

# **Turley**

## **East Herts District Plan Examination 2017**

### **Matter Statement 2**

**Ptarmigan Land  
1051701**

## **The Development Strategy - Housing**

September 2017

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## **1.0 INTRODUCTION**

- 1.1 This Matter Statement has been prepared by Turley on behalf of Ptarmigan Land (Ptarmigan) and submitted pursuant to the proposed residential allocation of Land North and East of Ware (Policies WARE1 and WARE2).
- 1.2 The following Matter Statement sets out Ptarmigan's position as lead promoter in relation to the WARE2 allocation and comments upon relevant policies: DPS1, DPS2 and DPS3. The specific questions addressed comprise: Q1 / Q2 / Q5 / Q8 / Q11 / Q13 and Q15.
- 1.3 Ptarmigan's position remains of firm support for the emerging Plan notwithstanding some concerns in relation to the OAN and the quantum of housing delivery proposed for Ware during the Plan period, to which technical objections have previously been made.
- 1.4 The specific changes sought to the relevant policies are articulated in our 2016 written representations to the Pre-Submission Plan, which should be read in conjunction with this Statement and so are not reiterated.
- 1.5 Similarly, we request that this Matter Statement is read in conjunction with the submitted Technical Note on Hertfordshire Highway Capacity, prepared by TPA, attached at Appendix 1 of Ptarmigan's submitted 2016 representations.
- 1.6 As the promoter of a key strategic allocation site Ptarmigan requests that its professional advisors (Turley / TPA) are permitted to participate in the relevant Examination Hearings, to further articulate the matters considered within this Statement. Our relevant e-mail of 4<sup>th</sup> September 2017 refers.

## **2.0 CALCULATION OF THE OBJECTIVELY ASSESSED NEED FOR HOUSING AND THE HOUSING REQUIREMENT – DPS1 AND DPS2**

### **Q1. Does the evidence base for OAN reflect national policy and guidance?**

2.1 It is questionable whether the evidence base for the calculation of the full OAN properly reflects national policy and guidance as expressed in PPG. Whilst the 2014 based household projections have now been applied to the latest OAN calculation, the net assessed dwelling requirement for the Plan period remains materially lower than the initial OAN assessment projected by the Council in the submitted Plan, which led to the Council's suggestion of an early Plan review.

2.2 The reason for this net reduction from the notional 19,500 dwelling requirement anticipated by the Council largely stems from the adjustment applied by Opinion Research Services (ORS) for market signals of only 14%, as opposed to the 20% applied by the original SHMA, which was in the context of the approach taken in other similar areas, such as Cambridge, Buckinghamshire and Mid Sussex.

### **Q3. Is the uplift proposed sufficient to address market signals, including the effects of pre-plan undersupply?**

2.3 National PPG advises that household projections do not reflect unmet housing need and so they may require adjusting, inter alia, to reflect household formation rates that are not captured in past trends. PPG also further advises that such adjustments must be at a reasonable level.

2.4 ORS have clearly taken the view that 'reasonable' in this context is to gear the market signals multiplier to previous rates of (very low) housing delivery, on the basis that the increased household projections will themselves help to improve future affordability. The main premise of this conservative approach is to avoid increased future rates of net migration, lower net household sizes, or both.

2.5 However, reference to past rates of housing delivery from published monitoring reports, indicates a very persistent lack of delivery in East Hertfordshire, against all required targets over the past 15 years. This is attributable in part to the recession, but also to a general lack of Plan making over the relevant period.

- 2.6 Consequently, East Hertfordshire has only met its required housing delivery targets in two of the last 15 years and has not done so since 2007. This trend is set to continue, given the most up to date completions data (see below).
- 2.7 The net result is that housing affordability in East Hertfordshire continues to worsen, with average prices for semi-detached and terraced houses in particular having increased by over 27% by March 2015 from the 2012 house price average (source; Table 10 of the 2015/16 Authorities Monitoring Report).

**Q5. Would the provision of a minimum of 18,396 dwellings between 2011-2033, meet the full OAN for housing?**

- 2.8 On the evidence of a long term and persistent lack of delivery and the impact of a major economic recession during that period, natural household formulation will have been considerably more suppressed than is likely to be the case in the foreseeable future. As such, we consider it appropriate to reinstate the original SHMA market signals multiplier of 20% rather than apply a reduced multiplier which is essentially influenced by past delivery failure.
- 2.9 Accordingly, when the more appropriate 20% Market signals multiplier is applied the full OAN is closer to 19,500 dwellings in the Plan period. The implications of this for the Spatial Strategy are dealt with overleaf.

### **3.0 SPATIAL DISTRIBUTION, SUPPLY AND HOUSING DELIVERY – DPS3**

**Q11.** Would the supply be sufficient to meet the housing requirement? If not, what other options are there. What would be the implications in terms of the spatial strategy?

- 3.1 The submitted Plan originally envisaged a total supply of 18,040 dwellings. This was subsequently increased to 18,142 new dwellings in Table 3.1 of the March 2017 version of the Housing Topic Paper (HTP) and thereafter increased to 18,681 dwellings in Table 3.1 the latest (August) version of the HTP.
- 3.2 Whilst the supply has marginally increased by 641 dwellings since the submission of the Plan for Examination, we consider that it remains well below that which is required to meet the full OAN, for the reasons set out above. The implications for the spatial strategy are that further sites will be required to make up the shortfall within the Plan period to 2033 in the region of 1,000 dwellings. However the opportunities available for sourcing further new sites at short notice during the course of the Examination will be challenging and could unnecessarily delay an otherwise positively prepared Plan. In addition, the likelihood is that the only sustainable additional sites will all lie within the Green Belt.
- 3.3 On this basis, it is incumbent upon the Council to maximise the residential allocations that it already has, or intends to make, both by making the most efficient use of land, without compromising development quality and by not unnecessarily deferring or safeguarding housing allocations, which could otherwise reasonably come forward earlier within the Plan period. This allocation audit is the most efficient means of making up the shortfall, negating the requirement to source further additional sites at short notice.
- 3.4 One such site enhancement opportunity is the additional 500 homes which are reserved 'in the longer term' as part of policy WARE2 (II). In this respect, the principle of the release of the Green Belt to facilitate these 500 additional dwellings is clearly not at issue and the land will be safeguarded for such purposes. The policy deferment primarily relates to the currently identified constraints on the strategic road network.
- 3.5 In this respect, the end of the Plan period is over 15 years away and housing demand in an area such as North and East Ware is likely to continue to be very strong for the foreseeable future (given the many years of relative undersupply for this principal settlement) as evidenced by having similar land values to nearby Hertford.

- 3.6 Accordingly, as the WARE2 allocation will be the main source of housing delivery in Ware throughout the Plan period it is likely that delivery can be sustained at around 200 dwellings (on average) per annum, once practical construction has fully commenced. This rate of construction has indeed been agreed with the Council at Paragraph 7.12 of the submitted Statement of Common Ground (March 2017). It has also further been agreed that 300 dwellings could be delivered by Q3 of 2024 and that 1,000 dwellings would be completed by Q1 of 2028.
- 3.7 On this basis, assuming a start date by 2020, there is a very real prospect that the WARE2 site allocation could be completed some 5 years before the end of the Plan period, with a dormant residual housing allocation, which could otherwise be utilised from 2028 to help make up the current dwelling shortfall. The determining factor is simply whether sufficient highway capacity is likely to exist to accommodate these additional 500 dwellings at a point in time which is presently more than a decade into the future.
- 3.8 Ptarmigan's position on this matter (upon the advice of its transport advisors TPA) is that there is sufficient highway capacity evidence to fully justify the implementation of these dwellings within the Plan period. The collation of the necessary transport data to provide this evidence has now been completed and has been submitted to both East Herts and to Hertfordshire County Council. This evidence will be submitted for consideration as part of the WARE2 Matter Statement hearings in due course.
- 3.9 That evidence aside, given the length of the planning timeframe involved, we contend that the most practical planning approach is for the Plan to allocate the entire 1,500 dwelling allocation, as shown within Figure 9.2 of the submitted Plan. Thereafter, any dwelling applications which take the cumulative future total beyond 1,000 dwellings will simply be required to demonstrate that sufficient highway capacity or other mitigation measures exist at the time of their submission. In this regard, it is reasonable to assume that such mitigation will be possible over a ten year timeframe, particularly given the implementation of the required link road prior to completion of the first 1,000 dwellings.
- 3.10 This would be the most practical way of increasing the currently assessed housing supply for the WARE2 allocation (and the Plan overall) within the Plan period and which is also self-regulating. However the current wording of WARE2(II) simply pre-supposes that no highway capacity will exist for the additional 500 dwellings until after 2033 which in turn has led to an overly conservative estimation of the housing trajectory for the rate of delivery of the total number of dwellings identified at Ware, to which we do not concur.

**Q13.** Where is the assessment of the deliverability of sites which are dependent on additional school capacity? For sites which seek extraction of minerals prior to commencement of development, has the extent of the mineral/viability of extraction been identified? Can it be demonstrated that the sites can come forward within a reasonable timescale? What is the risk of these sites not coming forward in the plan period?

- 3.11 The deliverability of the WARE2 allocation has been assessed on a number of levels during the formulation of the emerging Plan. Most notably, the site at North and East of Ware was assessed as part of the Council's Strategic Sites Delivery Study undertaken by Peter Brett Associates (PBA) whom submitted their final Report to the Council in September 2015 (Exam Ref).
- 3.12 With respect to North and East Ware, PBA were tasked with undertaking an assessment of viability for both a scheme of 2,972 dwellings and a scheme of 2,000 dwellings. In this respect, Paragraph 11.3.2 of the Report identifies that deliverable solutions to critical infrastructure (particularly sewerage, utilities, site access and provision of secondary school education) needed to enable development to take place were identified and all were shown to be deliverable for the larger dwelling scheme.
- 3.13 With regard to the smaller, 2000 dwelling scheme, this was also considered by PBA to be fully viable and developable although it was acknowledged that other developments may be required to contribute to the cost of some of the major infrastructure, such as for the secondary school. In this respect whilst the totality of the emerging WARE2 allocation is currently 1,500 dwellings. This scale of development been independently assessed for viability by the site promoter; Ptarmigan and found to be equally viable, without the need for any public subsidy.
- 3.14 A high level viability assessment was undertaken by the site promoter at the request of the Council and submitted prior to the submission of the Plan. The updated costs for the infrastructure required to accommodate 1,500 dwellings are also set out in the Council's Infrastructure Delivery Plan (IDP).
- 3.15 The Statement of Common Ground (SOCG) and appendices, signed in March 2017, confirms the agreed infrastructure requirements to facilitate 1,500 dwellings, including the relevant scheme requirements for primary and secondary education provision.

- 3.16 Section 5.0 of the SOCG, identifies agreed provision for one six-form entry secondary school, including sixth form provision, with further land to be safeguarded to expand to eight forms of entry, to meet longer terms needs.
- 3.17 In this respect, having regard to the PBA report, it is clear that the proposed WARE2 allocation does not require an eight-form entry secondary school, nor does it require a six-form entry secondary school. This is confirmed in Part V (m) of policy WARE2, which indicates that the required secondary provision will be commensurate with the scale of development proposed, but should be at least six forms of entry to serve both the development and the wider Hertford and Ware Schools Planning Area.
- 3.18 This is an important and significant material consideration which weighs substantially in favour of the emerging WARE2 allocation, as none of the strategic sites proposed in Hertford under Policy HERT1 (circa 950 dwellings) will be able to directly provide any additional secondary school provision within the Hertford area. This is due to the fragmented nature of the Hertford allocations themselves (four separate sites) and the lack of any suitable land available within or adjacent to Hertford.
- 3.19 Accordingly, far from presenting any potential risk to the successful delivery of the WARE2 allocation, the scale of proposed secondary school provision on the Ware site can be seen as being catalytic, as it is the only viable development option to provide any new secondary school provision for the strategic Hertford / Ware site allocations.
- 3.20 In recognition of this, Paragraph 5.6 of the agreed SOCG identifies that a financial contribution towards the construction of the secondary school will be provided which reflects the number of children that will be generated from the development, relative to the school's overall capacity. The implication is that proportionate contributions will also be sourced from the other benefiting developments in Hertford and elsewhere to help fund the overall new school development serving the wider catchment.
- 3.21 With regard to Minerals and their extraction, the WARE2 site is only partially affected to the North and so would not be stalled by the need for the prior extraction of minerals across the whole site, even if viable mineral reserves were to be found. This contrasts with some sites where more substantial extraction may be required before delivery can commence. There is consequently no disagreement with the Council or the Minerals Authority in relation to minerals and Part V (f) of policy WARE2 can be suitably observed without compromising any of the projected delivery timescales of the development.

3.22 The agreed position in the existing SOCG is that Ptarmigan will assess the depth, quality and viability of any minerals present on the affected area of the site, as part of future application submissions and the scope of these works will be prior agreed with the Council and the Minerals Authority at the pre-application stage.

3.23 Where viable mineral reserves are found, a suitable phasing and extraction management plan can be formulated in discussion with East Herts Council and the Minerals Authority. As the site is only partially affected by potential mineral reserves, this may also allow for any viable extracted mineral to potentially be used as part of the construction of the new development as part of a phased approach.

**Q15.** There has been persistent under delivery and a 20% buffer is appropriate. Taking this into account, would the Plan realistically provide for a five year housing supply (5YHLS) on adoption? Will a five year supply be maintained? Should the Plan's policies contain any flexibility measures to ensure 5-year supply?

3.24 Paragraphs 3.16 to 3.20 of the Council's updated Housing Topic Paper (HTP) make clear that even with a reduced requirement of 18,396 dwellings over the Plan period (836 per annum) it cannot currently demonstrate a five year housing land supply, using the standard Sedgfield method of shortfall recovery.

3.25 The HTP accepts that given the significant shortfall in housing delivery since 2011, that a 20% buffer should be applied. However, whilst the Council's calculation of 5 year supply equates to only **4.74** years, the combination of an increased OAN, together with the normal Sedgfield method of recovery and a 20% buffer is judged by the Council to still be undeliverable.

3.26 The Council's solution is to spread the recovery of the shortfall over a much longer period, from 5 to 10 years (a hybrid of the Sedgfield and Liverpool methods) in order to secure a viable 5 year land supply. However, this presupposes that the OAN used in the calculation is correct and any higher assessments of OAN may still render the Council unable to demonstrate a 5 year supply, even with a 10 year recovery period. Our own assessment of the 5 year supply is as set out in the alternative Table 3.3 below which is predicated on an overall requirement of **19,500** dwellings in the plan period and results in a more realistic 5 year supply position of **4.55** years.

**Alternative Table 3.3**

	<b>Dwellings</b>
Housing Requirement 2017 – 2022 886 dwellings pa x 5 Years =	4,430
Housing Shortfall 2011 – 2017 =	1,173
Housing Requirement plus shortfall (4,430 + 1,173) =	6,203
20% Buffer =	1,241
<b>Total Five Year Housing Requirement =</b>	<b>7,444</b>

- 3.27 Reference to the Council's delivery record over the past 5 years indicates an average delivery of only 525 dwellings per annum (dpa) against a target of 745 dpa (Table 14: Authority Monitoring Report 2015/16). The projection in the AMR for 2016/17 is only 482 dwellings, which brings the 6 year delivery average down to around 518 dpa.
- 3.28 On the balance of probability, the 5 year supply is therefore unlikely to be maintained as the required step change in future annual housing requirements has no past delivery precedent. East Hertfordshire will therefore also need to continue to defend against future speculative S78 appeals as Paragraph 14 of the NPPF will be engaged. Such a scenario is however unsustainable and runs counter to the strong commitment East Hertfordshire has so far made to facilitate sustainable long-term growth in the District, via the allocation of the larger strategically planned sites.
- 3.29 The solution is to ensure flexibility by making the most efficient use of the allocations which have already been made. As previously stated, this will involve taking a more objective view of delivery timescales and phasing for key strategic sites, particularly in the case of Ware, in order to remove as far as possible any unnecessary impediments to early commencement and to help promote accelerated rates of delivery.
- 3.30 It is important also that strategic sites such as Ware are not artificially capped and that where good master planning and design can facilitate a higher dwelling yield than that currently foreseen that this is positively encouraged. The determining factor is whether the resultant development demonstrates appropriate, high design quality and remains genuinely sustainable.

End

