

Three Rivers District Council

# Sub Committee Report

4 February 2025

## LOCAL PLAN SUB COMMITTEE – 4 February 2025

### PART I

#### Housing and Employment Topic Papers (DoF)

#### 1 Summary

- 1.1 This report provides an overview of the two draft topic papers which have been prepared (housing and employment and economy) to assist with the formulation of the emerging Local Plan.
- 1.2 The officer recommendation is for Members of the Local Plan Sub-Committee to note the contents of this report and agree to publish Appendices 1 and 2 to the emerging Local Plan Evidence Base, which can then be used by Development Management during decision-making.

#### 2 Background

- 2.1 Three Rivers District Council is preparing a new Local Plan, which will guide development up to 2041. In order to explain and support many of the themes in the emerging Local Plan, the Council will produce a number of topic papers, which present background information and evidence to set the scene for discussion and engagement. These topic papers will be formally published prior to the examination of the Local Plan.
- 2.2 The topic papers are intended to be 'living' documents, which will be updated throughout the plan-making process in order to reflect updated evidence, changes to the policy context, and the outcomes of the various stages of consultation and engagement. The topic papers do not contain any policies, proposals, or site allocations.
- 2.3 The topic papers will be brought to other Local Plan Sub-Committees where relevant, for example when discussing related policies or allocations.

#### 3 Housing Topic Paper

- 3.1 The Housing Topic Paper (Appendix 1) provides a holistic overview of the important subject of housing, an integral element of the emerging Local Plan.
- 3.2 The District suffers with affordability issues primarily stemming from high property prices. Three Rivers has a lowest quartile house price of £400,000, which places the District as the third most expensive local authority area in England and Wales (excluding London). High and rising property prices result in a worsening median quartile house affordability ratio, which makes home ownership difficult to attain for many residents within the District.
- 3.3 In terms of national policy, the NPPF *sets out that to “determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method”*. In this context, the NPPF also sets out that the *“need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies”*. With regards to Green Belt, the NPPF sets out that *“authorities should review Green Belt boundaries in accordance with the*

*policies in this Framework and propose alterations to meet these needs in full, unless the review provides clear evidence that doing so would fundamentally undermine the purposes (taken together) of the remaining Green Belt, when considered across the area of the plan”.*

- 3.4 Following the publication of the most recent version of the NPPF in December 2024, the standard method now uses a formula that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures. The Local Housing Need figure calculated using the standard method for Three Rivers is now 832 dwellings per annum. Over a 16 year plan period this equates to a total of 13,312 dwellings. (the plan period is calculated using the current year as the starting point and we must plan for 15 years post adoption which is expected in 2026).
- 3.5 In terms of past delivery, from the beginning of the plan period to the last monitoring year (2023/2024) 4,723 net dwellings were completed, increasing to 4,886 when including C2 completions (dwelling equivalent). In terms of affordable housing provision, during the 2023/24 monitoring year, 3 affordable dwellings were completed. This amounts to 1.1% of the total completions (276 dwellings) in the 2023/24 monitoring year. Since the start of the plan period in 2001, 1,226 gross affordable homes have been completed, which amounts to 21.6% of a total 5,664 gross dwelling completions.
- 3.6 The Local Housing Needs Assessment states that the standard method figures (at the time of the study) should be taken forwards as providing an appropriate assessment of housing need and that there were no exceptional circumstances to go either higher or lower than the standard method figure at the time (640). However, it must be noted that this conclusion was partly based off the fact that household growth has been lower than in the 2014-based Projections (which the previous iterations of the standard method was based on). Following the publication of the most recent version of the NPPF in December 2024, the standard method now uses a formula that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures.
- 3.7 The Local Housing Need Assessment found that the total affordable housing need within Three Rivers is 527 dwellings per annum, comprising 364 rented dwellings and 163 home ownership dwellings. At a strategic level across south-west Herts, the LHNA recommends that 70% of affordable housing should be focused on rented provision, and 30% intermediate/low cost home ownership. The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained.
- 3.8 The Local Housing Needs Assessment suggested a recommended housing mix for south-west Hertfordshire as well as Three Rivers specifically, as set out in Figure 15.
- 3.9 The Local Housing Needs Assessment discussed the need for older and disabled people. Herts County Council's preference is for enhanced extra care to reduce the dependency on residential and care homes. However, the LHNA advises that Councils will need to consider a range of issues, including the different use classes of accommodation (C2 vs. C3), requirements for affordable housing contributions (and associated viability considerations) and the practical implications of mixed tenure schemes. The LHNA also advises that Councils consider requiring all dwellings (in all tenures) to meet the M4(2) standards and

around 5% of homes meeting M4(3) standards in the market sector and around 10% in the affordable sector.

- 3.10 In terms of other market segments, the LHNA identified an emerging market for Build to Rent. With regards to custom and self-build housing, the LHNA advises that these should be reflected in new local plan policies. Additionally, with regards to children home spaces, the LHNA advises that relevant applications are treated positively and advises engagement with Hertfordshire County Council.

#### **4 Employment and Economy Topic Paper**

- 4.1 The Employment and Economy Topic Paper (Appendix 2) provides a holistic overview of the important subject of employment and economy, important elements within the emerging Local Plan because in addition to providing housing, the economic development of the District needs to be considered. This includes meeting the projected need for a range of employment uses including office uses, industry and warehousing uses.
- 4.2 A key aim of national planning policy is to increase economic growth and enhance employment opportunities. For example, paragraph 85 of the NPPF states that “*planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on it...*”.
- 4.3 The south-west Hertfordshire authorities undertook a joint evidence study, the South West Hertfordshire Retail and Leisure Study (September 2018), prepared by Nexus Planning. However, given that this study was completed in 2018, it is considered that a new study should be commissioned providing more up-to-date data (including post-covid) and reflecting any changes to national policy. As such, the Council will commission and undertake an updated Retail and Leisure Study before publishing the Regulation 19 version of the Local Plan.
- 4.4 The main piece of evidence analysed within the topic paper was the South West Hertfordshire Economic Study (2024), prepared by Hatch. The study provides current evidence, context and subsequent findings which will help shape future employment needs within the Three Rivers District and the wider sub-region.
- 4.5 The study confirms that the five local authority areas (Three Rivers, St Albans, Hertsmere, Dacorum and Watford) continue to share strong links in terms of migration, commuting and strategic transport infrastructure. Therefore, the study concludes that the definition of the functional economic market area (FEMA) is still valid.
- 4.6 The study identifies four “priority sectors” within south-west Hertfordshire; Film and TV, agri-tech, life sciences and clean growth. The TV and film sector is of particular importance to Three Rivers.
- 4.7 At the time of the study’s publication there was approximately 124,000 sqm of vacant office space in south-west Hertfordshire. The study concluded there is not a need to identify additional sites for office development, but recognises that there will still be demand for office space, particularly from smaller sized businesses. However, with specific regard to Three Rivers, the study states “*the one exception to this (availability) was Three Rivers, where the availability rate has fallen since 2019-23 although the vacancy rate has risen. The availability*

*rate in Three Rivers is also much lower than other areas (5.8%). This is likely to be due to local factors affecting demand in Three Rivers, although the exact explanation is unclear. Nevertheless, it suggests market conditions are slightly different in Three Rivers, and the local authority should prioritise the protection of office space as far as possible”.*

- 4.8 In terms of industrial space and storage and distribution space, the study concludes that the FEMA authorities should plan for:

Industrial Space: 110,200sqm (27.6 Ha of land) for the period 2021-2041 and 49,700sqm (12.4 Ha) for the period 2041-2050.

Storage and Distribution Space: 413,400sqm (103.4 Ha) for the period 2021-2041 and 186,100sqm (46.5 Ha) for the period 2041-2050.

- 4.9 However, when taking into account existing commitments and potential development opportunities at available sites, the resulting shortfall for employment land across south-west Hertfordshire is 9.5 Ha (for industrial, storage and distribution combined).

## **5 Policy/Budget Reference and Implications**

- 5.1 The recommendations in this report are within the Council’s agreed policy and budgets.

## **6 Financial, Legal, Staffing, Equal Opportunities, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications**

- 6.1 None specific.

## **7 Recommendation**

- 7.1 That the Local Plan Sub-Committee note the contents of this report and agrees to publish the following evidence studies to the emerging Local Plan Evidence Base (online website):

- i. South West Hertfordshire Local Housing Needs Assessment Update, produced by Icenl (Appendix 3)
- ii. South West Hertfordshire Economic Study, produced by Hatch (Appendix 4)

## **8 Background Papers**

National Planning Policy Framework (2024)

Planning Practice Guidance (2024)

Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011)

## **9 Appendices**

Appendix 1 – Housing Topic Paper

Appendix 2 – Employment and Economy Topic Paper

Appendix 3 – South West Herts Local Housing Needs Assessment Update, produced by Icení (March 2024)

Appendix 4 – South West Hertfordshire Economic Study, produced by Hatch (September 2024)

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