

Welwyn Hatfield Local Plan Examination
Stage 9 Hearings

Consultation on Revised FOAHN

Response by Jed Griffiths MA DipTP FRTPI
On Behalf of
North Mymms District Green Belt Society

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Introduction

1. This statement has been produced by Jed Griffiths MA DipTP FRTPI on behalf of the North Mymms District Green Belt Society. It has been compiled in response to requests by the Examination Inspector to comment on published documents relating to the Borough Council's revised fully objectively-assessed housing needs (OAN). The documents were as follows :
 - EX215: Letter from Welwyn Hatfield Borough Council (WHBC) Head of Planning to the Inspector, dated 18th November 2020.
 - EX216: Letter from the Inspector to the Head of Planning, dated 30th November 2020.
 - EX218: Technical Note by Turley *Clarifying the OAN position for Welwyn Hatfield* (9th November 2020).
2. The Society notes the sequence of events described in EX215 and the reasoning behind the proposed revision to the OAN. This was agreed following a debate by the Borough Council Cabinet Planning and Parking Panel (CPPP) on 17th November 2020, and ratified by Full Council on 23rd November.
3. On 2nd July 2020, the Inspector wrote to the Borough Council requesting that they consider the implications of the Office for National Statistics (ONS) 2018-based household projections (EX 188). This was followed by another letter (EX190) on July 13th, asking the Council to confirm in a statement whether the ONS projections represented a "material change" to the OAN. The Council subsequently commissioned the consultants Turley and Edge to undertake the work specified by the Inspector. The consultants' conclusions were subsequently published by the Borough Council on 24th August (as EX203A and EX203B).
4. Following its publication, the Borough Council, at the behest of the Inspector, carried out a consultation, asking for comments on EX203A. The Society's response was contained in a statement dated 27th October 2020, which is appended to this report. To reinforce its views, the Society had commissioned an independent critique of EX203A from Alan-Wenban Smith, a leading expert on housing and planning policy. This is also appended and is referred to below as "AWS". These two reports set out very clearly the Society's position on the OAN and the changing circumstances which had affected it since the Local Plan was submitted in 2017.

Comments on the Council's Recommended OAN

5. In his letter to the Borough Council on 30th November 2020 (EX216), the Inspector pointed out that the OAN figure currently before the Examination is 16,000 dwellings (800 dwellings per annum). It is a matter of fact that the Society, together with other representors, argued against that figure at the Stage 6 hearings on 17th December 2019. The basis of the Society's case was that the ONS 2016-based household projections led to a "meaningful change" to the housing forecasts, but this was rejected by the Inspector in his subsequent findings of January 2020 (EX178).
6. In his note, the Inspector reminded the Council that revised population and household projections were expected in 2020. He also stated that:

"As national policy requires housing forecasts to be based on the most up-to-date information available, it may be necessary to re-visit this unless progress towards the plan's adoption is sufficient to deem this inappropriate."

7. It is now clear that the ONS 2018-based household projections did represent a "meaningful change" to the assumptions behind the OAN. Although the Local Plan is being examined under the provisions of the 2012 National Planning Policy Framework (NPPF), there is a clear requirement in the NPPF and in the accompanying Planning Practice Guidance for the plan-making authority to use up-to-date and relevant information on which to base its Local Plan. As the Society has argued in its response to EX203A, it is entirely appropriate for the Council to take account of the 2018-based projections in the assessment of the OAN. With the passage of time since the submission of the Local Plan, the Society agrees that the plan period should be revised from 2013-2032 to a more realistic 2016-2036.
8. The Society notes that the Council has now taken on board the ONS 2018-based projections as a basis for the re-calculation of the OAN, as summarised in Appendix E of the report to the CPPP meeting of 17th November 2020. The Appendix provided Members with a comparison between the use of 2014-based and 2018-based household projections as a starting point for the calculating future household needs. As pointed out in the Appendix, a key change in the 2018-based projections has been the way to which migration has been calculated. In previous submissions to the Examination, the Society has consistently expressed its concerns about the migration assumptions used by the Borough Council in calculations of housing need

9. Appendix E shows in tabular form the result for Welwyn Hatfield of using the “principal” 2018-based projection, which was based on two years of historic data. This is compared with the variants which are based on five and ten years of data. The Appendix describes the two-year projection as a significant “outlier” when compared to the other two variants. The Society disagrees with this conclusion.
10. As argued in its response to EX203A, the Society strongly believes that the principal projection should be used as the starting point for the calculation of housing need. Although the principal projection is based on two-year migration data, it does reflect the downward trends in both internal and international migration which are likely to continue for the foreseeable future. These are not short-term trends - they are likely to be exacerbated by the current COVID-19 pandemic, together with a growing economic crisis, and the uncertainties arising from Brexit. Significantly, ONS had not attempted to predict the effects of these changes in their 2018-based projections.
11. Prior to the CPPP meeting, the Society sent copies of its response to EX203A and the AWS report to Members of the Borough Council. From observation of the proceedings at the CPPP and the summary (in EX215) of the debate, it was clear that some Members had supported the use of the ONS two-year principal projection. As shown in tabular form in Appendix E, this would have resulted in a figure of 419 dwellings per annum (including adjustment for demographic changes), compared to 570 and 593 dwellings per annum for the ten year and five year variants respectively. What is clear from the table is that, even without any adjustments, the application of either of the variants would have raised the basic demographic requirement of 309 dwellings (319 with 3% vacancy rate) by more than 40%.
12. This basic difference was not fully explained to Members, who were advised that the use of an adjusted ten-year projection would be preferable, as it would provide a more stable outcome, less susceptible to single year anomalies. Following the debate, Members accepted that the ten-year variant would be more effective, as it would provide a significant uplift to address the affordability gap in housing. With the application of the 21% market signal uplift, the OAN of 690 dwellings per annum was agreed by CPPP and endorsed by the Borough Council.

13. Although this figure is lower than the 800 dwellings per annum previously agreed by the Inspector (EX190), the Society profoundly disagrees with the reasoning behind the Council's decision. There are two key points. First, as pointed out above, the trends in migration which underpin the ONS principal projections are not "single year anomalies". They are patterns which were picked up initially by ONS in the 2016-based projections and have been confirmed by the latest 2018-based projections. Rejection by both the Council and their consultants of the principal projection, in that it was based on two-year trends, gives insufficient weight to the fact that the lower rates of migration have persisted in the period since 2018, and are increasingly likely to continue.
14. Indicator B1 of the Council's latest (2019) Annual Monitoring Report (AMR) showed that the annual rate of population growth in the Borough had declined to 0.4%, compared to 1% and 2.5% in the previous two years. These figures were drawn from the ONS annual estimates of population in English local authorities, and also indicated a decline in both internal and international migration (see AMR paragraphs 1.6, 1.7, and Table 1).
15. Second, the Society has pointed out in its response to EX203A that there is an element of double-counting in the calculation of the projected annual rate for the increase in dwellings. The average annual household growth for the ten-year migration variant is calculated at 445 units. Conversion to dwellings, with an adjusted demographic position, to account for younger adult household formation, results in the figure of 570 dwellings per annum. Conversion without the adjustment would result in a lower figure of 509 dwellings per annum. At previous hearings, the Society and other representors have argued that adjustments for "suppressed household formation" should not be used. In this instance the return to 2001 rates of formation for younger households is surely no longer valid - 20 years later.
16. The Society notes the application of the 21% figure for market uplift, which has been agreed previously by the Inspector. Although the Society does not wish to repeat at length its previous objections to the figure, its application to the already inflated dwellings forecast, results in a much higher OAN than is realistic or necessary. In fact the uplift, as an increase on the demographic starting point, is considerably more than the 21% (122 dwellings) as stated in paragraph 16 of EX218.

Comments on the Turley Technical Note (EX218)

17. Following the September CPPP meeting, Turley were instructed to consider the implications of the ONS 2018-based population and household projections for the OAN. The technical evidence was submitted in EX203A, and supplemented by a technical note (EX218), which was attached as Appendix F to the CPPP agenda papers of 17th November 2020. The Society's views on EX203A, together with the critique by AWS, are appended to this statement. Comments relating to EX218 are set out below.
18. Coincidentally perhaps, the advice from Turley in EX218 is that the OAN should be 715 dwellings per annum for the revised plan period of 2016-2036. This compares with the range of 715-800 dwellings per annum recommended in EX203A for the original plan period of 2013-2032. The Society notes that in paragraph 6 of EX218 Turley do acknowledge the evidence of changing demographics, where the most comparable variant of the ONS 2018-based projections suggests a downgrade of the level of population growth of circa 11% in the plan period 2016-2036. This is shown graphically at Figure 1 of EX218.
19. In paragraph 7 of their note, Turley state that the key factor driving the lower 2018-based projection is the assumption that natural change will grow the population of the Borough by 16% less than anticipated. A comparison between the historic and projected natural change patterns is shown at Figure 2 – Turley suggest that the rate of the reduction in natural change will remain at the more recent (2018-based) rate throughout the plan period (see paragraph 8 of EX218).
20. Both the Borough Council (Appendix E) and Turley (EX218) refer to the adjustments which are designed to off-set the past under-supply of housing in Welwyn. The Society has a number of issues about these assumptions and the ways in which they raise the housing requirements. There are three main concerns: the first is the insistence by Turley to continue with the use of the ONS 2014-based household representative rates, instead of the 2018-based figures. As acknowledged in paragraph 18 of EX281, this raises the demographic starting point by 9%, from 481 to 525 dwellings per annum.

21. Second, there is the allowance for “a gradual return to the higher rate at which younger people in Welwyn Hatfield formed households in 2001, which elevates the basic demographic projection, by 13%, or 68 dwellings per annum”. In past representations to the Examination, the Society has vigorously objected to this assumption, which is based on patterns 20 years distant. Furthermore, the end of the proposed plan period will be 35 years after 2001. As explained in the attached AWS report, the housing market does not work in the way described by Turley. It is governed principally by the market and by the ability of people to pay for houses, not by land supply. Turley’s assumption that house prices will drop, and that young people will benefit, is clearly and wrongly supported by the Borough Council, as set out in their letter to the Inspector of 30th November (EX215).
22. Third, Turley apply a further uplift of 21% in response to “market signals”, adding an extra 122 dwellings per annum to the overall projection. The Society has previously commented on this figure in its response to EX203A (see paragraph 14 above). From EX215, it is clear that the 21% uplift continues to be accepted by the Borough Council. In fact the uplift of 122 dwellings per annum is an increase of 38% above the demographic starting point.
23. Taken together, the latter two uplifts described above would add 190 dwellings per annum to the demographic starting point – 60% extra under the ONS 2018-based principal projection. This unrealistic assumption is wholly unacceptable to the Society. Any additional land allocations would exert more unnecessary pressure on the Green Belt.

Conclusions

24. Since the publication of the Inspector’s letters of July 2020 and the consequent events, the Society has maintained close contact with other key representors about the OAN and the housing requirement. There appears to be common agreement that the plan period should be adjusted to 2016-2036. In addition, it is agreed that the OAN resulting from the use of the ONS 2018-based principal projection would be 387 dwellings per annum.

25. In conclusion, the Society would suggest that both the OAN preferred by the Borough Council (690 dwellings per annum), and the Turley recommendation in EX218 (715 dwellings per annum) should be rejected by the Inspector. The demographic starting point from the ONS principal 2018-based household projections should be the basis for the calculations. Some adjustments suggested previously by the Inspector, for demographic uplift and market signals, may be applied, but not to the same excessive degree as proposed by Turley. This would produce a much more realistic figure, which would result in a lower land supply requirement.
26. In the current circumstances, it is vital that there should be a precautionary approach to land allocations in the Local Plan, which involve the release of land from the Green Belt. As the Society has pointed out in its previous submissions, the rate of population growth is declining, together with downward trends in migration. These factors will be intensified as a result of the COVID-19 pandemic, the growing economic crisis, and the growing uncertainties arising from the Brexit deal. It is submitted that this will restrict the ability of the construction and development industry to deliver sites which are allocated in the Local Plan.
27. Accordingly, the Society urges the adoption of a lower OAN, coupled to a commitment for an early review of the Local Plan. This approach would ensure that the Local Plan could be updated in line with monitoring information on economic performance and population and household statistics.

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Hertford

24th January 2021