

North Herts District Council

Local Plan

Schedule of Further Matters, Issues and Questions

Matter 21 - the objective assessment of housing need ('the OAN')

Statement by J Rigg (16632)

Matter 21.1

21.1 a) Have the 'alternative OAN' figures been arrived at correctly/on a robust basis?

No.

(i) In arriving at the "alternative OAN figures" the Council has sought to reconcile / adjust the ONS numbers back to the CLG 2014 basis to support the existing plan. This is incorrect and contrary to point 16 of "Planning for the Right Homes in the Right Place" which states

"The Office for National Statistics' projections for numbers of households in each local authority are the most robust estimates of future growth".*

Point 17 of the same document states

"The most recent official projections should be used, with the household growth calculated for the period over which the plan is being made. We propose that the demographic baseline should be the annual average household growth over a 10 year period."

(ii) As stated in my response to ED159, General Point 2, some 63% of proposed development relates to inward migration.

Recent changes to the drivers of migration, (my response to ED 159, point 36) point to a much reduce need to be met by NHDC in determining its OAN and is more in keeping with the new ONS methodology.

In seeking to reconcile ONS to CLG numbers the Council has applied "a larger adjustment to market signals to compensate for a greater suppression of household formation" proposed in para 14 (ED 171, page 4). This is not appropriate, any adjustment for the suppression of household formation should only be applicable to existing housing stock not houses yet to be built.

The current adjustment for suppressed housing (317 dwellings) included in the CLG methodology amounts to 1.6% of the Baseline Household projection (HOU4 Figure 40, page 53) and is included as part of the 10% market signals uplift (HOU4 page 53, para 3.85).

The Council's application of the CLG method to the ONS numbers suggests that the uplift for Market Signals would need to increase by a further 11% on the existing 10% allowance to 21% (ED 171, Appendix 2, para 14, page 13). Given that the existing 10% is an estimate and that CLG and ONS numbers are projections of potential future requirement, an adjustment of 21% is excessive.

*DCLG, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>.

Conclusion

In keeping with the use of a 10 year migration factor, the OAN number should be amended to 11,100 (ONS 10 year migration figure of 10,076 (ED171, Table, page 10, EiP Update September 2019) adjusted for a market uplift of 10%).

This would constitute a 19.6% reduction (2,700 homes) in the 13,800 proposed by the Council and as such would constitute a meaningful change in the housing situation.

b) In the light of the 'alternative OAN' figures, has there been a 'meaningful change in the housing situation'?

Yes.

c) If there has been a 'meaningful change in the housing situation', should the Local Plan be modified to reflect it and, if so, how?

The Plan should be modified. Two alternatives are presented below.

Scenario C (Matter 22.2 d).

The OAN figure is reduced to 11,100, through a three step process (350 homes per year 2011-2019: 500 homes per year 2019 - 2024: 830 homes per year 2024 – 2031). This would result in a reduction in the OAN figure of 19.6%

The resultant five year land supply coverage ratios would be as follows:

	2019	2020	2021	2022	2023	2024
Liverpool	5.3	6.1	6.5	7.3	7.2	6.6
Sedgefield	5.0	5.7	6.2	6.6	7.1	6.9

Please refer to Matter 22.2, d, Scenario C for calculation of the Five Land Supply ratios

Scenario D (Matter 22.2, d)

The maturity of the Plan is brought forward to 2026 and the OAN reduced to 7,950, with a shortened maturity of 2026.

The OAN of 7,950 is the 5 year ONS migration number of 7,227 adjusted for a Market Uplift of 10%.

The maturity profile will require a three stepped approach (350 homes per year 2011-2019: 500 homes per year 2019 - 2024: 1,325 homes per year 2024 – 2026)

The five year land bank coverage ratios based on the Council's revised housing trajectory (ED 178, Appendix A, 12) are as follows:

2026 Plan Maturity, 7,950 Homes 2024/2026 1,325 houses	2020	2021	2022	2023	2024
Sedgefield	4.9	4.9	5.0	5.2	4.5
Liverpool	5.3	5.1	5.2	5.3	4.5

**Calculation of the five year land bank coverage ratio does not work due to the short timeframe to maturity. In the above table the coverage ratio is driven by the Housing Target for the next five years, once it is within five years of maturity of the plan, the number of years / housing target number reduces boosting the coverage ratio.*

As noted by the Council due to the low level of completions it is not possible to increase the housing targets in years 2020 to 2024 as to do so will drive the coverage ratio below 5x

Reducing the approved OAN number to 7,950 would result in a 42.4% reduction (5,850 Homes).

The Council have stated they intend to review the Plan in the mid-twenties. Setting a date of 2026 should meet that criteria and provide a measure of flexibility to permit completion and approval of the new plan on a timely basis. Based on the Council's revised housing trajectory (ED 178, Appendix A, 12) cumulative completions by 2026 are projected to be 8,337, compared with the amended housing target of 7,950.

Approval of a shorter plan period with a lower housing target should permit time for the new ONS methodology to bed in and to gain a clearer understanding of migration trends. Both issues will also benefit from more up-to-date 2021 census information. Progress may also have been made by that time by the Council in its search for the site for a new settlement thereby reducing recourse to Green belt to meet housing need.