

**HERTSMERE  
CORE STRATEGY DPD  
EXAMINATION**

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**MATTER 1:  
Overall Strategy and Housing  
Provision**

**HEARING DATE:**

**Tuesday 1 May 2012**

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**STATEMENT**

**PREPARED BY:**

**WOOLF BOND PLANNING LLP  
CHARTERED TOWN PLANNING  
CONSULTANTS**

**For**

**Gilston Investments Ltd**

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**APRIL 2012**

**Executive Summary: Test of Soundness**

*Paragraph 182 of the NPPF requires a “sound” local spatial plan to be positively prepared, justified, effective and consistent with national policy.*

*The NPPF also sets out the specific outcomes that the planning system should deliver and sets out a requirement for development plans to take into account evidence of current and future levels of need and demand for housing and affordability levels based upon, inter alia, local and sub-regional evidence of need and demand as set out in SHMAs. This duty to cooperate is carried forward under Part 6 (Sec.110) of the Localism Act 2011, the requirements of which are relevant to the examination of the soundness of the Core Strategy.*

*In order to be positively prepared the Revised Core Strategy (“RCS”) must be based upon objectively assessed development requirements. To be justified it should be the most appropriate strategy when considered against the alternatives and to be effective the plan should be deliverable.*

*For the reasons set out in our submissions, we are of the view that the RCS fails the following tests of soundness:*

**Positively Prepared**

*The housing requirement to be met during the plan period (2012 to 2027) is not based upon objectively assessed development needs.*

**Justified**

*The suggested approach to (i) housing delivery; and (ii) distribution does not represent the most appropriate strategy when considered against the reasonable alternatives.*

**Effective**

*The approach to addressing housing growth and delivery has not been demonstrated to be deliverable. In addition, effective cross-boundary working has not been demonstrated.*

**Consistent**

*The proposals are not consistent with national policy in that they fail to provide a sufficient supply of deliverable/developable housing land.*

*The CS should be amended in accordance with our detailed representations.*

***In accordance with our recommendations we are of the view that additional technical work is required to be undertaken in relation to the Green Belt and the District wide scale of provision for housing. This would need to be followed by a further round of public consultation and re-examination of the changes before the plan could be found sound.***

## Matter 1: Summary

- S1. Our principal concerns with the Core Strategy relate to the following:
- The failure of the RCS to accord with the requirements of National (PPS) and Regional (RSS) Policy.
  - The failure to plan for an appropriate level of housing growth during the plan period.
  - The lack of flexibility in seeking to meet strategic housing requirements.
  - The absence of a local review of the Green Belt to underpin the spatial strategy.
- S2. Even at the level of housing growth proposed in the submission draft RCS (which is lower than the housing need identified in the evidence base) the Council has failed to demonstrate that the components of housing supply on which they rely are developable at the point envisaged. Accordingly, there is a demonstrable need to undertake a review of the Green Belt now and to provide for strategic allocations in order to:
- i. Ensure the delivery of the requisite number of dwellings in helping to meet the objectively assessed need during the plan period to 2027.
  - ii. Ensure that both the quantitative and qualitative housing needs are met in a timely manner.

## Issue 1.1

**Is the RCS consistent with national policy and in general conformity with the East of England Plan (while it remains part of the development plan)? Has the evidence base for the East of England Plan been appropriately taken into account in preparation of the RCS?**

- 1.1. For the reasons set out below, and as set out in our representations upon the submission draft RCS, we remain of the view that the RCS fails to be consistent with national policy set out in the NPPF. This includes in relation to, inter alia, the overall housing requirement to be met during the plan period, the sites relied upon to be “developable” as well as the approach to the Green Belt. However, we generally accept that the RCS is broadly in conformity with the RSS which only covers the period to 2021.
- 1.2. In R (CALA Homes South Limited) v Secretary of State for Communities and Local Government (No. 2) the Court of Appeal concluded that whilst the Government’s intention to abolish Regional Spatial Strategies through primary legislation could be a material planning consideration in making development control decisions, it is not capable of being a material consideration in plan-making decisions.
- 1.3. As set out in the Planning and Compulsory Purchase Act 2004, the strategic housing requirement set out in the RSS is the starting point against which the housing requirement to be met within Hertsmere is to be assessed.
- 1.4. The RSS for the East of England was adopted in May 2008 and covers the period to 2021.
- 1.5. Policy H1 sets out a requirement for the delivery of a minimum of 5,000 dwellings within Hertsmere during the period 2001 to 2021, equivalent to 250 dwellings per annum. Taking into account the completions achieved in the period 2001 to 2006, Policy H1 sets out a residual requirement for 3,920 dwellings to be met in the remainder of the plan period 2006 to 2021 equivalent to 260dpa.
- 1.6. RSS Policy H1 requires plans that are to be prepared beyond 2021 should be based on the higher rate of annual provision (260dpa).

- 1.7. The delivery of housing is seen as a matter of national priority and there have been various recent statements both by the Chancellor of the Exchequer and other Ministers of DCLG indicating the importance of housing delivery and the benefits of the same to both the National and Local economies. Moreover, recent SoS appeal decisions confirm the significant weight to be attached to planning for economic growth including increasing the delivery of housing.
- 1.8. In all of the circumstances, the need to provide for and address housing delivery is an issue which must be viewed both positively and urgently by local planning authorities. This approach is reaffirmed by the Coalition Government in the NPPF.
- 1.9. The NPPF makes it clear at paragraph 47 that LPAs should, inter alia, boost significantly the supply of housing and use their evidence base to ensure their Local Plan meets the full *objectively assessed* needs for market and affordable housing. Paragraph 50 also requires LPAs to plan for a mix of housing based on current and future demographic trends.
- 1.10. Paragraph 159 requires LPAs to use an appropriate evidence when preparing Local Plans and to prepare a Strategic Housing Market Assessment (“SHMA”) to assess their full housing needs and to work with neighbouring authorities where housing market areas cross administrative boundaries (see Issue 1.2 below). Paragraph 159 further adds that the SHMA should identify the scale and mix of housing likely to be needed over the plan period to address the need for all types of housing.
- 1.11. The evidence base, including the Council’s own Housing Needs Assessment (DCA 2005), identifies a level of need totalling 351 affordable dwellings per annum. This further emphasises the need to plan for housing growth now and to ensure the early delivery of housing allocations.
- 1.12. The more recent SHMA (April 2010) was produced in cooperation with Hertfordshire County Council, Dacorum Borough Council, Hertsmere Borough Council, St Albans District Council, Three Rivers District Council, Watford Borough Council and Welwyn Hatfield Borough Council, to consider the wider housing market.

- 1.13. As set out in the Executive Summary to the SHMA (paragraph 4), the document was prepared in the context of the housing requirement to 2021 being that set out in Policy H1 of the East of England Plan (adopted in May 2008). Accordingly, there is no up to date assessment of the full housing needs (qualitative or quantitative) as required at paragraph 159 of the NPPF. Accordingly, the RCS cannot be said to meet the full objectively assessed need (as required at page 47 of the NPPF) as such an assessment has not been undertaken. Moreover, it is unclear whether the components of housing and supply relied upon by the Council in pursuing their urban intensification approach will result in an appropriate mix of house types.
- 1.14. In addition to the above, the 2008-based household projections were published by the DCLG on 26 November 2010. They are based on the 2008-based population projections, published by the Office for National Statistics in May 2010 and supersede the previous 2006-based projections which formed the basis for the growth rates set out in the East of England Plan.
- 1.15. The 2008-based household projections suggest an increase of approximately 12,000 households in Hertsmere in the period 2008 to 2033 (equivalent to 480 per annum). This is in excess of the 250 dwellings per annum planned for during the remainder of the plan period to 2027 and represents a material consideration in setting a housing requirement to be met in Hertsmere in the period to 2027 and beyond.

## **Issue 1.2**

**In general, is the RCS based on a sound assessment of the socio-economic and environmental characteristics of the borough and its relationship with adjacent areas? Does it take proper account of the strategies and plans for those areas? Has the duty to co-operate been satisfied?**

- 1.16. Section 110 of the Localism Act places a duty upon LPAs to cooperate with neighbouring authorities in the preparation of their development plan documents. The “duty” came into effect on 15 November 2011 and is applicable to preparation of the RCS. It is intended to ensure that LPAs

consult with their neighbouring bodies in preparing local plans, replacing the intended revocation of regional strategies.

- 1.17. Hertsmere is bounded by 7 authorities including the Hertfordshire Authorities of St Albans, Three Rivers, Watford and Welwyn Hatfield. Decorum also falls within the SHMA. The London Boroughs of Barnet, Enfield and Harrow are located to the south.
- 1.18. The duty to cooperate is also set in the NPPF (see paragraphs 47, 178 to 182).
- 1.19. The LPA is yet to make available a Statement explaining how the RCS has been prepared having regard to the “Duty”. However, and in the interim, we have considered the amount of housing completions achieved in the neighbouring Hertfordshire Districts as well as their emerging positions in terms of the locally derived requirement to be met during the longer term period to 2027 and beyond. Details are set out in Annex A.
- 1.20. Evident from Annex A is that three of the five neighbouring authorities are seeking to reduce their annualised requirement in comparison with the requirement set out in the RSS. Watford is proposing to maintain the status quo whilst Welwyn Hatfield is yet to clarify their intentions.
- 1.21. Against the above background, it is unclear how housing needs in the SHMA are to be met particularly when neighbouring authorities are proposing to reduce their annualised housing requirement.

### **Issue 1.3**

**Is there a sound basis for the overall housing target? In particular, is it based on robust assessments of local need and demand, the implications for affordable housing supply, economic growth and other relevant factors? Is it clear how the target figure in the RCS has been selected? In summary, is the RCS consistent with national policy for housing provision?**

#### **The Overall Housing Target**

- 1.22. We do not accept that there is a sound basis for the overall housing target in meeting needs during the period to 2027.

- 1.23. Contrary to requirement at paragraph 47 of the NPPF which requires LPAs to identify the housing requirement using an evidence base to ensure that local spatial plans meet the full objectively assessed needs for market and affordable housing, the RCS appears to be based upon an assessment of urban capacity.
- 1.24. As set out in a Report to Cabinet upon the earlier draft RCS (dated 22 December 2010), reference was made to the fact that the 2010 SHLAA identified a net capacity of 3,212 dwellings over 15 years, excluding any windfall allowance for sites on previously developed land in rural areas.
- 1.25. On the above basis, the earlier draft RCS therefore recommended setting a housing target of around 3,200 or 213 dwellings per year between 2011 and 2026, subject to the revocation of the East of England Plan.
- 1.26. The 3,200 figure amounts to 37 fewer dwellings per annum than that set out in the East of England Plan. It is also materially below the 351 dwellings per annum required to meet affordable needs during the plan period (DCA, 2005).
- 1.27. The latest iteration of the RCS (as submitted) now suggests planning for 3,550 dwellings during the period 2012 to 2027. Again, this requirement is based upon the findings of the SHLAA (Nov 2011 update) which identifies a supply of 3,550 dwellings.
- 1.28. The housing requirement to be met during the plan period should be evidence based having regard to need. It should not be founded upon the identified capacity available within the urban areas which appears to be the case in Hertsmere.
- 1.29. The LPA suggest that the scale of development identified through preparation of the SHLAA would meet the local demographic requirements of the Borough as identified in the Chelmer model.
- 1.30. They also recognise that higher housing requirement options exist, but these have not been pursued.
- 1.31. In addition, the Chelmer model is based on 2006 projections whilst ONS statistics are more up to date.



- 1.32. On the above basis, the RCS will not be based upon the most up to date assessment of need and demand for housing which is a principal requirement of PPS3.
- 1.33. Against the above background, we are of the view that the RCS should make an appropriate allowance for the completions achieved since the base date of the RSS (2001) and plan for a minimum of 6,500 dwellings in the period 2001 to 2027 (at 250dpa). However, this level of provision will still not meet the identified local need as even the affordable only need is equivalent to 9,126 dwellings during the plan period (351dpa).
- 1.34. Based upon the four requirement scenarios (with a base date of 2001 to take account of completions achieved since the base date of the RSS) the residual requirement to be met during the remainder of the plan period is assessed as follows:

	<b>RSS Figure 250dpa</b>	<b>Affordable Need 351dpa</b>	<b>SHLAA Based 237dpa<sup>1</sup></b>	<b>2008 Based 2010)<sup>2</sup></b>	<b>ONS (Nov</b>
Requirement 2001 to 2027	6,500	9,126	6,305	10,870	
Completions 2001 to 2011 <sup>3</sup>	2,384	2,384	2,384	2,384	
<b>Residual Requirement 2011 to 2027</b>	<b>4,116</b>	<b>6,742</b>	<b>3,921</b>	<b>8,486</b>	

### **Affordable Housing**

- 1.35. Paragraph 3.23 of the RCS identifies addressing affordable housing as a key objective. This is followed by paragraph 3.24 which states that Hertsmere is the least affordable local authority area out of 48 local authority areas in the East of England.
- 1.36. As set out in the 2010/11 AMR, a total of 2,384 net dwellings completions have been achieved in the period 2001 to 2011 equivalent to an average completion rate of 238 dwellings per annum.
- 1.37. There is no single confirmed figure relating to the total number of affordable housing completions achieved since the 2001 base date. For that, we have

<sup>1</sup> This is based on requirement of 250dpa in the period 2001 to 2012 and 237dpa for the remainder of the plan period.

<sup>2</sup> 250dpa 1001 to 2008 then 480dpa 2008 to 2027 (1,750 + 9,120)

<sup>3</sup> Source: AMR 2010/11 (Pg17)

had to interpret information contained in each of the AMRs covering the period from 2001. However, there is a lack of clarity as to whether the affordable percentages are based on the net or gross completions. Accordingly, following information received from the Council's Affordable Housing Officer (again with uncertainty as to whether the figures and gross or net), the suggestion is that affordable completions in the ten year period 2001 to 2011 have totalled 596 dwellings, equivalent to a rate of 60 per annum. This represents 25% of the 2,384 dwellings completed during this period and is equivalent to 1.5 years' affordable need as identified in the DCA Needs Study 2005.

- 1.38. This evidence points to a consistent and substantial under provision in affordable housing delivery when compared to identified needs in the 2005 Housing Needs Study.
- 1.39. The past history of under-performance in affordable housing delivery represents a significant backlog in unmet housing need and provides further justification for the early release of deliverable sites at sustainable locations in order to meet the manifest shortfall in housing delivery.

### **Summary**

- 1.40. For the reasons set out in our response to Issue 1.1 we do not accept that the RCS is consistent with national policy for housing provision as set out in the NPPF.

**Is the overall housing target deliverable? Is there adequate justification for the supply that is expected from existing commitments and identified sites in the Strategic Housing Land Availability Assessment? Is the assumed windfalls contribution soundly based? Is there sufficient evidence that the supply expectations are consistent with the need to protect employment land expressed in the RCS?**

### **The Components of Supply**

1.41. For the reasons set out in the RCS, where there remains sufficient doubt as to the deliverability/developability of the identified components of housing land supply, we do not accept that there is adequate justification for the supply that is said to be “developable” as there should be a reasonable prospect that the sources of supply could be developed at the point envisaged (NPPF, para 47).

1.42. It is stated at paragraph 2.31 of the draft RCS as follows:

*“...However, should the identified sites not come forward for development, including those in the Elstree Way corridor, the Council may need to review the level of its local housing ambition or alternatively consider whether land elsewhere needs to be released for new housing. The role of the local Green Belt will be a key issue in any such consideration.”*

1.43. The above statement is far from a resounding endorsement of the spatial strategy. Rather, it demonstrates the lack of flexibility in the Council’s approach to meeting even the reduced housing requirement. Moreover, it implies that the strategy is not justified on the basis that it fails to represent the most appropriate strategy when considered against the reasonable alternatives, including GB releases.

1.44. The statement at paragraph 2.31 is in direct conflict with that set out at paragraphs 2.35 and 2.38 where it is suggested that Green Belt releases would not be required during the plan period.

1.45. The projected supply of housing land is set out in Table 8 of the RCS which covers the period from 2012 to 2027. Paragraph 2.1 of the SHLAA also

assumes the delivery of 185 dwellings from permissions during the period 2011 to 2012 (it is not known whether this rate has actually been achieved). This results in the following supply position:

Anticipated Completions 2011 to 2012	185 (SHLAA Para 2.1)
Allocations and Commitments	1,182 (SHLAA Table 3)
SHLAA Sites	1,984 <sup>4</sup> (SHLAA Table 6)
Urban Broad Locations	500 (SHLAA Table 8)
Rural Broad Locations	75 (SHLAA Table 8)
<b>Total Supply</b>	<b>3,926</b>

1.46. The sources of supply said to be available by the LPA (which assumption is highly optimistic given the identified constraints to site release identified in the SHLAA) result in the following housing land supply positions depending on which requirement scenario is used:

	RSS Figure 250dpa	Affordable Need 351dpa	SHLAA Based 237dpa	2008 ONS Based (Nov 2010)
<b>Residual Requirement 2011 to 2027</b>	4,116	6,742	3,921	8,486
<b>Supply</b>	3,926	3,926	3,926	3,926
<b>Shortfall/Surplus</b>	-190	-2,816	+5	-4,560

1.47. Even on the LPA's own figures, there is a shortfall in three of the four scenarios. Only the SHLAA based (urban capacity) scenario results in a marginal surplus.

1.48. However, the above relies upon the delivery of some 800 dwellings from the Elstree Way Corridor (see our response to Issue 1.5 below) and a further 500 dwellings from Broad Locations. This amounts to some 1,100 dwellings and is equivalent to 30% of the total identified supply.

1.49. The SHLAA also relies upon the delivery of 307 dwellings from BBC Elstree (SHLAA Ref S39). However, there is no certainty as to the site's availability. Any delay in bringing these sites forward for development could increase the housing land supply shortfall identified above.

1.50. Given the level of housing need identified by the evidence base to the CS (noting in particular the high level of affordable need) the components of

supply relied upon by the LPA must be demonstrated to be deliverable/developable at the point envisaged.

- 1.51. There is no contingency or flexibility that could otherwise take up any slack in the event that the identified components of supply fail to come forward at the point envisaged. This point is acknowledged at paragraph 2.31 of the RCS.

### **Employment Land**

- 1.52. An important element of the RCS is that the Council identifies that the focus for employment will continue to be within existing urban areas, including at Borehamwood and Potters Bar. This approach is confirmed at paragraph 2.36 of the RCS which states:

*“The focus for employment will continue to be on town centres and in and adjacent to the Borough’s designated Employment Areas, rather than through the development of new locations for employment generating development. No significant need has been identified to allocate new areas of land for employment purposes and the Council will seek to direct significant new industrial and warehousing development to designated brownfield locations in Borehamwood, Potters Bar and Bushey.”*  
(Our emphasis)

- 1.53. Paragraph 2.51 acknowledges the need to protect existing employment sites and land currently in employment generating use from housing development, stating:

*“A small deficit of industrial / warehousing accommodation supply has been identified within the next fifteen years in the Borough. As a result, any redevelopment of employment areas for housing or mixed use development will be considered in very limited circumstances and where such sites are vacant and where there is reasonable prospect of the site being brought forward for its allocated use. Accommodating a growing economy and the needs of major and local, small employers will need to be recognised. Steps will be taken to ensure that sufficient land for a range of business accommodation is retained, to ensure a sustainable pattern of development with the largest towns existing as self-sufficient communities wherever possible.”*

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<sup>4</sup> This includes 800 dwellings from the Elstree Way Corridor

- 1.54. Against the above background, it is evident that existing employment generating uses are required to be retained for that purpose and not redeveloped for housing.
- 1.55. As part of the evidence base, Hertsmere has undertaken an Employment Land Review in association with the neighbouring authorities of St Albans and Welwyn Hatfield to identify land requirements over the period to 2021. The Central Hertfordshire Employment Land Review (CHELR) was completed in November 2006. An update was completed in 2009. The study identified a 17% growth in jobs within Hertsmere in the period 2006 to 2026 and showed modest growth in the need for offices and industry/warehousing.
- 1.56. As set out at paragraph 4.18 of the RCS, the update study also identified a small shortfall in the need/supply of office accommodation (approx 50,000sqft) and a shortfall of 150,000sqft of warehousing accommodation.
- 1.57. The conclusions of the CHELR and the 2009 update study are important in that they would not support any material net loss of employment land.
- 1.58. Contrary to the findings of the employment study, the 2011 SHLAA update relies upon the delivery of a large number of dwellings from sites designated or last used for employment generating purposes. This excludes any additional contribution from Elstree Way.
- 1.59. On the above basis, we do not accept that the Council's expectations of housing delivery from sites within the urban area are consistent with the need to protect employment land.

## Issue 1.5

**Is the reliance on the Elstree Way Corridor for housing supply in the plan period justified? Has it been given appropriate priority in the RCS and is the policy area clearly identified? What is the current timescale for adoption of the AAP? Does the reference in Policy CS22 to the Elstree Way Supplementary Planning Guidance give reasonably clear guidance for development in the interim period? What is the status of the Feasibility Study (2011)?**

- 1.60. The approach to the Elstree Way Corridor (“EWC”) is set out at paragraphs 6.20 to 6.23 and Policy CS22 of the RCS. However, we question the reliance on the expected delivery of 800 dwellings from this source of supply (SHLAA Para 6.5).
- 1.61. The statement at paragraph 2.31 of the RCS (see our response to Issue 1.4 above) is far from a resounding endorsement of the spatial strategy, particularly as it relates to the reliance on a material amount of housing delivery from the EWC. Rather, it demonstrates the lack of flexibility in the Council’s approach to meeting even the 250 annualised housing requirement set out in the East of England Plan. In addition, it implies that the strategy is not justified on the basis that it fails to represent the most appropriate strategy when considered against the reasonable alternatives, including GB releases which matter we address in our Matter 2 Statement.
- 1.62. Option 1C of the Feasibility Study (CD/90) suggests that the Corridor could deliver a high density development of approximately 1,000 dwellings and details are set out at Figures 9.5, 9.6 and 9.7. See also Figures 15.2 and 15.3. However, the Study identifies that this option indicates a positive, if marginal viability based upon the assumptions made as to costings. It is also added on page 80 that additional funding or a deferred payment arrangement might be required in order to help kick-start the development, in particular to alleviate the cost burden to the developer of the infrastructure intensive first phase.
- 1.63. As clearly set out on page 90, there is no known phasing strategy for implementation and completion of the planned redevelopment of EWC. Accordingly, the strategy for EWC cannot be said to be developable as there is no reasonable prospect of development being realised at the point

envisaged (NPPF, para 47). Any delay or non-delivery would represent a major constraint to achieving the housing target set out in the RCS for the District as a whole.

### **Issue 1.6**

#### **Is the proposed phasing of housing supply (Policy CS3) justified and likely to be effective?**

1.64. Policy CS3 suggests reviewing the phasing and location of housing allocations, including reviewing the Green Belt if housing delivery is projected to fall below 20% in the following three year period. For the reasons set out in our Matter 2 Statement e are of the view that such a strategy fails to provide for sufficient flexibility as required by the NPPF. Moreover, any shortfall would only trigger a review of policies/sites. Thereafter there would be a need to allocate sites which matter requires long lead times.

1.65. The RCS should include a review of the Green Belt now in order to provide for an appropriate mix of housing types to address both the qualitative and quantitative need for housing within Hertsmere.

#### **Suggested Modification**

1.66. Additional technical work is required to be undertaken in relation to the Green Belt and the overall amount and type of housing to be met during the plan period, followed by a further round of public consultation and re-examination of the changes before the plan could be found sound.

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