

TITLE OF REPORT: LOCAL DEVELOPMENT FRAMEWORK: CORE STRATEGY – HOUSING GROWTH TARGETS CONSULTATION

REPORT OF THE LOCAL DEVELOPMENT FRAMEWORK MANAGER

1. SUMMARY

- 1.1 This report seeks Members' endorsement of, and authorisation to consult the public on the Housing Growth Targets Preferred Options consultation papers.
- 1.2 This consultation would be the third stage of public involvement in preparation of the Council's Core Strategy and Development Policies DPDs, which will be part of the North Hertfordshire Local Development Framework (LDF).

2. FORWARD PLAN

- 2.1 The report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on 1 May 2008.

3. BACKGROUND

- 3.1 Under the Planning and Compulsory Purchase Act 2004 (as amended), the North Hertfordshire District Local Plan, No 2 with Alterations will be replaced with the North Hertfordshire Local Development Framework (LDF). The LDF will comprise a number of documents (Local Development Documents, LDDs) which will set out the spatial planning policies for the District. A full list of the documents which will be prepared is set out in the Local Development Scheme (LDS). The first LDS took effect in March 2005. The most recently published LDS was approved in February 2011 following consultation with the Government Office for the East of England.
- 3.2 Two of the documents which comprise the LDF are the Core Strategy and the Development Policies DPDs. The Core Strategy will set out the guiding principles for development in the District, whilst the Development Policies DPD will give more detailed policies and advice, for example on design or retail frontages.
- 3.3 To date work on the Core Strategy and Development Policies has taken place in accordance with the 2004 Act and the associated Regulations. An "Issues and Options" consultation took place in 2005 which was followed by the "Preferred Options" consultation in 2007. The Core Strategy and the Development Policies DPDs were being prepared to be in general conformity with the East of England Plan which set out the housing growth targets for the District.
- 3.4 Originally, the LDS stated that a pre-submission version of the Core Strategy and Development Policies DPDs would be published in September 2008. However, it became apparent that the results of the Rye Meads Water Cycle Study would need to be considered and incorporated into the Core Strategy (this impacted on many other authorities). Secondly, the Council welcomed an advisory visit from the Planning

Inspectorate. The aim of this visit was to look at the Core Strategy and advise whether there were any issues with the Core Strategy which could be problematic in terms of the soundness of the DPD when it reached the examination stage. The Inspector's note following the advisory visit suggested that further consultation on the issues addressed through the Stevenage and North Hertfordshire Area Action Plan (SNAP) should be completed before proceeding to submitting the Core Strategy to the Inspectorate for examination.

- 3.5 Work on the SNAP "preferred options" was being progressed and consultation on the document was planned for September 2010. However, after the General Election in May 2010, the new Secretary of State for Communities and Local Government quickly announced his intention to abolish the regional spatial strategies and return decision making to local councils. At its meeting in June, Cabinet agreed that work on SNAP should be suspended until there was greater clarity on future numbers of new houses and jobs.
- 3.6 Following this decision, Cabinet agreed in September 2010 that work on the Core Strategy and Development Policies DPDs should continue. With the anticipated removal of the regional housing targets it was decided that the Council should consider its own housing targets and that to help in setting an appropriate housing target figure some initial stakeholder consultations should be undertaken.
- 3.7 The legality of the Secretary of State's announcement that Regional Spatial Strategies should be revoked was challenged through a series of cases (brought by Cala Homes) in the courts. The Localism Act now confirms that the Regional Spatial Strategies can be revoked by Order of the Secretary of State. The effect of this piece of legislation is to enable councils to determine their own housing growth targets.
- 3.8 The next formal stage in preparing the Core Strategy and Development Policies DPDs will be to publish a pre-submission document for consultation before then submitting the DPD to the Secretary of State for examination by an Inspector.
- 3.9 At the examination the Inspector will determine whether the DPDs are "sound". The Inspector will prepare a report for the Council setting out the findings and changes that are recommended before the DPD is adopted. The Inspector can also find that the DPD is "unsound" and that work needs to be started again to address the problems.
- 3.10 Now that the Localism Bill has received Royal Assent, the council can consult on new housing growth targets for the district in anticipation of the East of England Plan EoEP being revoked. In the event that the EoEP is not revoked it would not be possible to proceed to submission with locally derived housing targets.

4. ISSUES

- 4.1 **New Housing Growth Targets – Stakeholder Consultation**
In preparing the new housing growth targets for the district, seven different housing growth scenarios were tested with stakeholder groups. These stakeholder groups included infrastructure providers, adjoining local authorities, the development industry, community groups and a group of individuals selected from the Citizens Panel. A summary of the issues raised in the discussions is attached as Appendix 1.
- 4.2 **New Housing Growth Targets – Preferred Options Consultation**
Following these stakeholder consultations, the different options have been refined and updated to incorporate more recent housing and population projections. It is proposed that eight options, including a preferred option, are tested through public consultation. The options range from 15,800 new homes down to 2,500 homes:

Option	Dwellings
A: East of England Plan	15,800
B: Normal migration trends	14,500
C: Stevenage growth	13,000
D: Continue trends (including Great Ashby)	11,000
E: Continue trends (excluding Great Ashby)	7,700
F: Delivering affordable housing	7,000
G: Natural change	5,400
H: Brownfield	2,500

4.3 Option A : East of England Plan, 15,800 dwellings

The highest growth level being considered is to continue with the East of England Plan target of 15,800 dwellings. The East of England Plan split this between 9,600 dwellings being on the edge of Stevenage (but in North Hertfordshire) and 6,200 dwellings in the rest of North Hertfordshire.

Delivering this number of homes would need major urban extensions to the west and north of Stevenage, as well as development of greenfield sites around Hitchin, Letchworth Garden City, Baldock, Royston and some of the villages.

Such a level of growth may boost the local economy (especially the construction industry) and improve access to the housing market, both in terms of delivering affordable housing and increasing the supply of open market housing. Large urban extensions on the edge of Stevenage may also give the opportunity to help broaden the range of the housing stock. Stevenage at the moment has significantly higher than average levels of modest terraced homes, but few larger properties.

4.4 Option B : Normal Migration Trends, 14,500 dwellings

This option is based on the Office for National Statistics' population projections, which assume that recent trends in migration patterns continue. Areas which have seen significant growth in recent years (as North Hertfordshire has with Great Ashby) therefore tend to get higher projections. The most significant migration affecting North Hertfordshire is people moving here from other parts of England – in international migration terms North Hertfordshire actually has more people leaving to live abroad than are coming to live here from abroad.

Although smaller than Option A, delivering this number of homes would still need major urban extensions to the west and north of Stevenage, as well as development of greenfield sites around Hitchin, Letchworth Garden City, Baldock, Royston and some of the villages.

4.5 Option C : Stevenage Growth, 13,000 dwellings

This option looks to build extensively around the edge of Stevenage, but not allow any greenfield development outside existing settlement boundaries in the rest of the district.

This option minimises the impact on the environment and landscapes around Hitchin, Letchworth Garden City, Baldock, Royston and the villages. However, it also makes it hard to meet needs for development arising from those areas, nor would those towns see much direct benefit from economic growth. Conversely, the area around Stevenage would be subject to very significant change.

- 4.6 Option D : Continue trends (including Great Ashby), 11,000 dwellings
This option continues the average rate of development in the district seen since 2001, including the significant development at Great Ashby.

In order to meet such a level of growth, land on the edge of Stevenage would be needed, although at this level it might be possible to choose between urban extensions to the west or north of the town, rather than both. This option would probably also involve development on some Greenfield sites around Hitchin, Letchworth Garden City, Baldock, Royston and some villages.

There is no particular demographic reason for pursuing such a level of growth. It exceeds the level of housing likely to be required due to changes in the district's current population, which is assessed as 5,400 (see Option G), and therefore allows for significant growth.

- 4.7 Option E : Continue trends (excluding Great Ashby), 7,700 dwellings
This option is similar to Option D, being based on continuing the average rate of development seen in North Hertfordshire since 2001. The difference is that this option excludes the housing completions at Great Ashby, on the edge of Stevenage. This is because Great Ashby was originally justified as meeting Stevenage's needs rather than North Hertfordshire's.

This is the first option which could be met without the need to develop land on the edge of Stevenage. However, trying to deliver 7,700 dwellings without any development would necessitate using nearly all the sites around Hitchin, Letchworth Garden City, Baldock, Royston and the villages. Many of these sites, although physically suitable for development, may be undesirable for other reasons. It may therefore still be the case that some of the sites on the edge of Stevenage may be preferable to using nearly all the possible sites in the rest of the district.

- 4.8 **The Preferred Option:** Option F : Delivering affordable housing, 7,000 dwellings
We have estimated that over the next twenty years North Hertfordshire will need an additional 2,580 affordable homes (129 affordable homes per year), in order to deal with current shortages and newly-arising needs. Most affordable housing is delivered as a proportion of the housing on sites built by private developers. We estimate that delivering 2,580 affordable homes will require 7,000 homes overall.

Given that the natural changes arising from the district's existing population need 5,400 dwellings (see Option G), building 7,000 homes should both enable us to meet the district's needs for affordable housing and exceed the district's overall level of need for housing. This surplus will allow for a modest increase in population, supporting economic growth, whilst having a more limited impact on infrastructure.

Whilst this option could be met without any development on the edge of Stevenage, it is considered (as with Option E) that some sites on the edge of Stevenage would be preferable to some of the least desirable sites on the edges of Hitchin, Letchworth Garden City, Baldock, Royston and the villages.

- 4.9 Option G : Natural Change, 5,400 dwellings
The Office for National Statistics population projections are split into two parts. First is the growth arising from natural changes to an area's existing population – essentially births minus deaths. The other component of the projections is the assumptions about migration trends. Option B is based on meeting the needs for both components of the projection. However, we believe it is also essential to consider a 'nil net migration' option, looking only to deliver the growth needed to meet the district's own natural change. We have assessed that this level of growth equates to 5,400 dwellings.

This level of housing growth would not bring any significant economic or prosperity benefits – any newcomers to the district would be effectively offset by existing residents moving away. Meeting this level of growth would still require development of greenfield sites, albeit to a lesser extent than all the previous options. It would be possible to meet this level of growth without any development around Stevenage, although there may be sites on the edge of Stevenage which would still be preferable to some of the sites elsewhere that would be required to meet this level of growth.

Whilst this level of growth might provide enough homes overall to meet changes in the district's current population, it would not deliver as many affordable homes as we believe are required.

4.10 Option H : Brownfield, 2,500 dwellings

This option avoids the need for any development on greenfield or green belt sites. Development is therefore entirely within the district's existing identified settlement boundaries.

This option is probably the best for the environment in terms of minimising the impacts on the countryside, habitats and landscapes. However, this level of growth would fail to provide enough housing to accommodate projected changes in our existing population, let alone allow for any growth in the population. Nor would it deliver enough affordable homes. Indeed, if only this number of homes were to be built, there would be the very real possibility that the population of the district would decline. For instance, young people who currently live with their parents may leave home but have to leave North Hertfordshire in order to find accommodation.

This level of growth would therefore also be effectively planning for economic decline of our town centres, which would decline as the population of their catchment areas declined. Our businesses would also find it harder to recruit staff locally, which may cause them to consider moving elsewhere.

4.11 Officers consider that the Council's preferred option should be identified in the consultation document as Option F : Delivering Affordable Housing, 7,000 dwellings.

5. LEGAL IMPLICATIONS

5.1 The Terms of Reference for Cabinet confirm that they should exercise the Council's functions as Local Planning Authority except where functions are reserved by law to full Council or delegated to the Strategic Director of Planning, Housing and Enterprise.

5.2 The Local Authorities (Functions and Responsibilities) Regulations 2004 reserve to full Council the adoption of final DPD's. However, decisions prior to the final adoption can be made by Cabinet.

6. FINANCIAL AND RISK IMPLICATIONS

6.1 No new implications arising from this report.

7. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS

7.1 There are no new HR implications arising from the contents of this report.

- 7.2 The Council recognises the changing nature of equality legislation and incorporates national legislation and regulations into its scheme and services as appropriate, as set out in the Council's Corporate Equality Strategy. The Race Relations (Amendment) Act 2000 extends the provisions of the Race Relations Act 1976 to cover all the activities of all public authorities. It makes important extensions to public authority duties. Equivalent statutory duties have been created for disability by the Disability Discrimination Act 2005 and for gender by the Equality Act 2006. These duties divide into a general duty and specific duties.

8. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 8.1 The Housing Growth Targets Preferred Options Paper has been drafted in light of comments and issues raised in the stakeholder workshops and by the cross party working group.

9. RECOMMENDATIONS

- 9.1 That the options for housing growth for the District outlined in this report are approved for consultation purposes.

10. REASONS FOR RECOMMENDATIONS

- 10.1 To ensure that Cabinet is aware of the housing growth targets consultation.

11. ALTERNATIVE OPTIONS CONSIDERED

- 11.1 The alternatives options have been considered beyond those listed in the report above.

12. APPENDICES

- 12.1 Appendix 1 – Summary of Stakeholder consultations on revised housing targets, November 2010

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14. BACKGROUND PAPERS

Defining the Housing Requirement Background Paper, December 2011