



## **ST ALBANS CITY AND DISTRICT LOCAL PLAN (2020-2036) EXAMINATION**

**MATTER 5 – OBJECTIVELY ASSESSED HOUSING NEEDS FOR HOUSING  
AND EMPLOYMENT LAND – POLICY S4 HOUSING**

**December 2019**

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## 1.0 INTRODUCTION

- 1.1 This Hearing Statement has been prepared by DLA Town Planning Ltd in response to the Inspector's Matters, Issues and Questions for the St Albans City and District Local Plan 2020-2036.

### Overview of DLA representations

- 1.2 DLA Town Planning is instructed by a group of around 10 landowner/developer clients with interest in a total of 16 sites across St Albans district. These sites range in size from 10 to 200 dwellings and are in a range of locations. These sites are not included within the draft Local Plan, despite being suitable and deliverable, and this reflects the fact that these sites have not been adequately assessed by the Council. The representations made by each client are similar in many respects and primarily focus on the weaknesses in the Council's chosen strategy, inadequacies in the evidence base and a lack of consistency with government guidance. This statement draws together clients' views into a combined position. The key points cut across many of the Inspectors' Matters and Issues and are summarised below for ease of reference:

- **Procedural issues** – we do not consider the draft Local Plan to be sound in terms of the way the strategy has been devised, the alternatives considered and relied upon, and the evidence that underpins both;
- **Housing provision east of Hemel Hempstead** – there is a strong argument advanced by Dacorum Borough Council, among others, that some or all of the housing proposed to the east of Hemel Hempstead should contribute to meeting Dacorum's housing need, rather St Albans' need; this raises a fundamental question as to whether this Local Plan can sustainably rely upon that housing to meet its own needs;
- **Park Street Garden Village** – this site has planning permission for a Strategic Rail Freight Interchange. This is common knowledge. This permission was granted by the Secretary of State on the basis of "very special circumstances", mainly around the specific need for this use. This planning permission has now been implemented and its delivery is outside of the control of the council. On this basis, it plainly follows that it is not deliverable as a housing site and should be deleted;
- **The 'stepped' approach is flawed** – The draft Local Plan is unable to demonstrate a five-year supply of housing land due to the lack of any proposed small and medium-size site allocations. The exclusive focus on strategic sites means that a "stepped" housing trajectory is required which defers housing delivery, contrary to government policy;

- **There is conflict with Paragraph 68 of the NPPF** – A specific conflict with government policy arises in respect of the Framework’s requirement at paragraph 68 that 10% of the housing requirement be met on sites of less than one hectare.

1.3 In view of these soundness issues, modifications are needed to the Local Plan to enable it to be found sound. It is clear that additional housing provision is needed and such provision needs to be found particularly from small and medium-sized sites. These additional allocations should be made from the following sources as a priority:

- The small scale sub-areas already identified in the Council’s Green Belt Review but not taken forward;
- Medium-sized allocations around the main towns where these relate well to the urban area and where robust new Green Belt boundaries can be identified or where brownfield opportunities exist;
- Extensions to allocations already proposed in the draft Local Plan;
- A specific allowance for Neighbourhood Plans to allocate small and medium-scale housing sites in the Green Belt.

1.4 A short postponement to the hearing sessions may be necessary while the Council compiles the list of additional sites and produces additional policy wording. However, these changes can be made in the context of the current Local Plan examination and should **not** require the withdrawal of the Plan, particularly since much of the evidence base needed already exists.

## 2.0 **MATTER 5 – OBJECTIVELY ASSESSED HOUSING NEEDS FOR HOUSING AND EMPLOYMENT LAND (POLICIES S4 & S5)**

### 2.1.0 **Main Issue**

2.1.1 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.

### 2.2.0 **Questions – Housing**

2.2.1 ***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)?***

2.2.2 The Draft Local Plan (DLP) is based on the standard methodology calculation of 913 dwellings per annum (dpa), which (at the time of writing) was informed by the ONS 2014-based household projections.

2.2.3 The revised 2016-based household projections were published in September 2018 and these indicate lower rates of household growth over the plan period. The standard method, fed by the 2014-based household projections, would generate a national housing need of around 266,000 dpa, whilst the 2016-based household projection would amount to 210,000 dpa.

2.2.4 Both figures fall below the Government’s aim of delivering 300,000 homes by the 2020s and concerns have been raised regarding the use of the 2016-based household projections to inform future planning policy decisions on meeting housing need. Any downward pressure on housing requirements arising from the new household projections needs to be balanced against the severe and longstanding undersupply of housing in St Albans district and the significant affordability problems. The last local plan was adopted in 1994 and since then there has been no release of Green Belt to meet housing need.

2.2.5 However, for the purposes of establishing housing need in accordance with the new standard methodology approach, the Government has supported that the use of the 2014-based household projections. The Planning Practice Guidance makes it very clear that the 2014-based household projections should remain as the baseline for the standard method in order to provide stability for planning authorities and communities. This ensures that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes (Paragraph: 005 Reference ID: 2a-005-20190220).

2.2.6 As such, we support the Council's application of the standard methodology – using the 2014-based household projections – to ascertain housing need within the District.

2.2.7 **Question 2 – Are there any starting point LHN adjustments necessary?**

2.2.8 Paragraph 60 of the revised NPPF (2019) that stipulates Local Planning Authorities should use the standard methodology to determine housing need, unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trend and market signals.

2.2.9 This is confirmed in the PPG on housing and economic development (Paragraph: 010 Reference: ID: 2a-010-20190220) where it states that:

*“...there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates... Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:*

- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.*

*There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.”*

2.2.10 Although the four circumstances described above in the PPG are not directly relevant to the situation in the District, it should be noted that this is not a closed list and there are other circumstances which may result in a higher housing need than the standard method indicates.

2.2.11 The area east of Hemel Hempstead has long been identified for growth but the potential for this area to also meet the housing needs of neighbouring Dacorum has

also long been contemplated. The Inspector's report into the Dacorum Core Strategy in 2013 flagged this up as an issue for the review of the Core Strategy. This cross-boundary issue was also addressed in the Inspector's conclusions on the previous Strategic Local Plan (Para 42, letter from Inspector David Hogger to SADC, 28<sup>th</sup> November 2016) in which he did not rule out a position that all the housing provision in this area could meet St Albans' need rather than Dacorum's. However, he was looking for greater clarity that these issues had been discussed, and ideally agreed, with Dacorum Borough Council.

- 2.2.12 It is worth noting that the Inspector's comments above were made in the context of a proposed allocation of 2,500 homes to the east of Hemel Hempstead. The DLP now proposes a total of 4,370 homes to the east and north of Hemel Hempstead, all of which are intended to meet St Albans housing need. The proposed development east of Hemel Hempstead represents an extension of Hemel Hempstead, rather than a freestanding development, which is made clear in the Council's settlement hierarchy in Policy S1. However, the issue of whose housing needs are being met does not appear to have been considered or resolved.
- 2.2.13 We have significant concerns that the proposed housing to the east of Hemel Hempstead will not actually meet the demand for housing in St Albans district but will rather cater for those intending to live in Hemel Hempstead. Such residents would be accounted for in the household projections for Dacorum rather than for St Albans. Moreover, the proposed housing East of Hemel Hempstead is likely to have relatively little impact on house prices and the affordability of housing in St Albans district as a whole.
- 2.2.14 There is an expectation that cross-border housing provision will have been discussed and agreed during the course of plan preparation. Without evidence of agreement from Dacorum Borough Council, there is a real prospect that at least some of the houses proposed to the east of Hemel Hempstead will be required to meet Dacorum's need. If this is the case, an adjustment to the LHN should not be out of the question and additional provision will need to be found within the District.
- 2.2.15 ***Question 4 – Is the stepped trajectory in policy S4 and appendix 2 of the Plan appropriate and justified?***
- 2.2.16 It is a key element of a Local Plan's soundness that it can deliver a five-year supply of housing. In the absence of such a supply, the policies in a Local Plan become out-of-date and for this to occur at the moment of adoption would be a nonsense. The Local Planning Authority has been subject to a number of appeals over recent years, which references the District's inability to provide a 5-year housing land supply. This

reinforces the position that there is an urgent need for new housing and the Local Plan should enable a speedy response to this need, through the identification of new land for development.

2.2.17 The DLP provides for a five-year housing land supply but only by reducing the annual target initially through a “stepped” housing trajectory. It is undoubtedly true that the annual target of 913 homes per year is a significant increase on the historic average delivery of around 350 homes per year over the last five years, which has been part of the Council’s justification for the ‘stepped’ approach in response to inspector’s letter to the Council in July 2019. The Council has also stated that this approach is necessary to allow realistic time for delivery for homes and infrastructure and has been a common approach in recently adopted local plans in line with the PPG.

2.2.18 The Government’s advice in the PPG notes that:

*“A stepped housing requirement may be appropriate where there is to be a significant change in the level of housing requirement between emerging and previous policies and / or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period. Strategic policy-makers will need to identify the stepped requirement in strategic housing policy, and to set out evidence to support this approach, and not seek to unnecessarily delay meeting identified development needs. Stepped requirements will need to ensure that planned housing requirements are met fully within the plan period. In reviewing and revising policies, strategic policy-makers should ensure there is not continued delay in meeting identified development needs.*

*Where there is evidence to support a prioritisation of sites, local authorities may wish to identify priority sites which can be delivered earlier in the plan period, such as those on brownfield land and where there is supporting infrastructure in place e.g. transport hubs. These sites will provide additional flexibility and more certainty that authorities will be able to demonstrate a sufficient supply of deliverable sites against the housing requirement.”*

(Paragraph: 021 Reference ID: 68-021-20190722)

2.2.19 It should be noted that the historic annual average is a result of a heavily suppressed supply of land being allocated rather than any structural problems within the housing market. There is no indication that if more homes were built, they could not be sold. Higher completion rates would be a challenge for the construction industry in the short-term but that is not a reason not to plan for higher rates at this stage.



2.2.20 Furthermore, the stepped trajectory is only required as a consequence of the Council's chosen spatial strategy of focusing solely on strategic sites. At the outset of the Local Plan process, the Council determined to only allocate sites of 500 or more homes and did not sufficiently assess sites below this threshold, which would have resulted in a more balanced portfolio of smaller and medium size sites. These could have been brought forward earlier in the first five-years of the Plan period and avoided the "unnecessary delay" highlighted in the PPG.

2.2.21 The Government accepts that there may be circumstances when a stepped trajectory is necessary but, given the emphasis elsewhere on boosting the supply of homes, it appears to be a sub-optimal approach and not the first choice. The DLP has not demonstrated that the "stepped" approach will not result in a continued delay in meeting housing targets through the delivery of strategic sites. The Pendle Local Plan inspector took this into consideration, stating that:

*"In view of the above evidence and the need to boost the supply of housing at both local and national levels a stepped approach to housing delivery is not justified."*  
(Inspectors Report, para. 62, October 2015)"

2.2.22 The DLP has not presented sufficient evidence to justify a stepped trajectory approach in the context of District not having a five-year housing supply for a number years. Therefore, the Council should be looking to frontload additional housing into the first five years of the Plan to make up for the historic short-fall in housing and for it to be consistent with national guidance as well as the Government's short-term objective of significantly boosting the supply of homes.

2.2.23 ***Question 6 – Have the Council set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations, as set out in paragraph 65 of the NPPF?***

2.2.24 Neighbourhood Plans (NP) were considered as an alternative strategy (amongst five others) if the Strategic Rail Freight Interchange was developed instead of housing. However, the Council did not consider the use of NPs as a reasonable alternative because they were reliant on development that was contrary to the strategy set for the plan (minimisation of adverse impacts on Green Belt purposes (Green Belt review led) and / or greater dispersal of development, with less favourable outcomes for community benefits and infrastructure improvement.

2.2.25 Due to the Council's preference for strategic sites there has been very little guidance on how Neighbourhood Plans can contribute to housing delivery. The Council have

included a proposed change to the wording of policy in the 'Table of minor modifications' document, which states:

*"If detailed local evidence supports a Neighbourhood Plan that justifies development at a neighbourhood scale on land currently designated as Green Belt, that is supported in principle"*

- 2.2.26 Even with the minor modification, the DLP still does not set out a housing requirement for designated neighbourhood areas as required by paragraph 65 of the NPPF. If anything, it leads to further confusion on where neighbourhood planning groups stand on the delivery of housing under the proposed strategy and without further clarification it is not considered that DLP has provided an appropriate strategic framework for NPs.

## 3.0 CONCLUSIONS

- 3.1 To conclude, we support the Council's application of the standard methodology to calculate the housing need figure of 913dpa, which has been informed by the 2014 – based household projections.
- 3.2 However, we have concerns that the proposed housing to the east of Hemel Hempstead will not actually meet the demand for housing in St Albans district but will rather cater for those intending to live in Hemel Hempstead. If this is the case, an adjustment to the LHN should not be out of the question and additional provision will need to be found within the District.
- 3.3 In addition, the DLP has not presented sufficient evidence to justify a stepped trajectory approach in the context of District not having a five-year housing supply for a number years. The Council should be looking to frontload additional housing into the first five years of the Plan to make up for the historic short-fall in housing and for it to be consistent with national guidance, as well as the Government's short-term objective of significantly boosting the supply of homes.
- 3.4 Additional housing needed in the earlier stages of the Plan period could come through small to medium sized sites allocated in Neighbourhood Plans. However, the DLP does not set out a housing requirement for designated neighbourhood areas, as required by paragraph 65 of the NPPF.