
NORTH HERTS DISTRICT COUNCIL LOCAL PLAN EXAMINATION

On behalf of Ashill Land Limited

Hearing Statement: Matters 21 and 22

September 2020

1 Introduction

- 1.1 CBRE is appointed to act for Ashill in respect of its land interest at the land south of Heath Lane, Codicote (ref: CD5).
- 1.2 Ashill has an interest in the land at Heath Lane in Codicote which is identified in the submitted Local Plan to be removed from the Green Belt and allocated for 140 dwellings. Following promotion of the site since 2013 and significant engagement with Hertfordshire County Council (HCC) on the land that is being gifted to facilitate expansion of Codicote Primary School, a planning application (ref: 18/02722/FP) was submitted in October 2018 for the following development:

'Full planning permission for 167 dwellings (Use Class C3) and associated works including formal open space, internal road network, landscape enhancement and creation of accesses from Heath Lane and St Albans Road; and the demolition of 66 St Albans Road'.
- 1.3 The application has been pending determination due to the delay to the Local Plan and the lack of certainty provided on whether the Inspector considers exceptional circumstances exist to release land from the Green Belt in the district.
- 1.4 The delays to the application have had an impact on the housing land supply for the first five years of the plan and have also delayed the ability for Codicote Primary School to expand. We understand that due to this, in 2019, the school was operating at a 17% shortfall, which will increase to 33% in the 2021/22 academic year without any of proposed housing sites coming forward.
- 1.5 In the context of the above, these Hearing Statements are made in support of NHDC's ambition to secure an up to date Local Plan to enable early housing delivery and the school expansion.

2 Matter 21 – The objective assessment of housing need ('the OAN')

Background to the Matter and Inspectors Further Questions

The Council intends that the housing requirement should be modified in the light of the revised OAN calculations, and that an overall requirement of 13,000 dwellings is proposed, comprising of 11,600 to meet North Hertfordshire's needs and 1,400 to help address unmet needs in Luton.

Ashill wishes to respond to question 21.2 of this Matter:

Has there been a meaningful change in the housing situation in North Hertfordshire?

Ashill response

- 2.1 Ashill does not consider there has been a 'meaningful change in the housing situation' at North Hertfordshire.
- 2.2 PPG states that *'the government's official population and household projections are updated every 2 years to take account of the latest demographic trends ... wherever possible, local needs assessments should be informed by the latest available information. The NPPF is clear that Local Plans should be kept up-to-date. A meaningful change in the housing situation should be considered in this context, but this not automatically mean that housing assessments are rendered outdated every time new projections are issued'*. A meaningful change is not defined within PPG; however, regardless of whether the revised projections should be used to dictate OAN for housing, government guidance has been clear that the housing need calculations are intended to be seen as a minimum, given the overall government ambition to significantly boost the supply of homes¹.
- 2.3 In October 2018, NHDC submitted document ED159 to consider the implications of the new 2016 household projections on the Local Plan and whether the use of the 2016 figures resulted in a meaningful change to the housing situation. It was concluded by NHDC that the 2016 figures did not result in a meaningful change and no update was proposed to the OAN for housing.
- 2.4 Using information provided by the Council ED159 and the follow up ED177, the table below sets out the household growth predicted using the 2014, 2016 and 2018 projections and how this was translated into an objectively assessed need by NHDC.

Household projections Predicted household growth	Resultant OAN for NHDC ²
2014	13,800
2016	12,900
2018	11,500

- 2.5 In its letter ED159, NHDC stated that *'a precautionary approach should be taken to reacting to the latest projections through the current Examination There is considerable uncertainty surrounding the recent projections and their implications. They project the effects of low-*

¹ NPPF Paragraph 55

² Not including the unmet need from Luton

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housing delivery and deterioration in housing affordability. A Plan predicated on these factors would not represent a positive response to the 2012 NPPF's ambitions to "boost significantly the supply of housing".'

- 2.6 Ashill considers that the use of the 2018 projections would also not provide a positive response to the 2012 NPPF ambitions. Further, as explored below, there is still uncertainty regarding the 2018 figures and whether they also project the effects of low housing delivery.
- 2.7 In July 2020, a High Court decision dismissed a claim made by Keep Bourne End Green against Buckinghamshire Council and the Secretary of State for Housing, Communities and Local Government brought against the defendants on two grounds, one of which related to whether the 2016-based objections should have been taken into account for the OAN, given the reduction in housing growth.
- 2.8 Although responding to the 2016 projections, this case is relevant to the situation at NHDC because the 2016 projections reduced the OAN in the local plan from 15,100 to 13,200 – a reduction of 14% - a similar level to the reduction proposed at NHDC using the 2018 projections. This reduction was not considered meaningful by Buckinghamshire Council nor the Planning Inspectorate, who concluded *'having regard to the importance of boosting the supply of housing, it would be unjustified to revisit the Plan's evidence base and delay adoption of the Plan in the light of the 2016-based projections.'* This position was held by the High Court in August 2020, and it was noted at paragraph 101 of the judgement that the disadvantages of a delay to an emerging local plan may provide a reason as to why it may not be possible to revise the OAN by using recently published household projections.³
- 2.9 The conclusion made by NHDC in relation to the 2016 projections should still stand for the 2018 projections and that the change should not be considered as meaningful. Similar to the 2016 projections, the 2018 predicted household growth figures use an exceptionally short trend period. It is not clear whether this will present a longer-term reality for housing growth in the district and cannot be a reasonable starting point for assessing housing need⁴.
- 2.10 Criticisms of the 2018 figures include that, through changing household projections, a negative cycle can be reinforced, whereby housing under-supply in areas has the effect of lowering the trend for growth through migration and household formation that in turn drives future projected growth i.e. the household projections can be lower based on the lack of housing supply – which is clear in NHDC given that only a two year housing land supply can be demonstrated⁵. As set out in the Buckinghamshire decision, utilising housing projections that are only based on short term growth trends can result in projections that are *'unduly suppressed by the factors prevalent during the short time period on which they are based: deteriorating affordability, low housing*

³ <https://www.wycombe.gov.uk/uploads/public/documents/Planning/Keep-Bourne-End-Green-v-Buckinghamshire-Council-Approved-Judgment-23-07-2020.pdf>

⁴ The implications of the 2018-based SNPP and SNHP on the Welwyn Hatfield OAN, Turley, August 2020
https://welhat.gov.uk/media/17111/EX203A-The-implications-of-the-2018-based-SNPP-and-SNHP-on-the-Welwyn-Hatfield-OAN/pdf/EX203A_The_implications_of_the_2018-based_SNPP_and_SNHP_on_the_Welwyn_Hatfield_OAN.pdf?m=637345850281970000

⁵ ED191B

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delivery and recession". These criticism provide doubt on whether an OAN calculated using the 2018 projections will provide sufficient housing.

- 2.11 Updating the evidence base in relation to housing need at this late stage in the process would have implications for the wider evidence base of the Plan and is not considered to be a proportionate approach. It could result in significant delays to the adoption of the Plan, contrary to the objectives of the Government.
- 2.12 Therefore, we do not consider that the proposed reduction can be considered meaningful predominantly due to the short-term nature of the 2018 projections and the fact that they are based on a period of low housing delivery and the potential delay on the adoption of the NHDC Local Plan.

3 Matter 22 – the supply of land for housing

Background to the Matter and Inspectors Further Questions

The Council proposes to reduce that overall housing requirement to 13,000 dwellings - 11,600 to meet North Hertfordshire's housing need and 1,400 to help address Luton's unmet housing need. As we understand, this is coupled with a commitment previously put forward by the Council to an early review of the Local Plan. The Council anticipates the delivery of 14,650 dwellings over the plan period. It does not propose to delete from the Local Plan any of the housing sites included within it, and argues that the difference between anticipated delivery above the requirement represents an appropriate 'buffer' (of around 13% of the overall housing requirement).

Ashill response

a) Is reducing the overall housing requirement to 13,000 and undertaking an early review of the Local Plan, the most appropriate way forward? If not, why not?

- 3.1 As set out above, Ashill does not consider that there has been a meaningful change, and consequently, the housing requirement should not be reduced. However, Ashill is supportive of undertaking an early review of the Local Plan given the future changes to housing need assessment methodology and to take account of any uncertainty brought about by the current pandemic, whilst allowing NHDC to have a defensible position through an up to date local plan.
- 3.2 This was the approach taken by the Inspector in the Runnymede Local Plan, adopted in July 2020. At paragraph 27 of his report, the Inspector states "*In March 2020, new sub-national population projections were published, but I consider that their implications are a matter for review in the future and they do not justify delaying this Plan's process.*"
- 3.3 Since the conclusions of the Runnymede Inspector Report, on 6 August 2020, the government published a range of papers setting out its ambitions to reform the planning system. Two main papers formed part of this consultation: *Planning for the Future*, setting out the reforms proposed to come into place in 2024, and *Changes to the Current Planning System* setting out shorter term reforms in the interim period prior to the proposed reforms. As part of the second document, a new standard method for housing was set out with the intention of delivering 337,000 new homes a year nationally. These changes are due to come into force by the end of 2020.
- 3.4 Using the proposed new methodology, over the plan period of 20 years, NHDC would be required to deliver 12,500 homes (625 per annum). This does not take account of the unmet need from Luton and is above the OAN estimated as a result of the 2018 projections. The government paper is clear that this should be considered as the minimum number of homes that a local authority should plan for and local circumstances may mean that actual need is higher than that minimum. This figure is also very similar to the figure NHDC calculated using the 2016 projections and found to not result in a meaningful change to the OAN.
- 3.5 Due to the changing nature of national policy in regard to housing need, retaining the current fully tested OAN and amending the Local Plan to include a requirement for an early review is the most appropriate balance between ensuring plans are based on the latest needs and allowing a development plan to be adopted. Having an adopted Local Plan is particularly necessary in an authority that is currently under special measures and unable to defend appeals for housing development based on the lack of an up to date plan.

b) If the housing requirement should be modified to 13,000 dwellings, should the supply of housing sites proposed in the Local Plan also be reduced? If so, how?

c) Is a 'buffer' or around 13% an appropriate approach? If not, why not?

- 3.6 No, the sites allocated for housing should not be reduced. Planning Practice Guidance confirms that authorities may submit higher numbers on the basis of, for example, economic growth, regeneration, infrastructure investment or affordable housing. Identifying additional land is particularly important in areas where there are affordability issues with a house prices to earnings ratio of over 4.0. In North Hertfordshire, this ratio is 10.21⁶ and has been steadily increasing over the past ten years.
- 3.7 Secondly, should the standard approach to housing methodology be amended in line with the current government paper, 12,500 homes will be required over the plan period at NHDC, which does not account for the unmet need from Luton. This reduces the estimated surplus to 750 dwellings – a buffer of 6%, as per the existing Proposed Submission Local Plan, confirmed in Examination Document ED178. Given this methodology for calculating housing need is due to come into place at the end of 2020, retaining the current OAN with the 6% buffer to allow for under delivery and affordability issues seems appropriate
- 3.8 The additional information submitted by NHDC demonstrates that it is capable of delivering 14,000 homes over the plan period. There seems to be no reasonable case for reducing the OAN at this stage in the Local Plan, when there is a significant existing shortfall of housing as demonstrated by the 2019 Housing Delivery tests, and a higher housing target has been demonstrated as achievable.
- 3.9 Finally, the Local Plan was submitted for Examination in 2017 and the Council needs an up to date Local Plan to be able to defend its position against poor quality development at appeal. Conducting a review of the proposed sites at this stage in the Examination would cause further undue delay and inflexibility.
- 3.10 NHDC can currently only demonstrate a housing land supply of 2.2 years and housing delivery since 2011 has totalled 2,814 dwellings, an average of 312 dwellings per annum; well below the current OAN of 690 and below the proposed OAN of 580 dwellings per annum. This shows a history of under delivery that will only be perpetuated by the current pandemic, which has caused uncertainty for developers and may result in some sites being undeliverable. Therefore, there is a clear need to allocate land for housing and apply an appropriate buffer to take account of the uncertainty and to provide flexibility for the Council.

d) If there is a 'buffer' of around 13%, do the exceptional circumstances required for the 'release' of land from the Green Belt for housing development exist?

- 3.11 Document HOU1 and the Council's Statements to Matters 5, 7 and 9 explain that the housing strategy in the Plan is based upon maximising the provision of new homes in the District. The evidence provided in this documents is clear that NHDC cannot meet its objectively identified

⁶ Office for National Statistics, 2019, <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

development need without developing in the Green Belt. These exceptional circumstances are summarised as follows:

- The intensity of objectively assessed needs both within the District and across wider market areas;
- The inherent constraints upon land suitable for sustainable development both within the District and across wider market areas;
- The difficulties in achieving, in particular, the social and economic roles of sustainable development, both within the District and across wider market areas and authorities lying (partially) within the Metropolitan Green Belt, without resort to Green Belt land;
- The fact that the Green Belt Review provides a strong evidential basis for identifying the potential harms to the Green Belt of releasing individual land parcels for development; and
- The fact that potential mitigation measures, on either a site-specific or wider compensatory basis, are available to the Council to ameliorate harms to the fullest reasonably practicable extent.

3.12 Through previous Hearings and correspondence, NHDC has confirmed that it can only meet 46% of its housing need through non-Green Belt sites. Even if the OAN is reduced, it will not be met by brownfield land alone and the government's objectives of significantly increasing housing supply will not be met.

3.13 As referenced above, we consider the buffer is appropriate to account for the uncertainty that is currently surrounding the housing market from Covid-19 and the government's proposals to reform the planning system. The Local Plan has already been in Examination for three years, and changing a fundamental assumption at this late stage and in the current context would be short sighted. Further, in other Green Belt authorities, a buffer has been considered appropriate in local circumstances. The Inspector for the Broxbourne Local Plan found an 8% buffer sound, whilst in Guildford, the Inspector found a buffer of 40% was sound. Providing choice and flexibility were also considered to be a contributory factor to exceptional circumstances in the case of Guildford, which can be applied to NHDC given chronic under delivery of housing and the lack of affordability of the existing stock.

3.14 Although not a Green Belt authority, the Mid Devon Plan, adopted in July 2020 makes provision for 17% more housing than is required, to provide flexibility and account for unforeseen circumstances that might prevent some sites from coming forward as expected such as not all commitments translating into completions. This approach was considered sound by the Inspector, and necessary to achieve a rolling five-year housing land supply for the district, which again is appropriate to NHDC given its stepped approach to the housing target.

3.15 It is clear from the indicative standard method figures in ED171 that housing need in North Hertfordshire will continue to be an acute issue in any plan review. Releasing these sites from the Green Belt now will, in addition to making a major contribution to the revised housing requirement, provide greater surety of supply when future plan reviews are undertaken and help to address any issues of shortfall from the extended Examination period.

3.16 Therefore, the identified exceptional circumstances in HOU01 continue to exist, alongside the other contributors set out above.