



Stage 9 Statement Response to EX224 (Housing Trajectory and Supply)

On behalf of:

King & Co

Representor ID:

863963

In respect of:

Welwyn and Hatfield Local Plan

Examination in Public

Date:

February 2021

Reference:

MA/KING & CO/003-04/R012m

KEY DOCUMENTS LIST

- **HOU14** 2014 SHMA
- **HOU15** 2015 SHMA
- **HOU21** 2017 SHMA Update
- **EX69** Trajectory information relating to delivery 2013-2016
- **EX73** Trajectory information relating to delivery 2011-2013
- **EX82** Technical OAN Paper by Turley March 2018
- **EX178** Stage 6 Round Up Note
- **EX190** (Letter from Inspector dated 13/07/2020)
- **EX193** Housing Trajectory July 2020
- **EX203** (Council's Initial Response to EX190 dated 24/08/2020)
- **EX203A** (Turley paper dated August 2020 informing EX203)
- **EX204A** (Letter from Inspector responding to EX203 dated 10/9/2020)
- **EX212** Inspector's Interim Report 05/12/20
- **EX215** (WHBC letter to Inspector 18/11/2020)
- **EX216** (Response from Inspector dated 30/11/2020)
- **EX217** (Letter from Inspector dated 15/12/2020)
- **EX218** (Turley paper re OAN used alongside EX215)
- **EX224** Housing Trajectory and Housing Supply Statement December 2020
- **EX224A** Appendix 1 – Trajectory Information
- **EX224B** Appendix 2 – Supply Information

1.0 Introduction

- 1.1 This Statement is submitted pursuant to the **EX224** Note dated December 2020 and its attendant appendices in regard to housing supply and trajectory. This Statement is issued in response to the Inspector's invitation to submit representations to these matters as part of the Stage 9 Hearing Sessions.
- 1.2 The **EX224** documents seek to set out the supply of housing that would be achieved through the proposed Plan (both in quantum and trajectory) in response to paragraph 135 of the Inspector's Interim Report (**EX212**).

Five Year Supply

- 1.3 **EX224** seeks to identify two scenarios for a five year housing requirement, citing a figure mooted as an annualised requirement of 668 homes and the alternate being the 800 homes figure previously proposed and justified by the Council through Examination.
- 1.4 Through review of the Council's fluid evidence in terms of Full Objectively Assessed Housing Need ("FOAHN") for any given Plan period it is evident that 668 homes/annum has never formed part of the Council's stated position in terms of requirement. However, 668 homes / annum would reflect a proxy of what would be achieved through the Council's proposed approach in terms of supply. This is a plainly incorrect starting point for the analysis of whether 5 year supply exists relative to a benchmarked annual requirement.
- 1.5 On the same basis, the Council notes that it will utilise the Sedgefield approach relative to under-delivery, but then fails to apply the 20% buffer to all of the requirement (i.e. it omits to apply a buffer to the under-supply). This renders the conclusions in regard to five year supply to be inflated and inaccurate. We conclude that the appropriate 5 year requirement is 6187 homes as a minimum (20% buffer to the requirement) based upon 800 homes per annum and the extent of the under-delivery from 2016-2020).
- 1.6 There is a strong argument to suggest that the period for historic under-delivery should extend to 2011-2020 given that this represents the end of the adopted Plan's design period and that in that vein the extent of under-delivery would be even greater.

Sources of Supply

- 1.7 The Council's assessment of commitments is inflated by reference to the inclusion of C2 care home uses and an omission of any allowance for non-implementation. In addition, the list of completions also includes care home accommodation which should be omitted.

- 1.8 We have also noted in our EX221 response that the Council assessment of windfall is inflated and this informs the assessment of residual housing requirement. The consequence of these individual matters is a substantive revision to the extent of unmet need over the Plan period.
- 1.9 We would also note that the stark undersupply relative to FOAHN places great doubt in terms of the likelihood of boosting housing delivery to fully meeting objectively assessed needs. The Inspector will no doubt encourage the Council to seek to allocate more sites, especially those that would deliver in years 1-5 of the Plan period.

Stepped Trajectory

- 1.10 The Council argues that a stepped trajectory is inevitable because of inadequate opportunity to secure suitable sites that can deliver early in the Plan period. We reject that assertion because several sites are now proposed for deletion and numerous other sites which could deliver quickly have not been selected. If the Council were to change their approach, there is a clear opportunity to deliver the full FOAHN and a stepped trajectory may not be required.
- 1.11 This Statement's key conclusions are as follows:
- The net effect of the various methodological approaches by the Council would essentially serve to inflate supply by nearly 3400 homes.
 - 1500 of this total would be predicated upon the retention of Symondshyde which the Inspector has already clarified should be the "last resort" but nearly 1900 homes have been effectively added to supply without delivering any new homes at all.
 - In regard to supply assumptions, the Council is relying on 77 no. C2 units as completed dwellings which are actually care home use so should be omitted from completions;
 - In regard to supply assumptions, the Council is relying on 103 no. C2 units as dwellings which are actually care home use so should be omitted from commitments;
 - The extent of undersupply in years 2016-20 therefore increases by 77 homes;
 - The assertion that the five year supply should be based upon an arbitrary 668 homes per annum figure should be rejected. This is a self-serving figure that simply reflects what the Council would seek to deliver rather than meet objectively assessed needs;
 - The approach to calculating five year supply fails to apply the 20% buffer to historic under-supply and therefore fails to reflect the actual requirement;
 - The Council does not have an adequate five year supply;
 - The Council relies upon a considerable array of commitment schemes (large and small) and applies no allowance for non-implementation which is unrealistic;
 - The Council fails to provide a supply of houses that would comfortably meet FOAHN or otherwise apply a mathematical factor to allow for the non-implementation of

new allocations;

- It is clear that the Council's proposed amendments to the Local Plan would have a deleterious impact upon the delivery of sites in years 1-5 of the Plan period; and
- The Council should identify more sites to meet housing requirements and prioritise those that can deliver in years 1-5 of the Plan period.

2.0 Housing Requirements

- 2.1 Our previous response to **EX217** set out our understanding of requirements over the Plan period. This is absent of consideration of the components of supply addressed in Section 3.
- 2.2 Put simply, the **EX224** figure of 668 houses per annum does not represent any consideration of an objectively assessed need. This is simply a projection of what could be achieved if all of the component elements of the Council's Trajectory document **EX224A** was robust. Given that these component parts are all supply-side, we suggest that the 668 figure is not relevant to any assessment of objectively assessed housing need.
- 2.3 The Council's published position to the Examination (up to August 2020) had been that the various components of housing requirement (once aggregated) would result in an annualised objectively assessed need of 800 homes per annum.
- 2.4 For the 2014-based numbers this resulted in the base number of 670 per annum being increased to 793 per annum (allowing for demographic factors and an initial 10% market signals adjustment) which was then rounded to 800 per annum. The net effect is therefore an upward adjustment of 19.4% from the base figure. This approach was proposed by the Council in connection with the original Plan period of 2013-2032 through **EX82**.
- 2.5 We have also set out in our response to **EX221** that the annualised FOAHN figure of 800 homes per annum remains the only figure which has been justified by the Council in Examination and accepted by the Inspector (in the context of a Plan period running from 2016-2036 and having regard to under-delivery from 2013-2016).
- 2.6 The Council's alternate figure of 690 homes per annum stems from the application of a variant methodology underpinned by the 2018-based household projections. The Council responded to the original query (**EX190**) in terms of whether the 2018-based projections did represent a material change in circumstance and the Council concluded that it did.
- 2.7 We would urge the Inspector to agree that the key premise for this consultation (**EX190**) is somewhat obsolete given that the 2018-based projections have been rejected by numerous authorities in a similar position and also MHCLG in the context of Housing Delivery Test work.
- 2.8 We conclude that the Council's assertion that the FOAHN has fallen to 690 homes per annum should be rejected as it relies upon 2018-based projections. The Council should instead revert to 2014-based projections and account for the chronic and persistent under-delivery that has occurred for a period now exceeding a decade.

- 2.9 We would also note for completeness that document **EX203A** provides a helpful framework in regard to the component elements of the established FOAHN. It does clarify that non-C3 accommodation can form part of the housing supply as they can be argued to free up family homes for general use. This is subject to demonstrating that the analysis of housing requirements has had regard to specific types of use (such as student uses or retirement homes) and concluded that they would not be subject of specific growth over the Plan period.
- 2.10 In the context of care home uses, EX203A clarifies that there is an anticipated growth in that sector over the Plan period (201 bed spaces) and that this is separate from and additional to the assessed need for dwellings.
- 2.11 As was established by the Exeter decision (*Exeter City Council v Secretary of State for Communities and Local Government & Ors* [2015] EWHC 1663 (Admin) (12 June 2015)), this means that it would be inappropriate to identify any approved care homes as part of the housing supply when they have not been assessed as part of the housing requirement.
- 2.12 Housing requirements need to project the annualised FOAHN across the Plan period, including consideration of historic under-delivery from the terminal design date of the adopted Plan. The degree of under-delivery will be ascertained from reference to completions data over the relevant period.

3.0 Components of Supply

3.1 At a very general level and in the context of Local Plans under Examination these should include:

- Relevant completions to date (from the terminal date of the adopted Plan to the date prior to anticipated adoption);
- Regard to any losses caused by clearances arising in the context of completions (even if these occurred in previous years);
- Relevant commitments;
- Have adequate regard to the prospect for non-implementation of commitment schemes;
- Historic Delivery in the Omitted Years;
- Realistic prospects for windfall;
- Allocations within the Plan period; and
- In the event that the supply of sites fails to meet and exceed the FOAHN (to provide confidence of realising that requirement in full) have consideration of applying a non-implementation allowance to allocations.

Relevant completions to date (from the terminal date of the adopted Plan to the date prior to anticipated adoption)

3.2 **EX224B** identifies completion numbers from 2016-2020 in the sum of 2121 dwellings. This includes the following component elements:

ELEMENT	2016/17	2017/18	2018/19	2019/20	TOTAL
Prior Approval Changes	0	0	54	70	124
C3 Residential	275	195	381	555	1406
C2 General	0	0	0	0	0
C1 General	324	0	0	0	324
Care Home	0	77	0	0	77
Small Sites	84	68	58	61	271
Demolitions	-12	-25	-31	-13	-81
COUNCIL TOTAL	671	315	462	673	2121
OUR TOTAL (exc. care homes)	671	238	462	673	2044

3.3 As we have set out in Section 2, it is our clear view that the care home completions should not have been counted as "completions" towards the housing supply for the Plan period as those

elements do not form part of the supply.

- 3.4 Schemes N6/2014/2462/MA and 6/2015/2132/RM both completed during 2017/18 and were comprised of care home accommodation so should be omitted. By consequence of omitting these care home approvals then the completions number reduces to 2044 homes.

Regard to any losses caused by clearances arising in the context of completions (even if these occurred in previous years)

- 3.5 We note that the list of completions includes reference to applications lodged during 2012. We would also request that the Council ensure that any deductions needed to account for demolitions prior to 2016 are incorporated.

Relevant commitments

- 3.6 Table 5 within EX224B identifies a number of commitment schemes which broadly follow the composition set out below:

ELEMENT	NO. OF SCHEMES	UNITS STILL TO DELIVER
Prior Approval	4	60
Other Re-Use of Commercial Land	12	382
C3 Residential	26	203
Retirement Living	1	24
Care Home	2	103
Small Sites (less than 5 units)	122	189
Demolitions	?	?
COUNCIL TOTAL	167	961
OUR TOTAL (exc. care homes)	165	858

- 3.7 In similar form to consideration of completions, it is our clear view that the care home completions should not count as "commitment" components of housing supply for the Plan period as those elements do not form part of the supply.

- Schemes 6/2018/3292/MAJ and 6/2017/0550/MAJ are both identified as commitments and given that they comprise of care home accommodation they should be omitted.
- By consequence of omitting these care home approvals then the commitments number reduces to 858 homes.

Have adequate regard to the prospect for non-implementation of commitment schemes

- 3.8 We note through reference to the 2017 SHMA and earlier trajectory documents (such as

EX69) that an allowance of 2.5% for non-implementation was included solely for commitment schemes. We note there is now zero allowance which appears entirely unrealistic. It also appears to be a methodological revision introduced without justification.

- 3.9 We would note for context that a non-implementation allowance of 2.5% is much lower than is typically adopted by other planning authorities, commonly in the range of 5% to 10%. We would also note our understanding that the North Hertfordshire Local Plan under Examination has adopted a figure of 15% because of the potential risk of delivery by consequence of COVID and any short to medium term impacts on market confidence and access to the credit market (for investors and housebuyers).
- 3.10 We feel that the Council should adopt at least a 2.5% non-implementation allowance which would reflect what has been historically adopted for WHBC and is of course lower than the allowances being utilised in neighbouring authorities.
- 3.11 Having regard for the deduction of the care home schemes which should be omitted from this supply analysis, this non-implementation allowance for commitments equates to 21 homes.

Historic Delivery in the Omitted Years

- 3.12 Through our response to **EX217** we have had consideration of delivery going back to April 2011 which represents the terminal date for the design period for the adopted 2005 Plan. It has proved regrettable that there are numerous inconsistencies in the Council's data for completions in the period 2011-2016 but we understand that it should be 1497 dwellings as set out in the earlier **EX69** document.
- 3.13 We note that through **EX218** that Turley have considered under-delivery levels in the period between 2011-2016 and argued that under-delivery would be in the order of 1900 homes. This was predicated upon an inflation of prior delivery and a suppression of the housing requirement over that same period.
- 3.14 Turley have accepted that the FOAHN for the period 2013-2016 would be 800 homes per annum but have sought to argue that the FOAHN for the period 2011-2013 would be 625 homes per annum (referring back to the 2014 SHMA).
- 3.15 We set out in our **EX217** response that the initial upward adjustment in the 2014 SHMA (from the starting position) was far too low and inconsistent with the 21% adjustment that was advocated by the Council in regard to the 2016-based projections through document **EX103A**.
- 3.16 We would therefore suggest the application of the same 21% upward adjustment to the 580

base figure which would increase the requirement for years 2011/12 and 2012/13 to 702 dwellings per annum, rather than the 625 figures used by Turley. The table below demonstrates the extent of unmet need in the period 2011-2016 was more pronounced (aggregating to 2307 dwellings) as well as delivery levels following April 2016.

YEAR	COMPLETIONS	REQUIREMENTS (DPA)	SHORTFALL
2011-12	293	702	409
2012-13	147	702	555
2013-14	295	800	505
2014-15	354	800	446
2015-16	408	800	392
TOTAL FOR APRIL 11-MARCH 16	1497	3804	2307
2016-17	671	800	129
2017-18	238	800	562
2018-19	462	800	338
2019-20	673	800	126
TOTAL FOR APRIL 16-MARCH 20	2121	3200	1156
TOTAL FOR APRIL 11-MARCH 20	3618	7004	3463

- 3.17 The completion figures have been adjusted to respond to the error including care home accommodation as part of the housing supply. The extent of historical under-supply is therefore 3463 homes from April 2011-March 2020. Given the requirement figure, this means that delivery levels are only slightly better than 50% of target.

Realistic prospects for windfall

- 3.18 We set out in our **EX221** response that whilst we agree that there are several key components which inform an assessment of windfall much of this appeared to be inflated. We raised no issue with flat trajectory contributions from the following components:

- Intensification of residential sites;
- Prior approval and other conversions of agricultural buildings; and
- Prior approvals and conversions / redevelopment of employment land for residential.

- 3.19 We raised strong concerns in regard to introducing inflated allowances for conversions of employment stock in the early part of the Plan period and then a global "other uses" category. These two elements appear to lack any evidential basis and would serve to more than double the windfall allowance at a stroke. We recommend that the windfall figure should be set at or

around 663 dwellings. We are aware that one representor did argue that one year of supply should be removed (so therefore 558 dwellings windfall allowance) given the delayed nature of the Plan. We leave that matter to the Inspector but we would support that change.

Allocations within the Plan period- the Publication Plan

- 3.20 This has become somewhat complicated because the Council has submitted a Local Plan for Examination and justified that through evidence, but now seeks to table revisions which comprise both omissions and additions to the supply of sites. The table below relies upon **EX193** and as such identifies supply for the submitted Local Plan before any decisions to omit or add sites.

COMPONENT	YEARS 1-5	YEARS 6-10	YEARS 11-16	TOTAL
PERMISSIONS	1005	17	0	1022
SMALL SITES	16	0	8	24
ALLOCATIONS	2406	4376	2129	8911
TOTALS	3427	4393	2137	9957

Alternative Approaches to Allocations- the EX224A Approach

- 3.21 This summarises EX224A, but does not at this point allow for adjustments by reference to the corrections for including care homes etc in the supply analysis.

COMPONENT	YEARS 1-5	YEARS 6-10	YEARS 11-16	TOTAL
PERMISSIONS	944	17	0	961
SMALL SITES	7	0	8	15
ALLOCATIONS	3445	4383	1050	8878
TOTALS	4396	4400	1058	9854

- 3.22 It is self-evident from the above that the proposed change in the allocations strategy from July 2020 to January 2021 has actually resulted in the reduction in the supply that could be generated from new site allocations.

In the event that the supply of sites fails to meet and exceed the FOAHN (to provide confidence of realising that requirement in full) have consideration of applying a non-implementation allowance to allocations.

- 3.23 Other than an approach which aligns to the Council's Option 4 in the 2020 Consultations, it does not appear remotely likely that the Council would feel able to present a Plan that would genuinely meet the full FOAHN for the entire Plan period, having regard for historic under-

delivery from 2011 onwards.

- 3.24 Other than ensuring that the Plan strategy builds in an appropriate buffer (through a significant market signals adjustment or simply allocating more land than is necessary to achieve FOAHN) then the likelihood is that the FOAHN will not be achieved because evidence shows that some planning consents will lapse and others will be lawfully implemented but will not be completed immediately.
- 3.25 We would note that other authorities have made a non-implementation allowance for site allocations on this basis so that a more pragmatic consideration of what would be a genuine requirement in order to meet FOAHN. As a proxy, we refer to the figure the Council have historically adopted for non-implementation in the context of commitments (2.5%) this would equate to an additional requirement for 400 homes.
- 3.26 We conclude that the Council's record in regard to housing delivery makes it abundantly clear that there should be strong upward adjustments applied to any base projections to respond to market signals that show chronic affordability ratios that have been long agreed to stem from undersupply. We feel that the application of the upward adjustments that arrive at the established 800 dwellings per annum represents a minimum although a case can be made to increase requirements further to add historic undersupply as another component of residual requirements over the Plan period.

Safeguarded Land?

- 3.27 The Council has sought to latterly introduce PB1 as an allocation site but it is recognised that this would require very considerable justification and urgent joint work with Hertsmere who are currently very busy progressing their own Local Plan.
- 3.28 The Inspector has made clear through recent correspondence that site PB1 should not be considered further and therefore it should not form any part of any supply analysis. PB1 will not therefore contribute to the Council's supply so these parts of the Council's evidence should be removed.
- 3.29 We also note that the Inspector has restated an earlier view from the Examination which effectively concluded that he did not intend to progress a Plan that would include designations of Safeguarded Land because it would on one hand pre-determine the next Plan but also mean that if the sites were suitable for release (and in the context of having an inadequate supply of new homes to meet FOAHN) it should really be allocated now.

4.0 Trajectory- EX224B

4.1 The components which inform the Plan-led housing requirement (and any residual requirement) need to be considered individually and collectively. The projection of an annualised requirement for a Plan period will (at least in part) be informed by establishing the extent of unmet need in the past, particularly if there are chronic issues in respect of affordability as in this case.

4.2 We recall in the first instance the key comments from the Inspector at **EX178** in his Stage 6 Round Up Note in the context of the need to achieve FOAHN and to ensure that the basket of sites could meet a flat trajectory having regard to historic under-delivery. It stated:

"Unless there are sound planning reasons for not doing so, in the first instance, the totality of all of the dwellings assumed to be built during the plan period, on sites put forward in the adopted plan, must be capable of meeting, as a minimum, the FOAHN for at least the plan period.

In addition, and in accordance with national policy, a satisfactory housing delivery trajectory that clearly demonstrates that the sites proposed for development, when considered as a whole, will be capable of maintaining a five-year supply of housing land throughout the plan period, should be submitted. The requirement for the first five years should include the appropriate buffer. In achieving this, the Council will need to demonstrate that all of the sites included are developable and deliverable within the timescales suggested in the trajectory.

The trajectory should be based on robust evidence and clearly capable of accommodating slippage in site development or delivery failure. In accordance with national policy, the trajectory should also demonstrate that the under-delivery in the plan years prior to adoption can be confidently made up in the first five years post adoption."

4.3 The annualised need which is arrived at should be set so that it provides confidence that objectively assessed needs can be met in full, and also that any historic under-supply can be addressed in full as soon as possible once the Plan is adopted- the NPPF sets out that this should occur by the end of the fifth anniversary of the adoption of the Plan.

4.4 In the conclusion section of **EX224** the Council makes an initial argument that it can demonstrate a five year supply of housing, but that conclusion could only be arrived at by:

- Using an arbitrary figure as a "requirement" which is actually a proxy based upon the Council's preferred supply assuming other methodological inputs;
- Taking a non-standard approach to the Sedgfield method which effectively suppresses the housing requirement; and
- Using supply-side inputs (windfall, non-implementation allowances and double counting care homes) that distort the figures.

- 4.5 We have set out in our response to **EX217** that (to achieve the minimum 15 year horizon post-adoption and secure a seamless window to the prior Plan period) the Plan period should extend to March 2037, and should have regard to under-delivery back to April 2011. The Inspector’s decision to accept 16,000 homes was predicated upon a Plan period from 2016-2036 (800 homes per annum) with regard to delivery levels going back to April 2013. Crucially, this approach was underpinned by an expectation that the Plan would move forward positively and address undersupply which is the root cause of chronic affordability issues.
- 4.6 Through **EX224** the Council issues a conclusion which seeks a stepped trajectory before actually justifying why it is necessary to do so. It largely seems to argue that it will be difficult and is hopeful that the Inspector will agree the matter by return without challenging them, key to which will be to establish whether all reasonable alternatives have been explored and has a more pragmatic methodology (such as that being encouraged through EX223) which may be capable of overcoming deemed harms to Green Belt and heritage assets for example.
- 4.7 The table below seeks to demonstrate the comparative inputs adopted by the Council (and ourselves) in the context of a flat development trajectory and the accepted 800 DPA yield. It is clear from this analysis that the Council’s presentation is incorrect because they add in supply from PB1 and adopt other methodologies which individually and collectively would suppress the residual requirement.

ELEMENT	COUNCIL					ATP				
	PRIOR TO Y1	Y1- Y5	Y6- Y10	Y11- Y16	TOTAL	PRIOR TO Y1	Y1- Y5	Y6- Y10	Y11- Y16	TOTAL
COMPLETIONS 2016-2020	2121	0	0	0	2121	2044	0	0	0	2044
WINDFALL	0	264	304	834	1402	0	102	255	306	663
COMMITMENTS	0	944	17	0	961	0	841	17	0	858
SMALL SITES	0	7	0	8	15	0	7	0	8	15
NON-IMP ALLOWANCE FOR COMMITMENTS	0	0	0	0	0	0	21	0	0	21
RETAINED AND NEW ALLOCATIONS	0	3445	4383	1050	8878	0	3445	4383	1050	8878
PB1	0	0	0	700	700	0	0	0	0	0
SYMONDSHYDE	0	0	600	900	1500	0	0	0	0	0
BRING BACK OTHER OMITTED SITES	0	340	472	0	812	0	340	472	0	812
POTENTIAL NON-IMP ALLOWANCE ON ALLOCATIONS	0	0	0	0	0	0	95	121	26	242
SUPPLY TOTAL	2121	5000	5776	3492	16389	2044	4619	5005	1338	13006
REQUIREMENT 2016	3200	4000	4000	4800	16000	3200	4000	4000	4800	
NET BALANCE 2016	-1079	-79	1697	389		-1156	-537	469	-2994	

- 4.8 The net effect of the various methodological approaches by the Council would essentially serve to inflate supply by nearly 3400 homes. 1500 of this total would be predicated upon the retention of Symondshyde which the Inspector has already clarified should be the "last resort" but nearly 1900 homes have been effectively added to supply without delivering any new homes at all.
- 4.9 We would also note that regardless of methodology that the Council's choice of sites will not secure rapid redress of historic undersupply even just in the prism of 2016 onwards. We would be happy to share further information in the context of the supply/requirement imbalance going back to 2011, but given the extent of undersupply during the period 2011-2016 it is implicit and unsurprising that the net balance figure is considerably worse than those which are set out above.
- 4.10 It will be important for the Council to identify additional sites to meet housing requirements, but also to ensure that those with strong deliverability credentials can be prioritised so that the Plan trajectory can be improved to meet targets, certainly in years 1-5 of the Plan.