

Inspector's Queries and Correspondence with Dacorum Borough Council (DBC)
Post Hearings

As at 12th November 2012

In examining the Soundness of Dacorum Borough Council's Core Strategy there are times when it is necessary for the Inspector to seek clarification from the Borough Council to assist his understanding of the task at hand.

The Inspector and the Council are never in direct communication but instead queries are channeled through the Programme Officer, Mr Ian Kemp. For transparency purposes and in an effort to keep Representors fully informed of such dialogue the questions posed to the Borough Council, together with their responses are detailed below:

Inspector Post Hearings Question 1 for DBC; Housing 23rd October 2012

In paragraph 4.9 of HG16, Selecting the Core Strategy Housing Target, it states that the Council 'has continued to appraise the merits of a demand-led housing growth'. Could the Council advise the Inspector where a record of the continuing appraisal can be found?

Response of Dacorum Borough Council; 6th November 2012

The Council appraised the merits of demand-led growth at various times leading up to the determination of the housing target in the Submission Core Strategy. Projections include ONS projections (2004, 2006, 2008 and 2010 based) and standard Chelmer model projections. Examination Document HG16 outlines most of that process up to June 2012: paragraphs 3.3-3.25 consider population and housing projections (they do not refer to 2004 based projections). The Emerging Core Strategy Consultation and place strategy options were informed by a Population Background Note (Examination Document BP4). Other sources of information and appraisal include:

- a) 'Population Projections and the Core Strategy' (Examination Document BP6).
- b) Cabinet reports for formal Council consideration:
 - June 2011: Examination Document CS18 (particularly paragraphs 1.10-1.59 and Appendix 2: these refer to 2008 based household projections published in 2010)
 - April 2012: at

<http://www.dacorum.gov.uk/pdf/Cabinet%20-%202012-04-24%20-%20Core%20Strategy%20-%20Report.pdf>

This refers to the housing target (paras 2.4-2.7) and local allocations (paras 2.8-2.12). The 2010-based population projection (published in March 2012) was referred to but not considered to require any alteration in the Council's planning strategy. There was no household projection. The report did not translate the population projection into households (and dwellings).

However, using the 2010-based population forecast, calculations suggest the dwellings requirement should fall in the range of 6,030 to 9,810 between 2011 and 2031. This can be compared with an expected housing supply of around 8,710 to 9,210 in the same period. The demand based forecast would cater for a significant amount of net in migration. See Tables 1 and 2 below.

c) Sustainability appraisal

- An overview of housing target considerations is mostly provided in Examination Document SUB7 (i.e. Sustainability Report Addendum, June 2012 (Submission Stage)). The 2008-based household projection is specifically considered at pages E-25 to E-31 (i.e. Appendix E: Policy Assessment, Sustainability Appraisal Report (Pre-Submission)).

Since June 2012, the Council has provided answers to the Inspector's questions. Issue 6.4 asks whether housing provision is based on a sound assessment of supply and demand, which the Council contends it is. Issue 6.5 refers to the question of why the Council did not adopt a higher growth option.

The challenge for the Council has been to weigh up the different factors affecting the housing target during the preparation of the Core Strategy, and particularly after the removal of the imposed housing requirement from the regional spatial strategy. The factors are:

- the projections themselves; and
- the consequences of meeting (or not meeting) projections, including the impact on Government policy.

The Council has concluded that it cannot sensibly equate demand led housing growth with objectively assessed need in circumstances where in-migration fuels growth and impacts on important environmental constraints.

The Council has provided written and oral answers to questions about monitoring and review (Issue 17). Monitoring of population information is and will be part of the overall monitoring process.

Table 1: Planned Housing Supply 2011-2031

	Annual Provision	25 year Provision	Completions 2006-2011 ²	Remaining Supply 2011-2031 ¹
Target (Policy CS3)	430	10,750	2,040 ¹	8,710 ¹
Programme (Table 8)	450 ¹	11,250	2,040 ¹	9,210 ¹

Notes: ¹ Figures are rounded

² Annual Monitoring Report 2010/11 (Examination Document BP2)

Table 2: Estimate of Dwelling Needs 2011-2031**(a) Population 2031**

		Calculation	Number
1	Demand-led 2010-based ONS projection		162,400 ¹
2	Population in communal establishments		2,500 ²
3	Population in households	1 - 2	159,900
4	Population growth from net in migration		5,900 ³
5	Zero net migration population (ZNM)	3 - 4	154,000

(b) Households 2031

	Calculation	Average household size	Number at 2031	
			Demand-led projection	ZNM projection
6	Population		159,900 ⁴	154,000 ⁴
7	Households	2.34	68,333	65,812
8	(6 ÷ 7 and 6 ÷ 8)	2.3	69,522	66,957

(c) Household Growth 2011-2031

	Calculation	Average household size	Change in Number (2011-2031)	
			Demand-led projection	ZNM projection
9	Households 2011		59,900 ⁵	59,900 ⁵
10	Household	2.34	8,433	5,912
11	change (7 - 9 and 8 - 9)	2.3	9,622	7,057

(d) Dwellings (Household Spaces) required 2011-2031

	Average household size	Change in Number (2011-2031) ⁶	
		Demand-led projection	ZNM projection

12	2.34	8,600	6,030
13	2.3	9,810	7,190

Notes: ¹ Source: 2010 based forecast (see Appendix 2 in the Council's response to the Inspector's Hearing Questions)

²Sources: Population Census 2011 (see Table 5, *ibid*)(i.e. 2,000). Then add growth in care home population from para 5.3, BP6(i.e. 500 – this is a rounded figure)

³Source: 2010 based population forecast (sum of the change each year) (see Appendix 2, *ibid*)

⁴Figures are taken from part (a) of the table

⁵Source: Population Census 2011 (see table 2, *ibid*)

⁶A conversion factor is applied to households in part (c) of the table: i.e. the number of households is increased by 1.95%. Source: Table 4, BP6.

Inspector Post Hearings Question 2 for DBC; Policy CS15 23rd October 2012

Policy CS15 states that there will be no net loss of industry, storage and distribution floorspace over the plan period. However, there is no explanation in paragraphs 12.11 to 12.13 as to how this 'objective' of the Council will be achieved. The Core Strategy must be effective (i.e. deliverable) and therefore there should be an indication of how the Council intends to ensure that this commitment will be delivered. Could the Council consider the most appropriate way to address this matter?

Response of Dacorum Borough Council; 6th November

The Council's approach in Policy CS15 regarding industry, storage and distribution floorspace reflects the advice in the Employment Land Update 2011 (Examination Document ED12). Key points from sections 5 and 6 of the Employment Land Update (ELU) are summarised below (some of this information was also included in the Council's response to the Issue 5, question 5.3):

- A net loss of around 3,400 industry and warehousing jobs in the Borough is forecast between 2006 and 2031. This translates into a forecast demand for -30,000 sq. metres of industrial and warehousing floorspace over this period.
- The planned supply of land for industry/warehousing (including the release of poorer sites for other uses) amounts to a net floorspace gain of 34,000 sq. metres. This includes an assumption for 18,500 sq. metres on the Maylands Gateway site.
- A comparison of planned land supply with forecast demand shows an oversupply of 64,000-83,000 sq. metres. This implies that 15-20 hectares of existing and proposed industrial/warehouse sites could be released for other uses in the plan period, in addition to sites already proposed or suggested to be lost.

- The demand forecast is subject to a large margin of error. The forecast calculation assumes that all the planned development takes place and there are no further windfall losses of employment land (such losses have averaged 9,000 sq. m in recent years and pressure for housing development on employment sites is likely to continue). Furthermore, the London Arc report (Examination Document ED7) suggests that market demand for industrial/warehouse space may exceed the forecast.
- The conclusion is that Dacorum's land provision target for industrial/warehouse land over the plan period should be zero net change. If this target is accepted, the forecast oversupply over the plan period is not significant and the market is roughly in balance.

The broad rationale for the land provision target is that the Council wishes to encourage economic growth. Given that, and the various uncertainties, the Council wishes to ensure that planning does not unduly constrain investment by providing too little land.

Policy CS14: Economic Development states that significant land will be allocated to accommodate growth (and change) in the economy.

For industry and warehousing, the Site Allocations and Development Management Development Plan Documents should manage the borough's land supply to maintain the market balance. The policy stance should be similar to that described in the South West Hertfordshire Employment Land Update 2010 Update (Examination Document ED8). In particular, existing employment sites should normally be retained unless suggested for release in the 2010 Update.

In view of the above, further minor changes to Policy CS15 and the supporting text are proposed. These will be set out in the Schedule of Post Hearing Changes.

Inspector Post Hearings Question 3 for DBC; Proposed Changes 12th November 2012

The Inspector has considered all the proposed minor changes to the Core Strategy. He has only two comments regarding the list attached as Annex A to the response to his queries and issues (1 November). Firstly on page 39 it should be para. 8.16 (not 18.16) and secondly on page 54 (para 26.11) the last sentence, as amended, doesn't make sense.

In terms of the Schedule of Proposed Examination Changes, he questions what is meant by 'sufficient' in the new paragraph at the start of policy CS16 and how will it be measured? The Council's objective in this regard should be made clearer.

He also notes (for your information) that in the track change version of the CS that

he has, 'Delivering the Vision: East Hemel Hempstead' and the 'Berkhamsted Place Strategy' both have paragraph numbers starting with 21.

He considers that there are a relatively small number of proposed minor changes which should be categorised as Main Modifications. However, rather than set those out now he will advise you of them once he has seen any responses from participants to the answers the Council gave to his questions during the hearing sessions.

Response of Dacorum Borough Council; 15th November

The Council thanks the Inspector for pointing out the errors in Annex A and the Core Strategy tracked changes version referred to above. The errors will be corrected when a full, consolidated list of changes is prepared. The last sentence in paragraph 26.11 should read:

“Additional mooring basins will be directed away from open countryside.”

The Council notes that the Inspector will provide further advice on ‘main modifications’.

The new sentence at the beginning of Policy CS16 includes the phrase, “retaining sufficient existing shops in these centres”. This is part of a simple two-pronged approach to support and strengthen the retail hierarchy of town and local centres serving the borough. The second element is to encourage new retail development. The importance of shops and retailing in centres is explained in paragraphs 13.1-13.5 in the Core Strategy. The health of centres is based on a number of factors, including the type and range of shops – both new investment and retention of well-established units. Together they should be sufficient to enable the centre to maintain its role and functions within the shopping hierarchy. Net gain in retail floorspace is the key indicator listed in the Core Strategy. The Council concludes that the proposed text for Policy CS16, when taken in context, is reasonable, but remains open to suggestions.