

EXAMINATION OF THE EAST HERTS DISTRICT PLAN

HEARING STATEMENT ON BEHALF OF FAIRVIEW NEW HOMES

Respondent reference number 466219

**Matter 2 – The Development Strategy – Housing**

1. This Hearing Statement has been prepared by Vincent and Gorbings on behalf of Fairview New Homes (“Fairview”).
2. Fairview are one of the UK’s leading builders of new homes with a regional focus in North London and Hertfordshire. Fairview are particularly active within East Hertfordshire and are currently delivering 300 new homes on brownfield land at Buntingford. Fairview are therefore a developer with significant experience of both market and planning issues in East Hertfordshire, as well as being a ‘user’ of the development plan.
3. Overall, Fairview are keen to ensure that the District Plan progresses to adoption but in a manner which fully and clearly addresses the manifest housing issues in East Hertfordshire.
4. Fairview have made representations at each stage of the District Plan process. Key considerations for Fairview are (i) overall housing provision (ii) the development strategy (in particular in relation to deliverability within the first five years of the plan); (iii) the strategy towards development in the villages and (iv) the approach to Green Belt boundaries, particularly around the villages.
5. This statement addresses, where appropriate, the questions raised by the Inspector under Matter 2 - The Development Strategy – Housing. We have not sought to answer every question posed by the Inspector but only those relating to our representations on this matter in accordance with the guidance in ED117.

*1. Does the evidence base for OAN needs reflect national policy and guidance?*

*2. What are the assumptions for the proposed level of housing provision in terms of migration, jobs growth, commuting patterns, household formation and market signals? What is the basis for these assumptions in terms of evidence and are they realistic?*

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

6. In general terms, we consider that the Council have sought to use a comprehensive evidence base in order to establish Objectively Assessed Housing Need (OAHN) and therefore seek to meet the requirements of national policy. The Council's recent Housing Topic Paper [ED121] now properly updates the Submission Draft District Plan in relation to OAHN, albeit we question some of the assumptions made (see below). The Council accepts that its OAHN has increased from 745 dwellings per annum to 836 dwellings per annum. In our view, such a change is fundamental to the development strategy; yet the Council does not seek review the development strategy but merely claims that the overall housing supply is sufficient to cover this higher requirement. It further argues, however, that the 5-year supply requirement based on this increase is unachievable and therefore the deficit should be spread over 10 years, not 5 as was suggested in the Submission Draft and as is encouraged by national policy and previous Local Plan Inspectors.
7. These matters raise issues of soundness. At the very least they require main modifications that should be the subject of consultation prior to the District Plan progressing. In our view, such is the increase in the housing requirement that the progress of the Plan should be paused to allow for further consideration of housing allocations to meet this need, particularly in relation to the immediate 5-year HLS requirement.
8. The Council's document [ED121] does not, in our view, properly evidence why the 20% uplift allowed for in the SHMA in response to both market signals and to align future jobs and workers has now been reduced to 14%. By implication, the Council suggest that in planning for a higher number of households, the need to provide an uplift to better align jobs and workers is reduced. In our view, the evidence to substantiate this reduction, and its scale, is entirely unconvincing. An increased demand for housing resulting from the new forecasts will clearly put pressure on the housing market, potentially reducing relative affordability and impinging on the supply of migrants to fill jobs in the area. Whilst maintaining the 20% uplift would clearly lead to a greater supply challenge, we express serious concern that the 14% uplift will impinge on economic success and affordability. We consider that the Interim SHMA update figure of 54,608 is a more robust and sound approach to planning for housing in the HMA.

9. In terms of previous pre-plan undersupply, as indicated above, the Council seems to accept that the intention of the Submission Draft District Plan to address this in the immediate 5-year period is no longer achievable due to the rates of delivery that would be required. However, the rate of delivery *could* be achievable on the first five years of the plan if the site selection process allowed for the identification of a greater number of smaller immediately deliverable development sites rather than relying so heavily on strategic allocations. We do not believe it is for the Council to 'second guess' the market; the Council should facilitate an appropriate level of development and, in our view, the market will deliver the step change in delivery required.

*4. What influence should the calculation of the affordable housing requirement in the Strategic Housing Market Assessment (SHMA – see update) have on the OAN?*

10. The Council claim that the identified proportion of overall need for affordable housing is 32%, yet requires 40% of units on sites of over 15 units to be affordable [ED120, page 10].

11. Relying on an increase in affordable housing delivery on a site by site basis to meet affordable housing needs will not address overall supply and affordability issues. In our view, the District Plan fails to take adequate account of affordability and in seeking to increase the level of affordable housing through Policy HOUS3 will be repeatedly challenged on viability grounds. A further increase in the OAHN and deliverable 5 year supply of sites is needed to properly address affordability.

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

12. In summary, we consider that it will not meet full OAHN; given the new demographic data and the continuing need to align jobs and housing, together with affordability issues, the number proposed will still fall short of OAHN. Moreover, whilst we are pleased that the Council has reconsidered the impact of more recent demographic data on the housing requirement, it proposes no changes to the development strategy or allocations as a consequence – for the above reasons we still continue to object to the plan on soundness grounds. The total across the HMA should be increased to approximately 54,600 to allow for a better response to market signals and affordability with a proportionate increase to East Herts.

*6. How have local policy considerations been taken into account in reaching a final housing requirement figure?*

13. The Council's Housing Topic Paper does not set out what local policy considerations have been taken into account when reaching the final OAHN. If there is a justification for an overall requirement that remains below full OAHN, it has not been properly articulated. Aside from the actual level of step change that will be needed to achieve the Council's claimed OAHN, there is no proper discussion of how the development strategy could accommodate a higher level of development. Whilst Green Belt and infrastructure issues are pertinent to this discussion, the Council need to explain in further detail if or how policy considerations have been factored into the overall conclusions in the Housing Topic Paper.

### **Spatial distribution/supply - policy DPS3**

*7. To what extent does the apportionment of housing in the Local Authorities comprising the Housing Market Area (HMA), reflect their needs and constraints?*

14. Fairview have no specific comment on this matter as it is largely a matter for agreement between the LAs involved.

*8. What evidence is there that the proposed supply is of the right type and scale and in the right place to provide a mixed, balanced and healthy community and support sustainable growth?*

*9. What options were considered for the distribution of housing? When and how were these options considered?*

15. Policy DS3 should be reviewed in the light of the new demographic data discussed in the Council's Housing Topic Paper. Given that the 5-year supply requirement – even on the basis of the Council's OAHN – cannot be met, the spatial strategy needs to be reconsidered and refined. In particular, the proposed supply is heavily focussed on strategic scale development – none of which has actually commenced – and much of which is located on the edge of the District at Harlow, Welwyn Garden City and Stevenage.

16. This distribution has been the subject of on-going debate throughout the preparation of the District Plan. However, this debate was conducted in the context of a much lower OAHN. In the light of the significant increase in OAHN, the spatial strategy should be reviewed. In particular, earlier iterations of the Plan sought to provide a

greater level of development by strategic developments at Hertford, the most sustainable settlement in the District; an objective that was seemingly frustrated by infrastructure constraints.

17. Fairview consider that in the light of the increase in OAHN, the spatial strategy needs to be reviewed by a renewed site search process focussing on :-

- The potential for more modest Green Belt releases – particularly around Hertford – that would not require strategic infrastructure or long lead times;
- The potential of smaller sites more generally
- An increased allocation to the Group 1 villages with greater clarity as to where and how development would take place in these settlements.

18. In respect of the last of these, the allocation to the villages of 500 units was, at the time of the Pre-submission Plan, 3.05% of the total minimum housing provision of 16,390 units. With the increase in the requirement to at least 18,396 (an increase of 12%), if this figure remains unchanged, the proportion of units allocated to the villages reduces to 2.72%. Fairview consider that the allocation to the villages was already too low to create a sustainable future for the rural area of the District; with the increased overall requirement and the need to bring forward smaller sites to meet the 5-year requirement, the allocation to the villages should be increased, allied with a positive approach to allocation rather than leaving this to the neighbourhood planning process. Given the very low numbers involved, Fairview consider that delivery of circa 1000 units at the Group 1 villages would be more appropriate and would not undermine the overall sustainability of the Plan.

*10. What evidence is there to show that the allocations proposed to Stevenage and Welwyn Garden City, which are outside the joint housing market area, would meet the housing needs of East Herts? What evidence is there to demonstrate that the extension to Harlow is the best option for meeting the housing needs of Harlow and East Herts? What evidence informed these decisions?*

19. Whether these developments will truly meet the needs of East Herts is for the Council to demonstrate. Having been party to the entire District Plan process, it is considered that the reliance on these 'edge of district' developments is one that has largely arisen out of expediency rather than on the basis of evidence of housing need of East Herts and we are therefore sceptical that there is sufficient evidence to demonstrate that the

needs of East Herts will be met by these developments. As set out above, given the increase on OAHN, whilst these developments may remain within the Plan, additional sites should be considered at Hertford and around the Group 1 villages.

*11. 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?*

20. The Submission Draft District Plan was based on OAHN of 16,390 dwellings and a supply in policy DPS3 of 18,040. The Council's claimed OAHN is 18,396 dwellings. Revised supply calculations in ED121 suggest a total supply of 18,681 over the entire plan period. This leaves almost no buffer for non-implementation and places a very heavy reliance on strategic sites.
21. Two of these strategic developments (Land North and East of Ware and the Gilston Area) are planned to deliver units beyond the plan period and therefore any slippage in commencement or rates of delivery on these sites will result in a reduction in the yield during the plan period. This appears extremely likely in respect of Gilston since 3,050 units are suggested in the 11 year period 2022 – 2033, a yield of 277 units per year. This rate is not achievable at this location even if there were say four sales outlets generating 50 units a year each. Moreover, the Gilston site is part of the wider development aspirations at and around Harlow which are together seeking to deliver 16,500 new homes by 2033. In our view, Gilston is likely to start later and take longer to deliver than assumed in the Council's housing trajectory. Given the 'buffer' in the supply above the Council's claimed OAHN is only 285 units, this is likely to lead to the plan failing to meet housing requirements.
22. The Submission Plan claimed comfort in OAHN being substantially below the housing requirement. This is no longer the case; consideration of additional sites is essential if the Plan is to meet OAHN. In our view, a more realistic trajectory would allow for a maximum of 1,925 units at Gilston (even this would require 175 units a year which is highly optimistic). This would require 1,125 units to be found elsewhere. The supply should further allow a 10% buffer on the overall supply of circa 18,500 for non-implementation or other unforeseen slippages in strategic sites (requiring a total additional supply of 1,850). Accordingly, we consider that the Council should seek to find sites for a further 2,975 units.

23. In our submission, to make the plan sound, the Council should be required to consider the availability of additional sites, including other Green Belt releases, particularly at Hertford, and additional development in the villages.

***Housing delivery - policy DPS3***

*12. Is the indicative housing trajectory at Appendix B of the Plan a reasonable estimate of delivery over the plan period 2011-33, having regard to the likely contribution of the strategic sites.*

*15. 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 a continued 5-year supply? (For example, allocating additional sites or allowing for small-scale development outside but abutting settlement boundaries where major policy constraints are absent).*

24. The revised 'Appendix B' in ED121 is not credible, particularly in relation to the strategic sites. For the reasons set out above, Gilston is unlikely to deliver 3,050 units in the plan period. Moreover, the suggested phasing within the Plan of the other strategic sites is also, in our submission, highly optimistic. We seriously question the delivery of 600 units at East of Stevenage in the period 2017 – 2022 for the reasons set out in our representations. The site was only allocated in the Submission version of the plan, not the earlier iterations and there is no planning application pending as far as we are aware. If the estimates shown by the Council are to be believed, this site will obtain planning permission, undertake all infrastructure provision and deliver all 600 dwellings, a neighbour centre and a 2FE primary school by 2022. This would equate to a build rate of circa 150-200 dwellings per annum which is not achievable, even with multiple sales outlets.
25. Bishops Stortford North is now a commitment (we assume due to the grant of planning permission) but it is unclear as to the rate of delivery suggested as the 'commitments' category is not disaggregated. In the Submission Plan it was assumed that this site would yield 800 units by 2022. As set out in our representations, this is not realistic.
26. At land to the south of Bishops Stortford there is no planning permission. Even when planning permission is granted, the scheme will then need to address the infrastructure demands of the site before the commencement of house building. The Council have estimated 50 dwellings per annum 2017 – 2022, which given the lack of planning

permission and the likely infrastructure delays is more likely to be constrained to 3 years' worth of meaningful development within the 5 year period, thus equating to 150.

27. In short, the Council has overestimated delivery from the key strategic sites in the plan such that the overall trajectory is not credible. Even with these assumptions, they now accept that they cannot demonstrate a 5-year supply of land even based on their own assessment of OAHN. Their estimate of supply falls short of the 5-year requirement by 376 units. However, for the reasons set out above, the yield assumptions regarding supply at the strategic sites are over optimistic and the 5-year supply deficit is much greater.
28. We would not support policy 'flexibility' as a mechanism for addressing this deficit. This would create uncertainty, not the certainty that the development plan seeks to engender. Allocating further land to address the 5-year requirement is the only reasonable way forward.

#### **The approach to housing development in villages – policies DPS3, DPS6, VILL1 and VILL4**

*1. Where is the evidence to demonstrate that 300 dwellings could come forward in the villages from 2017 – 2022 and 500 within the Plan period?*

*2. Where is it demonstrated that this would meet the needs of the rural area?*

*3. What is the basis for the 10% increase in housing in the group 1 villages which for some is only 35/37 dwellings? Would this meet the housing need until 2033? Could these villages take more development?*

*4. The Council rely on neighbourhood plans (NP) to identify and allocate land for 250 dwellings within villages. What is the timescale for the production and adoption of NPs? What progress has been made so far? Is the trigger sufficient to ensure that 500 homes would be delivered if the NPs do not come forward within a reasonable timescale?*

29. The Council has no evidence to demonstrate that 300 dwellings will come forward in the villages from 2017 – 2022 and 500 within the Plan period as they are failing to make any allocations to the villages, leaving this to Neighbourhood Plans.
30. They now state that [ED121 para. 3.7] there are 359 units that are 'commitments' although no detail of these are provided as to locations or scale of development. However, if this is the case, then whilst it might be reasonable to assume that these

would be constructed in the 2017 – 2022 period; it further suggests that the plan is only allowing for a further 141 units in all Group 1 villages across the plan period.

31. There is no evidence that the ‘allowance’ of 500 units to the villages will meet the needs of these settlements. The figure is derived from the development strategy itself rather than an assessment of the needs of the rural area. Given that there has been a significant increase in the overall OAHN it is also reasonable to assume that the number of units required to meet the needs of the villages has itself increased. In our view, the 10% uplift in VILL1 is an arbitrary figure and given the amount of development already committed it is apparent that this is unlikely to meet needs over the entire plan period. The small number of units allowed for in the villages over the plan period will almost certainly result in the villages ‘stagnating’, decreasing support for community facilities and increasing property prices in these locations, making new homes unaffordable to many local people who wish to or need to live in the rural area of the District.
32. We consider that there is a good case for allocating further development to the Group 1 villages and that in so doing the character and vitality of these villages will be maintained. All of these villages are sustainable locations for development, would be attractive to the market and therefore be deliverable in the short term, and could allow for at least part of the affordable housing needs in the rural areas of the District to be addressed.
33. We make specific comment in respect of the Council’s approach to development at Watton-at-Stone in response to the Inspector’s questions on the Green Belt. However, in terms of overall numbers, it is clear that Watton-at-Stone is a highly sustainable village and could easily accommodate more development than is suggested by the overall 500 units to the Group 1 villages. The village has a railway station, primary school, health provision, convenience retailing and public houses. In the context of increased OAHN *and* the immediate 5-year housing land supply deficit, there is every case for allocating additional new homes to this settlement.
34. The Council’s reliance on Neighbourhood Plans is misplaced. Again, we consider the particular circumstances of Watton-at-Stone within our Green Belt statement; suffice to say that relying on a Neighbourhood Plan to review Green Belt boundaries is contrary to national policy and unsound. However, the progress on Neighbourhood Plans has been extremely slow and given the need to address the immediate housing

needs of the district, there is a clear case for making specific allocations to the Group 1 villages. A failure to do so will exacerbate the 5-year housing land supply deficit.

35. The 'monitoring and intervention' approach in VILL4 is inappropriate and will only lead to greater uncertainty in the future for residents of these villages; it seems contradictory to encourage allocations through Neighbourhood Plans but to plan for intervention if the allocations are not forthcoming. Whilst supporting the localism agenda, we consider that given that further sites could and should be identified within the Group 1 villages, awaiting failure in delivery before intervening is an inappropriate way of planning these settlements in the future. The Council should proactively allocate further development in the villages.