

Response to EX203 and EX203A

Turley 2018 SNPP and SNHP – Welwyn Hatfield Local Plan

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Background and Policy Context

1. Government Policy

- 1.1 It is government policy to achieve the delivery of 300,000 new homes across the nation. That policy has remained consistent since the National Planning Policy Framework (NPPF) was published in 2012 but has not been achieved in any of the eight years subsequent to its publication. It remains government policy subsequent to the publication of the 2018 ONS projections.
- 1.2 There is a reluctance from many Councils, particularly in the Home Counties, to even try to deliver new homes to meet the local or national housing requirement. As such, these Councils are failing to be consistent with national policy, without justification.
- 1.3 The government's policy to deliver 300,000 new homes per annum remains the key objective in the success of the NPPF and is the benchmark from which the preparation of a Local Plan should be judged, particularly where there has been persistent past under-delivery of new homes in all market and affordable sectors.
- 1.4 Welwyn Hatfield Borough Council is guilty of persistent under-delivery of new homes to meet the needs of its community across all housing sectors, causing particular harm and prejudice to the formation of younger households.

2. Planning Practice Guidance

- 2.1 Reference ID: 2a-016-20150227 sets out the government's guidance for the "Methodology: Assessing Housing Need" for a Plan which has been prepared and submitted under NPPF 2012. It states:

“The Government’s official population and household projections are generally updated every two years to take account of the latest demographic trends.....Wherever possible, local needs assessments should be informed by the latest available information. The National Planning Policy Framework 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should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued.”

[my emphasis]

2.2 The publication of the ONS 2018 population and household projections does not therefore trigger anything more than an opportunity to consider whether, or not, a meaningful change in the household situation has actually occurred.

2.3 The dictionary definition (Collins) of “meaningful” states:

“having great meaning or validity” [my emphasis]

2.4 It is therefore clear from Government guidance that a housing assessment in a submitted Local Plan should not be rendered out of date simply by the publication of updated population or household projections. Equally, any change in population or household projections should be “meaningful”, not just an excuse to reduce the Full Objectively Assessed Housing Need (FOAHN), to reduce the housing target or to delay the delivery of new homes.

2.5 In order to weigh-up the significance of updated population and household projections, the correct test should, inter-alia, take into consideration:

(1) The scale of the change between the household projections at the point of submitting the Plan for examination compared to the updated projections;

- (2) The comparative reliability and robustness of the latest household projections when compared with the greater robustness of previous projections, measured over a longer period;
- (3) The entirely novel and untested approach to household projections in the 2018 ONS projections;
- (4) Whether or not the change in the household projections would assist or frustrate the government's national policy to boost significantly the supply of housing;
- (5) The full scale of past under-delivery of housing and to give the proper weight to (i) the reason for that under-delivery, (ii) the scale of that under-delivery and (iii) the realistic prospect of recovering that under-delivery in the Plan period;
- (6) The Council's alleged (but unsubstantiated) difficulty in meeting its five-year land supply, due directly to its failure to allocate suitable and sustainable sites which would provide a five-year land supply.
- (7) The Council's failure to adopt a positive or practical housing distribution policy and strategy to provide for all housing needs across the Borough.
- (8) The evidence (see EX178) that WHBC has been one of the, or indeed the, fastest growing population in the country in the period 2012 to 2018 (which coincides with the period of greatest under-delivery of homes).
- (9) The consequences for the examination in terms of timetable, delay and cost if a less than meaningful change in household projections requires additional Hearing Sessions to achieve little or nothing in terms of the soundness of the Plan, particularly having regard to the Inspector's stated conclusion (EX178) at the Examination that an FOAHN of 800 dpa is consistent with national policy and soundly based in the context of the Welwyn Hatfield housing need;

- (10) The geographical location of the Welwyn Hatfield Borough and its ability and capacity to support the housing need in London and the surrounding boroughs and districts (note: WHBC has stated that it is unable to assist neighbouring authorities under DtC despite having suitable housing sites which it has not allocated).
- (11) The housing requirement is a minimum, not a maximum, provision of new homes which are required to boost significantly the supply of new homes.
- (12) The need to have a suitable, deliverable land supply for new homes after the Plan expires (safeguarded land).
- 2.6 The latest assessment from Turley in respect of the submitted Plan has indicated that the full objectively assessed housing need for the Welwyn Hatfield Borough, based on the 2018 ONS projections, would be in a range of 715 to 800 dwellings per annum (dpa). At 800 dpa there is clearly no change at all. At 715 dpa the possible reduction in the FOAHN is -10%. In both cases, there is not a meaningful change.
- 2.7 In the knowledge that population and household projections would be very likely to be updated in the period between the preparation, submission and examination of a Local Plan, the government quite clearly intended that updated population or household projections should only change the FOAHN in “meaningful” circumstances where, for example, (i) the change is clearly of manifest consequence to the Plan, or (ii) the Plan might be subject to judicial review if that change in household formation is not taken properly into consideration at the examination.
- 2.8 A further and possibly more important consideration for the Inspector at the WHBC examination is the period which has elapsed since the previous adopted Plan expired, the long delay in the preparation of the submission Plan, the protracted nature of the examination, the significant under-delivery of homes in the past ten years and whether, or not, the change in the ONS household projections is truly meaningful to the extent that it justifies further delay to the examination and the consequential delays to the delivery of much needed housing.

- 2.9 The Inspector has also requested that the Council should provide a drilled down number for the FOAHN for the submitted Plan period, rather than a range of 715 to 800 dpa. Assuming this is likely to be in the mid-range of that assessment (approximately 750 dpa) that would not, by any measure, be a meaningful change from the present 800 dpa established by the Inspector at the examination.
- 2.10 It is also a material question in terms of positivity and consistency to consider whether, or not, the Council would have advanced a meaningful change to the FOAHN if the latest ONS projections had increased the housing need in the Welwyn Hatfield Borough by 10% (i.e. up from 800 dpa to 885 dpa). Based on the history of this Plan in its preparation and examination, it is reasonable to strongly suspect that the Council would not have considered an uplift of 10% in the FOAHN to be a meaningful change if that had caused the Council to allocate additional housing sites. Such circumstances, caused by the publication of new household formation projections, should not be a one-way street in the eyes of the Council.
- 2.11 The Council should be mindful of the fact that Standard Methodology under the NPPF 2018 would require WHBC to deliver 875 dpa. The calculation of that housing requirement is more robust than the latest 2018 ONS household projections and indicates that a FOAHN of 800 dpa is below the full housing requirement for the Borough.
- 2.12 At the Council's Cabinet Planning and Parking Panel meeting on 10 September 2020, a number of Councillors made clear that they required Turley to look again at reducing the FOAHN even further. Some Councillors went further by advocating that Turley should be replaced by an alternative consultant that would provide the Council with a lower FOAHN. That outcome would clearly put Turley under pressure to change its assessment of the FOAHN or to produce a hybrid FOAHN at the lower end of the range (715 to 800 dpa) simply to appease the political objectives of the Councillors.
- 2.13 The NPPF and High Court judgments have made clear that the Objectively Assessed Housing Need should be a "policy off" objective assessment. It should not be a politically manipulated assessment.

3. NPPF 2012

- 3.1 Paragraph 159 of the NPPF requires a Council to prepare a Strategic Housing Market Assessment to identify the scale and mix of its housing needs to cater for the necessary housing supply to meet that demand.
- 3.2 Paragraph 159 also requires a Council to prepare a Strategic Housing Land Availability Assessment (in WHBC this is its HELAA) to establish realistic assumptions about the availability, suitability and deliverability of land to meet its housing need.
- 3.3 Paragraph 14 requires a Local Plan to meet all objectively assessed needs with sufficient flexibility to adapt to rapid changes. Within a Green Belt authority, this can only be achieved by allocating sufficient sites to not only meet the housing need but to ensure that headroom and flexibility are also factored into site allocations to ensure the housing target is flexible and more likely to be met.
- 3.4 WHBC is heavily reliant on three large strategic sites. This increases risk of delay or failure to deliver homes, particularly because the three strategic sites are all in close proximity to each other and all three strategic sites are providing homes for the same market sector. This concentrated and narrow approach to the distribution and choice of housing increases risk. This specific issue was considered by Inspector B J Sims in the East Staffordshire Local Plan Interim Findings (copy attached) where he stated (paragraph 22):

“22. The process of initial selection of residential sites from the SHLAA with a potential yield of over 100 dwelling units for further assessment is not transparent. Furthermore, further consideration should be given to whether the choice of allocations should be widened over a range of size and capacity to offset an apparent reliance upon a relatively small number of large strategic sites. These are likely to be comparatively slow to deliver the requisite amount of housing land to restore the five year supply to the necessary level such that the policies of the ESLP once adopted would have full effect under NPPF para 49.” [my emphasis]

and;

“27C. Clarification of the Site Selection Process and Housing Land Supply as set out in paragraphs 22-24 above. This should include explanation of the initial strategic site selection, potential for increasing the range of sites to improve overall Plan delivery, the effectiveness of village development allowances as subdivisions of windfall allowances, and the potential for a ‘stepped’ Housing Trajectory.”

- 3.5 Paragraph 47 requires a LPA *“To boost significantly the supply of housing”*. These words have obvious meaning and obvious purpose. It is the starting point by which the soundness of the WHBC submitted Plan should be judged. In the case of WHBC, the Council has taken the opposite strategy, it has, instead, channelled all its efforts to exclude the most suitable and deliverable sites for the supply of housing. That is not a sound strategy and it fundamentally undermines the soundness of the submitted Plan.
- 3.6 Paragraph 7 identifies the three dimensions to sustainability as economic, social and environmental. The social role of sustainability is to support strong, vibrant, healthy communities by providing the supply of housing required to meet the needs of present and future generations. That supply should be a minimum, not a maximum.
- 3.7 Paragraph 17 requires a local planning authority (LPA) to make *“every effort”* to objectively identify and then meet the housing needs of an area. To achieve this, the LPA should set out a clear strategy for allocating sufficient land which is suitable for development in their area.
- 3.8 Paragraph 154 specifically addresses the preparation of local plans and it requires a LPA to prepare a plan which is *“aspirational but realistic”*.

- 3.9 The delay in the preparation, submission and examination of the WHBC Local Plan is harmful to the social objective and causes severe prejudice to the community. Further delay and procrastination by the Council, while it again seeks to constrain its FOAHN and, consequentially, its housing supply should not therefore be permitted.
- 3.10 WHBC has not been positive or aspirational. It has been negative and defensive, searching for every opportunity to reduce its housing target and to delay the progress of its new Local Plan. That is not the basis of a sound Plan and it is the root cause of the tortuous delay to the examination and adoption of the Plan.
- 3.11 Allowing the Council to change its Plan period, to reduce its OAN and to reduce its housing target will cause further delay to the examination and would not be positive. In fact, the combination of these fundamental modifications to the submitted Plan would change the Plan so radically that it would be a new Plan, by stealth. As such, it should be withdrawn and re-submitted. In so doing, the Standard Methodology would require WHBC to deliver 875 new dwellings per annum. This option should not be overlooked by the Inspector, unless the Council changes its strategy and attitude towards its Local Plan.

4. Procedural Practice in the Examination of Local Plans 2016 (4th Edition)

- 4.1 The Procedural Practice is the relevant guidance for a Plan submitted under the NPPF 2012.
- 4.2 Paragraph 1.1 (Pre-Submission) states:

“LPAs should rigorously assess the plan before it is published for consultation under Regulation 19 to ensure that it is the plan which they think is sound. The plan should focus relentlessly on the critical issues and the strategies to address them, paying careful attention to deliverability and viability. This approach may raise uncomfortable questions but the whole point of the plan is to address the critical issues as far as possible.”

- 4.3 WHBC paid no attention to the Procedural Practice. It submitted a Plan that was not sound, despite 95% of Regulation 19 respondents informing the Council that its Plan was not sound. This has caused significant and unjustified delay and cost to the Council and to all participants.
- 4.4 Subsequent to submission of the Local Plan for Examination in May 2017, WHBC has failed to address or resolve the fundamental issues of soundness, as stated by the Inspector at the Hearing Session in September 2017 and again in his written advice in December 2017 (EX39).

5. WHBC Under-delivery of New Homes 2011 to 2019

- 5.1 In giving consideration to a potential change to the FOAHN at this very late stage in the examination, the Inspector should be mindful of the Council's past procrastination and obduracy towards its FOAHN, which has resulted in the woeful failure to deliver much needed new homes in the Borough, with particular and severe consequence for the formation of younger households (Hou22) within the Borough. The Council appears to have no shame for this but, instead, continues to pursue a negative strategy towards the delivery of homes.
- 5.2 In the period 2012 to 2019, the Council has delivered just 2,810 new homes against an OAN of 5,600 new homes. The table below sets out the under-delivery of homes during the past eight years.

Table 1

Year	Housing Requirement	Actual Delivery	Under-Delivery
2011/12	800	293	-507
2012/13	800	148	-652
2013/14	800	316	-484
2014/15	800	391	-409
2015/16	800	507	-293
2016/17	800	671	-129
2017/18	800	315	-485
2018/19	800	462	-338
Total	5,600	2,810	-2,790

Source: WHBC Annual Monitoring Report – February 2020

5.3 There is very little prospect of the Council recovering the past under-delivery of homes. In fact, it seems that by seeking to move the Plan forward, the Council expects that past under-delivery will just vanish into the ether. However, much of this under-delivery could have been avoided if the Council had prepared and submitted a sound Local Plan which sought to distribute new homes throughout the Borough and to include deliverable sites in the highly sustainable four large villages.

6. Affordability Ratio

6.1 The WHBC AMR (February 2020) has published the affordability ratio for the Welwyn Hatfield Borough in the period 2012 to 2018 (Table 17 page 35). That Table makes stark reading and is replicated below:

WHBC AMR Table 17 (February 2020) – Lower Quartile Affordability Ratio

Area	2012	2013	2014	2015	2016	2017	2018	Change
WHBC	8.99	8.66	9.03	10.65	11.21	12.43	12.54	+39.5%
England	6.58	6.57	6.91	7.11	7.16	7.26	7.29	+10.8%

Source: WHBC Annual Monitoring Report February 2020

6.2 In 2014 the Turley SHMA produced a table (Figure 5.19 page 104) to show the lower quartile earnings/affordability ratio in each settlement within the Borough for the period August 2012 to July 2013. The affordability ratio for each settlement has not been published since that time but, by applying the Borough average for the period 2012 to 2018 (+39.5%) to each settlement, the affordability ratio in 2018 would be:

Area	Affordability Ratio August 2012 - July 2013	% Change 2012 to 2018 at 39.5%	Affordability Ratio 2017-2018
Welwyn Garden City	10.2	+39.5%	14.22
Hatfield	10.1	+39.5%	14.09
Brookmans Park	19.7	+39.5%	27.48
Cuffley	16.8	+39.5%	23.44
Welham Green	12.0	+39.5%	16.74
Welwyn	10.5	+39.5%	14.65
Little Heath	10.3	+39.5%	14.37
Wolmer Green	8.7	+39.5%	12.14
Digswell	16.1	+39.5%	22.46
Oaklands & Mardley Heath	12.0	+39.5%	16.74
Rural North	11.3	+39.5%	15.76
Rural South	12.7	+39.5%	17.72

Source: Average rise in Affordability Ratio 2012 to 2018 (AMR 2020 - Table 17 page 35)

6.3 In reality, it is probable that the affordability ratio in the four large villages (Brookmans Park, Cuffley, Welham Green and Welwyn) has risen by a greater degree than the towns of Welwyn Garden City and Hatfield. However, the Council's entrenched housing distribution strategy continues to limit the allocation of suitable housing sites in the most sustainable large villages.

6.4 Planning Practice Guidance makes clear:

"...plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period" [my emphasis]

[PPG Reference ID 2a-020-20140306]

7. Five Year Land Supply and Housing Trajectory

7.1 The Council does not have a five-year land supply to meet its housing need. This is exacerbated by the very significant under-delivery since 2011 when the previous adopted Plan expired.

7.2 The submitted Plan (Policy SP2), based on a Housing Target of just 12,000 new homes (625 dwellings per annum) seeks to persuade the Inspector to (i) constrain the housing target and (ii) allow a stepped approach to deliver an average of 498 dwellings per annum (dpa) for the period 2013/14 to 2021/2032 and subsequently 752 dpa for the period 2022/23 to 2031/32.

7.3 The Council could have met its FOAHN and its five-year land supply by allocating deliverable housing sites which it had found to be *"suitable, available and achievable"* in its HELAA and to be *"reasonable alternatives"* in its Sustainability Appraisal. In fact, the majority of those *"omitted sites"* are the most suitable and sustainable sites in the Borough, many of which have also been found to cause the least harm if released from the Green Belt.

- 7.4 In April 2016, the Council was fully aware that its Full Objectively Assessed Housing Need was in a range of 667 to 707 dpa (13,340 to 14,140) [Hou18] before it undertook Regulation 19 consultation, based on a constrained Housing Target of just 12,000 homes in the Plan period 2013 to 2032 (630 dpa).
- 7.5 In May 2017, the Council was fully aware that its FOAHN was 800 dpa based on the latest Turley SHMA update [Hou21]. This was prior to the submission of its Plan for examination. Nevertheless, the Council restricted the Housing Target in its Regulation 19 consultation and its submission Plan to just 12,000 new dwellings and subsequently (and recklessly) submitted its Plan for examination in the certain knowledge that its Plan was not sound.
- 7.6 At the time of Plan's submission in May 2017, the Council's planning officers had identified sites for over 3,000 new homes, mainly around the four large villages, which Members declined to allocate despite the obvious suitability of those sites and the clear sustainability of those villages.
- 7.7 Despite formal requests from the Inspector in 2017, 2018 and 2019, the Council has not proposed a single additional site for allocation to meet either its five-year land supply or its FOAHN.

8. Affordable Housing and the Formation of Younger Households

- 8.1 In April 2017, Turley published its assessment of the implications of a constrained housing target in the Welwyn Hatfield Borough [Hou22]. The document was called **"Understanding the Implications of the Draft Local Plan Housing Target"**. This document was a clear warning to the Council that the two groups that would face the greatest prejudice by constraining its Housing Target would be those who require an affordable home and those who were trying to form younger households in the Borough.

8.2 At paragraph 2.9 of the Turley report [Hou22], it stated:

“2.9 However, with regards to the translation of population into households in the 2014 based sub-national household projections (SNHP), the analysis identified that the projections assumed a continuation of trends of reduced levels of household formation amongst younger people. It was concluded within the 2017 SHMA Update that a positive adjustment was required to support a recovery in younger household formation rates . This increases the number of homes needed to accommodate projected population growth.” [my emphasis]

8.3 And at paragraph 2.17:

“2.17it is evident that the modelling assumes that it is the younger age groups within the population which see population growth constrained as a result of the full projected population growth not being accommodated by the proposed housing target..... The Edge Analytics modelling constrains future migration to balance the population and housing under the dwelling-led scenarios and this suggests that the growth of the younger population through migration is more likely to be constrained by the level of planned housing provision.”

8.4 With regard to affordable housing provision, the Turley report stated at paragraph 2.27:

“2.27 The 2017 SHMA Update partially updates the calculation of affordable housing need in Welwyn Hatfield, and indicates a need for 818 affordable homes per annum over five years to clear the backlog which reduces to 602 affordable homes per annum thereafter.”

8.5 Despite the clear warning of prejudice to affordable housing supply and the constrained formation of younger households, the Council adopted and maintains a policy of constraint and under-delivery.

8.6 At the Examination, the Inspector has noted the challenges faced by those who seek affordable homes and the obstacles to the formation of younger households, but the Council has done nothing to address those concerns.

8.7 The Council is now presented with an opportunity to increase its Housing Target not only to 800 dpa but to a target above that level. This would directly benefit the provision of affordable housing in the Borough and would go some way to supporting the formation of younger households (particularly having regard to the Government's proposals for a subsidised "First Home" policy). However, instead of grasping this opportunity to boost housing supply with any positivity, the Council has again adopted an inward looking negative approach to its FOAHN and its Housing Target, which will cause the greatest harm to the provision of affordable homes and to the formation of younger households.

9. Conclusion

9.1 A possible reduction in the WHBC FOAHN from 800 dpa to a range of 715 to 800 dpa is not, by any reasonable assessment, a meaningful change.

9.2 Had the Government considered that a small historic trend based reduction in the FOAHN would be a meaningful change, it would have made clear in the Planning Practice Guidance (PPG) that any change should be regarded as meaningful. Instead, PPG makes clear *"this does not automatically mean that housing assessments are rendered outdated every time new projections are issued."*

9.3 Household projections are only a starting point to estimate overall housing need and, in the case of WHBC, are based on significant historical under-delivery.

9.4 Household projections are trend based. A two year historical period is not a trend, it is a snapshot which fails to view the horizon. The FOAHN should be calculated based on a household trend over a minimum of ten years.

9.5 The 2018 ONS household projections are an entirely novel method of calculation based on a narrow and unrepresentative time period. To use these unreliable projections to assess future housing need in WHBC would be flawed.

- 9.6 The very significant under-delivery of homes in the Borough in the period 2012 to 2018 (and ongoing) can be determined far more accurately than projections of future trends in household formation. Full account of that under-delivery (2,790 dwellings in WHBC) should be recovered in the first five-years of the Plan period.
- 9.7 Affordability is a critical problem in the Borough, as detailed in paragraphs 6.1 to 6.4 above. The Council's attempt to reduce its housing requirement will have a further serious and direct impact on the spiralling affordability ratio and will cause greatest harm to the formation of younger households (Hou22).
- 9.8 As a Green Belt authority, over-reliance on three large strategic sites will be likely to lead to under-delivery, delay or failure. Green Belt boundaries can only be altered through a Local Plan or a Plan review. Therefore, the WHBC Plan requires flexibility and headroom to accommodate future under-delivery.
- 9.9 In order for WHBC to have any reasonable prospect of meeting its housing trajectory, land supply through specific site allocations should be in excess of the FOAHN by at least 20% in order to provide flexibility and headroom.
- 9.10 Suitable and sustainable sites in the four large villages (three of which have railway stations and a wide range of facilities, services and amenities) should be allocated. Many of these omitted village sites have been found to cause the least harm if released from the Green Belt and could cumulatively provide land for 3,000 to 4,000 dwellings.
- 9.11 The Council's failure to submit a sound Plan and the consequential delay and cost caused by that deliberate act is a far more serious matter to be addressed. The planning officers require help from the Inspector to overcome the overt political interference by some Councillors, failing which the Members will happily drag out this examination for another three years.

10. Consideration for this Examination

- 10.1 PPG Reference ID: 2a-016-20150227 requires Local Plans to be kept up-to-date. A meaningful change in the housing situation should be considered in that context, but does not automatically mean that housing assessments are rendered out of date every time new projections are issued.
- 10.2 PPG Reference ID: 2a-017-20140306 makes clear that Plan makers may consider sensitivity testing specific to their local circumstances, based on alternative assumptions in relation to underlying demographic projections and household formation rates. In the case of WHBC, there is (i) significant past under-delivery, (ii) very high affordability ratios, (iii) suppression of younger households and (iv) a significant deficit of affordable housing. These are facts, not projections.
- 10.3 Due to the novel method of household formation in the ONS 2018 projections, it is far from certain that the latest ONS household formation projections are actually robust and should not therefore be assumed to be meaningful when compared with previous household projections.
- 10.4 Since 2014, there has been no evidence of an improvement in younger household formation rates or a reduction in the affordability ratio in the Welwyn Hatfield Borough. The opposite is true.
- 10.5 The question posed to this Examination is whether, or not, the latest ONS household formation projection for WHBC is a meaningful change? Based on evidence from sensitivity testing, past under-delivery, the affordability ratio and the dearth of household formation rates within the Borough, there is no justification, at all, to reduce the FOAHN or the Housing Target in the WHBC submitted Local Plan.
- 10.6 The 2018 ONS Household Projections do not cause a meaningful change to the FOAHN at 800 dpa.

10.7 The Council's latest attempt to reduce its FOAHN and its housing target and, consequently, to evade the sustainable distribution of new housing sites throughout the Borough is not positive, not justified and not consistent with national policy.

Alan W D Perkins FRICS
7 October 2020