East Herts District Plan Delivery Study
Inception Workshop 20th August 2014

Agenda

Purpose of workshop (10.30 – 13.00):

1. Understand the growth context informing study – MP 10.30 – 10.45
2. Task leads 10.45 – 12.00  (separate timetable)
3. Comfort break  12.00 – 12.15
4. Identify risks and responses 12.15 – 12.30 Risk register
5. Study programme, dependencies, key dates and milestones – to be agreed jointly at meeting 12.30 – 12.45 Study programme
6. Study budget, contracts, project management and administration 12.45 – 13.00
Tasks – scope, approach, risks

- Site concept masterplans / costings - task 2 – JB (10.45 – 10.50)
- Infrastructure – task 3 – SR (10.50 – 11.00)
- OAN – task 8 – JB (11.00 – 11.10)
- Transport (HCC present) – task 1 – EP (11.15 – 11.45)

*agenda’s moved to coincide with Sue Jackson*

- Viability – tasks 4, 5, 6 and 7 (11.45 – 12.00)
  - Local plan policies – task 4
  - Plan wide viability – task 5
  - Location specific viability – task 6
  - CIL - task 7

UNDERSTANDING THE CONTEXT – MP 10.30 – 10.45
Study background - involvement of LEP/ATLAS - MP

- LEP – partial funding
- ATLAS – assisted EHDC in preparing brief/spec and work on District Plan
- Scope of involvement of LEP/ATLAS

Growth Context

- Plan period 2011 – 2031
- Sites refined after issues & options stage
- Looking at 750 dwellings pa, + employment and retail
- Edge Analytics /ORS doing new assessment
- Duty to cooperate challenges:
  - OAN,
  - Transport
  - Infrastructure
- Any other challenges / issues to highlight
Growth context

- Plan period 2011 – 2031
- Issues & Options stage – some sites dismissed because….
- Looking broad locations and strategic sites and other – 750 dpa
- New numbers assessment by Edge Analytics and ORS study

Main challenges are:
- OAN – duty to cooperate
- Transport
- Infrastructure
- Any other challenges?
- Political – timetable for study

Development context
### Growth trajectory

![Growth trajectory chart]

### Key information

- [www.eastherts.gov.uk/districtplan](http://www.eastherts.gov.uk/districtplan)
- [www.eastherts.gov.uk/supportingdocument](http://www.eastherts.gov.uk/supportingdocument)
- [www.eastherts.gov.uk/strategyreport](http://www.eastherts.gov.uk/strategyreport)
- [www.eastherts.gov.uk/infrastructure](http://www.eastherts.gov.uk/infrastructure)
- [www.eastherts.gov.uk/technicalstudies](http://www.eastherts.gov.uk/technicalstudies)
- [www.eastherts.gov.uk/preferredoptions2014](http://www.eastherts.gov.uk/preferredoptions2014)

Drop box ..
Task 2 – Review of site concept plans

Light touch approach - review upto three masterplans (client to identify)

Aim will be to help inform:
• Developable area and site net capacity
• Impact on costs and land take resulting from site constraints and abnormals
• Infrastructure requirements identified
• Identified phasing plan
• Sense test cost assumptions

Output
A checklist will be produced for the three sites assessed, recording site assessment information relating to the above before passing to the cost and viability team to inform costs, net to gross development area, major infrastructure requirements, phasing and delivery of trajectory.
Concept plans - information required

The following information is needed as one package per scheme (PDF and CAD files):

- Technical information on infrastructure requirements for scheme
- Constraints and opportunities plan and written statement
- Concept and phasing plan
- Developable area and land use for other enabling works – net and gross land area
- Scale and type of growth proposed and assumed densities

Concept plans – scope clarifications

- Review will not assess the spatial quality of the plans.
- Will not identify alternative layouts or improved design options.
- Review will focus on relevant information listed here, as we have only allocated limited resources to this task. This will necessitate the need for maximum efficiency.
- No resources included to ‘chase promoters for gaps in required information, or to review changes to plans made by promoters or attend meetings by the urban design team. (client team may need to consider contingency budget for this).
You need to tell the Infrastructure story....

- A *viable* plan is only part of what you need
- You need a **clear story** for examiner
  1. Where your growth is going
  2. When it’s going to get built (and that it will)
  3. What infrastructure you need, when, as a result
  4. How you’re going to pay for infrastructure
  5. Any cross border or nationally significant issues
- Inspector understands
  - you don’t have a crystal ball on the economy
  - you don’t know where all infrastructure funding is coming from
- Main risk = schedules will not do – must tell the story.
Task 3 - Infrastructure – scope and approach

• Review and guide council on drawing together existing research schedule into a clear report.
• Identify any gaps and follow with service provider interviews (upto three)
• Identify critical dependencies for five year delivery – surgery with site promoters
• Cross border / nationally significant issues – transport, education, utilities

Output PBA RAG assessment, Cash flow analysis. Guidance on how to manage delivery process / funding gap and guidance on policy refinements for infrastructure delivery, prioritisation mechanisms. PBA team – SR.

Output Client team IDA to script report and schedules

Task 3 Demonstrate a project delivery approach to IDP

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### TASK 8 - REVIEW OF OAN – JB (11.00 – 11.10)

Task 8 – review of housing requirement and provision

- Checking the approach to assessment of housing market areas, relationships and evidence used
- Review of household projection scenarios – use of most up to date information and projections
- Analysis of data relating to market signals and changes
- Narrowing the range – the most appropriate scenarios
- The relationship with economic growth prospects
- The evidence of capacity and market deliverability and how this is related to provision

**Output**

Critical friend support in producing OAN and short report explaining key issues and how to overcome these.
Delivering the East Herts Local Plan

• Has the housing requirement been objectively assessed in contemporary terms?
• Is the relationship between the requirement and the provision clear and justified?
• Will the strategic sites work as places?
• Has the infrastructure they need been identified and prioritised?
• What is the best route to funding infrastructure?
• Are the proposals viable and deliverable?

TASK 1 - TRANSPORT – EP
(11.15 – 11.45)
Transport – Step 1 Showstoppers

Are there any ‘showstoppers’ to delivery?

- Critical area of review.
- Desk-based review of each Growth Site, consultation evidence and ‘hot spots’ identified to date.
- Attendance at Council meetings e.g. 27 August for M11 J8
- Site Promoter Workshop – get a developer delivery perspective.
- Future meeting of key stakeholders (HCC, ECC and HA) to review ‘show stoppers’ list and sign off.

Output:
Pulling the above together into the IDP report chapter on transport which deals with possible risks and show stoppers to delivery. This will tell the Inspector in a clear and concise way what the showstoppers might be, why they were considered and how they have been dealt with.

Peter Brett Associates LLP

Transport – Step 2 Infrastructure requirements

In parallel to the earlier exercise, the transport infrastructure assessment will identify the following:

- List of infrastructure requirements.
- Site-specific v strategic area approach.
- Timeframes – when the infrastructure will be required to enable delivery to take place.

Output
Input above data into the RAG Toolkit – including brief project text, colour coding of when infrastructure is required – based on development trajectory.

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Transport – Step 3 Infrastructure costs and funding

In parallel to the earlier exercise, the transport infrastructure assessment will identify the following:

- Costs – in relation to each transport measure based on stakeholder input.
- Funding – how the infrastructure will be paid for, what funding is already in place, and what is yet to be identified (the funding gap). Thinking about main sources of funding, S106 or CIL

Output
Input above data into the RAG Toolkit – including costs, and known funding to generate a final cash flow table.

Transport – Risks and Mitigations?

- Lack of modelling evidence?
- Delay in providing evidence?
- Too much detail – ‘pro forma’ approach
- Securing meetings with relevant stakeholders?
- Getting agreement on ‘showstopper’ or not?
- Lack of cost, funding data?
Task 1 Review of transport evidence and requirements

Gaps in Modelling Evidence
Base:
• Development East of Welwyn Garden City

Approach to cumulative growth:
• Defendable demand forecasts
• Integration with developer consultants
• Robust estimates but which avoid overly worst case assumptions at every turn

Tasks 4, 5, 6 & 7 – Viability – SC / SR (11.45 – 12.00)
Task 4 – local plan policy review

Does the plan policy have cost implications? Identify the policies that matter to viability.

Understanding policy costs

What are the market value zones? Decide on any geographical differentiation on values.

What kind of sites do we have? Allocate sites to a locally tailored site profile (e.g. greenfield, brownfield, infill, town centre regeneration).

When are sites coming forward? According to housing trajectory, which sites are coming forward in 15-50 years (must be deliverable). Which in 15+? (must be deliverable).

What policies can local site viability pay for? Understanding plan viability tipping points.

Policy layer 1: no policy
Policy layer 2: SDLF site assumptions
Policy layer 3: affordable housing
Policy layer 4: CL
Policy layer 5: other policies e.g. design, carbon offset

Sensitivity testing on key variables (e.g. sales values, build costs).

Putting sites + policy together to understand viability

Do we have a deliverable, developable plan?

Which sites can come forward in 15-50, after policy costs are paid? Which sites can come forward in 15+?
Is the plan developable and deliverable?

Step 1 - Policy impact on viability

<table>
<thead>
<tr>
<th>Anticipated plan policy area (reference and page)</th>
<th>Does the policy have a cost implication?</th>
<th>Do these policies apply to all development or specific forms of development? and when will it be imposed?</th>
<th>What is the estimate cost implication in monetary terms of the policy?</th>
<th>How should these costs be dealt with in this study – workshop discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>SP1</td>
<td>No</td>
<td>All development within Town Centre and out of town retail areas</td>
<td>IDP</td>
<td>IDP</td>
</tr>
<tr>
<td>SP2</td>
<td>Yes</td>
<td>Environmental enhancements improvements to green links and spaces</td>
<td>IDP</td>
<td>IDP</td>
</tr>
<tr>
<td>CP1</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SP3</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CP3 – I</td>
<td>Yes</td>
<td>Links with out of town retail</td>
<td>IDP</td>
<td>IDP</td>
</tr>
<tr>
<td>Currently SP3 Antler Valley</td>
<td>Yes</td>
<td>Infrastructure costs associated with delivery of housing site</td>
<td>IDP</td>
<td>IDP</td>
</tr>
<tr>
<td>Housing Allocations (not yet finalised)</td>
<td>Yes</td>
<td>Infrastructure costs associated with delivery of housing site</td>
<td>IDP</td>
<td>IDP</td>
</tr>
<tr>
<td>CP4</td>
<td>Yes</td>
<td>Affordable Housing – applies to all housing development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CP5</td>
<td>Yes</td>
<td>Housing Types</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WPV Policy Assumptions

- Affordable housing – 40% for larger sites – not achieving this.
- S106 per dwelling current?
- Other policy costs?

Step 2 – understanding your typologies
When are sites coming forward?

- This really matters
- NPPF: the plan must show inspector
  - **Deliverable** sites over Y0-5 (viable, suitable location, available)
  - **Developable** sites over Y6-10 + onwards if possible (suitable location, 'reasonable prospect for viable development at the point envisaged')
- Note that **time of development is critical**
- This study to investigate viability ‘ingredient’ you deal with suitable, available.

Housing trajectory – 0-5yrs and beyond
Viability assumptions - residential

• Build costs
• Sales values
• Density
• Land cost
• Developers profit

Other assumptions – retail – convenience, comparison, office, industrial

Do you have a deliverable plan?
How CIL charge might look

<table>
<thead>
<tr>
<th>Development type</th>
<th>Charge £/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>£x/m²?</td>
</tr>
<tr>
<td>Employment Comparison retail – out of centre</td>
<td>£x/m²?</td>
</tr>
<tr>
<td>Convenience retail</td>
<td>£x/m²?</td>
</tr>
<tr>
<td>Community uses (education, health, cultural)</td>
<td>£0 m2</td>
</tr>
</tbody>
</table>
COMFORT BREAK –
12.00 – 12.15

Risks and responses – all
12.15 – 12.30
### Risk register – copy circulated

<table>
<thead>
<tr>
<th>ID</th>
<th>Category</th>
<th>Description</th>
<th>Impact</th>
<th>Probability</th>
<th>Risk Rating</th>
<th>Action/Control Measures</th>
<th>Revised Probability</th>
<th>Revised Risk Rating</th>
<th>Risk Owner</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Operational</td>
<td>Gap between client aspiration for level of detail provided and what provided in proposal</td>
<td>5</td>
<td>3</td>
<td>Low</td>
<td>Inception Meeting and agreement on key outputs, inputs, dependencies and level of assessment for each work stream, payment schedule.</td>
<td></td>
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</tr>
<tr>
<td>2</td>
<td>Operational</td>
<td>Considerable transport assessments for each site promotion – too much information and detail to be able to review in full. Lack of technical clarity and therefore client dissatisfaction</td>
<td>4</td>
<td>2</td>
<td>Medium</td>
<td>Agree pro-forma approach to transport review that allows sufficient review of technical submissions but does not audit technical work</td>
<td></td>
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<tr>
<td>3</td>
<td>Operational</td>
<td>Agreement on potential transport showstoppers and mitigation measures</td>
<td>5</td>
<td>2</td>
<td>Medium</td>
<td>Earl llyliaison with stakeholders. Understand developer position.</td>
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</tr>
<tr>
<td>4</td>
<td>Operational</td>
<td>Poor quality assurance processes</td>
<td>4</td>
<td>2</td>
<td>Medium</td>
<td>All consultants to ensure internal QA procedures followed with project director having final approval before issuing to client</td>
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</tr>
<tr>
<td>5</td>
<td>Operational</td>
<td>Lack of clear decision making</td>
<td>4</td>
<td>2</td>
<td>Medium</td>
<td>Client to respond to all draft reports in a co-ordinated single response; Decision Papers used to clarify issues as the study progresses</td>
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</tr>
<tr>
<td>6</td>
<td>Operational</td>
<td>Inaccurate data collection and/or insufficient baseline data resulting in need for further work</td>
<td>4</td>
<td>2</td>
<td>Medium</td>
<td>Earl review of information and if any gaps identified early warning made to Client. No capacity in budget to chase site promoters for information or revisions to inputs. Client to emphasis this to site promoters and request cost contribution if issue arises.</td>
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<tr>
<td>7</td>
<td>Operational</td>
<td>Variance of approach to site opening cost assumptions due to the urban design review. Different approach to viability assumptions will be adopted – depending on estimation as opposed to site assessment</td>
<td>3</td>
<td>2</td>
<td>Low</td>
<td>Client team to prioritise 3 schemes to focus for urban design review, and agreement to be reached with other site promoters about approach to site opening and phasing and abnormal costs.</td>
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</tr>
<tr>
<td>8</td>
<td>Operational</td>
<td>Advance arrangement of site promoter workshops by client team to be scheduled and key stakeholders to attend.</td>
<td>4</td>
<td>2</td>
<td>Medium</td>
<td>Date for site promoter workshops to be agreed at Inception and client team to ensure key site promoters/stakeholders attend – agreement on delivery issues and mitigation and viability assumptions.</td>
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</tr>
<tr>
<td>9</td>
<td>Resource</td>
<td>Change in the growth quantum as a result of ongoing SHMA/OAN</td>
<td>4</td>
<td>2</td>
<td>Medium</td>
<td>Continency to be built into the project to allow for further iterations to the Delivery Study baseline assumptions.</td>
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</tbody>
</table>

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**Study programme, milestones, key dates – joint discussion**

**12.30 – 12.45**
Study admin, budget, fee payment project management.....

12.45 – 13.00
Any further questions?