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ESSENTIAL REFERENCE PAPER 'B'

Job Name: East Herts Delivery Study
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Subject: **East Herts Delivery Study Update**

Study Scope

1. PBA have been commissioned by East Herts Council to inform deliverability of the Local Plan, focusing on viability, infrastructure, objectively assessed need (OAN), transport and a more in depth assessment of a number of strategic / broad locations of growth. This study will form a critical piece of the evidence base for the Local Plan Examination in demonstrating to the examiner whether you have a deliverable and developable plan.
2. This note sets out initial findings from the review of the OAN, transport infrastructure evidence and critical dependencies going forward.

Objectively Assessed Need

3. The current housing requirement set out is 750 dwellings per annum (dpa) which is essentially an average of a variety of demographic projections, but based primarily on the 2011 interim household projections which only go to 2021 and with some calculation made about the period beyond that, and which household formation rates to use.
4. This 750 figure is not based on an up to date Strategic Housing Market Assessment (SHMA) as required by the NPPF. A SHMA has now been commissioned jointly and ORS are currently undertaking this work to assess the extent of the housing market area and to robustly test the Objectively Assessed Need (OAN). The Welwyn Hatfield SHMA has just been published and it will be necessary to consider this in terms of the methodology used and also of any overlap of housing market areas to ensure the implications for East Herts are understood and that these are adequately factored into discussions through the duty to cooperate.
5. OAN is an evidence-based figure and will need to consider all the demographic sources of information together with the economic drivers of growth to ensure that the figure accurately identifies the full OAN. It is likely to consider a range of scenarios which will provide a starting point against which it is necessary to understand the market signals and consider which scenario best represents the likely future of East Herts. As part of this assessment it will be essential to consider whether the 10 year migration trend which includes 3 years of net out migration is a robust set of assumptions to use going forward, understanding why this net out migration took place and recognising that increased migration from London is going to be a big issue for all the Local Planning Authorities in the south-east and potential beyond
6. A key part of establishing a robust figure means ensuring that economic issues within the plan are fully integrated with the strategy for housing growth. This ensures that if the Council wants to achieve a certain number of jobs over the plan period these are realistic and also tested in terms of the labour supply that will be required to deliver these jobs and the number of homes required to house that labour supply.
7. At present there does not appear to be a clearly articulated connection with economic growth work to establish the OAN. The East of England Forecasting Model (EEFM) numbers tested by Edge use 600 jobs a year which leads to a requirement of between 925 and 1004 dwellings per annum (dpa). It is currently unclear what evidence this level of jobs is based on and as a separate point how realistic they are. The draft Local Plan currently seeks 9700 jobs over the plan period (485

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per year) and it is essential that this is a robust figure and is also tested for its implications in terms of the housing requirement. The Council will need to assess the realistic economic growth potential of East Herts against these figures.

8. Market signals are an important factor which need to be addressed as part of the SHMA and help establish a robust OAN. Another equally important issue is affordability and the weight to be given to meeting the affordable housing need.
9. It is essential that the OAN is established separately from the decision about plan provision (or housing land supply).
10. The provision made in the plan can be different from the OAN figure. This may be due to the policy issues and constraints that exist and which when factored in mean that the full OAN cannot be met. However, any unmet need should be met elsewhere in the housing market area through the duty to cooperate. As housing and economic issues are key strategic issues their distribution across the housing market area needs to be discussed with your neighbours to come to an agreed decision.
11. In terms of five year land supply the figure of 750 emerging from the plan and ONS/CLG projections is a robust starting point (subject to the points made earlier) and as such is likely to be used by Inspectors in the absence of a more up to date and tested SHMA figure.
12. In principle, any shortfall within the plan period, against this 750 figure, or the figure in place at the time, will need to be accommodated in the first five years. This is clearly set out in the practice guidance and is supported by Inspectors, who are keen to ensure that a five year supply is available at all times in order to significantly boost supply, meeting the needs that exist now and not putting this off until the end of the plan period. There are cases where an approach which spreads the shortfall over the whole plan period has been accepted by DPD inspectors, and this is usually where there are significant sustainable urban extensions and infrastructure issues which mean delivery will not be achieved in the short term. However, this is an area which is constantly changing as new decisions emerge and PBA stress the risk of following other authorities which may not have comparable circumstances.
13. In relation to the approach to spreading the shortfall as proposed in the draft District Plan, work is not sufficiently advanced yet to know whether the phasing of sites and linking this with the plan target is sufficiently justified, and the information is not yet available to be definitive about that approach, particularly in relation to individual sites. East Herts is right not to want to rule it out at this stage, however the Council should be aware that the level of evidence needed to justify this approach would be considerable. This is an area that the Delivery Study will advise on as part of the OAN work (Task 8).
14. In terms of applying the buffer of either 5% or rising to 20% where there has been persistent under-delivery, the figures provided demonstrate that East Herts has consistently failed to meet the requirement both on an annual and cumulative basis and as such it is our view that a 20% uplift should be applied to the supply to provide flexibility.

Transport review to date

15. PBA effort has focused on getting an understanding of the transport evidence that is being produced by site promoters, the County Councils, the Highway Agency and the adjoining authorities to inform the transport infrastructure, costs and funding that will be needed to support the delivery of growth.
16. PBA have also met with and facilitated meetings with various transport consultees to seek to understand the key issues that are likely to inform the Inspector's agenda at the Local Plan examination and to begin to consider how these may need to be addressed. Note detailed interrogation of modelling inputs provided by individual site promoters will be undertaken by HCC.

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17. The assessment of transport is best considered at the following three levels:

- The impact on the **strategic highway network** – The main considerations for this are the M11 junctions 8, 7 and 7a, A1/M1 junctions 3 and 4 and the M25 junction 25/ A10 intersection. It will be for the Highway Agency to state if there are any concerns relating to the strategic road network that will impact on the delivery and phasing of growth. At present, based on the latest information and assessment, and the meeting held on the M11 developments, it was confirmed that the growth proposals impact on the strategic network are an ‘amber’ i.e. known impacts can be managed, and it is ok to proceed with the Delivery Study assessment of the proposed growth scenarios for now. Detailed modelling evidence from the VISUM will inform mitigation measures and phasing implication. These findings are expected in November. It should be noted that the role of the Highway Agency is to generally facilitate development in keeping with the Government priority of delivering growth, so would not look to object to schemes except in the case of a severe impact on safety.
- The impact of the **development on the immediate local transport network** - site promoters are undertaking various modelling of their specific schemes to see how they can connect and provide the transport infrastructure to support their developments. Generally solutions to specific sites are expected to be met and the promoters are likely to want to demonstrate that these are viable and deliverable. These findings will be explored in a series of surgeries with developers and ongoing discussions between now and October. The infrastructure requirements, costs and funding mechanisms will be captured in the Delivery Study and will inform the viability assessment.
- The **cumulative impact of overall development** on key road networks, primarily through the centres of Hertford (A414), Bishop’s Stortford, Ware and Sawbridgeworth, and local networks such as the A414 and A10 and A120. The Delivery Study assessment to date notes there is a gap in assessing the cumulative impact of growth on town centres. PBA advised that Inspectors acknowledge that not all the modelling evidence will necessarily be available at the time of the Plan preparation, as long as there is sufficient information to inform the five year supply and there is a process in place for managing future impact. It will therefore be for the District Council in partnership with the various Highways Authorities and other stakeholders to develop measures to manage and mitigate congestion arising from the cumulative impacts of growth. The proposed Broad Locations DPDs and the County Council’s Growth and Transport Plans should develop policies and actions to address this issue, whilst a ‘live IDP’ and accompanying ‘delivery mechanism’ will need to manage infrastructure delivery on an ongoing basis. A certain degree of congestion is to be expected to accommodate future growth. What will be important is to seriously consider what mitigation measures are likely to be necessary to minimise and manage congestion.
- It is accepted by the Planning Inspectorate that, for later years of the Local Plan, providing a comprehensive picture of infrastructure requirements becomes increasingly difficult and a more generalised approach is needed. The lack of detailed modelling on cumulative impact is not considered to be a reason for not progressing with the Local Plan.
- It will be necessary to further explore and understand Hertfordshire County Council’s position as Local Highways Authority in relation to the proposed growth. PBA will work with HCC during October and November to identify an initial list of congestion ‘hotspots’ and possible mitigations and/or strategies for future consideration to inform the Delivery Study and IDP. PBA has also initiated a series of consultations with site promoters in order to raise their awareness of the cumulative impacts of growth and to ask the promoters to suggest how they intend to assess and mitigate cumulative impacts. This is a new area of work, that has not been considered by most of the site promoters and so is likely to be developed over time in partnership with the Local Authorities and LEPs.

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- From PBA's experience and discussions with Planning Inspectors, congestion is rarely viewed as a reason for not allowing growth. The LA is preparing a Local Plan to meet the needs of the whole community – both existing and future. Although existing communities may object on the grounds of car congestion, Inspectors are unlikely to see this as a reasonable basis for objecting to growth. The Delivery Strategy will include the emerging issues being identified, and consider how the Council should address these in setting out a delivery strategy that an Inspector can reflect on. It is likely that a considered strategy will be required as to how to promote and encourage greater use of alternative modes of transport, in addition to implementing any mitigation measures that can be introduced.

Critical dependencies

18. The ongoing work on the OAN could amend or change the scale of growth required during the plan period. For now a watching brief is being kept on the work and guidance provided to the client team on areas of work that should be addressed to strengthen the robustness of the assessment being undertaken by ORS.
19. As part of the IDP and Delivery Study, one of the recommendations will be that an 'infrastructure delivery mechanism' should be established. The purpose of this will be to support the delivery of growth in a timely manner by maintaining the IDP as a 'live document' and to show to the Examiner and community that there is a mechanism in place to manage infrastructure delivery.