

Matter 2 – Housing Growth and Spatial Strategy

Issue 2 – The Housing Requirement

16. In response to the Inspectors' Initial Questions, the Council states that a stepped housing requirement is justified to allow sufficient time for the significant uplift in housing delivery to be realistically delivered. The stepped requirement is proposed as 485 dwellings per annum for the first 5 years post adoption of the Plan, rising to 1,255 dwellings per annum in years 6-10.

Q1 What is the justification for a) the level of housing proposed in the first 5 years post adoption, and b) the significant uplift from 485 to 1,255 dwellings per annum thereafter? Are the figures justified?

What is the justification for a) the level of housing proposed in the first 5 years post adoption, and b) the significant uplift from 485 to 1,255 dwellings per annum thereafter?

- 1.1 The Council considers that the level of housing proposed in the first 5 years post adoption (a stepped annual housing requirement of 485 net dwellings per annum) from 2026/27 to 2030/31 is justified. As previously stated in SADC/ED34 SADC Response to Inspectors' Questions 13 – 14, the Council considers that the stepped housing trajectory is realistic and based on recent evidence of build out rates for housing sites. The approach to build out rates has generally been informed by the methodology in the Lichfields 'Start to Finish (third edition)' 2024 report¹. The Council set out its justification for the level of housing proposed in the first 5 years post adoption in paragraph 13.5 of SADC/ED34:

13.5 The relatively lower housing requirement of 485 net dwellings per annum in years 1-5 (post adoption) of the plan period from 2026/27 to 2030/31 corresponds with the relatively lower level of housing land supply in this period. The supply in years 1-5 (post adoption) is sourced primarily from existing planning permissions (annual average of 198 net dwellings per annum including -8% lapse assumption) and the annual windfall allowance of 145 net dwellings per annum. In addition, some of the small to medium sized site allocations and Hemel Garden Communities site allocations are estimated to be delivered in years 4-5 (post adoption) from 2029/30 to 2030/31. Evidence from the 'Start to Finish 3' report demonstrates that small to medium sized sites (including planning permissions, windfall and some site allocations) can deliver housing earlier in the plan period at a lower rate.

- 1.2 The stepped annual housing requirement of 485 net dwellings per annum in the first 5 years post adoption follows national policy in the NPPF December 2023. Paragraph 69 of the NPPF December 2023 requires planning policies to identify a supply of specific, deliverable sites for five years following the intended date of adoption. The total housing land supply in years 1 to 5 (post adoption) includes a

¹ Start to Finish (third edition), Lichfields (March 2024) <https://lichfields.uk/content/insights/start-to-finish-3>

20% buffer brought forward from years 6 to 15 (post adoption), as required in paragraph 77 of the NPPF December 2023. This is because there has been significant under delivery of housing (below 85% of the housing requirement) in the district over the previous three years (2019/20 to 2021/22), as measured against the Housing Delivery Test 2022 measurement (published December 2023). The total housing land supply of 2,941 net dwellings in years 1 to 5 (post adoption) meets the total stepped annual housing requirement of 2,425 net dwellings (plus a 20% buffer of 485 net dwellings) for this period.

- 1.3 It is important to bear in mind that this stepped requirement is a minimum figure. In addition, recent changes to the NPPF and PPG by the national government indicate that delivery in the first 5 years post adoption could be higher than the housing trajectory in the submitted Local Plan. The Council looks forward to working with the Inspectors to update the housing trajectory as appropriate as the Examination progresses.

Are the figures justified?

- 1.4 The Council considers that the significant uplift in the stepped annual housing requirement from 485 net dwellings per annum in years 1 to 5 (post adoption) to 1,255 net dwellings per annum in years 6 to 10 (post adoption) is justified. As previously stated, the stepped requirement and uplift in the housing trajectory is realistic and based on recent evidence of build out rates for housing sites, corresponding with housing delivery data from the Lichfield 'Start to Finish 3' report. The report concluded that smaller housing sites have shorter lead in times (the planning and delivery stages before housing is completed) and lower build out rates, whereas larger housing sites have longer lead in times and higher build out rates. The Council's justification for the level of housing proposed in years 6 to 10 (post adoption) from 2031/32 to 2035/36 is set out in paragraph 13.6 of SADC/ED34:

13.6 The relatively higher housing requirement of 1,255 net dwellings per annum in years 6-10 (post adoption) of the plan period from 2031/32 to 2035/36 corresponds with the relatively higher level of housing land supply in this period. The supply in years 6-10 (post adoption) is sourced primarily from larger, strategic scale site allocations including Hemel Garden Communities, Broad Locations and Large Sites (annual average of 1,033 net dwellings per annum). It also comprises the annual windfall allowance of 145 net dwellings per annum and existing planning permissions (annual average of 78 net dwellings per annum including -8% lapse assumption). Evidence from the 'Start to Finish 3' report demonstrates that larger sized sites (including planning permissions, windfall and strategic scale site allocations) can deliver housing in phases relatively later in the plan period at a higher rate.

- 1.5 Further details of the estimated annual build out rates of site allocations included in the housing trajectory are set out in HOU 01.01 SADC Housing Land Supply, Windfall & Capacity Evidence Paper Housing Trajectory Addendum (2024).

Q2 In response to the Inspectors' Initial Questions, the Council suggests that Policy SP3 should be modified to include a stepped requirement. Is this necessary for soundness, and if so, what should the housing requirement be?

- 2.1 Yes, the Council considers that it is necessary for soundness for Strategic Policy SP3 – Land and the Green Belt to be modified to include a stepped requirement. The Council set out what the stepped housing requirements in Strategic Policy SP3 should be in paragraph 3.1 of SADC/ED34:

3.1 On reflection, SADC agrees that to be more effective, the stepped trajectory should be reflected in Strategic Policy SP3. A suggested main modification of Policy SP3 would be:

Amend first paragraph of Policy SP3 as follows:

*The minimum number of homes needed in the District, following a local housing need assessment conducted using the Government's required Standard Methodology – is **885** dwellings per year, or a total need of **14,603** to 2041. This housing need figure is the same as the housing requirement figure of **885** dwellings per year, or a total need of **14,603 in the period 1 October 2024 to 31 March 2041 to be delivered as follows:***

- a) Estimated Completions (2024/25 to 2025/26): **778** net dwellings at an average of 389 net dwellings per annum*
 - b) Years 1-5 (post adoption) (2026/27 to 2030/31): **2,425** net dwellings at an average of 485 net dwellings per annum*
 - c) Years 6-10 (post adoption) (2031/32 to 2035/36): **6,275** net dwellings at an average of 1,255 net dwellings per annum*
 - d) Years 11-15 (post adoption) (2036/37 to 2040/41): **5,125** net dwellings at an average of 1,025 net dwellings per annum*
- 2.2 In addition, recent changes to the NPPF and PPG by the national government indicate that delivery in the first 5 years post adoption could be higher than the housing trajectory in the submitted Local Plan. The Council looks forward to working with the Inspectors to update the housing trajectory as appropriate as the Examination progresses.
- 2.3 The authority follows normal monitoring periods from 1 April to 31 March each year, as assisted by Hertfordshire County Council's Planning Information Team. Work on an updated housing land supply position as at 1 April 2025 has commenced and SADC will be in a position to provide an interim updated position for housing land supply circa September 2025.

Q3 Is the housing requirement intended to be found in Policy SP1 or SP3?

- 3.1 The housing requirement is intended to be found in Policy SP3, including the proposed Main Modification set out in paragraph 3.1 of SADC/ED34.
- 3.2 Should it be required in order for the policies to be found sound, the Council would be happy to work with the Inspectors to update Policy SP1 and/or Policy SP3 as appropriate, as the Examination progresses.