



Melvyn Middleton
Planning Inspectorate
c/o Programme Officer

Dear Sir

Welwyn Hatfield Local Plan – Objective Assessment of Housing Need

You will recall that you wrote to the Council on 2 July requesting that the Council consider the implications of the 2018-based household projections as a matter of urgency (EX188).

You wrote again on 13 July asking that the Council confirm in a statement whether they consider the 2018 projections represent a material change to the Objective Assessment of Need (OAN), by a deadline of 31 July (EX190).

In response I wrote to you on 27 July stating that the Council had commissioned Turley and Edge to review the implications of the 2018 projections and that this work would be available from the end of August, but that Members would not be able to meet to discuss this evidence until September (EX194).

You responded on 5 August setting out that our response was expected by 28 August (EX195).

On 24 August, Mrs Tiley wrote to you advising of the receipt of the evidence from Turley and Edge (EX203, 203A, 203B).

You then wrote on 10 September (EX204) requesting that we identify a precise OAN for the original plan period 2013-2032 and for the longer period 2011-2036.

The first opportunity Members had to consider the new evidence was at a CPPP meeting on 10 September. At this meeting Members expressed disquiet that Turley had used the alternative migration variant as the basis for calculating the OAN, as opposed to the ONS principal two-year projection. The Planning Practice Guidance published in 2015 relating to the calculation of the OAN does not envisage a situation where more than one forecast would be produced. Members asked officers to consider their concerns and report back.

Most recently on 26 October 2020 you referred to the matter in your Interim Report (EX212), requiring that the Council advise you by 16 November of its position on the OAN, taking account of the 2018-based household projections. May I therefore apologise that this letter reaches you two days later than requested, which is a result of the availability of dates for the CPPP meeting. I hope this has not inconvenienced you.

The matter of the OAN was debated by Members at CPPP last night. Members considered an officer report and associated appendices which discussed the modelling data, affordability and market signals for three of the five household projections variants produced by ONS. I have included Appendices E and F of the report to CPPP with this letter, as they are most relevant to the OAN. You can see all the agenda papers at this link: <https://democracy.welhat.gov.uk/ieListDocuments.aspx?CId=266&MId=1247>

The advice from Turley (see Appendix F) was that the OAN should be 715 dwellings per year over the plan period 2016-2036. They based this advice on the “alternative internal migration” 2018-based household projections (which use five years’ worth of migration data to project future migration patterns) to which demographic and market signals uplifts were applied.

Members debated this advice at the CPPP meeting.

Having considered the Turley and officer advice carefully, Members felt the use of the ten-year migration variant to be more credible than the five-year variant, as it provides a more stable outcome which is less susceptible to anomalies and better reflects economic cycles. Once uplifts are applied for vacancy, the 2014 headship rates and younger households as set out in the Edge Analytics modelling (EX203), an annual household formation figure of 570 homes per year is derived. With a 21% market signal uplift applied this would result in an OAN of 690 homes per year, equivalent to 13,800 homes over the plan period 2016-2036. Members noted that this is higher than the proposed new standard method of 667 homes per year. They also noted recent reports in the press and planning press that the Government is likely to amend the proposed standard method to redistribute housing away from shire and rural areas to urban areas in the Midlands and the North. They felt that this was very important in their consideration of meeting housing need and tackling affordability.

It is also worth reporting to you that whilst the principal two-year projection was attractive to some Members, it was considered that there would need to be a significant uplift to address affordability potentially in the order of that envisaged by the Government’s proposed new standard method which would result in 667 dwellings per annum.

Clearly this is just outside the range included within the Turley evidence which you have already received. I ask you to note that this evidence was sent to you in advance of being considered by our Members and had not been formally endorsed by them. It is important to note that, as explained above, the proposed OAN is still based on the Turley methodology, but uses a different variant household projection, that Members considered to be more credible, less susceptible to anomalies and better reflects economic cycles.

I note that your Interim Report states that revisions to the OAN can be examined at an early date. I concur that, if this requires a hearing session, it should be held in advance of discussions around the potential additional sites.

You have also asked the Council to consider the OAN for alternative periods, and this was commented upon in the officer report presented to CPPP last night. This was informed by

evidence produced by Turley and Edge. This considered the issue of whether lack of housing had constrained population growth, but noted that Welwyn Hatfield had actually had higher population growth than the national average and the average for the East of England and therefore there was no indication that population growth had been constrained by housing delivery. The Stage 6 Hearing Sessions considered the issue of undersupply and it was concluded that the demographic and market signals uplift make provision for any previous shortfall.

As a result and in response to your letter of 10 September asking the Council to identify a precise OAN for the original plan period 2013-2032 and for the longer period 2011-2036:

For the period 2013-2032, the Council considers that the OAN is 690 homes per year over the period 2016-2032 + 1,214 completions in the period 2013-2016 = **12,254 homes**. This is because any under-provision in the period 2013-2016 would be encapsulated within the OAN for the period 2016-2032 as a result of the included market signals.

For the period 2011-2036, the Council considers that the OAN is 690 homes per year over the plan period 2016-2036 + 1,750 completions in the period 2011-2016 = **15,550 homes**. This is because any under-provision in the period 2011-2016 would be encapsulated within the OAN for the period 2016-2036 as a result of the included market signals.

Further to the other deadlines identified in your Interim Report, I can confirm that Cabinet is scheduled for 19 November and Council is scheduled for 23 November in order for the Council to achieve those requests for information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Colin Haigh', written in a cursive style.

Colin Haigh
Head of Planning