

## **STRUCTURE PLAN PANEL**

**ITEM 5a**

9 January 2003

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

STRUCTURE PLAN ALTERATIONS, 2001- 2016

### **WAY FORWARD ON THE MAIN DEVELOPMENT STRATEGY AND HOUSING POLICIES**

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#### **Purpose of Report**

1. To advise members on the way forward for the main Structure Plan development strategy and housing policies.

#### **Summary**

2. The many and varied responses to the recent consultation were summarised in the document that was discussed at the last Panel meeting on 2<sup>nd</sup> December. The majority of responses focused on the main development strategy and housing policies. Officers have now had time to consider all these responses and the implications of the different courses of action that consultees have put forward.
3. Officers recommend that 'Option C' as set out in the July consultation document remains the best overall approach. However, the deposit version will need to clarify the process by which green field land will be identified if necessary to meet overall housing requirements during the period to 2016. This report sets out the key parts of the process, which will need to reflect the provisions of the new Planning Bill now before Parliament.
4. The Panel is asked to consider the advice in this report. Detailed suggested wording for the relevant policies can be worked up for the next Panel meeting on 28 January.
5. The choice of approach to the development strategy and the timetable for the statutory stages leading to adoption are linked. Timetable issues are considered in a separate report (5b), which explains why it will be necessary to proceed to deposit stage as soon as possible if Option C is to be taken forward.

## INFORMATION

### Urban Housing Capacity

6. The assessment of urban housing capacity is one of the key factors in deciding on the overall development strategy and district dwelling distribution. The July consultation put forward the results of the County Council's assessment of urban housing capacity. Capacity was estimated to be about 46,400 dwellings in the period 2001 to 2016. A key issue is whether the deposit stage draft plan should reflect this or a revised assessment taking account of any new information and the responses to the consultation.
7. Most districts and developers consider the County Council's assessment to be too high. The Panel will be familiar with the range of views expressed by districts. Evidence put forward by the County Council to the Stevenage Local Plan inquiry points out that the districts' original assessment of housing capacity at the time of the 1997 EIP has turned out – on the basis of their own updated figures - to have underestimated capacity in the period to 2011 by about 14,000 dwellings. The Panel needs to consider how much confidence to ascribe to the district council's combined current assessment.
8. The responses of the HBF and the Herts CPRE have been copied to the Panel as these particular responses, together with those of the districts, highlight the many methodological issues that will need to be considered at the EIP. Comparison of these responses shows just how contentious the issue of housing capacity will remain. The Government Office's response did not put forward a view on housing capacity, but only noted the 'disturbing lack of consensus' on the results, and that the study will need to be tested through the Examination in Public that follows the deposit stage.
9. In October the Panel considered the effect of updating the County Council's assessment to take account of 2001/02 monitoring year data. This increased the assessment to over 49,700 without making any changes to the various assumptions that underpin the figures.
10. The 49,700 figure does not include any updating of the estimate of housing capacity on surplus employment land, which was derived from the separate assessment of employment space needs based on labour supply. Whilst there is new work underway at regional level to examine the impact of London and the results of the 2001 Census on future labour supply, officers still consider that the July 2002 assessment remains a robust basis for preparing deposit draft stage alterations to the development strategy policies.
11. An EIP following the deposit stage will clearly need to debate the uncertainties around each of the various sources of capacity, the implications of regional policies and will be informed by the most up to date monitoring information.

## **Development Strategy Options**

12. The July consultation document put forward three broad development strategy options. To recap:

A: Assume the County Council's July assessment of housing capacity is robust, in which case little green field will be needed but a sustainability appraisal would be needed to ensure overall housing provision in line with Regional Planning Guidance for the South East (RPG 9) can be met.

B: Assume the districts' much lower combined assessment is more robust, in which case a comprehensive, consistent and rigorous sustainability appraisal will be needed prior to the deposit stage, to identify a much larger area of green field land - to provide for a shortfall of about 13,000 dwellings.

C: Assume that, even on the basis of the districts' figures, there is sufficient capacity on previously developed land to meet needs up to about 2011 without having to release any more green fields. For this reason, and uncertainty about the land use implications of forthcoming decisions on of such key matters as airports, defer decisions on the scale of need and location of any strategic scale green field development until about 2006. Decisions then would be informed by a sustainability appraisal that takes account of RPG14 and decisions on airport expansion.

### ***Option A***

13. The updated assessment of housing capacity provides some support for Option A. However this approach has attracted very few responses in support and most responses accept there is considerable uncertainty about housing capacity.

### ***Option B***

14. Option B, or variations on it, has attracted the support of the majority of districts and developers who responded. One possible variation that has been proposed would be to identify strategic scale green field locations in the Structure Plan on a reserve or 'contingent' basis, if required. Some responses to the consultation suggest such an approach would have the advantage over Option C of providing certainty about the location of large scale green field development(s) in the event that monitoring indicates this to be necessary, in line with the sequential and 'plan, monitor and manage' approach in PPG3.
15. Some consultation responses point out that the appraisal in 1996 of what would be the most sustainable locations was endorsed by the 1997 EIP and subsequently by Government. These responses recommend that the location west of the A1(M) at Stevenage ('Stevenage West' for short) remains the most

sustainable location<sup>1</sup> for strategic scale development and so should still identified in the Structure Plan if Option B is to be pursued in some form.

16. The difficulties with pursuing Option B, including a ‘reserves sites’ variation, were outlined in the July consultation document. Basically, there would be significant disadvantages in undertaking a sustainability appraisal of green field development options prematurely, before the Government resolves a number of key issues in the emerging regional planning framework and related strategic economic and transport strategies. Decisions on the RPG14 spatial strategy and, inter-linked with that, the SERAS consultation are particularly important. Clearly it is important not to speculate or prejudge the outcome of a possible appraisal of possible green field locations during 2003. However, it is responsible to outline explicitly some of the main difficulties that would be faced due to uncertainty about Government policy.
- i) *Distribution of economic development in the region* – One of the criteria used by the County Council in its 1996 sustainability appraisal concerned the need to avoid aggravating congestion in the worst affected areas. This led to most of south Hertfordshire being considered unsuitable for strategic scale development. However, one of the ‘spatial scenarios’ now being considered as part of the regional planning process would involve locating much more economic development – and consequently more housing and correspondingly more investment in infrastructure - in south Hertfordshire. This would be primarily to help achieve the growth aspirations in EEDA’s current Regional Economic Strategy (RES). The County Council has strongly opposed such a strategy in its response to the recent RPG14 consultation, but clearly there is considerable uncertainty about what will be the basic spatial strategy in RPG14 and the thrust of EEDA’s revised RES. This would make it difficult to assess in 2003 whether some general locations in South Hertfordshire, such as the broad area between St Albans and the M25, might now be potentially more appropriate than was considered to be the case at the time of the 1997 EIP.
  - ii) *London – Stansted – Cambridge Potential Growth Area and Stansted Airport* - The preparation of RPG14 is taking into account the implications of the results of the recent study on the London – Stansted – Cambridge area, which is identified as a potential location for growth in RPG9. One of the key factors that will influence the appropriate scale and distribution of growth will be the Government’s forthcoming decision on what should be the eventual capacity of Stansted Airport. It seems likely that draft RPG14 will be prepared on the assumption that full existing runway capacity will be utilised by around 2016, but that no

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<sup>1</sup> Policy 8 in the current Structure Plan identifies two strategic locations (i.e. having a capacity of at least about 1,000 dwellings). These were Stevenage West and Hemel Hempstead. The circumstances at Hemel Hempstead have changed since the Structure Plan was adopted. Dacorum Borough Council is now planning several relatively small developments which individually are not strategic in scale, all being much less than 1,000 dwellings. See paragraph 2.42 of consultation document, together with relevant parts of the more recent local plan inspectors report published in September.

new runways will be built. Clearly the wider development implications of any additional runways after 2016 will be a matter for RPG, not the Structure Plan alterations. The scale of growth in airport employment between 2011 and 2016 is uncertain. A significant level of growth in this period would be a reason in favour of directing any strategic scale green field development in this period to location(s) that have good access to the Airport.

- iii) *Aircraft noise* – In its response to the recent SERAS consultation the County Council has expressed its firm opposition to any further runway development at either Stansted or Luton Airports. However, arguably it would be bad planning to allocate any location for housing that might experience a substantially worsening noise environment in consequence of Government decisions on airport expansion. Appendix 1 to this report is an extract from the County Council's evidence to the recent Stevenage Local Plan Inquiry. This explains why Stevenage West might now be considered an unsuitable location to allocate for housing ahead of a Government decision on whether and how to expand Luton Airport. Similar concerns and uncertainty applies to parts of Hitchin and Harpenden, and to areas which could be affected in the event of additional runway development at Stansted.
- iv) *Other issues in relation to Stevenage West* - The Secretary of State has called in the two current applications for development here and will be holding a public inquiry. Possible expansion of Luton airport is not the only concern that the inquiry will need to consider. An eventual total of 10,000 dwellings was envisaged when the location was first put forward in 1995. However joint work by the proponents of Stevenage West, Stevenage and North Herts since 1998 appears to acknowledge landscape and other environmental constraints that make it unlikely that a possible second stage of development would result in an eventual size very much bigger than 5,000 dwellings.

This has potentially significant negative implications for economies of scale and, in consequence, the total value of the types of community benefits that were originally envisaged as making this 'strategic scale' location more sustainable than others. The inquiry date is yet to be notified and indeed the Call Inquiry procedure is currently in abeyance, awaiting the report of the Stevenage Local Plan Inspector's Report. A decision is therefore some way off.

- 17 Officers therefore continue to advise against either Option B or a 'reserve variation' of it because of their continuing confidence in the County Council's assessment of housing capacity and the uncertainties outlined above.

### *Option C*

- 18 As set out in the reports to the panel in October and December 2002, Option C attracted the most support from members of the public. It was also strongly supported by the majority of Parish Councils that responded and a number of key Agencies such as the Environment Agency, English Nature, and English Heritage. In addition, the results of the MORI survey and focus groups, showed strong support for this approach to future development.
- 19 Officers remain of the view that Option C still represents the best approach in view of all the uncertainties about urban housing capacity and where would now be the most sustainable locations for any green field development. However, the deposit version will need to clarify the **process** by which land will be identified and released if green field development is needed to meet overall housing requirements during the period to 2016. The process will have two main stages, which overlap:
- Local plan reviews to 2016 in some districts and, in others, preparation of the first Local Development Documents (LDDs, see report for item 5(ii));
  - Sub-regional planning decisions as part of the first review of RPG14;

#### *Local plan reviews and preparation of the first LDDs*

- 20 Local plan reviews to 2016 and the preparation of the first LDDs can and should start before adoption of the Structure Plan alterations. Dwelling figures would be on the assumption that the district level distribution will be as in the deposit Structure Plan or any amended figure recommended in the EIP Panel report.
- 21 Districts will wish to take account of the latest monitoring information as they update their own assessments of housing capacity. Whilst the County Council remains confident about its overall assessment, and will not be asking District Councils to identify greenfield sites to meet the Structure Plan housing figures, it is important to recognise the provisions of Policy 7 in the Structure Plan, which it is not proposed to alter significantly. This policy will allow individual districts to identify small scale green field sites for development on the edges of towns if they remain of the view that there will not be sufficient capacity on appropriate previously developed sites. However, a new Structure Plan policy on phasing and control over the release of allocated sites will be needed. This will aim to prevent the release of green field sites for development unless and until monitoring shows this to be absolutely necessary, in order to protect the Green Belt and follow the principles of PPG 3.

*Sub-regional planning decisions as part of the first review of RPG14*

- 22 The second stage in the implementation process is sub-regional planning as part of the first review of RPG14. To recap, the July consultation document proposed that West of Stevenage be deleted from the Structure Plan, that no new strategic scale housing allocations (i.e. where eventual scale of development would exceed about 1,000 dwellings) or new ‘areas of special restraint’ be identified in the review of local plans, and that no further strategic scale housing developments be permitted anywhere in Hertfordshire. The consultation document proposed that this approach should be reviewed after publication of RPG14, when consideration will be given to how best to provide for overall housing requirements up to 2021 and beyond. The scale and location of any strategic scale housing development that may be needed would be identified through a comprehensive sustainability appraisal of all options, taking account of RPG14 and other relevant government policies, e.g. on airports. That appraisal would take place as soon as RPG14 is published, probably now in 2005, and be carried out jointly with Districts.
- 23 The Government introduced its Planning Bill to abolish structure and local plans in December. It is now necessary to consider how Option C would be taken forward through the emerging new framework comprising a regional spatial strategy (RSS) and local development documents. (The Bill and its implications for the Structure Plan Alterations timetable are considered in the report for item 5b).
- 24 One of the most important but as yet unresolved aspects of the new planning framework is sub-regional arrangements. We do not know what level of sub-regional detail will be included in the first RPG/RSS14, nor when it will be first reviewed to reflect such matters as SERAS and the outcome of further growth area studies (notably concerning the London–Stansted–Cambridge and Milton Keynes / South Midlands sub-regions). For the purpose of preparing the current Structure Plan alterations, it seems reasonable to assume that further sub-regional content of the RSS will be issued by Government around 2006. Any strategic scale development locations in Hertfordshire in this statutory document would be identified on the basis of sustainability appraisal work commissioned jointly by the sub-regional planning partners.
- 25 Once any strategic scale developments are identified in the statutory RSS, it would be appropriate for master plans for these to be prepared and then planning applications determined in parallel with the preparation of LDDs.
- 26 It will be appropriate for the development strategy section of the deposit stage alterations to state explicitly that policies have been revised on the basis that:
- The County Council expects, along with other strategic planning authorities, to be a partner in sub-regional planning arrangements (the ‘partnership’) to be set up by the Regional Planning Body under the new planning legislation.

- Following issue of RPG14 and other Government decisions, the scale of need for strategic green field development in each county in the East of England Region must be reconsidered and an appraisal undertaken of where would be the most sustainable locations to meet this scale of need.

27 The above approach would enable a ‘clean slate’ appraisal of all locations on the basis of full information on the overall regional spatial strategy updated to take account of airport decisions. Thus the essential aim of Option C would be unchanged from the July Consultation Document, but the process for delivery would reflect the emerging planning legislation and RPG14 timetable issues.

### **Overview of advice on alterations to main development strategy and housing policies**

28 A report to the Panel at its next meeting on 28 January will recommend detailed suggested wording for alterations to Policies 1 to 10, including the proposed new policy on phasing and release of sites. That report will also consider consultation responses concerning Policy 37 on Stansted Airport-related housing development.

29 If the approach outlined in this report is endorsed by the Panel, then the main changes will be as summarised in Appendix 2.

## APPENDIX 1

### Noise Implications for Stevenage West of SERAS consultation on future operations at London Luton Airport

An extract is set out below from the 1997 EIP Panel Report concerning the implications of operations at London Luton Airport for whether Stevenage West represented a sound location for strategic scale housing development.

#### Panel's Conclusions

- 5.91 *'There are no air safety issues in this area but the southern part of the site is under the flightpath and local people regard aircraft noise as a problem at present. The present policy framework would permit expansion of the airport to 10mppa, provided noise would not be increased beyond 1984 levels. At this scale of operation the daytime noise levels fall short of those which Planning Policy Guidance: Planning and Noise (PPG24) recommends should be taken into account when determining planning applications. The night-time levels currently exceed the level where noise should be taken into account for part of the site. However, this is a small proportion of the overall area, and the matter could be addressed through siting noise-sensitive development away from this area.'*
- 5.92 *Studies carried out by RUCATSE indicated an ultimate capacity for the airport of 30mppa but expansion on this scale is not current policy and, even with this increase in usage, and assuming no other measures to offset the effects in terms of increased noise, daytime noise levels would only reach the point where PPG24 advises that they should be taken into account for the southern part of the site. In all the circumstances, actual or potential aircraft noise cannot be regarded as a substantial objection to the development.'*

The Government is currently consulting on the options in its South East Region Airports Study (SERAS). The SERAS consultation document states that the Government proposes maximum use of existing runways, including expansion to a throughput of about 31 mppa at Luton<sup>2</sup>, i.e. about the level put forward (but later shelved) in the 1993 RUCATSE report referred to in the EIP Panel Report.

The SERAS consultation document puts forward two possible runway alignments for Luton Airport. A completely realigned NNE – SSW runway would reduce aircraft noise over Stevenage West (and of course the existing town, but worsen noise over a number of other settlements). The other runway alignment option – in line with existing – would, with a throughput increasing to about 30 mppa, result in a significant worsening of aircraft noise over the Stevenage area including Stevenage West.

It could be argued that this does not represent a significant change of material circumstances since 1997, since the EIP Panel Report did consider the scenario of a 30 mppa airport and concluded that even this *'cannot be regarded as a substantial objection to the development'*. Moreover, the NNE – SSW alignment, were it to be favoured, would result in a significantly improved noise environment over Stevenage West.

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<sup>2</sup> Paragraphs 14.8 and 14.17 of the SERAS main consultation document.

However, whilst in 1997 the County Council accepted the above quoted conclusion of the EIP Panel, at that time it did not consider airport expansion to 30 mppa to be a likely scenario as the RUCATSE study was not being proceeded with. Clearly it is now much more likely in view of SERAS and a new runway in line with the existing one or an extension to the existing runway is a real possibility.

A material change in circumstances can legitimately include a significant change in the relative weight that is ascribed to different considerations. The EIP Panel ascribed considerable weight to PPG24 criteria in relation to development control (Annex 1, and the 57 Leq noise contour), rather than the wider reference at paragraph 5 in regard to development plans, which states that:

*‘plans should contain policies designed to ensure, as far as is practicable, that noise-sensitive developments are located away from existing sources of significant noise (or programmed development such as new roads’ [and by implication also other sources of significant noise]*

The significance of paragraph 5 of PPG24 is that even if a candidate location for major housing development is outside the 57 Leq contour (and not entirely so in the case of Stevenage West), it is **not** generally good planning practice to deliberately locate a large population in a relatively and increasingly noisy location.

The fact that in 1997 the County Council accepted the EIP Panel’s view on aircraft noise reflected the weight attached to the then ascribed likelihood of expansion only to 10 mppa. In that scenario paragraph 5 of PPG24 is clearly much less significant than in the case of an airport about three times as large (i.e. 30 mppa). In the event of a Government decision to expand to 30 mppa and to retain the current runway alignment, it clearly would be legitimate and reasonable for the County Council as a responsible planning authority to attach relatively less weight to the narrow criteria in Annex 1 of PPG24 and much more to the wider issue of good planning practice arising from paragraph 5 of PPG24. To do so would accord with the evidently growing public interest and concern about the impact of aircraft noise on the quality of life. In this context it is relevant to note that noise from landing aircraft has gained in public awareness relative to take-off noise, and it is landing aircraft that are the main issue in regard to Stevenage West. Furthermore public concern about night noise is growing, but the impact of night noise on quality of life is even more difficult to model than the impact of day time noise. The SERAS documents do not include modelling of night noise implications arising from expansion of Luton Airport that can readily be interpreted<sup>3</sup> in terms of PPG24. This therefore constitutes another area of uncertainty at present.

In conclusion, Government decisions on airport expansion could well result in it being reasonable for the County Council and other interested parties to fundamentally reconsider its view on aircraft noise and reach a different conclusion to the 1997 EIP Panel on the weight to be ascribed to different issues. This exemplifies the rationale for the County Council’s preference for Option C.

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<sup>3</sup> SERAS Stage 2 Appended Findings Report – Support Documentation: Aircraft and Surface Access Noise, Section 7.2.

## APPENDIX 2

### Summary of advice on alterations to main development strategy and housing policies in line with Option C – see paragraphs 12 and 13.

Policy	Scope of changes in line with amended approach along the lines of Option C
5: Green Belt	Only minor revisions to wording put forward in July 2002 consultation document to reflect suggestions of some consultees.
6: Settlement Pattern and Urban Concentration	Minor revisions to wording put forward in consultation document to reflect suggestions from consultees. Main issues is whether to extend list of named settlements – a number of candidates are put forward.
7: Main Development Strategy	Minor revisions to wording put forward in consultation document to reflect suggestions of consultees.
8: Strategic Locations for Supplementary Housing Development	Deletion and replacement with new policy as worded in consultation document, with additional explanatory (i.e. non-policy) text along the lines in this report to explain the envisaged process between now and 2006.
9: Dwelling Distribution, 1991 - 2011	Methodology for distribution remains unchanged from consultation document. Minor changes to reflect updated information can be put forward prior to the EIP. See also last comment in relation to new policy on phasing and managed release, which may also require additional wording in Policy 9.
Proposed new policy: Monitoring of Housing Land Supply and Managed Release of Allocated Sites	<p>Some minor revisions to wording put forward in consultation document for clarification and to reflect some of the suggestions of consultees. However, no substantive changes will be appropriate. An unconstrained approach to permitting all acceptable windfall proposals on previously developed land is fundamental to PPG3's aims. <b>If</b> districts' future assessments of housing capacity prove correct then the concern about over-supply expressed by Three Rivers will turn out to be groundless. There will only be a risk of serious over-supply in relation to planned annual rates if districts under estimate capacity.</p> <p>Continued overleaf</p>

	Government good practice guidance <sup>4</sup> endorses the basic approach on phasing of allocated sites that was proposed in the July consultation document. In addition officers are considering new text to reflect another recommendation in the good practice guidance. This is that structure plans should set out where the release of sites should be managed across local plan boundaries to vary annual rates of housing provision between constituent local plan areas to reflect the varying availability of previously developed land in different districts <sup>5</sup> .
10: Affordable Housing	Policy needs to be restructured to reflect suggestions of some consultees. Issues to be discussed at next Panel meeting.
37: Stansted Airport-Related Development in Hertfordshire	Deletion, as proposed in consultation document. The policy will be superseded by whatever decision the Government makes on the future of Stansted Airport.

<sup>4</sup> 'Planning to Deliver – The managed release of housing sites: towards better practice, published by DTLR in July 2001'. See pages 17 to 18.

<sup>5</sup> As recommended on page 21 of above guidance.