

**DACORUM BOROUGH COUNCIL
DACORUM SITE ALLOCATIONS DEVELOPMENT PLAN
DOCUMENT EXAMINATION**

Document PC3a

4 April 2016

Introduction

The following statement sets out Dacorum Borough Council's (DBC) response to the questions raised by the Inspector in her letter of 15 March 2016. These relate to the process of viability testing and the process of sustainability appraisal – particularly with regard to the assessment of alternative sites. These two issues are dealt with in turn below.

Viability Testing

Government Guidance:

As the Inspector is aware, the NPPF (Examination Document REG10) recognises that *"Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened."* (Para 173). It goes on to say that local planning authorities *"should assess the likely cumulative impacts on development in their area of all existing and proposed standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards..... Evidence supporting the assessment should be proportionate, using only appropriate available evidence."* (Para 174).

The national Planning Practice Guidance (Examination Document REG18) reinforces the need for this supporting evidence to be proportionate, to ensure that plans are underpinned by a broad understanding of viability.

The Council considers that the approach taken to the Site Allocations DPD reflects this advice, and that the plan is underpinned by appropriate and proportionate viability work and a full understanding of scheme viability.

Core Strategy:

As the Inspector is aware, the Site Allocations DPD is not a stand-alone Local Plan, but a 'daughter document' to the adopted Core Strategy (Examination Document CS4). Its role is to take forward policies and proposals in the Core Strategy rather than to introduce any fundamental change in approach that would justify more detailed scrutiny. Viability testing is therefore part of an existing and ongoing process.

Consideration of the overall viability of the Core Strategy formed part of the examination in 2012. At this examination the Inspector, Mr David Hogger, explicitly asked a number of questions relating to development viability and deliverability. An extract from the Council's response to this issue (Issue 17) is as follows:

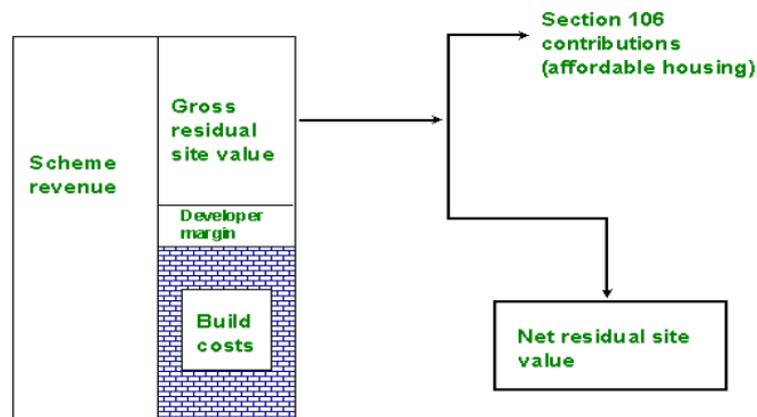
- 17.4.3 In line with paragraph 173 of the National Planning Policy Framework (NPPF) (Examination Document REG15), the Core Strategy recognises that in order to be deliverable development should not be subject to a scale of obligations and policy burdens that threatens its economic viability. Paragraph 28.10 of the Pre-Submission Core Strategy sets out how flexibility will be applied where the combined demands of the policies in the plan render a development unviable. This will be applied on a case by case basis. It is not considered appropriate to set out in the Core Strategy which policy requirement will be relaxed in which circumstances, as it will depend on the specifics of the development and the priorities of the Council.
- 17.4.4 The Council considers that it would be somewhat disingenuous to build flexibility into Policy CS35 because once a CIL rate is set it is non-negotiable. The Council may adopt a policy allowing for relief from CIL in exceptional circumstances, but there are strict rules set by the Government covering the circumstances under which this will be permissible.
- 17.4.5 Flexibility is also built into other parts of the Core Strategy where policy requirements lead to an additional cost for developers to address issues of viability. Paragraph 14.34 and Policy CS19: Affordable Housing outlines how development viability will be considered when applying affordable housing requirements and Policy CS29: Sustainable Design and Construction incorporates flexibility where a scheme would be made unviable (see minor change MC64).
- 17.4.6 The combined effect of all developer requirements and contributions is being assessed as part of viability testing work to inform the setting of Council's CIL charge. The stage 1 Viability Report is due to be published in early October. It does not suggest that the costs placed upon new development are so high as to render it unviable.

There has been no specific 'whole plan' viability assessment of the Site Allocations DPD itself, as this was not considered necessary or proportionate in terms of the scale of evidence required to support this DPD. However, detailed viability testing has been carried out on key components that are integral to delivering the approach set out in the Core Strategy as part of the CIL process and other technical studies (see below).

Evidence Base:

To ensure the overall viability of the Core Strategy DPD, particularly with regard to setting deliverable affordable housing targets, a development economics study was carried out by Three Dragons (Affordable Housing and Section 106 Viability Study, 2009). This was unintentionally missed from the Site Allocations examination library, but has been added as Examination Document HG17. This study followed the standard approach illustrated in Figure 1 below to assess the level of developer contributions that could be supported by new residential development within the Borough. The study was particularly helpful in guiding appropriate and deliverable affordable housing thresholds and requirements within Policy CS19: Affordable Housing.

Figure 1: Process for Assessing Developer Contributions (Three Dragons)



The report took account of the following when assessing the viability of a number of development scenarios:

- Requirements set out within Hertfordshire County Council's planning obligations toolkit;
- Different dwelling mixes;
- Code for Sustainable Homes requirements;
- Different affordable housing ratios and thresholds;
- Development costs based on RICS BCIS data; and
- Stakeholder feedback gained through a workshop event.

The consultants were aware that this study was carried out during a time of recession, but noted that this meant that the assessment had been carried out at a time when the housing market was experiencing prices below the long term trend, making the conclusions reached on viability more conservative than would be the case for more 'normal' market conditions (Para 6.31).

All the sites that were identified as being acceptable in the Council's Strategic Housing Land Availability Assessment (2008) (Examination Document HG13) have been subject to high level viability testing. This was carried out as part of assessing the overall achievability of a site and would have been in accordance with advice and guidance available at that time. The process is set out in paragraphs 3.3.40-3.3.41 and Section 5.5 in the document. In summary, the appraisal tested the economic viability of the site under the headings of market assessment and cost assessment. Each assessment was given a high, medium or low value (or range) based on a number of factors (e.g. location, site-specific factors, site uses, ownership, etc.).

In terms of employment proposals, the South West Herts Employment Land Update (2010) (Examination Document ED7) included input from local agents in order to ensure existing employment sites were robustly assessed in terms of their current and future market potential. The recommendations of this report, in terms of whether to retain or reallocate sites to alternative uses, are reflected in the Site Allocations DPD.

CIL:

As recommended by the NPPF, the Council has worked up and tested its Community Infrastructure Levy alongside its Local Plan. Work on CIL commenced alongside the Core Strategy, with the charging schedule subject to examination in September 2014 and coming into force in July 2015.

The initial CIL Viability Report, prepared by BNP Paribas Real Estate (July 2013) (Examination Document ID5) tested a total of ten development typologies in seven market areas within the Borough to obtain a robust view of overall development viability. This assumed that development would be delivered in accordance with the policies of the Core Strategy and the standards therein, including affordable housing (Policy CS19) and requirements relating to sustainable design and construction (Policy CS29). These development typologies were all subject to sensitivity testing for variations in sales values, building costs and changes to affordable housing to ensure that conclusions on viability were robust over a long term forecast.

In addition, the viability of specific key sites has been subject to additional assessment through Strategic Sites Testing (October 2013) (Examination Document ID4). This evidence took a long term view over the viability of delivering the six Local Allocations and two Strategic Sites identified in the Core Strategy and carried forward through the Site Allocations DPD. It also considered the general viability of schemes within Hemel Hempstead town centre and at Spencer's Park (which falls within the Area Action Plan area). As for previous technical work, all sites were all subject to sensitivity testing for variations in sales values, building costs and changes to affordable housing to ensure that conclusions on viability were robust over a long term forecast.

The CIL examiner noted that: "*The background economic viability evidence for both residential and commercial development that has been used is reasonable, robust, proportionate and appropriate.*" (Para. 26, Dacorum Borough Council Draft CIL Charging Schedule – Examiners Report – October 2014). This was omitted from the original examination library list but has now been added as Examination Document ID11. The CIL examiner concluded that "*the general picture was one of strong viability able to support CIL charges with good (and in many cases considerable) headroom.*" (Para. 29).

Site Allocations

Delivery of the Core Strategy housing target is dependent upon a number of sources of supply. These are set out in Table 3 of the Site Allocations DPD. As this shows, sites within the housing schedule are only one component of overall supply.

Most of the sites within the housing schedule have the support of landowners or are subject to development options. A number have already been subject to pre-application consultation with the Council, or are subject to live planning applications. Due to the timeframe of the Core Strategy a significant number of units have already been delivered, have planning approval, or are awaiting a signed legal agreement. Others have been subject to site-specific viability assessments or

development briefs. Therefore, sites can (and are) being delivered and are proving attractive to the market.

Table 1 below supplements the information already provided in Appendix 2 of DBC's response to Inspector's Correspondence PC2 and provides the most up-to-date position regarding mixed use proposals and housing proposals as at 1st April 2016.

Table 1: Progress on sites within Mixed Use and Housing Schedule (as at 1st April 2016)

Site Allocations Reference	Location	Comment
Mixed Use		
MU/1	West Herts College site and Civic Zone	Planning permission granted separately on parts of the site for a new college, civic centre (The Forum) and apartments (207 units). The college and civic centre components are currently under construction.
MU/2	Hemel Hempstead Hospital Site	Consultants appointed to carry out a feasibility study covering access and movement and location of hospital facility and delivery of primary school and residential uses. Study commissioned by West Herts Hospital Trust, Herts County Council, HCA and DBC.
MU/3	Paradise / Wood Lane	Part of site already subject to planning approval for 86 homes and is close to completion. Current early interest in developing a further part of the site for housing.
MU/4	Hemel Hempstead Station Gateway	Subject to a Feasibility Study carried out by BDP, Knight Frank and MVA consultancy on behalf of DBC (March 2011). Study also includes indicative layouts. Site also falls within the wider Two Waters area for which wider master planning work is underway to assess the potential for development intensification and the introduction of more residential uses. Current early interest in developing part of the site for a high density, mixed use scheme, including housing.
MU/5	Bunkers Park, Bunkers Lane	DBC is in advanced stages of purchasing land from the Homes and Communities Agency. Internal Council working group established to co-ordinate delivery of new leisure space and cemetery.
MU/6	Land at Durrants Lane / Shootersway	Development Brief drawn up by developers, landowner and DBC: http://www.dacorum.gov.uk/home/planning-development/planning-strategic-planning/evidence-base/durrants-lane-

		shootersway-berkhamsted-masterplan-2011 Part of site subject to planning approval (92 homes) and under construction.
MU/7	Gossoms End / Billet lane	Planning permission approved for a foodstore and 30 flats.
MU/8	Former police station and library site	Planning permission approved for 23 retirement apartments and a replacement library.
MU/9	Berkhamsted Civic Centre and land to r/o High Street	DBC owned site.
Housing		
H/1	Land r/o 186-202 Belswains Lane	Ongoing interest in larger site, for which a number of permissions have been given. This is the final part of the larger parcel.
H/2	National Grid and 339-353 London Road	Gas holders removed. Current landowner interest in bringing forward the site. Site also falls within the wider Two Waters area for which wider master planning work is underway to assess the potential for development intensification and the introduction of more residential uses.
H/3	Land at Westwick Farm, Pancake Lane	Site subject to development brief drawn up by agents for landowners and DBC: http://www.dacorum.gov.uk/docs/default-source/planning-development/h42-westwick-farm-development-brief-adopted-2007(web).pdf Planning permission approved on southern part of the site for 26 homes, which are currently under construction.
H/4	Ebberns Road	Site forms part of wider development brief drawn up by DBC. http://www.dacorum.gov.uk/docs/default-source/strategic-planning/ebberns-road-development-brief-adopted-2003.pdf Continuing active developer interest on (limited) remaining land. Part of site subject to current planning application for 21 flats.
H/5	Former Hewden Hire site, Two Waters Road	Pre-application discussions held with landowner. Application submitted for 36 apartments.
H/6	Leverstock Green Tennis Club, Grasmere Close	Pre-application discussions held with developers.
H/7	Land at Turners Hill	Site owned by HCA and development likely to be linked to progress on MU/2.
H/8	233 London Road	Site promoted by landowner through SHLAA process.
H/9	Apsley Paper Trail land, London Road	Site owned by DBC. Planning permission granted for 50 units. Planning application

		submitted for an alternative scheme of 31 affordable homes.
H/10	The Point, Two Waters Road	Site owned by DBC. To be developed for affordable homes under DBC's New Build Housing Programme.
H/11	Land r/o St Margarets Way / Datchworth Turn	Town and Village Green application on site refused in April 2015. Site owned by DBC. Site covered by Development Brief: http://web.dacorum.gov.uk/docs/default-source/planning-development/h38-green-lane-development-brief-adopted-2007(web).pdf Larger area of site now developed.
H/12	Former Martindale School, Boxted Road	DBC owned site. Planning permission approved for 43 homes by previous owners (HCC). DBC to take forward an alternative scheme for around 66 houses and flats.
H/13	Frogmore Road	Recent and ongoing interest in developing northern section of the site. Support for residential development stated in representations on Site Allocations by agents (CBRE) acting on behalf of landowners.
H/14	Corner of High Street / Swing Gate Lane	DBC owned site. Planning permission approved for 11 affordable homes.
H/15	Miswell Lane	No recent activity.
H/16	Western Road	Concept statement prepared: http://www.dacorum.gov.uk/home/planning-development/planning-strategic-planning/supplementary-planning-guidance Parts of site developed. Planning permission granted for remainder of site and/or subject to ongoing developer interest.
H/17	Depot land, Langdon Street	Planning application submitted for 10 homes.
H/18	Land adj to Coniston Road	DBC owned site.
H/19	Corner of Hicks Road / High Street	Part of a site covered by a development brief (Examination Document SS2): http://www.dacorum.gov.uk/docs/default-source/planning-development/hicks-road-masterplan-june-2012.pdf?Status=Master&sfvrsn=0 Adjoining land is being brought forward for 75 homes, employment and community facilities.
H/20	Watling Street (r/o Hicks Road / High Street)	Land comprises small element of wider site covered by a development brief (Examination Document SS2): http://www.dacorum.gov.uk/docs/default-source/planning-development/hicks-road-masterplan-june-

		2012.pdf?Status=Master&sfvrsn=0 Adjoining land is being brought forward for 75 homes, employment and community facilities.
H/21	Garden Scene Nursery, Chapel Croft, Chipperfield	Early discussions (via pre-application process) have taken place regarding bringing forward the site.
LA1	Marchmont Farm	Subject to draft master plan (Examination Document LA8). Viability tested via CIL Strategic Sites work (Examination Document ID4). Site owned / optioned by Gleasons Homes, HCA and DBC.
LA2	Old Town	Subject to draft master plan (Examination Document LA19). Viability tested via CIL Strategic Sites work (Examination Document ID4). DBC owned site.
LA3	West Hemel Hempstead	Subject to draft master plan (Examination Document LA25). Viability tested via CIL Strategic Sites work (Examination Document ID4). Early pre-application discussions commenced. Site owned / optioned by Taylor Wimpey and Barratt Homes.
LA4	Hanburys	Subject to draft master plan (Examination Document LA39). Viability tested via CIL Strategic Sites work (Examination Document ID4).
LA5	West of Tring	Subject to draft master plan (Examination Document LA47). Viability tested via CIL Strategic Sites work (Examination Document ID4). Site owned / optioned by Cala Homes.
LA6	Chesham Road	Subject to draft master plan (Examination Document LA55). Viability tested via CIL Strategic Sites work (Examination Document ID4). Site owned by Ministry of Justice, but likely to be offered to market by HCA.

It is relevant to note that no objections have been received to the Site Allocations DPD that relate explicitly to viability concerns regarding site delivery.

Planning activity:

In addition to the technical work above, there is also the opportunity to re-assess viability at the planning application stage, with viability a material planning consideration when assessing applications and determining appropriate contributions.

As the development economics study (Examination Document HG17) states, *"If there is any doubt about viability on a particular site, it will be the responsibility of the developer to make the case that applying the Council's affordable housing requirement for their scheme makes the scheme not viable. Where the Council is satisfied this is the case, the council has a number of options open to it....before needing to consider whether a lower level of affordable housing is appropriate. In*

individual scheme negotiations, the council will also need to consider the balance between seeking affordable housing and its other planning obligation requirements.” (Para. 6.22).

The Council’s Affordable Housing SPD (September 2013) (Examination Document HG2) was introduced in part to provide a robust and consistent mechanism to help address any potential viability issues that may arise with regard to affordable housing provision as set out in Policy CS19, particularly whilst the market was recovering from the effects of recession.

Progress on key development sites is monitored by the Council’s Corporate Regeneration Group, which meets monthly. This group is attended by officers and managers from planning, strategic housing, estates, legal and finance departments, together with the Leader of the Council, Planning and Regeneration Portfolio Holder and Finance Portfolio Holder. If any issues regarding the delivery of key sites arise, these are discussed by the group and an appropriate course of action to help resolve the issue(s) agreed.

There are however strong indications that the viability of schemes within the area remains strong with an increase in both sales values and delivery rates since the adoption of the Core Strategy and the CIL examination, as reported through the latest Annual Monitoring Report (Examination Document BP1). This economic upturn is reflected in a steady increase in the number of planning applications received by the Council (and in particular major applications), as illustrated in Table 2 below. Requests for pre-application advice are also at an all-time high.

Table 2 – Total Planning Applications Received

Period	Total number of planning applications received (PS2 applications)
1/4/15 - 17/3/16*	1563
1/4/14 - 31/3/15	1581
1/4/13 - 31/3/14	1432
1/4/12 - 31/3/13	1375

**Note: Financial year not yet complete. Final total expected to be c1630.*

Additional Work

The Council’s assertion that the proposals contained within the Site Allocations DPD are viable and deliverable is further supported by work underway to inform the new single Local Plan.

The current SHLAA (Examination Document HG13) and associated internal updates (Examination Documents HG7 and HG11) are being fully updated as part of the Council’s work on its new single Local Plan. The assessment includes all of the sites in the current Site Allocations DPD and incorporates a very thorough and up-to-date high level testing of scheme viability based on a number of site typologies. It includes consideration of:

- The residential property market;
- Land prices;

- Current CIL rates;
- An assessment of development costs; and
- An assessment of the implications of Core Strategy policy requirements, relating to:
 - CS1: Distribution of Development
 - CS10: Quality of Settlement Design
 - CS11: Quality of Neighbourhood Design
 - CS12: Quality of Site Design
 - CS18: Mix of Housing
 - CS19: Affordable Housing
 - CS23: Social Infrastructure
 - CS26: Green Infrastructure
 - CS28: Carbon Emission Reductions
 - CS29: Sustainable Design and Construction
 - CS35: Infrastructure and Developer Contributions

Whilst the vast majority of the sites within the Site Allocations DPD continue to show as viable and deliverable following this assessment, the viability testing did identify potential issues with a small number of urban brownfield allocations (i.e. H/5, H/8-H/10 inc., H/13, H/14, H/19, MU/2 and MU/8). This is not unexpected bearing in mind the recognised higher general costs of bringing forward such sites for development. However, potential viability issues are not being borne out in reality given the current market activity, and progress and interest in these allocations (see Table 2).

The draft document, which was subject to targeted stakeholder consultation during February 2016, is available on our website:

<http://www.dacorum.gov.uk/home/planning-development/planning-strategic-planning/new-single-local-plan/technical-work-for-the-early-partial-review>. The document is due to be finalised and published later in April and will be added to the examination library then.

Conclusion:

In the context of the above technical work and associated evidence, the Council considers that it has appropriately and proportionately assessed the viability of proposals within the Site Allocations DPD, and hope the Inspector is now satisfied that no soundness issues arise.

It is noted that Three Rivers District Council and Hertsmere Borough Councils are two Hertfordshire authorities which have followed a similar approach to viability testing to Dacorum for their Site Allocations and Development Management DPDs. Three Rivers' Site Allocations DPD was found sound and adopted in November 2014. Hertsmere's Site Allocations and Development Management Policies DPD was submitted in November 2015, with the hearing sessions programmed for later this month. Hertsmere's Inspector has not raised any issues regarding viability evidence in advance of these hearings.

The viability evidence submitted alongside both plans were district-level Development Economic Studies (2009 and 2010 respectively), carried out by Three Dragons and commissioned in parallel with Dacorum's own study, and site appraisals within their Housing and Economic Land Availability Assessments.

Dacorum Borough Council has however taken the opportunity to consider examples from elsewhere of 'full plan' viability reports (e.g. that carried out for Stroud District Council (https://www.stroud.gov.uk/info/plan_strat/Stroud_Viability_draft.pdf) and consider that whilst helpful at the strategic planning (i.e. Core Strategy) level, they do not provide as detailed an assessment of site viability as the work outlined above.

More detailed viability testing work will of course be carried out as part of the process of preparing Dacorum's new single Local Plan (incorporating the early partial review of the Core Strategy). As previously advised, work on this new plan is already underway.

Sustainability Appraisal

The approach to sustainability appraisal, including assessment of reasonable alternatives:

The Council's approach to sustainability appraisal has been integrated into the plan-making process for all the Dacorum Development Plan Documents within the Local Development Framework. This process was initiated through the preparation and consultation on an SEA and SA Scoping Report (Examination Document CS39) in February 2006 and has played an important role in all subsequent planning stages. Whilst this sustainability appraisal process has been undertaken by specialist consultants (C4S, part of TRL Limited) to ensure it remains independent, there has been close liaison with the Council to ensure the process is robust, comprehensive and iterative.

For the Core Strategy the sustainability appraisal provided assessments of all the reasonable alternatives that were considered. On adoption in September 2013 the Core Strategy (Examination Document CS4) was accompanied by an SA Adoption Statement (Examination Document CS3) which provided information, inter alia, on the reasons why the adopted Core Strategy was chosen in light of these alternatives.

It should be noted that in his report (Examination Document CS6) the Core Strategy examination Inspector was satisfied that the Sustainability Appraisal process satisfied all legal requirements (para. 77). Moreover, he raised no concerns over the thoroughness, approach and conclusions of the Sustainability Appraisal in dealing with reasonable alternatives.

The sustainability appraisal undertaken on the Core Strategy is relevant to the Site Allocations DPD for the following two reasons:

1. *Relationship of Core Strategy and Site Allocations DPDs:*

As described in the response to the Inspector's questions on viability testing above, the Site Allocations DPD is not a stand-alone Local Plan, but a 'daughter document' to the adopted Core Strategy. As such it is appropriate for certain matters to be assessed in the sustainability appraisal of the Core Strategy and not duplicated in the sustainability appraisal of the Site Allocations DPD¹. The Core Strategy identifies the areas of the Borough in which new development will be concentrated and those where development will be constrained. The Core Strategy policies also provide the framework for the identification and allocation of development sites.

¹ See Regulation 12(d) of The Environmental Assessment of Plans and Programmes Regulations 2004

As examples:

- Policy CS2 provides criteria for the selection of development sites;
- Policy CS5 deals with development in the Green Belt;
- Policy CS24 covers the Chilterns AONB; and
- Policy CS27 provides the strategy for conserving and enhancing the historic environment.

The overarching strategy and policies in the Core Strategy were subject to sustainability appraisal at several stages, including:

- Core Strategy Issues and Options (two consultations in 2006) (Examination Documents CS35 and CS38);
- Emerging Core Strategy (2009) (Examination Document CS32);
- Draft Core Strategy (2010) (Examination Document CS24);
- Publication (2011), Submission (2012) (Examination Documents CS22 and CS15 respectively); and
- Main Modifications (2013) (Examination Document CS8).

During this ongoing process a range of options were considered, where appropriate, and subject to sustainability appraisal. At each stage the findings of the sustainability appraisal were documented in a published report. The SA Adoption Statement (October 2013) (Examination Document CS3) provides a useful summary of this entire process.

The consideration of Issues and Options for the Core Strategy was supplemented by the consideration of Issues and Options for the Site Allocations DPD. This covered topics including: settlement strategy; housing; employment; retailing; transport infrastructure; community development; leisure and recreation; landscape, biodiversity and historic heritage; and design.

The sustainability appraisal undertaken for the Site Allocations Issues and Options (SA Working Note, December 2006) (Examination Document SA16) considered the implications on sustainability of the various issues raised and questions posed.

2. Selection and Delivery of Local Allocations:

The Local Allocations that are included in the Site Allocations DPD are also included as Local Allocations (LA1-6) in the adopted Core Strategy and it was during the development of the Core Strategy that reasonable alternative sites for the Local Allocations were considered and the process documented in the SA Report for the Core Strategy (Examination Document CS22). This work is covered in detail through the Compendium of Sustainability Appraisal Assessments of Potential Strategic Site and Local Allocations by Settlement (June 2012) (Examination Document CS11). There is therefore no requirement for this work to be repeated for the Site Allocations DPD, as the Core Strategy is quite clear in stating that with regard to the Green Belt boundary "*No further change will be necessary in the Site Allocations DPD, other than to define these [Local Allocations] precisely and correct any minor anomalies that may still exist.*" (Para. 8.29 of Core Strategy).

With regards to the Site Allocations process itself, reasonable alternatives were appraised at each stage of document preparation, as explained in more detail below. This assessment was undertaken in parallel with the Council's Schedules of Site Appraisals published in 2006, 2008 and 2014 (Examination Documents SA19, SA13 and SA20 respectively). These assessed a range of possible allocations and

incorporated sites put forward directly by landowners together with those identified through the Council's own technical work (i.e. the SHLAA).

Given the nature of the Site Allocations DPD as a delivery vehicle for the Core Strategy, (i.e. as a list of sites to help deliver the levels of growth set by the Core Strategy), it was necessary to take a slightly different approach to the sustainability appraisal of the Site Allocations DPD than for the Core Strategy itself. This was in order to avoid duplication of effort between the plan-making process and the sustainability appraisal process when considering the long list(s) of potential site allocations, given the overlap in criteria used in the sustainability appraisal and the Council's own assessment process used in the Schedules of Site Appraisals.

As described in paragraph 5.2.1 of the SA Report for the Site Allocations DPD (Examination Document SUB20) the sustainability appraisal assessed the draft appraisal methodology used by the Council when initially assessing sites through the Schedule of Site Appraisals. This ensured that the methodology used by the Council was aligned with the SA Framework at a level appropriate to the early consideration of site options. Despite having been developed in advance of the PAS guidance², the methodology used for filtering site options complies with this good practice. It used a range of criteria relating to environmental designations, other land use designations and land ownership information to progressively filter sites to develop a shortlist of reasonable site options. This approach demonstrates the close and iterative approach the Council and its consultants have taken to developing the plan. The use of shared evidence between plan preparation and the SA process is supported by the PAS guidance and avoids unnecessary duplication of work between the plan making and SA activities³.

The methodology used at this stage in the sustainability appraisals themselves was to screen the sites against a series of Key Environmental Designations (see Appendix A of SA Working Note on Initial Issues and Options (Examination Document SA16)). Please note that this relates to the work undertaken in 2006, but the same methodology was used in subsequent site appraisal stages in 2008 and 2014.

The sustainability appraisal then assessed the Council's sustainability conclusions reached for each of the proposed sites within the Schedule of Site Appraisals, and made recommendations as to whether sites should be progressed or not to the Preferred Options stage. In accordance with guidance, all the sites were dealt with by the sustainability appraisal at the same level of detail when considering which sites should be taken forward into the final plan.

As part of this 'site sieving' process the Council dismissed a large number of sites that could not be considered as 'reasonable alternatives' due to a range of 'exclusionary criteria' (e.g. location in the Green Belt, in flood zone, in AONB). The reasons for not taking sites forward were summarised in the SA Working Notes that were prepared in December 2006 (Examination Document SA16), October 2008 (Examination Document SA14) and May 2014 (Examination Document SA21). In addition to those sites identified by the Council as not being suitable for inclusion in the Site Allocations DPD, the sustainability appraisal assessed some additional sites put forward via consultation responses that it recommended should not be taken forward, for similar reasons to those mentioned above (e.g. in Green Belt).

² PAS Principles of Plan Making (2013), Chapter 6 – The Role of Sustainability Appraisal.

³ PAS Principles of Plan Making (2013), Chapter 6 – The Role of Sustainability Appraisal.

The outcome of this process was that all the sites considered through the Schedules of Site Appraisals that were considered to be 'reasonable alternatives' went on to be included in the Site Allocations DPD (i.e. there were not any 'reasonable alternatives' that were not taken forward).

The only exceptions were those sites with a capacity of less than 10 dwellings which were not considered for inclusion in the Site Allocations DPD due to their small size. In other words, the Council has not excluded sites from the Site Allocations DPD that are considered to be appropriate in terms of both their sustainability and their compliance with strategic policies set out in the adopted Core Strategy.

At the Publication (Pre-Submission) Stage the 'preferred options' sites and associated policies underwent a more detailed assessment against each of the objectives in the Site Allocations SA Framework. For the Local Allocations that had already been assessed as part of the Core Strategy, the previous assessments were copied across and updated based on any new information that was available at this stage. Additions to the previous assessment were shown in bold, and text that was no longer relevant was struck through (see Appendix A to the SA Report (September 2014) (Examination Document SUB20).

Of the sites assessed at this stage (see SA Report September 2014) all, with one exception, are included in the Submitted Site Allocations DPD. That exception is Proposal H/6 (39-41 Marlowes, Hemel Hempstead) which was deleted as it was no longer available for housing: having been leased by its owners (Dacorum Borough Council) to the local mental health trust to accommodate a health centre displaced from a larger redevelopment site (now MU/1). At the Focused Changes Stage (see SA Report Addendum July 2015) (Examination Document SUB13) one additional allocation (Proposal L/4: Dunsley Farm, London Road, Tring) was included in the DPD and was subject to a full assessment.

All the sites included in the Site Allocations DPD comply with the policies in the Core Strategy; however there is no single document that provides an assessment of the sites against those policies. Sites that did not comply with the policies (e.g. those in the Green Belt) were 'sieved out' through the analysis reported in the three Schedules of Site Appraisals. The details of why sites were not carried forward can be found in:

- Section 4 of SA Working Note December 2006 (Examination Document SA16);
- Section 2 of SA Working Note October 2008 (Examination Document SA14); and
- Section 3 of SA Working Note May 2014 (Examination Document SA21).

Although not made explicit in those documents, the majority of the reasons for rejecting sites are based on non-compliance with the Core Strategy – particularly with regard to Policies CS1: Distribution of Development; CS2: Selection of Development Sites; CS5: Green Belt; and CS24: The Chilterns Area of Outstanding Natural Beauty.

Planning Practice Guidance Checklist:

Both the Council and their consultants are aware of the checklist provided in the PPG to which the Inspector refers, and have had regard to this in their approach to the sustainability appraisal process. This checklist is reproduced in Appendix A to this response, and includes an additional column that provides information on where the evidence to meet each requirement can be found.

Conclusion:

In the context of the above explanation and associated evidence, the Council considers that it has appropriately and proportionately assessed the sustainability of all reasonable alternatives and adopted an approach to sustainability appraisal that is fully compliant with the requirements of the PPG and PAS guidance. The Council therefore hopes that the Inspector agrees with Dacorum Borough Council's conclusions that no further assessment work is required and the Council's approach to plan-making in this respect is sound.

Planning Practice Guidance: The Strategic Environmental Assessment Regulations requirements checklist

Strategic Environmental Assessment Regulations requirements checklist	Dacorum Sites SA Process
<p>Preparation of environmental report (regulation 12)</p> <p>Preparation of an environmental report that identifies, describes and evaluates the likely significant effects on the environment of implementing the plan or programme and reasonable alternatives taking into account the objectives and geographical scope of the plan or programme (regulation 12(2)).</p> <p>The report shall include such of the information referred to in Schedule 2 as may reasonably be required, taking into account current knowledge and methods of assessment, the contents and level of detail in the plan or programme, its stage in the decision-making process and the extent to which certain matters are more appropriately assessed at different levels in the process to avoid duplication of the assessment (regulation 12(3)). Information may be provided by reference to relevant information obtained at other levels of decision-making or through other EU legislation (regulation 12 (4)).</p> <p>When deciding on the scope and level of detail of information to be included in the environmental report the consultation bodies should be consulted.</p>	<p>The SA Report (incorporating the environmental report required by the SEA regulations) was published alongside the publication of the Site Allocations DPD in September 2014 (Examination Document SUB20).</p> <p>An Addendum to this report was produced in July 2015 to accompany the Focused Changes to the Plan (Examination Document SUB13).</p> <p>In addition, an SA Submission Statement was published at Submission to determine whether any of the minor changes made to the Plan prior to Submission had any implications in relation to the findings in the SA Report and its Addendum (Examination Document SUB5).</p>
<p>The information referred to in Schedule 2 is:</p> <p>a) An outline of the contents, main objectives of the plan or programme, and relationship with other relevant plans and programmes.</p>	<p>Sections 2 & 3 of the SA Report (September 2014) (Examination Document SUB20).</p>

b) The relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the plan or programme.	Section 3 of the SA Report (September 2014) (Examination Document SUB20).
c) The environment characteristics of areas likely to be significantly affected.	Section 3 and Appendix A of the SA Report (September 2014) (Examination Document SUB20).
d) Any existing environmental problems which are relevant to the plan or programme including, in particular, those relating to any areas of a particular environmental importance, such as areas designated pursuant to Directives 2009/147/EC (Conservation of Wild Birds) and 92/43/EEC (Habitats Directive).	Section 3 of the SA Report (September 2014) (Examination Document SUB20).
e) The environmental protection objectives, established at international, Community or national level, which are relevant to the plan or programme and the way those objectives and any environmental considerations have been taken into account during its preparation.	Sections 3 and 4 of the SA Report (September 2014) (Examination Document SUB20).
f) The likely significant effects on the environment, including on issues such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscapes and the interrelationship between the above factors. These effects should include secondary, cumulative, synergistic, short, medium and long-term permanent and temporary, positive and negative effects.	Sections 5 and 6 and Appendix A of the SA Report (September 2014) (Examination Document SUB20).
g) The measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan or programme.	Section 6 and Appendix A of the SA Report (September 2014) (Examination Document SUB20).
h) An outline of the reasons for selecting the alternatives dealt with, and a description of how the assessment was undertaken including any difficulties (such as technical deficiencies or lack of know-how) encountered in compiling the required information.	Section 4 of SA Working Note (December 2006) (Examination Document SA16). Section 2 of SA Working Note (October 2008) (Examination Document SA14).

	<p>Section 3 of SA Working Note (May 2014). (Examination Document SA21)</p> <p>Sections 5 and 6 of the Publication SA Report (September 2014). (Examination Document SUB20).</p>
i) A description of measures envisaged concerning monitoring in accordance with regulation 17.	Section 7 of the SA Report (September 2014) (Examination Document SUB20).
<p>Consultation procedures (regulation 13)</p> <p>As soon as reasonably practicable after their preparation, the draft plan or programme and environmental report shall be sent to the consultation bodies and brought to the attention of the public, who should be invited to express their opinion. The period within which opinions must be sent must be of such length as will ensure an effective opportunity to express their opinion.</p>	<p>Consultation according to Regulation 13 was undertaken during the period 24th September to 5th November 2014.</p> <p>In addition consultation on the SA working Notes was undertaken in 2006, 2008 and 2014 (Examination Documents SA16, SA14 and SA21 respectively), alongside consultation on the Site Allocations DPD itself.</p>
<p>Information as to adoption of plan or programme (regulation 16)</p> <p>As soon as reasonably practicable after the plan or programme is adopted, the consultation bodies, the public and the Secretary of State (who will inform any other EU Member States consulted) shall be informed and the following made available:</p> <ul style="list-style-type: none"> • the plan or programme adopted • the environmental report • a statement summarising: <ul style="list-style-type: none"> (a) how environmental considerations have been integrated into the plan or 	Not yet applicable.

<p>programme;</p> <p>(b) how the environmental report has been taken into account;</p> <p>(c) how opinions expressed in response to:</p> <p>(i) the invitation referred to in regulation 13(2)(d);</p> <p>(ii) action taken by the responsible authority in accordance with regulation 13(4), have been taken into account;</p> <p>(d) how the results of any consultations entered into under regulation 14(4) have been taken into account;</p> <p>(e) the reasons for choosing the plan or programme as adopted, in the light of the other reasonable alternatives dealt with; and</p> <p>(f) the measures that are to be taken to monitor the significant environmental effects of the implementation of the plan or programme. (regulation 16)</p>	
<p>Monitoring of implementation of plans or programmes (regulation 17)</p> <p>Monitoring of significant environmental effects of the plan's or programme's implementation with the purpose of identifying unforeseen adverse effects at an early stage and being able to undertake appropriate remedial action (regulation 17 (1)).</p> <p>Monitoring arrangements may comprise or include arrangements established for other purposes (regulation 17 (2)).</p>	<p>Not yet applicable.</p>