwellings per year or 15,200 dwellings for the submitted plan period 2013-2032. This was based on the 2014 sub-national population and household projections.
- 3.4 In 2018 the 2016 sub-national population and household projections were published. Our consultants Turley and Edge Analytics were asked to review the implications of the latest projections for OAN. This is published as Appendix A to this report.
- 3.5 The hearing sessions also considered the appropriateness of the plan period 2013-2032. The submitted plan anticipated a fifteen year post-adoption Local Plan, but by the time the hearing sessions commenced it became clear that the plan would need to be rolled forward to 2033 to meet this objective.
- 3.6 The revised timetable indicates that it will now not be possible to adopt the plan until 2020 which would mean rolling the plan forward to 2035. Turley has also been asked to look at the implications of a revised plan period. This is published as Appendix B to this report.

4 Explanation

Implications of the 2016 projections

- 4.1 As set out above, Appendix A contains the Technical note produced by Turley. This has been informed by updated demographic modelling for the submitted plan period carried out by Edge Analytics.
- 4.2 The relevant PPG requires the latest available household projections to be used as a starting point when assessing need. Turley has produced a paper that considers the implications of the 2016-based population and household projections, which were released in May and September 2018 respectively, on the Welwyn Hatfield OAN.
- 4.3 It should be noted that the government has taken a clear stance to explicitly not use the household formation rate assumptions in the 2016-based sub-national household projections dataset because they are not considered to be adequately robust, reflecting concerns identified by the Office for National Statistics (ONS) that the 2016-based household projections downplay the need for housing for younger people. The government considers the 2014-based household projections to be more robust in this regard.
- 4.4 The 2016 projections result in similar but slightly higher growth in population over the plan period but lower growth in households. Turley has concluded that in Welwyn Hatfield this has resulted from lower household formation rates as a consequence of the projections replicating more recent trends of suppressed household formation rates in younger age groups (about 1,300 fewer homes).
- 4.5 Turley therefore considers that it remains appropriate to use official population projections to project demographic needs in Welwyn Hatfield – applying the 2014-based headship rates and the 2016-based sub-national population projections to review the OAN.

- 4.6 Consistent with the PPG note, the evidence of a continued worsening of market signals leads Turley to conclude that a higher market signals adjustment would be appropriate (compared to the 2017 SHMA update).
- 4.7 As a consequence Turley considers that the **OAN of 800 dwellings per year** to still be appropriate for the submitted plan.

Green Balance Report

- 4.8 The 'Save Symondshyde' group have commissioned Green Balance to produce a similar review. This has been submitted to the Examination Inspector with a request to reopen the session on housing numbers.
- 4.9 It concludes that the dwelling numbers should be lower as a consequence of the latest information in the 2016-based household projections and vacancies. However, it does not apply the government's guidance for undertaking an OAN in full and had made no adjustment for market signals and is therefore unlikely to be considered a sound approach.

Implications of a new plan period for the calculated housing need

- 4.10 In October 2017 the hearing sessions debated the appropriateness of the plan period. The submitted Local Plan presented a strategy for a fifteen year period post-adoption with a commencement date in 2013 resulting in a nineteen year plan period. This was to ensure that the evidenced need for housing (based on an analysis of the 2012-based population and household projections) would be provided for in the plan. The NPPF requires that any under-provision is made up in the first five years of the plan period but where there is evidence that this cannot be met because of, for example, infrastructure issues a stepped target can be introduced. This is the approach taken in the current submitted plan.
- 4.11 The Examination Inspector has asked the Council to add in more sites to the plan and the recent consultation relates to sites promoted by landowners and developers. The 16,000 dwelling figure relates to a plan period for 2013-2033 which resulted from an anticipated adoption of the plan in 2018.
- 4.12 As the examination process has taken longer than anticipated and the latest programme now anticipates adoption in 2020, the Council's consultants, Turley, have also been asked to prepare a paper to consider the implications of a change to the plan period for housing need considering a change to both the start and end dates. At the point of commission of this piece of work it was considered that the adoption date would be likely to be 2019 so a fifteen year period would result in an end date of 2034. The paper considers the implications of a start point of 2016 which would reflect the evidence arising from the latest population projections.
- 4.13 The paper is attached as Appendix B to this report.
- 4.14 On the basis of the analysis, Turley considered that it was reasonable for the Council to assume that over a revised plan period the need for housing on an

annual basis broadly remains consistent with the concluded OAN of **800 homes per annum** and that the uplift for market signals makes provision for any previous under-supply.

- 4.15 The Examination Inspector has indicated that if there is to be a change to the OAN this would need to be subject to consultation prior to Members making a decision in September.

Implications for the Local Plan

- 4.16 As the need for housing cannot be met without releasing land from the Green Belt the Council will need to consider whether the exceptional circumstances exist to release each site on the basis of the Calverton Test. The Examination Inspector has already indicated that the scale of the need means that in general terms exceptional circumstances exist to take land out of the Green Belt. However this will need to be considered on a site by site basis taking account of the findings of the Stage 3 Green Belt Review and the scale of the outstanding need once comparable sites of lower harm have been taken into account. It is clear from previous work that there are suitable sites in sustainable locations with a lower level of harm than some of the sites allocated in the plan and that subject to the conclusions of ongoing work there is the likely to be potential to increase the housing target.
- 4.17 Data on housing land supply needs to be updated to include the results of monitoring for 2018/19. This indicates that 2,664 dwellings have been completed since 1 April 2013 and that planning permissions yet to be implemented have been granted for 1,213 dwellings as of 1 April 2019. The windfall rate is now estimated to be 1,054 dwellings. Allocations in the submitted Local Plan equate to approximately 8,620 dwellings.

Completions 2013/14 - 2018/19	Unimplemented permissions	Windfall allowance 2023/24 - 2032/33	Allocations in the Local Plan
2,664 dwellings	1,213 dwellings	1,054 dwellings	8,620 dwellings

Scenario a)

- 4.18 If the Plan period were to remain at **2013-2033** this would result in a need to allocate additional sites with sufficient capacity to deliver **2,449 dwellings**.

Scenario b)

- 4.19 However on the basis that at the point of adoption the plan should make provision for a fifteen year period this would equate to an OAN for the period **2013-2035** of 17,600 dwellings, an additional two years of windfall giving a total of 1,388 dwellings but the same number of dwellings from completions permissions and allocations. This would result in a need to allocate sufficient sites with a capacity to deliver **3,715 dwellings**.

Scenario c)

- 4.20 A later start date to the plan period (**2016-2035**) has not been subject to examination. It would comprise a nineteen year period the same as the submitted plan. The assessment of need would have taken account of the latest data and this should form part of any consideration of the scale of the harm versus the level of need when utilising the Calverton Test.
- 4.21 When calculating housing land supply for the period the number of past completions would go down as a consequence of the later start date (1,450 dwellings) and the OAN would be 15,200 dwellings. This would result in a need to find an additional **2,529 dwellings**.
- 4.22 This would compare to the government's standard methodology which would currently be based in an annual requirement for 867 dwellings with a plan period 2018-2035 resulting in a need to plan for 14,739 dwellings of which 464 dwellings have been completed. This would result in a need to find an additional **3,054 dwellings**. (It should be noted that the government's methodology is under review and this figure could change.)

Implications

5 Legal Implication(s)

- 5.1 There is a legal requirement to be in general conformity with the NPPF. The 2012 NPPF states at paragraph 157 that a plan should be drawn up over an appropriate time scale, preferably fifteen years this is generally considered to be from the point of adoption, but there is no reference to the start date, although it is usual for plans to pre-date their submission in order to meet the evidenced need for housing. The 2019 NPPF is firmer in this regard, making it a requirement that strategic policies are drawn up over a minimum fifteen year period (paragraph 22). There is also no reference in the 2019 NPPF to what should be the start date.
- 5.2 It is a legal requirement for the plan to be compliant with the NPPF and the NPPF requires that the plan be justified by the evidence.

6 Financial Implication(s)

- 6.1 There are no financial requirements arising from consideration of this report. The costs of appointing Turley consultants are part of the Local Plan budget.

7 Risk Management Implications

- 7.1 The Council has issued a further call-for-sites to identify additional housing sites in order to help the Examination Inspector find the plan sound. Councillors need to be aware of the risks if the plan is not progressed in a timely manner or not found sound for any reason.
- 7.2 The Council already finds itself in the position of not having a five year housing land supply, a requirement to prepare a Housing Delivery Test Action Plan and a presumption in favour of sustainable development. This increases the likelihood of receiving speculative planning applications for brownfield sites, employment land and green belt sites. The Council will then have to decide whether to approve them in the absence of an up-to-date local plan or to refuse them and run the risk of defending expensive appeals and inquiries and potential costs awarded if those appeals are lost. The Government has issued a number of

warnings to councils that do not progress their local plans in a timely manner, including the possibility that plan-making powers will be transferred to the relevant county council, to the Planning Inspectorate or to MHCLG itself. Examples of such letters to Wirral and Thanet councils can be found at <https://www.gov.uk/government/publications/local-plan-intervention-secretary-of-state-letters-to-local-authorities>. Intervention could also mean that whichever body is tasked with preparing the plan might select a higher housing target.

- 7.3 In proposing modifications to the plan the Council has to ensure that it has not proposed so many changes that it is in essence a different plan, which even if found sound might make it subject to legal challenge. Nevertheless the Council is allowed to make changes to make the plan sound and these must by definition be substantive otherwise they would not be needed to make the plan sound. Substantive changes which are not required to make the plan sound cannot be made.
- 7.4 Any consultation on the updated evidence would need to be completed and analysed before Members make any decision. The Programme Officer consulted on the Stage 3 Green Belt Study for a four week period and it is assumed that the Programme Officer would offer a similar period for consideration of this technical work and its implications. It would mean that everyone who is formally taking part in the examination process would be asked to comment on the evidence and their comments would be considered by the Examination Inspector.

8 Security & Terrorism Implication(s)

- 8.1 There are no security or terrorism implications associated with this report.

9 Procurement Implication(s)

- 9.1 There are no procurement implications associated with this report. .

10 Climate Change Implication(s)

- 10.1 There are no climate change implications associated with this report. Wider matters related to climate change will be considered as part of the individual assessment of sites in the sustainability appraisal.

11 Human Resources Implications

- 11.1 There are no human resource implications associated with this report. It should be noted however that additional staff have been employed within the planning policy team to help finalise the Local Plan.

12 Health and Wellbeing Implications

- 13 There are health and wellbeing implications associated with meeting the need for housing and the selection of sites. There are health benefits with having access to good quality housing, access to jobs and access to the countryside

14 Communications and Engagement Implications

- 14.1 Officers will work closely with communications colleagues to ensure that progress on the Local Plan is communicated to the public through local plan newsletters, information on the website and press briefings.

15 Link to Corporate Priorities

15.1 The subject of this report is linked to the Council's Corporate Priority is linked to the Council's Business Plan 2018-2021 and particularly Priority 3 Our Housing to plan for current and future needs achievement.

16 Equality and Diversity

16.1 An Equalities Impact Assessment (EqIA) was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies. All of the policies in the Submitted Local Plan have been subject to EqIA and any new policies would also be subject to EqIA.

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Appendices:

Appendix A: Implications of the 2016-based SNPP and SNHP on the Welwyn Hatfield OAN, Turley

Appendix B: Technical Note Implications of a new plan period on the calculated housing need

Appendix C: Submission by Green Balance by Save Symondshyde

Appendix D: Technical review of the Green Balance submission for Save Symondshyde