

# **North Hertfordshire Local Plan 2011-2031**

## **Examination in Public**

### **STATEMENT OF COMMON GROUND**

As agreed between North Hertfordshire District Council, Luton Borough Council, Bloor Homes and The Crown Estate

Concerning housing need and supply within Luton Borough and the Luton Housing Market Area (HMA)

**December 2020**

1. This is a Statement of Common Ground (SoCG) in relation to housing supply within Luton Borough and the Luton Housing Market Area requested by the Inspector.
2. This SoCG does not introduce new information to the examination. This position is established with reference to documents and statements previously submitted and available to all interested parties at the time of the November 2020 hearings, and as expanded upon in verbal evidence provided to those hearing sessions by the signatory parties.

### **The Objectively Assessed Housing Need (OAHN) for Luton and unmet need**

3. The adopted Luton Local Plan 2011-2031 (November 2017) identifies a total OAHN for Luton of 17,800 homes. Of these, 8,500 homes are to be met through the housing requirement set for Luton Borough in Policy LLP2, leaving a residual unmet need of 9,300 homes.
4. The Strategic Housing Market Assessment (SHMA) underpinning the adopted Luton Local Plan identifies from Luton's required 17,800 homes a need for 7,200 of those dwellings to comprise affordable homes which is 40% of the total OAHN and 13,500 of those 17,800 dwellings to be 3 bedrooms or more across all tenures which is 76% of the total OAHN over the period 2011-2031 (ED188, Fig. 68)
5. The division of unmet need between the neighbouring authorities within the Luton Housing Market Area, is set out in an agreement reached under the Duty to Co-operate (ED18, p.3, paragraph 4.7). This states that North Hertfordshire will provide 1,950 dwellings towards the unmet need and that Central Bedfordshire will provide 7,350 dwellings towards the unmet need.

### **Delivery in Luton Borough**

6. The November 2019 Strategic Housing Land Availability Assessment (SHLAA) for Luton (ED189) provides an assessment of actual and anticipated housing delivery in Luton Borough with a base date of 1 April 2019. No further SHLAA or authority monitoring report has been published by Luton at the date of this SoCG.
7. The SHLAA identifies 4,325 net dwelling completions in Luton between 1 April 2011 and 31 March 2019 (ED189, p.4, Table 2.1) and anticipates further delivery to 2031 of 6,578 dwellings equating to a total of 10,903 over the plan period. Clearly this is higher than the originally anticipated 8,500 dwellings. However, this is a snapshot at the time that the supply was assessed in 2019, making a projection of future delivery over a 12 year period, and it remains to be seen whether all of that supply will ultimately come forward by 2031. In addition, any additional capacity achieved or anticipated in Luton needs to be considered in the context that its unmet needs of 9,300 dwellings are distributed to both North Hertfordshire and Central Bedfordshire.
8. Paragraph 50 of the 2012 NPPF sets out the important imperative to deliver a wide choice of high-quality homes, widen opportunities for home ownership and create

sustainable, inclusive and mixed communities. This can only be achieved by planning for a mix of housing that responds to local identified demand. In considering unmet needs, the (likely) tenure and mix delivered in Luton is equally important as the overall quantum of development.

9. Presently there is an acute and current shortfall of both family housing and affordable housing in Luton Borough. In relation to family housing, as at 1 April 2019, only 785 3+ bedroom homes have been built over the previous 8-year period (ED189, p.7, Table 2.5). This very low figure for family housing when it is considered against a stated need for 13,500 3+ bedroom family houses to 2031 (equivalent to 675 3+ bedroom homes every year). This significant under delivery is because 83% of all completions within Luton Borough since 2011 have been for much smaller 1 or 2 bedroom homes.
10. Moreover, the prognosis to remedy this imbalance is not good. In relation to meeting Luton's needs for family housing, Bloor Homes estimate that, from analysis of SHLAA sites for which housing mix information is available, 88% of potential future delivery is for 1 or 2 bedroom homes and 12% of potential future delivery is for 3+ bedroom homes (Bloor Homes further Matter 21 Statement, p7, paragraph 2.5.30 and associated table).
11. On this analysis, there is a potential shortfall of over 11,000 3+ bedroom homes over the plan period when measured against the requirements of the OAHN<sup>1</sup>. Therefore whilst the housing delivery levels are better than expected, the NPPF imperative of ensuring that the appropriate mix of housing is delivered has nowhere near been met.
12. In relation to affordable homes for the seven-year period to 1 April 2018, there is a similar situation. Only 757 affordable homes were delivered as against a requirement of 7,200 homes to 2031 (equivalent to 360 affordable homes every year) (Table 5 of Luton Authority Monitoring Report as included in Bloor Homes Matter 21 Statement, Appendix 1).
13. As with family housing, the prognosis to make good this significant shortfall in affordable housing within Luton Borough is also not good. Luton's adopted affordable housing target of 20% (reduced from the 40% identified need on the basis of viability) suggests the potential delivery of approximately 2,000 affordable homes within the Borough over the plan period as against a requirement of 7,200.
14. Even if this 20% target of 2,000 affordable homes is achieved, and it needs to be recognised that many schemes in Luton are marginal on viability grounds or have been brought forward under permitted development rights for which no affordable housing is secured through the planning system<sup>2</sup>, this represents a serious deficit of 5,200 affordable homes against the OAHN to 2031. This eventuality was recognised in the Luton Local Plan Inspector's report where he stated that there would be a "significant

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<sup>1</sup> 785 3+bed homes delivered 2011-2019 + estimate of 1,315 3+ bed homes 2019-2031 [an indicative 20% of the 6,578 future units in the SHLAA having regard to the Bloor Homes analysis in Paragraph 10 of this statement] for a total of 2,100 against an identified need of 13,500; a shortfall of 11,400.

<sup>2</sup> The Bloor Homes analysis of SHLAA sites shows just 588 units as being for affordable housing, 12% of the 4,926 units assessed (Bloor Homes further Matter 21 statement, p.7 table)

shortfall” in affordable housing and concluded that “*provision for Luton’s unmet affordable housing needs is an issue which falls to be considered by neighbouring authorities*” (ED4, p.37, para 185). The mismatch between need and supply has been further recognised by the Planning Inspectorate in a recently dismissed s.78 appeal (June 2020, as attached to Bloor Homes, Matter 21 Statement, Appendix 2).

15. Bloor Homes have identified further permissions granted in the period April 2019 to August 2020. It can be seen that these are again significantly biased towards small unit provision (77% 1- or 2-bed) with only modest levels of affordable housing secured (16% of the additional permissions) (Matter 21 statement, paragraphs 2.5.28 to paragraph 2.5.34 and accompanying tables).
16. Although these further permissions are over and above the figures provided in the SHLAA<sup>3</sup>, it is agreed that neither source represents a comprehensive supply-side analysis. Given Covid-19 and changing economic circumstances, delivery expectations in the 2019 SHLAA will now likely prove to have been overly optimistic in a number of cases. Development activity in Luton and progress on a number of sites has either stalled or been delayed. Not all sites granted permission will prove to be deliverable or developable whilst the supply identified in the 2019 SHLAA would need to be reviewed to reflect any associated changes of circumstance (e.g. lapses, delayed starts, under-delivery, revised schemes). It is therefore considered that only limited weight can be given to these figures as a guide to the likely overall delivery within Luton.
17. A number of third-party analyses suggest additional capacity beyond the figures suggested above. Upon review of these analyses, it is evident that they contain substantial elements of double counting (e.g. the inclusion of discharge of condition consents alongside the original application)<sup>4</sup> or sites which cannot reasonably be considered ‘suitable’ or ‘available’ for development consisting of individual units within industrial estates and operational sites such as schools<sup>5</sup>. These analyses should not be relied upon in reaching conclusions about (potential) development capacity within Luton.
18. Overall, despite overall delivery rates being higher than anticipated in Luton Borough, the Luton Local Plan’s Inspector’s conclusion that there would be a significant shortfall in affordable housing and that provision for Luton’s unmet affordable housing needs is an issue which falls to be considered by neighbouring authorities remains the position. This is further compounded by the serious mismatch between the need for larger family houses and the supply, and where there also remains a significant deficit in provision that is unlikely to be remedied without the identified allocations in neighbouring authorities’ areas.

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<sup>3</sup> The SHLAA identifies a total potential supply of 10,903 homes. The Bloor Homes Matter 21 statement analyses permissions for a potential further 2,308 homes.

<sup>4</sup> See Appendix 1 to Matter 24 hearing statement of Mr Barry Brown and Ms Clare Brown (13865). This informs a purported figure of ~15,000 permissions.

<sup>5</sup> See Appendices 22 and 28 to further Matter 21 hearing statement of Ms Carolyn Cottier (3072).

## **Delivery in Central Bedfordshire**

19. NHDC's 'Paper C' (ED173) clearly demonstrated that Central Bedfordshire would not deliver sufficient homes within Luton HMA to meet both their agreed share of unmet needs arising from Luton and their own needs arising in this area<sup>6</sup>. The appropriateness of Central Bedfordshire's strategy is for their examination to determine but, for the purposes of this Statement of Common Ground the following is relevant namely that Central Bedfordshire will need to rely on:
- sites relatively remote from Luton and less preferable to the East of Luton sites to address their share of unmet needs (ED173, p.15, para 53 & p.16, para 62); and
  - Sites beyond the Luton HMA to address their own needs arising in this area (ED173, p.15, para 58 & p.16, para 61)
20. At the time of responding to the Inspector's July 2019 letter, Central Bedfordshire considered 7,737 homes would be delivered within their administrative area to meet Luton's unmet needs by 2031 (ED173, p.15, paragraph 57). Central Bedfordshire will deliver the unmet need following adoption of their own plan (ED173, Appendix 3).
21. NHDC's own analysis identified a further 7,594 homes to be delivered within the Luton HMA in the period 2011-2031 to address Central Bedfordshire's own needs in that part of the authority lying within the Luton HMA. This marked a significant deficit against the 13,400 homes needed by Central Bedfordshire to meet their own needs in that part of the authority lying within the Luton HMA arising for this period (ED173, p.16, paragraph 58).
22. The Paper C analysis therefore identified a supply of approximately 15,300 homes within that part of Central Bedfordshire within the Luton HMA measured against a need for 20,750 homes, including unmet needs from Luton.
23. The latest update provided by Central Bedfordshire prior to the most recent hearing reinforces this position (ED207). The sites previously identified to NHDC in ED173 would now be insufficient to address Luton's unmet needs. Central Bedfordshire now propose to identify all proposed allocations within the Luton HMA. From the date of any adoption of Central Bedfordshire's Plan, any of these sites might be attributed to meeting Luton's unmet needs as well as the needs of Central Bedfordshire.
24. The additional sites now identified in ED207 include locations such as Eaton Bray, Flitwick, Maulden and Westoning which cannot be considered preferable to the East of Luton sites for addressing unmet needs from Luton on any rational planning analysis.
25. Due to the delays in the Central Bedfordshire examination, ED207 reduces the contribution towards unmet needs from Luton that might be realised post-adoption from sites around the edge of the Luton / Dunstable / Houghton Regis conurbation by approximately 650 homes<sup>7</sup>. Any delivery from the North of Houghton Regis sites in

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<sup>6</sup> Recognising that these figures are for the period 2011-2031 whilst Central Bedfordshire's Plan covers the period 2015-2035 and is being examined on this basis.

<sup>7</sup> Central Bedfordshire's 'EXAM41' paper appended to ED173 identified an approximate capacity to 2031 of 6,918 homes from North Houghton Regis (1&2) (4,818 homes) and North of Luton (2,100

advance of the Plan's adoption will contribute towards Central Bedfordshire's own needs within the HMA – for which the supply is demonstrably in deficit – and / or offset delivery from sites previously identified for Central Bedfordshire's own needs but now shown in ED207 as potentially contributing towards unmet needs from Luton later in the Plan period<sup>8</sup>.

### Conclusion

26. It is therefore agreed by the signatories to this Statement of Common Ground that the East of Luton sites remain necessary to meet the housing needs of Luton and that these needs have not and will not be met elsewhere within the Luton HMA or anywhere else.

#### **Signed on behalf of North Hertfordshire District Council**

Name: Cllr Paul Clark

Signature:

Date: 21.12.2020



#### **Signed on behalf of Luton Borough Council**

Name: Cllr P. Castleman

Signature:

Date: 21.12.2020



#### **Signed on behalf of Bloor Homes**

Name: David Joseph

Signature:

Date: 18th December 2020.

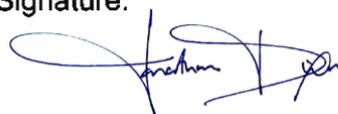


#### **Signed on behalf of The Crown Estate**

Name: Jonathan Dixon

Signature:

Date: 18th December 2020



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homes). ED207 identifies an approximate capacity to 2031 of 6,259 homes from North of Houghton Regis (site 1, 2,601 homes), North of Houghton Regis (site 2, 1,328 homes), North of Luton (1,980) and East of Houghton Regis (350 homes)

<sup>8</sup> Shown in ED207 as sites HAS14, HAS17, HAS18, HAS19, HAS28, HAS29, HAS38, HAS51 and HAS52 for a total estimate of 973 homes between adoption and 2031.