

Home Builders Federation

Matter 21

NORTH HERTFORDSHIRE LOCAL PLAN EXAMINATION

Matter 21 – the objective assessment of housing need ('the OAN') and the housing requirement

21.1 Has the revised OAN figure for North Hertfordshire been arrived at correctly/on a robust basis and are the key assumptions made reasonable?

On the whole we support the approach taken by the Council in its assessment of OAN using the 2018-based household projections. The assessment not only recognises the limitations with regard to the principal projections and its use of only 2 years of trend data but also accepts that household formation will have been suppressed due to the failure to adopt development plans that would have met identified needs. The only aspect of the approach taken in establishing the Council's revised OAN is the market signals uplift. We continue to suggest that a 20% uplift would be more appropriate. The Council has considered its position on the market signals uplift and on the basis of the evidence is not proposing to amend its position. However, the evidence on affordability in North Hertfordshire continues to indicate the need for a more significant uplift. For example, since 2017 the lower quartile affordability ratio has been above 11, well above the peak of 9.98 seen prior to the financial crisis of 2008. We would suggest that the proportionate response to this evidence is an uplift of at least 20%. This degree of uplift to the baseline demographic growth as adjusted to take account of the suppression of household formation results in a housing need over the plan period of 12,486 dwellings (624 dwellings per annum).

21.2 In the light of this, has there been a 'meaningful change in the housing situation' in North Hertfordshire?

The 2018-based household projections do show a significant reduction in the number of households expected to form in future within North Hertfordshire. As highlighted in the Council's evidence this can, in part, be attributed to the failure of North Hertfordshire to provide sufficient land in the past to meet the growing need for homes in the District. However, as outlined above, we do not agree that the change in the household projections should see the housing requirement be reduced by the amount being proposed by the Council.



21.3 If there has been a 'meaningful change in the housing situation' in North Hertfordshire, should the Local Plan's housing requirement be modified to reflect it?

When considering this issue, it is important to remember that this plan was submitted for examination in 2018 and benefits from the transitional arrangements included in the 2019 National Planning Policy Framework (NPPF). This transitional period was included in the NPPF to allow LPAs that had submitted plans, or were close to submission, to continue with their existing evidence base. The transitional period reflects the Government's desire for a plan led system and the drive to ensure all LPAs had adopted local plans in place. What the transitional period was not meant to lead to was a continued updating of the evidence of supporting local plans submitted prior to January 2019.

Indeed the continued reliance on the submitted evidence for transitional plans is supported in the November 2018 letter to Chief Planning Officers which states in its update on the use of the 2016-based household projections in the standard method that plans submitted on or before the 24 January 2019 can be based on existing assessments of housing need at the time of submission. This would suggest that the Government were not endorsing the use of the later household projections within transitional plans in the same way that they have not endorsed their use in the current standard method. As such we do not consider that it is necessary to modify the housing requirement on the basis of the latest demographic projections. As required by the PPG the Council have considered the latest data but it would be reasonable to rely on the evidence as submitted taking into account advice provided by MHCLG and the Government's continued goal of delivering 300,000 homes per year from the mid-2020s.

However, if it is considered that the requirement should be modified, we would suggest that this should not be reduced by the amount being proposed by the Council. As outlined above we would suggest that an OAN for North Hertfordshire, for a 2011 to 2031 plan period of circa 12,500 homes would be more appropriate. The addition of Luton's unmet needs would result in a minimum overall housing requirement of 13,900 dwellings.

21.4 Has the indicative OAN figure for Luton been arrived at correctly/on a robust basis and are the key assumptions made reasonable?

The consideration of Luton's OAN under this methodology using the 2018-based household projections is a moot point as should Luton prepare a new plan it would be required to on the basis of the policy in place at that point and not that set out in the 2012 NPPF and its associated guidance. As such the only sound basis against which to consider Luton's unmet needs is against the adopted plan.

21.5 In the light of this, has there been a 'meaningful change in the housing situation' in Luton?

It is not for this examination to consider whether there has been a meaningful change in Luton's housing needs. This could only be done through the review and examination

of the Luton Local Plan. Even if this examination could consider Luton's future development needs in this manner it would have to draw its conclusion on the basis of current planning policy and not the 2012 NPPF. If the Luton Local Plan were being examined under current policy the starting point for setting their housing requirement would be the local housing needs assessment using the standard method as set out in paragraph 60 of the 2019 NPPF and its associated guidance. This results in a minimum annual requirement for Luton of 1,376 dpa, substantially higher than the current OAN.

21.6 If there has been a 'meaningful change in the housing situation' in Luton, should the East of Luton sites be modified or deleted from the Local Plan?

As outlined above this examination cannot consider the meaningful change to Luton's housing requirement, nor any modifications that might arise from such a consideration, on the basis of a housing needs assessment derived from the 2012 NPPF and its supporting guidance.

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