

Examination of the Hertsmere Revised Core Strategy Development Plan Document

Inspector's Preliminary Findings on matters relating to Overall Housing Provision, Housing Land Supply and the Green Belt

1. Following my announcement at the conclusion of the hearing session on 3 May 2012, this note sets out my preliminary findings that give rise to my concerns about the basis for the Revised Core Strategy's (RCS) approach on housing and Green Belt matters. It should not be taken as my conclusion on the soundness of the RCS on these or any other matters. Instead, the purpose of this note is to explain the basis for my concerns in more detail and to invite the Council's views on how they should be resolved.
2. In order to make progress as quickly as possible, it would be helpful if the Council could provide a response to this note by Wednesday 6 June at the latest. To summarise the position set out below, it seems that the Council has three alternative options:
 - a. request suspension of the examination while the Council carries out further work to inform a revised housing target and as necessary, limited review of the Green Belt boundary;
 - b. withdraw the RCS;
 - c. request that I complete the examination on the basis of the housing and Green Belt strategy as set out in the submitted RCS.

However, for the reasons set out below, option c carries significant risks that I would not be in a position to find the RCS sound. If suspension of the examination is sought, I will need further information on the scale of the work that would be undertaken, its timescale for completion and the modifications that would be likely to be required to the RCS in order to ensure that this is the most appropriate way forward.

Housing Requirement based on objective evidence of needs and demands

3. I now turn to the substantive matters that give rise to my concerns. Paragraph 47 of the National Planning Policy Framework (the Framework) states that "To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their local plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this framework..". In his announcements about the Framework, the Minister for Planning has emphasised the three objectives of the planning reforms, one of which is "to ensure that we support the building of homes that the next generation will need..".
4. From all the evidence at the hearings, it is clear that the Council relies on the housing requirement set out in the East of England Plan (the regional strategy (RS)) as the appropriate basis for the 15-year requirement for the borough, even though the RCS would not fully provide for this. More is said about this matter below. However, evidence that points towards the need for an uplift of the RS minimum requirement has not been objectively assessed by the Council, although

the Framework highlights the importance of such an assessment (thus carrying forward advice in the superseded Planning Policy Statement 3).

5. In brief, the 2008-based household projections which are more up-to-date than those that informed the RS suggest a need for a significantly increased level of provision (over 500 dwellings per annum (dpa), compared with 237 dpa proposed by the RCS). And the other scenarios discussed at the hearings all point towards a housing requirement that is in excess of the RCS provision figure to varying degrees.¹ The Strategic Housing Market Assessment (2008), while dated and also constrained by the RS housing target, gives an indication of the very high level of need for affordable housing in the borough, closely matching the RCS total provision figure.

6. In summary, even though there is no single, up-to-date objective assessment of needs and demands in the housing market area, there is enough information available to draw an interim conclusion on this point. The RCS does not plan to meet objectively assessed housing needs and demands in accordance with the Framework, as well as not planning to meet the minimum requirement set by the RS. As the Framework acknowledges in paragraph 47, it may not be realistic to seek to meet such needs and demands in full within the area of a local plan. However the RCS does not set out a basis on which it would plan strategically with other local authorities to deliver the homes needed in the area. Nor does it offer an interim approach that would give some certainty that the need for housing would be provided for in due course.

Housing Requirement based on the East of England Plan (RS), and the Green Belt context

7. The RCS makes provision for 3,550 dwellings over the plan period, 2012-2027, an average of 237 dpa. In accordance with the Council's case, this is about 6% below the level required by Policy H1 of RS when rolled forward to 2027. However, a different interpretation of paragraph 5.6 of RS indicates that 260 dpa should be provided 2022-2027, thus giving rise to a greater shortfall against RS, of the order of 11%. There is some dispute about the meaning of paragraph 5.6, particularly in regard to districts that are subject to Green Belt constraints, such as Hertsmere, where a Green Belt review is not proposed in RS. Nonetheless, the paragraph sets out that the purpose of seeking whichever is the higher rate of provision, 2006-2021 or 2001-2021, when rolled forward beyond 2021, is to provide a consistent approach to ensuring continuous delivery of housing over a 15-year period.

8. As the Council accepts, there is a legal requirement that the RCS should be in general conformity with RS for so long as the latter remains part of the development plan. The Council considers that the RCS is in general conformity with RS. However, Policy H1 of RS makes clear that its housing provision figures, including that for Hertsmere, are the minimum requirement.

9. Evidence tested at the hearings indicates that the Council relies on the capacity of the urban areas of the borough to meet its future housing requirement and that the RCS provision figure has been determined accordingly. While options for higher levels of provision were examined in the sustainability appraisal process, this appears to have been on the basis that the Green Belt boundary should be treated as an environmental constraint. Options that

¹ For example, from 260-320 dpa to continue past delivery trends, 340 dpa to maintain existing levels of employment, and very significantly greater numbers to meet housing needs or provide for employment growth.

entailed Green Belt releases were ultimately rejected. Furthermore, the RCS proposes that the sites that are safeguarded for housing under Policy H4 of the Hertsmere Local Plan 2003 should no longer be safeguarded, thus returning these lands to the Green Belt.

10. The Council's evidence does not provide substantive justification, other than protection of the existing Green Belt boundary, for the setting of a housing provision figure that is below the minimum required by RS. References to concerns about the capacity of the supporting infrastructure have not been substantiated by evidence of any significant constraints to delivery of a greater number of dwellings over the plan period.

11. Policies SS7 and LA1 of the RS provide the regional and sub-regional context for the Green Belt.² Policy SS7 sets out that the broad extent of the Green Belts in the region are appropriate and should be maintained, but it goes on to provide for review of the boundaries (on a strategic or local scale) in certain areas. Policy LA1 refers to the London Arc sub-region that includes Hertsmere and it states that the emphasis here will be on retention of long-standing Green Belt restraint and on urban regeneration. There is no specific requirement in the RS for a strategic or local review of the Green Belt boundary in Hertsmere.

12. However, the Council's justification for the approach in the RCS does not seem to be that RS policy imposes blanket protection of the existing Green Belt boundary in Hertsmere. If the Council had been of this view it is unlikely that it would have put forward the proposal in the RCS to safeguard land that is currently in the Green Belt at Elstree Way/Shenley Lane for employment purposes. Therefore there is a significant inconsistency in matters of principle, and this has not been adequately explained.

13. The Framework re-affirms the importance and permanence of Green Belts and that once established, their boundaries should only be altered in exceptional circumstances, through the preparation or review of the local plan. Paragraphs 83-86 of the Framework set out the policy for drawing up or reviewing Green Belt boundaries. As I understand the Council's case, it does not argue that any proposal in the RCS to review the Green Belt boundary in the borough would be in conflict with the Framework – if that were the case, there would be an inconsistency with the RCS approach to meeting long-term employment needs.

14. Given all of the above, the Council's case for a level of housing provision that is between 6%-11% less than the minimum required by RS has not been adequately justified and it is not consistent with the safeguarding of land to meet future employment needs in the Green Belt. The approaches taken in the adopted core strategy for Three Rivers district and some districts beyond Hertfordshire are unlikely to provide this justification, given that their circumstances differ from Hertsmere.

Housing Land Supply

15. The Council's updated Strategic Housing Land Availability Assessment 2011 (SHLAA), shows that the net yield (after applying a lapse rate) is only marginally above the RCS housing provision figure for the plan period. Therefore it does not provide headroom, in terms of surplus available housing land outside the Green Belt, to accommodate an increase in the housing requirement.

² Certain parts of these policies have been successfully challenged in the High Court but this does not materially affect the position in Hertsmere.

16. In addition, from the testing of the evidence at the hearings, I have doubts that the SHLAA capacity will be realised. In particular, reliance on the Elstree Way Corridor to provide 400 dwellings (net yield) in years 6-10 of the plan period appears optimistic when considered against the complex issues of site assembly/relocation of existing uses, re-configuration of highways and availability of funding for essential preparatory works. This could also lead to under-provision of the total net yield of 800 dwellings expected from the Elstree Way Corridor over years 6-15 of the plan period.

17. The potential contribution from small windfalls both in urban and rural areas was explored further at the hearings and the Council provided more evidence on this. As the Framework sets out in paragraph 48, in particular circumstances an allowance for windfalls may be included in the first five years of the supply. The RCS includes an allowance for windfalls only in years 11-15. However, this allowance rests heavily on a projection of past delivery rates rather than an objective assessment of future trends such as an analysis of the types of sites and/or locations in particular settlements that are likely to yield small windfalls. And the Council's further evidence at the hearings reveals that windfalls from large sites have been counted in the historic windfall rates, thus giving rise to potential double-counting of the capacity expected from identified SHLAA sites.

18. Therefore, doubts remain about the reliance that can be placed on the contribution from small windfalls that is already factored into the housing land supply. And having regard to paragraph 48 of the Framework, there does not appear to be sufficient evidence to conclude about the contribution that could be made by small windfalls in the earlier years of the plan period, even though they will play some role.

19. Other sources of housing land supply may emerge from redevelopment of brownfield sites in the Green Belt. The Council has provided some evidence on this in its response to the publication of the Framework but there is an inadequate basis to expect that this source will make a significant contribution to housing supply over the plan period.

20. Overall, there appears to be insufficient flexibility in the RCS to respond to the Government's objective for a significant boost in the supply of housing.

Conclusion and Implications

21. The matters outlined above give rise to significant concern that the RCS would not provide adequately for housing requirements over the next 15 years approximately. In order to meet the Government's expectations of planning for housing, the Council should consider whether it should plan now for a more ambitious but realistic target for housing provision that is informed by an objective assessment of needs and demands. In order to do so, it is likely to be necessary to apply the advice in the Framework about reviewing the Green Belt boundary.

22. During the hearings the implications for the broader extent of the Green Belt in the London Arc area of any relatively limited Green Belt review in Hertsmere was discussed. The evidence does not suggest that a limited, essentially local review should not be undertaken at this stage, even though core strategies for a number of the adjoining districts are not finalised and potential need for Green Belt releases in those areas is yet to be tested. In any event, joint working with adjoining local planning authorities will be required to address

strategic issues about housing and the Green Belt across the housing market area.

23. On this basis, the Council may decide that it would be appropriate to put forward changes to its plan. Depending on the nature and scale of these changes it may be possible to consider them as proposed main modifications to the RCS. Alternatively, it may be decided that a new plan should be brought forward.

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