

Sent by email to: strategic.planning@dacorum.gov.uk

08/12/2023

Dear Sir/ Madam

Dacorum Local Plan – revised strategy for growth

1. Thank you for consulting the Home Builders Federation (HBF) on the Dacorum Local Plan. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

Overarching comments on the strategy

2. The HBF does not comment on the suitability of specific sites or locations for development, however, we do have some overarching concerns with the revised strategy for growth. The HBF consider the revised strategy being proposed by the Council to be unsound as it is unjustified and represents a failure to plan strategically to meet the housing needs not only of those who are currently struggling to find suitable homes but also future generations who will face ever increasing difficulties in finding suitable homes in which to live.
3. Using the standard method, the Council are required to plan for a minimum of 1,018 dwellings per annum (dpa). This level of housing need reflects what the Government considers to be the homes needed not only to take account of future needs but also the under delivery of homes in previous years that has left the country with a deficit of housing and which in turn as contributed significantly to the housing crisis. It is important to recognise that the shortfall of housing is a long-term structural issue, there is just not enough homes in relation to the size of the country's population. The issue of population size and the size of the housing stock is considered in recent report by the HBF which compares the UK

housing market with other European countries. What is notable from this research, is that England has far fewer dwellings relative to its population than other developed nations. For example, Italy and France have around 590 homes per thousand inhabitants compared to just 434 in England, which is also well below the OECD average of 487.

4. This dearth of properties makes England one of the most difficult places in the developed world to find a home, with the rate of available properties per member of the population at less than 1%, the lowest rate of all OECD countries. The relatively low number of homes for the size of population will impact on the cost of housing. The research found, not only that housing is very unaffordable in the UK but that other similar European nations, for example Belgium and France, have seen incomes better keep pace with house prices and in some cases, such as Finland they have fallen slightly as a proportion of income. Whilst this is national data it provides stark evidence as to the shortage of housing across the country and the need for all areas to boost supply if affordability is to improve.
5. However, rather than seek to significantly boost housing supply and meet the minimum level of housing needs the Government considers is necessary to even begin to address the housing crisis the Council have chosen to remove sites it considered appropriate for development from the 2020 emerging strategy and instead plan for around 14,300 homes, a shortfall of circa 3,000 homes over the plan period. The reason given by the Council in the supporting documentation for reducing the number of homes being planned for is on the basis of both environmental constraints, for example the Chilterns AONB, and planning policies such as the Green Belt.
6. The HBF recognise that the NPPF sets out that in some areas certain constraints may limit the number of homes that can be planned for. However, in considering its position the Council must properly assess the impact of not meeting housing needs, something the HBF do not consider the Council to have done. The outcomes of the proposed shortfall will mean affordability continuing to worsen, more people living in overcrowded/substandard accommodation or staying with parents far longer than previous generations due to the lack of available and reasonably priced housing. As the Council will no doubt be aware in the last ten years the median affordability ratio has increased from 8.86 to 13.86. The situation is even worse for those on lower incomes with lower quartile house prices being 15 times lower quartile incomes. There is also a significant need for more affordable housing. The Southwest Hertfordshire Housing Market Assessment estimates that the need for affordable housing is 611 dpa – around 70% of the housing requirement being proposed by the Council.

Given that the delivery of market housing is the principal mechanism for bring forward affordable housing the Council should be looking to maximise supply rather than restrict it.

7. The Council must also recognise that this shortfall is not just isolated to Dacorum but is part of a wider shortfall in housing supply. The Council's Sustainability Appraisal provides a summary of where unmet needs may arise, such as Three Rivers Borough Council which has published a consultation stating that it will fall short of meeting housing needs by 367 dpa, around 6,600 homes over the plan period and in London and the shortfall of around 140,000 homes between 2019 and 2029 based on the housing needs and delivery expectations in the adopted London Plan. It is also quite evident from plan preparation across the wider southeast of England that other areas are unwilling to take on the needs of those areas that consider themselves to be too constrained to meet their own needs. This is recognised in the SA which states at paragraph 5.2.15 that:

"... the reality being that there is little or no confidence regarding where, when or even if any unmet housing need generated by the Dacorum Local Plan would be provided for".

This lack of effective cooperation on this matter means the wider shortfalls place further pressure on the housing market in Dacorum and make it even more difficult for new households to form and worsening the negative outcomes of any under supply being proposed.

8. The HBF recognises that Council have made some difficult decisions and have chosen to amend Green Belt boundaries in order to increase the supply of new homes. This is welcomed. However, the HBF consider that given the worsening affordability of homes in Dacorum, the growing need for affordable housing, the consequential impacts these have on Dacorum's residents means that there are significant benefits from allocating more housing that should be given significant weight by the Council in deciding the next iteration of this local plan. Given that local services, infrastructure, and biodiversity will also be improved to support development the HBF would suggest that the only sound approach is to meet housing needs in full.
9. The Council's interim Sustainability Appraisal (SA) considers there to be two reasonable alternative strategies that would meet housing needs in full – scenarios 11 and 12. These would respectively deliver circa 16,500 homes and 17,300 homes. What is notable from the SA is that the only objectives against which these higher growth scenarios perform

significantly worse than the preferred approach is on Biodiversity and Landscape. With regard to biodiversity the most significant concern appears to be around the impact of development on the Chiltern Beechwoods SAC. However, as the SA notes these concerns would need to be addressed if development were to be permitted and as such the quantum of development is largely immaterial as long as the necessary mitigation was provided. Given that new development will also be required to deliver a minimum 10% net gain in biodiversity it could be argued that the higher growth scenarios will have a much more positive effect on biodiversity in the long term compared to the Council's preferred approach. As such the benefit of delivering more housing given the worsening affordability and the need for affordable housing would appear to outweigh the negative impacts.

10. The level of unmet needs and the scale of the housing crisis in Hertfordshire the Council will need to ensure that it has looked at all suitable sites including those in the AONB. No allocations have been proposed in the AONB and whilst it is recognised that national policy places great weight on conserving and enhancing the landscape and scenic value of these areas the NPPF also recognises that some development may be appropriate if it is sensitively located, and adverse impacts can be minimised. The Council should ensure that its assessment of sites does not dismiss land in the AONB purely on that designation and without a proper assessment as to the actual harm as well as its potential to deliver sustainable development.
11. This would appear to leave the only reason not to take forward a higher growth strategy as being local objections to new housing development and not on an evidence-based assessment of the merits of planning to meeting housing needs. The SA notes that the emerging strategy generated a high degree of interest with comments received from 4,000 people. The SA also notes at paragraph 5.4.33 in relation to Berkhamsted that the emerging strategy generated significant objections. It is notable that the proposed strategy now reduces the number of homes to be delivered at this settlement by 43%. Whilst consultation responses must be given appropriate weight it must also be recognised that the number of people commenting was just 2.5% of the total population.
12. Whilst the concerns of those objecting formally are important, they must not be taken as reflective of everyone in an area and as justification for no meeting housing needs. In particular it is important for Councils to act strategically and think beyond the objections to development. It is important to recognise that support for house building within the

community is often high. Recent research¹ commissioned by the HBF shows that support for building more housing is higher than is often thought. When asked whether they were supportive of more house building 80% of respondents were supportive or not averse to more homes being built in their local areas with only 20% opposed to it. The report also highlights the fact that overcoming the housing crisis is vital in tackling intergenerational unfairness and inequality with 71% of respondents feeling that that housing crisis was making the country less equal and more divided. The Council and its elected members must recognise that whilst seeking to plan for fewer homes than are needed may seem popular this is not necessarily the case and that it is more likely that the vocal minority are being listened to rather than those most affected by the lack of housing being provided.

13. If the national housing crisis is to be addressed the Country needs Councils such as Dacorum to plan for levels of housing that are well above what was delivered in the past and above current population projections. If the Council, and indeed all councils, do not take on their strategic responsibilities with regard to significantly increasing the supply of land for new housing then the issues outlined above will never be addressed.

Plan Period

14. The Council are proposing a plan period of 2024 to 2040. As the Council will be aware paragraph 22 of the NPPF requires strategic policies in local plans to look ahead for a minimum of 15 years from the point of adoption. However, if the Council, as stated in its Local Development Scheme, adopts the plan in February 2026 the plan will only look ahead for 14 years at most. The HBF would also consider the Council's expectation that a plan that there will only be 12 months between submission and adoption to be ambitious. The majority of examinations take much longer than 12 months and this must be recognised when considering the plan period of this local plan. In order for the plan to be sound it must look ahead to at least 2042. This will ensure that the Council can be confident that the strategic policies in the plan will look ahead for at least 15 years as required by the NPPF.

Identification of sites no larger than one hectare

15. The Council have not stated whether the proposed strategy will be consistent with paragraph 69 of the NPPF and that 10% of its housing requirement will be delivered on sites

¹ Housing the Nation, HBF (2023) <https://www.hbf.co.uk/news/housing-the-nation/>

of one hectare or less that have been identified in the local plan or brownfield register. The allocation of small sites is a priority for the Government with the requirement in paragraph 69a) stemming from the Government's desire to support small house builders by ensuring that they benefit from the having their sites identified for development either through the local plan or brownfield register. The effect of an allocation is to take some of the risk out of that development and provide greater certainty that those sites come forward. This in turn will allow the SME sector to grow, deliver homes that will increase the diversity of the new homes that are available as well as bring those homes forward earlier in the plan period.

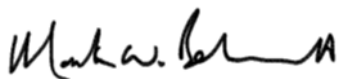
16. However, it would appear from the Council's approach to site identification in the SHLAA that few if any sites of one hectare or less will be allocated by the Council given at paragraphs 3.39 and 3.40 outline that only sites delivering more than 50 units have been taken forward for further detailed testing in phase 2. This is likely to rule out a significant number of sites that could be allocated to support SME house builders from even being considered for allocation. The Council consider that it is more appropriate for such sites to be considered as windfall with applications determined through the development management process. However, this does not address the concerns of smaller housebuilders and the uncertainty they face of bringing applications for windfall development.
17. In order to be consistent with national policy the HBF recommends that Council should in the first instance identify sufficient allocations on sites of one hectare or less to meet 10% of its housing requirement. Once this is achieved then it should seek to identify the remaining supply from other sites. If the Council cannot meet the requirement of paragraph 69a) then it should work proactively with SME housebuilders to identify additional sites for allocation. The HBF can help facilitate this engagement with its SME members if that would assist the Council. The Council should also note that anticipated windfall development from small sites do not form part of the 10% small site requirement. Paragraph 69a) specifically states that these sites are to be identified and given that the glossary in the NPPF defines windfall development as sites that have not been specifically identified in the plan such an approach would be unsound. Paragraph 69 also makes the distinction between the 10% requirement in part a) and the need to support windfall development in general through the plan's policies in part c). If the Government's intentions were for windfall to form part of the 10% this distinction would not have been made.
18. The Council should recognise that allocating small sites and supporting SME house builders not only ensures a stronger supply in the short term but also improves the diversity of choice

within local housing markets, support local and regional supply chains and are often pivotal in bring forward innovation and supporting jobs growth locally, with 1 in 5 of the SME work force comprising of apprentices. A failure to allocate small sites will contribute to the continued decline in small and medium sized house builders. Recent research by the HBF has found that there are 85% fewer small house builders today than there was 20 years ago and that of a survey of 202 SME house builders 87% said they were considering winding up their residential activities in the next three years. Whilst this decline is due to a range of factors more allocations of small would ease the burden on many SME developers and provide more certainty that their scheme will be permitted allowing them to secure the necessary finance that is often unavailable to SMEs until permission is granted.

Future engagement

19. The HBF hopes that the Council finds these comments helpful and would welcome the opportunity to discuss these matters further with the Council.

Yours faithfully



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