

Briefing for Welwyn Hatfield Borough Council

Technical Review of the Submission by Green Balance for Save Symondshyde

June 2019

1. The Save Symondshyde community group has recently commissioned Green Balance to prepare a paper on the “Role of the 2016-based Household Projections in Calculating Dwelling Requirements in the Welwyn Hatfield Local Plan” (‘the Green Balance paper’). This is dated March 2019 and was recently sent to the examining Inspector, with a further hearing session requested by the community group to discuss this matter.
2. Welwyn Hatfield Borough Council (‘the Council’) has commissioned Turley to review and advise on the implications of the Green Balance paper. **This note does not represent a formal response**, but outlines how the points raised within the Green Balance paper would be addressed if the Inspector granted the request of a further hearing session via either written or verbal evidence.

Background

3. The Green Balance paper focuses on the implications of the 2016-based household projections, published by the Office for National Statistics (ONS) on 20 September 2018. It is premised upon the 2016-based household projections not having been ‘*reflected in any update to the SHMA yet issued*’ by the Council¹.
4. Although this would have publicly appeared the case when the Green Balance paper was prepared, the Council has indeed commissioned Turley to consider the implications of the 2016-based projections for the objective assessment of need (OAN). It is anticipated that this paper² (‘the Turley paper’) will be imminently published and added to the Examination Library.
5. The Turley paper has fully considered the implications of the 2016-based sub-national population projections (SNPP) and 2016-based household projections in Welwyn Hatfield, thereby addressing the central criticism of the Green Balance paper.

Introducing the respective positions

6. The papers do, however, arrive at different conclusions on the implications of the 2016-based projections, as:
 - **The Turley paper recognises the availability of new projections but concludes that it is reasonable and justified to retain the previously rounded OAN of 800 dwellings per annum.** It acknowledges that the 2016-based household projections are around 10% (c. 1,300 homes) lower than the previous 2014-based iteration that formed the ‘*starting*

¹ Paragraph 1.8 of the Green Balance paper

² Turley (2019) Welwyn Hatfield Technical OAN Paper: the implications of the 2016-based SNPP and SNHP on the Welwyn Hatfield OAN

point for the OAN, but highlights very close alignment between the underlying *population* projections (2014 and 2016-based population projection datasets). It therefore identifies that the different household formation rate assumptions in both the 2014 and 2016-based household projections are the primary cause of difference. It recognises that the Government has raised fundamental concerns around the reliability of the 2016-based household projections, with the ONS also acknowledging the limitations of newly implemented changes to the household formation rate methodology. On this basis, it is concluded that the 2014-based rates should be preferred for the purposes of assessing housing needs in Welwyn Hatfield, which – though subject to further adjustment³ – considerably narrows any difference to little more than 1% when respectively applied to the 2016- and 2014-based population projections. **This is not a ‘meaningful change’ in the context of the Planning Practice Guidance⁴ (PPG), and is considered to justify the retention of the OAN for 800 dwellings per annum; and**

The Green Balance paper concludes that ‘the dwelling requirements in the Welwyn Hatfield Local Plan should be recalculated using a demographic ‘starting point’ for 1,845 fewer dwellings than the submitted Plan proposes’⁵. This reflects the precise difference between projected household counts in 2032 under the respective projections, with an allowance for vacancy. Such an approach amplifies the difference implied when comparing *change* in projected growth under the 2014-based and 2016-based household projections over a plan period (difference of c.1,300 homes⁶ as referenced above). The Green Balance paper suggests that this reduction must be taken into account simply by virtue of the new projections being the most recent available, to accord with its interpretation of national policy and guidance. **It does not, however, claim to apply the PPG in full, nor arrive at an alternative OAN.** It concedes that the household projections are only a ‘starting point’, and acknowledges that reduced household projections would only lower the housing requirement ‘if there were no consequential adjustments’⁷. It does not proceed to explore or comment on the need for further adjustment, which was discussed at length at the original hearing session in October 2017.

7. In summary, different conclusions have primarily been reached because of the varying degrees of weight given to the latest available information. This is discussed in further detail below.

Acknowledging issues with the latest available projections

8. As noted above, the Green Balance paper endorses the use of the 2016-based projections to adhere to the relevant NPPF, which requires Local Plans to be based on ‘*up-to-date*’ evidence⁸. The Green Balance paper also cites the PPG, which states that ‘*local needs assessments should be informed by the latest available information*’ but clarifies that ‘*this does not automatically mean that housing assessments are rendered outdated every time new projections are issued*’⁹. The

³ As in the 2017 SHMA Update, 2014-based headship rates are applied but adjusted to allow for a return to higher levels of younger household formation where this is not already assumed within the projections

⁴ PPG Reference ID 2a-016-20150227

⁵ Paragraph 2.5 of the Green Balance paper

⁶ Table 3.1 of the Turley paper calculates this difference as being 1,305 homes; paragraph 2.3 of the Green Balance paper suggests a difference of 1,301 homes. This difference is inconsequential but likely due to rounding

⁷ Paragraph 2.5 of the Green Balance paper

⁸ DCLG (2012) National Planning Policy Framework, paragraph 158

⁹ PPG Reference ID 2a-017-20140306

Turley paper refers to these sections of the PPG, as have previous papers produced for the Council.

9. There is, however, considered to be a significant degree of ambiguity at the current point in time when applying this guidance in the context of the latest, 2016-based projections, which have been extensively scrutinised since their release. The Government has itself set out that it has fundamental concerns with the 2016-based household projections¹⁰, and made clear its view that *'the 2016-based household projections should not be used as a reason to justify lower housing need'*¹¹. The Government has been explicitly aware of *'concerns about not using the latest evidence'*¹², but has still taken this position due to overriding concerns around the reliability of the latest projections for the purpose of assessing housing need. Although its concerns were made in the context of the "standard method", and the revised National Planning Policy Framework (NPPF), it has indicated that this should continue to provide *'relevant background to the level of weight that should be afforded to the revised household projections'* even in the context of the earlier NPPF¹³.
10. It is therefore **not** the case that Government policy and guidance requires the latest information to be automatically used at all times. The general requirement to take *'the latest available information'* into account evidently predates the Government's specific concerns around the 2016-based projections, indicating that it can be justified to attribute limited weight to this dataset in these circumstances.
11. The Green Balance paper cites a small number of Examinations where Inspectors have referred to the 2016-based projections, although further consideration of these examples is revealing:
 - In **Guildford**, it is accepted that the Inspector invited statements on the implications of the 2016-based household projections, and ultimately took them into account in reporting on whether the Local Plan makes adequate provision for new housing. However, the Inspector clearly recognised that *'the latest projections are rooted in a time of acknowledged deterioration in housing affordability'*, and endorsed a sizeable 27% uplift from the projections to allow for a recovery in younger household formation¹⁴. He subsequently endorsed a series of further adjustments to support likely job growth and account for growth of the university, which produced a housing requirement that was almost 80% higher than the 2016-based projections. The Green Balance paper makes no attempt to determine whether such adjustments are necessary in Welwyn Hatfield;
 - In **Broxbourne**, there are clear parallels with Welwyn Hatfield, in that the proposed requirement is linked to an OAN concluded within a 2017 assessment that takes account of the 2014-based projections. Through supplementary questions, the Inspector considered the implications of lower 2016-based projections, but the Council justified retention of the current OAN by highlighting the Government's concerns about this dataset and referring to

¹⁰ MHCLG (2018) Technical consultation on updates to national planning policy and guidance

¹¹ MHCLG (2019) Government response to the technical consultation on updates to national planning policy and guidance: a summary of consultation responses and the Government's view on the way forward, p6

¹² *Ibid*, p6

¹³ London Plan Written Representation by the Ministry of Housing, Communities and Local Government (Reference ID 2631 – Housing Requirement, matter 17s)

¹⁴ Planning Inspectorate (27 March 2019) Guildford Borough Local Plan: strategy and sites, Inspector's Report, paragraph 26

a continued worsening of market conditions in Broxbourne¹⁵. The Inspector subsequently advised that the submitted housing requirement, derived from 2014-based household projections, is *'justified and consistent with national policy'*¹⁶; and

- In **Runnymede**, the OAN is derived from the 2014-based household projections with a 20% uplift linked to market signals, reflecting the conclusions of a 2018 update to the SHMA. The Inspector did ask a question about the lower 2016-based household projections, but the Council's response acknowledges *'uncertainty about the quality of the 2016 sub-national projections'* and proposes no change to the OAN¹⁷. The Inspector is yet to issue her report at the time of writing, and does not appear to have provided any interim update or position regarding the use of 2016-based projections.

12. While these examples are selected in the Green Balance paper, it makes no reference to the disregarding of the 2016-based projections in several other Local Plan Examinations over recent months¹⁸. This reflects, amongst other factors, a clear desire by the respective Councils and Inspectors to avoid unnecessary delays to the adoption of a Local Plan. This is a sentiment shared by Government, who sought to make clear their position on the 2016-based household projections in order to avoid the *'delays and uncertainty'* that had started to emerge in the weeks following their publication¹⁹.

Conclusion

13. In conclusion, there are specific issues with the 2016-based household projections which indicate that this *'latest available'* dataset should not be automatically preferred to the preceding 2014-based dataset, or used to justify a lowering of housing need. A failure to acknowledge the existence of these issues is considered to undermine the conclusions of the Green Balance paper.
14. In contrast, the Turley paper has acknowledged this background context and scrutinised the 2016-based projections, identifying specific issues with the assumed rates of household formation in Welwyn Hatfield which are shared by the Government and conceded by the ONS in the context of the national dataset²⁰. It is the conclusion of the commissioned technical papers prepared in 2018 and 2019 that accounting for these issues and applying the PPG methodology in full continues to indicate that in the order of 800 dwellings per annum are needed in Welwyn Hatfield.

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¹⁵ Broxbourne Borough Council response to supplementary questions on Matter 3 – Housing Need and Supply

¹⁶ Independent Examination of the Broxbourne Local Plan: Inspector's Post Hearings Advice (10 December 2018)

¹⁷ Runnymede Borough Council (5 November 2018) Runnymede 2030 Local Plan Examination: responses to the Inspector's Matters and Questions for the Stage 1 hearings, Matter 2: objectively assessed need for housing and employment land provision; paragraph 2.60 – 2.61

¹⁸ Kirklees, South East Lincolnshire, Stockton-on-Tees and Poole, for example

¹⁹ MHCLG (2018) Technical consultation on updates to national planning policy and guidance, paragraph 21

²⁰ ONS (2018) Methodology used to produce household projections for England: 2016-based