STRUCTURE PLAN AND
REGIONAL PLANNING ISSUES PANEL
13 November 2003

Item No.
7

Members: M Bayes, R Clements (Sub), A Dodd, D Drake, J Metcalf (Sub), M Saunders, I Simpson, R J Smith, W Storey, B York.

ASSESSMENT OF HOUSING CAPACITY – APRIL 2003 UPDATE

Main Authors: Rachael Campbell (01992 556294), Paul Donovan (01992 556289), and Colin Haigh (01992 556279)

1. Purpose of Report

1.1 In February 2003 the County Council undertook a public consultation exercise on the Deposit Draft Version of the Hertfordshire Structure Plan Alterations to 2016. Technical Report 2[1] accompanying that consultation contained the results of the County Council's assessment of housing capacity in Hertfordshire 2001-2016 as it stood at April 2002, which itself updated a previous assessment of capacity for April 2001. The assessment of capacity has now been updated to take account of monitoring in the year to April 2003. This report presents the results of that update.

2. Overview

2.1 Table 1 overleaf summarises at county level how the results for the 2002/03 monitoring year have changed the assessment of housing capacity. The main reasons for these changes are explained in the commentary in Section 3 on updating of assessment of each source of capacity.

2.2 In 2001 capacity in the period 2001 to 2021 was assessed at 46,640. This increased to 49,740 when the assessment was updated to April 2002. The overall effect of updating to April 2003 is to decrease the assessment of capacity to a new total of about 47,420. Much of this change arises from what can be termed 'arithmetic' changes in the computations for some sources of capacity arising from the updated monitoring data, and not from any changes in assumptions or policy judgements.

2.3 Members will be aware that whilst most district councils and some consultees may still disagree with many of the assumptions and judgements made within the various strands of the capacity study, generally the 'arithmetic' updating of calculations reflects changes that should not be in dispute. Such changes have arisen largely from actual dwelling completions in the two years to April 2003 and the stock of new commitments at April 2003.

2.4 A county summary of the 2003 capacity update is presented in Appendix 1. This breaks down the source of estimated capacity by strand. The implied

[1] 'Housing Capacity In Hertfordshire 2001-2016'

annual rate of development to achieve a capacity of 47,420 dwellings in the period 2001-2016 is 3,161 dwellings per annum, which would equate to 6,322 dwellings over any two year period. In the two years 2001-2003, 6,367 dwelling completions have occurred. Whilst this is encouraging in terms of Hertfordshire keeping 'on course' with the level of development anticipated by the capacity study, it clearly only reflects two years completions and cannot be relied upon as a gauge of delivery for the whole fifteen year period. Notwithstanding this, 15,444 dwellings are already identified as commitments (planning permissions and allocations on previously developed land) 'in the pipeline', representing 5 years supply at the annual implied rate of 3,176 dwellings and taking confirmed supply to 2008. 8 years of supply therefore remain to be identified during the 13 year period to 2016.

2.5 Capacity within a number of strands of the capacity study should remain at broadly the same level for the remainder of the period of the capacity study. This is because they are 'capped[2]' at an overall assessment of capacity and will remain at this level unless there is a change in the methodology and a reassessment in any particular strand. Such a change and reassessment might come about if a strand consistently under-performs/over-performs over a number of years or if, for example, there is a change of policy which might significantly influence a particular strand. An example of such a possible policy change is the recent consultation on amendments to PPG3 Housing proposing that there should be a presumption in favour of release of employment land to housing. In these 'capped' strands, the over total can fluctuate where, for example, commitments are withdrawn or where their capacity changes. As the capacity is updated from time to time the changes that do occur are within the categories making up the capacity assessment (e.g. from commitments to completions, from additional capacity to commitments, etc).

2.6 Table 2 presents a range of statistics which seek to track how the strands of the capacity study[3] are performing against, amongst others indicators, anticipated implied average annual rates. The information in this table is utilised within the commentary in Section 3. Overall, these strands of the study are currently running at 88% of the implied annual rate. Generally, two years of monitoring evidence are not considered satisfactory to instigate a review of the methodology and assumptions underlying the study. This will, of course need to be reviewed on a regular basis.

[2] most accessible parts of urban area redevelopment and flats above shops; employment, education, health care, other types of opportunity in built up areas, smaller settlements.

[3] excluding greenfield sites on the edge of towns, allotments and capacity increases on committed sites as the latter relates to a list of specific sites

Table 1 Updating of County Council's assessment of housing capacity in Hertfordshire, 2001 to 2016, to reflect completions and commitments data for 02 / 03 monitoring year

Source of capacity	*Assessment in July 02 Study Report (April 2001)*	*Update to April 2002*	*Update to April 2003*
Scope to increase capacity on already committed sites	*2,220*	*2,220*	*1,470*
Most accessible parts of urban areas - Redevelopment & infill	*9,940*	*10,240*	*9,660*
Most accessible parts of urban areas – Flats above small shops	*480*	*500*	*480*
Outside most accessible parts of urban areas – all types of opportunity other than those categorised below	*4,120*	*5,210*	*4,340*
Land already used for housing			
Subdivision of housing (e.g. flat conversions)	*940*	*880*	*780*
Infill in gardens	*2,000*	*2,140*	*1,820*
Infill outside gardens	*1,000*	*1,090*	*910*
Redevelop housing in private-built estates	*2,920*	*3,290*	*2,770*
Redevelop housing in council-built estates	*1,460*	*1,590*	*1,660*
Redevelop garage courts	*570*	*580*	*600*
Total land already used for housing	*8,900*	*9,570*	*8,520*
Land now in employment uses	*11,420*	*11,420*	*12,020*
Land now in educational uses	*4,490*	*4,490*	*4,580*
Land now in health care uses	*2,090*	*2,090*	*2,150*
Smaller settlements	*2,220*	*2,220*	*1,840*
Green field sites on edges of towns	*1,400*	*2,610*	*3,110*
Allotments	*30*	*60*	*70*
Unimplemented Sites Adjustment	*-860*	*-860*	*-810*
Total for Herts (Excludes green field allocations without planning permission.)	*46,440*	*49,740*	*47,420*

3. Commentary on updating of assessment of each source of capacity

Scope to increase capacity on already committed sites

3.1 The original assessment of additional capacity potentially available 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. In 2001 the study assumed that there would be potential to increase capacity at such sites by 25%, equating to 2,200 dwellings over the 15 year period to 2016. In the intervening period, some of these sites now have detailed planning permission, whilst others may have been withdrawn. In the case of withdrawn sites, these have been removed from the assessment of capacity. In the case of sites that have received detailed planning permission, the capacity has transferred from this strand of the study into relevant other strands. The increases at capacity on these sites has been 22%.

3.2 Tracking the sites within the 2001 original list of sites making up capacity in this strand of the study shows some significant density increases. For example:

- 88-96 Bridge Road East, Welwyn Garden City, 132% increase.
- Round Diamond School, Stevenage, 52% increase.
- Former BG Site, York Road, Waltham Cross, 50% increase.
- Crane Mead, Ware, 6 live/work units replaced by 32 affordable dwellings represents a 433% increase.

Most accessible parts of urban areas - Redevelopment & infill

3.3 This strand of the capacity study is based on a survey by consultants of redevelopment and infill opportunities within the most accessible parts of urban areas. For the reasons outlined in paragraph 2.5 the assessment of capacity at 2003 remains broadly the same as 2001 and 2002.

3.4 The implied average annual rate of development in this strand of the Study to 2016 is 636 dwellings. In these early stages of monitoring, the average annual rate is currently falling short of this rate at 377 dwellings. However, it is encouraging to note that since 2001 3,105 dwelling commitments and completions, have come forward within this strand which, taking the implied average rate of 636, would give a supply of 4.9 years. 22 sites from the list of commitments at 2003, match either fully or partially with the proposition sites. Capacity from these sites alone has amounted to 485 dwellings. In relation to completions, 15 sites either match fully or partially with the ‘proposition sites’ identified by the consultants, amounting to a capacity figure of 47. Given that to date more sites have come forward on non-proposition sites than proposition sites, this supports the 1:1 windfall assumption that no ground survey, however meticulous, can identify all the opportunities that will arise in the future. Therefore it appears justified to make an estimate of the additional potential that will arise on ‘windfall’ opportunities in addition to development on the proposition sites.

3.5 Whilst it is disappointing that the actual average rate achieved is 259 dwellings below the implied average rate of 636, it is still too early in monitoring terms, to expect to see many permissions coming forward on the proposition sites as yet. This is because the initial list of proposition sites was adjusted to exclude non-starters, which included sites where permission had recently been granted or was expected soon.

3.6 It is encouraging to see from the commitments and completions data that a variety of 'types' of site within the most accessible parts of urban areas are coming forward within the county, particularly former petrol stations/garages, community and mixed uses. By implication the types of site that may be available for redevelopment/infill, are the sorts of sites that are generally far more difficult to bring forward. Mixed use sites for example, by definition, encompass a variety of land-uses for which land acquisition can be highly problematic given the likelihood of multiple landowners. Therefore sites which raise fewer delivery problems are likely to be those that are easier to bring forward. The emphasis behind PPG3 is clearly to concentrate housing/mixed use development within the more accessible areas. It is reasonable to assume that this source of capacity will gradually be brought forward through the planning system as a result of local authorities actively promoting quality redevelopment in these areas.

3.7 It is also very 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 the attention of officers.

- 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 34 dwellings.
- Former petrol station near Abbey Station, St Albans – permission for 12 dwellings.
- Former fire station in Harpenden Rd, St Albans – permission for 48 dwellings.
- Former retail site, 1-3 Derby Road – under consideration for 2 retail units and 94 flats.
- In St Albans, consideration continues to be being given to allocation of City Station Car park for possibly 280 dwellings.
- Former garage / car sales at Mill Lane / High St, Cheshunt – proposal for 14 flats.
- Public open space between Wychdell and Holly Lees, Stevenage – permission for 6 dwellings.
- Draft Hitchin Town Centre Strategy – residential use included but no figure given.
- 270 London Road, St Albans, identified in the St Albans Housing Capacity Study for 10 dwellings.

- 272 London Road, St Albans, identified in the St Albans Housing Capacity Study for 18 dwellings.
- 6 Avenue St Nicholas, Harpenden, identified in the St Albans Housing Capacity Study for 8 dwellings.
- Waters Garage, 220 London Road, St Albans, identified in the St Albans Housing Capacity Study for 18 dwellings.
- Odeon Cinema Car Park, 166 London Road, St Albans, identified in the St Albans Housing Capacity Study for 20 dwellings.
- South Harpenden Motors, 92-101 Southdown Road. Harpenden, identified in the St Albans Housing Capacity Study for 12 dwellings.
- Territorial Army Centre, 99 Camp Road, St Albans, identified in the St Albans Housing Capacity Study for 45 dwellings.

Most accessible parts of urban areas – Flats above small shops

3.8 For the reasons outlined in paragraph 2.4 the assessment of capacity at 2003 remains broadly the same as 2001 and 2002. Table 2 shows that the annual average implied rate of development is 31 dwellings per annum, which has been exceeded in both 2002 and 2003 with an annual average rate of 36 dwellings per annum. Taking completions and commitments together, 41% of estimated capacity has already been provided or is planned. Examples include:

- 46-50 High Street/3 Church Street, Harpenden, upper floors to 8 flats.
- Orchard Parade, Mutton Lane, Potters Bar, 16 new flats above shops.

Outside most accessible parts of urban areas – all types of opportunity not considered separately

3.9 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. The assessment of this ‘catch all’ source has decreased from 5,210 in the 2002 capacity assessment to 4,340. This decrease is mainly due to arithmetic changes in the computations and brings the 2003 update more in line with the 2001 assessment.

3.10 Table 2 reveals that the implied average annual rate is 285 dwellings per annum and that the average rate achieved in the period 2001 to 2003 was 328 dwelling per annum. The strand is therefore running at 115% of the implied rate. Taking completions and commitments together, 41% of estimated capacity has already been provided or is planned. Examples include:

- Pinney’s Garage, Harpenden, outline permission for 19 dwellings.
- Nathaniel Park/Elm Tree Walk, Tring, permission for 23 dwellings.
- Oakfield Farm, Symonds Green, Stevenage, permission for 6 dwellings.

Land already used for housing

3.11 Land already in residential use has been sub-divided into different sources that have been assessed separately. The combined assessment of all of these sources has reduced from 9,560 in the 2002 capacity assessment to 8,520. This decrease is mainly due to arithmetic 'trend-related' changes in the computations.

3.12 Table 2 reveals that housing sources, with the exception of infill through sub-division of dwelling plots, have under-performed against their implied annual averages. Whilst redevelopment of housing in private estates is currently running at 97% of the implied rate, redevelopment of housing in former council/new town estates is running at only 24%, though potential from this source is, by its nature, likely to come through sporadically rather than on a regular basis. Infill on land adjacent to dwelling plots is performing at only 31% of implied rates, whilst house to flat conversions at 74%. Completions 2001-2003 taken together with outstanding commitments at 2003 range from 1.8 to 6.3 years worth of supply at the annual average rate for different components of the housing strand. Generally, the strand does not appear to be performing as well as others in the capacity study in these early years of the study timeframe. Examples include:

- Macers Court, Macers Lane, Wormley, 16 flats, infill within existing flats.
- 119-123 High Street, Cheshunt, demolition of 3 and erection of 48 dwellings.
- 147-149a Rickmansworth Road, Watford, proposal to demolish 3 houses and build 32 flats.
- 27-31b Eastbury Road, Watford, demolition of 5 and erection of 47 dwellings.

Land now in employment uses

3.13 For the reasons outlined in paragraph 2.5 the assessment of capacity at 2003 remains broadly the same as 2001 and 2002. The implied annual rate of development on employment land up to 2016 is 785 dwellings. Over the last two years it is encouraging that 2,108 dwellings have been completed, some 538 above the implied rate. This strand is currently running at 134% of the implied annual rate of development. Taking completions and existing commitments together 58% of anticipated capacity has already been provided or is planned.

3.14 Although still in the early stages of the timescale of the capacity study, the scale of 'windfall' releases of employment land already in prospect is very encouraging. There are currently 6 years worth of supply at the annual average implied rate within existing commitments. Moreover major mixed use town centre redevelopments that are in prospect may collectively make a significant contribution to additional office space supply.

3.15 There have been a significant number of windfall permissions for housing on employment land since April 2001, together with some significant developer/landowner proposals that are now under consideration. The more important known cases are:

- 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.
- Planning brief for mixed use redevelopment of former 'Helmet' site in Wheathampstead, including about 24 dwellings.
- Proposal for about 36 dwellings on the former Dalgety Plant, Orchard Road, Royston.

3.16 It is noteworthy that Ovaltine, Sun Printers and Helmet 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.

3.17 The Government is concerned that, despite the encouragement set out in PPG3 many local authorities continue to reserve an excess supply of employment land for development when it would make sense to consider this for housing. It considers this a wasted opportunity and is currently consulting on proposals for amendments to PPG3 to strengthen guidance on the release of employment land to housing. Should amendments be forthcoming this may point to a need to revisit the assumptions on which this strand of the study are based and to give consideration as to whether estimated capacity on employment land should be increased.

Education

3.18 For the reasons outlined in paragraph 2.5 the assessment of capacity at 2003 remains broadly the same as 2001 and 2002. As Table 2 shows, the annual average implied rate of development on education land in the 2003 updated capacity study is 297 dwellings per annum, whereas only 43 dwellings have been completed on education land in the last two years - only a 7% achievement of implied rates. However, already existing commitments waiting to be built amount to some 8 years of supply. Taking completions and existing commitments together 53% of anticipated capacity has already been provided or is planned. Releases of school land do tend to come in 'bursts' as sites are released for development when, for example, schools are identified as surplus to requirements. Examples of already known development sites on education land include the following:

- Norton School, Letchworth, outline proposal for 11 houses and 42 flats
- Callowland Adult Education Centre, Watford, 14 dwellings under construction
- South Hill House, Heath Lane, Hemel Hempstead, detailed permission for 16 flats

- Sites currently under construction include Sir John Newsom site in Welwyn Garden City, 310 dwellings and Hillmead JMI Bishops Stortford, 43 dwellings.

Health

3.19 For the reasons outlined in paragraph 2.5 the assessment of capacity at 2003 remains broadly the same as 2001 and 2002. As Table 2 shows, the annual average implied rate of development on health land in the 2003 updated capacity study is 140 dwellings per annum. Over the past two years 336 dwellings have been completed, representing 120% of the implied rate. There are also 6 years of supply already identified within commitments. Taking completions and existing commitments together 57% of anticipated capacity has already been provided or is planned. Examples of sites in the pipeline include:

- Highfield Clinic, Highfield Lane, St. Albans, permission for 14 apartments.
- Breakspear Place, High Street, Abbots Langley, conversion of nursing home into 11 flats and build 2.

3.20 In addition, members will be aware of the recent public consultation by the Beds and Herts Health on options that include development of a major new hospital to be located probably 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 is not included within the assessment of capacity within this strand of the study.

Smaller Settlements

3.21 This source of capacity has decreased from 2,610 in the 2002 capacity assessment to 1,840. Table 2 demonstrates that whilst the implied annual average rate is 121 dwellings per annum, the rate achieved in the period in the period 2001 to 2003 was 141 dwellings per annum. This strand of the capacity study is running at 117% of the implied rate. Examples include:

- Hamels Park Farm, Braughing, redevelopment of farm buildings into 11 dwellings.
- R/O Tring Road, Long Marston, erection of 6 dwellings.
- Manor Farm, Damask Green Road, Weston, conversion of barns into 3 dwellings and build 1 dwelling.
- Cressmans Corner, Lilley Bottom Road, Whitwell, permission for 8 dwellings.
- Cherry Green Farm Barns, Westmill, conversion of barns into 6 dwellings.

Green field sites on edges of towns

3.22 The capacity study does not seek to estimate what scale of future development may come forward on greenfield sites on the edge of towns. It does not, for example, include greenfield allocations within adopted or emerging local plans, which could be subject to review through local planning processes as a result of the impact of guidance in PPG3 Housing. It does however recognise that local planning processes do result in greenfield sites coming forward with planning permission and being built. Capacity (planning permissions and completions only, not local plan allocations) on such sites on the edge of towns, where most are located, has increased from 1,400 in 2001, to 2,610 in 2002 and to 3,100 in 2003. In the monitoring year 2002-2003 the following are examples of the types of greenfield sites on the edge of towns which have come forward:

- Sites A & B Canada Fields, Turnford, 479 dwellings currently under construction
- Great Ashby Neighbourhood Centre, N.E. Stevenage, 2 sites totalling 62 dwellings.
- NES 2, Great Ashby, N.E. Stevenage, outline permission granted for 550 dwellings

Allotments

3.23 Allotments contribute to capacity in the same way as greenfield sites on the edge of towns – they are only taken into consideration when they are approved through local planning processes. Capacity has increased from 30 in 2001, to 60 in 2002 and 70 in 2003.

- R/O Letchmore Road, Stevenage, permission for 9 houses on allotment site.

4. Conclusions

4.1 At a county level there are a range of conclusions which can be drawn from the analysis of the 2003 capacity update:

- overall the assessment of capacity at 2003, at 47,420 dwellings, remains within the 46,500 and 49,700 dwelling range referred to within the Deposit Version of the Hertfordshire Structure Plan Review 2001-2016.
- the implied annual rate of development to achieve a 2003 updated capacity of 47,420 dwellings in the period 2001-2016 is 3,176 dwellings per annum, which would equate to 6,322 dwellings over any two year period. In the two years 2001-2003, 6,367 dwelling completions have occurred.
- excluding greenfield capacity and increasing development on committed sites (which relates to a specific list of sites at 2001), the other strands of the capacity study are currently running at 88% of their implied annual rate of development.

- there are currently 5 years worth of supply within already identified commitments at the annual implied rate, leaving 8 years still to be found.
- some strands of the capacity study are performing well against the average implied rate, others badly. At this early stage, it is considered too early to make judgements on whether or not the assumptions underlying each of the strands should change in response to monitoring.