

Examination of the Welwyn Hatfield Local Plan 2013-2032

Inspector: Melvyn Middleton BA(Econ) DipTP DipMgmt MRTPI

Programme Officer: Mrs Louise St John Howe

4th February 2021

Mr. Colin Haigh,
Head of Planning
Welwyn Hatfield Borough Council

Dear Mr Haigh

Welwyn-Hatfield Local Plan: - Full Objective Assessment of Housing Need

I refer to your letter of 18 November 2020 when you set out your Council's views on the implications of the 2018-based household projections for the Local Plan's Full Objectively Assessed Housing Need (FOAHN) and whether the implications of these forecasts represented a meaningful change.

In response you told me that your members had discussed the modelling data, affordability and market signals indicators and had concluded that there was a meaningful change and that in their view a revised FOAHN of 13,800 (690 p.a.) for a plan period 2016-36 would now be more appropriate than the previously accepted 16,000 (800 p.a.).

In coming to that conclusion, you pointed out that members had noted that some potential changes to the Government's standard method for calculating the FOAHN and advanced in a consultation document, could result in a requirement of 667 d.p.a. You also told me that they had noted that press reports had suggested that the government was likely to redistribute housing away from shire counties to urban areas in the midlands and north and that this was a very important consideration in meeting housing need and tackling affordability.

You will be aware that following the conclusion of its consultation, the government deliberated on this matter and has published its conclusions. The revised formula for calculating dwelling need under its Standard Method, as far as authorities such as Welwyn Hatfield are concerned, has not changed. Until recalculated it remains at 875 d.p.a.

Additionally, in the revised Planning Practice Guidance, the government's advice on assessing housing need has maintained the use of the 2014-based household projections in order to provide stability for planning authorities and communities, to ensure that historic under-delivery and declining affordability are reflected, and to be consistent with its objective of significantly boosting the supply of homes. The Secretary of State reaffirmed that in a Ministerial Statement published on 16 December 2020.

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Furthermore, you told me that 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. In many scenarios this would undoubtedly be the case.

However, whilst the first five of the last ten years coincided with a period of recession and low levels of house building nationwide, in the following five years, when the economy did emerge from recession, unlike many parts of the country, house building in Welwyn-Hatfield was suppressed by a shortage of land and for the most part did not revert to its pre-recession levels. As this period progressed and as Turleys explain at paragraph 4.11 of their report, the provision of less than half of the homes previously evidenced to be needed, at least partially influenced the rate of inward migration and population growth at Welwyn-Hatfield during this period.

As you know, the strategy that you have advanced in the plan, seeks to further grow the amount of employment in the Borough, beyond what are already excessively high levels, for the size of the economically active population. Historically, employment growth has been at a faster rate than the growth in the economically active population. This has undoubtedly led to the very high levels of inward commuting, much of which is unsustainable, that exist today. If this situation is not to get worse, then the likely levels of employment growth could only be sustained by corresponding levels of population growth. Forecasts based on migration rates that are reflective of a period of constrained delivery and inward migration may not appropriately reflect this.

The Examination is to discuss the matter of a meaningful change in the evidence base for the FOAHN in late February. As things stand, I am concerned that valuable time could be spent debating why your revised forecasts are inappropriate because of the changes that I have outlined above since 18 November. I am therefore writing to you to give you and your consultants an opportunity to revisit your evidence and conclusions and to consider whether or not you still consider there to have been a meaningful change. If you still do, then I would ask you to put further evidence and if appropriate revised objective assessments before the Examination. These could then form the basis of a more meaningful discussion at the Hearing.

In doing so I would be grateful if you would specifically give consideration to the appropriateness of alternative ways of forecasting migration. The one used by the Government in its Standard Method or a longer assessment period than the ten years that you have proposed and the five years proposed by Turleys are possibilities but there are no doubt others that would achieve outcomes that better reflect the labour demand required to support the plan's strategy.

Affordability is also an important consideration but other than noting its decline, from the very high level achieved in 2017, neither report makes any reference to the considerations referred to previously, such as your assessments of the need for affordable homes in the Borough and the numbers on waiting lists. Have there been any updates and is there any evidence to suggest that this has changed? if so in which direction has it changed?

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In addition, at paragraph 6.2, Turleys point out that "it could be justified in principle to simply retain the previously evidenced OAN of 800 dwellings per annum in Welwyn Hatfield". That being the case, it could legitimately be construed to mean that there has not been a meaningful change since the plan's FOAHN was changed in 2017 and that the retention of a FOAHN of 800 d.p.a. is not unsound and therefore does not require change. I would also welcome the thoughts of your consultants on this point.

Yours Sincerely

M Middleton

Melvyn Middleton

INSPECTOR