



The Planning
Inspectorate

Report to Stevenage Borough Council

by Douglas Machin BSc Dip TP MRTPI
an Inspector appointed by the Secretary of State for Communities and
Local Government

Date 6 May 2011

PLANNING AND COMPULSORY PURCHASE ACT 2004
SECTION 20

REPORT ON THE EXAMINATION INTO THE STEVENAGE CORE STRATEGY AND
DEVELOPMENT MANAGEMENT POLICIES DEVELOPMENT PLAN DOCUMENT

Document submitted for Examination on 28 May 2010

Examination hearings held on 5 October 2010 and 3 March 2011
File Ref: LDF000809

Abbreviations Used in this Report

AAP	Area Action Plan
DPD	Development Plan Document
EoEP	East of England Plan
LDS	Local Development Scheme
NHDC	North Hertfordshire District Council
PPS	Planning Policy Statement
SNAP	Stevenage and North Hertfordshire Area Action Plan

Non-Technical Summary

This report concludes that the Stevenage Borough Council Core Strategy and Development Management Policies Development Plan Document does not provide a sound basis for the planning of the Borough and land beyond the Borough boundary. Although the plan is in general conformity with the East of England Plan in terms of overall housing numbers, significantly the Council cannot show that cross boundary issues have been resolved so that the strategy has a reasonable chance of being delivered. The current DPD is therefore unsound.

Introduction

- i. This report contains my partial assessment of the Stevenage Core Strategy and Development Management Policies Development Plan Document (DPD) in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004. Planning Policy Statement (PPS) 12 (paragraphs 4.51-4.52) makes clear that to be sound, a DPD should be justified, effective, and consistent with national policy. The starting point for the Examination is the assumption that the local authority has submitted what it considers to be a sound plan. The basis for my Examination is the submitted Core Strategy and the post submission minor changes proposed by the Council, dated March 2011.
- ii. This report considers whether the plan is sound by examining two fundamental issues; firstly, whether, in the context of the East of England Regional Strategy, there is sufficient justification for the level of growth proposed; and secondly, whether cross boundary issues have been, or are likely to be, resolved so that the plan can be effective in delivering the strategy. This report does not consider any other matter related to soundness or the legal requirements for the plan's preparation. I agreed with the Council that this approach is the most efficient and cost effective way to proceed.
- iii. At the Hearing session on 5 October 2010 I considered firstly, whether the plan was based on sound evidence of housing demand and supply; and secondly, how the plan related to those of neighbouring authorities; were cross boundary issues adequately addressed; and was there the necessary commitment from relevant bodies to ensure the plan could be implemented. I reached a preliminary conclusion that the plan was unsound on the basis that the spatial strategy and housing growth proposed was not locally justified; and the strategy was not likely to be implemented as cross boundary issues had not been resolved. This conclusion was reached in the context of the Government's announcement on 6 July 2010 to

revoke Regional Strategies, including the East of England Plan (EoEP).

- iv. The Planning Inspectorate then sought the views of the Borough Council on this preliminary conclusion. An exchange of correspondence between the Council and the Planning Inspectorate took place as to the next steps to be taken. During this exchange, the first Cala Homes judgement¹ quashed the purported revocation of Regional Strategies. Accordingly, it was decided to hold a further Hearing Session on 3 March 2011 to provide the opportunity for the Council and other parties to make further representations.

Assessment of Soundness

Main Issues

1. Therefore, taking account of all the representations, written evidence, the discussions that took place at the Examination hearings on 5 October and 3 March and the current status of the East of England Plan (EoEP) I consider that the two main issues upon which the soundness of the plan now depends are:

Issue 1 – Is the spatial strategy and housing target in general conformity with the East of England Plan.

2. The re-establishment of the regional strategy as part of the development plan, as a result of the Cala Homes judgement in November 2010, fundamentally changed the way overall housing numbers are examined. While the EoEP remains part of the Development Plan for the area it is not necessary for the Council to specifically justify the overall housing numbers unless the Council is proposing numbers that differ from the regional figures. The EoEP identifies Stevenage as a “Key Centre for Development and Change”. Policy SV1 of that plan requires an overall housing growth of 16,000 dwellings within and on the edge of the built up area of Stevenage between 2001 and 2021. A minimum of 6,400 are to be provided within the Borough, and at least 9,600 provided on land within North Hertfordshire District (Policy H1).
3. For the period between 2021 and 2026 the EoEP favours an approach based on the assumption that the planned annual rates for the 2001 to 2021 period will continue. In this context, Core Strategy Policy CS02 proposes 20,800 new homes in and around Stevenage for the period 2001 to 2026, with at least 12,500 on land within North Hertfordshire District. In terms of housing numbers the Core Strategy therefore conforms with the regional requirement to provide

¹ Cala Homes (South) Ltd v Secretary of State for Communities and Local Government [2010] EWHC 2866 (Admin) (10 November 2010)

for at least 16,000 new homes to 2021 with a continuation of the previous annual rate thereafter for the years to 2026. It should be noted, particularly in the context of Issue 2 below, that North Hertfordshire District Council (NHDC) does not accept that the 2021 – 2026 dwellings should be distributed between Stevenage and North Hertfordshire in the way Stevenage proposes.

4. The spatial strategy, which involves significant expansion to the west and north of Stevenage, would involve modifying the Green Belt boundary. This is again in accordance with Policy SV1 of the EoEP which envisages a review of the Green Belt to establish a defensible long term boundary which would allow scope for continued expansion of Stevenage until at least 2031.
5. In the event that the Regional Strategy is revoked under the terms of the Localism Bill there are a number of factors that the Council will need to take into account when considering its local housing strategy. These include historic completion rates, housing land supply, employment growth predictions, household formation rates, regeneration requirements and the need for affordable housing. Although I heard evidence relating to these matters it is not now necessary for me to reach any conclusions about them because in terms of overall housing numbers the Plan conforms with the approved EoEP.
6. In conclusion on this issue, the Core Strategy is compliant with the requirements of the EoEP in terms of overall housing provision figures and the broad spatial strategy. However to be sound the strategy must also be deliverable and the EoEP Policy SV1 specifically deals with how this can be addressed. This is the matter considered below in Issue 2.

Issue 2 – How does the plan relate to those of neighbouring authorities; are cross boundary issues adequately addressed or very likely to be addressed in the near future; and is there the necessary commitment from relevant bodies to ensure the plan can be implemented in a realistic timescale?

7. The first matter to consider is the nature of the dependency of the Core Strategy on land outside the Borough boundary. The Core Strategy's spatial planning strategy is critically, not marginally, dependent upon land outside Stevenage's boundary. This dependency is twofold: firstly in terms of sufficient land to the north and west of the town but within North Hertfordshire being identified and made available to accommodate at least 12,500 homes. This figure is some 60% of the housing growth being proposed in the plan. In my experience this is an unusually high degree of dependence on a neighbouring authority to fulfil the housing requirements of another authority's plan.
8. Secondly, substantial housing and employment growth is seen as the driver for physical, economic and social change and regeneration

within the Borough. Clearly then, likeness of mind, co-operation and joint working between Stevenage and NHDC is not merely a useful option but an absolute necessity for Stevenage's Core Strategy to be able to be implemented in its current form. This critical dependency and the need for a partnership approach with other authorities and relevant bodies, including the preparation of joint or co-ordinated DPDs by Stevenage and NHDC, is acknowledged in the EoEP. Policy SV1 of the EoEP requires the strategy for Stevenage to "be delivered through a strong partnership approach, including the preparation of joint co-ordinated development plan documents by Stevenage and North Hertfordshire District Councils to establish the planning framework for the green belt review and urban extensions"

9. As far as the history of co-operation in plan making is concerned, joint working between Stevenage and NHDC was taking place in the form of the preparation of the Stevenage and North Hertfordshire AAP (SNAP). This plan would have identified land to accommodate the housing requirements of the EoEP. Then, following the Secretary of State's announcement on 6 July 2010, NHDC resolved to suspend work on the SNAP. NHDC did not resume its involvement with the SNAP following the first Cala Homes judgement. Furthermore, NHDC has not given any date for any resumption of joint working with Stevenage.
10. NHDC adopted a Local Development Scheme (LDS) in February of this year that indicates that NHDC will produce a preferred options version of its Core Strategy in July 2011. NHDC confirmed at the Hearing that this will contain a range of options that will take account of the housing and other needs of its District, and it will also take account of the Government's intention to revoke Regional Strategies as featured in the Localism Bill now before Parliament. NHDC's intention is to produce a pre submission version of its Core Strategy in July 2012, with submission to the Secretary of State in April 2013 and adoption in mid 2014.
11. As for further work on SNAP, the LDS states on page 20 that "the preparation of the Stevenage and North Herts Area Action Plan was suspended by North Hertfordshire District Council in June 2010 pending further clarity on housing targets for the District following the proposed revocation of the East of England Plan. This document will only be prepared if technical working on housing targets for North Hertfordshire proves that it is necessary for a substantial amount of land around Stevenage to be developed to meet those revised targets. If prepared, this document will be prepared with Stevenage Borough Council as the development will need to be integrated into the existing town of Stevenage but no timetable is shown here".

12. At the time of writing this report, the law requires that local development documents must be prepared in accordance with a LDS, and they must also be in general conformity with the regional strategy². Therefore, there can be no dispute that as long as the EoEP remains as the Regional Strategy and part of the Development Plan, NHDC could not adopt a Core Strategy that is not in general conformity with it. However, the point where positions diverge, especially those of Stevenage and NHDC, is whether the Government's intention to remove Regional Strategies justifies NHDC's refusal to set a date for a resumption of co-operative working. All agree that resumption is necessary to enable the Stevenage Core Strategy to be successfully implemented.
13. NHDC is at liberty to pursue its own LDS, which includes a timetable for the preparation and adoption of a Core Strategy and other plans. That timetable needs to take account of the preparatory work and consultations that NHDC deems appropriate and necessary for its District. NHDC is clearly entitled to consider all options for the development of its District but as long as the EoEP remains in force, those options must include accommodating the growth of Stevenage as required by that plan. However, as the judgement in the second Cala Home case points out: *"that regional strategies are at present central to the planning system does not render irrelevant and unlawful, for the purposes of a planning decision, the Government's intention to reform the system by removing them"*³. Accordingly, NHDC is entitled to take into account as a material consideration in its plan making function the Secretary of State's intention to revoke Regional Strategies. The weight to be attached to that intention; the implications for which options for the future development of its District the Council decides to pursue to adoption; and the legal and any other implications of so doing; are all matters for NHDC alone to determine.
14. My role is to determine the soundness of the Stevenage Core Strategy, and in doing this I must have regard, in addition to other matters, to the guidance in PPS12. This emphasises that Core Strategies must be, amongst other attributes, deliverable, with delivery partners signed up to it. Core Strategies must also be coherent with the strategies of neighbouring authorities; and they must be flexible. This guidance is elaborated in further guidance from the Planning Inspectorate that informs the assessment of soundness. One key question posed, which is crucial in this case, is *"whether it is clear who is intended to implement each part of the strategy/DPD; where the actions required are outside the direct*

² S24 (1) (a) Planning and Compulsory Purchase Act 2004

³ Paragraph 76, Cala Homes (South) Ltd v Secretary of State for Communities and Local Government [2011] EWHC 97 (Admin) (7 February 2011)

control of the local planning authority, is there evidence that there is the necessary commitment from the relevant organisation to the implementation of the policies?”⁴

15. Seeking to answer this question, the balance of evidence persuades me that there is considerable uncertainty as to when, if at all, NHDC will resume joint working with Stevenage. This uncertainty arises from firstly, the progress of the Localism Bill and its provisions that are eventually enacted; the statutory framework and context within which NHDC will prepare its Core Strategy; the options for development that NHDC will consult residents of the District upon; and the timetable for its eventual adoption. Based on the evidence submitted at the Hearings, I cannot but conclude that the necessary commitment on the part of NHDC to assist Stevenage to implement its Core Strategy is simply not there at the time of writing my report. Furthermore, it is not clear if such a commitment will ever be made. To simply endorse this Core Strategy so as to provide a basis for negotiations between Stevenage and adjoining authorities, as the Borough Council urges, might be a worthy aspiration on Stevenage's part but would achieve little and would not be a credible basis for a conclusion of soundness.
16. I have taken into account the provisions of s25 and s26 of the Act for the revocation and revision of local development documents. In particular whether these would be a satisfactory means to ensure that the Core Strategy in this case, if found sound and adopted in its current form, could be modified to reflect any outcome of the Localism Bill and likely response by NHDC. However, knowing that there is so much uncertainty and knowing the position of NHDC at the time of my Examination, it would not be rational for me to conclude that the Core Strategy has addressed cross boundary issues and is therefore sound in this respect. I have also considered whether this crucial aspect of the Core Strategy could be found sound on the basis that some of its housing growth, if only a minor part, could be achieved without the co-operation of NHDC, a “two pronged approach” as some described it.
17. However, such flexibility is not a feature of this Core Strategy. The dependencies between the local authorities and other bodies, in terms of Stevenage seeking high and expansive housing growth to drive regeneration; and in terms of ensuring that infrastructure providers had enough certainty to commit to essential projects, is such as to make a “two pronged approach” unworkable. I heard on 5 October that major developers are unlikely to commit to investment in Stevenage without the certainty of an adopted Core Strategy that satisfactorily addresses cross boundary issues. I agree with that

⁴ Local Development Frameworks – Examining Development Plan Documents: Soundness Guidance (The Planning Inspectorate August 2009)

view. The opposite view was expressed on 3 March by a housebuilders' representative but I was not swayed in that direction. Housing growth to the north and west of Stevenage requires a Green Belt boundary review; and substantial highway works in the form of a northern relief road. The latter is neither costed nor phased in the Delivery chapter of the Core Strategy, which only states that it is to be funded entirely by developer contributions. Furthermore, other essential work involving the A1 (M) has no funding provision in the plan until at least 2017. This situation does not convey the certainty that developers and other stakeholders rightly seek from the development plan.

18. PPS12 points to the importance of Core Strategies being underpinned by realistic infrastructure provision. I find that there is a need for this Core Strategy to embrace a more detailed infrastructure delivery plan that would include phasing for the delivery of homes linked to infrastructure provision. However, I doubt whether this can be done when the plan is so heavily reliant on the actions of other authorities and bodies, and key decisions have yet to be taken by them.
19. I have noted the guidance in paragraph 4.46 of PPS12 that it may not always be possible to have maximum certainty about the deliverability of a strategy. Where there is uncertainty it may be possible to deal with the matter by an alternative approach. Maximum certainty is not being sought as I appreciate that Stevenage is in a difficult position in this instance because it cannot control what North Herts decides to do. However because of the dependency of the Stevenage strategy on what North Herts decides, the degree of uncertainty in this instance is very considerable and no convincing evidence has been presented showing that an alternative strategy is possible.
20. I have given very serious consideration to the implications of a conclusion that the current Core Strategy is unsound. I am acutely aware of the very extensive work that has gone into the preparation of the plan, and the expectation that the plan would be a sound basis to deliver the long hoped for regeneration of the town. I am also mindful of Stevenage's housing needs and the ability of a sound Core Strategy to help remedy those needs. I note that there is still capacity within the Borough boundary for a five year housing land supply, based on adopted Local Plan rates, but this alone would not generate the wider benefits the Council and other stakeholders are seeking and would be unlikely to attract the level of inward investment the Council hopes for. I have therefore considered whether the Core Strategy could be made sound by changes that I could propose. However, I am in no doubt that the extent of the changes needed would require public consultation on options, a new sustainability appraisal, with the result that a new plan would be a fundamentally different one to that submitted.
21. In summary, cross boundary issues, which are so important to the soundness of this Core Strategy, have not been satisfactorily

resolved. There is so much uncertainty surrounding this plan that it does not provide a realistic and achievable spatial planning strategy for the future development of the town. Taken with my conclusion on the first issue, I find that this Core Strategy is unsound.

Overall Conclusion and Recommendation

22. My formal determination under section 20(5)(b) is that the Development Plan Document is **UNSOUND**. In consequence, I **recommend** that the Development Plan Document be **not adopted** under the provisions of section 23 of the Planning and Compulsory Purchase Act 2004 and that it be **WITHDRAWN** in accordance with section 22 of that Act.

Douglas Machin

Inspector