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**Hertsmere Revised Core Strategy
Examination**

**Further Statement Matter 1 - Overall
Strategy and Housing Provision**

Commercial Estates Group (CEG) and
Owners of Potters Bar Golf Course

13 April 2012

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1.0 **Introduction**

1.1 This further statement to Matter 1 of the Hertsmere Revised Core Strategy Examination is submitted by Nathaniel Lichfield and Partners (NLP) on behalf of Commercial Estates Group (CEG) and the freehold owners of Potters Bar Golf Course (The Owners). It follows previous representations submitted by NLP in January 2012 which comprised of two documents:

- A report entitled 'Representations on Hertsmere Revised Core Strategy for Submission to Secretary of State'; and
- An appended report entitled 'Strategic Assessment of the Need for Housing in Hertsmere'

1.2 This further statement does not repeat the evidence put forward in the previous statement, but does draw upon and update that analysis where relevant to respond to the specific issues put forward by the Inspector under Matter 1 and of relevance to CEG and owners of Potters Bar Golf Course's interests.

1.3 The NPPF outlines that during the examination process a Local Plan must demonstrate that it has been positively prepared, is justified, is effective and is consistent with national policy. Outlined below are our reasons why the Revised Core Strategy's [RCS] overall strategy and housing provision is considered unsound as it currently stands.

2.0

Overall Strategy and Housing Provision

Issue 1.1: Regional Strategy Conformity

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?

2.1

The East of England Plan remains the relevant Regional Strategy (RS) which sets out the scale of growth for Hertsmere Borough. Following the government's signalled intention to abolish the regional tier of planning, the Localism Act (November 2011) introduces the necessary provisions in order to revoke regional guidance. At the time of writing, and despite the publication of the National Planning Policy Framework (NPPF) in March 2012, Regional Strategies remain in effect and local planning policy must be in 'general conformity' with them. This includes the planned housing requirement, which is set in the adopted East of England Plan (Policy H1) at a minimum target of 250 dwellings per annum (dpa) 2001-2021 with 260 dwellings per annum still to build between 2006-2021 for Hertsmere.

2.2

There is some debate whether beyond 2021, the ongoing RS figure for Hertsmere should be 250 dpa or 260 dpa, but in any case, this is moot. The Council's stated position (in their letter to the Inspector dated 12 March 2012) is that against the RS requirement up to the end of the RCS plan period (2027) there is a residual requirement of 3,934 dwellings to be provided over 15 years, an annual requirement of 262 dpa, based on a roll forward of a 250 dpa target beyond 2021. Rolling forward a 260 dpa target (as suggested in the Inspectors letter dated 29 February) would, based on the same assumptions as the Council's, lead to a residual requirement of 3,994 dwellings to be provided over 16 years, an annual requirement of 266 dpa.

2.3

The RCS makes provision for only 237 dpa over this period, and is therefore between 9.5% and 10.9% below the minimum target set in the RS. In the context that the RS defines its target as a minimum (ie floor) level of provision (which could be exceeded), a 10% reduction in the target is not and cannot be interpreted as, in general conformity with the RS.

2.4

Beyond the issue of conformity, the evidence base for the RS has been given undue weight in the preparation of the RCS, despite now being out of date. The RCS and the Council's stated position references the Chelmer model runs which were used as evidence to the draft RS to 2031. This demographic modelling is substantially out of date, being largely based on demographic assumptions from 2006. The use of this evidence to support the approach being taken in the RCS means the Plan is not justified,

2.5

Irrespective, the NPPF requires local authorities to meet their objectively assessed development needs, which (as we outline below) is in excess of the

RS minimum requirement, and providing less than this objectively assessed need (or less than the RS) would not be consistent with national policy.

Issue 1.2: Housing Market Area and Duty to Co-operate

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?

- 2.6 Hertsmere’s socio-economic characteristics are founded in its current socio-demographic profile, which has been outlined in our previous representations [Representation No. 4683]. The RCS cannot be regarded as being based on a sound assessment of the socio-economic characteristics of the borough as it does not appropriately test nor address the social and economic outcomes of the scale of housing for which the RCS is planning.
- 2.7 As a consequence of setting an unjustified lower housing target, there will be an increased mismatch between supply and demand for affordable housing therefore leading to further unmet affordable housing demand, as evidenced in the SHMA. This conflicts with the provisions of the NPPF which states [Para 47] that local authorities must ensure that *“their Local Plan meets the full objectively assess needs for market and affordable housing in the housing market area”*. The failure to provide adequate affordable housing in the borough will have significant adverse social consequences for the borough’s existing and future residents such as households being forced into sub-optimal housing, constrained supply, worsening affordability and increased migration.
- 2.8 One of the RCS’s Strategic Objectives is to support job growth requirements [LDF Core Strategic Objective 11]. Analysis conducted by NLP and submitted previously [Representation No. 4683] has shown that, due to the ageing population, even maintaining existing levels of employment in Hertsmere would require the delivery of 346 dwellings per annum, or 5,190 units over the plan period. The consequences of setting an unjustifiably low housing target ensures that job growth requirements would not be met over the course of the plan period. Indeed, employment would likely fall as a result of reduced housing provision. The implications of this approach would be to perpetuate unsustainable patterns of commuting, constrained economic growth and associated reduction in local economic benefits (including local spending and Council business rates) and employment opportunities.
- 2.9 In conclusion, for the reasons outlined above, it is considered that the RCS is not based on a sound assessment of the socio economic characteristics of the Borough as it fails to adequately address the social and economic consequences of the level of housing for which the RCS is planning.

**Does it take proper account of the strategies and plans for those areas?
Has the duty to co-operate been satisfied?**

- 2.10 This figure of 237 dwellings per annum is significantly below that of the CLG 2008 based household projections of 480 dwellings per annum between 2008

and 2033 (the most recent CLG household projections). As a result, the Borough is effectively relying on other districts nearby or in the sub-region to meet its own housing needs. Clearly, this can only be effective as a strategy if the surrounding districts agree to accommodate Hertsmere's additional growth within their boundaries. The NPPF encourages local authorities to work together to meet development requirements which cannot wholly be met within their own areas [Para 179] but Hertsmere Borough Council does not appear to have validated this assumption with surrounding districts.

- 2.11 Table 2.1 below explores the current position of the surrounding Local Authorities in terms of their plans for housing and whether these are seeking to 'over' or 'under' supply against projected household growth.

Table 2.1 Approach to Housing Requirement in Surrounding Districts

Area	RS (EofE Plan)	2008-Based Household Growth (p.a. 2008-2031)	Current Plans (p.a.)	Surplus/ Shortfall (p.a.) against HH growth	Notes/Source
Watford	260	400	260	-140	Watford Core Strategy Publication: Significant Changes Consultation, November 2011
Three Rivers	200	480	180	-300	Adopted Three Rivers Core Strategy 2011
St Albans	360	640	250	-390	St Albans The Core Strategy: Consultation on the Strategy for Locating Future Development in the District, December 2010
Welwyn Hatfield	500	720	290	-430	Interim Housing Strategy, November 2010
Broxbourne	280	320	240	-80	Broxbourne Submission Core Strategy 2010
Total	1,600	2,560	1,220	-1,340	

Source: NLP Review of LA positions, Regional Strategy and CLG 2008-based Household Projections

- 2.12 The analysis above shows that, far from seeking to provide more homes than are required to meet household projections, the Hertfordshire districts with which Hertsmere Borough has contiguous boundaries (or a clear migratory relationships) are seeking to 'under-provide' collectively by 1,340 dwellings every year. The result of this under provision is significant and will lead to a substantial under-provision of suitable dwellings in the sub-region. As such, the housing needs and aspirations of local residents will not be met.
- 2.13 Welwyn Hatfield, St Albans and Watford are the authorities with which Hertsmere has the strongest migration relationship (as demonstrated in previous representations) and all three are currently seeking to provide considerably fewer dwellings than the household projections would suggest is required. It is clear, therefore, that Hertsmere cannot rely on other areas in the sub-region to soak up the under provision which it does not plan to accommodate within its own boundaries.

- 2.14 As such, it can be concluded that the RCS has not taken account of the sub-regional level of housing delivery and it has not demonstrated that any undersupply in Hertsmere would be met elsewhere in the housing market area as is now a requirement of the NPPF.
- 2.15 The NPPF [Para 182] states that a Local Plan should be positively prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so. The above analysis demonstrates that other Local Authorities are not planning to meet Hertsmere's shortfall and therefore the requirement of the NPPF and the Duty to Co-operate have not been satisfied.
- 2.16 In the context of the Hertsmere objective to increase employment, it is clear that there is no scope to find that surrounding districts will be providing additional homes for any increased number of workers in Hertsmere whose housing needs are not being adequately met within the Borough. This means that the housing target being proposed in the RCS is incompatible with Strategic Objective to grow employment.

Issue 1.3 – Basis for Housing Target

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?

- 2.17 There is not a sound basis for the overall housing target contained within the RCS. The evidence base insofar as it relates to Hertsmere does not contain any robust objective assessment of the local need and demand for housing, and, as set out above, it does not adequately reflect the implications for affordable housing supply or economic growth.
- 2.18 NLP's report '*Strategic Assessment of the Need for Housing in Hertsmere*' contains an objective assessment of the local need and demand for housing based on demographic modelling undertaken using industry-standard PopGroup software, constituent assumptions from ONS, and also considering the economic and affordable housing needs of the Borough. This report concludes that an objective assessment of the requirement for housing within Hertsmere would sit within the range 350-600 dwellings per annum.
- 2.19 The overall housing target of the RCS would have severe implications for delivering affordable housing supply and would not support the economic growth potential of the District. NLP's evidence outlines that to ensure an indigenous workforce sufficient to maintain even existing levels of workplace employment in Hertsmere would require delivery of 346 dwellings per annum (5,190 over the RCS period). By comparison, the Sustainability Appraisal's Summary Assessment of Alternative Growth Options [CD/17 and CD/13] concludes that options of delivering 3,200 dwellings and 3,900 dwellings would have positive impacts on the local economy (both rated as '+' impact), when

such a level of growth would inevitably involve actively planning towards a reduction in jobs in Hertsmere or increased in-commuting to fill jobs as the existing resident population ages. This clearly highlights the inadequacy of the sustainability appraisal in testing the economic implications of the different options for housing growth.

- 2.20 The only basis for concluding that the RCS target should be 237 dwellings per annum, is the Borough Council's starting position of not pursuing a strategy which would involve Green Belt review or release. This is not consistent with the NPPF and runs counter to the weight of evidence which strongly indicates that the RCS should include a review of its Green Belt in order to deliver substantial economic and social benefits to Hertsmere, and remove barriers to meeting objectively assessed development needs. In this regard, the previously withdrawn Core Strategy from 2008 [CD/03] identified that there did not appear to be fundamental barriers to delivering growth consistent with the RS at that point, and it included areas of search for Green Belt release to meet this requirement. The current RCS is not consistent with this logic and does not present any evidence to indicate what circumstances have changed to justify the new approach.

Is it clear how the target figure in the RCS has been selected?

- 2.21 Hertsmere's housing requirement has been derived, at least in part, on the grounds that there should be no Green Belt release (RCS para 2.31). The decision making process underpinning the housing target has been circular and self affirmative rather than based on objective evidence of need and why needs cannot be met within Hertsmere's boundaries. Whilst the RCS acknowledges other options for growth, the Core Strategy process has disregarded these scenarios with little justification as to why they are not considered suitable. Whilst the NPPF is clear that Green Belt should continue to be protected where it performs a particular role in preventing urban sprawl and the coalescence of towns, the NPPF is clear that Green Belt should be considered alongside the other objectives, principles and policies of the NPPF. Paragraph 85 of the NPPF specifically states that Green Belt boundaries should be defined to, inter alia, ensure consistency with the strategy for meeting identified requirements for sustainable development.
- 2.22 In terms of meeting objectively assessed needs, it appears the target figure in the RCS has been selected on the basis of it meeting one scenario within the Chelmer Demographic projections which were part of the evidence for the East of England Plan. These projections have a number of out of date constituent assumptions, including being 2006-based and they cannot be relied upon as a robust and up-to-date assessment of demographic change.
- 2.23 The Council's approach to selecting a target figure is relatively clear. However, it is clear only insofar as it has obviously been prepared with limited regard to the full range of evidence available and, in particular, without reference to any of the available evidence on local housing needs (such as that contained within CLG's household projections and the SHMA). The alternatives assessed in the

Sustainability Appraisal report have been incorrectly appraised, with an overtly positive view on the economic performance of the lower growth scenarios assessed and inadequate consideration of the true implications of lower housing delivery for poor social outcomes (e.g. due to affordability pressures) and poor economic outcomes (due to constraints on labour supply at anything below 350 dwellings per annum to maintain the existing workforce). The sustainability appraisal and RCS gives inappropriate weight to perceived positive environmental outcomes associated with lower levels of development, contrary to the NPPF which requires local planning authorities to seeks opportunities to achieve each of the economic, social and environmental dimensions of sustainable development, and to consider mitigation and compensatory measures where adverse impacts cannot be avoided. There is no evidence this requirement has been met in terms of the adverse economic and social consequences of lower housing provision. .

In summary, is the RCS consistent with national policy for housing provision?

- 2.24 The NPPF provides the national policy for planning for housing and requires that Local Plans should have a clear understanding of housing needs in their area (paragraph 159) and deliver the homes and jobs needed in their area (paragraph 156). If it is unable to meet its objective assessment of housing need, it should, through the Duty to Cooperate, arrive at a final position where plans are in place to provide the land and infrastructure necessary to support current and projected future levels of development across the area (Paragraph 181). In effect, if Hertsmere cannot meet its objectively assessed need for development, it needs to identify how that unmet need will be addressed.
- 2.25 As identified above, the RCS and its evidence base does not contain an objective assessment of development need and demand. NLP has provided such an assessment concluding that Hertsmere's objective assessment of development needs would be, at a minimum 350 dwellings per annum and up to 600 if housing and economic objectives are to be properly met. The RCS is not consistent with this objective assessment, nor does it evidence that the duty to cooperate has been carried out in order to ensure that needs can be met elsewhere.
- 2.26 The Council's appraisal of alternatives does not provide coherent evidence that the local planning authority understands the relative economic, social and environmental consequences of providing less than 350 dwellings per annum. In particular, it over-estimates the economic and environmental performance of such options when the reality is they will result in reductions in employment within the District or significant levels of additional in-commuting.
- 2.27 The RCS cannot be considered consistent with national policy in its current form.

3.0

Conclusions

3.1

Based on the objective assessment of housing need contained within NLP's report 'A Strategic Assessment of the Need for Housing in Hertsmere' it is considered that the appropriate, and properly justified, level of housing provision for which Hertsmere should be planning through its Revised Core Strategy is between 350 and 600 dwellings per annum (5,250 to 9,000 dwellings in total). This would at a minimum, support existing levels of employment in the Borough over the next 15 years, but would also go some way to meeting need and demand arising from future projected demographic change within the Borough, and would also be sufficient to deliver affordable housing to respond to, at least some of, identified local needs.

3.2

Housing growth in Hertsmere below this level would not be in accordance with the national policy set out in the NPPF. For the RCS to be considered sound, the NPPF identifies that it needs to be:

- *Positively prepared – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;*
- *Justified – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;*
- *Effective – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and*
- *Consistent with national policy – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.*

3.3

The RCS and the overall strategy for the provision of housing does not meet these tests of soundness. It has not been positively prepared, utilising as it does a starting point for preparing its strategy of 'no Green Belt release'. The Plan has not prepared, or adequately tested during its preparation, a strategy which seeks to meet objectively assessed development requirements.

3.4

The RCS needs to plan for a minimum of 350 dwellings per annum to meet objectively assessed development needs, and will need to identify an appropriate strategy, including identifying further sites, areas for growth and/or 'safeguarded land' (reserve sites), to meet this requirement.