

Public Document Pack

NORTH HERTFORDSHIRE DISTRICT COUNCIL

COUNCIL

THURSDAY, 8TH OCTOBER, 2020

SUPPLEMENTARY AGENDA

Please find attached supplementary papers relating to the above meeting, as follows:

Agenda No Item

3. **NORTH HERTFORDSHIRE DISTRICT COUNCIL SUBMISSION LOCAL PLAN (Pages 3 - 80)**

REPORT OF THE SERVICE DIRECTOR – REGULATORY

To receive a report on the North Hertfordshire Local Plan 2011 - 2031 as submitted for Examination by the Secretary of State.

Please find attached report and appendices

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**EXTRAORDINARY COUNCIL
8 OCTOBER 2020**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: NORTH HERTFORDSHIRE DISTRICT SUBMISSION LOCAL PLAN

REPORT OF: IAN FULLSTONE, SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: CLLR PAUL CLARK, EXECUTIVE MEMBER FOR PLANNING & TRANSPORT

COUNCIL PRIORITY: RESPOND TO CHALLENGES TO THE ENVIRONMENT / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY / SUPPORT THE DELIVERY OF GOOD QUALITY AND AFFORDABLE HOMES

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide Members with a precis as to the progress of the Local Plan since April 2017 when Full Council resolved to submit the Plan for examination by the Secretary of State. The report sets out the factual background to the Examination of the emerging Local Plan for North Hertfordshire, key issues relevant to the substantive motion being considered by this meeting and the potential implications of any decision.

2. RECOMMENDATIONS

- 2.1. That the contents of this report be noted ahead of debate on the substantive motion.
- 2.2. That the Council's current position on the matters of objectively assessed housing need and housing supply as submitted to the Examination in August 2020 and attached as Appendices A & B respectively, be noted.
- 2.3. That, should Members be minded to approve the substantive motion, officers are advised of the broad scope and scale of the modification(s) being sought and the planning justification(s) for these to forward to the Inspector.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To ensure Members are in possession of relevant facts in advance of debate on the substantive motion.
- 3.2. To date, the Examination of the emerging North Hertfordshire Local Plan 2011-2031 ('Local Plan') has been conducted in accordance with the resolutions of Full Council of 11 April 2017. Any departure from, amendment to or replacement of those resolutions requires the consent of Full Council through a new decision.

- 3.3. This report has been written to address the matters raised in the substantive motion only (i.e. the housing need for North Hertfordshire and the proposed allocation of housing sites in the Local Plan to address this). This report does not address any other matters in the Plan and under consideration at the Examination. This includes, but is not necessarily limited to, the settlement hierarchy, employment, retail, Gypsy & Traveller accommodation, unmet development needs from other authorities, transport, environmental matters, heritage or detailed policy criteria.
- 3.4. Any amendments to the motion which broaden or alter its scope to cover such matters (or any other relevant matters) could raise new implications which are not covered by this report.
- 3.5. Should the substantive motion be approved, officers will need to appraise the Inspector of the broad scope and scale of the modifications proposed, as well as the planning reasons, to enable the Inspector to come to a decision with regard the next steps for the Examination.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None. This report has been prepared to inform an Extraordinary Meeting of Full Council called in accordance with the Council's Constitution.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. This Report has been produced by Officers at the request of the Chairman of the Council to inform the debate upon the substantive motion being considered by this extraordinary meeting.
- 5.2. Members, external organisations and the public have been consulted and kept informed throughout the Local Plan process:
 - The Local Plan 2011-2031 has been subject to a number of public consultations both prior to submission to the Secretary of State and during the Examination process;
 - Cabinet receives reports at each meeting on Strategic Planning Matters within which the Local Plan is a standing update on progress and issues. Both the Full Council decision of April 2017 and the Cabinet decision of December 2018 on the proposed Main Modifications requested that Members be kept informed on the progress of the Examination in this way.;
 - Cabinet has also approved a Housing Delivery Action Plan in each of the past two years within which the Local Plan is a key action;
 - A Local Plan Project Board was set up in February 2016 to provide the necessary strategic guidance and direction for the production of the Local Plan within the Council;
 - The Executive Member and Deputy are regularly kept up to date with regard the Local Plan at fortnightly briefings.
- 5.3. Further information on this is set out in Section 7 below.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1. Members will be aware that the Local Plan has been developed over a number of years. A timeline of key events and facts relevant to this meeting and the substantive motion is set out below but is not exhaustive. Previous reports to Council and Cabinet are listed as background papers and should be referred to for any additional information.
- 7.2. A significant quantity of written material has been submitted to the examination. The two papers considered most relevant to the substantive motion are attached to this report as appendices. These set out the Council's most recently submitted position to the Examination on the matters of housing need and supply. Other documents referenced in this report are available online. Relevant document references are provided. Documents with an "ED" prefix are those prepared since the Plan was submitted for examination and are available on the Examination Documents page of the Council website. Documents with other prefixes are generally those submitted alongside the Plan in 2017 and are available on the Examination Library page of the website. Links to the Examination Documents and Examination Library pages are provided at the end of this report.
- 7.3. Following several rounds of public consultation, the Local Plan was presented to Full Council on 11 April 2017 seeking approval to submit it to the Secretary of State for Examination. The accompanying report provided an overview of key issues relevant to the Plan. This included, but was not limited to:
- Officers' opinion that the development sites in the Local Plan had been appropriately identified, were justified by the evidence and represented an appropriate strategy for future development (Paragraph 8.12 of the April 2017 report);
 - That it was appropriate to proceed on the basis of the identified housing target of 14,000 homes to meet North Hertfordshire's own housing needs (Paragraph 8.18);
 - That the Council would need to produce additional documentation throughout the examination process likely to include answers to preliminary questions, statements and the drafting of Main Modifications on specific issues where the Inspector identified that a change to the plan is required (Paragraph 9.7);
 - That the starting point of any examination is that the local planning authority has submitted a plan which it considers 'sound' and capable of adoption (Paragraph 9.9);
 - That, legally, the Council must submit a plan it considers ready for independent examination (Paragraph 10.3);
 - That any decision on the Local Plan must be made on its planning merits but there are potentially significant financial risks attached to not having a plan in place (Paragraph 11.2); and
 - That Sustainable Development of the District and the Local Plan were both corporate 'Top Risks' (Paragraph 13.1).

- 7.4. At that meeting it was resolved following extensive debate (inter alia):
- That Full Council approve the submission of the new Local Plan...for examination by the Secretary of State (recommendation 2.2); and
 - That delegated powers be granted to the Head of Planning and Enterprise in consultation with the Executive Member for Strategic Planning & Enterprise to produce such additional documentation as is required (including documentation requested by the appointed Inspector and the proposing of main modifications) before and during the examination of the Local Plan (recommendation 2.4).
- 7.5. The Local Plan was submitted to the Secretary of State – through the Planning Inspectorate (PINS) in June 2017. The Secretary of State appointed Mr Simon Berkeley BA MA MRTPI to conduct the examination. Examination hearing sessions were held between November 2017 and March 2018 over a total of 25 hearing days.
- 7.6. As anticipated, the Council were requested to provide a range of additional material to the examination. This included statements on specific Matters, Issues and Questions issued by the Inspector in advance of the hearing sessions. Following the hearing sessions, the Council submitted a wide range of additional papers and draft proposed Main Modifications addressing issues raised through the hearing sessions and identified as requiring further work by Mr Berkeley. These papers were prepared by officers and submitted in accordance with the delegation granted by Full Council in April 2017.
- 7.7. In June 2018, following a restructure of the Council's senior management, the post of Head of Planning & Enterprise was deleted and replaced by the Service Director – Regulatory. The new Service Director post inherited a range of relevant delegations from the former Head of Planning & Enterprise post, including that granted in relation to the Local Plan by full Council in April 2017.
- 7.8. In November 2018, the proposed Main Modifications to the Plan were published. Main Modifications are the mechanism by which the Inspector can fix or 'make sound' those parts of the Local Plan which he considers were not fit for purpose. These were reported to Cabinet on 10 December 2018 and approved for public consultation. As part of this report, Cabinet also resolved to endorse the range of additional documentation produced to that point (i.e. between 11 April 2017 and 10 December 2018) under the delegated power identified in Paragraph 7.4 of this report.
- 7.9. Consultation on the proposed Main Modifications took place between January and April 2018. The responses to the consultation were then returned to the Inspector for his consideration.
- 7.10. In May 2018, following the local Government elections there was a change of control at the Council from Conservative to a joint Labour / Liberal Democrat administration. Appointments were made to Cabinet reflecting the make-up of the new administration. This also included the appointment of deputy portfolio holders entitled to attend Cabinet, participate in debates and ask questions but not to vote. The new Executive Member for Planning & Transport inherited the relevant responsibilities of the delegation granted by Full Council in April 2017.

- 7.11. Following these appointments, the membership of the Local Plan Project Board was also updated to include the leaders of all three political parties (who also hold the positions of Leader, Deputy Leader & Executive Member for Planning & Transport and Chair of Overview and Scrutiny Committee) and the deputy Executive Member for Planning & Transport.
- 7.12. The Local Plan Project Board is advisory and has no decision-making powers. It meets on an informal basis providing the opportunity to discuss key planning issues and inform the Service Director – Regulatory and Executive Member for Planning & Transport in their exercising of the Full Council delegation. It provides a forum from which the group leaders disseminate relevant information to their members and report any feedback as considered appropriate.
- 7.13. In June 2019, the newly appointed Cabinet approved the Council's Housing Delivery Test Action Plan. The Housing Delivery Test (HDT) was a new requirement introduced in the revised National Planning Policy Framework first published in 2018 ('NPPF2'). The HDT is a backward-looking measure based on housing delivery in the preceding three-year period. NPPF2 requires that where delivery has fallen below 95% of the requirement an action plan should be prepared to increase delivery in future years.
- 7.14. The approved Action Plan identified several key constraints to increase housing delivery in North Hertfordshire. Principal amongst these were the tightly drawn development boundaries around the main towns and villages in and adjoining the District. The Action Plan recognised that this could only be remedied through adoption of a new Local Plan and identified progression of the examination as a key priority.
- 7.15. In July 2019, the Inspector wrote to the Council identifying a series of 'issues and reservations' with the Plan. This included a request for further information on the Government's 2016-based population and household projections which had been released shortly before the issuing of the Main Modifications. The Inspector wrote a further letter to the Council in August 2019 setting out a range of additional questions. These letters were reported to Cabinet through the Strategic Planning Matters reports of 30 July and 24 September 2019 respectively.
- 7.16. Responses to the Inspector's letters were prepared in consultation with the Local Plan Project Board and submitted to the Inspector for consideration under the delegated power granted by Full Council in late 2019 (ED171 to ED177 inclusive). A further paper providing the up-to-date position on housing supply was submitted in the new year (ED178).
- 7.17. In January 2020, the Executive Member updated Cabinet members through the Strategic Planning Matters report that the Inspector had advised that further Hearing Sessions would be held and that the housing supply figures had been reduced to approximately 14,000 dwellings although the number of sites would not be reduced.

- 7.18. In the same month, the Council undertook a 'Corporate Peer Challenge'. This is a process organised by the Local Government Association and involves senior managers and Councillors from other authorities visiting the Council to assess relevant processes and approaches and provide recommendations for future improvement. A feedback report was prepared for consideration by Cabinet in March 2020 and approval given for an action plan to be developed and reported back to Cabinet.
- 7.19. On 13 February 2020, the Government released its latest HDT results. These showed that North Hertfordshire had delivered just 44% of the homes required by this measure, placing the District amongst the ten lowest performing authorities in England, out of a total of more than 300.
- 7.20. In the meantime, the Local Plan Hearing Sessions had been scheduled to take place between 16 March to 26 March and 7 to 8 April 2020. However, with the changing situation around coronavirus in March, the Inspector in close consultation with the Council decided that the Hearing Sessions should be postponed until they could continue safely and that a new timetable would be issued (ED184).
- 7.21. The Strategic Planning Matters report prepared for the March 2020 Cabinet meeting updated Members about the submission of the Council's statements for the March Hearing Sessions, the postponement of the Hearing Sessions and outlined the uncertainty of any re-arrangements of the Hearing Sessions. This report was circulated to Members though was ultimately approved by the (then) Chief Executive under Urgency Powers following cancellation of the Cabinet meeting due to the coronavirus 'lockdown'.
- 7.22. On 24 March 2020, new 2018-based local authority-level population projections were released by the Office for National Statistics (ONS). The population projections are a key input into ONS household projections which generally follow a few months later. The population projections showed significantly lower future growth in North Hertfordshire than previous iterations.
- 7.23. The Planning Inspectorate issued updated guidance for local plan examinations in May 2020, setting out an expectation that moving to digital events and processes would be used to drive the planning system forward. The local plan examination for South Oxfordshire acted as a pilot for virtual hearing sessions. The Inspector asked whether the Council would be willing to explore the possibility of holding virtual hearings. This was reported to Cabinet through the Strategic Planning Matters report in June 2020. Separately, the Executive Member for Planning and Transport wrote to the Secretary of State for Housing, Communities and Local Government seeking reassurances that the conclusion of the North Hertfordshire Local Plan examination would be seen as an equally high priority as the pilot hearings for South Oxfordshire.
- 7.24. In June 2020, Cabinet also considered a report on the Housing Delivery Test Action Plan 2020, responding to the figures published in February. The Action Plan provided an update on that approved in June 2019 and focussed on three key themes: The Local Plan; ensuring corporate readiness to deliver major local plan schemes; and facilitating development and economic recovery following COVID-19. It was resolved that the Housing Delivery Test Action Plan should be approved and that key actions should be incorporated as appropriate actions and measures in the Corporate Peer Challenge Action Plan.

- 7.25. The Corporate Peer Challenge Action Plan was considered and approved by Cabinet at the same meeting. The Peer Challenge report recommended that the Council's focus on place shaping should be broadened and the action plan identified that there needed to be political support for the delivery of key projects, including the Local Plan.
- 7.26. The ONS published new household projections for England on 29 June 2020. As anticipated following release of the population projections (see above), ONS' 'principal projection' for North Hertfordshire was significantly lower than earlier figures that had informed the examination, showing a projected increase of 6,400 households over the period 2011-2031.
- 7.27. On 8 July 2020, the Inspectors for the Central Bedfordshire and North Hertfordshire local plan examinations wrote to both local authorities asking for additional information following the publication of the household projections (ED190). This included asking whether the new household projections identified for North Hertfordshire represented a 'meaningful change' and, in turn, whether this had implications for the housing requirement identified in the Plan.
- 7.28. At the meeting of Cabinet on 21 July 2020, the Executive Member was able to update Members that provisional dates for the resumption of the local plan hearing sessions in September had been arranged. The accompanying Strategic Planning Matters report provided information on the recently released household projections and the Inspectors' requests. The report explained that because of the scale of the changes, further work was being carried out to understand the potential implications for the local plan.
- 7.29. The draft responses to the joint Inspectors' letter were circulated to, and endorsed for submission to the Inspector by, the Local Plan Project Board. The responses were submitted to the Inspector in August 2020 (ED191A and ED191B, attached as Appendices A & B to this report) in accordance with the delegated authority granted by Full Council in April 2017.
- 7.30. In September 2020, the Strategic Planning Matters report updated Cabinet that the Council's response to the Inspectors letter of July 2020 had been submitted to the Inspector in August 2020 and provided a timetable for the hearing sessions.
- 7.31. All participants were informed of the resumption of the local plan hearing sessions in August 2020. These were scheduled to commence on 28 September 2020. The hearings were postponed on Friday 25 September 2020 following the calling of this meeting (ED200).

8. RELEVANT CONSIDERATIONS

The Council's present position as submitted to the Examination

- 8.1. The Council has produced a clear and robust evidence base regarding its housing strategy as set out in the Submitted Local Plan, currently under Examination. As explained above, the Council's most recent position on this matter was submitted to the examination in August 2020 in two papers:
- ED191A relates to the Objectively Assessed Need and is attached as Appendix A to this report;
 - ED191B relates to housing supply and delivery and is attached as Appendix B to this report;

- 8.2. Key points are summarised below, but the appendices should be referred to for full detail. Please note that, as per Paragraph 3.3, these papers are only referenced in this report insofar as it relates to the housing need and supply for North Hertfordshire.

The housing requirement

- 8.3. In 2017 the submitted Local Plan identified an Objectively Assessed Need (OAN) of 13,800 homes for North Hertfordshire's own needs, this comprised of 13,600 homes to be provided within that part of the District that falls within the Stevenage Housing Market Area (HMA), and around 200 homes within that part of the District that falls within the Luton HMA.
- 8.4. These figures were based on the 2014-based subnational household projections published by the (then) Department for Communities and Local Government (DCLG). The Council had appointed consultants Opinion Research Services (ORS) to undertake the necessary Strategic Housing Market Assessment (SHMA) work required to support the Plan and examination. The SHMA and methodology undertaken by ORS was the subject of the original Matter 3 hearing session in November 2017 and is set out in the Evidence Paper HOU3 (Updating the Overall Housing Need) submitted to the examination.
- 8.5. Following the release of the 2016-based household projections in September 2018, the Inspector requested that the Council provide further information to the Examination regarding their impact. The Council's initial response is contained in paper ED159 and then, following a request for further clarification in the Inspector's July 2019 letter (see Paragraph 7.15 above), in ED171 submitted as evidence to the then scheduled March 2020 Hearings, (which were placed on hold due to the COVID 19 pandemic).
- 8.6. ORS carried out the necessary assessments to inform ED171 and identified an OAN of 12,900 homes based on the 2016-based projections for North Hertfordshire. This represented a reduction of 900 dwellings on the 2014-based figure. The Council concluded that this latest OAN figure representing a reduction of only 6.3% did not represent a meaningful change from the OAN underpinning the submitted Local Plan housing requirement.

- 8.7. Following release of new household projections in June 2020, the Inspector again requested that the Council provide information (see Paragraphs 7.26 and 7.27 above). Further work was carried out by ORS and the findings are presented in the Council's response at Appendix A.
- 8.8. The findings from this latest assessment identifies that the latest OAN figure of 11,500 homes over the period 2011-2031 represents a reduction of 17% against figures previously examined in HOU3, (13,800 dwellings) and a reduction of 11% against the 2016-based figures provided in ED171 (12,900 dwellings).
- 8.9. It is to be noted that there has been no suggestion in any correspondence from the Inspector during the period of the examination that the overall methodology used by ORS in carrying out the SHMA as set out in HOU3 is unsound or that he is dissatisfied with any of the constituent parts of that methodology as outlined in the original Matter 3 hearing. The need to consider the revised figures arises solely from the extended passage of time since the first hearing and the release of the Govt based projections in September 2018 and in June 2020.
- 8.10. As set out in its paper ED191A to the examination, and as discussed with the Members of the Local Plan Project Board, the Council considered that these latest figures represented a meaningful change and that the housing requirement for North Hertfordshire should be reduced from 13,800 to 11,600 homes¹. Approximately 11,450 of this requirement arises within the Stevenage HMA and 150 homes within the Luton HMA. This is a matter for discussion in the current Local Plan hearing Session under Matter 21. Therefore, whether this reduction is sound or not is before the examination and the Inspector will have to reach a view on it.

The housing supply to meet the requirement

- 8.11. The Council has also prepared a further paper to the Examination, ED191B – housing delivery and five-year housing land supply at 1 April 2020, which sets out the Council's revised trajectory for potential housing delivery over the plan period to meet the requirement. This is attached as Appendix B to this report. This revised trajectory suggests approx. 13,250 homes would be delivered within the plan period to address North Hertfordshire's own housing needs. This would represent a buffer of approx. 14% (1,650 dwellings) over the revised housing requirement of 11,600 homes for North Hertfordshire's own needs as opposed to a buffer of approximately 8% considered at the original hearing sessions against the previously higher housing figures.
- 8.12. It can be seen in ED191B, that the only scenario in which the Council can realistically demonstrate a five-year supply, is where the backlog is annualised over the whole plan period rather than frontloaded into the first five year period and where the housing requirement is stepped so that the requirement is not annualised over the whole period but reduced until 2024. This is because there is inadequate supply to make up any higher requirement, notwithstanding the preference in Government guidance that any shortfalls should be addressed as soon as possible.

¹ The proposed housing requirement of 11,600 is 100 homes higher than the OAN of 11,500. This is to reflect the way in which older persons housing requirements are calculated. This is explained in ED191A.

- 8.13. The current position where the housing requirement goes down but the supply of sites stays the same provides a stronger buffer, but it is still only equivalent to approximately one and a half years' supply when measured against requirements over the coming years. This is still not a substantial amount given the uncertainties that surround bringing development forward.
- 8.14. Moreover, this is predicated upon the current suite of proposed allocations in the Local Plan being retained in full and being found sound through the Examination. The currently proposed buffer of 13% or 1,650 dwellings allows for flexibility under the current economic circumstances and also provides a reasonable level of surety that the Plan will continue to demonstrate a five-year housing land supply over its lifetime. This is further explained in paragraphs 8.40 to 8.45 below.

Interpretation and consideration of the substantive motion in relation to the Local Plan

- 8.15. Although the motion is not expressed in these precise terms, officers consider that – in the language of the Local Plan examination and the original, 2012 version of the National Planning Policy Framework (NPPF) against which it is assessed – it might reasonably be viewed as a request that the Council reconsiders its position on:
- The objectively assessed need for housing;
 - The housing requirement in the Plan; and / or
 - The 'buffer' of proposed additional delivery over and above the housing requirement
- 8.16. Officers contacted the proposer and seconder of the motion to determine if this interpretation could be clarified in order to inform or refine the following analyses, but no response was provided prior to this report being finalised. In line with recommendation 2.3 above, it is requested that, in the event the motion is approved, Members clearly articulate what precisely it is that they want to review and their reasoning and justification for doing so in any such approval so that this might be accurately conveyed to the Inspector so that he may consider how best to respond to the request.
- 8.17. The Council's present position to the examination on these matters is summarised above and set out in Appendices A & B. These positions reflect officers' professional opinion and recommendations on these issues endorsed at the time of their submission by the Local Plan Project Board. The relevant considerations and / or potential implications of seeking to alter the Council's grounds are set out in turn below based upon the reading of the motion in paragraph 8.15 above. This is followed by consideration of potential courses of action that might follow should the Council proceed to approve the motion and convey this position to the Inspector.
- 8.18. The matters of housing need and housing supply are among those upon which the Inspector has requested additional hearings to be held. The matters discussed below are subject to further examination by the Inspector in any event, providing the opportunity for participants to raise any concerns over the Council's approach and for these to be considered. Should the Inspector conclude that any element of the Council's proposed approach on these (or any other) matters are unsound, he can direct that the Plan is modified and / or that additional work is undertaken.

Objectively Assessed Need for Housing

- 8.19. The NPPF requires that local planning authorities should have a clear understanding of housing needs in their area. Government guidance is clear that this should be an 'unfettered' consideration of need based on facts and unbiased evidence. It should not be influenced by potential constraints, historic under performance or viability considerations.
- 8.20. Officers consider the most recent assessment to be a robust evidential study which reflects ORS' expert opinion and satisfies the requirements of Government guidance. Importantly it is consistent with the approach of previous studies on this matter submitted to the examination and the evidence provided in the original hearing sessions in November 2017. It is generally based upon longer-term (10-year) trends as these are considered most appropriate for long-term planning. It takes account of any factors which might have historically suppressed household formation. It reacts to 'market signals' which includes considering the affordability of housing in the area; the most recent Government data used to inform housing requirements shows that house prices in North Hertfordshire are more than 10x incomes.
- 8.21. As stated in Paragraph 8.9 above, the Inspector did not raise any concerns in relation to the methodology of the housing needs assessment following the original hearing session. Any changes in the objectively assessed need have arisen as a consequence of more recent Government population and household figures being released in the intervening period.
- 8.22. It is recognised that this approach produces an assessed need for North Hertfordshire (11,500 homes) that is substantively higher than the principal household projection released by the Office for National Statistics in June 2020 (approximately 6,400). However, it is considered that the 'transition' between these two figures is comprehensively explained and justified.
- 8.23. ORS have supported the Council throughout the preparation of the Plan and the examination process. They have prepared numerous similar studies across the country and are widely used by local planning authorities on this matter. ORS are, or have been, similarly employed by several of North Hertfordshire's neighbouring authorities including Central Bedfordshire, East Hertfordshire, Stevenage and Luton.
- 8.24. Any motion to reassess the objectively assessed need would require a new study to be commissioned and prepared by alternate consultants. There is no guarantee that such a study would result in a different, or lower, assessment of need as it would need to reflect the authors' independent professional judgement. The existing ORS studies would remain in the public domain as they already form part of the submitted examination library.

Housing requirement

- 8.25. As set out above, the assessment of need is independent from consideration of potential constraints which might inhibit the meeting of that need; the question of 'how much do we need?' is separated from the question of 'what are we going to do about it?'

- 8.26. The NPPF states that Local Plans should meet objectively assessed needs unless the impacts would significantly and demonstrably outweigh the benefits or specific policies indicate that development should be restricted.
- 8.27. The report to Full Council in April 2017 set out Officers' view that the development strategy in the Plan was justified, notwithstanding the recognition that this required the release of land from the Green Belt and that development of the proposed allocations would lead to some planning harms. This position has been reinforced through significant quantities of verbal and written evidence provided to the examination. The Council has repeatedly stated its view that the District can accommodate its development needs in full and that this approach is consistent with the aims of the NPPF when read as a whole.
- 8.28. The spatial development strategy in the Plan seeks to address the District's housing needs from a variety of sites and sources across the District. 2,800 homes have been built in North Hertfordshire since 2011 while a further 2,000 homes are anticipated from sites that already benefit from planning permission. This includes three large sites of around 300 homes each on the edge of Royston that are identified in the submitted Plan but have been granted permission in advance of the Examination's conclusion.
- 8.29. Central to the plan's future strategy for North Hertfordshire's own housing needs are five 'Strategic Housing Sites' (of at least 500 homes). These proposed urban extensions are located on the edge of some of the main towns in and adjoining the District at Baldock, Hitchin, Letchworth Garden City and Stevenage and are projected to deliver more than 4,000 homes by 2031, with several sites anticipated to continue delivery beyond that time providing long-term surety of housing supply for future plan reviews. All of the Strategic Housing Sites are proposed for release from the Green Belt.
- 8.30. Recognising that these complex sites will take time to deliver, the Plan further identifies a range of small, medium and large 'local housing allocations'. These typically do not require the same level of up-front infrastructure investment and form an important component of supply across the remainder of the plan period, but particularly over the next five years. The sites range in size from less than 10 to more than 300 homes and contribute more than 3,500 homes by 2031. They include sites within existing towns and villages, on land presently in the Rural Area beyond the Green Belt and land to be released from the Green Belt.
- 8.31. Around 750 homes will come from other sources. This includes 'windfall' sites that come forward for development without being identified in the Plan. This can include small, infill sites in towns or villages or the re-use or redevelopment of sites that unexpectedly become available. The Council has already proposed that the Plan is subject to an early review, in part recognising that implementing such a diverse development strategy and accelerating delivery well beyond rates achieved over the last decade will undoubtedly be challenging.

- 8.32. Each of the individual sites and sources of supply are supported and justified by a wide range of evidence that has been submitted to and considered by the examination. This includes housing assessments, environmental appraisal, consideration of key impacts (such as upon landscape, Green Belt [see *below*] or heritage assets). The overall strategy has been drawn together and articulated through technical papers and statements and verbal evidence provided to the Inspector at the Hearing Sessions. Relevant papers can be viewed through the Examination Library and Examination Documents.
- 8.33. The information provided to the examination in November 2019 (see paragraph 7.16 above) reiterated the Council's view that a number of proposed housing sites currently in the Green Belt should be retained in the Plan notwithstanding their significant contribution to Green Belt purposes (ED172). The same paper noted that a rigidly sequential approach to the identification and proposed release of sites would be antithetical to good and proper planning. It identified that some of the most harmful sites, in Green Belt terms, also provided some of the most sustainable options for development and the best opportunities to plan at scale for urban extensions in line with national policy.
- 8.34. If Members are of the view that it is no longer appropriate, as a matter of principle, to meet the District's identified needs in full, this would need to be properly articulated giving sound planning reasons.
- 8.35. Should the Council resolve to put forward changes to the Plan which resulted in a housing requirement lower than the objectively assessed need for housing, it would need to determine what action it would take in relation to the residual 'unmet need'.
- 8.36. The provision of housing and other needs across authority boundaries is a key matter that is considered under the Duty to Co-operate, as seen in the Plan's proposals to contribute towards unmet housing and employment needs from Luton and Stevenage respectively. The tests of soundness for the examination of Plans include that they are positively prepared, including accommodating unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.
- 8.37. A decision by North Hertfordshire to significantly 'undershoot' on its housing need would likely necessitate a new round of negotiation with authorities in shared housing market areas and possibly beyond. This would need to determine which, if any, authorities might be able to assist in meeting our unmet needs through their own plans. This would represent a fundamental change to the submitted plan which has cross-boundary implications for neighbouring authorities and which should be addressed under the Duty to Co-operate prior to submission of the plan not in a change of position post plan submission. The Duty to Co-operate no longer applies post plan submission and such an approach is likely to lead to the Inspector requesting that the Council withdraws the plan and starts again. This may be hard to resist.
- 8.38. The Council has considered this issue already in preparing the Plan and determining whether the necessary *exceptional circumstances* exist to amend the District's Green Belt boundaries. The information submitted to the examination to date has concluded there is no reasonable prospect of other authorities being in a position to assist (see, for example, HOU1). This, in summary, is due to factors including:

- Nearby authorities facing similarly challenging housing requirements for their own needs;
- Nearby authorities also being similarly constrained in their options and relying on the release of Green Belt to meet those requirements; and
- That North Hertfordshire could potentially have to adopt an illogical position of seeking to protect its own Green Belt (or other assets) whilst asking neighbouring authorities to accommodate our development needs on sites that are equally constrained.

8.39. National policy places an emphasis on ‘boosting significantly’ the supply of housing. A number of legal challenges have failed to overturn Plans which release land from the Green Belt to meet housing needs or (have been asked to) pursue higher housing figures. Where such cases have been successful, they have generally turned on procedural failings or a failure to give adequate reasoning rather than on grounds of planning principle.

The ‘buffer’ of additional sites

- 8.40. The Council’s latest position to the examination identifies an overall housing requirement of 11,600 homes for North Hertfordshire’s own needs for the period 2011-2031. Against this is identified a total anticipated supply of 13,250 homes for the District’s own housing needs. This represents a buffer of 1,650 homes or 14%. This represents about a year and half’s supply of land (see paragraph 8.13). It is not a significant buffer but stronger than previously given that the requirement figures against which it is assessed have now gone down.
- 8.41. The NPPF states that Local Plans should contain “sufficient flexibility to adapt to rapid change”. It is also necessary for the Local Plan to demonstrate a current five-year supply of housing land through its examination and a reasonable prospect of that five-year supply being maintained over the lifetime of the Plan – insofar as it is possible to accurately make justified predictions about future housing delivery.
- 8.42. Once any Plan is adopted, its targets and requirements are then used to (re-)calculate the Council’s five-year housing land supply and Housing Delivery Test results on at least an annual basis. These exercises would be conducted in accordance with the advice in ‘NPPF2’ and associated guidance. The Council’s five-year supply can be subject to detailed scrutiny at any planning appeal and can lead to Planning Inspectors concluding that some sites cannot be relied upon and removing them from the five-year supply.
- 8.43. These calculations all have their own assumptions and requirements which make some form of buffer over and above the housing requirement essential. No plan will be found sound without one; If the housing requirement for North Hertfordshire is maintained at 11,600 homes it is not considered possible to identify sites for just 11,600 homes and for the plan to be ‘sound’.

- 8.44. Unlike other housing measurements which can be tightly prescribed, there is no precise method or science to the buffer. It is ultimately a matter of planning judgement. However, it is logical to conclude that the greater the buffer the more security there is in achieving the requirement and maintaining a five-year supply. Given the ever-growing backlog of under delivery since 2011, currently standing at 3,036 houses, officers cannot guarantee that a lower buffer of, say, 7-8% (which the Council has presented at earlier stages of the examination in relation to the District's own housing needs) could now be said to satisfy the various requirements relating to land supply and flexibility. In fact, the buffer (1,650) only represents just over half the backlog of houses that should have been built since 2011.
- 8.45. For the reasons provided above and in Appendix B, officers remain of the view that the buffer of 14% is not only wholly reasonable but required. It is well within the limits of buffers found sound at other Local Plan examinations. It provides additional flexibility in current economic circumstances. It also ensures a modest level of headroom in the anticipated future calculations of five-year supply (which are estimated to hold at between 5.2 and 5.6 years over the period to 2024) such that some delays in delivery or challenge to the Council's calculations (e.g. at a planning appeal) could be accommodated without rendering the Plan's policies out of date.

Potential next steps

- 8.46. Should the motion succeed, the motion asks that the Council informs the Local Plan Inspector as soon as possible that it is now of the view that the proposed housing sites in the Local Plan should be reduced to reflect the reduced need and to carry out any review work that the Inspector considers this gives rise to. In order to implement this motion Full Council will also need to inform officers of the level of housing need that it considers the Local Plan should provide for and the level of supply that should be identified to meet that need including any buffer.
- 8.47. None of the below seeks to prejudge the Local Plan Inspector's response to any such request or that of any other relevant parties. However, Members should be mindful that a request from the Inspector to carry out any review work is not necessarily a foregone conclusion and they should be aware of a potentially wide array of responses in debating the motion. The jurisdiction over the local plan passes from the Council to the examining Inspector once it is submitted and after that time the Inspector decides whether the plan is sound and legally compliant and what changes if any need to be made to it.
- 8.48. In light of the above the Inspector may choose not to accept the Council's request that the housing need should be reduced further or that sites should be removed from the plan or that a delay should be granted to the Council to enable a review to be carried out to achieve that. Any change to the Plan or additional work in relation to it at this stage can only be required by the Inspector on soundness or legal compliance grounds. That is to say that the Inspector must first be satisfied that the current need or level of allocations are in his view unsound and that, if they are, more work is required to resolve that. These matters are already before him and he has to date not requested that such work should be undertaken. The Planning Inspectorate's Procedural Guidance states that:

...a LPA's change of preferred approach to a policy (including a site allocation) could not be accommodated unless the policy / site as submitted is, in the Inspector's view, unsound or not legally compliant and the proposed change initiated by the LPA (or any other party) would make the plan sound / compliant.

- 8.49. The Council will have to explain to the Inspector why a position it originally considered to be sound and legally compliant is no longer so in order to justify a delay to the plan to enable more work to be carried out in order to alter the plan.
- 8.50. The Inspector has asked the Council if there are any implications arising from the publication of the new Government household projections. He has also requested up-to-date information on housing delivery and five-year supply. An answer to these questions has already been submitted under the delegated power granted by Full Council in April 2017. If the Council wishes to alter its position on these matters it will need to explain why to the Inspector.
- 8.51. To date, the Inspector has not requested any further information on (e.g.) Green Belt matters or the planning impacts of the proposed housing allocations since the run up to the postponed March 2020 hearings.
- 8.52. As Members will be aware, the examination has been ongoing for over three years, since June 2017. As such, the Inspector, even if he is minded to accede to the Council's request, might consider that the scope of the requested changes, or the further potential delay arising from the evidencing and examination of those changes, places the examination in an untenable position such that he instead advises withdrawal of the Plan. The Council would then have to consider whether it continues with the plan as currently proposed or withdraws it as the Inspector cannot force a withdrawal of the plan.
- 8.53. Should the Plan be withdrawn, it would be necessary to start over on a replacement. The current Plan has been examined under the provisions of the original NPPF published in 2012. However, any new Plan would presently be prepared under the requirements of the revised 'NPPF2' first published in 2018. Although the general thrust of NPPF2 is comparable to the NPPF, there are some important differences. Most importantly in this context is the requirement that local planning authorities make use of the Government's own 'standard method' for calculating their housing requirements unless there are exceptional circumstances for not doing so. In the absence of an up-to-date and adopted Local Plan, the Council's five-year land supply figures for decision-making purposes (see Development Management implications below) are based upon the Standard Method. This presently gives an annual housing requirement for North Hertfordshire in the region of 970 homes per year, significantly above the annual average 580 homes per year currently proposed by the Council in response to the Inspector's queries. In short presently a new plan would produce substantially higher housing figures to meet and would require the consideration of more allocations not less.
- 8.54. The Government is currently consulting on proposed changes to the Standard Method in advance of progressing the wider reforms to the planning system proposed in their white paper. Analyses by national consultancies and the professional press suggest a revised Standard Method figure for North Hertfordshire of in the region of 625 homes per year. It is not yet known if / when these changes would be implemented or how they might look in their final form. However, these figures are also higher than those currently planned and would give rise to the need to consider more not less allocations.

- 8.55. Any new Plan for North Hertfordshire would need to be drawn up over an appropriate time horizon, probably looking to at least 2040 (i.e. at least nine years beyond the currently proposed end point). It would be necessary to identify and seek to meet development needs over this longer time horizon and to also consider any requests for assistance from authorities who might seek the District's help. This might include further requests from neighbours such as Luton or Stevenage and / or new requests from other authorities, potentially including London boroughs. By the same token, it may be possible to reduce or remove any 'backlog' of under-delivery accrued from 2011 to the start date of any new Plan.
- 8.56. The Secretary of State has powers under the relevant legislation to intervene in the planning process where a local planning authority is "failing or omitting to do anything it is necessary for them to do in connection with the preparation, revision, or adoption of a development plan document". North Hertfordshire has one of the oldest current Local Plans in the country. The District Plan Second Review with Alterations was adopted in 1996. However, the last iteration of the Plan to proactively allocate sites for development was adopted in 1993, twenty-seven years ago. Only St Albans (adopted 1994) and York (who have never adopted a plan) are comparable local authorities in this regard. The Secretary of State has intervened – most notably at South Oxfordshire – or threatened to do so in a number of instances where it is considered insufficient progress is being made. There is a significant risk that any action which is perceived as unduly delaying progress of the Local Plan may invite an intervention from the Secretary of State who could then either make various directions or take full control of the plan process.
- 8.57. Notwithstanding the above, the Inspector may equally grant the Council time to prepare the additional evidence it considers necessary to support its revised position. Depending on the nature and scale of the changes sought this will have both time and cost implications. Based on the matters above, it is possible that some or all of the following documentation could require review and / or updating:
- Housing needs assessment(s)
 - Housing site assessment(s)
 - Housing delivery analysis
 - Infrastructure Delivery Plan including modelling of key assumptions (e.g. highways, education, utilities)
 - Sustainability Appraisal
 - Agreements reached under the Duty to Co-operate
 - Supporting explanatory technical papers
 - Examination statements
- 8.58. The above list is not necessarily exhaustive. Additional hearing sessions could incur venue costs (subject to their timing, format and any Covid-19 restrictions in place at the time) as well as costs for attendance and support from legal representatives and consultants. It is not possible to give a cost estimate at this stage given that the precise direction remains unknown. However, the financial implications section of this report sets out the costs incurred by the Council since the Plan was submitted for examination in April 2017.

- 8.59. In pursuing Members' direction, Officers and consultants or other representatives would remain bound by their relevant, professional codes of conduct. Officers would objectively explore any matters which Members request are revisited but cannot guarantee that they would ultimately be able to present any recommendations that might match with Members' desires.
- 8.60. Finally, there can be no guarantee that any particular approach presented to the Inspector (including the current position of the Council) will be found sound. Ultimately, any strategy would remain subject to examination against the legal and soundness tests set out in legislation and national policy. Through that process it is for the Inspector alone to determine whether the position(s) put forward by the Council are acceptable and to direct such additional work or modifications he considers necessary to ensure the Plan can be adopted and is sound.
- 8.61. Should the motion not succeed, officers would liaise with the Inspector to recommence the hearing sessions at the earliest opportunity. It is anticipated that these hearings would cover the same matters as set out by the Inspector prior to the postponement. The Inspector's guidance note for the current round of hearings (ED193) explains his intention that, following the hearing sessions, there would be a final, focussed consultation on any further proposed Main Modifications to the Plan and any other documentation that representors have not had opportunity to comment upon. As in December 2018, any proposed Main Modifications will be presented to Cabinet and approval sought to carry out any consultation exercise. Following that consultation, responses would be returned to the Inspector who would then seek to finalise his report. Once any Inspector's report is received it would be presented to Full Council to make a decision upon his recommendations.

Development Management

- 8.62. The commentary above relates to the Council's plan-making responsibilities. However, as local planning authority, the Council also exercises decision-making responsibilities and would continue to do so during any hiatus in the Local Plan examination.
- 8.63. As outlined above, the Local Plan was submitted for examination more than three years ago and this has already had implications for the Development Management Team and their duties in decision making and making recommendations to Planning Committee, which would be exacerbated should the motion be passed. If the motion were passed, this would clearly result in further significant delays with regard to the adoption of the Local Plan.
- 8.64. As Members will be aware, the Council's position with regard to the five-year housing land supply (5YHLS) and the historic undersupply of housing invariably impacts on the decision-making process with regard to planning applications. This is outlined under paragraph 11 of 'NPPF2' in terms of the tilted balance and the weight afforded to the supply of future housing.

- 8.65. The Council's current Housing Land Supply for decision-making purposes sits at 2.2 years as of April 2020, substantially below the minimum requirement of 5 years. The Council's historic undersupply of housing, as measured through the Housing Delivery Test, is also one of the worst in the country. With regard to the Council's current housing land supply, it is noted that since 2011, housing completions have been on average 313 dwellings per year. Against the current figures presented to the examination, the overall presently accrued backlog is 3,036 dwellings. These are dwellings that are needed and should have been provided between 2011 and 2020 but were not. Until the Local Plan is adopted, the Council's 5YHLS for decision-making purposes and Housing Delivery Test results are based on the premise that between 700-1,000 dwellings should be provided per year.
- 8.66. The 2.2 years' supply that had been identified is already predicated on the delivery of some of the sites allocated in the Local Plan within the next two years or so and therefore any further delay to the examination will only worsen this situation, with the 2.2 years likely to drop even lower. The Council is required to deliver housing to meet the identified need and also to address the significant historic undersupply – this requirement would remain, even if the motion is passed by members.
- 8.67. Given the inevitable worsening of the 5YHLS and the delay this motion would cause to the adoption of the Local Plan, the Local Plan could not be relied upon in order to address the significant housing shortfall in the district. Accordingly, the weight afforded to the Local Plan and the policies it contains would be reduced.
- 8.68. As such, the weight afforded to the substantial lack of supply of housing would be significantly increased, in favour of any future proposals. This would apply to both non-allocated sites (including so-called 'hostile' applications) and sites proposed to be allocated in the Local Plan. For sites currently within the Green Belt, the increased weight to be given to any 'Very Special Circumstances' case would need to be considered on a case-by-case basis.
- 8.69. The likely implication would be an increase in the submission of 'hostile' planning applications, for proposed housing on non-allocated sites around the district. As noted above, the weight afforded to the lack of supply of housing through any future proposals (hostile applications or otherwise) would be significantly increased, in favour of those proposals. In some instances, difficult decisions or recommendations would need to be made whereby the weight afforded to the lack of supply of housing may be considered to outweigh potential harm (harm to landscape and/ or heritage assets etc). Subsequently, the Council could be in a position whereby there would be increased pressure to approve such applications. For example, more applications which may otherwise/ currently be considered unacceptable, may have to be considered for approval. In addition, officers would be in a weaker position in terms of being able to negotiate on applications, for example on the quality of design or in securing the appropriate amount of affordable housing as these issues may be 'outweighed/ overruled' by the pressing need to supply housing.

- 8.70. In the latter half of 2018 the Council was able to successfully defend four planning appeals, relating to hostile applications for medium-sized housing proposals - firstly for a site in Offley and decisions followed this relating to sites in Pirton, Ashwell and Barkway. Whilst it was acknowledged in these appeals that the Council could not demonstrate a 5YHLS, Inspectors gave weight to the fact that this was anticipated to be addressed in the short term through the adoption of the new Local Plan. However, these decisions were made some two years ago, and the Local Plan is still yet to be adopted with the prospect of further delay if the motion is carried. Therefore, it is officer opinion that this argument would significantly weaken and may no longer carry any significant weight in any decision-making process. As such, it is anticipated that applications for these and other sites may be resubmitted, should the motion be passed.
- 8.71. Any loss of the ability to reject hostile applications would also undermine the primacy of the Plan-led system and the allocation of housing through the Local Plan process. The Council would likely lose much of the control it currently has over where housing is built in this district.
- 8.72. Furthermore, the Development Management team is currently in receipt of a number of applications for proposals relating to sites allocated within the Local Plan. These vary in scale from medium sized housing sites up to large scale strategic sites. To date, applicants have generally been willing to extend statutory deadlines to progress their application broadly in line with the Local Plan examination. There is a risk that an appeal against a non-determination would become more attractive to applicants. The factors outlined above would put the Council in a much weaker position in terms of being able to defend any appeals – be these against decisions of refusal or against non-determination of applications already with the Development Management team. Furthermore, the likely increase of hostile applications and appeals, would in turn have a significant impact on the resources of the Development Management team, particular with regard to potential Public Inquiries and the need to appoint legal representatives and consultants etc.

9. LEGAL IMPLICATIONS

- 9.1 The legal framework for the preparation, submission, examination and adoption of Development Plan Documents is set out in the Planning & Compulsory Purchase Act 2004 (as amended). Detailed regulatory requirements are contained in the Town & Country Planning (Local Planning) (England) Regulations 2012.
- 9.2 The powers of the Inspector to recommend modifications at the request of the Local Planning authority are established in Section 20 of the Planning & Compulsory Purchase Act 2004 (as amended). The Council requested that the appointed Inspector exercise these powers when the Plan was submitted in June 2017.
- 9.3 To date, the Examination of the emerging Local Plan has been conducted in accordance with the resolutions of Full Council of 11 April 2017. Any departure from, amendment to or replacement of those resolutions requires the consent of Full Council through a new decision.
- 9.4 Further information is provided within the accompanying Part 2 report.

10. FINANCIAL IMPLICATIONS

- 10.1. The costs of submitting and examining the Local Plan and associated work are covered in existing revenue budgets for 2020/21. These budgets are supplemented by an accrued reserve. Since the Full Council decision in April 2017 the total expenditure to date on the Local Plan has been £709k excluding officer time. Currently the budgets do not include funding for additional work with regard the strategic direction of the Plan. It is very difficult to estimate the costs of developing revised proposals and undertaking the examination process, but it is thought that they would be in excess of £100k.
- 10.2. Any decision on the Local Plan must be made on its planning merits but there are potentially significant financial risks attached to not having a plan in place.
- 10.3. Without an up to date Local Plan the Council is increasingly vulnerable to planning applications in areas where it may wish to resist development. The cost of trying to resist developments is generally far higher than the cost of negotiating developments by an up to date Local Plan.
- 10.4. Without an up-to-date Local Plan, the Council is unable to introduce a Community Infrastructure Levy (CIL) (Cabinet has instructed officers to consider a CIL for all applicable development types), thus limiting future options for how the Council may wish to secure financial contributions from development.
- 10.5. The Council Tax income from a new property exceeds the direct costs of providing services (e.g. waste collection) to that property. The net additional available funding could be estimated at over 50% of the Council Tax income, which can be used to improve the sustainability of the Council and invest in services. The Local Plan identifies 12,560 new homes that could be built on new sites (strategic and local allocations). Assuming that on average these were a band D, at current Council Tax rates that would equate to additional Council Tax income of almost £3m (NHDC element). The Council previously received New Homes Bonus for growth in housing numbers. This Bonus is being removed but it has been detailed that it will be replaced. Whilst there are no details of what this would be, any funding would be on top of the growth in Council Tax income. However, it has previously been indicated that any Bonus (or equivalent) may be withheld where there was no Local Plan in place, or where permission was only granted on appeal.
- 10.6. Further information is provided within the accompanying Part 2 report.

11. RISK IMPLICATIONS

- 11.1. The Council's new risk Management Framework specifies that we will now actively manage and monitor risks scoring 4 or higher on the risk matrix. As of the 31 March 2020, the Local Plan is assessed as one of the highest risks that the Council currently faces with a risk score of 9. The identified consequences on the Local Plan risk include:
 - Failure to have sound Development Policy Documents;
 - Failure to have a 5-year land supply;
 - Failure to recognise the long term needs for Town Centres;
 - Failure to meet the requirements under Duty to Cooperate.

- 11.2. These risks then are identified as leading to:
- Increased uncertainty of planning policy base;
 - Intervention by the Secretary of State;
 - Legal challenge to the Local Plan;
 - Detrimental effect of economic situation on New Homes Bonus.
- 11.3. Should the Motion succeed more work would be required to be carried out resulting in both substantial delay and additional costs. This could leave the Council at a high risk of intervention or sanction by the Secretary of State.
- 11.4. Given the Council cannot demonstrate a 5-year land supply and further delays would reduce the land supply the Council can demonstrate and could leave it open to hostile applications and 'planning by appeal'.
- 11.5. Further information is provided within the accompanying Part 2 report.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. An Equality Impact Assessment has been produced assessing the plan's compliance with relevant legislation and requirements. The Planning Inspectorate specifically requested that this document accompanied submission of the local plan.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and "go local" requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. The Local Plan is subject to extensive, statutory environmental assessments which consider the social, economic and environmental implications of proposed policies and allocations. Any changes to the spatial strategy already submitted and considered by the examination would require further assessment(s). Any proposed Main Modifications will be 'screened' to determine if they are likely to have significant effects and if necessary, will be subject to full appraisal.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. There are no new human resource implications as a direct result of this report. The Planning Policy team is not fully staffed although a new starter is expected shortly for one of the two vacant posts (Principal), the other post (Policy Officer) has not been filled despite previous attempts to recruit no suitable candidates have applied to progress through to interview. Temporary staff and/or consultants were brought in to progress the Local Plan to its current point. Dependent upon the outcome of the vote on the substantive motion further recruitment or use of temporary staff/consultants will be required.

16. APPENDICES

- 16.1 Appendix A – Examination Document ED191A – NHDC Response to Inspector's letter ED190
- 16.2 Appendix B – Examination Document ED191B – NHDC 5-year Housing Supply at 1 April 2020

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18. BACKGROUND PAPERS

- 18.1 [Report to Full Council 11 April 2017 - Submission of the Local Plan](#)
- 18.2 [Report to Cabinet 10 December 2018 - Main Modifications Consultation](#)
- 18.3 [North Hertfordshire Local Plan Examination Library](#)
- 18.4 [North Hertfordshire Local Plan Examination Documents](#)
- 18.5 [National Planning Policy Framework 2012](#)
- 18.6 [National Planning Policy Framework 2019](#)

- 18.7. [Planning Practice Guidance on Housing and Economic Development Needs Assessments](#) [*version used for purposes of Local Plan examination*]
- 18.8. [Planning Practice Guidance on Housing Supply and Delivery](#) [*version used for decision-making purposes*]
- 18.9. [Planning Inspectorate Procedure Guide for Local Plan Examinations](#)
- 18.10. Strategic Planning Matters reports to Cabinet:
- [11 June 2019](#)
 - [30 July 2019](#)
 - [24 September 2019](#)
 - [31 October 2019](#)
 - [17 December 2019](#)
 - [28 January 2020](#)
 - [24 March 2020 \(Cancelled\)](#)
 - [23 June 2020](#)
 - [21 July 2020](#)
 - [15 September 2020](#)
- 18.11. [MHCLG Housing Delivery Test 2018 Results](#)
- 18.12. [MHCLG Housing Delivery Test 2019 Results](#)
- 18.13. [Report to Cabinet 11 June 2019 - Housing Delivery Test Action Plan](#)
- 18.14. [Report to Cabinet 23 June 2020 - Housing Delivery Test Action Plan](#)
- 18.15. [North Hertfordshire Housing Delivery Test Action Plan November 2018 - October 2019](#)
- 18.16. [North Hertfordshire Housing Delivery Test Action Plan February 2020 – February 2021](#)
- 18.17. [Report to Cabinet 24 March 2020 - Corporate Peer Challenge Report](#)
- 18.18. [Report to Cabinet 24 March 2020 – Corporate Peer Challenge Report Appendix A - Corporate Peer Challenge Feedback Report](#)
- 18.19. [Report to Cabinet 23 June 2020 - Corporate Peer Challenge Action Plan](#)
- 18.20. [Report to Cabinet 23 June 2020 - Corporate Peer Challenge Action Plan Appendix A Draft Corporate Peer Challenge Action Plan](#)

The 2018-based household projections and Objectively Assessed Need

1. The Inspectors examining the North Hertfordshire (NHDC) and Central Bedfordshire (CBC) local plans have requested that the two authorities provide information regarding the impact of the 2018-based household projections on the assessment of Objectively Assessed Need (OAN). In their letter of 8 July 2020 (the Inspectors' letter), the Inspectors raise a number of specific questions and queries on this matter. In particular, the Inspectors' letter asks for clarity upon:
 - An assessment of the objectively assessed need based on the most up-to-date household projections;
 - Whether the Council consider the above represents a 'meaningful change' from the figures previously examined;
 - The implications of any meaningful change for the housing requirement figure in each Plan;
 - Comparative figures showing the updated (unmet) need for Luton (LBC) against those set out in their adopted Plan;
 - Whether there are implications on the need to release land from the Green Belt around Luton to address that authority's unmet need, including the demonstration of *exceptional circumstances*; and
 - The implications of the judgement in *Aireborough Neighbourhood Development Forum v Leeds City Council [2020] EWHC45 (Admin)*.
2. These issues are dealt with in turn below. All references to 'the Plan' or 'the Local Plan' in this response are to the submitted Plan (LP1) as suggested to be altered by the Proposed Main Modifications issued in November 2018 unless otherwise stated. All references to the National Planning Policy Framework (NPPF) are to the 2012 version unless otherwise stated.
3. This response by NHDC is accompanied by a Statement of Common Ground (SoCG) agreed with Central Bedfordshire and Luton. The SOCG sets out the extent of agreed matters between the authorities.
4. It can be seen from the below that the Council considers that the revised figures for North Hertfordshire do represent a 'meaningful change' and, the housing requirement should be adjusted accordingly. However, for the reasons provided, NHDC consider no change is required to its spatial strategy in relation to Luton's unmet need.
5. Alongside this response, the Council has also provided additional information on housing supply and delivery. This takes account of updated monitoring information to 1 April 2020 and the matters in this paper. The housing delivery paper explains NHDC's proposed approach to the spatial strategy for addressing the District Council's own housing needs.
6. Both papers should be read alongside one another.

Inspectors' Query 1 – Establishing an appropriate 2018-based OAN

Firstly, please can you individually, provide an assessment of the objectively assessed need for housing for both Central Bedfordshire and North Hertfordshire based on the most up-to-date household projections. This should include details of how you have arrived at each figure...

(Paragraph 4 of the Inspectors' letter)

7. The figures in this section relate to the objectively assessed need for housing in North Hertfordshire only.
8. The principal projection in the 2018-based household projections suggests an increase of approximately 6,400 households over the plan period 2011-2031. However, PPG recognises that Government population and household projections are the 'starting point' for considering this matter and it is necessary to have regard to a wide range of factors.
9. Opinion Research Services (ORS) have produced an update considering the matters requested. This is attached as Appendix 1. It identifies that an OAN for North Hertfordshire using the 2018-based projections would be **11,500** dwellings. The explanation for this revised figure is set out in the attached Appendix 1.
10. The figure of **11,500 homes over the period 2011-2031** consists of:

ONS 10-year migration trend:	8,638 households
<i>Plus</i> adjustment for suppressed household formation:	1,470 households
Total	10,108 households
Converted to dwellings	10,405 dwellings
<i>Plus</i> 10% uplift for market signals	1,041 dwellings
Total – Objectively assessed need	11,445 dwellings

11. The approach taken in this latest update is proportionate and methodologically robust. It establishes a demographic baseline using accepted inputs. It reviews factors which have influenced the 2018-based projections and makes necessary adjustments and allowances for these. It considers whether the 2018-based figures would provide an appropriate homes / jobs balances and makes a 10% adjustment for market signals. This 10% adjustment remains the same adjustment as that presented in HOU3 and considered at length as part of the original examination hearings. The Council is satisfied that the update provides a sound response to the Inspectors' queries on this matter.

Inspectors' Query 2 – Whether the matters above result in a 'meaningful change'

...Secondly, please can you advise whether or not you consider this represents a meaningful change for the purposes of the PPG and provide reasons for your conclusions. (Paragraph 4)

12. The commentary in this section relates to the objectively assessed need for housing in North Hertfordshire only.
13. The latest, 2018-based figure is lower than those previously presented to the examination. The ORS report, attached as Appendix 1, recommends that the most appropriate 2018-based OAN figure would be 11,500 homes for the period 2011-2031. This represents a reduction of 2,300 dwellings (-17%) on the 2014-based figure of 13,800 homes that supported the Plan at the point of its submission (HOU3). It is a reduction of 1,400 dwellings (-11%) on the 2016-based figures of 12,900 homes provided to the Examination in 2019 (ED171). A 2018-based OAN of 11,500 homes is a robust figure informed by the most recent projections.
14. The Council considers the 2018-based OAN figure for NHDC does represent a meaningful change for the purposes of the PPG from the OAN currently underpinning the Local Plan housing requirement.

Inspectors' Query 3 – The implications for the housing requirement

...If the latest household projections do represent a meaningful change, what are the implications for the housing requirement figures in each Plan? (Paragraph 4)

15. The commentary in this section relates to the implications for the housing requirement for North Hertfordshire's needs only. Policy SP8(a) of the Local Plan presently sets this requirement at "...at least 14,000 net new homes".
16. The figure of 14,000 net new homes includes a small uplift of 200 homes on the 2014-based OAN of 13,800 homes. The justification for this was set out in HOU1 (paragraphs 5.20 to 5.22, p.28) and explained in the Council's Matter 8 statement and relates to the way in which future needs for communal establishments (effectively care homes in Use Class C2) are reached.
17. These considerations remain valid in principle as the 2018-based household projections make the same broad statistical assumption. However, the proposed institutional population in the 2018-based household projections is around 1/3rd lower than the projections underpinning the submitted Plan. This uplift is therefore reduced to 100 homes in response.
18. Adding 100 homes to the 2018-based OAN of 11,500 would give a revised housing requirement for North Hertfordshire's own housing needs of 11,600 homes. Based upon the housing market area boundaries in HOU2 and the approach previously applied, this

would consist of 11,450 homes within the Stevenage Housing Market Area and 150 homes within that small part of the District falling within the Luton HMA.

19. These figures exclude any allowance for unmet needs from Luton which would need to be added to the housing requirement. The answers below and the accompanying paper on housing delivery and five-year supply set out the Council's proposed approach in further detail.

Inspectors' Query 4 – Updated figures for Luton

...please can you also advise what implications the latest household projections have on housing needs in Luton? (Paragraph 6)

...This should set out the need for housing which cannot be accommodated in Luton based on the adopted Luton Local Plan (2011-2031), provide comparative figures based on the most up-to-date information set out in the 2018-based projections (Paragraph 7)

20. The figures in this section relate to the objectively assessed need for housing arising from Luton Borough only. A Statement of Common Ground has been prepared with Central Bedfordshire and Luton and is attached Appendix 2.

21. The status of the Luton Local Plan, as an adopted plan, is such that the housing need identified for Luton has been independently examined and is set in the statutory Development Plan for the Borough. The Council considers, as a matter of planning judgement, that it is outside the remit of the Examinations into the plans of CBC or NHDC to formally re-examine Luton's objectively assessed need. This position is clearly supported by relevant case law¹.

22. Notwithstanding this, the Inspector should, in reaching his own conclusions on this matter, have regard to any material changes in circumstances which might affect the extent to which it is reasonable to continue to address the unmet need as set out in Luton's adopted Plan. We have therefore carried out work jointly with Central Bedfordshire and Luton to understand what the 2018 projections might mean for Luton. This is attached as Appendix 3.

23. The principal projection in the 2018-based household projections suggests an increase of 3,775 households over the plan period 2011-2031. However, PPG recognises that Government population and household projections are the 'starting point' for considering this matter and it is necessary to have regard to a wide range of factors.

24. ORS have indicatively modelled several scenarios. These suggest that, in the event Luton's OAN was formally reassessed under the provisions of the 2012 NPPF, a revised

¹ CPRE Surrey v Waverley Borough Council [2019] EWCA Civ 1826 (31 October 2019), <https://www.bailii.org/ew/cases/EWCA/Civ/2019/1826.html>

figure of approximately **16,700 homes** for the period 2011-2031 would be considered the most robust at this level of analysis.

25. The table below compares the latest figures against those supporting Luton’s adopted Plan. Using the indicative 2018-based figures from ORS, an unmet need figure of approximately 8,200 homes would be considered most robust at this level of analysis.

	Adopted Plan	2018-based indicative figures
Total OAN for Luton	17,800	16,700
Adopted housing requirement for Luton	8,500	8,500
Residual ‘unmet need’	9,300	8,200

Inspectors’ Query 5 – Implications for meeting Luton’s unmet need

...are there any implications from the 2018-based projections on the need to release land from the Green Belt around Luton? Do the exceptional circumstances, as required by paragraphs 79-86 of the 2012 Framework, exist to justify the proposed revisions to Green Belt boundaries? (Paragraph 6)

26. A Statement of Common Ground has been prepared with Central Bedfordshire and Luton and is attached Appendix 2.

27. The adopted Luton Local Plan (2011-2031) provides the most appropriate basis for considering Luton’s unmet housing needs. The Luton Local Plan was adopted in November 2017 and its OAN was subject to examination and significant scrutiny in determining the soundness of the Plan.

28. The adopted Local Plan is based on an objectively assessed housing need (OAN) for the borough of 17,800 net additional dwellings (890 per annum). The Luton Local Plan makes provision for 8,500 homes over the plan period within the administrative area. Luton, therefore, has an unmet housing need of 9,300 net additional dwellings over the plan period (465 per annum).

29. The indicative revised figures presented above do not represent a ‘meaningful change’ from those contained in the adopted Luton Plan. The most robust, indicative figure at this level of analysis, suggests a potential decrease of just 6% against the OAN underpinning the Plan. The 2018-based projections are supportive of the approach being taken to Luton’s unmet needs.

30. There is therefore no requirement, as a matter of planning judgement, to re-assess the housing needs of Luton or the approach taken in North Hertfordshire to Luton’s unmet need and there is still a requirement for the plans of both North Hertfordshire and Central Bedfordshire to meet those unmet needs. There are no new implications from the 2018-based projections on the need to release land from the Green Belt around Luton and the

exceptional circumstances, as required by paragraphs 79-86 of the 2012 Framework, continue to exist to justify the proposed revisions to Green Belt boundaries. Therefore, this recently published data should have no impact on the examination of NHDC.

Inspectors' Query 6 – Implications of Leeds case

...we would also be grateful for any comments that you wish to make on Aireborough Neighbourhood Development Forum v Leeds City Council [2020] EWHC 1461 (Admin). In particular, if there has been a meaningful change in the housing situation, what implications, if any, the judgement has for both examinations (Paragraph 8)

31. Leeds' Core Strategy was adopted in 2014 with an overall housing requirement of 70,000 homes over the plan period with the source of 66,000 of these to be identified through a subsidiary Site Allocations Plan (SAP). The Core Strategy recognised accommodating this level of development would require a review of the Green Belt.
32. By the time the Council brought forward the Leeds SAP for examination, it had also set out its intention to review the housing requirement through a selective review of the Core Strategy. This was to be based upon the Government's 'standard method' which indicated a significantly lower figure, 42,000 homes, than that which lay behind the Core Strategy.
33. Notwithstanding this, the Inspectors' report into the site allocations document concluded that *exceptional circumstances* to justify Green Belt releases existed. The adoption of the site allocations document was successfully challenged in the case referenced above.
34. The judgement (see especially paragraphs 98 to 107) makes clear that the error of law lay in the fact that the Inspectors failed to properly consider the prospective updated housing requirement and give clear reasons as to whether they did / did not affect the existence of the *exceptional circumstances* required to release land from the Green Belt.
35. There was no 'in principle' reason, as a matter of law, as to why the Plan could not proceed, or continue to demonstrate *exceptional circumstances* in the face of a prospective revised housing requirement. There was a failure to give adequate reasons.
36. Although the findings of this case are relevant, they are perhaps less pertinent in the present circumstances; the reduction in OAN for North Hertfordshire is of a less significant magnitude than in *Leeds* whilst the review of the revised household projections relevant to Luton have led to the conclusion they do not represent a 'meaningful change'.
37. However, the judgement reinforces the suggestion in paragraph 22 that the Inspectors should acknowledge the new projections and provide a clear rationale for their conclusions in any future report(s).

Conclusions

38. This supplementary paper clearly addresses the key issues raised by the Inspectors in relation to the Objectively Assessed Need for housing. In summary:

- A 2018-based OAN for the District of **11,500 homes** has been identified;
- The Council considers this 17% decrease on the 2014-based OAN of 13,800 homes for North Hertfordshire to represent a 'meaningful change';
- A revised housing requirement based upon the 2018-based OAN would be for 11,600 net new homes for North Hertfordshire's own needs;
- An indicative 2018-based figure for Luton of **16,700** homes has been identified;
- The Council considers this does not represent a 'meaningful change' from the figures in Luton's adopted Plan which have been subject to more detailed scrutiny;
- On this basis, the necessary *exceptional circumstances* required to release land from the Green Belt around Luton remain; while
- The *Leeds* case does not raise any fundamental issues of principle; rather it reinforces the need for the Inspectors to clearly grapple with any relevant material considerations on this matter and provide clear and cogent reasons for their conclusions.

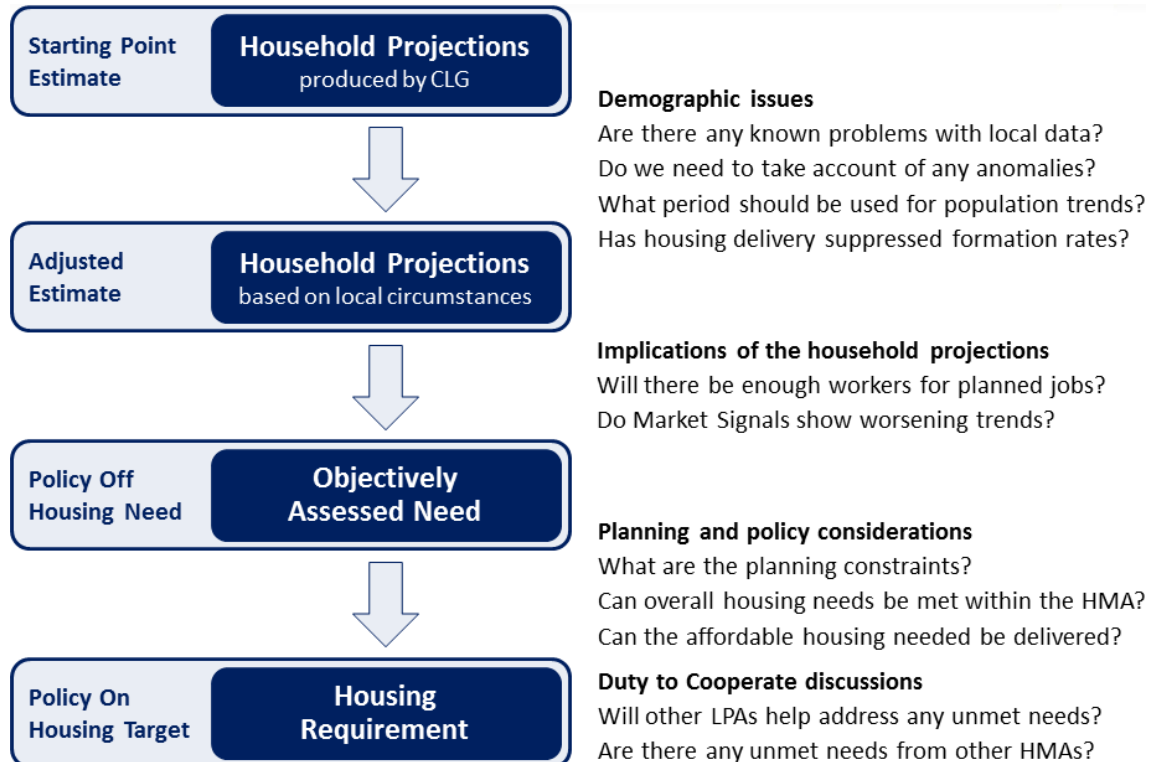
Appendix 1 – ORS analysis of 2018-based projections for North Hertfordshire

Review of the Official Projections for North Hertfordshire

Introduction

1. The Office for National Statistics (ONS) published the 2018-based sub-national population projections (SNPP) in March 2020. These formed the basis of the 2018-based household projections, published in June 2020. As the official projections provide the starting point estimate for housing need for the submitted Local Plan,¹ North Hertfordshire District Council commissioned Opinion Research Services (ORS) to consider whether the latest figures represent “a meaningful change in the housing situation”.²
2. Whilst the official projections provide the starting point estimate, it is important to recognise that there are a number of further considerations when establishing the Objectively Assessed Need (OAN) for housing. Figure 1 provides an overview of this process.

Figure 1: Process for establishing the Objectively Assessed Need for Housing (Source: ORS based on NPPF 2012 and PPG)



¹ Planning Practice Guidance (PPG) ID 2a-015-20140306

² PPG ID 2a-017-20140306

Population and Household Projections

3. Figure 2 presents the range of official population and household projections that have been published since the original SHMA was commissioned, together with the various independent projections that have been produced by ORS to inform the SHMA. These include:
- » The 2012-based projections, the starting point for the original 2015 SHMA;
 - » The 2014-based projections, the starting point for the 2016 OAN update;
 - » The 2016-based projections, considered in the Council's previous response to the Inspector; and
 - » The 2018-based projections, which have led to the Inspector's most recent questions.
4. The table sets out the key assumptions for each projection (in terms of the migration period, the rates applied for fertility and mortality and the household formation method used) together with the total population and households resident in 2011, the equivalent projections for 2031 and the net change over the 20-year Local Plan period 2011-2031.

Figure 2: Population and Household Projections for North Hertfordshire, 2011-2031 (Sources: CLG; ONS; SHMA)

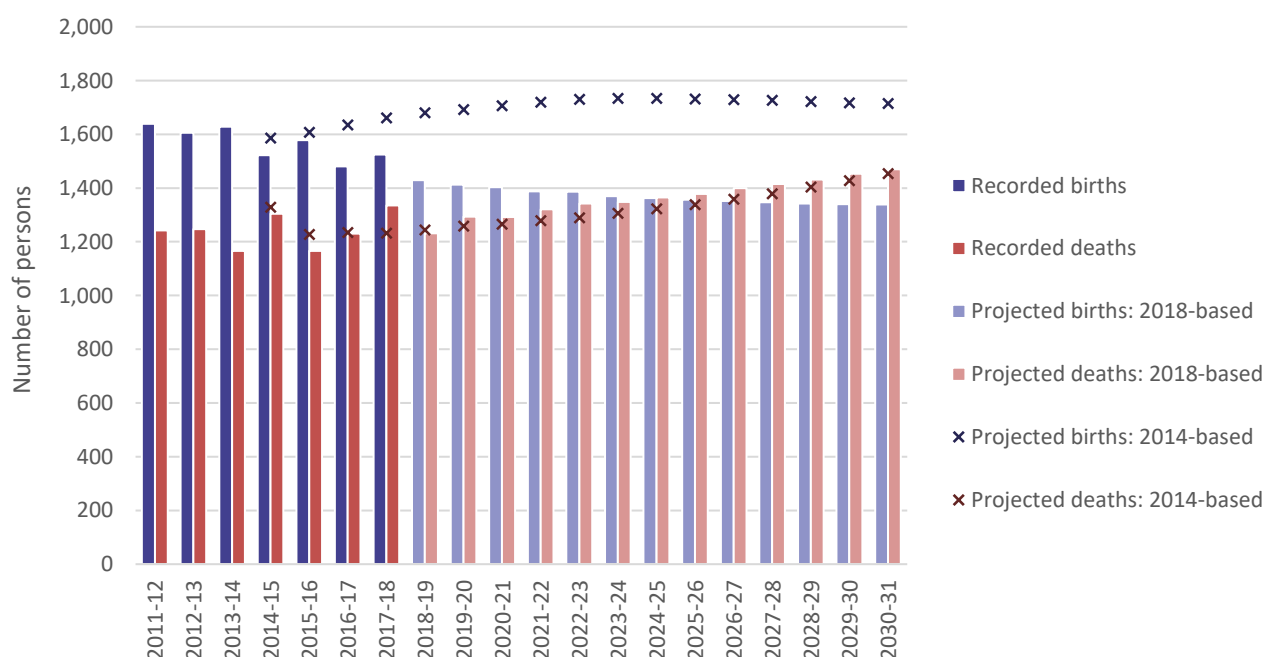
Projection	Migration Period	Fertility/ Mortality	Household Formation	Total Population			Households			
				2011	2031	2011-31	2011	2031	2011-31	
OFFICIAL PROJECTIONS										
CLG 2012-based	5-yr trend 2007-12	2012-based SNPP rates	CLG method	127,494	153,419	25,925	53,580	67,285	13,705	
CLG 2014-based	5-yr trend 2009-14	2014-based SNPP rates		127,494	154,336	26,842	53,599	67,397	13,798	
ONS 2016-based sensitivity 2	5-yr trend 2011-16	2016-based SNPP rates	ONS method	127,494	146,485	18,991	53,427	64,255	10,828	
ONS 2016-based principal scenario							53,260	63,008	9,748	
ONS 2016-based 10-yr migration							10-yr trend 2006-16	21,489	53,260	63,807
ONS 2018-based principal scenario	2-year trend 2016-18	2018-based SNPP rates	ONS method	127,494	137,085	9,591	53,260	59,653	6,393	
ONS 2018-based 5-yr migration	5-year trend 2013-18						12,962	53,260	60,693	7,433
ONS 2018-based 10-yr migration	10-yr trend 2008-18						15,515	53,260	61,898	8,638
SHMA PROJECTIONS										
SHMA Update June 2015	10-yr trend 2001-11	2012-based SNPP rates	CLG method	127,494	150,914	23,420	53,577	66,284	12,707	
OAN Update August 2016	10-yr trend 2005-15	2014-based SNPP rates								22,691
EiP Update September 2019	10-yr trend 2008-18	2016-based SNPP rates	ONS method	127,494	147,386	19,892	53,600	64,948	11,348	
							53,260	63,336	10,076	

5. It is apparent that the 2018-based projections are considerably lower than previous official projections, both in terms of the overall population and the associated number of households.
6. The 2012-based projections that formed the starting point for the 2015 SHMA identified a population of 153,419 persons by 2031 and total of 67,285 households, an increase of 13,705 households over the 20-year period 2011-31. The 2014-based projections were comparable: 154,336 persons (a difference of 0.6%) and 67,397 households (a difference of less than 0.2%) by 2031, an increase of 13,798 households over the same 20-year period (a difference of 0.7%).
7. However, both projections were based on relatively short-term migration trends (covering the 5-year periods 2007-12 and 2009-14 respectively). As migration trends tend to be cyclical (and have peaks and troughs) the SHMA projections were based on trends that covered 10-year periods, and these suggested marginally lower rates of growth than the official projections. The 2015 SHMA projected 66,284 households by 2031 with a growth of 12,707 households over the 20-year period 2011-31, 998 fewer than the 2012-based starting point; and the 2016 OAN update projected 65,714 households with a growth of 12,114 households over the same period, 1,684 fewer than the 2014-based starting point.
8. The differences between the official projections and the associated SHMA projections were due to the underlying migration trends, as they were based on the same fertility and mortality rates and the same methodology for calculating household formation. The more recent 2016-based and 2018-based projections take account of more up-to-date fertility and mortality trends and use an entirely new methodology for calculating household formation. The following analysis considers the impact of these changes.

Births and Deaths

9. Figure 3 shows the number of births and deaths recorded annually for North Hertfordshire from 2011-12 to 2017-18, together with the numbers that were projected by the ONS 2014-based official projection and the numbers currently projected by the 2018-based official projection.

Figure 3: Recorded and Projected Births and Deaths for North Hertfordshire, 2011-12 to 2030-31 (Source: ONS)



10. It is evident that the number of births has slowly reduced from around 1,600 per annum at the start of the decade to around 1,500 annually in the most recent years. The resulting fertility rates were much higher in the 2014-based projections than in the 2018-based projections, such that the 2014-based projections identified far more births than projected by the latest figures. This has a significant impact on the projected number of children and young people resident in the area, but very limited impact on the projected number of households.
11. Considering the number of deaths recorded in the area, this has been relatively stable in recent years, albeit that the number of recorded deaths was higher in 2017-18 than in previous years. The number of deaths identified by the 2014-based projections is broadly comparable with the 2018-based projections, although the latest figures are based on marginally higher mortality rates which is offset against a lower number of older residents, due to a reduction in migration.

Migration

12. Figure 4 details the number of migrants moving to and from North Hertfordshire from elsewhere in the UK and internationally over the 20-year period 2011-31.
- » Data for the 2014-based projections is based on estimated migration for the period 2011-2014 and projected migration (based on 5-year trends) for the period from 2014 onwards.
 - » Data for the 2018-based projections is based on estimated migration for the period 2011-2018 and projected migration (based on three different trends) for the period from 2018 onwards.
13. It is evident that international migration has only limited impact on population change in North Hertfordshire: the 2014-based projections identify a loss of 13 persons per year, and the 2018-based projections range from an annual loss of 10 persons up to an annual gain of 28 persons. However, domestic migration has a far greater impact: the 2014-based projections identify a gain of 962 persons per year on average, and the 2018-based projections range from an annual gain of 325 persons (based on 2-year trends) up to an annual gain of 638 persons (based on 10-year trends). It is worth noting that the rate of inward migration from elsewhere in the UK has remained relatively stable (the annual average ranging from 7,628 to 7,912 persons) and lower levels of net migration are largely as a consequence of more residents moving away from the area.

Figure 4: Recorded and Projected UK and International Migration to and from North Hertfordshire, 2011-31 (Source: ONS)

Component Flow	2014-based projections		2018-based projections					
			Principal projection		Alternative internal migration variant		10-year migration variant	
	Total 2011-31	Annual average	Total 2011-31	Annual average	Total 2011-31	Annual average	Total 2011-31	Annual average
UK Migration								
UK in	155,809	7,790	158,248	7,912	155,489	7,774	152,563	7,628
UK out	136,567	6,828	151,757	7,588	146,020	7,301	139,804	6,990
UK net	+19,242	+962	+6,491	+325	+9,469	+473	+12,759	+638
International Migration								
International in	7,332	367	7,913	396	7,913	396	8,013	401
International out	7,597	380	7,356	368	7,356	368	8,205	410
International net	-265	-13	+558	+28	+558	+28	-192	-10

Population Trends

14. Figure 5 shows the current and historic mid-year **population** estimates and Census estimates over the period since 1981. The data shows that the local authority’s population increased more rapidly over the decade 2001-11 than over the previous 20-years, but the rate of growth has slowed over more recent years with a small decline in the estimates between mid-2017 and mid-2018. This is evident in Figure 6 which shows the annual net change in population based on both current and superseded ONS mid-year population estimates, where it is evident that methodological improvements have had limited impact in North Hertfordshire.

Figure 5: Official population estimates for the period 1981-2018 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

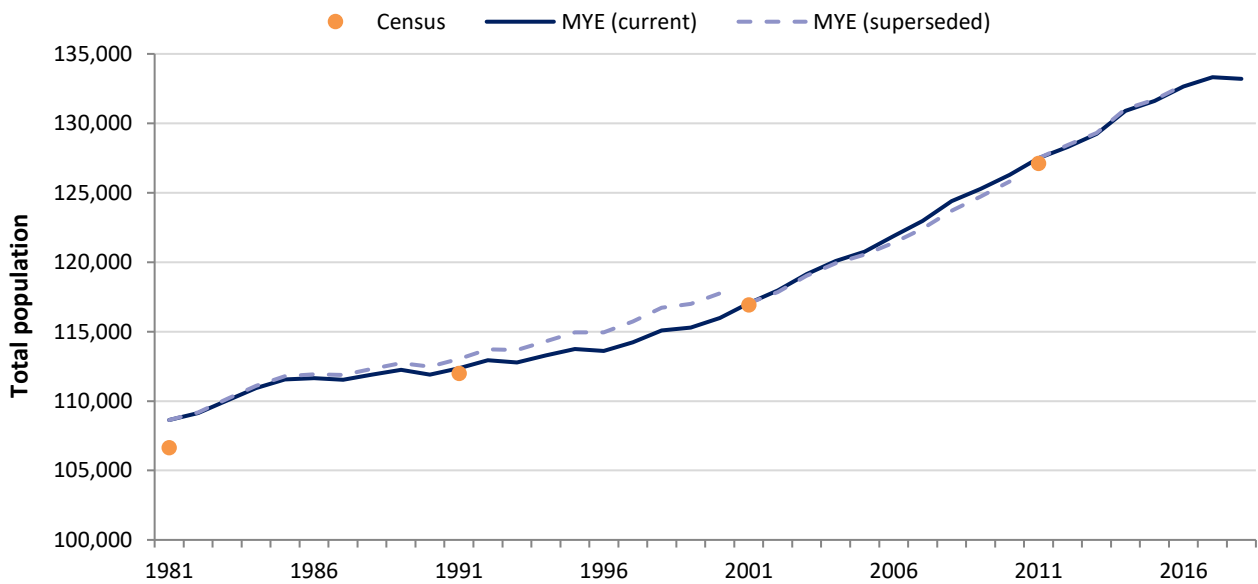
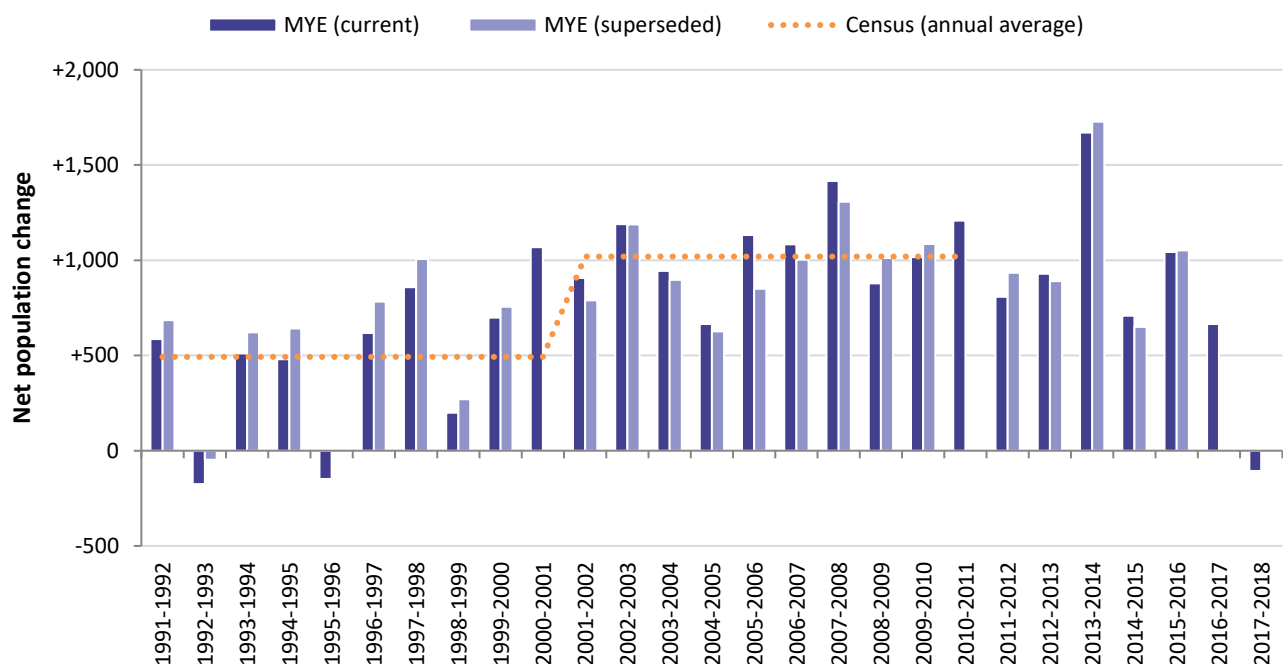


Figure 6: Annual net change in population based on official population estimates for the period 1991-2018 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



- 15. Figure 7 separates out natural change (i.e. births minus deaths) from net migration and other changes, and this clearly shows that migration forms the dominant part of the overall change the district's population.
- 16. Figure 8 shows this migration component with 2-year, 5-year and 10-year rolling averages. Whilst the 2-year average is a little less erratic than the annual figures, peaks and troughs remain evident and these tend to be smoothed to some extent by the 5-year average and almost entirely by the 10-year average.

Figure 7: Components of population change 1991-2018 (Source: ONS Mid-Year Population Estimates, revised)

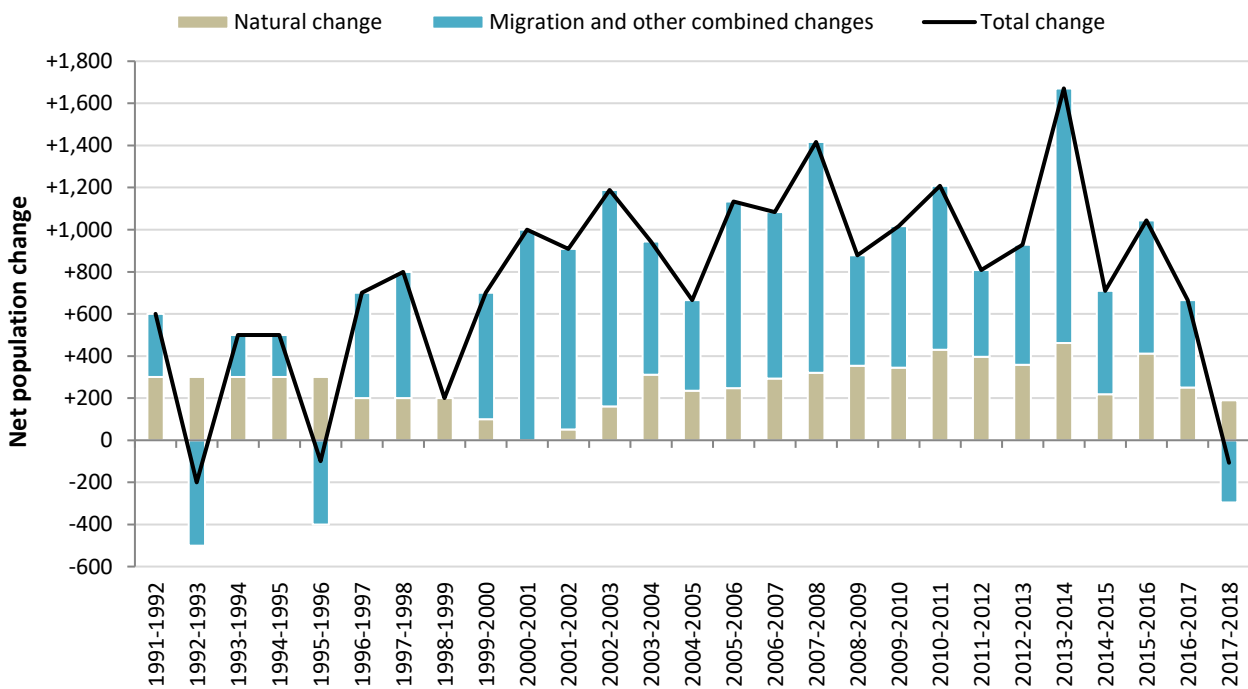
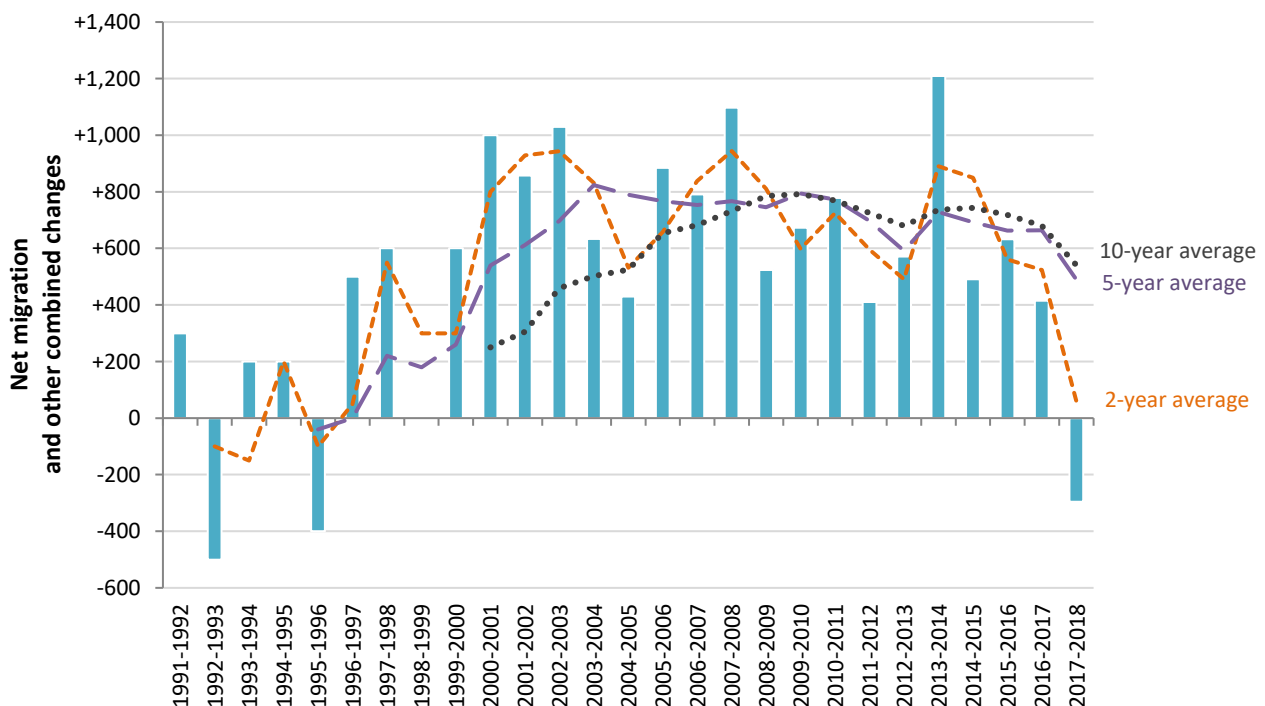


Figure 8: Annual net migration with 2-year, 5-year and 10-year averages, 1991-2018 (Source: ONS Mid-Year Population Estimates, revised)

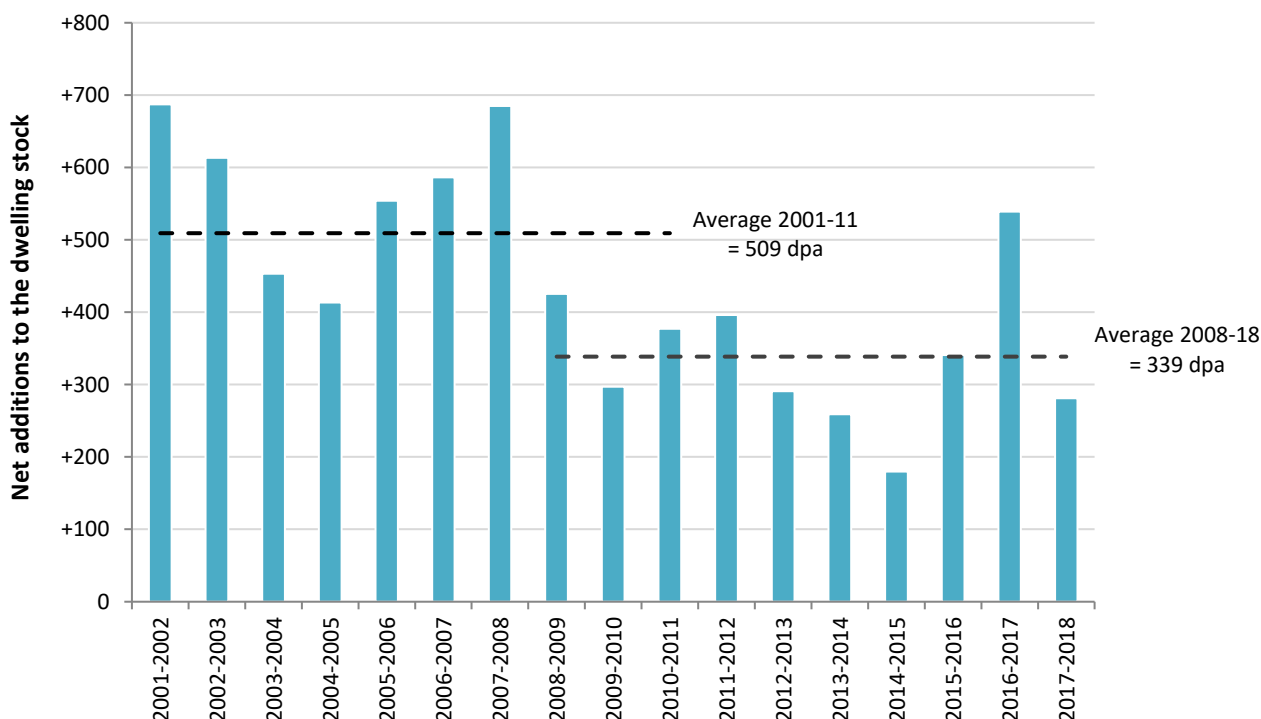


- 17. The 10-year average shows that there was a sustained growth in net migration between 2001 and 2011, from a net gain of around 300 persons annually on average over the decade ending 2001 to a net gain of almost 800 persons annually on average over the decade ending 2010. Whilst this rate showed some decline in more recent years, there was a sustained gain of between 700 and 800 persons annually on average for each 10-year period up until 2006-2016; but more recently the level has reduced, with an average of 680 per year recorded from 2007-2017 and around 540 per year recorded in the most recent 10-year period 2008-2018, around 250 persons lower than the previously sustained rates.

Net Additions to the Dwelling Stock

- 18. Whilst migration is cyclic and subject to peaks and troughs from year-to-year, the rate of net migration is influenced by the availability of housing. An area that is providing significant numbers of additional homes will see a larger number of people moving to live in the area (and/or fewer moving away) than an area where there is only a limited supply of new housing available.
- 19. Figure 9 shows the net additions to the dwelling stock each year based on the published Government figures. It is evident that the number of additional dwellings that were provided over the decade ending 2011 averaged around 170 dwellings more than the most recent 10-year period 2008-2018 (509 cf. 339 dpa). It is likely that this lower rate of housing supply accounts for the reduction in the annual net migration trends, which would need to be considered when establishing the OAN.

Figure 9: Annual net additions to the dwelling stock 2001-2018 (Source: MHCLG Live Tables 122)



Projected Population by Age

20. Figure 10 compares the 2014-based official projection with the 2018-based principal projection for 2031 by 5-year age band, and Figure 11 shows the data together with the variant projections by broad age bands.

Figure 10: North Hertfordshire Projected Population for 2031 by 5-year age band (Source: ONS)

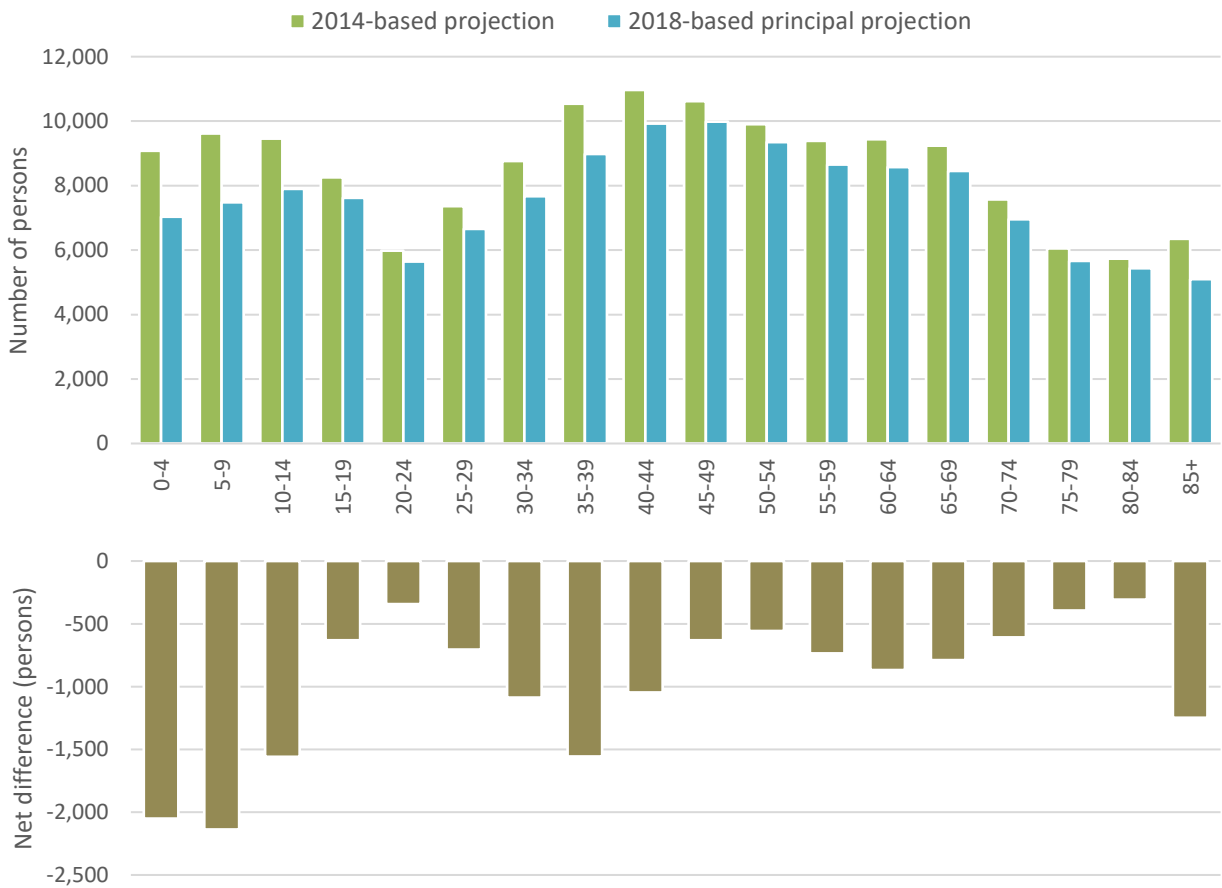
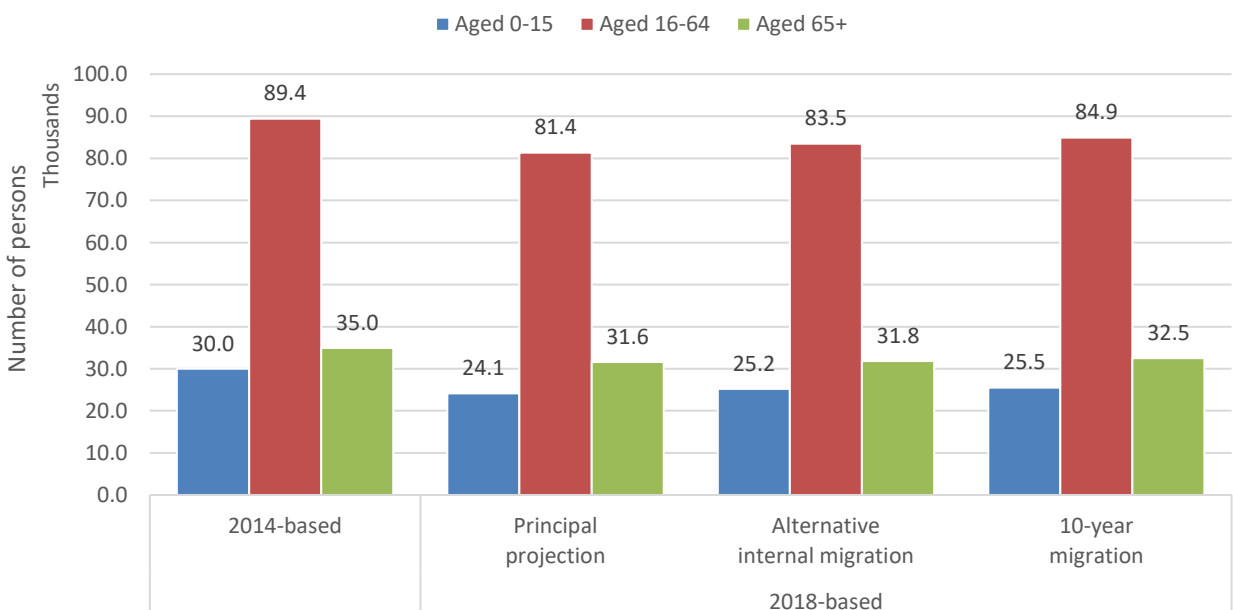


Figure 11: North Hertfordshire Projected Population for 2031 by broad age band (Source: ONS)

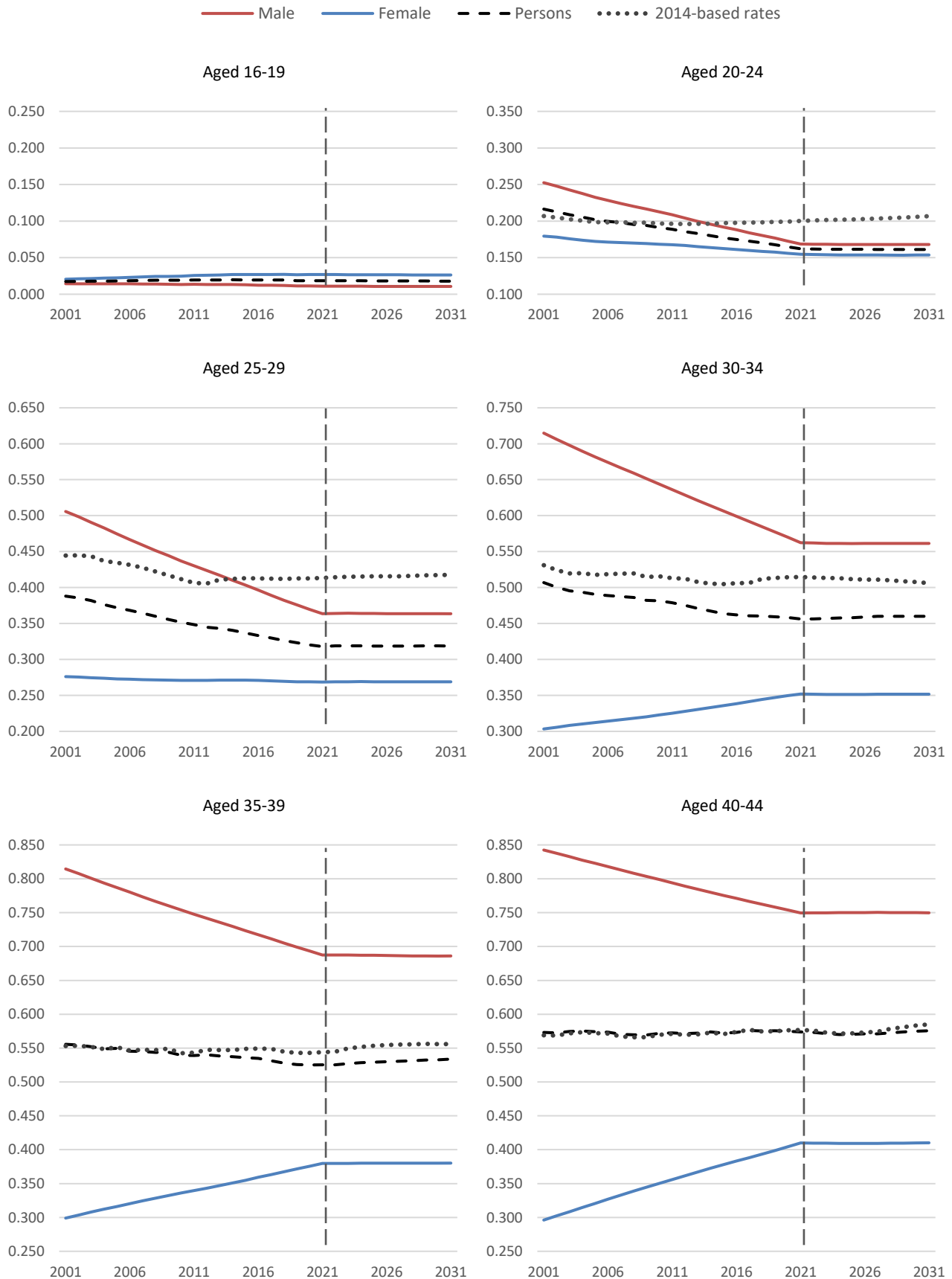


21. It is evident that the changes to fertility rates have led to a significant reduction of children aged under 16 that are projected to be resident by 2031. Whilst the 2014-based projection showed around 30,000 children, the 2018-based projections show between 24,100 and 25,500 children which represents a reduction of 15-20%.
22. The lower migration trends account for most of the changes to the adult population, with the projected number of residents aged 16-64 ranging from 81,400 to 84,900 persons based on the latest figures compared to 89,400 persons projected by the 2014-based data. This represents between 4,500 and 8,000 fewer residents in this age group, a reduction of 5-9%. There is also a reduction of older people aged 65 or over, with the latest data ranging from 31,600 to 32,500 persons, between 2,500 and 3,400 fewer than previously projected which represents a reduction of 7-10% in this age group.
23. The reduction in working aged population is particularly relevant to the OAN, given the need to ensure alignment between future jobs and workers. Whilst not all residents aged 16-64 will be economically active, many will be working or actively seeking work and any change to this population will impact on the number of workers available.
24. The 2015 SHMA concluded that there was a surplus of 2,700 workers across the Stevenage and North Herts combined area (para 3.35). That analysis was based on the 2015 SHMA projections, which identified a total of 87,200 residents aged 16-64 for North Hertfordshire in 2031.
25. Given this context, it is likely that the 2018-based principal projection which identifies 81,400 persons aged 16-64 (a population that is 5,800 lower than the SHMA) would lead to a shortfall of workers; and the 10-year migration variant projection which identifies 84,900 persons aged 16-64 (2,300 lower than the SHMA) could be marginal in ensuring sufficient workers would be available for the planned jobs across the housing market area.

Household Formation

26. As previously noted, the ONS introduced an entirely new methodology for calculating household formation when they took responsibility for the 2016-based household projections. Both the new ONS method and the previous CLG method for establishing household formation are based on the probability of individuals being household representatives (the statistical “head of household”), with past estimates based on Census data for individual age/gender groups in each area. Whilst the previous CLG household formation method used Census data covering the period 1971 to 2011 to establish the trends (see the 2015 SHMA paras 2.64-2.72), and therefore recent changes (such as the reduction in young households being able to form in some areas) had only limited impact. However, the new ONS household formation method only uses data from the 2001 and 2011 Census – assuming that these trends will continue up until 2021 with rates then held constant from 2021 onwards – so recent changes are likely to have a more significant impact on the projection.
27. Figure 12 shows the male and female household representative rates by age group for North Hertfordshire from the 2018-based household projections, and how these are projected to change over time. It is clear that the rate is projected to decline for males in all age groups under 45 and for females in all age groups under 30. The charts also show a combined rate for all persons for the 2018-based projections, and the equivalent combined rate for the 2014-based projections. The 2018-based projections identify that the overall rate is projected to decline across all age groups under 40 and remain stable for those aged 40-44. In contrast, the 2014-based projections generally showed no change in the overall rate (or a small increase) across all age groups over the period 2011-2031.

Figure 12: Household representative rates from the ONS 2018-based household projections by age and gender, 2001-2031 and from the CLG 2014-based household projections by age (Source: ONS; CLG)



28. Equivalent rates identified by earlier household projections (albeit based on a different definition) had been increasing for younger age groups throughout the 1990s – so it is argued that if more housing had been delivered over the 10-year period 2001-2011 at a price that was sufficiently affordable for local residents, more young people would have been able to form new households and the household representative rates would not have declined.
29. Figure 13 sets out the change in household representative rates between the Census years in 2001 and 2011 by age group and gender. The number of households is calculated by multiplying these rates with the household populations by age and gender. This shows that had the rates not declined over this period, an additional 797 households would have formed in the area.

Figure 13: Impact of declining household representative rates over the period 2001-2011 (Source: ONS)

		Household representative rate		Change 2001-11	Impact on household total for 2011
		2001	2011		
MALE	Aged 16-19	0.0144	0.0136	-0.0008	-2
	Aged 20-24	0.2525	0.2088	-0.0437	-136
	Aged 25-29	0.5058	0.4303	-0.0755	-278
	Aged 30-34	0.7148	0.6362	-0.0786	-321
	Aged 35-39	0.8146	0.7476	-0.0669	-303
	Total	-	-	-	-1,040
FEMALE	Aged 16-19	0.0205	0.0256	+0.0051	+14
	Aged 20-24	0.1794	0.1678	-0.0116	-34
	Aged 25-29	0.2761	0.2709	-0.0052	-20
	Aged 30-34	0.3034	0.3252	+0.0219	+91
	Aged 35-39	0.2990	0.3395	+0.0405	+192
	Total	-	-	-	+248
OVERALL TOTAL		-	-	-	-797

30. Through undertaking a similar analysis for the population in 2031 using the 10-year migration variant scenario from the 2018-based projections, we can establish that there would have been a further 673 household formations had the household representative rates remained at the levels recorded in 2001.
31. Taking account of the 797 additional households in 2011 and the further 673 households that would have formed between 2011-31 would suggest a need to make an allowance for at least 1,470 households over and above the identified household growth in order to properly allow for suppressed household formation that is likely to have been introduced within the 2018-based household projections. This is notably higher than the 309 concealed families and homeless households that was allowed for by the 2015 SHMA and the 2016 OAN Update, albeit that this did form part of the larger market signals uplift.

Establishing Objectively Assessed Need

32. Figure 14 identifies the various stages that the SHMA methodology adopted to translate the projected household growth into the OAN. The SHMA analysis took projected household growth (column 2), applied a vacancy rate to derive a dwelling number (“household projection-based housing need” – column 3), and then added a 10% market signals uplift to establish the OAN for the period 2011-31. The table identifies the OAN resulting from each of the different projections following the consistent application of the SHMA approach.

Figure 14: Summary of OAN based on the range of available Household Projections

Projection		Population change 2011-31	Household growth 2011-31	Household projection-based housing need	10% market signals uplift	Objectively Assessed Need
OFFICIAL PROJECTIONS						
CLG 2012		25,925	13,705	14,107	1,411	15,518
CLG 2014		26,842	13,798	14,203	1,420	15,623
ONS 2016 sensitivity 2		18,991	10,828	11,146	1,115	12,261
ONS 2016 principal scenario		18,991	9,748	10,034	1,003	11,037
ONS 2016 10-yr migration		21,489	10,547	10,857	1,086	11,943
ONS 2018 principal scenario		9,591	6,393	6,581	658	7,239
ONS 2018 5-yr migration		12,962	7,433	7,651	765	8,416
ONS 2018 10-yr migration		15,515	8,638	8,892	889	9,781
SHMA PROJECTIONS						
SHMA Update June 2015		23,420	12,707	13,080	1,308	14,388
OAN Update August 2016		22,691	12,114	12,470	1,247	13,717
EiP Update Sept 2019	CLG method	19,892	11,348	11,681	1,168	12,849
	ONS method	19,892	10,076	10,372	1,037	11,409

33. The latest official projections (the ONS 2018-based projection principal scenario, using 2-year migration trends and the new ONS methodology for establishing household formation) suggest an OAN of 7,239 dwellings; but this increases to 8,416 dwellings when 5-year trends are applied for internal migration and 9,781 dwellings when 10-year migration trends are applied. However, the new ONS method projects far fewer household formations than when the previous CLG method is applied to the same population and therefore a larger uplift in response to market signals would be necessary.
34. The earlier analysis suggested that an allowance of at least 1,470 households would be needed over and above the identified household growth to allow for suppressed household formation introduced within the 2018-based household projections. On this basis, a 10% market signals uplift to the 10-year migration variant (equivalent to an additional 889 dwellings) would no longer be sufficient, as an uplift of at least 17% would be needed to address the reductions within the headship rates.
35. Furthermore, the analysis also identified that 10-year migration trends had reduced, but that this coincided with a reduction in housing delivery. PPG sets out that assessments “*need to reflect the consequences of past under delivery of housing*” [ID 2a-015-20140306] which affect household formation (as considered above) and which also have consequences for migration trends.
36. The 2015 SHMA concluded an OAN of 720 dpa and the 2016 OAN Update concluded an OAN of 690 dpa, which were both higher than the delivery of 509 dpa that was achieved on average from 2001-11 (Figure 9). This increase was partly necessary to address the reduced rates of household formation experienced over

- that decade, which the latest ONS data suggests to be around 797 households (Figure 13). However, housing supply over the 10-year period 2008-18 reduced to 339 dpa on average, which has led to lower net migration (Figure 8) and household formation trends continuing to decline (Figure 12).
37. Whilst it is evident that the latest projections suggest a lower level of household growth than was identified by the 2015 SHMA, the 2016 OAN Update, and the 2016-based official projections, the need to take account of past under delivery of housing means that it would be inappropriate to conclude that the OAN figure had also reduced by an equivalent amount.
 38. Considering the 2018-based projections, we would not consider either the principal scenario (where internal migration is based on 2-year trends) or the “alternative internal migration variant” (based on 5-year trends) to provide an appropriate basis for establishing the OAN as both are based on short-term trends in migration. Furthermore, it is unlikely that either of these scenarios would provide sufficient workers to align with the planned jobs growth. Of those scenarios available, we would only consider the 10-year migration variant providing a suitable starting point for the OAN figure – a growth of 8,638 households which yields a household projection-based housing need of 8,892 dwellings.
 39. As this projection is based on the new ONS household formation method, it is necessary to make a specific adjustment for suppressed household formation – a total of 1,470 households, comprised of 797 households at the start of the plan period and a further 673 households that would have formed between 2011-31 but who have not been captured due to the suppressed trends within the projection. Allowing for these additional households would increase the trend-based growth of 8,638 households to an increase of 10,108 households overall, equivalent to a housing need of 10,405 dwellings.
 40. It would still be necessary to make an appropriate adjustment in response to market signals, which would also help to offset the reduced levels of net migration within the household projections. The 2015 SHMA, the 2016 OAN Update and the response to the ONS 2016-based projections consistently applied a 10% uplift to the household projection-based housing need using the previous CLG household formation method. Applying a 10% uplift to the household growth identified by the ONS 2018-based projections together with the adjustment for suppressed household formation would yield an uplift of 1,041 dwellings with an overall housing need of 11,445 dwellings.
 41. **On this basis, taking account of the latest demographic trends from the ONS 2018-based projections, a Full Objectively Assessed Need for housing in North Hertfordshire would be 11,500 dwellings over the 20-year period 2011-2031.** Whilst this is lower than the previously identified OAN for the period, it reflects the substantial reduction to the projected household growth whilst remaining 33% higher than the preferred scenario from the ONS 2018-based projections (the 10-year migration variant) and 80% higher than their principal scenario.
 42. Whilst we have not undertaken any further analysis of the required housing mix, it is unlikely that the number of affordable homes needed will have changed very much – for typically the need for affordable housing tends to be driven by local need more than by migration. Therefore, a reduction in overall housing need is likely to have increased the percentage of affordable housing need and it will be important for the Council to continue to maximise the number of affordable homes that are delivered over the 20-year Local Plan period.



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**Appendix 2 – Statement of Common Ground between Central Bedfordshire, Luton
and North Hertfordshire Councils**

**Statement of Common Ground
agreed between
North Hertfordshire District Council,
Central Bedfordshire Council and Luton Borough Council**

July 2020

Purpose

1. This Statement of Common Ground (SoCG) has been agreed between Central Bedfordshire Council, North Hertfordshire District Council and Luton Borough Council in relation to the North Hertfordshire and Central Bedfordshire Local Plan Examinations.
2. It has been prepared in response to a joint letter (dated 8 July 2020) written to both Central Bedfordshire and North Hertfordshire Council's, from their respective Inspectors, concerning the 2018 Household Projections and Luton's unmet need, which seeks the preparation of a SoCG at paragraph 7.
3. CBC and NHDC have also individually provided further views on these figures, and the questions raised, in their own responses to this letter, in relation to their respective Examinations.

2018 Household Projections

4. The Luton Local Plan (2011-2031) was adopted in November 2017. It is based on an objectively assessed housing need (OAN) for the borough of 17,800 net additional dwellings (890 per annum). The Luton Local Plan makes provision for 8,500 homes over the plan period within the administrative area. Luton, therefore, has an unmet housing need of 9,300 net additional dwellings over the plan period (465 per annum).
5. The status of the Luton Local Plan, as an adopted plan, is such that the housing need identified for Luton has been independently examined and is set in the statutory Development Plan for the Borough.
6. However, ORS, as requested by all three authorities, have indicatively modelled several scenarios. These suggest that, in the event Luton's OAN was formally reassessed under the provisions of the 2012 NPPF, a revised figure of approximately 16,700 homes is the most robust figure at this level of analysis and based on the methodology previously accepted by the Inspector examining the Luton Local Plan.
7. CBC, NHDC and LBC are all agreed that the indicative revised figures which represent a 6% difference do not represent a 'meaningful change' from those contained in the adopted Plan.

Signed on behalf of Central Bedfordshire Council


Name: **Councillor Kevin Collins**

Signature: 

Date: 05.08.2020

Signed on behalf of North Hertfordshire District Council

Name: Councillor Paul Clark

Signature: 

Date 05.08.2020

Signed on behalf of Luton Borough Council

Name: Councillor P. Castleman

Signature: 

Date: 05.08.2020

Appendix 3 – ORS analysis of 2018-based projections for Luton

Review of the Luton Population and Household Projections

1. The Office for National Statistics (ONS) published the 2018-based sub-national population projections (SNPP) in March 2020. These formed the basis of the 2018-based household projections, published in June 2020.
2. The official projections provided the starting point estimate for housing need in the context of the original National Planning Policy Framework (NPPF) and associated Planning Practice Guidance (PPG),¹ and given that the local plans for Central Bedfordshire and North Hertfordshire are being examined under the original NPPF and both Plans provide for Luton's unmet need, Luton Borough Council, Central Bedfordshire Council and North Hertfordshire District Council have jointly commissioned Opinion Research Services (ORS) to consider if the latest figures represent "a meaningful change in the housing situation" [ID 2a-017-20140306].
3. Figure 1 presents the range of official population and household projections that have been published since the original SHMA was commissioned, together with the independent projections produced by ORS that have informed the SHMA analysis. The table sets out the key assumptions for each projection (in terms of the migration period, the rates applied for fertility and mortality and the household formation method used) together with the change in population and households resident over the 20-year period covered by the Luton Local Plan (2011-2031) and the associated housing need prior to any market signals uplift, and with uplifts of 10% and 20% applied.

Figure 1: Population and Household Projections for Luton, 2011-2031 (Sources: CLG; ONS; SHMA)

Projection		Migration Period	Fertility/ Mortality	Household Formation	Change 2011-31		Housing Need			
					Pop	HH	No uplift	10% uplift	20% uplift	
CLG 2012-based		5-yr trend 2007-12	2012-based SNPP rates	CLG method	45,111	21,682	22,306	24,537	26,767	
2015 SHMA		10-yr trend 2001-11			30,576	14,349	14,762	16,238	17,714	
CLG 2014-based		5-yr trend 2009-14			2014-based SNPP rates	48,979	23,336	23,965	26,361	28,758
2017 SHMA		10-yr trend 2005-15				43,813	16,651	17,100	18,810	20,520
ONS 2016-based	Sensitivity analysis 2	5-yr trend 2011-16	2016-based SNPP rates	ONS method	34,154	19,110	19,625	21,587	23,550	
	Principal scenario					13,776	14,147	15,562	16,977	
	10-yr migration variant	10-yr trend 2006-16			35,341	13,624	13,991	15,390	16,789	
ONS 2018-based	Principal scenario	2-year trend 2016-18	2018-based SNPP rates	ONS method	1,077	3,775	3,877	4,264	4,652	
	Alt. internal migration variant	5-year trend 2013-18			17,558	8,543	8,773	9,651	10,528	
	10-yr migration variant	10-yr trend 2008-18			26,815	11,494	11,804	12,984	14,164	

¹ Planning Practice Guidance (PPG) ID 2a-015-20140306

4. It is apparent that the ONS 2018-based projections are considerably lower than previous official projections, with the principal projection showing a growth of only 3,775 households over the 20-year period 2011-2031 equivalent to an average of 189 per year. This contrasts with the CLG 2012-based projections (the starting point for the 2015 SHMA, which informed the Luton Local Plan) which showed a growth of 21,682 households over the same 20-year period (an average of 1,084 per year) and the CLG 2014-based projections which showed yet higher growth of 23,336 households (1,167 per year).
5. However, all of these projections are based on relatively short-term migration trends: the 2012-based and 2014-based projections covering the 5-year periods 2007-12 and 2009-14 respectively, and the 2018-based projections covering the 2-year period 2016-18. As migration trends tend to be cyclical (and often have peaks and troughs) the SHMA projections were based on trends that covered 10-year periods. At the time that the SHMA analysis was prepared, these suggested lower rates of growth than the official projections. Whilst the 2012-based projections identified a growth of 21,682 households, the 2015 SHMA projections identified a growth of 14,349 households – a figure that was around one third (33.8%) lower than the starting point.
6. The official household projections that were published by CLG did not provide any migration sensitivity tests; however, the more recent ONS figures provide variants based on a number of scenarios, which include an analysis based on 10-year migration trends. This scenario shows a growth of 11,494 households for Luton, which is only 2,855 households fewer than identified by the 2015 SHMA projections based on 10-year trends (14,349 households); a reduction of less than a fifth (19.8%). This contrasts with the 17,907 household difference between the 2012-based starting point (21,682 households) and the 2018-based principal scenario (3,775 households); a reduction of more than four-fifths (82.6%).
7. The Luton projections exemplify why it is right to focus on longer-term migration trends (as was argued by the SHMA and endorsed by the Inspector that examined the Luton Local Plan) and not rely uncritically on the starting point figures. It would have been wrong to rely on the CLG 2012-based projection, as it was unduly high; and it would be equally wrong to rely on the ONS 2018-based principal projection, as it is unduly low. Given this context, when considering the latest official projections, it is appropriate to focus on the 10-year migration variant to determine if these figures represent a “*a meaningful change*”.
8. On balance, it would probably be reasonable to conclude that a reduction of a fifth was a meaningful change if the figures had been derived on an otherwise like-for-like basis. However, changes that the ONS introduced for establishing household formation when they took responsibility for the producing the 2016-based figures have had a significant impact in Luton.
9. Using the new ONS household formation method, the 2016-based projection identified a growth of 13,776 households; but “sensitivity analysis 2” showed that the same population projections would result in a growth of 19,110 households if the previous CLG household formation method had been applied. Therefore, the methodological change that was introduced for calculating household formation resulted in 5,334 fewer households. On this basis, we can conclude that the 2018-based household projections are not directly comparable with the projections that were produced by the SHMA, given the impact of the different household formation calculations.

Household Formation

10. As previously noted, the ONS introduced an entirely new methodology for calculating household formation when they took responsibility for the 2016-based household projections. Whilst the previous CLG household formation method used Census data covering the period 1971 to 2011 (see the Luton & Central Bedfordshire SHMA Refresh 2015, paras 2.87-2.94) the new ONS household formation method only uses data from the 2001 and 2011 Census. Consequently, recent trends (such as the reduction in young households being able to form in some areas) can have a significant impact on the future projection.
11. Furthermore, the 2001 Census had a particularly low response rate in Luton which led to a likely under-enumeration of the population for this area (see the SHMA Refresh 2015, paras 2.20-2.24). Whilst this had an impact on migration trends, it would also affect household formation.
12. The methodology for establishing household formation is based on the probability of individuals being household representatives (the statistical “head of household”). This is based on dividing the total number of persons in the household population within each age/gender group with the total number of household representatives within that same group. If the total number of persons is underestimated, then this would lead to the household representative rate (i.e. the probability of individuals being household representatives) being overestimated.
13. Since the household representative rates calculated based on 2001 Census data formed only one of the five Census data points in the trends used to inform the previous CLG household formation method, the impact of any error in the 2001 Census would only have had limited impact. However, as the 2001 Census data forms one of only two Census data points in the trends used to inform the new ONS household formation method, any errors in that data would have a substantial impact on the resulting projections.
14. Figure 2 shows the male and female household representative rates by age group for Luton from the 2018-based household projections, and how these are projected to change over time. The new ONS method assumes that the trends observed between the 2001 and 2011 Census will continue up until 2021, and then holds the rates constant from 2021 onwards. The charts also show a combined rate for all persons for the 2018-based projections, but this is only illustrative as the household projections are based on the separate male and female data.
15. It is clear that the overall rates declined across all 5-year age bands for those aged under 40 over the 10-year period 2001 to 2011, with similar reductions evident for those aged between 60 and 79. Since the projections are trend-based, the rates for each of these 5-year age bands are projected to continue declining until 2021, at which point they are held constant.
16. Figure 3 compares the combined rates by age group for Luton from the 2018-based household projections with the previous CLG 2014-based projections. Once again, this is illustrative given that the previous CLG method divided each age band into six groups, with separate male and female rates established for those (i) currently living as a couple (either married or cohabiting); (ii) previously married but now separated, divorced or widowed; and (iii) single people who have never been married.
17. It is apparent that the new ONS household formation method is based on lower household representative rates than were projected by the previous CLG method across all age groups aged under 45 and also for those aged between 60 and 74. As a consequence of these lower rates, there is less probability of individuals being counted as household representatives which results in fewer households overall; so the ONS 2018-based projections are more likely to result in suppressed household formation.

Figure 2: ONS 2018-based Household Representative Rates for Luton by age and gender, 2001-2031

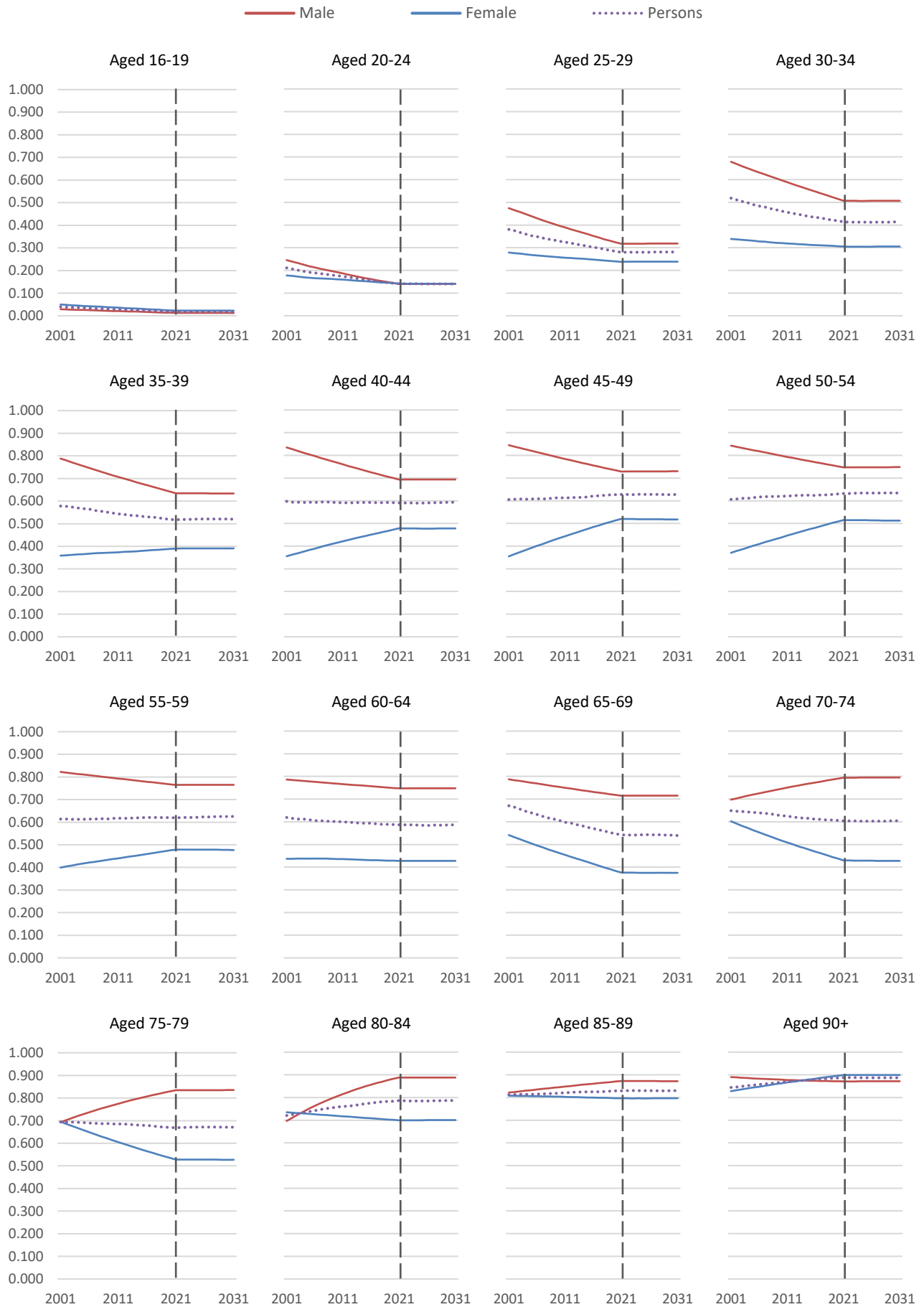
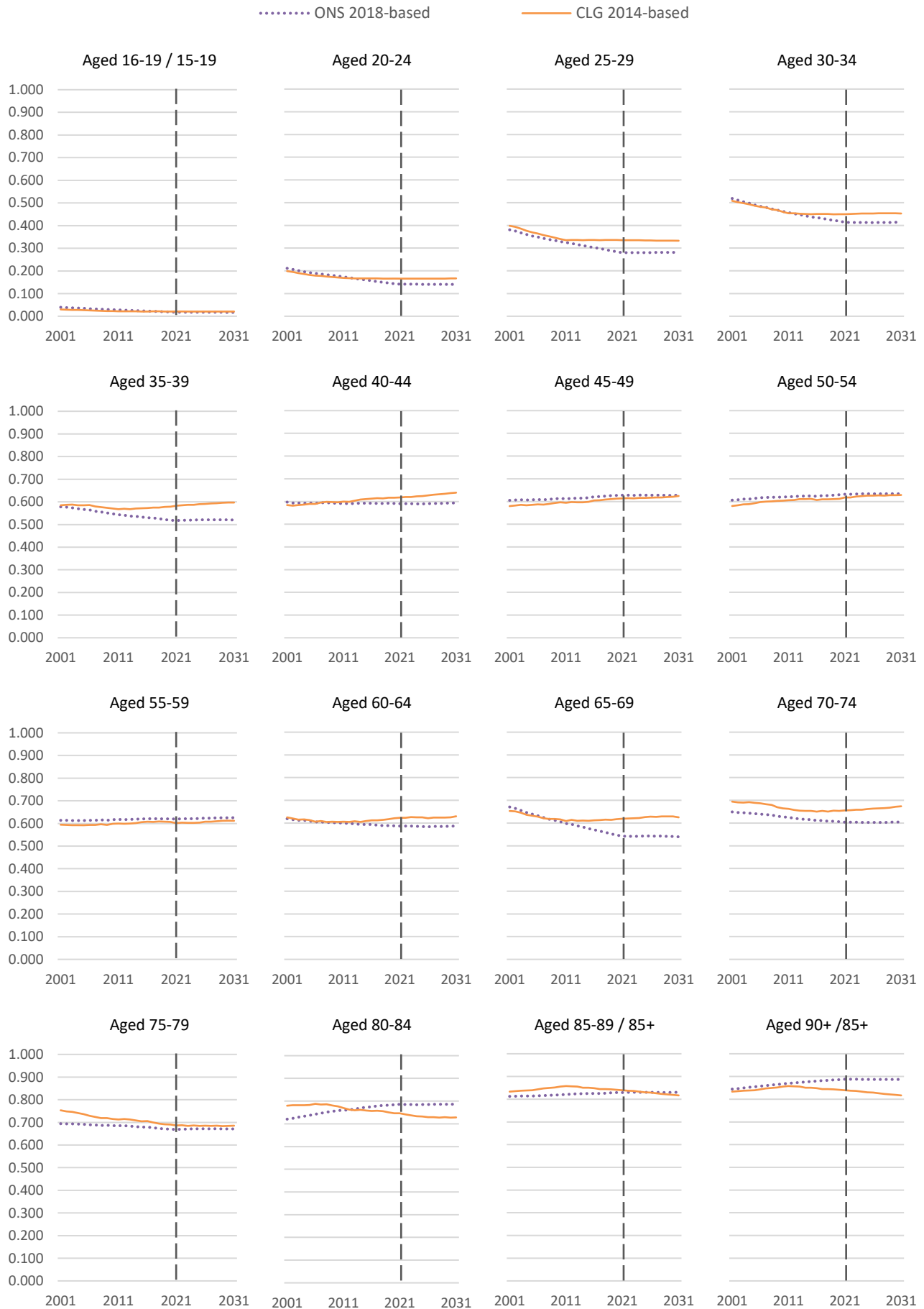


Figure 3: Comparison of ONS and CLG Household Representative Rates for Luton by age and gender, 2001-2031



18. Whilst it is likely that the ONS 2018-based household projections under-estimate future household growth, it is also likely that the CLG 2014-based household projections over-estimated the likely growth. This was partly due to the reliance on historic data from 1971 and 1981 at a time that the demographic characteristics and ethnic mix of Luton were very different to that of the current population; but, more importantly, as a consequence of not taking account of cohort effects within the analysis.
19. This was reviewed by the 2017 SHMA, which considered the likely impact of the ethnic mix across the different population cohorts (see the Luton & Central Bedfordshire SHMA 2017, paras 3.90-3.100). The SHMA concluded that some of the household representative rates for Luton from the CLG 2014-based household projections were probably too high, and as a consequence both the currently estimated and the projected future average household sizes were too low (2017 SHMA, figure 55). Therefore, the rates from the 2014-based projections were adjusted to take account of local evidence.
20. To establish the impact of each of these different household formation calculations, ORS has undertaken sensitivity analysis using the 10-year migration variant of the official 2018-based population projections; applying the household formation rates from the CLG 2014-based projections (an analysis that is comparable with “sensitivity analysis 2” undertaken by the ONS as part of the 2016-based projections) and also the adjusted rates that were used for the 2017 SHMA. Figure 4 shows the outcome of this analysis set alongside the figures from the 2015 SHMA which informed the Luton Local Plan.

Figure 4: Sensitivity analysis based on the ONS 2018-based Population Projections for Luton, 2011-2031

Household Projection		Change 2011-31		Housing Need		
		Population	Households	No uplift	10% uplift	20% uplift
ONS 2018-based household projections 10-year migration variant			11,494	11,804	12,984	14,164
ORS sensitivity analysis	CLG 2014-based household formation rates	26,815	16,179	16,615	18,276	19,938
	2017 SHMA adjusted household formation rates		13,501	13,865	15,251	16,638
2015 SHMA household projections 10-year migration trends		30,576	14,349	14,762	16,238	17,714

21. Both of the sensitivity analysis are based on the same population as the 2018-based household projections: the 10-year migration variant, which projects a growth of 26,815 persons over the 20-year period 2011-2031. However, whilst the ONS household formation method yields a growth of 11,494 households, applying the previous CLG method yields a notably higher growth: a total of 16,179 households, which is 4,685 more than projected by the ONS method, equivalent to an increase of around two-fifths (40.8%).
22. On this basis, it is reasonable to take a range of between 11,494 and 16,179 households when considering household growth based on the latest official population projections. However, for the reasons set out above it is likely that the official figure published by the ONS is too low for establishing housing need given (i) the extent of suppressed household formation, and (ii) errors likely to have been introduced by relying unduly on data from the 2001 Census. Therefore, for the reasons set out in the 2017 SHMA (paras 3.90-3.100), it is likely that sensitivity analysis based on the CLG 2014-based rates yields a figure that is too high.
23. The adjusted rates that were derived for the 2017 SHMA yield a growth that is between these two extremes: 13,501 households, which is 2,007 more than the ONS method (an increase of 17.5%) but 2,678 fewer than the CLG method (a reduction of 16.6%). Taking account of all of the evidence, we believe that this provides the most appropriate basis for considering if there has been “a meaningful change in the housing situation”.

Conclusions

24. When compared with the 2015 SHMA (which formed the basis of the OAN for the Luton Local Plan), it is evident that the latest data shows a lower rate of population growth (26,815 cf. 30,576 persons) and a lower household growth based on our best estimates (13,501 cf. 14,349 households). Therefore, whilst the starting point for establishing housing need in Luton has reduced from a growth of 14,349 households to only 3,775 households, projections based on longer-term migration trends and that take account of changes to the household formation method provide far more consistency.
25. Taking these household projections as a basis for establishing housing need on a like-for-like basis with that used for the 2015 SHMA – which made an allowance for vacant and second homes and then applied an uplift of 20% as a response to the market signals in Luton – would yield a housing need of 16,638 dwellings. **On this basis, a full Objectively Assessed Need would be 16,700 dwellings for the 20-year period 2011-2031 equivalent to an average of 835 dpa.** This compares to the OAN of 17,800 dwellings (890 dpa) that formed the basis of the housing numbers in the Luton Local Plan.
26. On balance, whilst it is likely that the overall OAN has reduced by around 55 dpa over the Plan period, **we do not consider that a reduction of only 6% represents a meaningful change.**



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Housing delivery and five-year housing land supply at 1 April 2020

1. This paper provides an update on housing delivery and five-year housing land supply matters. This follows the submission of the Council's supplementary paper on five-year housing land supply (ED178) and Matter 22 statement earlier in 2020.
2. Since the earlier information on housing supply was submitted, the COVID-19 pandemic has had a profound impact upon development activity, the economy and society. In relation to the specific matter of housing delivery, this resulted in:
 - A hiatus in the construction industry followed by a return to work subject to social distancing guidelines. This has affected the rate at which developments might reasonably be anticipated to proceed;
 - A substantial economic impact which is likely to lead to a recession or downturn. This may affect mortgage availability and / or the saleability of new homes. This will potentially impact upon the rate at which sites are completed to meet market demand particularly in the short term; and
 - The postponement of resumed hearings into the Local Plan, originally scheduled to take place in March and April 2020. This means that any final decision by the Inspector upon the soundness of proposed housing allocations in the Plan has been deferred. This has implications, in particular, for the progress and delivery of sites currently within the Green Belt.
3. Since the lifting of the most stringent 'lockdown' restrictions, the Council has completed site visits in order to update housing monitoring figures as at the start of the new monitoring year on 1 April 2020. This paper updates and replaces relevant or equivalent parts of ED178 and the Council's Matter 22 statement.
4. This paper should be read alongside the Council's response to the Inspectors' letter of 8 July 2020 (the Inspectors' letter) which sets out the proposed approach to the objective assessment of housing need and the housing requirement. Further to the Inspectors' letter, the Inspector examining North Hertfordshire's Plan has asked that NHDC also set out any consequential proposed changes to the Plan's approach to housing delivery.
5. All references to 'the Plan' or 'the Local Plan' in this response are to the submitted Plan (LP1) as suggested to be altered by the Proposed Main Modifications issued in November 2018 unless otherwise stated. All references to the National Planning Policy Framework (NPPF) are to the 2012 version unless otherwise stated.

Updated housing monitoring and housing trajectory at 1 April 2020

6. A further **318** net additional homes were completed in the financial year 2019/20. This brings the total built since the start of the plan period in 2011 to **2,814**.

7. Taking into account the factors above, and new permissions granted during 2019/20, an updated housing trajectory has been produced. This is contained in Appendix A in both tabular and graph form, along with an updated 'components of supply' graph. This replicates the formats requested by the Inspector and presented in ED178 and the Council's Matter 22 statement.
8. The revised trajectory shows total potential delivery of **14,656** homes over the Plan period 2011-2031. This is similar to the total figure shown in ED178 (14,841).
9. The trajectory has been informed by informal discussion with representatives for a number of proposed sites in the Plan. Promoters for the largest, strategic sites generally retain an optimistic outlook. Their schemes remain reliant upon the progress of this plan and the subsequent submission and / or determination of planning applications. As such, substantive completions on these sites are not anticipated until the mid-2020s. This can be seen in the 'components of supply' graph referenced above. This provides time for a recovery from current social and economic conditions and it has not been deemed necessary to make substantive alterations to the previous assumptions for most of these sites. However, lower delivery has been assumed from the proposed north of Baldock site (Policy SP14) with a maximum delivery of 250 units per year in the period to 2031. It is now anticipated half the proposed site (1,400 units) might now be delivered within the plan period to 2031.
10. Other proposed allocations remain subject to 'live' applications or pre-application discussions with the Council. Representatives of these sites have indicated they still intend to quickly progress schemes once there is clarity in relation to the Local Plan. It is not considered necessary to make substantial alterations to the assumptions for these sites.
11. The Council's housing team maintains contact with many of the Registered Providers operating in the District. A core group remain keen to expand their portfolios and have active delivery programmes. This provides the potential to 'front load' delivery of affordable housing and ensure continuity of housing supply even if economic conditions do adversely impact upon the private housing market.
12. A maximum of 30 units have been allowed for on most sites where completions are anticipated during the 2020/21 monitoring year. This recognises the immediate impacts of the construction sector and housing market shutdowns during spring 2020 and ongoing social distancing requirements¹. All delivery rates were reviewed to ensure they broadly accord with the latest *Start to Finish* research by Lichfields² as well as with average completions recorded by volume housebuilders in their annual reports.

¹ Two wholly flatted developments which were well progressed prior to the shutdown are likely to complete by the end of 2020 delivering 47 and 71 units respectively. These are included in the anticipated completions for 2020/21 as a justified exception to this approach.

² <https://lichfields.uk/media/5779/start-to-finish-what-factors-affect-the-build-out-rates-of-large-scale-housing-sites.pdf>

13. A 15% non-implementation rate has been applied to extant planning permissions which have not yet commenced. This is considered appropriate as a matter of planning judgement in the current circumstances. The approach to windfalls remains as set out previously to the examination (see ED140) with the overall allowances for both large and small windfalls reduced proportionately to reflect that another year has passed. The delivery assumptions in the revised trajectory are therefore robust.

Progress upon sites proposed for allocation in the Local Plan

14. Table A of ED178 set out the planning status of proposed allocations in the Plan where permissions or resolutions had been granted. Since the information for that paper was prepared:

- Development has now been **completed** on sites BK1 and RY8;
- Development has **commenced** on sites LG14, LS1 and RY1;
- Outline planning permission has been granted for site RY10; and
- A hybrid application for site RY7 has a resolution to grant planning permission subject to completion of a legal agreement (after 1 April 2020).

15. Proposed site RY5 was deleted at the proposed Main Modifications stage as development had commenced, rendering the proposed site allocation obsolete (MM338). The Council recommends that a consistent approach is taken and the following proposed allocations and their accompanying notations on the policies map are now also deleted through Main Modifications:

- Policy BK1, Land off Cambridge Road, Barkway for 13 homes;
- Policy KB3, Chas Lowe site, London Road, Knebworth for 14 homes;
- Policy LG14, Site at Icknield Way, Letchworth Garden City for 8 homes;
- Policy LG17, Hamonte, Letchworth Garden City for 30 homes;
- Policy LS1, Land at Bedford Road, Lower Stondon for 120 homes;
- Policy RY1, Land west of Ivy Farm, Baldock Road Royston for 279 homes;
- Policy RY2, Land north of Newmarket Road, Royston for 330 homes;
- Policy RY8, Land at Lumen Road, Royston for 14 homes; and
- Policy WH1, Land between Horn Hill and Bendish Lane, Whitwell for 41 homes.

Implications of the revised housing trajectory for infrastructure delivery

16. The Council's Matter 22 statement included an assessment of infrastructure requirements based upon the January 2020 housing trajectory. Given the relatively modest alterations to the overall trajectory (see paragraph 8), any differences from the version previously submitted would be *de minimis* in nature.

Consideration of response to the Inspectors' letter in relation to proposed allocations

17. The response to the Inspectors' letter establishes that the housing requirement for North Hertfordshire's own needs should be amended to 11,600 homes in response to the

updated OAN figures. This consists of approximately 11,450 homes within the Stevenage Housing Market Area (HMA) and 150 homes within the Luton HMA (see paragraph 18 of the response to the Inspectors’ letter).

- 18. Notwithstanding this change, the Council does not wish to propose any further main modifications or other alterations to the proposed spatial strategy in the submitted Plan other than those suggested in Paragraph 15 above.
- 19. The Council has consistently sought to provide for its own housing needs as a priority. This principle has been applied across the District as a whole and also within the constituent parts of North Hertfordshire that fall within the Stevenage and Luton HMAs.
- 20. The revised trajectory suggests approximately 13,250 homes might now be delivered within the Plan period across the District to address North Hertfordshire’s own housing needs. This includes 100 homes from the proposed East of Luton allocations to ensure needs arising from that small part of North Hertfordshire within the Luton HMA are met in full.
- 21. The delivery of 13,250 homes for North Hertfordshire’s own needs would represent a buffer of approximately 14% over the revised housing requirement for the District of 11,600 homes. This information is summarised in the table below.

Housing delivery for North Hertfordshire’s needs (rounded figures)

	North Hertfordshire	Of which...	
		Within Stevenage HMA	Within Luton HMA
Requirement 2011-2031	11,600	11,450	150
Identified supply 2011-2031	13,250	13,100	150
Surplus / (shortfall)	+1,650	+1,650	0
Buffer	14%	14%	0%

- 22. The proposed East of Luton allocations have a total capacity of 2,100 homes (Policy SP19). As previously explained to the examination, this accommodates North Hertfordshire’s agreed share of the unmet need from Luton and contributes towards the District’s own identified housing needs within the Luton HMA. The revised trajectory currently assumes that approximately 1,500 homes might be delivered from the East of Luton sites by 2031. This reflects the delays in the examination process and the time required for delivery to commence on this strategic site once the examination’s outcomes are known.
- 23. As set out above, 100 of the homes to be provided East of Luton are required to meet North Hertfordshire’s own needs arising within the Luton HMA. This would leave a balance of 1,400 homes that are presently anticipated to be delivered by 2031 to address Luton’s unmet housing needs.

24. Adding these elements together provides an overall housing requirement for the Plan of 13,000 homes over period 2011-2031. The total anticipated delivery of approximately 14,650 homes provides an overall buffer of 13% over this requirement:

Housing requirement for North Hertfordshire 2011-2031:	11,600
Delivery for Luton’s unmet needs 2011-2031:	1,400
Total housing requirement 2011-2031:	13,000
<hr/>	
Delivery for North Hertfordshire’s needs 2011-2031:	13,250
Delivery for Luton’s unmet needs 2011-2031:	1,400
Total anticipated housing delivery 2011-2031:	14,650

25. NHDC have previously explained to the examination that the buffer is an ‘output’ of the site selection and allocation process and housing delivery assumptions. There has never been a policy decision to pursue a buffer of any particular percentage or size (ED140, p.16, paragraphs 78 and 79).

26. The submitted Plan included a buffer of approximately 6% (NHDC Matter 4 Statement, paragraph 6). As the examination progressed this figure was revised to 7% (NHDC Matter 4 statement, paragraph 7), 4% (ED140, p.16, paragraph 76) and most recently back to 6% (ED178).

27. In the current economic circumstances, and given the further delays in being able to progress delivery of sites presently in the Green Belt, it is considered the increased 13% buffer is a robust response as a matter of planning judgement. It ensures flexibility. It provides greater certainty that the adjusted housing requirement will be met. It also provides greater surety that the Plan will continue to demonstrate a five-year housing land supply over its lifetime and that the requirements of the Housing Delivery Test will also be met (see below).

28. At the time of writing the full extent of the short-, medium- and long-term impacts of the COVID-19 pandemic upon the development industry and the housing market are unknown due to their unprecedented nature. The figures presented are best estimate based upon robust data sources and, where appropriate, informal liaison with site owners and promoters. Social and economic impacts may ultimately prove more severe than anticipated, adversely impacting upon the assumptions made at this point. Equally, economic recovery may take hold more quickly. Notwithstanding this point, the Council retains its ambition – set out in ED178 – to accelerate delivery on key strategic sites where possible and any demonstrable uplifts will be factored into the proposed early review of the Plan.

29. Previous evidence, including ED178, has outlined the difficulties in achieving and maintaining a five-year supply in North Hertfordshire. This is exacerbated by the backlog

that has accrued since the start of the Plan period in 2011. It is therefore prudent to provide an element of choice and flexibility. Constraining allocations too closely to the revised requirement would result in a failure to meet five-year land supply and / or Housing Delivery Test requirements. This is a significant risk and this approach is not recommended.

30. It is anticipated that delivery on several of the proposed strategic sites will now continue beyond 2031. Any future review of this Plan will, under current Government guidance, need to have regard to the Standard Method for calculating housing need as set out in NPPF2 and associated practice guidance. It is clear from the indicative standard method figures in ED171 that housing need in North Hertfordshire and across the whole of the Stevenage and Luton HMAs will continue to be an acute issue in any plan review. Releasing these sites from the Green Belt now will, in addition to making a major contribution to the revised housing requirement, provide greater surety of supply when future plan reviews are undertaken.
31. Continuing to identify the proposed North of Baldock and East of Luton allocations in full, along with those other strategic sites where some delivery is now anticipated to occur beyond 2031, allows for any future schemes to be considered holistically, provides certainty for future plan reviews and reduces the risk of further Green Belt alterations being required at the end of the Plan period, consistent with NPPF Paragraphs 83 and 85.
32. The example of *Guildford* demonstrates that Councils can lawfully propose a substantive buffer over and above the housing requirement³. This case similarly demonstrates that providing choice and flexibility over and above the housing requirement can be a contributory factor to the 'exceptional circumstances' required to release land from the Green Belt. The 13% buffer proposed by NHDC, when considered against the revised housing requirement for the District, is substantially smaller than that proposed by Guildford (approximately 40% over the housing requirement) but many of the principles in that case are equally applicable here.

Implications for five-year housing land supply and the approach to delivering the housing requirement

33. It is a key requirement of national policy that the Plan establishes a five-year housing land supply. The Council is mindful that, once adopted, performance against the housing requirements will be judged using the tests of deliverability in NPPF2 as well as the Housing Delivery Test.
34. To date, the Council has proposed a 'stepped' approach to meeting the housing requirement and use of the *Liverpool* method in calculating five-year supply. This spreads any backlog in delivery across the remainder of the Plan period.

³ Compton Parish Council & Ors v Guildford Borough Council & Anor [2019] EWHC 3242 (Admin) (04 December 2019), <https://www.bailii.org/ew/cases/EWHC/Admin/2019/3242.html>, accessed July 2020

35. These approaches are recommended only where Councils cannot deliver a more immediate response. In light of the reduced OAHN, the Council has considered whether a flat target and / or the *Sedgefield* method of calculating five-year supply might now be a realistic option. The detailed figures and reasoning underpinning this commentary are provided in Appendices B and C.

36. As with ED178, a range of scenarios have been considered. Notwithstanding the proposed reduction in the housing requirement to 13,000 homes, it remains the case that delivery since 2011 has fallen below the annualised rate of 650 homes per year every year since 2011.

37. On a flat trajectory, there would be an accrued backlog of more than 3,000 homes at 1 April 2020. A *Sedgefield* approach would require this to be addressed in full within the next five years with an additional 20% buffer reflecting the persistent under-delivery of new homes. Together, these measures lead to a five-year requirement of more than 7,500 homes. Even in supportive economic conditions, sustained delivery of more than 1,500 homes per year over a five-year period (or longer) is not considered credible.

38. The amount of development now anticipated in the five-year periods from 1 April 2019 and 1 April 2020 has reduced by approximately 300 homes compared to the figures set out in the Council’s Matter 22 statement, as shown in the table below.

Base date	Anticipated supply in five-year period	
	ED178	Updated trajectory
1 April 2019	3,359	3,027
1 April 2020	4,425	4,146

39. For the reasons set out in ED178, any suspension of the examination to consider alternate or additional sites is not a viable option. It is therefore necessary to construct the housing delivery requirements of the Plan in a way which reflect the anticipated delivery trajectory.

40. The Council’s proposed approach broadly reflects that set out in ED178. Minor adjustments are proposed to reflect current circumstances and the reduced housing requirement:

- The Council continues to propose a three-stepped approach to housing delivery utilising the *Liverpool* approach to backlog as the only achievable way forward:
- Step 1 would continue to set a target of 350 homes from 2011 with this target now running until 2020 rather than 2019. The reasons for this are as per ED178;
- Step 2 would set the same target of 500 homes, but for the next four years from 2020 (rather than five years from 2019 in ED178); while

- Step 3 would set a slightly lower target of 1,120 homes per year (vs. 1,250 in ED178) to deliver the balance of the overall requirement of 13,000 by 2031⁴.

41. As per ED178, this approach would represent a step-change to housing delivery in the next five-years and enable demonstration of a five-year supply with a 20% buffer and a reasonable 'margin of error' in the current circumstances. Based upon the anticipated delivery in the trajectory, the Council would continue to be able to demonstrate a five-year supply in future years pending the proposed early review. It would also maintain delivery above the Housing Delivery Test's 75% threshold, below which the 'presumption in favour of sustainable development' applies.

Implications of the revised housing trajectory for relevant policies and supporting text

42. Given that these matters remain to be examined, detailed proposed modifications have not been presented at this stage. However, the approaches set out in this paper are likely to require (further) modifications to:
- Policy SP8 and its supporting text;
 - Policies SP14, SP15, SP16 & SP19 and their supporting text insofar as it relates to the amount of development now anticipated to be delivered on these proposed strategic sites by 2031;
 - The proposed local housing allocations and housing figures presented by individual settlement in Chapter 13; and
 - Chapter 14 in relation to monitoring arrangements and the housing trajectory

Conclusion

43. The Council has updated its housing trajectory to reflect the updated OAHN, the latest monitoring as at 1 April 2020 and the anticipated impacts of COVID-19 on future housing delivery. For the reasons set out in this paper, the Council recommends that all of the proposed allocations in the Plan are retained and that the revised housing requirement and supply trajectory is adopted.
44. This would necessitate further modifications to those previously consulted upon and / or suggested to the examination. These can be drafted once these matters have been considered at examination by the Inspector.
45. The Council requests that, on the basis of the written material submitted to date or following the resumed hearings, the Inspector provides a clear indication as to which (if any) of the proposed allocations he may be minded to find 'unsound' and remove from the Plan or otherwise alter along with any further adjustments to the housing requirement in response to the demographic evidence presented.
46. This will enable relevant modifications relating to the housing requirement and housing delivery to be appropriately and accurately drafted. This approach would also allow

⁴ The stepped figures sum to a total requirement of 12,990 over the period 2011-2031 as each step is rounded to the nearest ten units.

decision-makers to correctly apply weight to the emerging Plan in line with Paragraph 48 of 'NPPF2', particularly where any scheme places reliance upon its emerging policy status. This is particularly important as, until such time as the Plan progresses, the Council can presently only demonstrate a 2.2-year land supply for decision-making purposes. This reflects the fact that proposed allocations in an emerging Plan fall outside the examples of deliverable sites contained in Annex 2 of NPPF2 and their inclusion may be difficult to justify in a planning decision or Section 78 planning appeal.

Appendix A: Revised housing trajectory as at 1 April 2020

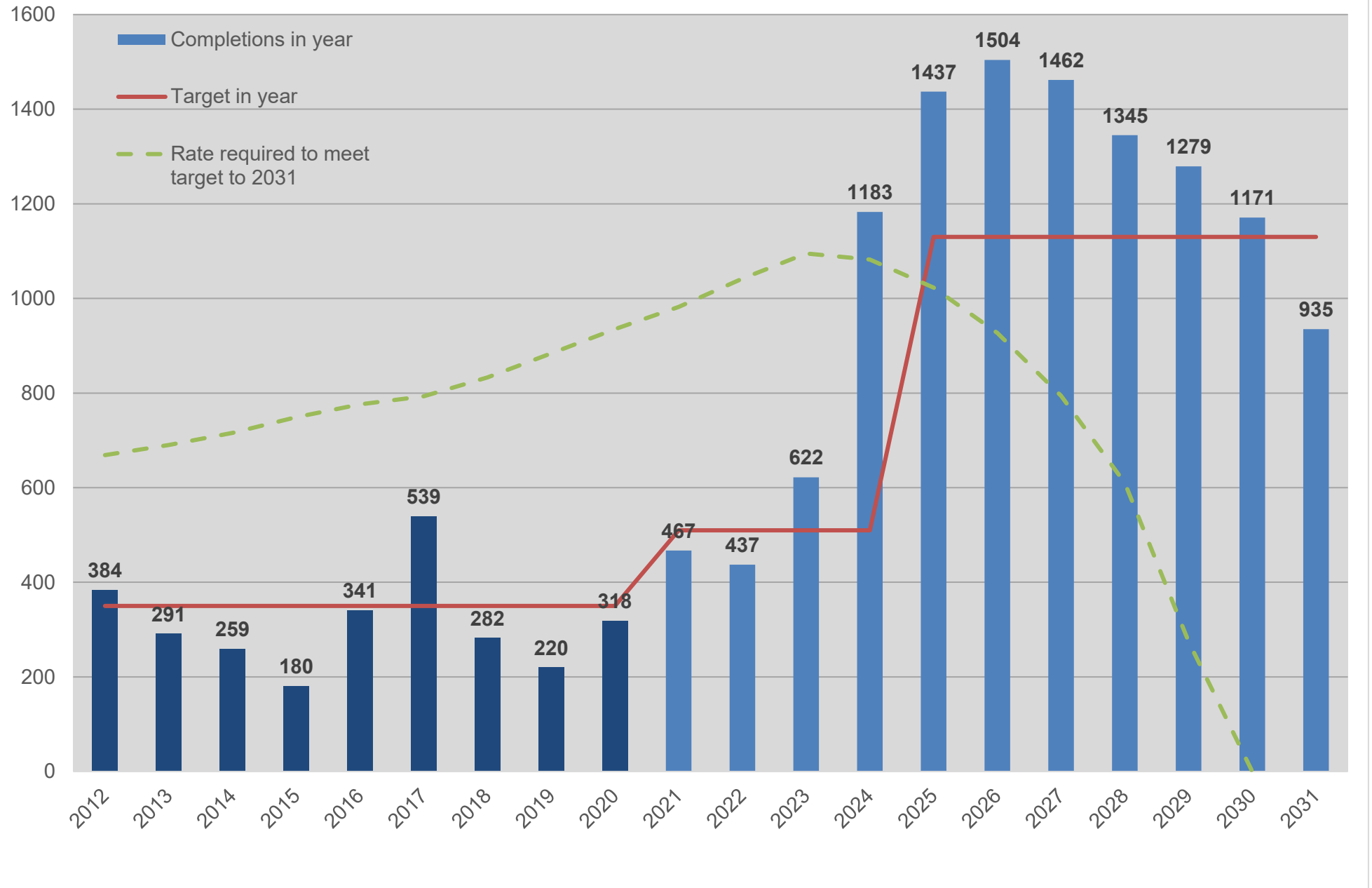
Monitoring period (1 April to 31 March)	Current delivery assumptions (July 2020)	Previous delivery assumptions			
		ED178 (Dec 2019)	ED140 (Apr 2018)	ED3 (Jul 2017)	LP1 (Oct 2016)
2011-12	384	384	384	384	384
2012-13	291	291	291	291	291
2013-14	259	259	259	259	259
2014-15	180	180	180	180	180
2015-16	341	341	341	341	341
2016-17	539	539	539	539	413
2017-18	282	282	339	339	448
2018-19	220	220	367	433	608
2019-20	318	401	617	926	936
2020-21	467	494	1,384	1,361	1,329
2021-22	437	474	1,541	1,353	1,362
2022-23	622	780	1,443	1,361	1,280
2023-24	1,183	1,205	1,417	1,257	1,229
2024-25	1,437	1,468	1,280	1,270	1,236
2025-26	1,504	1,420	1,160	1,329	1,265
2026-27	1,462	1,378	1,051	1,151	1,213
2027-28	1,345	1,349	1,000	1,107	1,164
2028-29	1,279	1,299	983	1,123	1,058
2029-30	1,171	1,102	998	1,073	997
2030-31	935	975	955	984	909
Total 2011-2031	14,656	14,841	16,529	17,061	16,902

Actual / known completions shown in bold

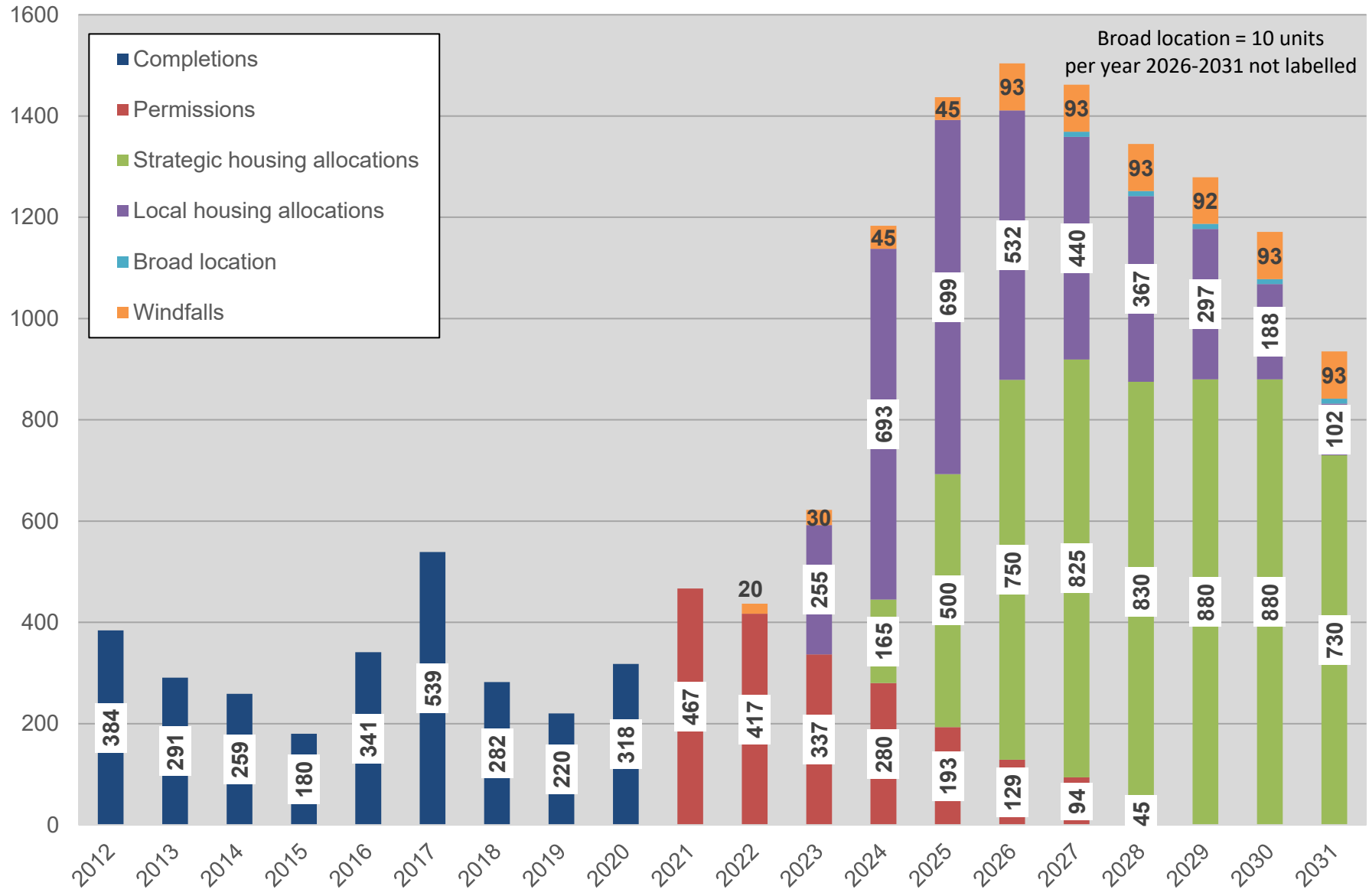
Revised proposed Housing Trajectory - base date 1 April 2020

Plan ref	Address	Town / parish	Area (ha)	Homes	Monitoring year (1 April - 31 March)																			Total to 2031	Beyond 2031																		
					2011 2012	2012 2013	2013 2014	2014 2015	2015 2016	2016 2017	2017 2018	2018 2019	2019 2020	2020 2021	2021 2022	2022 2023	2023 2024	2024 2025	2025 2026	2026 2027	2027 2028	2028 2029	2029 2030			2030 2031																	
Completions 1 April 2011 - 31 March 2020																								2814																			
Permissions at 1 April 2020																								384	291	259	180	341	539	282	220	318										2,814	
RY10	Land south of Newmarket Road	Royston		325												20	50	55	55	50	50	45													325								
RY1	Land west of Royston and north of Baldock Road	Royston		279												20	55	55	60	55	34														279								
LS1	Land at Ramerick	Lower Stondon (Ickleford)		144												30	50	50	14																144								
RY2	Land East Of Garden Walk And North Of Newmarket Road	Royston		139														5	45	45	44														139								
RY2	Land East Of Garden Walk And North Of Newmarket Road	Royston		108													26	42	40																108								
RY2	Land East Of Garden Walk And North Of Newmarket Road	Royston		49												30	19																		49								
LG17	Land Adjacent To Elm Tree Farm,	Pirton		41												25	16																		41								
LG17	Land at Hamonte	Letchworth		71												71																			71								
LG17	Oddysey Health Club	Knebworth		70														23	24	23																70							
LG9	Garden Square Shopping Centre, Leys Avenue	Letchworth		47												47																			47								
LG9	Site Of Former Lannock Primary School	Letchworth		44														13	18	13																44							
WH2	Land south of Bendish Lane	Whitwell		41												21	20																		41								
RY4 (part)	Land north of Lindsay Close	Royston		39													12	15	12																	39							
AS1	Land Rear Of 4-14, Claybush Road	Ashwell		30														9	12	9																30							
	Hitchin Cricket Ground, Lucas Lane	Hitchin		3												3																			3								
	Land On The North East Side Of Priors Hill	Pirton		23												12	11																			23							
	65 Bury Mead Road	Hitchin		21													6	9	6																	21							
	Dorchester House, Station Parade	Letchworth		18												7	6	3	2																	18							
	Blackett Ord Court, Stamford Avenue	Royston		17												7	6	3	1																	17							
	Land South Of 1A Lower Gower Road	Royston		16												6	6	2	2																	16							
	Block B, Latchmore Court	Hitchin		13												5	5	2	1																	13							
	Legion House, Paynes Park	Hitchin		12												5	4	2	1																	12							
	St Michaels House, Norton Way South	Letchworth		12												5	4	2	1																	12							
	Station House, Station Approach	Knebworth		10												4	4	2	0																	10							
	The Station, Station Approach	Knebworth		10												4	4	2	0																	10							
	Hamilton Billiards, Park Lane	Knebworth		10												4	4	2	0																	10							
	Roysia House	Royston		10												4	4	2	0																	10							
	Small sites (<10 unit) - Baldock	Baldock		34												14	12	5	3																	34							
	Small sites (<10 unit) - Hitchin	Hitchin		105												42	37	16	10																	105							
	Small sites (<10 unit) - Letchworth	Letchworth		50												20	18	8	4																	50							
	Small sites (<10 unit) - Royston	Royston		50												20	18	8	4																	50							
	Small sites (<10 unit) - Villages	Unspecified		234												94	82	35	23																	234							
	Non implementation			-113												-33	-32	-23	-18																		-113						
Proposed local plan sites																																											
AS1	Land west of Claybush Road	Ashwell	1.7	0	Permission granted prior to 1 April 2020. Included in supply figures above to prevent double counting																																						
BA1	North of Baldock	Baldock	142.4	2800																	100	150	200	200	250	250	250	1,400	1,400														
BA2	Land off Clothall Road (Clothall parish)	Baldock	6.8	200															45	35	30	30	30	30									200										
BA3	South of Clothall Common (Clothall parish)	Baldock	13.3	245																	25	40	60	60	60	60									245								
BA4	East of Clothall Common	Baldock	3.9	50																	25	25													50								
BA5	Land off Yeomanry Drive	Baldock	0.7	25																	12	13													25								
BA6	Land at Icknield Way	Baldock	0.5	0	Permission granted prior to 1 April 2020. Included in supply figures above to prevent double counting																																						
BA7	Rear of Clare Crescent	Baldock	1.0	20																	10	10			0								20										
BA11	Deans Yard, South Road	Baldock	0.3	20																															20								
BK1	Land off Cambridge Road	Barkway	0.7	0	Permission granted prior to 1 April 2020. Included in supply figures above to prevent double counting; Allocation proposed for deletion																																						
BK2	Land off Windmill Close	Barkway	1.2	20																	10	10													20								
BK3	Land between Cambridge Road & Royston Road	Barkway	7.8	140																	35	35	35	35									140										
CD1	Land south of Cowards Lane	Codicote	3.6	73																	25	25	23									73											
CD2	Codicote Garden Centre, High Street (south)	Codicote	2.7	54																	24	30												54									
CD3	Land north east of The Close	Codicote	2.4	48																	s	24	24									48											
CD5	Land south of Heath Lane	Codicote	11.2	140																	35	35	35	35									140										
GR1	Land at Milksey Lane (north)	Graveley	1.9	8																	8													8									
HT1	Higover Farm, Stotfold Road	Hitchin	38.9	700																	100	100	100	100	100	100	100	100	100	100			700										
HT2	Land north of Pound Farm, London Road (St Ippolyts parish)	Hitchin	3.4	84																	28	28	28									84											
HT3	Land south of Oughtonhead Lane	Hitchin	1.9	46																		23	23									46											
HT5	Land at junction of Grays Lane & Lucas Lane	Hitchin	0.6	16																		16												16									
HT6	Land at junction of Grays Lane and Crow Furlong	Hitchin	2.1	53																	30	23												53									
HT8	Industrial area, Cooks Way	Hitchin	0.7	12																													12										
HT10	Former B&Q	Hitchin	0.7	60																														60									
IC1	Land off Duncots Close	ickleford	0.4	9																											9		9										
IC2	Burford Grange, Bedford Road	ickleford	2.4	40																		20	20									40											
IC3	Land at Bedford Road	ickleford	9.6	150																		50	50	50									150										
KM3	Land north of High Street	Kimpton	0.7	13																													13										
KW1	Allotments west of The Heath, Breachwood Green	King's Walden	0.8	16																													16										
KB1	Land at Deards End	Knebworth	12.1	200																		40	40	40	40	40	40																

Plan ref	Address	Town / parish	Area (ha)	Homes	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total to	Beyond		
					2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2031	2031	2031	2031
LG18	Former Depot, Icknield Way	Letchworth	0.9	55													30	25								55		
LS1	Land at Ramerick	Lower Stondon (Ickleford)	7.1	0	Permission granted prior to 1 April 2020. Included in supply figures above to prevent double counting; Allocation proposed for deletion																							
EL1	Luton East (west)	Luton (adjoining)	69.3	1050													65	130	130	130	100	100	100	100		855	195	
EL2	Luton East (east)	Luton (adjoining)	15.1	350																	35	35	35	35		140	210	
EL3	Land north east of Luton	Luton (adjoining)	33.8	700														70	70	70	70	70	70	70		490	210	
PR1	Land east of Butchers Lane	Preston	1.1	21																		21				21		
RD1	Land at Blacksmiths Lane	Reed	1.1	22																				22		22		
RY1	Land west of Ivy Farm, Baldock	Royston	15.5	0	Permission granted prior to 1 April 2020. Included in supply figures above to prevent double counting; Allocation proposed for deletion																							
RY2	Land north of Newmarket Road	Royston		0	Permission granted prior to 1 April 2020. Included in supply figures above to prevent double counting; Allocation proposed for deletion																							
RY4	Land north of Lindsay Close	Royston	4.3	61																		21	20	20		61		
RY7	Anglian Business Park, Orchard Road	Royston	1.2	60												20	20	20								60		
RY8	Land at Lumen Road	Royston	0.3	0	Permission granted prior to 1 April 2020. Included in supply figures above to prevent double counting; Allocation proposed for deletion																							
RY10	Land south of Newmarket Road	Royston	14.3	0	Permission granted prior to 1 April 2020. Included in supply figures above to prevent double counting																							
RY11	Land at Barkway Road	Royston	0.9	18																			9	9		18		
SI1	Land south of Waterdell Lane (north)	St Ippolyts	2.9	40														20	20							40		
SI2	Land south of Stevenage Road	St Ippolyts	1.2	12												12										12		
WH2	Land between Horn Hill and Bendish Lane, Whitwell	St Paul's Walden	5.9	0	Permission granted prior to 1 April 2020. Included in supply figures above to prevent double counting; Allocation proposed for deletion																							
GA1	Stevenage North East (Roundwood)	Stevenage (adjoining)	10.8	330												30	60	60	60	60	60					330		
GA2	Land off Mendip Way, Great Ashby	Stevenage (adjoining)	49.1	600													50	100	100	100	100	100	100	50		600		
NS1	Stevenage North	Stevenage (adjoining)	43.2	900													50	100	125	125	125	125	125	125		775	125	
TH1	Police Row (east)	Therfield	1.3	12																		12				12		
WE1	Land off Hitchin Road	Weston	2.1	40												25	15									40		
WY1	Land south of Little Wymondley	Wymondley	14.3	300														50	50	50	50	50	50			300		
Broad locations and windfalls																												
	Broad locations (1) - Letchworth Town Centre	Letchworth		50																10	10	10	10	10		50		
	Windfalls (1) - small sites	Unspecified		440										20	30	45	45	50	50	50	50	50	50	50		440		
	Windfalls (2) - large sites	Unspecified		257														43	43	43	42	43	43	43		257		
	Total		671.15	17096	384	291	259	180	341	539	282	220	318	467	437	622	1,183	1,437	1,504	1,462	1,345	1,279	1,171	935	14,656			
	<i>Cumulative total since 2011</i>				384	675	934	1,114	1,455	1,994	2,276	2,496	2,814	3,281	3,718	4,340	5,523	6,960	8,464	9,926	11,271	12,550	13,721	14,656				



Housing trajectory: Components of housing supply 2011-2031



Appendix B: Consideration of five-year supply scenarios

Approach considered		Commentary based upon revised trajectory
Housing requirement	Trajectory	
Amended requirement of 13,000 homes to reflect 2018-based OAN for NHDC and unmet needs from Luton	Non-stepped approach (650 homes per year 2011-2031)	No prospect of demonstrating a five-year supply under <i>Sedgefield</i> approach until 2025 at the earliest. Measure of 2.7 years at 1 April 2020. <i>Liverpool</i> identifies potential supply of 5.0 years at 2022 but not at point of examination / adoption.
	Two-Stepped approach broadly based upon IMR 1 (400 homes per year 2011-2021; 900 homes per year 2021-2031)	<i>Sedgefield</i> does not demonstrate five-year supply until 2024 with measure of 3.6 years at 1 April 2020. <i>Liverpool</i> as above with 4.0 year supply at 1 April 2020.
	Three-stepped approach (350 homes per year 2011-2020; 500 homes per year 2020-2024; 1,120 homes per year 2024-2031)	This approach would set a target of 350 homes per year for the period to 31 March 2020 broadly reflecting actual delivery. The remaining plan period would be split. A target of 500 homes per year would apply for the next four five years, increasing to 1,120 for the remainder of the Plan period. This option provides the only realistic prospect of demonstrating a robust five-year supply at the point of assessment / adoption with a 5.3 year supply under the <i>Liverpool</i> approach at 1 April 2020. Five-year supply would hold at between 5.2 years and 5.6 years until 2024. Housing Delivery Test results would not fall below threshold of 75% in NPPF2.

Appendix C: Five-year supply and indicative Housing Delivery Test calculations

(Actual figures at 1 April 2020. Subsequent years assume housing delivery as per App. A)

Scenario 1:

Housing requirement: 13,000; Non-stepped approach (650 homes per year 2011-2031)

	Five-year supply (Sedgefield)	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024
A	Cumulative completions since 1 April 2011	2,814	3,281	3,718	4,340	5,523
B	Cumulative target since 1 April 2011	5,850	6,500	7,150	7,800	8,450
C	Shortfall against target as at 1 April (A – C)	-3,036	-3,219	-3,432	-3,460	-2,927
D	Target for next five years	3,250	3,250	3,250	3,250	3,250
E	Shortfall to be addressed in five year period (Sedgefield method) (-C)	3,036	3,219	3,432	3,460	2,927
F	Buffer to be applied	+20%	+20%	+20%	+20%	+20%
G	Total five year requirement (D + E) * F	7,543	7,763	8,018	8,052	7,412
H	Projected delivery in five-year period	4,146	5,183	6,208	6,931	7,027
I	Years land supply (H / G) * 5	2.7	3.3	3.9	4.3	4.7

	Five-year supply (Liverpool)	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024
A	Cumulative completions since 1 April 2011	2,814	3,281	3,718	4,340	5,523
B	Cumulative target since 1 April 2011	5,850	6,500	7,150	7,800	8,450
C	Shortfall against target as at 1 April	-3,036	-3,219	-3,432	-3,460	-2,927
D	Target for next five years	3,250	3,250	3,250	3,250	3,250
E	Shortfall to be addressed in five year period (Liverpool method) (-C annualised * 5)	1,380	1,610	1,907	2,163	2,091
F	Buffer to be applied	+20%	+20%	+20%	+20%	+20%
G	Total five year requirement (D + E) * F	5,556	5,831	6,188	6,495	6,409
H	Projected delivery in five-year period	4,146	5,183	6,208	6,931	7,027
I	Years land supply (H / G) * 5	3.7	4.4	5.0	5.3	5.5

Scenario 2:

Housing requirement: 13,000

Two-stepped approach based upon IMR1 (400 homes per year 2011-2021; 900 homes per year 2021-2031)

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	Five-year supply (Sedgefield)	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024
A	Cumulative completions since 1 April 2011	2,814	3,281	3,718	4,340	5,523
B	Cumulative target since 1 April 2011	3,600	4,000	4,900	5,800	6,700
C	Shortfall against target as at 1 April (A – C)	-786	-719	-1,182	-1,460	-1,177
D	Target for next five years	3,500	4,000	4,500	4,500	4,500
E	Shortfall to be addressed in five year period (Sedgefield method) (-C)	786	719	1,182	1,460	1,177
F	Buffer to be applied	+20%	+20%	+20%	+20%	+20%
G	Total five year requirement (D + E) * F	5,743	6,263	6,818	7,152	6,812
H	Projected delivery in five-year period	4,146	5,183	6,208	6,931	7,027
I	Years land supply (H / G) * 5	3.6	4.1	4.6	4.8	5.2

	Five-year supply (Liverpool)	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024
A	Cumulative completions since 1 April 2011	2,814	3,281	3,718	4,340	5,523
B	Cumulative target since 1 April 2011	3,600	4,000	4,900	5,800	6,700
C	Shortfall against target as at 1 April	-786	-719	-1,182	-1,460	-1,177
D	Target for next five years	3,500	4,000	4,500	4,500	4,500
E	Shortfall to be addressed in five year period (Liverpool method) (-C annualised * 5)	357	360	657	913	841
F	Buffer to be applied	+20%	+20%	+20%	+20%	+20%
G	Total five year requirement (D + E) * F	5,229	5,831	6,188	6,495	6,409
H	Projected delivery in five-year period	4,146	5,183	6,208	6,931	7,027
I	Years land supply (H / G) * 5	4.0	4.4	5.0	5.3	5.5

Scenario 3:

Housing requirement: 13,000

Three-stepped approach (350 homes per year 2011-2020; 500 homes per year 2020-2024; 1,120 homes per year 2024-2031)

	Five-year supply (Sedgefield)	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024
A	Cumulative completions since 1 April 2011	2,814	3,281	3,718	4,340	5,523
B	Cumulative target since 1 April 2011	3,150	3,650	4,150	4,650	5,150
C	Shortfall against target as at 1 April (A – C)	-336	-369	-432	-310	+373
D	Target for next five years	3,120	3,740	4,360	4,980	5,600
E	Shortfall to be addressed in five year period (Sedgefield method) (-C)	336	369	432	310	n/a
F	Buffer to be applied	+20%	+20%	+20%	+20%	+20%
G	Total five year requirement (D + E) * F	4,147	4,931	5,750	6,348	6,720
H	Projected delivery in five-year period	4,146	5,183	6,208	6,931	7,027
I	Years land supply (H / G) * 5	5.00	5.26	5.40	5.46	5.23

	Five-year supply (Liverpool) RECOMMENDED APPROACH	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024
A	Cumulative completions since 1 April 2011	2,814	3,281	3,718	4,340	5,523
B	Cumulative target since 1 April 2011	3,150	3,650	4,150	4,650	5,150
C	Shortfall against target as at 1 April	-336	-369	-432	-310	+373
D	Target for next five years	3,120	3,740	4,360	4,980	5,600
E	Shortfall to be addressed in five year period (Liverpool method) (-C annualised * 5)	153	185	240	194	n/a
F	Buffer to be applied	+20%	+20%	+20%	+20%	+20%
G	Total five year requirement (D + E) * F	3927	4709	5520	6209	6720
H	Projected delivery in five-year period	4,146	5,183	6,208	6,931	7,027
I	Years land supply (H / G) * 5	5.28	5.50	5.62	5.58	5.23

Indicative Housing Delivery Test results

Scenario		1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024
	Completions in three years to...	820	1,005	1,222	1,526	2,242
1	Requirement over three years to...	1,950	1,950	1,950	1,950	1,950
	Housing Delivery Test %	42%	52%	63%	78%	115%
2	Requirement over three years to...	1,200	1,200	1,700	2,200	2,700
	Housing Delivery Test %	68%	84%	72%	69%	83%
3	Requirement over three years to...	1,050	1,200	1,350	1,500	1,500
	Housing Delivery Test %	78%	84%	91%	102%	149%