# Dacorum Borough Council

## Local Planning Framework

# DACORUM CORE STRATEGY EXAMINATION IN PUBLIC

## Statement by Dacorum Borough Council

### Issue 17:  Implementation, Delivery, Infrastructure and Monitoring

**September 2012**

# Purpose of this statement

The purpose of this statement is to summarise the Council's position regarding the following issues raised by the Inspector in advance of their discussion at the public hearing sessions.

To avoid repetition this statement includes cross references to appropriate technical work and includes relevant extracts as appendices.

## Matters raised by Inspector

17.1 Does the Core Strategy give sufficient guidance on the provision of the infrastructure that is required to support both existing and future development? Is infrastructure capacity likely to be available to support the timely implementation of the strategy? How will it be funded and delivered?

17.2 Are the organisational mechanisms in place to ensure that joint working with other agencies (including adjoining local planning authorities) can be ensured where required?

17.3 In order for the plan to be found sound it must be effective. In order to test its effectiveness over the course of the plan period it must be capable of appropriate monitoring. Is the monitoring framework for each policy likely to be adequate? Are sufficient local targets identified and are they clear and capable of measurement, particularly over time? When and how will the monitoring be undertaken? Does the CS incorporate sufficient flexibility should any identified targets not be met?

17.4 Is the relationship between the CS and the forthcoming CIL Charging Schedule sufficiently clear? Is there sufficient flexibility in policy CS35 to address issues of viability?

17.5 What are the main risks to delivery; does the Council have an appropriate fall-back position; and is there sufficient flexibility to accommodate any unforeseen circumstances? What are the triggers for a review of the document?

## Dacorum Borough Council's Response

**17.1 Does the Core Strategy give sufficient guidance on the provision of the infrastructure that is required to support both existing and future development? Is infrastructure capacity likely to be available to support the timely implementation of the strategy? How will it be funded and delivered?**

*Note: the government's definition of infrastructure (the Planning Act 2008: section 216) includes affordable housing. The provision of affordable housing is dealt with under the Council's statement for Issue 7; question 7.1 and 7.2 and is not repeated here.*

17.1.1 As evidenced in the Infrastructure Delivery Plan (IDP) Update (Examination document ID5) there are no 'showstoppers' in terms of infrastructure capacity for the level and timing of development proposed through the Core Strategy.

17.1.2 In developing the Core Strategy the Council has considered a range of development levels to find the most appropriate for the Borough (see Issues 1 and 2). This consideration has included an evaluation of infrastructure requirements. The information was largely based on discussions with infrastructure providers and the outcomes have influenced both the overall scale

and the distribution of development.  For example, Officers from relevant teams at the County Council attended the place strategy workshops (see Examination Document SUB 6 Report of Consultation, Volume 3) and highlighted any specific infrastructure needs and deficiencies for that area.

17.1.3 The level of guidance on the provision of infrastructure is sufficient for a Core Strategy.  Further details about requirements for infrastructure provision arising from specific sites will be set out in the Site Allocations DPD and East Hemel Hempstead Area Action Plan.  Providing detailed and costed infrastructure requirements for the plan period is the role of the IDP and its Update.  This has been prepared, circulated for feedback and will be updated annually in conjunction with infrastructure providers.  The Core Strategy does identify some specific infrastructure requirements as recommended by providers.  Examples include the identification of two education zones in Berkhamsted for the provision of additional primary education in the town (see paragraph 21.4 and Figure 23 of the Core Strategy: Examination Document SUB 1); and requirements specified through local objectives and the development principles for local allocations and strategic sites within the Place Strategies.  In addition, the Core Strategy offers support to some providers' infrastructure planning documents such as the Local Transport Plan (Examination Document REG 13) and Urban Transport Plans (Examination Document TR10) (see paragraph 9.11 in the Pre-Submission Core Strategy).

17.1.4 The timely provision of necessary infrastructure has informed the development of the Core Strategy and is threaded throughout the document.  This is apparent from the strategic objectives and the ongoing liaison with infrastructure providers which culminated in the publication of the IDP and Update.

17.1.5 The liaison with infrastructure providers undertaken for the IDP Update specifically included consideration of the timing of infrastructure provision.  The Council gave providers a breakdown of the sites in the housing trajectory by location and expected delivery date to inform their assessments.  As set out in the IDP Update, all of the key providers confirmed that the necessary infrastructure can be provided in time to serve development at the expected timescales.

17.1.6 Policy CS35: Infrastructure and Developer Contributions makes it clear that the infrastructure required to support a development should be provided in advance or alongside the development unless there is sufficient capacity in the existing infrastructure network.  The policy also prevents development from breaching critical infrastructure capacity limits.  The Sustainability Appraisal (Examination Document SUB 3) that accompanies the Pre-submission Core Strategy recognises the positive effects of the policy:

*'By requiring the provision/contribution towards physical, social and green infrastructure, positive effects have been forecast for a range of objectives. There could be some environmental enhancements resulting from the provision of green infrastructure as well as benefits to the local communities. Ensuring that new physical infrastructure is provided will help to avoid overloading existing infrastructure such as waste water treatment works, both protecting material assets as well as helping to avoid adverse effects on the natural environment. The provision of social infrastructure will support social objectives, whilst new*

*physical infrastructure will help support the local economy.'* (paragraph 6.8.1).

17.1.7 As recognised by paragraph 28.5 of the Pre-Submission Core Strategy, significant upgrades to waste water treatment works will be required prior to a particular level of development being reached in the wider south west Hertfordshire area. Thames Water have not been able to confirm what the precise level of development is that will trigger this need, but have indicated that development expected to occur in Dacorum up to 2021 can be accommodated by the existing network. Thames Water will address this waste water treatment issue in their next Asset Management Plan, which covers the period 2015 to 2020. The Council has a good working relationship with Thames Water and will continue close liaison to ensure that future levels of development can be supported by the sewage treatment network. This liaison with be both direct with Thames Water and also with other relevant local planning authorities and other organisations such as the Environment Agency, through an established Water Cycle Study Group (see paragraph 17.2.4 below and paragraphs 18.34-18.36 of the Pre-Submission Core Strategy).

17.1.8 With regards to the physical delivery of infrastructure, the Council's powers are limited as it is ultimately the responsibility of relevant providers. The Council will however provide a framework through the Core Strategy and subsequent DPDs to support the needs of these. This will include the implementation of a Community Infrastructure Levy (CIL) charge and use of planning obligations to ensure that development contributes appropriately towards the cost of supporting infrastructure. The IDP and providers' own planning documents such as Urban Transport Plans will be used to support the implementation of the CIL.

17.1.9 Funding for the provision of infrastructure is likely to come from a variety of sources, not least the providers' own budgets. Developers are another potential source of funding as described above, and sometimes may provide the infrastructure directly. Other sources of funding will fluctuate over time but may include central Government funding, the Council's own capital reserves, grant schemes such as Big Lottery Fund, and charitable funds. Where there is an infrastructure funding gap that the provider cannot resolve, the Council may look at using other sources as available at the time, for example New Homes Bonus, the Growing Places Fund and schemes such as Tax Increment Financing.

17.1.10 See also response to infrastructure questions under Issues 10-13.

**17.2 Are the organisational mechanisms in place to ensure that joint working with other agencies (including adjoining local planning authorities) can be ensured where required?**

17.2.1 As required by paragraph 162 of the National Planning Policy Framework (NPPF), there has been liaison between the Council and infrastructure providers since the beginning of the Core Strategy process (see question 17.1 above). This liaison is evidenced by the Infrastructure Delivery Plan Update (Examination document ID5). The Infrastructure Delivery Schedule (an appendix of the Infrastructure Delivery Plan) will be updated annually, which will lead to further regular liaison between the Council and infrastructure providers.

17.2.2 The Statement of Compliance with the Duty to Co-operate and its update

(Examination Document SUB 8) sets out the nature of the Council's joint working throughout the development of the Core Strategy. Of particular relevance are paragraphs 3.16 - 3.18 of the update paper which discuss the Council's joint working with adjoining authorities for issues relating to infrastructure. Established groups include the Hertfordshire Planning Group (HPG), the Hertfordshire Infrastructure and Investment Partnership (sometimes referred to as the Hertfordshire Infrastructure Planning Partnership) and Herts Works. HPG have recently appointed a Planning Co-ordinator whose role it will be to lead and inform discussion and action on strategic issues within the county. This is expected to include the issue of infrastructure provision.

17.2.3 The Hertfordshire Infrastructure and Investment Strategy (Examination Document ID 1) (HIIS) is a piece of jointly commissioned technical work which assessed the likely infrastructure needs across the County (by district) in relation to the development levels set out in the East of England Plan (Examination Document REG 7). Continuous officer liaison across the district and the county councils has continued since the publication of the HIIS; firstly as the HIIS reference group, and more recently as the Herts CIL Reference Group.

17.2.4 In addition to liaison between local authorities, there is also a reliance on infrastructure providers to identify to Dacorum and other local authorities any potential issues with infrastructure capacity. The issue of sewerage capacity has been considered by Dacorum and three other Hertfordshire local authorities through the Water Cycle Study - Scoping Study (Examination Document EN 8). This study also involved significant input from Thames Water, the relevant provider for sewerage infrastructure, and the Environment Agency

17.2.5 It is most relevant for the Council to liaise with other local authorities in Hertfordshire given the role of County Councils in provision of infrastructure. However, Officers from the Council have recently started to attend the Central Beds Council Cross Boundary CIL group of Officers. Although issues of infrastructure provision have not yet been discussed, this group provides a forum for future discussion as necessary. As outlined in the Statement of Compliance with the Duty to Co-operate (Examination Document SUB8, especially Table 2), the Council has consulted all adjoining authorities (both inside and outside of Hertfordshire) in preparing the Core Strategy. This has included asking specific questions about cross boundary issues such as infrastructure.

17.2.6 In order to ensure regular liaison with adjoining local authorities regarding infrastructure requirements the Council will consult them on the annual update to the Infrastructure Delivery Schedule. This will capture any requirements for infrastructure with a cross boundary role. The Annual Monitoring Report will also be shared with adjoining authorities to keep them informed of development trends in Dacorum.

17.2.7 See also response to Issue 13: question 13.4 and Issue 10: question 10.2.

**17.3 In order for the plan to be found sound it must be effective. In order to test its effectiveness over the course of the plan period it must be capable of appropriate monitoring. Is the monitoring framework for each policy likely to be adequate? Are sufficient local targets identified and are they clear and capable of measurement, particularly over time? When and how will**

**the monitoring be undertaken? Does the CS incorporate sufficient flexibility should any identified targets not be met?**

17.3.1 The Council considers the monitoring framework set out in the Pre-Submission Core Strategy (Examination Document SUB1) to be sound. It does not contain a monitoring indicator for every policy as this is neither necessary nor desirable. The effectiveness of some policies, such as those relating to quality of design are not easy to monitor through indicators or targets, whilst for other policies it would become repetitive to include indicators under each one. Instead the Council have included monitoring indicators at the end of subsections of the plan; i.e. groups of policies share sets of indicators.

17.3.2 When choosing appropriate indicators, there is a balance to be struck between considering detailed and quantifiable targets and the monitoring of effective policy performance. The effectiveness of some policies/subsections is best captured by studying trends, whilst others may be better judged according to quantifiable targets. Either way, the effectiveness of policies, must be considered in the context of more general trends regarding the wider picture of what is happening locally, sub-regionally and nationally. The failure to reach a target may be due to circumstances beyond the control of the planning department, and indeed the Council as a whole. When considered in this wider context, failure to reach a target may not be an indication of the failure of the plan to be effective. Rather it may reflect a change in circumstances.

17.3.3 For example, a failure to meet the long term office floorspace target set out in Policy CS15: Offices, Research, Industry, Storage and Distribution, may not indicate a failing local economy. Unemployment and new business start ups are more accurate indicators of local economic performance; especially when considered in relation to adjoining areas. Other targets may not be met if improvements or changes to technology cause an unforeseen shift in behaviour. For example, a higher than expected rise in the role of the internet in shopping patterns is likely to lead to less retail floorspace than expected under Policy CS16: Shops and Commerce and possibly higher storage and distribution floorspace than forecast under Policy CS15.

17.3.4 Rigid targets viewed in isolation may lead to an overly strict application of policies which may inadvertently prohibit the development of an adaptable and successful local economy. In order to gain an understanding of the effectiveness of the policies in the Core Strategy (and wider Local Planning Framework) it is important to capture what is happening in the area. Some of the indicators in the plan are therefore purposefully imprecise.

17.3.5 The indicators were developed to measure the effectiveness of each subsection of the plan in the context of the local area, bearing in mind the information behind the policies and the area's place in the wider region. It is considered that the indicators and target identified are locally specific as far as necessary and are capable of being measured over time.

17.3.6 However, in light of the Inspector's question, the indicators have been reviewed for their clarity and ability to be monitored effectively. As a result, a number of further minor changes to the indicators are proposed. These are set out in the Schedule of Proposed Examination Changes at www.dacorum.gov.uk/corestrategyexamination and reproduced here as Appendix

1.

17.3.7 Monitoring is undertaken yearly through the Annual Monitoring Report (AMR), which is published at the end of the calendar year. It is carried out via a number of mechanisms, which the Council intends will lead to a rounded view of the local area, and how well the Local Planning Framework is achieving its aims. Examples of the different monitoring mechanisms are listed below:

- CDP Smart which monitors information feeding into development management decisions;

- C-Plan, which monitors the sustainability credentials of development schemes;

- Economic development Tends such as unemployment, job creation, new business start ups, business closures etc., which monitors the health of the local economy;

- Updating the Infrastructure Delivery Scheme which monitors the implementation of and requirements for infrastructure provision;

- Periodic reviews via updating technical evidence; and

- Updating the Dacorum Development Programme (Examination Document OT 5). This provides information on the progress of key projects and regeneration schemes within the Borough.

17.3.8 As outlined above, the Core Strategy does not set too many rigid targets, but often prefers indicators to allow success to be measure by trends. This approach ensures sufficient flexibility throughout the Core Strategy to allow for adaptation to changing circumstances. Paragraphs 27.11 – 27.12 set out the Core Strategy's approach to flexibility. It identifies how and where flexibility has been built into the plan.

17.3.9 Paragraph 27.14 of the Core Strategy outlines the mechanisms in place to provide flexibility in different circumstances. This includes a commitment under Policy CS17: Housing Supply to increase the supply of deliverable housing land if the rate of housing completions falls below the housing trajectory by more than 15% and evidence shows the recovery of the situation is unlikely.

17.3.10 As set out in paragraphs 17.3.2 - 17.3.3 it will not always be appropriate for action to be taken purely because an identified target is not being met.

17.3.11 See also response to Issue 6: questions 6.4 and 6.7.


**17.4 Is the relationship between the CS and the forthcoming CIL Charging Schedule sufficiently clear? Is there sufficient flexibility in policy CS35 to address issues of viability?**

17.4.1 The Core Strategy and the CIL Charging Schedule are both supported by the Infrastructure Delivery Plan Update (Examination Document ID5). It is difficult for the Core Strategy to make detailed comments about its relationship with the CIL Charging Schedule as the latter has yet to be published. Paragraph 28.8 refers to the imposition of a CIL charge and the use of CIL monies in the broadest terms.

17.4.2 The Council considered whether to be more explicit in Policy CS35: Infrastructure

and Developer Contributions about the requirement of development to pay the CIL charge.  However, it decided against this in order to future-proof the policy in the event that the Government withdraws or replaces CIL with another mechanism for collecting developer contributions.

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.


**17.5   What are the main risks to delivery; does the Council have an appropriate fall-back position; and is there sufficient flexibility to accommodate any unforeseen circumstances?   What are the triggers for a review of the document?**

17.5.1 The Council's approach to delivery, flexibility and contingency (with regards to the Core Strategy) is summarised in section 27 of the Pre-Submission Core Strategy (Examination Document SUB1).

17.5.2 The Council considers the overall strategy to be long term and robust. Throughout the development of the Core Strategy the Council has taken into account its deliverability.  This includes a consideration of the normal risks to delivery and what, if any, remedial action would be appropriate.  The mechanisms for the delivery of each subsection are listed below the monitoring indicators, and in full in Appendix 3 of the Pre-Submission Core Strategy.

17.5.3 There are a number of risks to delivery, some of which the Council can foresee,

and to a degree guard against through a flexible approach and, in some cases a contingency position. Other risks to delivery, whilst foreseeable, are very difficult to plan for. It would be impossible to accommodate all unforeseen circumstances. However, the Council has taken a practical approach to developing a flexible framework as far as it considers it reasonable to do so. See response to Issue 6: question 6.4 (e) for further information regarding flexibility and contingency regarding housing land supply.

17.5.4 The Council considers the main risks to delivery to be the state of the national economy and changes to Government policy. The national economy has been in recession since 2008. Since then, economic growth rates have remained very low, and in particular the rate at which new development has been built has fallen. It is unclear how long the current economic slump will last, and what will follow it. Both of these questions will have an impact on the delivery of the Core Strategy.

17.5.5 Government can, and has, delivered significant changes to planning policy at the national level. Depending on the nature of the changes, these can have a profound effect on the delivery of the Core Strategy. Both this, and the state of the national economy, can have significant impacts on the delivery of the Core Strategy, but are beyond the control of the Council. They are therefore difficult to address through local planning policies.

17.5.6 Other potential risks to the delivery of the Core Strategy include:

- the availability of finance for developers, registered providers and infrastructure providers;
- the way technology changes peoples' working, shopping and travel patterns; and
- changes to national Government non-planning policies and priorities, e.g. support for small businesses, localisation/centralisation of local services, transport policies and protection for the Green Belt.

17.5.7 Section 27 of the Pre-Submission Core Strategy sets out how the Council, through its planning policies, will take a flexible approach to:

- meeting housing needs;
- encouraging a healthy economy;
- encouraging sustainable developments;
- development viability;
- a local approach; and
- holding sites in reserve.

17.5.8 The Core Strategy does not set out what the triggers for a review of the plan are, because there may be circumstances that the Council cannot predict which may trigger a review. It would seem reasonable that a review of the Core Strategy would be triggered by a major change in Government policy, for example the re-introduction of strategic planning authorities. A substantial undershoot over a reasonable period of time of delivery of housing in relation to the housing trajectory and/or an inability to maintain a 15 year housing supply would also be likely to trigger a review. Another trigger could be conclusions reached on future directions or locations of growth by co-operating authorities.

17.5.9 If none of the above occur, the Core Strategy is likely to be reviewed following a reasonable period time to ensure a clear planning framwork post 2031.

**Proposed Examination Changes Relating to Monitoring Indicators - Minor Modifications**

| Page | Policy / paragraph | Suggested change | Notes |
|---|---|---|---|
| 56 | Monitoring indicator under Policy CS1 | ...housing completions (as set out in <u>Table 8 of</u> the housing programme), for ... | To clarify the link to the distribution of development in the Core Strategy |
| 58 | Top monitoring indicator under Policies CS2 and CS3. | Percentage of <u>housing</u> development completions... | Clarification of what is being monitored |
| 62 | Monitoring indicator under Policy CS5 | <u>Number of net</u> residential and non-residential completions within the Green Belt. | Clarification of what is being monitored |
| 64 | Monitoring indicator under Policy CS6 | <u>Number of</u> residential and key non-residential development in the villages compared to the <u>total</u> amount elsewhere within the Green Belt | Clarification of what is being monitored |
| 65 | Monitoring indicator under Policy CS7 | <u>Number of</u> residential and non-residential completions within the Rural Area. | Clarification of what is being monitored |
| 70 | Top monitoring indicator under Policies CS8 and CS9 | <u>Proportion</u> ~~Amount~~ of new residential development within 30 minutes public transport time of a GP, hospital, primary and secondary schools, employment and <u>convenience</u> retail | Clarification of what is being monitored |
| 70 | Second monitoring indicator under Policies CS8 and CS9 | <u>Proportion</u> ~~Amount~~ of completed... | Clarification of what is being monitored |
| 70 | Third monitoring indicator under Policies CS8 and CS9 | <u>Proportion</u> ~~Amount~~ of completed... | Clarification of what is being monitored |
| 98 | Top monitoring indicator under Policy CS16 | Net <u>change</u> ~~gain~~ in retail floorspace in town centres | Clarification of what is being monitored |
| 98 | Second monitoring indicator under Policy CS16 | Net <u>change</u> ~~gain~~ in retail floorspace in local centres | Clarification of what is being monitored |
| 108 | Third monitoring indicator under Policy CS17 | Proportion of <u>new dwellings</u> ~~homes~~ on greenfield sites | Consistency with other indicators and clarification of what is being monitored |
| 110 | Top monitoring indicator under Policy CS18 | Size of new dwellings completed<u>, by number of bedrooms</u> | Clarification of what is being monitored |
| 110 | Second monitoring indicator under Policy CS18 | *Delete the indicator* | Repetition of top monitoring indicator under Policy CS17 |
| 122 | Third monitoring indicator under Policy CS23 | *Delete the indicator* | Repetition of suggested change to fifth monitoring indicator under Policy CS23 (see below) |

| 122 | Fourth monitoring indicator under Policy CS23 | ~~Increase in the area of leisure space~~ New leisure facilities delivered (by number and floorspace) | Clarification of what is being monitored |
|---|---|---|---|
| 122 | Fifth monitoring indicator under Policy CS23 | Net loss ~~Retention~~ of social and community facilities floorspace, through changes of use or demolition | Clarification of what is being monitored |
| 138 | Target for top monitoring indicator under Policy CS27 | No net loss of listed buildings | Clarification of target |
| 150 | Top monitoring indicator under Policies CS28, CS29 and CS30 | Proportion ~~Number~~ of new homes in district heating opportunity areas reaching set levels in the Code for Sustainable Homes or equivalent (see Table 11) | Clarification of what is being monitored |