

# **North Mymms District Green Belt Society**

**August 2019**

**Welwyn Hatfield Local Plan Examination**

**Response to Consultation on Updated Documents**

**Prepared for the Society by Jed Griffiths MA DipTP FRTPI**

## **INTRODUCTION**

1. This report has been prepared by Jed Griffiths MA DipTP FRTPI on behalf of the North Mymms District Green Belt Society. It is made in response to an invitation by the Examination Inspector to Regulation 19 representors to comment on a range of documents which were uploaded to the Welwyn Hatfield Borough Council web-site on 19<sup>th</sup> July 2019.
  
2. The comments set out below relate to the following documents:
  - EX101A: Email from Save Simonshyde.
  - EX101B: Green Balance “Role of the 2016-based household projections in calculating dwelling requirements in Welwyn Hatfield Local Plan.”
  - EX102: Welwyn Hatfield Cabinet Planning & Parking Panel: Local Economy Update.
  - EX102A: Appendix A.
  - EX103: Welwyn Hatfield Cabinet Planning & Parking Panel: Local Plan housing Update Report.
  - EX103A: Implications of the 2016 Household and Population Projections.
  - EX103B: Implications of New Plan Period.
  - EX103D: Technical Review of Green Balance Submission.
  - EX104A: Welwyn Hatfield: Employment Land Technical Note: Labour Demand Scenarios.
  - EX104B: Welwyn Hatfield: Employment Land Technical Note:
  
3. The Society notes that the Inspector only wishes to receive representations which address issues which are likely to affect the soundness of the Local Plan. In accordance with the Inspector’s wishes, this report concentrates on those matters which, in the view of the Society, need to be debated at future hearing sessions.

### **The Changing Context**

4. In the two years since the opening of the Local Plan Examination, there have been a number of changes to government policy and to the statistical base which informs the Local Plan. One of the most significant changes was the issue, in September 2018, of updated 2016-based projections of population and household formation rates by the Office of National Statistics (ONS). These results were of great interest to the Society, and many other representors, in that the forecasts were much lower than the previous 2014-based figures.

5. The implications for the Local Plan of the new forecasts were addressed by Green Balance in their report of February 2019 (EX101B). It was argued that, if the 2016-based household projections were used, the numbers of dwellings required for the period 2013 – 2032 would be reduced by 1,845 units. There would therefore be less need for the Borough Council to release land from the Green Belt.
6. Unsurprisingly, the Society has considerable sympathy with these views. Since the completion of the Green Balance, however, there have been further changes to government policy and advice. In February 2019, an amended version of the National Planning Policy Framework (NPPF) was published. This has been followed by replacements of the sections of Planning Practice Guidance (PPG) relating to housing, including a revised standard method for calculating housing needs.
7. On behalf of the Borough Council, Turley have produced a critique of the Green Balance report (in paper EX103D). In particular, this emphasises that the government requires that Local Plans submitted on or before 24<sup>th</sup> January 2019 should be produced according to the arrangements set out in the 2012 version of the NPPF. Thus, the Inspector seemingly has no choice but to proceed on that basis. Nevertheless, the 2012 NPPF requires that the local planning authority should use a proportionate evidence base which is up-to-date. Together with Green Balance and many other representors, the Society believes that the 2016-based projections should be deployed to inform the Local Plan.
8. The Society is pleased to note that the latest examination papers do include references to the 2016-based figures and discussions of their implications. As indicated below, however, the Society does not agree with the conclusions of the Borough Council's consultants.

### **Population and Housing**

9. In the July report to the Council's Cabinet Planning and Parking Panel (EX103), there is discussion of the implications of extending the Local Plan period to 2020 – 2035. It concludes that the previous rate of housing development, at 800 dwellings per annum, is still appropriate. Despite the lower forecasts of population and household growth produced by the ONS 2016-based projections, the Council is advised that adjustments need to be made to take account of market signals and a rise in household formation rates for younger groups. These conclusions are underpinned by the report on the implications of the 2016 projections (EX103A).

10. The latest iteration of Planning Policy Guidance, published on 22<sup>nd</sup> July 2019, still require the latest available projections of housing need to be taken into account in the formulation of Local Plans. In the case of Welwyn Hatfield, this is to a large extent incorporated into the papers EX103 and EX103A. The latter report states that the 2016-based household projections suggest a lower rate of household growth for the plan period 2013 - 2032, compared to the 2014-based projections. This amounts to a 10% reduction, which could be viewed as a “meaningful change.” Population growth projections, however, showed a small increase in the 2016-based figures, compared to the 2014-base (see Table 1 of EX103A). From this it was concluded that the 2014-based SNPP presented a “reasonable” trend-based projection for Welwyn Hatfield.
11. The final conclusion, in paragraph 18 of EX103, is that the OAN of 800 homes per annum, identified in the submitted SHMA evidence, should not be revised. In the Society’s view, this does not give sufficient weight to the projected rates of household formation, as summarised in Table 3.1 of the report. In chapter 1 of the report, there is reference to MHCLG advice that the 2014-based household projections should continue to be used as the basis for the standard method of calculating OAN. According to the Government, this would provide “stability” for local planning authorities. Considering the challenge of the 2016-based projections would be “likely to have resource problems and has the potential to cause delays.”
12. Notwithstanding these points, it is a fact that there have been considerable delays at the examination stage of the Welwyn Hatfield Local Plan, mainly because of the tensions between the OAN and the need to protect the Green Belt. Further delays are likely because of the volume of response to the call for sites consultation. In these circumstances, the Society believes that it is entirely appropriate to consider the “latest available” projections in accordance with the revised PPG.
13. The more important aspect of the ONS projections relates to the 2016-based forecasts of household growth, compared to the previous 2014-based figures. The results, summarised in Table 3.1 of EX103A, are recognised as a “meaningful change”. As pointed out in the report, if these were used as a new “starting point” for the OAN, there would be a reduction of 10%. To counter this point, however, the report quotes the PPG, which states that adjustments may be needed to reflect “local demography” and the past effects of “under-delivery” of housing.

14. Two factors are considered by the consultants to merit an adjustment to the projections for Welwyn Hatfield. First, there are the methodological changes to the ONS 2016-based household projections, which may have resulted in a down-playing of the need for housing for younger people. Second, there are market signals, such as the “affordability gap”, which suppress the supply of housing.
15. The first of these issues is discussed in Chapter 5 of EX103A and summarised in Table 5.2. Adjustments to the household formation rates suggest that a rate of 712 dwellings per annum should be used for Welwyn Hatfield. This assumes a return to more positive housing conditions for the younger age groups. In the view of the Society, this assumption is not justified. Increasing the numbers of dwellings and site allocations in the Local Plan will not necessarily solve the problems facing the younger age groups. The reality is that most of the sites allocated will be taken up by the volume housebuilders, for sale on the open market. A great number of these units will be purchased by existing householders who are seeking to move up the market. The way in which the market operates in the Borough means that many of these purchasers will be from outside the area, particularly from Greater London.
16. Market signals, the second issue, are not discussed in the same degree of detail in EX103A. There is assumed to be little change to the factors described in the 2017 SHMA, and set out in paper EX82. Thus, a 10% adjustment is proposed, which leads to the rounded OAN figure of 800 dwellings per annum. The implications of this assumption are discussed below with reference to the implications of a new plan period.

### **The Local Economy**

17. The Society notes the paper submitted to the Borough Council’s Cabinet Parking and Planning Panel on 3<sup>rd</sup> July 2019 (EX102), and the supporting appendices (EX102A and EX102B). The paper affirmed that the Local Plan submitted in 2017 made provision for around 116,000 square metres of employment floor space, including the proposed site at Marshmoor. At an earlier stage in the examination, the Inspector had raised concerns as to whether the increase in floor space would lead to a rise in in-commuting to the Borough, if the OAN were not realised. These concerns were also raised by the Society, which has objected to the proposed allocation of the Marshmoor site.

18. A number of issues relating to the local economy and employment were set out in the paper. In particular, reference was made to the Hertfordshire Local Enterprise Partnership's report on the loss of employment floor space. Over 80,000 square metres had been lost in Welwyn Hatfield, 50% of which had changed to residential use. The loss of an appeal at Entech House, Woolmer Green, had illustrated the risk to the Borough Council, which was considering the issue of an Article 4 Direction to prevent further losses through changes to permitted development rights.
19. In terms of jobs growth, the report referred to the latest sets of data released by ONS in late 2018. These showed an increase in jobs in the Borough from 89,000 to 100,000 between 2016 and 2018. The reasons for these figures were being queried with ONS, but the report unsurprisingly concluded that identifying a "precise and robust" number of jobs was extremely difficult, if not impossible. The Society concurs with these views.
20. Employment forecasts, undertaken by AECOM, indicated that there would be a drop in the forecast level of employment growth compared to the previous estimate in 2017. There would be 5,200 additional jobs in the B Class sector in the plan period 2013 – 2032, compared to 6,800 previously forecast – this would translate into the 116,000 square metres additional floor space. An assessment was also undertaken to assess the employment needs arising from the potential increase in population. A total of 3,120 would be required in the B Class sector, which would translate into 78,000 square metres of additional floor space. It was noted that both these figures would change if the plan period were to be changed.
21. In paper EX102A, the appendix to the Cabinet report, there is more discussion of the jobs figures. Since the year 2000, there have been more jobs located in the Borough than the working age population (with a jobs density of 1.24 in 2017). A surge in employment in the wholesale and retail sectors was recorded in the Annual Monitoring Report for 2017- 2018. Thus, jobs data needed to be interpreted "cautiously". After much discussion, the report acknowledges that "it will not be possible to produce a single figure for employment in the Borough which is robust and reliable."

22. In Chapter 6 of paper EX102A, there is a description of further forecasting work on employment land needs. In Table 0.4, the total land need is set at 9 hectares, including 3 hectares in the B1 Classes. The Society agrees with this modest level of provision, and with the conclusion that the most appropriate and sensible course of action is to safeguard existing employment sites, in accordance policy SADM10 of the Local Plan. It follows that the proposed allocation of the Green Belt site at Marshmoor for a science park is highly questionable – this matter will be addressed by the Society at Stage 6 of the Hearings.
23. A more detailed assessment by AECOM of the Borough Council's employment land requirements is set out in the papers EX104A and EX104B. There are comparisons between the Experian and East of England Forecasting Model (EEFM) forecasts of jobs, floor space needs, and employment land needs for the period 2018 – 2036. The hybrid forecasts for the B Use Classes show a total land requirement of 10 hectares (Table 6.9), of which 7 hectares are in the B1 categories. Although this is higher than forecasts in paper 102A, this is a modest increase. The overall forecasts are lower than previously calculated for the period 2013 – 2032.
24. It is concluded in paragraph 6.7 of EX102A that growth in the period 2013 – 2018 was probably attributable to recovery from the 2008 recession. From 2018 onwards, there are a number of uncertainties which may affect the longer term pattern of growth, not least the possible departure of the United Kingdom from the European Union. The Society agrees with the need for caution set out in the papers – this reduces the possible pressure on Green Belt land.

### **Implications of a New Plan Period**

25. The implications for the calculated housing need of a new plan period, to 2035, are discussed by Turley in Paper EX103B. In view of the ongoing delays during the examination of the Local Plan, the Society understands that a re-adjustment may be necessary. This assumes that the Plan would finally be adopted in the year 2020.
26. Using the 2016-based SNPP, Table 2.1 shows that the projected household growth in Welwyn Hatfield would be slightly lower than the previous 2014-based headship rates. Adjustments to the household formation rates are made which show an increase of 672 dwellings per annum in Welwyn Hatfield in the period 2016 – 2034 – this is an increase of 11% from previous calculations. The adjustment is said to be justified in terms of worsening market signals and the uplift in housing provision required for the younger age groups.

27. As stated above, the Society questions these assumptions, and the consequent increase in the OAN. Recent evidence suggests that there is a decrease in average house prices. In addition, there has been a marked increase in the numbers of properties available to rent. The retention of the 800 dwellings per annum figure is questionable in view of the overall trends, including the recent information about the decline in the UK birth rate. Extrapolation of this rate of development to 2035 would mean a total requirement of 15,200 additional dwellings over the 15-year period 2020 – 2035. This would further increase the pressures on the Green Belt.

### **Conclusions and Recommendations**

28. Having considered the papers listed above in paragraph 2, the Society is extremely concerned that the rates of projected housing growth are too high in view of the new evidence set out in the 2016-based ONS projections. These projections show that the “starting point” for the Local Plan should be lower than previously advanced by the Borough Council and its consultants. The current adjustments made to the OAN against market signals are based on short-term trends and assumptions which are not robust. It is also clear that the OAN figure has been inflated because of the over-optimistic assumptions of economic growth advance by the Hertfordshire Local Economic Partnership (LEP). These predictions have been accepted by the Borough Council with no consideration of the consequences for housing.

29. In order to produce a Local Plan which is justified and deliverable, the Society recommends that there should be a more cohesive strategy at the heart of the document. Using the results of the Green Belt Study Stage 3, and the Call for Sites analysis, the Plan should allocate only those sites which cause the least harm to the Green Belt.

30. The Local Plan should contain a stronger commitment to the phasing of land for development. For the first five years, the sites committed for development should be deliverable. In accordance with the most recent advice in PPG, there should be a positive commitment to a full review in five years. This would ensure that there would not be an over-supply of sites in the first five years. Delivery of sites should be coupled to the provision of infrastructure – the Infrastructure Development Plan is inadequate in this respect.

31. In the Society's view, the proposed OAN figure has been underpinned by the sharp increase in the Borough's population in the period 2004 – 2005. As shown in paper EX103A, (figure 4.1), this was due to the redevelopment of the former British Aerospace site at Hatfield and the rapid rise in student numbers at the University of Hertfordshire. These circumstances are unlikely to be repeated. Calculation of the "new" OAN may be technically correct, but it can only be delivered by substantial releases of Green Belt.
32. The Society strongly believes that the primary focus of the Local Plan should be on the very real issue of housing need. Thus, accommodation for the younger age groups can only be addressed by stronger policies for affordable housing. No housing developer, however, would be willing to build on Green Belt land to deliver the numbers of affordable units which would reduce average house price in the Borough below the recent average of £384,500. Unconstrained increases in supply will merely cater for groups who are already in the housing market. Rather than satisfy "local needs", most of the houses built on Green Belt sites will be bought by people moving into the Borough, particularly from Greater London.
33. The Society has noted the discussion on the extended plan period set out in paper EX103B. Given the ongoing delays during the examination period, this is perhaps inevitable. There is a grave concern, however, that merely extending the plan period by extrapolating the OAN, would exacerbate the pressures on the Green Belt. As stated above, there should be a commitment to a phased approach with a full review after the first five years.
34. In this respect, the Society is aware that the Borough Council has been involved in discussions with Stevenage Borough Council and North Hertfordshire District Council about the possibility of establishing a joint strategic plan for the whole of these areas. This would seem to be a worthwhile option, and would provide an opportunity to examine ways in which to provide for the needs of a wider area, whilst protecting the most important parts of the Green Belt.
35. In the Society's view, if this option were to be pursued, it should be done quickly. Preparation of a joint strategy would be timely, for it would obviate the need for further reviews of the Green Belt in each of the local authority areas. It would also set the strategic context for planning to 2030 and beyond.

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Hertford

16<sup>th</sup> August 2019

