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12/03/2020

Dear Louise

### **Response by the Home Builders Federation to the Further matter's issues and questions**

The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

In our representations and hearing statements made at the start of this examination we raised our concern regarding the Council's assessment of housing need and their ability to show a robust five-year housing land supply on adoption of the local plan. We are therefore concerned that the Council would appear to be suggesting that they should reduce their housing requirement on the basis that they cannot now show they have a five-year housing land supply on adoption despite assurances that this was not the case.

We would therefore like to submit brief statements in response to the latest evidence submitted by the Council as referred to in the Inspectors questions in matter 21 and 22.

#### **Matter 21**

We noted that the Council were not proposing to modify its housing requirement as a result of the 2016-based population projections citing the Government's uncertainty around the use of these projections and that it bakes in under provision of housing since the turn of the century. In addition, we are concerned that the latest projections will have failed to take into account of the likely suppression in population and household formation that will have been a result of the very low levels of housing delivery in North Hertfordshire since 2011. It is inevitable that projections based on this time period will project forward the implications of this low level of housing delivery. It is therefore essential when considering the latest projections to consider suppression in household formation, as is required by the approach set out in Planning Practice Guidance.



The approach suggested by the Council is to use the 2016-based Sub National Population Projections with a ten-year trend for migration as the demographic starting point. The household formation rates from the 2014-based household projections are then applied to the population projections to provide the baseline household growth for the Borough. Given the poor delivery in recent years and the inevitable suppression in household formation we consider such an approach to be justified.

In addition, the Council has considered its position on the market signals uplift. The Council does not consider it needs to amend its position despite a change in the evidence. Throughout the examination we suggested that a higher uplift for market signals was required given the significant worsening in affordability within North Hertfordshire. As such we would suggest that a higher market signals uplift is required within North Hertfordshire and the latest evidence provided by the Council would suggest that this should be at least 20% as set out in our representations.

A 20% uplift to the Council's demographic starting point of 11,348 homes would result in a housing need of circa 13,600 homes between 2011 and 2031. When the vacancy rate of 2.9% is taken into account that need increases to circa 14,000 homes. As such there is no material difference when compared to the level of needs originally suggested by the Council and the 2016-based projections do not warrant any adjustment to the proposed housing requirement.

## **Matter 22**

The new statement submitted by the Council to the examination in January of this year indicates that the concerns raised in our and many others hearing statements with regard to the Council's five-year land supply were very real. In our statements we outlined our concern that the Council would not have a five-year housing land supply on adoption. We were not supportive of the proposed stepped trajectory and noted that even with the proposed steps that on the basis of a 20% buffer required to address past under delivery the Council could only show a 4.5-year land supply for housing.

The Council should have addressed this concern prior to submission with the allocation of additional sites that could have come forward earlier and bolstered the Council's land supply in the first five years. They chose not to do this and have created a situation where they must rescind their commitment to meet some of Luton's needs and push back even further the delivery of much needed housing in order to have a plan that is not immediately out of date on adoption. The current position being taken by the Council shows that the submitted plan was not sufficiently flexible and was fundamentally unsound.

As such the Council have left little room for alternative approaches to be effectively implemented without significant delays to the adoption of this plan and the delivery of those sites that require this plan to be found sound. Whilst the Council state that this will also be tied to an early review, we have three concerns with the Council's suggested approach. Firstly, commitment to review the plan is only made in the supporting text. To be considered an effective approach it must be set out in policy.

Secondly, the statement only commits to completing a review by the mid-2020s. A commitment to a review, as we have seen in Reigate and Banstead where there is an overwhelming need for new homes, does not necessarily lead to a new plan, that considers and meets the longer-term needs of an area. Finally, the commitment has no teeth and as such there is no incentive for the Council to prepare a new plan.

In order for the approach being suggested by the Council to be considered appropriate it must be tied to a commitment in policy to prepare and new plan that meets the long-term needs of the area and neighbouring authorities and for this plan to be submitted within three years of the adoption of this local plan. One recent example that could be considered by the inspector is that proposed at the Bedford Local Plan. The inspector of that plan supported the proposed modification that requires submission of a new plan within three years and if that objective is not achieved then the plan housing requirement will be considered out of date. Without some element of censure should an objective not be met it is unlikely that the Council will prepare a new plan to meet the longer-term growth needs of their communities.

We hope these representations are of assistance in taking the plan forward. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully

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