

**MATTER 5
HEARING STATEMENT
ON BEHALF OF LAWES
AGRICULTURAL TRUST**

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1.0 Introduction

- 1.1 This Hearing Statement has been prepared by Bidwells LLP on behalf of Lawes Agricultural Trust in support of Land to the north east of Redbourn (hereafter “the site”). Lawes Agricultural Trust has promoted the site through representations submitted at each of the previous Local Plan consultations. They control the whole site demarked in the red line boundary plan contained in their Regulation 19 representations.
- 1.2 The purpose of Lawes Agricultural Trust’s involvement in the Examination process is to demonstrate the availability and deliverability of allocation R-551 (North east of Redbourn, West of A5184) and to raise concerns over the proposed spatial strategy, for failing to plan for the identified local housing need and subsequently for inadequacies in relation to the assessment and release of the preferred broad locations from Green Belt. This Hearing Statement responds to:
- Matter 5: Objectively assessed needs for housing and employment land (Policies S4 & S5)
 - Main Issue: Whether the plan has been positively prepared and whether it is justified, effective and consistent with National Planning Policy in relation to the overall provision for housing and employment land.
 - Questions 1-6

2.0 Response to the Inspector's Matters, Issues and Questions

Question 1: The identified housing need is based on the standard methodology in the National Planning Policy Framework. Is the Council's application of this in accordance with the methodology in the PPG (as updated)?

2.1 No on two points.

2.2 First, the LHN has been wrongly calculated. In Policy S4, 913dpa is referred to, which is from the consultation proposals in 2017¹. The updated standard method (LHNSM) at PPG paragraph 2a-004-20190220 states (emphasis added):

*"... Using these projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, **with the current year being used as the starting point** from which to calculate growth over that period) ..."*

2.3 The Plan was published on 19 September 2018 and therefore the starting point should be the beginning of that financial year: 1 April 2018. Table 1 sets out the LHNSM on this basis.

2.4 Second, it is incorrect to apply the LHN to a future start date. As made clear in the PPG reference above, the current year of the calculation is the starting point. PPG paragraph 2a-008-20190220 confirms how this relates to plan-making (emphasis added):

*"Strategic policy-making authorities will need to calculate their local housing need figure **at the start of the plan-making process**. This number should be kept under review and revised where appropriate.*

The housing need figure generated using the standard method may change as the inputs are variable and this should be taken into consideration by strategic policy-making authorities.

However, local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination."

2.5 By using a later starting point than the LHNSM the overall need is not established. This would also seem to be a departure from Regulation 19 (1B) of the Planning and Compulsory Purchase Act 2004 (as amended), which states that:

"Each local planning authority must identify the strategic priorities for the development and use of land in the authority's area."

2.6 That is, the strategic priorities at the point the Plan is prepared, not from a future point.

¹ DCLG. September 2017. Planning for the right homes in the right places: consultation proposals.

Table 1: LHNSM, 2018

Stage 1	Current Year	2018	60,383 households	Source: DCLG 2014-based Household Projections
	Tenth Year	2028	66,827 households	
	Average Change		644 households pa	
Stage 2	Affordability Ratio	2017	16.65	Source: ONS Workplace-based Affordability Ratios
	Adjustment Factor		1.791	
	Uncapped LHNSM Result		1,154dpa	
Stage 3	Are the strategic housing policies more than 5 years old?		Yes	
	Is the uncapped LHNSM Result 40% more than the adopted annualised requirement?		N/A	
	Is the uncapped LHNSM result 40% more than the stage 1 result?		Yes, 902dpa	
	Is a cap required?		Yes	
	Final LHNSM Result		902dpa	

- 2.7 Our recommendation is to apply the LHN from 1 April 2018 to 31 March 2036, increasing the Local Plan period from 16 years to 18 years. Using the correct LHNSM figure of 902dpa means that the total requirement in Policy S4 would increase from 14,608 (net) dwellings to 16,236 (net) dwellings.

Question 2: Are any starting point LHN adjustments necessary?

- 2.8 There are no indications that the datasets used in the LHNSM are erroneous as is the case for some local authorities. No adjustments are therefore necessary to the starting point.

Question 3: Is the housing target in the Plan appropriately aligned with forecasts for jobs growth?

- 2.9 The uncapped LHNSM is intended to deliver enough housing to meet the needs of the population projected in the 2014-based Sub National Population Projections (2014SNPP)² and address local affordability issues that prevent households from forming. Where this population change is insufficient to meet the labour force requirement, there is justification to increase the housing requirement above the LHNSM.
- 2.10 The only references to jobs in the Plan are in relation to the East Hemel Hempstead Broad Location; no overall job target is set out.
- 2.11 The East of England Forecasting Model (EEFM) is an integrated model used by Cambridge Econometrics to project both population and employment growth for local authorities across the region. The latest version (2017-based) was published days after the Plan was published for consultation and it would therefore be unreasonable to expect it to take account of this new information. However, unlike the LHNSM, there is no 'fixing' of job growth at the submission stage of plan-making and therefore it is reasonable to use it here.

² ONS. 25 May 2016. Subnational population projections for England: 2014-based.

- 2.12 Table 2 compares resident population projections and estimates and provides the projections of jobs and workplaces from the 2017EEFM. This suggests that in 2018, St Albans saw net in-commuting but by 2036 this will have changed to net out-commuting as population growth is greater than jobs growth. However, the differences are not great, and it is probable that the balance of population to jobs will remain relatively equal.
- 2.13 The key difference between the 2014SNPP and the 2017EEFM is that the 2017EEFM includes assumptions relating to Brexit, including its potential effect on net international migration. The ONS Mid Year Population Estimates (MYPE) for 2018 would suggest the 2017EEFM is the more accurate. Furthermore, the most recent ONS job density estimates, for 2017, suggest just 86,000 jobs, considerably fewer than estimated in the 2017EEFM.

Table 2: Comparisons of resident population projections and estimates

	2018	2036
2017EEFM:		
Resident population	148,100	163,000
Working age resident population	89,700	91,600
Resident population in employment	75,500	83,800
Jobs	91,400	83,300
Workplaces	78,500	97,800
2014SNPP:		
Resident population	150,700	174,600
2018MYPE:		
Resident population	147,400	-

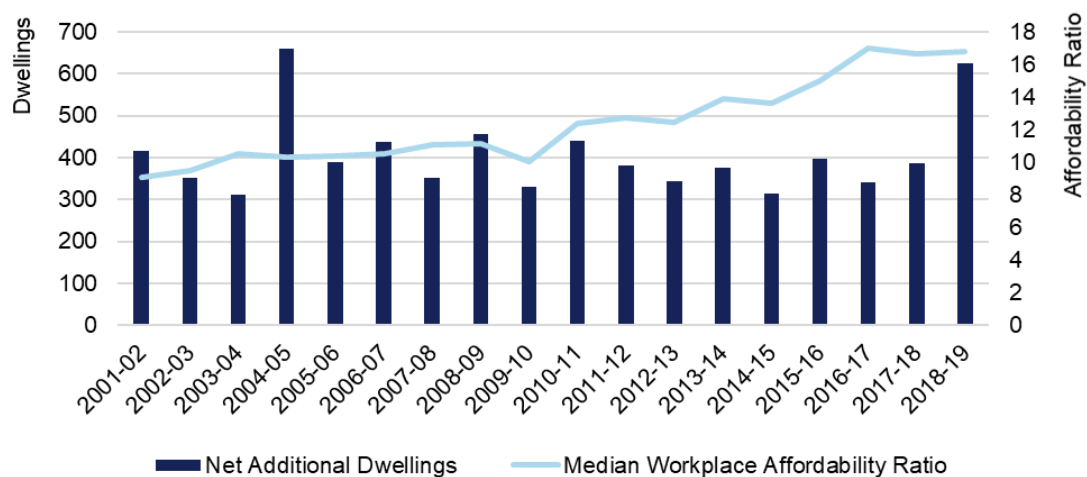
- 2.14 Consequently, the uncapped LHNSM is considered appropriately aligned with job growth. However, the capping of the LHNSM results in a reduction of 252dpa (22%). This however is a minor concern as it is likely to be an issue for the end of the Plan period when any consequences of Brexit have worked through the economy. Since there is now a statutory requirement to review plans every five years, and that where the adopted housing requirement includes a cap a revision is likely, it is pragmatic at this stage to not require any reduction in the cap.
- 2.15 Our recommendation therefore is to maintain the housing requirement at 16,236 (net) dwellings.

Question 4: Is the stepped trajectory in policy S4 and appendix 2 of the Plan appropriate and justified?

- 2.16 The stepped trajectory is not justified; it reflects the infrastructure requirements of the land allocated in the Plan, not the land that *could* be allocated.
- 2.17 As explained in **Table 1**, the LHN is derived from three steps:
- Step 1 (644dpa): this reflects the underlying demographic need.
 - Step 2 (1,151dpa – 644dpa = 507dpa): this reflects the uplift required to address the affordability issues.
 - Step 3 (902dpa – 644dpa = 258dpa): this reflects the actual level of uplift allowed to address the affordability issues once the cap is applied.

- 2.18 Theoretically, affordability is an existing issue that needs to be addressed now, otherwise the affordability ratio would not be over twice the national figure of 7.91. That would suggest that the trajectory should be stepped in the opposite manner to front-load the process. However, it is accepted that is not possible due to the infrastructure needed to facilitate development, but it needs to be borne in mind when considering back loading the process, which will only compound the existing affordability issues further.
- 2.19 Figure 1 shows that the affordability ratio increased significantly between 2009/10 and 2016/17. This is primarily due to house price growth with median earnings in the District increasing at a greater rate than the national average. During this period the average completion rate was approximately 360dpa.
- 2.20 The plateauing of affordability ratios in recent years is partly due to the slowdown in house price growth seen nationally but is also a direct response to the rate of completions substantially increasing in 2018/19 (many new homes would have been sold 'off plan' the year before).

Figure 1: Affordability ratio compared to the current rate of completions



Sources: MHCLG and ONS

- 2.21 The proposed housing requirement of 565dpa for 2020/21-2025/26 is likely to be too low to ensure that the affordability ratio remains static as the underlying demographic need is far higher at 644dpa. Also, as noted earlier, the starting date of 2020/21 is not appropriate.
- 2.22 Therefore, we recommend that Policy S4 is amended to the following (due to rounding, this results in 10 dwellings more than the LHNSM):
- 2018/19-2022/23: 644dpa (3,220 dwellings)
 - 2023/24-2035/36: 1,002dpa (13,026 dwellings)
- 2.23 Given that over 600dpa was achieved in 2018/19, this is realistic and achievable; but only if an appropriate housing land supply is allocated in the Plan.

Question 25: Does the land allocated provide sufficient choice and flexibility?

- 2.24 No.

- 2.25 The NPPF states at paragraph 16 that Plans should contain “*policies that are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals*”.
- 2.26 It continues at paragraph 80 to state that: “*planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.*”
- 2.27 As part of LAT’s representations to the Regulation 19 draft of the emerging Local Plan, it was flagged that there appeared to be conflict between Policy S3, in relation to the Green Belt; Policy S5, which sets out the District’s economic development strategy and employment land allocations; and Policy L11 which provides for ‘Special Employment Locations’ within the Green Belt.
- 2.28 It is clear from the emerging Policies Map that much of the Rothamsted Campus is located outside of the proposed Green Belt designation. To this end, it is not clear why the Campus should be described within allocation L11 as a “Special Employment Location within the Green Belt” and also referenced under Policy L11.
- 2.29 To reinforce this point, it should be noted that much of the work currently being undertaken to implement an emerging Estate Strategy for the Harpenden Estate, is being funded by the Hertfordshire Local Enterprise Partnership (LEP). The LEP is a partnership between the local authority and businesses and plays a central role in determining local economic priorities and undertaking activities to drive growth and the creation of local jobs. The nature of this economic growth strategy and the steps already taken to achieve this would appear to conflict with the Green Belt designation.
- 2.30 The estate is also situated within the Hertfordshire Agri-Tech Enterprise Zone designation, which further conflicts with the Green Belt designation.
- 2.31 LAT requests that this is clarified to avoid ambiguity as required by national policy. In order to achieve this clarity, it is suggested that the Green Belt boundary is redrawn on the southern edge of the existing campus to ensure that there is no conflict between the Special Employment Location and the proposed Green Belt boundary. This would serve to include the full ‘previously developed area’ of the Rothamsted Research campus outside of the Green Belt allocation.

