

ROLE OF THE 2016-BASED HOUSEHOLD PROJECTIONS IN CALCULATING DWELLING REQUIREMENTS IN THE WELWYN HATFIELD LOCAL PLAN



Green Balance
for
Save Symondshyde

March 2019

The cover image shows part of the land proposed to be developed in a freestanding new settlement at Symondshyde, looking north east from Footpath 50.

Green Balance
Providence Cottage
Upper Green Road
Shipbourne
Kent TN11 9PL
Tel./fax.: 01732 811456
Email: info@greenbalance.co.uk
Web: www.greenbalance.co.uk

Table of Contents

	Page
Recommendation and Summary	3
1 MHCLG advice on the method for calculating housing requirements	4
2 Effect of the 2016-based household projections in Welwyn Hatfield	6
3 Treatment of the 2016-based projections in other submitted plans	7

RECOMMENDATION AND SUMMARY

A fresh hearing session of the Examination of the Welwyn Hatfield Local Plan should be held to review the implications for the Local Plan's dwelling requirements arising from the publication by the Office for National Statistics of the 2016-based household projections.

The evidence suggests that the dwelling requirements should be revised significantly downwards based on this new information.

This is the approach which has been taken in the Examination of other Local Plans which have reached a similar stage in their preparation and where there are significant differences between the 2014-based and 2016-based household projections.

1 MHCLG ADVICE ON THE METHOD FOR CALCULATING HOUSING REQUIREMENTS

1.1 The National Planning Policy Framework was revised on 20th February 2019 by MHCLG. It included provision for a new ‘standard method’ for calculating housing need in each local authority.

1.2 MHCLG was also clear that it did not wish the new method to interfere with the preparation of Local Plans which were already making good progress towards adoption. The consultation proposals (Planning for the right homes in the right places, 14 September 2017) had stated at paragraph 52: *“We are also proposing transitional arrangements to set a period of time before which plans would be expected to use the standard method for calculating the local housing need. This recognises that a number of plan makers have already made significant steps in preparing their plan, and we want to encourage them to complete their plan, avoiding further delays and so undermining the delivery of new homes.”*

1.3 The NPPF in February 2019 resolved in Annex 1 that: *“The policies in the previous Framework published in March 2012 will apply for the purpose of examining plans, where those plans were submitted on or before 24 January 2019”* (paragraph 214). This arrangement applies to the Welwyn Hatfield Local Plan, which was submitted for Examination on 15 May 2017, and considerable progress has already been made with that Examination.

1.4 The approach for calculating housing need in a local plan is set out in the NPPF 2012. The Welwyn Hatfield Local Plan Examination is progressing on the basis of policy set out in ‘Plan-making’ (paragraphs 150-185) (and in section 6 on ‘Delivering a wide choice of high quality homes’). Paragraph 159 explains that *“Local planning authorities should have a clear understanding of housing needs in their area.”* They should prepare a Strategic Housing Market Assessment and a Strategic Housing Land Availability Assessment. So far as the former of these is concerned, the SHMA, paragraph 159 states that this should identify housing need which: *“meets household and population projections, taking account of migration and demographic change”*.

1.5 Paragraph 158 of the NPPF 2012 explains that local authorities should use a proportionate evidence base which is up-to-date:

“Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals” (emphasis added).

1.6 For the purposes of applying the NPPF 2012, the use of ‘up-to-date and relevant evidence’ insofar as household projections are concerned means using the most recent 2016-based projections. ‘Meeting household and population projections’ in terms of paragraph 159 means meeting the 2016-based projections.

1.7 MHCLG has additionally ruled that the Planning Practice Guidance on Housing and Economic Needs Assessment which applied during the period of NPPF 2012 (from March 2014) is also to be used when finalising Local Plans submitted prior to 24 January 2019, not the PPG revisions introduced on 20 February 2019. The MHCLG website introducing the 20 February 2019 PPG includes an emphasised statement at the top that:

“Where plans are being prepared under the transitional arrangements set out in Annex 1 to the revised National Planning Policy Framework, the policies in the previous version of the framework published in 2012 will continue to apply, as will any previous guidance which has been superseded since the new framework was published in July 2018” (emphasis added).

1.8 Welwyn Hatfield BC has commissioned Turley to provide its SHMA. This was first prepared in August 2014 and has been subject to a series of Updates since then. The most recent Update was dated May 2017. The 2016-based Sub-National Household Projections were issued by the Office for National Statistics on 20 September 2018. These have not been reflected in any Update to the SHMA yet issued by Welwyn Hatfield BC.

1.9 Both Turley and Edge Analytics (who provided technical demographic evidence to support the SHMA) have repeatedly emphasised the advice in the PPG at the time on the ‘starting point’ for assessing housing need, which is to use the latest official household projections (see paragraph ID 2a-015-20140306). For example the most recent SHMA Update 2017 (May 2017) refers to this in Turley’s paragraphs 1.8 and 4.9 and Edge Analytics’ paragraphs 3.6, 3.22 and 3.27. Turley also quoted from paragraph ID 2a-016-20150227 in their paragraph 3.9, referring to what were at the time the recent 2014-based household projections (and their paragraph 4.88 says much the same):

“Whilst the PPG confirms that the demographic findings developed to date for Welwyn Hatfield are not automatically rendered out of the date by these new projections, local authorities are expected to consider any meaningful change in the housing situation implied to ensure that housing needs assessments are based on the latest available demographic data” (emphasis in original).

Turley correctly went on to consider the implications of the new demographic evidence.

1.10 Now that there are updated and significantly different official 2016-based household projections available, these should clearly be used to inform the Welwyn Hatfield Local Plan, in accordance with national policy and guidance. This would be consistent with the approach used to date in Welwyn Hatfield when new demographic information has previously become available.

2 EFFECT OF THE 2016-BASED HOUSEHOLD PROJECTIONS IN WELWYN HATFIELD

2.1 The Plan period for the Welwyn Hatfield Local Plan is 2013-32, a 19 year period. The SHMA, as updated, currently uses the 2014-based household projections to derive a starting point for dwelling requirements over this period. The Stage 2 household projections show that the projected numbers of households in the Borough were:

2013	45,019 households
2032	<u>57,360</u> households
Change	12,341 households

Over the 19 years of the Plan, this is an average increase of 650 households annually.

2.2 The conversion from households to dwellings should take into account a small vacancy rate to allow for turnover in the housing stock. This is normally taken as 3%. 103% of 650 generates an average annual requirement for 670 dwellings. This is the number used by Turley as their 'starting point' in their SHMA Update 2017 (see e.g. concluding paragraphs 6.6, 6.29 and 6.37). (Edge Analytics confirm this in their paragraph 7.8.)

2.3 The equivalent 2016-based household projections can be used in exactly the same way to update the above figures.

2013	44,491 households
2032	<u>55,569</u> households
Change	11,078 households

The 2016-based projections show that the growth in household numbers is 1,263 fewer households than previously anticipated. (Over the 19 years of the Plan, this is an average increase of 583 households annually – and much closer to the 2012-based projections of 574 dwellings annually.) Allowing for a 3% vacancy rate, housing need in the Plan based on the change in projections between 2013 and 2032 should be reduced by 1,301 dwellings.

2.4 However, the key issue is not the change in households between 2013 and 2032 as estimated by the projections, but the number of households for which provision should be made in 2032. Comparison of the figures in paragraphs 2.1 and 2.3 above shows that the most recent projections now estimate that there will be a need to house 55,569 households in 2032 compared with the previous estimate of 57,360. This is a reduction of 1,791 households. Again allowing for a 3% vacancy rate to convert households to dwellings, the dwelling requirements in Welwyn Hatfield at the end of the Plan period, compared with the previous estimate, can now be seen to be 1,845 fewer dwellings. This figure is larger than 'difference between 2013-32 changes' because, clearly, the 2016-based projections now estimate the number of households in 2013 in the Borough to be discernibly fewer than estimated in the previous projections.

2.5 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. If there were no consequential adjustments, then the dwelling requirement can be reduced by 1,845 dwellings. It hardly needs to be stated that this would take discernible pressure off the case for releasing land for housing from the Green Belt. This is a major reduction in need which cannot be overlooked. We consider Symondshyde (with its proposed 1,130 dwellings) to be the prime candidate to benefit from such a reduction.

3 TREATMENT OF THE 2016-BASED PROJECTIONS IN OTHER SUBMITTED PLANS

3.1 Welwyn Hatfield is not the only local planning authority which submitted its latest Local Plan for Examination prior to the publication of the 2016-based household projections, but has not yet adopted its Plan. We note below the approach taken by Examining Inspectors in some of the other local authorities where the 2016-based household projections are discernibly lower than the 2014-based projections.

3.2 The Guildford Local Plan was submitted for Examination on 13 December 2017. After the main hearings in June and July 2018, the Inspector invited further statements on the implications of the 2016-based household projections, in response to his Matters and Issues, and held an additional hearing session of the Examination on 12-13 February 2019 to discuss them. The key Inspector's Document ID12 is attached as Annex 1.

3.3 The Broxbourne Local Plan was submitted for Examination on 15 March 2018. Housing need and supply issues were considered at hearings on 12 and 13 September 2018, but in October the Inspector issued supplementary questions on this Matter to address new information including the 2016-based household projections (which indicated a substantial reduction in dwelling requirements). The Inspector's Supplementary Questions are attached as Annex 2.

3.4 The Runnymede Local Plan was submitted for Examination on 31 July 2018. The hearings at the Examination did not commence until 27 November, after the 2016-based household projections had been published, so the Inspector was able to include a question (2.1(d)) about the 2016-based projections as part of her Matters and Questions, without the need to hold additional hearings (in contrast to Guildford and Broxbourne). Relevant Matters and Issues from the Inspector are attached as Annex 3.

3.5 Inspectors have clearly been concerned to address the implications of the 2016-based household projections in cases where Local Plans have been submitted earlier using (what became) out-of-date demographic projections. In our view, the same approach should be taken in Welwyn Hatfield, where the effect on dwelling requirements in this Green Belt authority would be significant.

**Guildford Borough Council Local Plan
Resumed Hearings
12 and 13 February 2019****Inspector Note**

The Inspector invites statements from the Council and Attendees on the implications of the 2016 household projections for OAN and the plan's housing requirement.

In addition he wants to consider whether there would be consequential changes for the housing trajectory and 5 year HLS, and any other consequences affecting the main modifications, such as the inclusion or exclusion of the additional housing sites (but not their merits). The deadline for these statements will be close of play Thursday 17th January 2019 for the Council and Thursday 24th January 2019 for Attendees. Note these should be 1 electronic copy and two paper copies to the Programme Officer by the deadline.

Please note that the Inspector will not be opening up the hearing to cover any items other than those mentioned above. The spatial strategy, strategic sites and constraints have already been thoroughly discussed and we will not be going back to them. As regards the additional sites added at the modification stage, discussion will be confined to the need or otherwise for their allocation having regard to any revised OAN and housing trajectory. He does not intend to discuss their characteristics or the impacts of their allocation because he can rely on the written submissions and his own observations.

Matters and Issues

1. The appropriateness of using 2016-based household projections for the basis of Guildford's Local Plan.

Note The Government's recent consultation regarding the continued use of 2014-based household projections is directed solely at plans which use the standard method for calculating OAN and which are being examined under the 2018 NPPF. The consultation has not been directed at transitional plans like the Guildford Local Plan, which are being examined against the policies of the 2012 NPPF and are based on a different approach to OAN calculation. Paragraph 158 of the 2012 NPPF states that Local Plans should be based on adequate, up-to-date and relevant evidence; the 2016-based household projections constitute the most recent evidence.

2. Whether the calculation set out in the Council's paper "Update to OAN Assessment in Guildford as a result of the 2016-based Household Projections" (GBC-LPSS-033b) is an appropriate basis for calculating the OAN.

3. The implications of the Council's paper "GBC note on OAN following the 2016-based Household Projections" (GBC-LPSS-033a) for

- the overall housing requirement set by the plan
- the housing trajectory
- the 5 year housing land supply
- the need for the additional sites included in the main modifications.

4. Whether it is possible at this point in time to come to conclusions on the issue of Woking's OAN and any unmet need.

5. Whether in view of current uncertainties (especially with regard to item 4) it would be appropriate to insert a review mechanism into the plan and if so, how it would be phrased.

Attendees (based upon the attendees from Matters 2 to 5 from the June 2018 hearing sessions)

1 0799425 Guildford Greenbelt Group
11189889 Woolf Bond Planning obo Taylor Wimpey
11268769 CBRE obo Bridge End Farm
12062017 Dandara Ltd
15084897 Save Send Action Group
15266785 Boyer obo Countryside Properties & Trenfold Property
15267521 Maddox Planning Consultants obo Hornhatch Farm
15280737 Carter Jonas obo Miller Developments
15658145 Waverley Borough Council
15666113 Barratt David Wilson Homes
15805921 CBRE (RPS) obo Ashill
15806849 Icen Projects obo Ptarmigan Land
16058113 Ockham Parish Council
16206593 Turley obo Bloor Homes
17323713 Shrimplin Brown obo Obsidian Strategic
17341057 Roger Daniels OBO Sustainable Land Products
17406209 PRP obo Guildford Vision Group
17426113 Home Builders Federation (HBF)
17457825 Wisley Action Group
17463841 Nexus OBO Earl of Onslow Clandon Estate
17467233 Indigo Planning obo Guildford College Group
17989857 The Guildford Housing Forum
8556385 Guildford Residents Association
8563201 Colin Smith Planning obo West Horsley Parish Council
8569857 Woking Borough Council
8593185 Niels Laub
8607169 CPRE Surrey Branch & Guildford Group
8749121 Mr Paton
8803841 Mr Theodore Wallace
8944737 Barton Willmore obo Martin Grant Homes
8967233 Terrence O'Rourke obo University of Surrey
9327329 Judith Ashton Associates obo A2 Dominion Group

Jonathan Bore
Inspector
20th December 2018

ANNEX 2

Independent Examination of the Broxbourne Local Plan

Inspector's Matters, Issues and Questions for Examination

Supplementary Questions relating to Matter 3: Housing Need and Supply

This Matter was considered at hearing sessions held on 12 and 13 September 2018, and most of the issues discussed at that time are not to be revisited. However, certain evidence was either not available for, or not fully considered at, those sessions:

- *ONS 2016-based household projections as summarised in the Council's response to Action Point 3 published on 26 September 2018 [EXAM14C].*
- *The Council's updates relating to housing land supply published on 5 September 2018 [EXAM4C-4I].*
- *The Council's update relating to windfalls published in its response to Action Point 4 on 19 September 2018 [EXAM14D].*
- *The Council's information about the deliverability of each of the strategic sites that it expects to make a significant contribution towards the five year housing land supply due to be published in response to Action Point 5 by 11 October 2018.*

*Written statements that address the following Supplementary Questions may be submitted to the Programme Officer by **midday on Friday 19 October 2018**. All statements will then be published on the examination website that afternoon, and the Supplementary Questions will be discussed at a hearing session starting at **9.30 on Thursday 8 November 2018**.*

Issue 3.1: Need for Housing Development

I am examining the Plan in the context of NPPF 2012, not the new NPPF published in July 2018.

One of the core principles of national planning policy is that every effort should be made objectively to identify and then meet the housing needs of an area¹. Whilst establishing future housing need is not an exact science, and there is no one methodological approach that provides a definitive assessment, use of the standard methodology set out in national guidance is strongly recommended².

The latest household projections should be the starting point for establishing the need for housing. Whilst these projections may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends, any changes need to be clearly explained and justified on the basis of established sources of robust evidence³.

*Policy DS1 states that provision will be made for at least **7,718** homes in the period 2016 to 2033. Paragraph 3.16 of the Plan makes it clear that this figure, which represents **454** dwellings per year, equates to the Council's estimate of the objectively assessed need for housing in the Borough.*

¹ NPPF paragraphs 17 and 159.

² PPG ID-2a-005 and 014.

³ PPG ID-2a-015 and 017.

The DCLG 2014-based household projections indicated an additional **6,933** households in the Borough between 2016 and 2033. This represents an average of **408** additional households per year, and was the starting point for the Council's calculation of housing need that is reflected in policy DS1.

The ONS 2016-based household projections indicate an additional **5,029** households in the Borough between 2016 and 2033. This represents an average of **296** additional households per year.

SQ20A. Having regard to the ONS 2016-based household projections (296 households per year) how, if at all, should the Plan's assessment of housing need (454 dwellings per year) be modified?

Issue 3.3: Five Year Housing Requirement 2018-2033

SQ23A. Having regard to the latest evidence that indicates that 492 dwellings were completed in the Borough between 1 April 2016 and 31 March 2018, what was the five year housing requirement at 1 April 2018 assuming (a) a need of 454 dwellings per year and (b) a revised annual housing requirement that takes account of the ONS 2016-based household projections?

Issue 3.4 Housing Land Supply

Local plans should set out a clear strategy for allocating sufficient land which is suitable for development in their area to meet the full, objectively assessed need for market and affordable housing as far as is consistent with policies set out in the NPPF. They should identify key sites which are critical to the delivery of the housing strategy over the plan period. A supply of specific deliverable sites sufficient to meet an appropriately calculated five year requirement should be identified, as well as a supply of specific, developable sites or broad locations for years 6-10 and, where possible, for years 11-15⁴.

*Table 1 in the Plan provides an overview of housing supply. This states that a total of **8,098** dwellings are expected to be built between 2016 and 2033, and that the five year supply at 1 April 2017 was **3,037** dwellings.*

However, the Council's proposed modification to Table 1 [EXAM4E] along with its subsequent proposed modification to the windfall allowance (70 dwellings per year rather than 37 per year in the Plan) [EXAM14D] indicates that the total supply for the plan period 2016-2033 would be:

• Completions 2016-2018	492
• Commitments at 1 April 2018	1,061
• Local Plan sites	6,132
• Windfalls (70 per year from 1 April 2021)	840
• Self build	70
• Total	8,595

The Council's proposed modifications to Table 1 and windfall allowance indicate a five year supply at 1 April 2018 comprising:

• Commitments at 1 April 2018	1,052
• Local Plan sites	2,261
• Windfalls (70 per year from 1 April 2021)	140
• Self build	20
• Total	3,473

⁴ NPPF paragraph 14 and 47

The Council's response to Action Point 5, due to be published on 11 October 2018 will provide summary information about the deliverability of each of the strategic sites that it expects to make a significant contribution towards the five year housing land supply.

Issue 3.4B: Local Plan sites not currently in the Green Belt

SQ26A. How many dwellings on local plan sites that are not currently in the Green Belt are likely to be completed by 31 March 2033?

SQ27A. How many dwellings on local plan sites that are not currently in the Green Belt are likely to be completed by 31 March 2023?

Issue 3.4C: Local Plan sites currently in the Green Belt

SQ28A. How many dwellings on local plan sites that are currently in the Green Belt are likely to be completed by 31 March 2033?

SQ29A. How many dwellings on local plan sites that are currently in the Green Belt are likely to be completed by 31 March 2023?

Issue 3.4F: Windfalls

The Council's response to Action Point 4 published on 19 September 2018 [EXAM14D] proposes that the Plan be modified to include a windfall allowance of 70 dwellings per year from 1 April 2021 (rather than 37) and a new policy entitled "making effective use of urban land".

SQ37A. Is the inclusion of a windfall allowance of 70 dwellings per year from 1 April 2021 justified and necessary to make the Plan sound?

SQ37B. (a) Is the inclusion of an additional policy aimed at "making effective use of urban land" necessary to make the Plan sound, particularly with regard to delivering at least 70 windfalls per year? (b) If so, is the wording proposed by the Council justified and would it be effective?

Issue 3.4H: Conclusions on Housing Land Supply

SQ43A. How many dwellings in total do you consider could reasonably be expected to be delivered on committed sites and local plan sites and through windfalls and self build in the period 2018 to 2033?

SQ44A. How many dwellings in total do you consider could reasonably be expected to be delivered on committed sites and local plan sites and through windfalls and self build in the period 2018 to 2023?

William Fieldhouse

Inspector

End of supplementary questions for Matter 3

RUNNYMEDE 2030 LOCAL PLAN EXAMINATION

MATTERS AND QUESTIONS FOR STAGE 1 HEARINGS

Note 1: It is implicit that in answering the following questions, if respondents identify a soundness deficiency in the submitted Plan they should make clear how the Plan should be changed.

Note 2: Policy and paragraph references are a guide to the main parts of the Plan that will be considered under each Matter but other parts of the Plan may also be relevant.

Matter 1: Legal requirements, the Duty to Co-operate and the Plan period

- 1.1 Is the Runnymede 2030 Local Plan (the Plan) compliant with the Planning and Compulsory Purchase Act (2004) (as amended) and the 2012 Regulations (as amended)? In particular, is the Plan compliant with the Local Development Scheme and the Statement of Community involvement?
- 1.2 Is the Habitats Regulation Assessment and the Sustainability Appraisal (SA) adequate? Does the SA demonstrate that the Plan has been tested against all reasonable alternatives?
- 1.3 Does the Plan as a whole accord with s19(1A) of the Act by including policies that are designed to secure that the development and use of the land in the Borough contribute to the mitigation of, and adaptation to, climate change?
- 1.4 Has the Council engaged constructively, actively and on an on-going basis with all relevant organisations on the strategic matters that are relevant to the Plan's preparation, as required by the Duty to Co-operate?
- 1.5 Is the Plan period (2015-2030) justified? If not, how should this be rectified?

Matter 2: Objectively assessed need for housing and employment land provision (PolicySD2 and paragraphs 5.22-5.27)

[Note: the soundness of the detailed policies for housing, employment and town centre uses, including types of housing, will be considered in Stage 2 of the hearings]

- 2.1 Does the objectively assessed housing needs figure of 7507 dwellings (2015-2030) (500dpa) form a justified, positively prepared basis for setting the Plan's housing requirement figure? In particular:
- a) Taken together, are the Runnymede-Spelthorne Strategic Housing Market Assessment (SHMA) 2015 and the 2018 Partial Update an appropriate starting point for setting the housing requirement for Runnymede?
 - b) Does the fact that an update of the SHMA 2015 has not been requested by Spelthorne Borough Council at this time give rise to any substantive difficulty in considering the evidence base for Runnymede's OAN figure?
 - c) Are the demographic assumptions (including future trends in household formation and migration), the account taken of affordability and market signals, forecast growth in employment, commuting patterns, the need for affordable housing, the role of students in the local housing market, the potential impact of Heathrow expansion, Brexit and any other relevant factors adequately considered, and are the conclusions justified?
 - d) What are the implications for the Plan of the 2016-based household projections, published in September 2018?
- 2.2
- a) Are the Borough-wide targets for the provision of employment land as set out in Policy SD2 based on robust evidence of need and demand?
 - b) Are they consistent with the proposed level of growth in housing?
 - c) In terms of the proposed quantity and type of provision, would they make an appropriate contribution to meeting overall economic development needs in the wider area that includes Runnymede?
- 2.3 If the Plan is unlikely to meet the identified needs within the relevant time period, how should this be addressed?