

**East Herts District Plan.**

**Part 1**

**Matter 1: General Matters**

*Duty to co-operate*

With regard to the HMA it would appear from the Council's evidence that the Council has worked effectively with its partners and met the legal duty to co-operate. They have prepared evidence with relevant partners and agreed Memoranda of Understanding on a number of key issues. However, in order to maintain co-operation and ensure its transparency we suggest that the Council, and their partners in the HMA, include the contingency measures as set out in the MOU as included in a policy within the Local Plan. Evidence on past delivery indicates that there is a very real chance that the HMA will not meet all of its needs in the Plan period and it is essential that there are transparent mechanisms with regard to contingencies.

To address this situation we would suggest that the Council identifies within the delivery strategy the housing needs across the HMA and the proportion of this need that each authority will seek to address. Alongside this there should be a monitoring indicator within the AMR on delivery across the HMA against its target. This will ensure that there are clear and transparent mechanisms for monitoring performance across the HMA. In addition we would suggest that an HMA wide trigger mechanism be adopted and included in policy. Such a trigger mechanism would require the review/ partial review of the Local Plan should there be any significant unmet needs arising within the HMA as plans are progressed.

We remain concerned regarding the outcome of the engagement with Welwyn Hatfield. There remains confusion as to how the 1350 new homes in East Herts District Council (EHDC) at the edge of Welwyn Garden City should be treated in relation to the Councils identified housing needs. Whilst there appears to be have been effective co-operation with regard to the allocation the Councils have not addressed the key point as to whose needs these address. Our key concerns relating to this matter though are dealt with elsewhere.

East Herts District Plan.

Part 1

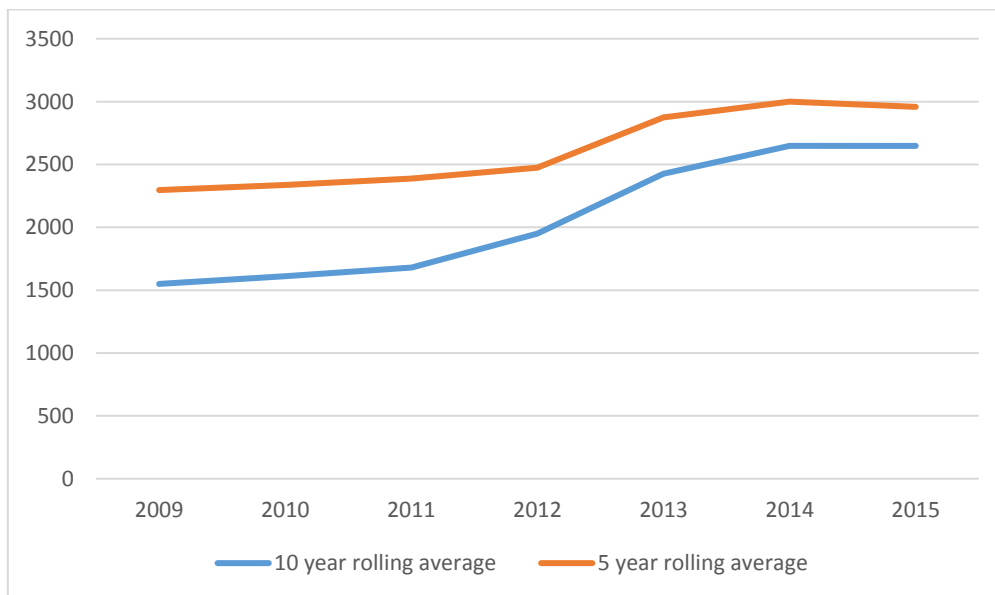
Matter 2 – The Development Strategy – housing

Calculation of the Objectively Assessed Need for Housing (OAN) and the housing requirement – polices DPS1 and DPS2

*Does the evidence base for OAN reflect national policy and guidance?*

No. The 2015 SHMA (HOP.001) and the subsequent 2017 (ED112) update seek to alter the demographic starting point by using a ten year migration trend as opposed to the 5 year trend used by ONS in the Sub National Population Projections (SNPP) which inform the DCLG Household Projections (HHP). The PPG is clear that the HHP provide a robust dataset for the consideration of future needs and that there would need to be compelling evidence to make any adjustments to this data. The Council’s main argument for adjustment is that they consider a ten year trend to better reflect future needs due to the stability of this evidence in comparison to a 5 year trend. Taken over a twenty year timescale covering two period where migration fell significantly then the ten year trend is the more stable projection. However, when considering more recent period starting from 2009 then the 5 year trend offer a more stable picture with regard to population growth. Using Mid-Year Estimates of migration for the HMA it can be seen in the figure 1 below that 5 year trend varies less compared to the 10 year trend.

Figure 1: Rolling average in migration for W Essex and E Herts HMA 2009 to 2015



Source: ONS Mid-Year estimates

We don’t dispute that in some circumstances a longer-term trend can provide more realistic projection where there is considerable volatility in migration trends. However, they can also include past periods of unexpectedly lower levels of population growth and migration that are no longer relevant and can be slower to take account of longer term trends. It is important to

consider the most recent trends in relation to population growth and in particular migration due to the distinct challenges facing the Country and the Wider South East with regard to the housing market. The increasing cost of housing in London and the lack of new supply coming forward in the capital must be a concern. The potential shortfall in housing delivery being experienced in the Capital at present with supply expectations of 42,000 dwellings per annum (dpa) being significantly below the Mayor's lowest assessment of need at 49,000 dpa. However, even 42,000 dpa would appear to be unachievable given the latest monitoring report published by the GLA indicates delivery of conventional housing (self-contained flat and houses) for the 2015/16 period as being 32,919<sup>1</sup>.

This degree of under provision in the Capital will lead to an increasing level of out-migration as well as less in-migration from the those areas surrounding the capital. This would mean a ten year trends increasingly taking account of scenarios that are no longer applicable leading to further under supply. Therefore we do not consider the Council's justification favouring a ten year trend over the five year trend to be sufficient. The Household Projections as published by DCLG should be used as the starting point for any assessment of need.

*Are the assumptions on migration, jobs growth, commuting patterns, household formation and market signals realistic?*

No. As set out above both iterations of the SHMA argue that a ten-year trend in relation to migration provides a more reliable projection than the 5-year trend used by ONS in the SNPP. The SHMA considers that these projections provide a significant over estimation of housing need when translated into the DCLG Household Projections that is not supported by past trends in migration. However, Planning Practice Guidance (PPG) is clear that the HHP published by DCLG are the starting point for assessing housing needs, that they are statistically robust and that any changes must be clearly explained and justified. We do not believe that the SHMA provides the necessary justification to support the Council's approach.

However, what is evident is that using the 10 year migration trend as set out in the SHMA delivers a significantly lower projection than any other source. Table 2 below compares the various projections for East Hertfordshire that have been undertaken by the GLA and DCLG. What is evident from this data is that for East Hertfordshire there is a clear similarity between the central variant GLA data (which uses a 10 year trend) and the CLG household projections. Given the similarity between both these datasets it would suggest that the Council's approach could severely underestimate the Borough's housing needs in future.

Table 2: Comparison of Household Growth Projections for East Hertfordshire 2011 to 2033

<b>Data source</b>	<b>Household growth 2011 to 2033</b>	<b>Housing need 2011 to 2033<sup>2</sup></b>
CLG 2014 Based	17,272	17,963
GLA Central trend	17,505	18,205
GLA Short trend	18,044	18,766
GLA Long trend	16,535	17,196
WE and EH SHMA (2017)	15,566	16,189

<sup>1</sup> Para 2.21 London Plan Annual Monitoring Report 2015/16 (July 2017).

[https://www.london.gov.uk/sites/default/files/amr\\_13.pdf](https://www.london.gov.uk/sites/default/files/amr_13.pdf)

<sup>2</sup> Increase of 4% on household growth to take account of vacancies and second homes in line with SHMA

As such the proposal to significantly reduce the demographic starting point compared the current household projections when assessing housing needs is unjustified. The Council and its partners in the HMA should use the 2014 Household projections as the starting point and not modify these projections on the basis of a 10-year migration trend.

*Is the uplift proposed sufficient to address market signals including the effects of pre plan under supply?*

No. We would agree with the 2015 and 2017 SHMA that the market signals for the HMA indicate that there are considerable pressures in terms of affordability, price and past under supply of housing and the conclusion reached in the original SHMA that a 20% uplift was broadly correct. A 20% uplift would also be in-line with similar authorities. For example, two authorities bordering the HMA, Chelmsford and Braintree, have identified similar concerns regarding affordability and have proposed uplifts of 20% and 15% respectively. As such we do not consider the final proposed uplift of 13.6% to reflect the market signals in either EHDC or the HMA and the approach to taken in arriving at this figure to be contrary to national policy.

The approach to the uplift being proposed is to set an OAN that is more in line with the GLA 2016 household projections allowing for the increased migration expected in these projections. This approach to considering market signals is not consistent with the NPPF or PPG as it seeks to limit any increase on the basis that migration could not be expected to increase significantly beyond projected levels. In doing so the proposed housing requirement does not provide the necessary boost to housing supply as required by the NPPF nor does it adequately consider the fact the past under performance will have suppressed migration, limited household formation and increased household size by limiting the availability of housing.

Table 3 below sets out the performance of each LPA within the HMA against previous targets and the Councils' own assessments of need in the 2017 SHMA update. This shows that the Councils have consistently underperformed in terms of housing delivery. It cannot be expected that such under performance against expected delivery, and the consequential impacts, should be used to justify suppression of housing growth in the future. Had each Council met its previous targets then it is likely that migration rates and household size would have been significantly different to reflect a better supply of housing.

Table 3: HMA delivery against past and current requirements

<b>Year</b>	<b>E. Herts</b>	<b>Uttlesford</b>	<b>Harlow</b>	<b>Epping Forest</b>	<b>Total</b>	<b>Structure Plan/RSS SHMA target for HMA</b>	<b>Shortfall</b>
01/02	605	182	103	237	1,127	1452 <sup>3</sup>	-325
02/03	376	396	149	271	1,192	1452	-260
03/04	250	241	96	208	795	1452	-657
04/05	347	344	102	240	1,033	1452	-419

<sup>3</sup> Combined target from Hertfordshire Structure Plan Review (Adopted 1998) and Essex and South End on Sea Replacement Structure Plan (Adopted 2001).

05/06	562	542	358	286	1,748	1452	296
06/07	777	326	159	277	1,539	1975 <sup>4</sup>	-436
07/08	557	538	145	108	1,348	1975	-627
08/09	553	437	259	157	1,406	1975	-569
09/10	469	522	107	176	1,274	1975	-701
10/11	200	298	116	368	982	1975	-993
11/12	383	521	389	288	1,581	2350	-769
12/13	699	540	152	89	1,480	2350	-870
13/14	366	390	126	299	1,181	2350	-1,169
14/15	503	463	204	230	1,400	2350	-950
15/16	674	399	140	136	1,349	2350	-1,001
<b>Total</b>	<b>7,321</b>	<b>6,139</b>	<b>2,605</b>	<b>3,370</b>	<b>19,435</b>	<b>28,885</b>	<b>-9,450</b>

Whilst we must recognise that East Hertfordshire have consistently delivered more housing within the HMA than its neighbours, they have still under performed against expectations. Table 4 below shows the shortfall against the most relevant targets at the time. This shows that against each of these delivery requirements the Council has consistently under supplied showing a total shortfall of 2,634 dwellings. Whilst we recognise that both structure plan and RSS target were not wholly needs based they provide a reasonable basis for considering long term under supply.

Table 4: E Herts delivery against past and current requirements

Year	E Herts	Cumulative delivery	target	Cumulative requirement	Shortfall
01/02	605	605	555	555	50
02/03	376	981	555	1,110	-129
03/04	250	1,231	555	1,665	-434
04/05	347	1,578	555	2,220	-642
05/06	562	2,140	555	2,775	-635
06/07	777	2,917	600	3,375	-458
07/08	557	3,474	600	3,975	-501
08/09	553	4,027	600	4,575	-548
09/10	469	4,496	600	5,175	-679
10/11	200	4,696	600	5,775	-1,079
11/12	383	5,079	836	6,611	-1,532
12/13	699	5,778	836	7,447	-1,669
13/14	366	6,144	836	8,283	-2,139
14/15	503	6,647	836	9,119	-2,472
15/16	674	7,321	836	9,955	-2,634

In short the approach taken by the Council with regard to both the demographic starting point and market signals does not provide any boost to housing delivery as required by the

<sup>4</sup> Combined target from the East of England Regional Spatial Strategy

NPPF. The approach seeks to limit migration and household formation and will not address the problems faced in the housing market – one of past under provision.

We consider the local adjustments to the demographic starting point to be unjustified and that inadequate consideration has been given to the market signals and past undersupply. We would recommend that the Council use the 2014 Household projections as the starting point and then apply at least a 20% uplift to take account of market signals.

*What influence should the calculation of the affordable housing requirement have on the OAN?*

Where necessary an LPA should increase the overall housing requirement in order to support the delivery of affordable housing. If it is viable then no uplift is required. However, if viability indicates that provision should be limited to a lower proportion of all market housing then a further uplift may be required. We are therefore concerned that to meet the HMAs affordable housing needs requires Harlow to deliver 61% of its OAN as affordable housing. This would seem to be unlikely given the constraints on housing in Harlow and the fact that such a proportion is likely to render all development in that Borough unviable. Consideration should have been given to uplifting OANs across the rest of the HMA on the basis of this shortfall and as such is further evidence supporting the need for a 20% uplift on the demographic starting point as suggested above.

*Would the provision of a minimum of 18,396 dwellings between 2011 and 2033 meet the full OAN for housing?*

No. We consider the full OAN to be 21,555 (980 dpa) which is based on the HPP demographic starting point of 17,963 plus a 20% market signals uplift of 3,592. Given this discrepancy we would expect to see further allocations or an early review of the Local Plan if it is to be found sound.

### **Spatial distribution/supply – policy DPS3**

*What evidence is there to show that the proposed allocations to Stevenage and Welwyn Garden City would meet the needs of EHDC?*

It is essential that allocations meet identified needs for the HMA as required by paragraph 47 of the NPPF. However, the Council have not presented any evidence that the proposed allocations at Welwyn Garden City (EWEL1) and Stevenage (EOS1) will meet the needs of the W Essex and E Herts HMA. These allocations will lead to the growth of, and subsequent impacts on, towns outside of both EHDC and the HMA. The most concerning of these allocations EWEL1 on the edge of Welwyn Garden City due to the fact that Welwyn Hatfield DC (WHDC) have identified that they are likely to have unmet housing needs of between 616 and 1,433 dwellings over the course of their plan. Given this position EHDC should have looked to support WHDC in expanding Welwyn Garden City, as they have done, but recognised that this was not meeting their own needs but that of a neighbouring HMA. This was why we were initially pleased to see an allocation by EHDC that seemingly supported WHDC in addressing their shortfall.

However, this has not been the case with the EWEL1. This allocation to the east of Welwyn Garden City is being considered by EHDC as meeting their own needs despite the lack of evidence showing that it will do anything other than support the growth of Welwyn Garden City. Whilst we would not disagree with the Council's statements that there is close co-

operation on the delivery of these sites there is very little evidence suggesting they are meeting the needs of EHDC. If WHDC did not have a shortfall then it could have been agreed that these homes were being provided in order to meet any unmet need in EHDC but this is not the case. This is in contrast to the land east of Stevenage as it would appear likely that Stevenage Borough Council will adopt a plan seeking to meet housing needs within Stevenage Borough Council's administrative boundary. If this is the case then there will be no unmet need arising from Stevenage and this allocation could be considered as addressing housing needs in EHDC.

As such whilst we consider it important that both of these sites are allocated we would suggest that it is important to ensure that they do not support delivery in more than one HMA. We therefore recommend that the development of site to the east of Welwyn Garden City should not be included as part of EHDCs supply and its delivery be monitored separately. EHDC will need to allocate additional sites in more appropriate locations to address the shortfall in delivery. As we have set out in our representation further allocations could be considered in the 8 biggest villages which we consider to have a very low allocation for the plan period.

### **Housing Delivery**

*Is the housing trajectory a reasonable estimate of delivery over the plan period?*

No. The Council have identified a windfall of 750 homes across the plan period. Whilst this figure is not considered to be unreasonable the Council have also identified, but not allocated sites for, 141 of the 500 homes that will be delivered in villages. These should be considered as windfall, or alternatively overall windfall is reduced by 141 units to reflect delivery in villages. In addition the Council have not considered that the number of homes delivered through existing commitments is likely to be lower due to lapsed and amended planning permissions. Good practice suggests that a 10% lapse rate is appropriate and this would need to apply to all existing commitments – including the 359 from existing commitments expected to come forward in villages.

*Would the plan realistically provide a five year housing land supply on adoption?*

If the backlog in supply is to be addressed in the first five years, as required in PPG, then the Council does not have a five year housing land supply on the basis of the Council's evidence. This position is worsened still if appropriate lapse rates on existing commitments are applied, reducing the supply of available land to just 3.9 years. The Council have suggested that they be allowed to extend the time period against which they meet any backlog by ten years. However, this would not be in line with PPG which requires backlog to be met within the first five years where possible. The Council have failed to show that it is not possible for them to address the shortfall in the first five years. They have stated in paragraph 3.19 of the Updated Housing Topic Paper (ED121) that the annual rate would be too high at 1,429. However, this would only be 139 units per annum above the annual delivery rate considered achievable by the Council. It would not be inconceivable for further allocations to be made to address this shortfall. The Council could allocate a range of smaller sites across the Borough that would be able to be delivered in the first five years of the Plan.

	<b>Meeting Backlog over five years</b>	<b>Meeting backlog over a ten years</b>
Basic five year requirement 2017/18 to 2021/22	4181	4181
Backlog 2011/12 to 2016/17	1773	806
total 5 year requirement 2016/17 - 2020/21	5954	4987
20% buffer applied	7145	5984
Supply 2016/17 to 2020/21	6769	6769
surplus/shortfall	-376	785
<b>Number of years supply</b>	<b>4.1</b>	<b>6.8</b>

#### **The approach to housing development in villages – policies DPS3, DPS6, VILL1 and VILL4**

The proposed trigger is ineffective given that the Council have already identified 359 commitments in villages that will be delivered between 2017 and 2022. It is unlikely that this policy will encourage the preparation of Neighbourhood Plans. The fact that the majority of the housing delivery allocated in villages is from existing commitments should have been clearly stated in the Plan.

The Council must be proactive in identifying those villages that can expand and, as a minimum, identify the capacity of those villages to expand. This process should include those villages in the Green Belt where it is incumbent on the Council to consider amendments to the Green Belt. At present the Council is relying on the Neighbourhood Plans to undertake assessments of Green Belt and amend boundaries accordingly – this is beyond the scope of such Plans. At present national policy is clear that Green Belt boundaries can only be amended through the Local Plan.



**East Herts District Plan.**

**Part 1**

**Matter 5 – The Development Strategy – the Green Belt**

***Has the Plan been positively prepared and is it justified, effective and consistent with national policy to release land from the Green Belt?***

The approach to considering the need to amend Green Belt boundaries would appear to be justified and consistent with national policy. Our only concern with this regard is the Council's decision in policy VILL1 delegating amendment of Green Belt boundaries to Neighbourhood Plans. This policy is not consistent with the NPPF which in paragraph 83 states that boundaries can only be amended "through the preparation or review of the Local Plan".

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