

STRUCTURE PLAN PANEL

ITEM 4

29 October 2002

Members of Panel: M Bayes, A Dodd, D Drake, M Saunders (Chairman), R Sanderson, I Simpson, W Storey, B A York

UPDATE ON HOUSING LAND SUPPLY AND IMPLICATIONS FOR ASSESSMENT OF COUNTYWIDE HOUSING CAPACITY TO 2016

Author: Julian Pitt (Tel 01992 555234)

Purpose of Report

1. The purpose of this report is to:
 - present housing land supply data for the monitoring year April 2001 to March 2002 (termed 2001/02)
 - highlight some early indications of the scale of new commitments arising in the current monitoring year which ends in April 2003 (termed 2002/03)
 - update the County Council's assessment of housing capacity during the period 2001 to 2016 on the basis of the updated monitoring intelligence.

Information

Dwelling Completions

2. 3,145 dwellings were completed in Hertfordshire during the year ending March 2002. This is similar to figures for the previous monitoring years, being 3,463 in 2000/01 and 3,051 in 1999/2000.
3. The current Structure Plan requirement for the period 1991 to 2011 is 65,000 of which 39,491 have now been built in the period to March 2002. This leaves a residual requirement of 25,509, which equates to an average annual rate of development in the remaining 9 years of just 2,834.
4. The average annual rate of housing development for Hertfordshire that is set in current RPG9 is 3,280. This applies from 2001 onwards. The 3,145 built in 2001/02 is slightly below the RPG9 rate. However the average rate of completions during the six year period 1996 to 2002 was 3,364, which is above the rate in RPG9.

Dwelling commitments at April 2002

5. The capacity of sites with planning permission at 1 April 2002 was 9,430 dwellings. At this time the estimated capacity of housing allocations in local plans on previously developed land was about 7,690. This gives a combined figure of about 17,120. The corresponding total at April 2001 was about 17,200. The overall 'stock' of commitments has therefore declined by a very small margin over the monitoring year. However the significance of any changes in the stock of commitments for the assessment of future housing capacity varies with each source of capacity, depending on the methodology used to assess each.
6. Green field housing allocations that do not yet have planning permission, together with longer term 'areas of special restraint' for possible development needs after 2011, have a total capacity of over 14,000 dwellings. However whilst all these sites are identified in the current round of local plan reviews, they are outside the scope of the housing capacity study and so are in addition to the 17,120 total in paragraph 5 above.

Assessment of housing capacity, 2001 to 2016

Summary

7. The County Council's assessment of housing capacity covers the 15 year period April 2001 to March 2016. Total capacity in this period was estimated earlier this year to be about 46,400, as set out in the recent public consultation documents.
8. Table 1 overleaf summarises at county level how the results for the 2001/02 monitoring year have changed the assessment of some of the various sources of housing capacity. The main reasons are explained in paragraphs 14 to 35.
9. In summary, the overall effect of updating to April 2002 is to increase the assessment of capacity in the period 2001 to 2016 from the 46,400 total in the recent consultation documents to a new total of at least 49,700, **an increase of 3,300**. All of this increase arises from what can be termed 'arithmetic' changes in the computations for some sources of capacity arising from the updated monitoring data, not from any changes in assumptions or policy judgements.
10. Whilst district councils and some other consultees may still disagree with many of these assumptions and judgements, the 'arithmetic' updating of calculations reflects changes that should not be in dispute, i.e. changes arising from dwelling completions in the year to April 2002 and the stock of new commitments at April 2002. In particular, the capacity from the base date of 2001 on green field sites with planning permission has increased by over 1,200 and the sum of the district councils' estimates will automatically increase by this figure.
11. The assessments of capacity on employment, education and health land, and at smaller settlements have not been amended in the light of the monitoring data for 2001/02. This is due to the methodology used to assess these sources. However, for these sources it is possible to examine the number of new commitments arising since April

2001 and to consider whether or not the additional capacity arising appears to indicate the assessment is 'on course'. Paragraphs 28 and 32 explain that the early indications as to the robustness of the assessment are encouraging.

12. Paragraphs 14 to 35 also provide some early intelligence about:

- new planning permissions in the first half of the 2002/03 monitoring year (i.e. after April 2002);
- possible forthcoming increases in density on some previously committed sites; and
- a number of previously unforeseen development proposals on previously developed land that are known to be currently under consideration by districts. (Doubtless other proposals are also coming to light which are not known to HCC officers at this stage.)

13. The early intelligence suggests that further 'arithmetic' revisions to take account of 2002/03 monitoring data may result in the increase of 3,300 being **revised upwards again**. The 2002/03 updating will be in time to inform the Examination in Public which is currently scheduled for late summer 2003.

Table 1

Updating of County Council's assessment of housing capacity in Hertfordshire, 2001 to 2016, to reflect completions and commitments data for 01 / 02 monitoring year

Source of capacity	Assessment in July 02 Study Report	Reassessment (where different)	Difference
Scope to increase capacity on already committed sites	2,220	No change	nil
Most accessible parts of urban areas - Redevelopment & infill	9,940	10,210	+270
Most accessible parts of urban areas – Flats above small shops	480	500	+20
Outside most accessible parts of urban areas – all types of opportunity other than those categorised below	4,120	5,210	+1,090

Land already used for housing

Subdivision of housing (e.g. flat conversions)	940	880	-60
Infill in gardens	2,000	2,140	+140
Infill outside gardens	1,000	1,090	+90
Redevelop housing in private-built estates	2,920	3,290	+370
Redevelop housing in council-built estates	1,460	1,590	+130
Redevelop garage courts	570	580	+10
Total	8,900	9,840	+940

Land now in employment uses	11,420	No change	nil
Land now in educational uses	4,490	No change	nil
Land now in health care uses	2,090	No change	nil
Smaller settlements	2,220	No change	nil
Green field sites on edges of towns	1,400	2,610	+1,210
Allotments	30	60	+30
Unimplemented Sites Adjustment	-860	Virtually no change	nil
Total for Herts (Excludes green field allocations without planning permission.)	46,440	49,740	3,300

Scope to increase capacity on already committed sites (Chapter 4 of Study Report)

14. The assessment of additional capacity through increasing dwelling numbers on already committed sites relates to a specific list of previously developed sites that were either allocated or had outline planning permission at April 2001. The assessment remains unchanged, at about 2,220 dwellings, because only minor changes to the estimates for these sites have arisen in the monitoring year 2001/02.
15. Future increases (and decreases) in capacity will be reflected mainly when detailed planning permissions are granted for these sites. Intelligence on planning applications that are currently under consideration by district councils suggests that some significant increases in dwelling capacity are already in prospect. Some of the changes that can already be foreseen do not reflect 'innovative design' considerations as such, but do underline how unreliable the existing 'post PPG3' estimates of capacity can be for a range of reasons. Examples of the possible changes in capacity that may (or, depending on development control decisions, may not) emerge soon are as follows. This list is not exhaustive. It comprises only a few sites that have come to the attention of officers.
 - MAFF site, Broxbourne – dwelling estimate at April 01 was 260, but application now being considered is for 357.
 - Canada Fields, Broxbourne – dwelling estimate for whole site at April 01 was 600, but proposals now being finalised will increase total to 657.
 - Herts & Essex Hospital, Bishops Stortford – dwelling estimate at April 01 was 165, but application now being considered is for 336.
 - Napsbury Hospital – dwelling estimate at April 01 was 420, but application now being considered is for about 545.
 - Station Goods Yard, Ware – dwelling estimate at April 01 was 35, but application now being considered is for 116.

Most accessible parts of urban areas - Redevelopment & infill (Chapter 5 of Study Report)

16. The increase of about 270 is the sum of commitments at April 2002 minus the sum at April 2001, plus dwelling completions during 2002/03. None of the sites making up the increase are those identified on the County Council's consultant survey of most accessible areas as proposition sites.
17. Permission has been granted for about another 30 dwellings on (or overlapping) the 'proposition' sites that were identified in the County Council's survey. This does not represent additional potential, but early identification of a small part of the overall estimate of discounted potential on the sum of these sites. Whilst it is encouraging that permissions have already been granted on a few proposition sites, we would not expect to see many permissions on these sites yet. This is because the initial list of proposition sites was revised prior to discounting stages to exclude sites where a permission had recently been granted or was expected soon.

18. The increase of 270 on **non**-proposition sites provides encouraging albeit inconclusive evidence that the controversial '1 for 1' allowance for additional windfalls arising in the most accessible areas on sites **other than** on the proposition sites is about right. This is because that allowance, of about 2,930 additional dwellings during the period 2001 to 2016, equates to an average annual rate of development of 195 dwellings.
19. It is also encouraging to note that since April 2002 consideration has been given to a number of other proposals on previously developed sites that fall within this source of capacity, other than proposition sites. The list below provides examples of sites that have come to officers' attention in the first six months of the 2002/03 monitoring year. Even this incomplete list of recently identified possibilities indicates that the 2,930 allowance for the **whole** period to 2016 may turn out to be a significant underestimate.
- Library / Health Trust clinic redevelopment in Stevenage centre – proposal for about 85 dwellings.
 - Clements Store, Watford, where a 'landmark' redevelopment is proposed with flats above new retail floorspace – possibly about 170 dwellings.
 - Former car showrooms by Sovereign House, Hertford - permission now granted for 20 dwellings.
 - Former Strict Baptist Chapel, Hertford – proposal for 12 dwellings.
 - Former petrol station near Abbey Station, St Albans – permission for 12 dwellings.
 - Conversion of fire damaged malting in community use in Ware – permission for 33 dwellings.
 - Former fire station in Harpenden Rd, St Albans – permission for 48 dwellings.
 - Former Caldicott Centre in Hitchin – permission for replacement with 21 dwellings.
 - Former Apsley Village Club, Hemel Hempstead – permission for 18 dwellings.
 - In St Albans, consideration continues to be being given to allocation of City Station Car park for possibly about 250 dwellings.
20. It is noteworthy that the above list includes some large proposals, which gives support to the view that future windfalls will include many schemes large enough to include an element of affordable housing.

Most accessible parts of urban areas – Flats above small shops (Chapter 6 of Study Report)

21. The increase of about 20 is the sum of commitments at April 2002 minus the sum at April 2001, plus dwelling completions during 2002/03. The figure of 20 may include a very small element of double counting if any new permissions are in premises that were identified in the ground survey of apparently empty upper floors undertaken in 2000.
22. In addition to bringing vacant upper floors back into use, this source also includes proposals where single story shopping frontages are redeveloped to provide two or three storey buildings. The total countywide estimate from this type of opportunity is

a cautious 50, based on a heavy discounting of possible opportunities identified through the survey of shopping frontages. However since April 2002 permission has been granted for 19 flats in a single redevelopment of this type (12 High Street, Ware.) This demonstrates the interest of developers in this type of opportunity and suggests that 50 in the County as a whole over 15 years may be much too low an estimate.

Outside most accessible parts of urban areas – all types of opportunity not considered separately (Chapter 11 of Study Report)

23. This is a ‘catch all’ for housing capacity in the main urban areas (as distinct from smaller settlements) on all types of sites that are outside the surveyed ‘most accessible areas’ and excluding the various specific sources that have been assessed separately (notably release of land already in residential use and land in employment, education and health uses). It makes sense to consider this ‘catch all’ source next, because many of the types of site arising are similar to those in the surveyed parts of urban areas. The assessment of this ‘catch all’ source has risen from about 4,120 to 5,210. This is a significant increase of about 1,210 dwellings. The increase is mainly because:
- trend - based figures that previously had been calculated on the basis of completions in the period 1991 to 2001 and applied over the fifteen year period 2001 to 2016 have been revised on the basis of completions in the **11** year period 1991 to 2002 and applied over the **fourteen** year period 2002 to 2016.
 - 380 completions in 2001/02 have been added to the trend based estimate for 2002 to 2016.
24. There is no evidence that the supply of unexpected windfall opportunities that fall into this category are drying up. Quite to the contrary, the additional supply of new commitments arising in the 2001/02 monitoring year was about 490 dwellings. Whilst this figure represents only one year’s data, it compares with the assumption in the study of an average annual rate of development of about 170 dwellings on as yet unidentified windfall sites that fall into this ‘catch all’ category during the period to 2016. Examples of previously unforeseen opportunities that have either been permitted after April 2002 or may be proposed soon are:
- Redevelopment of vacant railway sidings at Stratford Way, Hemel Hempstead – permission for 36 dwellings.
 - Current review of police property needs – police stations in both the surveyed and unsurveyed parts of urban areas may become surplus and the sites available for redevelopment. A possible example is the two hectare station site in a residential area of Hertford.
 - Post offices – recent announcement of a continuing programme of closures.

Land already used for housing (Chapter 7 of Study Report)

25. Land already in residential use has been sub-divided into different sources that have been assessed separately in Chapter 7 of the study report. The assessment of all these sources combined has risen from 8,900 to 9,840, an increase of about 940. The increase is mainly because of applying the arithmetic process described in paragraph 23.
26. Planning permissions since April 2002 provide encouraging evidence that a range of housing opportunities in existing residential areas are continuing to come forward and be permitted by district councils, albeit many being controversial. A number of recent applications have also been refused and gone to appeal, for example in the case of several 'infilling' schemes. A few of the many examples of permissions since April 2002 include:
 - Redevelopment of existing housing - a scheme involving demolition of three dwellings to make way for 48 elderly persons' dwellings in Cheshunt.
 - Undeveloped land adjacent to gardens - small schemes at Swallow Court, St Albans and Peace Close, Cheshunt.
 - Underused garage courts - a scheme on an under-used garage court site for 16 dwellings and a new community centre (Waytemore, Bishops Stortford).
27. Whilst most of the sources of capacity on land already in residential use have been revised upwards, the estimate of net gains through house to flat conversions has gone down slightly (though there are already a number of such schemes in the 2002/03 data). Clearly all 'trend-related' assessment figures can go up as well as down as calculations are updated. Another year's monitoring data will become available before the Examination in Public in 2003, but officers do not expect the upward revision to account for 2001/02 data to change significantly.

Land now in employment uses (chapter 8 of study report)

28. The assessment of potential on land in or allocated for employment uses has not been updated. This is because the figures are derived from an assessment of employment space needs with a 'base date' of 2001 which cannot readily be updated on the basis of housing data only for 2001/02. However, it is possible to compare the annual rate of about 400 dwellings at which the study assumes housing will be built on employment land up to 2016 (on sites other than those already reallocated for housing at 2001) with the increase of about 880 in commitments of this type in 2001/02. Whilst 880 represents only one year's data (of which 277 is on the former Fire Research Station in Borehamwood) this is encouraging when compared to the 400 projected rate.
29. There have been a number of windfall permissions for housing on employment land since April 2002, together with some significant developer/landowner proposals that are now under consideration. The more important known cases are:
 - Permission for 20 dwellings at Yorkes Yard in Ware

- Application for 25 dwellings at MERL site in Hertford
 - Proposal for about 160 dwellings on Gate Studio site in Borehamwood
 - Proposal for up to about 350 dwellings plus new business floorspace at Ovaltine site in Kings Langley
 - Proposal for about 170 or more dwellings as part of mixed use redevelopment of Sun Printers site in Watford.
30. The scale of windfall releases of employment land already in prospect in two districts – Hertsmere and Three Rivers – is already making the County Council’s provisional estimates for these districts over the period to 2016 look too low. Arguably the key issue here is not so much the robustness of the overall county-level assessment as the uncertainties in reaching a district level apportionment.
31. It is noteworthy that Ovaltine and Sun Printers sites are examples of mixed use proposals that, if permitted, will lead to significant job creation as well as new housing. Such proposals are therefore not simply ‘losses’ in employment terms, but examples of making more efficient use of land. More such proposals can be expected to arise in future.

Land now in educational and health uses, and capacity at smaller settlements (chapters 9, 10 and 12 of study report)

32. As with capacity on employment land, and it is not possible to update the assessment of capacity on education or health land, or at smaller settlements, on the basis of housing data for the monitoring year 2001/02. However, as with employment land it is possible to compare the average annual rates at which the study assumes housing will be built up to 2016 (on sites other than those already reallocated for housing at 2001) with the increases in commitments of this type in the monitoring year 2001/02. The figures are as follows:
- Education - About 170 new commitments arose in 2001/02 compared with an average annual rate of development assumed to be about 130.
 - Health - About 50 new commitments arose in 2001/02 compared with an average annual rate of development assumed to be about 60.
 - Smaller settlements - About 50 new commitments arose in 2001/02 compared with an average annual rate of development assumed to be about 100.
33. The above comparisons should be treated with caution as they relate to only one year’s data. However, taken together the first year’s new commitments data for these sources is in line with the study expectations. A generally positive picture also emerges from new permissions after April 2002 and other proposals that are now under consideration. For example:
- Education - In St Albans, consideration is being given to allocation of the King Harry Lane Playing Fields for up to 300 dwellings, pending a review of open

space provision. In Watford, permission has been granted for 13 dwellings at the Callowland Adult Education.

- Health land - The Beds and Herts Health Authority is currently consulting on options that include development of a major new hospital on a green field site somewhere in central Hertfordshire. A 'yes' decision would be likely to lead to closure of the whole or part of one or more existing hospitals. For example much of the QE2 hospital site in Welwyn Garden City might become available for redevelopment. This is a large site located in an existing residential area and the possibility of housing here is not covered in that part of the study report dealing with hospital sites.
- Smaller settlements – many small scale permissions have been granted for a total of over 70 dwellings in just the first half of the 2002/03 monitoring year. This compensates for the smaller number of permissions in the whole of 2001/02.

Green field sites on edges of towns

34. Green field sites with planning permission are included in the capacity study figures. Capacity on such sites on the edge of towns, where most are located, has increased significantly for two reasons. First, about 690 dwellings were completed on this type of site during 2002/03. Second, the estimated capacity of green field sites with planning permission rose from about 1,400 dwellings at April 2001 to about 1,920 at April 2002, an increase of about 520. Adding 690 and 520 gives a net increase of about 1,210. Canada Fields in Broxbourne is now included in the figures (for 657 dwellings).

Allotments

35. Allotments are also green field sites. Five dwellings were completed on allotment sites during 2001/02 and permissions were granted for about another 25 dwellings during that monitoring year. This means that capacity in the period 2001 to 2016 has increased by about 30.