

Three Rivers District Council

Sub Committee Report

13 June 2023

PART I

**LOCAL PLAN – HOUSING NEED AND GREEN BELT APPROACH
(DEIP)**

1 Summary

- 1.1 This report outlines the approach proposed by officers to deciding the level of housing growth for the District when taking into consideration Green Belt as a constraint.

2 Introduction

- 2.1 The need for new homes is much higher than faced by previous plans yet this has to be planned for in the context of the same planning, environmental and physical constraints. Special consideration needs to be given to Green Belt constraint as only a small proportion of the Council's housing need as calculated using the Government's standard method can be delivered within the urban area.
- 2.2 Green Belt boundaries can be altered through the plan-making process, but only in exceptional circumstances. This report will consider the potential exceptional circumstances for Green Belt release and the Council's approach to Green Belt release for housing in the Local Plan.
- 2.3 It should be noted that although the focus of this report is housing need which is a key component of the growth strategy for the area there are other important needs that will also need to be considered through the Local Plan such as employment, infrastructure and climate change.

3 Background

- 3.1 The first piece of evidence work completed relating to housing need for the new Local Plan was the South West Hertfordshire Strategic Housing Market Assessment (SHMA, 2016). This set out the Objectively Assessed Need (OAN) for the area. This predated the Government's standard method for calculating housing need and was a locally devised methodology following the guidance at the time.
- 3.2 The SHMA concluded that the OAN for housing in Three Rivers for the period of 2013-2036 was 514 dwellings per annum. This was a significant increase to the Council's existing target of 180 dwellings per annum set out in the Core Strategy (2011).
- 3.3 Recognising that the OAN is the starting point when seeking to establish an appropriate housing requirement for the area, officers contemplated wider policy objectives where relevant. Such considerations included the delivery of affordable housing, the potential to enable growth of the local economy and strategic constraints such as Green Belt.
- 3.4 This work fed into our first round of Regulation 18 consultation known as Issues & Options (2017). In terms of housing need the consultation considered three growth options. These were 'Low Growth' of 411 dwellings per annum (20%

below OAN), 'Moderate Growth' of 514 dwellings per annum (OAN) and 'High Growth' of 617 dwellings per annum (20% above OAN). 18% of respondents supported the low growth option, 41% supported moderate growth and 41% supported high growth. It should be noted that there was a low response rate to this consultation, which is common at this stage in plan-making.

- 3.5 In 2018 The Government introduced the standard method for calculating housing need, taking away the power for local authorities to calculate their own housing need. The standard method identifies a minimum annual housing need figure. This produced a minimum annual housing need figure of 615 dwellings per annum for Three Rivers. In other words, we were being forced into the 'High Growth' option.
- 3.6 The Local Housing Needs Assessment (2020), an updated version of the 2016 SHMA, applied the standard method in the study with the minimum housing need figure now at 630 dwellings per annum. The study concluded that there were no exceptional circumstances that justified using an alternative method for calculating housing need.

Regulation 18: Preferred Policy Options and Sites for Potential Allocation (2021)

- 3.7 In 2021 the Council consulted on a draft Regulation 18 version of the Local Plan. The document considered preferred policy options and set out the sites that could potentially be allocated for development in the Local Plan.
- 3.8 In calculating housing need, a plan period of 2018 to 2038 was used resulting in a total requirement of 12,624 dwellings. Completions, commitments (approved planning permissions) and a windfall allowance were taken off this total leaving a residual target of 10,678. The draft Regulation 18 plan failed to meet this target and planned for 8,973 dwellings, 1,705 dwellings short.
- 3.9 As a result of this consultation a further 18 sites were submitted for the Council's consideration and a further three sites were re-submitted with updated proposals. These sites were assessed and six sites were considered appropriate for potential allocation.
- 3.10 The six sites were consulted on in 2022/23 in the Additional Sites for Potential Allocation document. Adding 825 dwellings to the total. In the meantime, a number of sites were removed or had dwelling capacities altered leaving the deficit to the residual housing target at 1,318 dwellings. This concluded this round of Regulation 18 consultation and the Council needed to then decide whether to press ahead with the Regulation 19 stage or whether to go out on further Regulation 18 consultation considering different levels of growth.
- 3.11 In December 2022 the Secretary of State for Levelling Up, Housing and Communities wrote to MPs about proposed reform to the planning system. A key message set out in the letter was that whilst the standard method for calculating housing need would be retained it should be an advisory starting point, a guide that is not mandatory. They also emphasised that local planning authorities are not expected to review the Green Belt to deliver housing.
- 3.12 Following this the Government consulted on planning reform reiterating that the standard method calculation would remain unchanged at least until they have reviewed the implications on the standard method of new household projections data based on the 2021 Census, which is due to be published in 2024.

- 3.13 The ability for local authorities to use an alternative approach to the standard method where there are exceptional circumstances that can be justified was proposed to be retained. It was however proposed that it would be made clearer in the NPPF that the outcome of the standard method is an advisory starting point to inform plan-making, a guide that is not mandatory. They propose to give more explicit indications in planning guidance of local characteristics that may justify an alternative method. To date no such guidance has been produced. The examples given in the consultation were islands with a high percentage of elderly residents or university towns with an above-average proportion of students, neither of which apply to Three Rivers.
- 3.14 It should be noted that this was just a consultation and that neither the consultation nor the letter from the Secretary of State constitutes a statement of national planning policy. The National Planning Policy Framework and Planning Practice Guidance remain unchanged and it is to this framework we are required to work.
- 3.15 At Full Council in December 2022 Members unanimously agreed to add a further round of Regulation 18 consultation to the Local Development Scheme (Local Plan timetable). It was agreed that this further Regulation 18 consultation would be focussed on lower housing numbers than had been consulted on in the previous round of Regulation 18 consultation. The title of the consultation was agreed to be 'Our Vision for Three Rivers – our preferred Local Plan and housing numbers'.

4 Details

- 4.1 Officers have been tasked with considering the best approach to calculating an appropriate lower housing target. This report sets out the approach and considerations.

Standard Method

- 4.2 The standard method housing need is currently 637 dwellings per annum. This should be the starting point for deciding the housing target in the Local Plan. It should be noted that the Planning Practice Guidance states that the standard method identifies a minimum annual housing need figure. As such the expectation is to go higher than the standard method rather than lower.
- 4.3 The guidance also sets out that an alternative method can be used in exceptional circumstances but this will be closely scrutinised at examination. We would need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth.
- 4.4 Importantly the guidance states that any method that relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method. Therefore, simply using more recent household projections, for example the 2018 projections (which would have resulted in a housing need of 305 dwellings per annum), in the standard method calculation would not be considered an appropriate alternative method.
- 4.5 In the absence of further guidance on how to calculate an alternative method using more up to date household projections and what would be considered exceptional circumstances, officers do not feel that pursuing an alternative method to the standard method would be an appropriate course of action as it could lead to the plan being found unsound at examination.

- 4.6 The Government stated that the purpose of proposed changes to calculating housing need was to give more certainty that authorities can propose a plan with a housing requirement below the standard method housing need figure where it is clearly evidenced and all other reasonable options to meet housing need have been considered. This is contradictory to the current guidance that states the housing need figure being a minimum, however officers feel this could be considered a signal of intent from Government. As such, officers believe a constraints based approach to producing a housing requirement below the standard method figure would be most advisable.

Plan start date

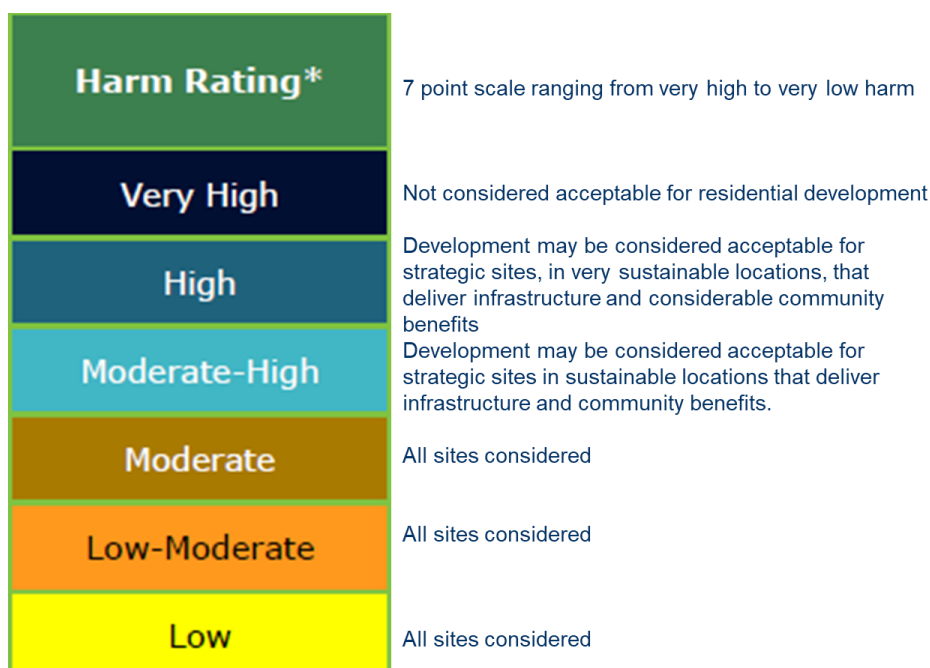
- 4.7 The previous round of Regulation 18 consultation (2021-2023) used a plan period of 2018-2038. It is now officers' opinion that we do not need to back date the plan start date as the standard method using the 2014 household projections accounts for past under delivery. The standard method requires us to start from the current year so for the consultation this will be 2023. In reality the final plan start date will be the year in which the plan is submitted for examination, currently expected in 2025.
- 4.8 We are required to plan for 15 years post adoption (expected in 2026) so the plan period would now be 2023-2041. The standard method housing need would therefore equate to 637 dwellings multiplied by the 18 year plan period giving a total of 11,466 dwellings. This is a reduction of 1,158 dwellings when compared to the previous Regulation 18 consultation. When factoring in commitments (planning permissions) and a windfall allowance we would get a residual housing target of approximately 9,700 dwellings which is nearly 1,000 dwellings fewer than the residual target we have been working to. The sites in the Regulation 18 Sites for Potential Allocation together with the sites in the Additional Sites for Potential Allocation consultation still didn't meet this reduced target.

Green Belt as a constraint

- 4.9 All the policy, physical, and environmental constraints relating to potential sites have been considered through the Strategic Housing and Employment Land Availability Assessment (SHELAA). As has Green Belt, however a particular approach to Green Belt release was adopted in order to try and meet the standard method housing target. Although it was not explicitly set out in national policy that Green Belt release was required to meet the standard method housing target it was expected at Local Plan examination. No Local Plan was successful at examination arguing a lower housing target based purely on Green Belt.
- 4.10 The Secretary of State's Letter and Government's consultation set out the Government's intentions regarding Green Belt and housing need. By stating that Green Belt release is not a requirement in order to meet housing need they aim to remove ambiguity about whether authorities are expected to review the Green Belt. In making this statement officers believe the Government has already removed this ambiguity to an extent. For this reason, officers believe that the District's Green Belt constraint can now be used as an argument for lower housing numbers.
- 4.11 The Council has undertaken Green Belt Reviews as part of its evidence work for the Local Plan. As previously reported to the Local Plan Sub Committee the Green Belt Review does not in itself draw conclusions as to where land should be released to accommodate development, but identifies the relative variations in the harm to the Green Belt and that planning judgement is required to

establish whether the sustainability benefits of Green Belt release and the associated development outweigh the harm to the Green Belt.

- 4.12 The level of harm that Officers used in recommending sites within the Regulation 18 document is summarised below:



- 4.13 The previous approach was based on the assumption that the Council could demonstrate the exceptional circumstances for Green Belt release on the basis of overall housing need. This is no longer the case, however there may be other factors that could be considered to constitute exceptional circumstances such as the chronic need for affordable homes in the District and housing for the elderly.

- 4.14 The LHNA sets out the need for affordable housing for rent on its own is 350 dwellings per annum which is 55% of the current standard method target. On top of that the Government requires a minimum of 25% of affordable housing to be delivered as First Homes. The Draft Affordable Housing Policy reported to the Local Plan Sub Committee in March 2022 sets a target of 40% of housing delivered to be affordable. Without going into the Green Belt we wouldn't be able to deliver even a 10th of the LHNA target. It should be noted that we are currently updating the LHNA so the figure will change but it certainly will not decrease tenfold.

- 4.15 The Council has prioritised development in the urban area and on brownfield land, whereas sites in the Green Belt have been the last option. Looking at delivering housing only on non-Green Belt sites we wouldn't be able to deliver much over 1,000 dwellings in total, plus around 400 dwellings expected to come forward as windfall. This small scale of growth is considered by officers to be detrimental to the District. It would result in practically no infrastructure being delivered as this is funded from development through CIL and Section 106. It will reduce the competitiveness of the labour market. Finally, it would significantly exacerbate the declining levels of affordability in the District. Officers have therefore concluded that there are exceptional circumstances for Green Belt release.

- 4.16 Officers therefore recommend that some Green Belt release is required but this should be focussed on the areas that would result in the least harm to the Green Belt. As we want to protect the most valuable areas of Green Belt we propose using the Stage 2 Green Belt Review as the basis for deciding which sites should remain as potential sites for allocation. The proposed threshold would be any sites that fall into parcels that have a harm level of 'moderate' or lower. Sites that fall into a harm level of 'moderate-high' or above would be considered to cause an unacceptably high level of harm to the Green Belt if they were to be removed for development.
- 4.17 Sites in areas of 'moderate harm' or less together with a windfall allowance would total around 4,500 dwellings. Which translates to 250 dwellings per annum. Please note that these are working calculations and the details of specific sites and a detailed housing trajectory will be reported to the Local Plan Sub Committee once the approach to housing need is agreed. This level of growth is still considered too low by officers and the benefits of strategic sites that may fall into areas of higher harm should be considered.
- 4.18 The key reason for officers considering 250 dwellings per annum being too low is because it will leave the Council too far from meeting its affordable housing need. Some of this deficit can be met through the delivery of strategic sites. We need to attempt to meet as much of our affordable housing need as possible whilst minimising the impact on the Green Belt.

Strategic Sites in the Green Belt

- 4.19 There is no set number of dwellings that constitute a strategic site, however officers consider circa 500 dwellings to be an appropriate threshold as these are the dwelling numbers where we can begin to expect more on site infrastructure provided. Strategic sites are of a scale where they can deliver more benefits than the same number of dwellings being delivered through multiple smaller sites.
- 4.20 The additional benefits that can be provided by strategic sites may outweigh the harm to the Green Belt of removing that land for development. Details of specific strategic sites will be reported to a future Local Plan Sub-Committee meeting where Members can agree which sites, if any, should come forward in an area with higher than 'moderate harm'.

Compensatory Measures

- 4.21 When removing land from the Green Belt through the plan making process the NPPF requires us to consider compensatory improvements to help offset the Green Belt release. In our site allocations policy, we will set out the need for improvements to the environmental quality and accessibility of remaining Green Belt land.
- 4.22 Where a potential site can demonstrate that it will provide compensatory improvements to the Green Belt at a scale that would offset a higher level of Green Belt harm than the 'moderate harm' threshold then it may be considered acceptable as a potential site for allocation. For example, if a site was able to provide larger scale accessible open space.

Chiltern Beechwoods Special Area of Conservation (SAC)

- 4.23 Dacorum Borough Council commissioned visitor surveys at the Chiltern Beechwoods SAC as part of their Local Plan preparation. The footprint Ecology

Report found that the site is being heavily damaged by visitor pressure and identified concerns around the cumulative impact of residential development.

4.24 The report identified a 12.6km Zone of Influence (ZOI). As a result, large developments in the ZOI will be required to produce a Habitat Regulations Assessment and may be required to provide mitigation measures.

4.25 Although part of Three Rivers falls within the ZOI it was not included in the 'strategic solution' by Natural England as less than 2% of visitors to the SAC were from Three Rivers.

4.26 Natural England responded to our Regulation 18 Additional Sites for Potential Allocation consultation. They have identified four sites with over 100 dwellings that would require a Habitats Regulations Assessment and potential mitigation measures.

4.27 A key mitigation measure would be the provision of Suitable Alternative Natural Greenspace (SANG). Any SANG would need to be sufficient size/quality to divert visitors away from the Chiltern Beechwoods and create a semi-natural experience. SANGs must have the following:

- Adequate parking for visitors, unless the site is intended for local use (within 400m walk of developments linked to it).
- Possible to complete a circular walk of 2.3 to 2.5km around the SANG.
- SANG must be designed so that they are perceived as safe by users; they must not have tree and scrub cover along parts of the walking routes.
- Paths must be easily used and well maintained but most should remain unsurfaced to avoid an urban feel.
- SANG must be semi-natural spaces with little intrusion of artificial structures.

4.28 The provision of a SANG site would be considered as compensatory improvement to the remaining Green Belt. As such, this may make a potential site providing SANG acceptable in a higher area of Green Belt harm.

5 Options and Reasons for Recommendations

5.1 The recommended approach set out in this report would result in a moderate level of growth. Through the Regulation 18 consultations in 2021 and 2023 the Council has already consulted on a high growth option based on the standard method housing need. The low growth option would be no Green Belt land being released at all. Officers are concerned this option would result in us failing to meet other needs beyond merely the quantum of housing, especially the need for affordable housing.

5.2 Overall the amount of growth without going into the Green belt would be far too low, whereas if we were to meet the standard method housing need in full it would result in unacceptable harm to the Green Belt. It is for this reason that officers recommend a moderate growth approach

6 Policy/Budget Reference and Implications

6.1 The recommendations in this report are within the Council's agreed policy and budgets.

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

None specific.

8 Financial Implications

None specific.

9 Legal Implications

9.1 None specific.

10 Risk and Health & Safety Implications

10.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

10.2 The subject of this report is covered by the Planning Policy and Conservation service plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

Nature of Risk	Consequence	Suggested Control Measures	Response <i>(tolerate, treat, terminate, transfer)</i>	Risk Rating <i>(combination of likelihood and impact)</i>
Failure/Delay in delivering Local Plan	Increase in speculative planning applications	Local Development Scheme	tolerate	6
Local Plan found 'unsound' a examination	Main modifications may be required which will result in an extended examination and costs and/or the Plan may have to be withdrawn.	Ensure that the Local Plan is evidenced based and justified	tolerate	6

10.3 The above risks are scored using the matrix below. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood scores 6 or less.

Very Likely	Low 4	High 8	Very High 12	Very High 16
	Low 3	Medium 6	High 9	Very High 12
	Low 2	Low 4	Medium 6	High 8
	Low 1	Low 2	Low 3	Low 4
Likelihood ↓ Remote	Impact Low -----> Unacceptable			

Impact Score

- 4 (Catastrophic)
- 3 (Critical)
- 2 (Significant)
- 1 (Marginal)

Likelihood Score

- 4 (Very Likely (≥80%))
- 3 (Likely (21-79%))
- 2 (Unlikely (6-20%))
- 1 (Remote (≤5%))

10.4 In the officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of the management of operational risks is reviewed by the Audit Committee annually.

11 Recommendation

11.1 That the Local Plan Sub Committee:

- Note the contents of this report
- Agree the approach to housing need and Green Belt where only sites in areas of moderate Green Belt harm or less, as set out in the Stage 2 Green Belt Review, are considered acceptable for residential development unless the site is considered strategic and the benefits of the site are considered to outweigh the harm caused by its release from the Green Belt.

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Background Papers

National Planning Policy Framework (2021)

Planning Practice Guidance
Core Strategy (2011)
Green Belt Review Strategic Analysis (Stage 1) (2017)
Stage 2 Green Belt Assessment (2019)
Regulation 18 Part 1: Preferred Policy Options (2021)
Regulation 18 Part 2: Sites for Potential Allocation (2021)
Regulation 18 Part 3: Additional Sites for Potential Allocation (2023)
Potential Sites consultation (2018)
Regulation 18 Issues & Options consultation (2017)
Levelling-up and Regeneration Bill: reforms to national planning policy (2022)
Strategic Housing & Employment Land Availability Assessment (2020)
Strategic Housing & Employment Land Availability Assessment Addendum
(2023)
Urban Capacity Study (2020)

