Matter 22: The supply of land for housing

The 'whole plan' buffer, five-year land supply and variant scenarios

 Following the Matter 22 hearing session on 24 and 25 November 2020, the Inspector has requested additional information on the above matters. As set out in the Inspectors Further Matters, Issues and Questions (MIQs) (ED194):

... The Council anticipates the delivery of 14,650 dwellings over the plan period. It does not propose to delete from the Local Plan any of the housing sites included within it, and argues that the difference between anticipated delivery above the requirement represents a[n] appropriate 'buffer' (of around 13% of the overall housing requirement). In arriving at these views, the Council has considered a number of alternative options, which are set out in its previous note and in ED191B.

2. The Further MIQs continue to ask:

- c) Is a 'buffer' or around 13% an appropriate approach? If not, why not?
- d) If there is a 'buffer' of around 13%, do the exceptional circumstances required for the 'release' of land from the Green Belt for housing development exist?
- 3. The Council has set out its position on both these matters to the Examination, stating that the buffer is appropriate and that the exceptional circumstances do exist. The key points made at the examination by the Council are repeated below.
- 4. The Inspector has requested that the Council provide some variant scenarios that show the effects of removing sites and / or reducing the buffer upon delivery and the rolling five-year housing land supply (5YHLS). This request arose principally in response to submissions made by Andrew Parkinson on behalf of *Save our Green Belt*, which claimed that both the buffer and reliance upon smaller Green Belt sites in the villages could be reduced whilst continuing to meet the overall requirements and demonstrate a rolling 5YHLS.
- 5. These scenarios are set out in this paper. In developing these scenarios, the Council has assessed the impact(s) of removing certain proposed housing allocations on sites currently in the Green Belt from the housing trajectory shown in ED191B. In doing so, the Council is not proposing that any such sites are considered for deletion from the Plan¹.
- 6. References to the National Planning Policy Framework (NPPF) are to the 2012 version which is used for the purposes of this examination.

Overall context to, and position on the buffer, and 5YHLS

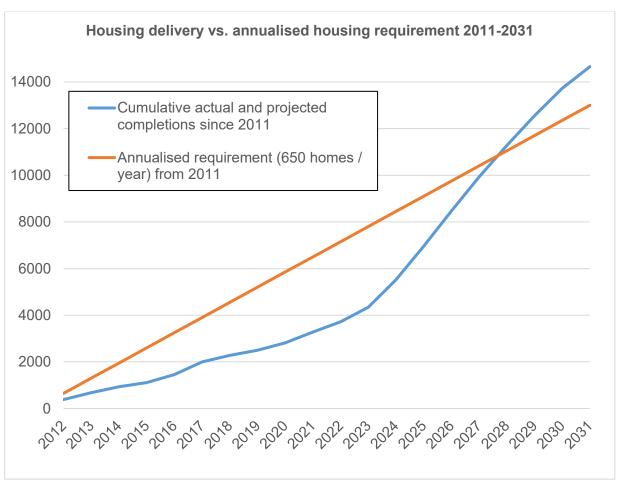
- 7. The Council's view is that the buffer is not just required; it is absolutely critical to soundness and deliverability of the Plan. In turn, this supports the existence of the exceptional circumstances necessary to release the proposed allocations from the Green Belt. The issues of the buffer and 5YHLS are intrinsically linked.
- 8. The Council's position at the examination hearings and in this paper are predicated upon both the Objectively Assessed Housing Need and the proposed housing allocations being found sound. Should the Inspector be minded to come to a different view on either matter then it may

¹ The Council has separately proposed that site BK3 in Barkway is now considered for deletion from the Plan (ED210). This is a suggestion that has yet to be examined. For the purposes of this paper, and for consistency with the figures in ED191B, site BK3 therefore remains <u>included</u> in the scenarios and analyses in this paper but this does not affect the suggested approach in ED210.

- be necessary for the Council to propose further modifications to the housing requirement and approach(es) to housing delivery to ensure the Plan can be found sound.
- 9. There are two elements of the housing land supply which are referred to as 'buffers'. For the avoidance of confusion:
 - The 'whole plan buffer' is the difference between the total supply expected over the plan period 2011-2031 and the total housing requirement for the period 2011-2031; while
 - Paragraph 47 of the NPPF requires authorities to identify and annually update a fiveyear supply of housing. The NPPF requires authorities to add a 'buffer' to each individual year's five-year supply calculation. The Council consider this should be 20% in recognition of persistent under delivery (ED191B, p.7, paragraph 37).
- 10. The whole plan buffer is the degree of oversupply as against the housing requirement. The Council's evidence to the most recent hearings identifies a requirement for North Hertfordshire's own housing needs of 11,600 homes and a supply of 13,250 homes (ED191B, p.4, paragraph 21). This is a whole plan buffer of 14% against NHDC's own needs.
- 11. There is a whole plan buffer of 13% against the proposed housing requirement as a whole once the contribution to unmet need from Luton is factored in (ED191B, p.5, paragraph 25).
- 12. A whole plan buffer is required to enable the housing requirement to be met because any failure to meet the requirement means that the district's needs are not met contrary to the objectives of national policy. A whole plan buffer future-proofs the plan and makes it more robust. The general principle of a whole plan buffer of some form does not seem to be in dispute.
- 13. The whole plan buffer is neither large nor unreasonable compared to approaches taken in other authorities. The following are examples of whole plan buffers have been found sound during 2020, recognising that each examination including this one turns on its own facts:
 - Chelmsford, South Kesteven 18%
 - Harrogate 25%
 - Mansfield 34%
 - Chesterfield 59%²
- 14. A whole plan buffer of 13% is clearly at the lowest end of the above examples. The issue is therefore whether the whole plan buffer is justified and, given the authority's reliance on Green Belt sites, whether there are exceptional circumstances for the level of whole plan buffer provided. In considering exceptional circumstances, it is appropriate to consider:
 - How the whole plan buffer can contribute to meeting the need, providing flexibility and future proofing the plan and contributing to the five-year rolling supply;
 - The spatial strategy that relates as a result.
- 15. It is critically important to recognise that housing delivery in the Plan is severely backloaded. Government policy is to 'boost significantly' the supply of housing, as set out in paragraph 47 of the NPPF. That is generally taken to mean that the starting point for consideration of this

² Chelmsford: https://www.chelmsford.gov.uk/_resources/assets/inline/full/0/3951296.pdf, paragraph 154; South Kesteven: https://www.southkesteven.gov.uk/CHttpHandler.ashx?id=25671, paragraph 145; Harrogate: https://democracy.harrogate.gov.uk/documents/s8649/05-Appendix1-InspectorsReport.pdf, paragraph 180; Mansfield: https://www.mansfield.gov.uk/downloads/file/1473/mansfield-local-plan-inspector-s-report, paragraph 159; Chesterfield: https://www.chesterfield.gov.uk/media/1270438/final-report-27-may-2020.pdf, paragraph 104.

- matter is for the delivery of need to be evenly spread across the plan period with any shortfall made up as soon as possible³.
- 16. The Plan's proposed housing requirement requires delivery of an average 650 homes per year from 2011 to 2031. The average level of development completed between 2011 and 2020 is 313 homes per year, less than half the required rate.
- 17. ED191B (Appendix C, p.17) sets out various land-supply scenarios. The first table of Scenario 1 reflects that preferred approach with an annualised target of 650 homes per year and the 'Sedgefield' approach to backlog. It can be seen from line A of that table that approximately 2,800 homes have been built against an annualised target since 2011 of 5,850 homes. The backlog of under-delivery in line C is bigger than the number of homes built.
- 18. Against this preferred approach, the Council can only demonstrate a 2.7 year land supply at 1 April 2020. This position gradually improves over time but does not reach the five years' supply required by Government policy. It is simply not possible to make up this shortfall measured against a flat housing requirement.
- 19. Measured against a non-stepped approach, projected housing completions will not meet or exceed the annualised requirement until April 2028; the Plan will be underdelivering until 17 years into a twenty year plan period. This is shown in the graph below.



20. This means the Council is seeking the Inspector's dispensation and agreement to backload the Plan.

³ The making up of any shortfall within five years is referred to as the 'Sedgefield' method. The alternate approach, which spreads any shortfall across the remainder of the Plan period, is known as the 'Liverpool' method.

- 21. Scenario 2 (ED191B, Appendix C, p.18) shows a two-step approach based broadly upon the approach in the submitted Plan and proposed Main Modification policy IMR1. However this no longer satisfies the requirement for a rolling 5YHLS.
- 22. This leads to proposed Scenario 3 (ED191B, Appendix C, p.19) and the recommended approach. This is a three-stepped approach relying upon the Liverpool approach to annualising the backlog. This is the only option that achieves a five-year supply with any reasonable form of headroom, and even this remains tight.
- 23. Even under this preferred scenario, the Council has to go a long way to get back on track. 2,800 homes were delivered between 2011 and 2020. To meet the proposed housing requirement for NHDC's needs, there are 8,800 homes yet to deliver in the remaining 11 years. Therefore essentially 75% of the requirement must be delivered in the remaining half of the plan having only delivered 25% in the first half. To this must be added the unmet need it is assisting with in relation to Luton. Due to this level of under-delivery, it is necessary to apply a 20% buffer to our individual five-year requirements in line with national policy requirements.
- 24. This represents a massive uplift and is why the Council must not only annualise rather than frontload the backlog, but must also step the housing requirement to have any hope of delivering a rolling five year supply. Even in these highly favourable circumstances the Council still only just delivers a rolling five years of supply of between 5.2 and 5.6 years.
- 25. Given the ongoing requirement to demonstrate 5YHLS, it is necessary to view delivery in these rolling five-year blocks. An oversupply in any single year is not indicative of an oversupply in 5YHLS terms. In fact, delivery is also backloaded within the individual five-year supply calculations for the coming years, into the 3rd, 4th and 5th years.
- 26. On the Council's proposed 'Scenario C' approach, the per annum figure for the five year requirement at 1 April 2020 is 785 (Column G; 3,927/5). From the housing trajectory graph (ED191B, p.13), the Council is projecting 467 completions in 2020/21, 437 in 2021/22 and 622 in 2023/24. Achieving a five-year supply is wholly contingent upon delivering a substantial uplift from 2024 onwards as the proposed local housing allocations reach their peak delivery and the proposed strategic housing sites come on stream.
- 27. The ED191B 'components of supply' graph (p.14) breaks down anticipated completions by source. There is a short-term emphasis on extant permissions being developed⁴. This gives way to the proposed 'local housing allocations' which, in turn, give way to the Strategic Sites as the primary sources of supply in the last six years of the plan period.
- 28. The medium-sized sites around the towns and villages are absolutely critical in ensuring delivery and a rolling five-year supply in the early years after adoption and throughout the remainder of the plan period. They are <u>not</u> an expendable 'buffer' of excess sites that can be discarded by reference to the overall housing requirement, anticipated housing delivery within an individual year or the existence of a modest whole plan buffer at the very end of the plan period.
- 29. The vast majority of sites whether proposed as strategic or local housing allocations all commence within the next five-year period and are needed to support what is on any analysis a marginal five year supply.
- 30. If an adequate buffer is not provided now from the Green Belt, it will not be possible to make that good through the Development Management system and the application of policies in NPPF2 that are used for decision-making. This is because these sites are constrained under the protective policies that apply under paragraph 11 d(i) of NPPF2. Housing need is generally not regarded, on its own, to justify *very special circumstances* such as to support inappropriate

⁴ This includes all extant planning permissions at 1 April 2020.

- residential development in the Green Belt. The Green Belt sites therefore need to be released now as they cannot be provided later, even if needed, through the Development Management process. This approach simply reaffirms that the planning system is plan led and that the appropriate time to release land from the Green Belt is through the local plan.
- 31. Moreover, all the allocations are in accordance with the Plan's spatial strategy which directs the significant majority of development to sites in and around the identified towns and assist that strategy, which the Inspector has implicitly endorsed in the main modifications already consulted upon.
- 32. The housing trajectory graph (ED191B, p.13) shows that, even if its projections are fulfilled completely, the Council would not meet its overall housing requirement until 2030. Only the very final bar of the trajectory might reasonably be considered as potentially surplus, and the significant majority of anticipated completions in the year to 2031 arise from the continued delivery of sites which are essential to overall supply and 5YHLS in the preceding years.

Alternate scenarios based upon suggestions by Save our Green Belt

- 33. The written submissions of Save our Green Belt (SOGB) variously state that:
 - NHDC has not rigorously assessed the option of deleting some of the smaller Green Belt sites in order to reduce the size of the buffer (Matter 22 Hearing Statement, Paragraph 17);
 - There is no robust or reasoned analysis to explain why the smaller green belt releases in the villages represented by SOGB are required to deliver a rolling 5-year housing land supply. The revised housing trajectory does not suggest these releases are necessary to maintain a five-year supply across the plan period (Paragraph 19);
 - The buffer of 13% is not justified with no planning reason behind it and no reason why it is 13% rather than, say, 7% or 18%. The buffer is simply a relic of previous decisions made in the preparation of this plan (Paragraph 21); and
 - A reasonable alternative at this stage would be to remove sites from the plan such that the buffer remains at only 6% (Paragraph 22).
- 34. Similar points were also raised by *SOGB* at the oral hearings in November 2020. In response, the Council stated that it did not consider that such a reduction could be supported as this would seriously undermine the demonstration of a rolling 5YHLS. The Council offered to present some variant scenarios to further demonstrate this point.
- 35. For the purposes of this exercise, the Council has explored the impact of removing smaller, non-strategic sites from the housing trajectory shown in ED191B within the areas represented by *Save our Green Belt*⁵ to leave a whole plan buffer of between 6% and 7%.
- 36. The currently proposed whole plan buffer of 13% amounts to 1,656 homes. Reducing the whole plan buffer to between 6% and 7% would require the removal of between 690 and 940 homes from the housing trajectory⁶.
- 37. There are 12 proposed non-strategic housing allocations on land currently with the Green Belt in the area represented by *SOGB*: CD1, CD2, CD3, CD5, GR1, IC1, IC2, IC3, KB1, KB2, KB4.

⁵ Paragraph 1 of *Save our Green Belt's* Matter 22 statement lists the following groups or parishes: Save Rural Codicote, Ickleford Parish Council, Graveley Parish Council, Wymondley Parish Neighbourhood Plan Forum, Knebworth Parish Council, Offley Parish Council, including the village of Cockernhoe.

⁶ Removing 690 homes from the trajectory would leave a total supply of 13,966 homes. This represents a whole plan buffer of 966 homes or 7.4%. Removing 940 homes from the trajectory would leave a total supply of 13,716 homes. This represents a whole plan buffer of 716 homes or 5.5%.

- These are allocated for an indicative total of 1,406 homes. There are a number of permutations of these sites that could fall within the above range.
- 38. Three scenarios have been tested. Each of the sites listed above is included in at least one these scenarios. These are summarised in Table 1 on the following page. The scenarios provide a whole plan buffer of between 5.8% and 7.4%
- 39. It can clearly be seen that none of the alternate scenarios can demonstrate a five-year housing supply at 1 April 2020, the base date of ED191B. Only Scenario A can demonstrate a 5.0 year supply at 1 April 2021, the potential base date for five-year supply upon any future adoption of the Plan.
- 40. Scenario A shows between 5.0 and 5.1 years' land supply between 2021-2023. This position is so marginal that it leaves absolutely no flexibility; all remaining sites in the Plan would have to come forward exactly as anticipated in ED191B. This would be contrary to national policy and would also leave the Council extremely vulnerable to s.78 planning appeals in the short period for which a five-year supply might be demonstrated⁷. This would be contrary to the aims of a plan-led system. As speculative sites are more likely to be outside the Green Belt this would also lead to less sustainable patterns of development in the District.
- 41. The Council completely refutes the suggestion that its proposed buffer is supported by "banal platitudes" as claimed by Paragraph 18 of *SOGB*'s Matter 22 Statement. It is a clearly an evidence-based and robust position. Given the reduced amount of time left in the plan period, reducing the whole plan buffer to levels previously presented to the examination would simply no longer be sound.
- 42. The Council's current Plan was adopted in 1996. The last Plan to identify any new allocations for development was adopted in 1993. North Hertfordshire has not identified sites for development through a statutory Development Plan for 27 years. That is a highly unusual situation and means the Council is coming from almost a 'standing start' in terms of housing delivery.
- 43. Most plans meet a relatively significant proportion of their needs by 'rolling forward' outstanding planning permissions and allocations from their previous Plan. It has been necessary for the Council to identify new allocations to meet the significant majority of its identified needs and to clear its substantial backlog of under delivery. Its inability to do so in a way that resolves the backlog in the first five years and delivers at a consistent level thereafter leads to the requirement for a stepped housing trajectory and the significant backloading of development.
- 44. Permissions have been granted and implemented on many sites in the Rural Area beyond the Green Belt under the 'tilted balance' in national policy which applies in the absence of an up-to-date Plan and five-year supply. Many of the proposed allocations contained in the submitted Plan for this area have now been permitted (ED191B, p.3, paragraphs 14 and 15) and, as extant permissions, will form a key component of delivery in the next two to three years.
- 45. The proposed local housing allocations, including smaller Green Belt sites in the villages, are a critical component of the five-year supply <u>now</u>. Without them, housing delivery in North Hertfordshire will flounder after 2022.

⁷ 0.1 years' housing supply in this context is equivalent to approximately 125 homes recognising that precise figures vary from year to year and scenario to scenario. This is equivalent to just one years' worth of delivery on a single strategic site or a single mid-sized allocation. Should there be any delay or non-implementation the Council would not demonstrate a 5YHLS.

Table 1: Alternate five-year supply scenarios

	Housing	Total	Change	Whole	ole Actual / projected five-year housing supply at					1 April*
	requirement	supply 2011-31	from ED191B	plan buffer	2020	2021	2022	2023	2024	2025
Baseline – ED191B	13,000	14,656	n/a	12.7%	5.3	5.5	5.6	5.6	5.2	5.0
Scenario A: Remove individual sites from multiple villages (CD3, IC3, KB4, WY1)	13,000	13,958	-698	7.4%	4.9	5.0	5.1	5.1	4.8	4.7
Scenario B: Remove all sites from Codicote, Ickleford and Wymondley (CD1, CD2, CD3, CD5, IC1, IC2, IC3, WY1)	13,000	13,842	-814	6.5%	4.7	4.9	5.0	5.0	4.8	4.7
Scenario C: Remove all sites from Codicote, Graveley and Knebworth (CD1, CD2, CD3, CD5, GR1, KB1, KB2, KB4)	13,000	13,749	-907	5.8%	4.8	4.9	4.97	4.97	4.8	4.7

^{*}All five-year housing supply figures are based upon the proposed three-stepped housing requirement, *Liverpool* approach to backlog and 20% buffer to each year's calculation as proposed by the Council in ED191B

Figures rounded to one decimal place unless this would involve rounding up to 5.0 from a figure below this

46. Clearly then, there are exceptional circumstances to justify the buffer that arises from the allocations and without it there must be a serious issues as to whether the five year requirement can be met over the plan period or whether the requirement can be met in full. In short the plan would not be sound. It is therefore essential that the proposed buffer is supported to allow the Council to remove these sites from the Green Belt around the main towns and villages so it can make progress in addressing the very serious identified housing needs in the District and to provide a plan that is compliant with the NPPF and sound

Appendix: Trajectories and five-year supply calculations for Scenarios A, B & C

Monitoring period (1 April to 31 March)	ED191B	Scenario A Remove individual sites from multiple villages (CD3, IC3, KB4, WY1)	Scenario B Remove all sites from Codicote, Ickleford and Wymondley (CD1, CD2, CD3, CD5, IC1, IC2, IC3, WY1)	Scenario C Remove all sites from Codicote, Graveley and Knebworth (CD1, CD2, CD3, CD5, GR1, KB1, KB2, KB4)
2011-2020	2,814	2,814	2,814	2,814
2020-21	467	467	467	467
2021-22	2021-22 437		437	437
2022-23	2022-23 622		543	555
2023-24	2023-24 1,183		1,023	1,043
2024-25	2024-25 1,437		1,253	1,238
2025-26	1,504	1,330	1,322	1,307
2026-27	1,462	1,362	1,412	1,347
2027-28	1,345	1,295	1,295	1,280
2028-29	1,279	1,229	1,229	1,214
2029-30	1,171	1,121	1,121	1,112
2030-31	935	935	926	935
Total 2011-2031	14,656	13,958	13,842	13,749
Buffer	12.7%	7.4%	6.5%	5.8%

Proposed housing trajectory in ED191B

	Five-year supply (Liverpool) RECOMMENDED APPROACH	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024	1 April 2025
Α	Cumulative completions since 1 April 2011	2,814	3,281	3,718	4,340	5,523	6,960
В	Cumulative target since 1 April 2011	3,150	3,650	4,150	4,650	5,150	6,270
С	Shortfall against target as at 1 April	-336	-369	-432	-310	+373	+690
D	Target for next five years	3,120	3,740	4,360	4,980	5,600	5,600
E	Shortfall to be addressed in five year period (Liverpool method) (-C annualised * 5)	153	185	240	194	n/a	n/a
F	Buffer to be applied	+20%	+20%	+20%	+20%	+20%	+20%
G	Total five year requirement (D + E) * F	3,927	4,709	5,520	6,209	6,720	6,720
Н	Projected delivery in five-year period	4,146	5,183	6,208	6,931	7,027	6,761
I	Years land supply (H / G) * 5	5.28	5.50	5.62	5.58	5.23	5.03

SCENARIO A: Remove sites from multiple villages

	Five-year supply (Liverpool)	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024	1 April 2025
Α	Cumulative completions since 1 April 2011	2,814	3,281	3,718	4,340	5,423	6,686
В	Cumulative target since 1 April 2011	3,150	3,650	4,150	4,650	5,150	6,270
С	Shortfall against target as at 1 April	-336	-369	-432	-310	+273	+416
D	Target for next five years	3,120	3,740	4,360	4,980	5,600	5,600
E	Shortfall to be addressed in five year period (Liverpool method) (-C annualised * 5)	153	185	240	194	n/a	n/a
F	Buffer to be applied	+20%	+20%	+20%	+20%	+20%	+20%
G	Total five year requirement (D + E) * F	3,927	4,709	5,520	6,209	6,720	6,720
Н	Projected delivery in five-year period	3,872	4,735	5,660	6,333	6,479	6,337
I	Years land supply (H / G) * 5	4.93	5.03	5.13	5.10	4.82	4.72

SCENARIO B: Remove all sites from Codicote, Ickleford and Wymondley

	Five-year supply (Liverpool)	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024	1 April 2025
Α	Cumulative completions since 1 April 2011	2,814	3,281	3,718	4,261	5,284	6,537
В	Cumulative target since 1 April 2011	3,150	3,650	4,150	4,650	5,150	6,270
С	Shortfall against target as at 1 April	-336	-369	-432	-389	+134	+267
D	Target for next five years	3,120	3,740	4,360	4,980	5,600	5,600
E	Shortfall to be addressed in five year period (Liverpool method) (-C annualised * 5)	153	185	240	243	n/a	n/a
F	Buffer to be applied	+20%	+20%	+20%	+20%	+20%	+20%
G	Total five year requirement (D + E) * F	3,927	4,709	5,520	6,268	6,720	6,720
Н	Projected delivery in five-year period	3,723	4,578	5,553	6,305	6,511	6,379
I	Years land supply (H / G) * 5	4.74	4.86	5.03	5.03	4.84	4.75

SCENARIO C: Remove all sites from Codicote, Graveley and Knebworth

	Five-year supply (Liverpool)	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024	1 April 2025
Α	Cumulative completions since 1 April 2011	2,814	3,281	3,718	4,273	5,316	6,554
В	Cumulative target since 1 April 2011	3,150	3,650	4,150	4,650	5,150	6,270
С	Shortfall against target as at 1 April	-336	-369	-432	-377	+166	+284
D	Target for next five years	3,120	3,740	4,360	4,980	5,600	5,600
E	Shortfall to be addressed in five year period (Liverpool method) (-C annualised * 5)	153	185	240	236	n/a	n/a
F	Buffer to be applied	+20%	+20%	+20%	+20%	+20%	+20%
G	Total five year requirement (D + E) * F	3,927	4,709	5,520	6,259	6,720	6,720
Н	Projected delivery in five-year period	3,740	4,580	5,490	6,215	6,386	6,260
I	Years land supply (H / G) * 5	4.76	4.86	4.97	4.97	4.75	4.66