

Sent by email to: Strategic.Planning@dacorum.gov.uk

13/12/2017

Dear Sir/ Madam

Response by the House Builders Federation to the Dacorum Issues and Options Consultation

Thank you for consulting the Home Builders Federation (HBF) on the Issues and Options Consultation. 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.

Duty to Co-operate

Housing delivery is one of the main cross boundary issues facing the Council and it will be important that the Local Plan sets out the level of need across the Housing Market Area, and how those needs will be met in full. Where another authority is meeting the needs of a particular Borough we would expect this to be explicitly stated in their Local Plan. If the authorities in an Housing Market Area (HMA) cannot show that housing needs have been met in full then any policy on housing delivery cannot be considered to be consistent with paragraph 47 of the National Planning Policy Framework.

We do not have any concerns with regard to proposed HMA, but we note from the Strategic Housing Market Assessment (SHMA) that St Albans is considered to be in the South West Hertfordshire HMA but was not a commissioning authority. Given the difficulties St Albans have had in preparing a sound plan, largely due to their failure in meeting the duty to co-operate, it is essential they are involved when considering how the HMA will meet its housing needs. If St Albans continue to prepare a separate evidence base it will be important to ensure that their evidenced aligns with SHMA. If not, there is the very real concern of the authorities across the HMA failing in their duty to co-operate. Poor co-operation within this area with regard to meeting housing needs must be addressed before plans are progressed to submission.

Given that each of the Local Planning Authorities (LPA) in the HMA is still at the early stages of preparing new Local Plans we would suggest that this offers an opportunity to either prepare a joint plan or, at least, a series of shared strategic policies on housing delivery. This would allow for more effective consideration of achieving the most sustainable approach to meeting housing needs within the HMA. We are sure you are

aware of the approach taken in North Essex where three authorities have prepared a shared strategic “Part 1” to their local plans. Such an approach could also be considered for South West Hertfordshire and would not delay plan preparation given the early stage of plan preparation.

We would also suggest that the Council considers whether or not it can support neighbouring authorities that are not in the HMA in meet their needs. In particular the Council should consider the fact that London Boroughs are struggling to meet their current housing requirements. The Mayor has now published a new London Plan stating that the capital will meet its annual housing requirement of 66,000. However, we remain doubtful as to the capacity within London Borough’s to meet this level of housing need. In particular the London Plan focusses growth onto the outer London Borough’s and we believe that it will prove difficult for these areas to meet their housing needs. Given the close links between South West Hertfordshire HMA and those London Borough’s to the south we would suggest that consideration needs to be given to co-operation with these LPAs.

Housing needs

We note that you raise the issue of the Government’s consultation on the standard methodology for assessing housing needs. As we have mentioned to other LPAs, whilst we agree that the standard methodology has limited weight it does give a better understanding as to the Government’s direction of travel with regard to both the robustness of the ONS projections and the degree of uplift required to respond to market signals. Other than these considerations, which relate to existing provisions in Planning Practice Guidance, we do not consider it appropriate to plan on the basis of the standard methodology.

In particular, we do not consider it to be appropriate for the Council to plan on the basis of a capped uplift to the current housing requirement in the Core Strategy. Whilst the cap applies to all areas with an adopted plan that is less than 5 years old the requirement in the Dacorum Core Strategy was based on the capacity constrained RSS target. This cannot be considered an appropriate starting point. Given the Core Strategy will be five years old in September 2018 we would strongly suggest that the Council looks to plan for a higher level of housing need either or the standard methodology or the SHMA.

We consider the SHMA to underestimate the level of housing need within the Borough. Firstly, the assessment does not use the most recent data on household projections available. Last year the Government published the 2014 based household projections, these show an increase of around 1,000 new households for Dacorum. PPG suggests that where there is a meaningful change in the projections LPAs should consider updating their OAN. We would consider this to be a meaningful change and that the SHMA should be updated to take account of the most up to date household projections.

Secondly, we do not consider the SHMA to have taken sufficient account of market signals, particularly in relation to affordability. The most recent lower quartile

affordability ratios¹ for Dacorum show a significant decline in affordability since 2013. In 2013 the lower quartile work place based affordability ratio was 9.63. However, by 2016 this had risen to 12.38. This is a significant increase and much greater than outlined in the SHMA. This picture is replicated across the HMA with affordability getting significantly worse. So, whilst the period following the recession showed a relatively stable position it would appear that this situation has changed as demand grows and the supply of land to support further housing development has not followed suit. We would suggest that a more considerable uplift is applied to the 2014 household projections and that the proposed uplift of just 4% is insufficient.

In summary we consider that the Council should not look to plan for the level of need set out in the most recent Government consultation. This does not represent housing needs as it is based on a housing target that was constrained by RSS. The Council should look to plan for an OAN based on the most recent household projections plus a more substantial uplift than has currently been applied if it is to provide the necessary boost to housing supply required by NPPF. It would also ensure that the Council prepares a plan that delivers the increase in housing supply required for the area.

Affordable housing

Any policy on affordable housing must be prepared on the basis of the cumulative impact of the policies in the plan on the viability of new development. This will need to include the impact of policies relating to issue such as internal space standards, accessible homes and open space provision as well as the infrastructure requirements set out in the plan. It is also important that any policy is flexible to ensure that where sites are made unviable by the affordable housing requirements the Council will look to reduce or remove the requirements set out in the policy.

Housing Delivery

Until the Council are clear as to the level of housing need they will have to try and meet we would not suggest ruling out any potential delivery options. To reject the options set out in paragraph 10.3.3 at this stage is premature and could leave the Council in a position where it needs to use a rejected option. We would therefore suggest that all the potential options are left available, and that the most appropriate option for meeting needs is taken forward once those needs are finalised. The NPPF sets out the need for local planning authorities to be creative in seeking to meet the development needs of their areas and the approach taken by the Council will limit their ability to provide creative solutions to the problems they face.

In particular we would challenge the need to use brownfield land prior to greenfield sites. If the Council cannot meet its needs within the urban area then it will need to bring forward greenfield sites. Whether these come before or after the development of brownfield land should not be a consideration. By unnecessarily delaying the delivery of greenfield sites the Council will be limiting its options for addressing any backlog and

1

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/1997to2016/relateddata>

meeting housing needs in the early part of the plan. As such any policy delaying delivery of greenfield sites would be unsound and should not be included in the Local Plan.

When considering the deliverability of the plan the Council must look to ensure that it can deliver a consistent supply of sites and homes across the plan period. This will mean ensuring that there are sufficient sites that can deliver homes earlier in the plan period and address any backlog in delivery within the first five years, as required by PPG. Whilst large strategic sites are an important part of housing supply but the Council should not seek to rely on unrealistic delivery expectations that sees such sites coming forward early in the plan period. A balanced and realistic approach ensures consistent delivery not only in this plan period but, potentially, into the next.

Whilst we would support the Council's intentions to safeguard land for development it is important to remember that there could be neighbouring Boroughs not within the HMA that are unable to meet their needs. The Council should examine with neighbouring LPAs whether they can meet their own housing needs prior to making any decision on safeguarding land for future development. Where neighbouring LPAs cannot meet needs then any land that is considered suitable for development should be brought forward in this plan and not safeguarded for the future.

Green Belt

We are pleased to see that the Council has looked to review its Green Belt boundaries in order to identify further land for development. Whilst we have not examined the study in detail, we would argue that the approach taken to assessing parcels against the objective to '*preserve of the setting of historic towns*' to be inconsistent with national policy. The Green Belt Review examines the potential impact of development on any settlement with a conservation area or other historic designation. This could apply to almost any town and village and cannot be used as the basis for considering this objective. We consider the bar for a town to be considered historic to be significantly higher.

We would also suggest that it is wholly inappropriate to consider a "local purpose" of the Green Belt. The purposes of Green Belt are established in national policy and LPAs should not seek to add to these to take account of local considerations. This consideration should be removed from the study and not used to define whether or not land meets the purposes of Green Belt.

It will also be important to consider the boundaries of those villages in the Green Belt. Firstly, it is important that where it is not necessary for villages to be washed over by the Green Belt they should be inset from the Green Belt. Paragraph 86 of the NPPF is clear that villages should only be included within the Green Belt where they make an important contribution to its openness. This can potentially unlock smaller sites in these villages and contribute to the delivery of much needed homes in rural areas. Secondly when defining village boundaries, it is important to define these in a way that supports development in these communities. New development in villages can support the long-

term sustainability of many local services in villages and a more considered boundary can support a more appropriate response to new development.

Rural areas not in the Green Belt

The Council states in paragraph 5.3.2 that they have treated rural areas in a similar way to Green Belt. To continue to take this approach is not appropriate and inconsistent with national policy. Green Belt has a clear and distinct purpose that is not applicable to all rural areas. Development in these areas cannot be considered to have such a restrictive status as is applied to Green Belt. In effect the Council is seeking to extend the Green Belt which the NPPF sets out in paragraph 82 should only happen in exceptional circumstances. Decisions on development within rural areas should be made solely on the basis of the appropriate policies in the NPPF.

We hope you find these comments helpful and if you require clarification on any of the issues raised in this letter please contact me. If you could add me to your mailing list for the new Local Plan and any supporting documents I would be most grateful.

Yours faithfully

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