

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: STRATEGIC PLANNING MATTERS

REPORT OF: *SERVICE DIRECTOR - REGULATORY*

EXECUTIVE MEMBER: *EXECUTIVE MEMBER FOR PLANNING & EXECUTIVE MEMBER FOR TRANSPORT*

COUNCIL PRIORITY: RESPOND TO CHALLENGES TO THE ENVIRONMENT / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY / SUPPORT THE DELIVERY OF GOOD QUALITY AND AFFORDABLE HOMES

1. EXECUTIVE SUMMARY

1.1 This report identifies the latest position on key planning and transport issues affecting the District.

2. RECOMMENDATIONS

2.1. That the report on strategic planning matters be noted.

2.2. That the correspondence and information in Appendices A to C are noted and endorsed by Cabinet.

2.3. That the interim approach to First Homes set out in paragraphs 8.31 to 8.35 is endorsed

3. REASONS FOR RECOMMENDATIONS

3.1. To keep Cabinet informed of recent developments on strategic planning matters and progress on the North Hertfordshire Local Plan.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. None

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. Executive Members and Deputies have been briefed on the relevant matters in this report. The Local Plan Project Board has been updated upon matters affecting the ongoing Local Plan Examination. The Strategic Sites and Masterplanning Project Board has been

established to guide and monitor progress on major development sites proposed in the District. More information is contained in the report.

6. FORWARD PLAN

- 6.1 Recommendation 2.3 is a key Executive decision that was first notified to the public in the Forward Plan on the 18 February 2022.

7. BACKGROUND

- 7.1. Members will be aware of, and familiar with, many of the issues surrounding the strategic planning matters referred to in paragraph 1.1 above. This report is intended to provide Members with the current positions on these matters. As with previous reports, only those matters where there has been substantive new information or change are reported upon.

8. RELEVANT CONSIDERATIONS

Other Plans and Examinations

- 8.1. **Welwyn Hatfield** – In January the Council resolved to reject the option of meeting their identified housing needs in full through the identification of additional sites.
- 8.2. The [Inspector has now written a further letter to Welwyn Hatfield](#). This explains that he would be willing to consider progressing the plan based upon the identification of ten years' worth of sites to 2032. This is subject to the Council providing robust evidence demonstrating that this approach would provide and maintain a five-year land supply over that period and providing a commitment to review and update of the Plan to identify the additional supply. In the alternate, the plan should be withdrawn. The Inspector has asked Welwyn Hatfield to confirm their approach by 21 March.
- 8.3. Welwyn Hatfield are considering their response and any further update will be reported verbally at the meeting.
- 8.4. **Greater Cambridgeshire** – Consultation on [First Proposals for the new Local Plan](#) (produced jointly by South Cambridgeshire and Cambridge City Councils) ran between November and December 2021. An officer response to the consultation was submitted and is attached as Appendix A to this report.

North Hertfordshire Local Plan

- 8.5. The Council is still awaiting the publication of the Inspector's report into the new Local Plan. In February following the 'anniversary' of the Inspector formally closing the examination hearing sessions, the Executive Member for Planning wrote directly to the Planning Inspectorate seeking reassurance on the production of the report. This letter is attached as Appendix B to this report.
- 8.6. The Planning Inspectorate have responded. The response recognised the length and complexity of the examination and provided an assurance that the production of the report was a priority for both the Inspectorate and Mr Berkeley, the examining Inspector.

- 8.7. The previous report to Cabinet identified that an internal Strategic Sites and Masterplanning Project Board was being established to guide the implementation of strategic and significant housing sites. The Project Board has agreed its Terms of Reference and these are attached as Appendix C to this report. Further procedural guidance is being developed and will be reported to Cabinet once agreed by the Board.
- 8.8. To date, the Council (together with the County Council) has agreed two Planning Performance Agreements in order to seek to recover as much of its costs as possible in working with the landowner teams to prepare pre-application masterplans for the proposed development sites North of Stevenage (proposed site NS1 in the new Local Plan) and North of Letchworth (LG1). These are being progressed in line with the Masterplanning Principles approved by Cabinet in March 2021. Engagement with key stakeholders and public consultation on draft masterplan proposals is expected during 2022.
- 8.9. Other masterplans are being progressed through current planning applications lodged with the Council. Any masterplan documents produced in this way will be made available as part of the relevant planning application file [which can be viewed on line](#). Once the whole application is ready for determination, these will be presented to the Planning Control Committee. Public consultation on the first 'in application' masterplan for Highover Farm in Hitchin (proposed site HT1, available through the link above using application reference 18/00154/OP) began in January 2022.
- 8.10. Regular updates on the progress of masterplans and the work of the Project Board will be included in these reports.

Neighbourhood Plans

- 8.11. A referendum on the Ashwell Neighbourhood Plan was held on Thursday 3 March. The [result of the referendum](#) was 364 votes in favour of the neighbourhood plan and 24 votes against. A separate report will be prepared for the Executive Member to "make" the neighbourhood plan under existing delegated powers. The Ashwell Neighbourhood Plan will then form part of the statutory Development Plan and will be used in relevant decisions.
- 8.12. The Knebworth Neighbourhood Plan is subject to a separate report to this meeting.

Hertfordshire Growth Board (HGB) and North-East-Central (NEC) Hertfordshire

- 8.13. The agenda items for the January HGB meeting are [available from the Growth Board website](#) including items on the work programme of the Board and its subsidiaries and an investment strategy.
- 8.14. AECOM have been procured by East Hertfordshire District Council on behalf of the NEC Herts authorities (Broxbourne, East Herts, North Herts, Stevenage, Welwyn Hatfield and the County Council) to undertake a Growth Study. This will examine strategic options for dealing with long-term development needs across this wider area.

Government announcements

- 8.15. The Government's Levelling Up White Paper was published in February 2022. This includes a number of broad themes and ambitions in relation to planning. However, further details of these are not expected to be provided until later in the Spring. The high-level announcements at this stage include:
- Retaining the ability of the public to have a meaningful say on individual planning applications through new digital technologies;
 - Make local plans simpler and shorter and the engagement process easier and more efficient;
 - Widening the accessibility of neighbourhood planning;
 - Developing models for a new infrastructure levy enabling local authorities to capture value from new development more efficiently;
 - Directing funding for new housing away from London and the wider south-east and to focus upon brownfield sites; and
 - Devolution deals for all parts of England that want them.
- 8.16. In January 2022, the Government released the latest Housing Delivery Test results for local authorities. This is a measure of new homes built in the preceding three years against either Local Plan targets (where these are adopted and up-to-date) or the Government's 'standard method' figures for new homes.
- 8.17. The latest results state that North Hertfordshire delivered just under half of the number of new homes required (49%). As a consequence, the Council should prepare an Action Plan outlining how it will improve delivery and apply the 'presumption in favour of sustainable development' to planning applications.
- 8.18. This is a similar result and position to the previous Housing Delivery Test results. In practical terms, the latest results make little difference. The Council has operated under the 'presumption' in considering planning applications for a number of years.
- 8.19. It was previously reported to Cabinet (July 2021) that it had been agreed with the Executive Member and Deputy that any update of the Action Plan should be delayed until the outcomes of the Local Plan examination were known. Officers consider this should remain the case. Following conclusion of the examination, the Council will be able to update its HDT results in line with the Inspector's recommendations and any subsequent Council decision and review its proposed actions in light of these.

Other transport, planning and infrastructure matters

- 8.20. **Proposed expansion for London Luton Airport**, LLAL, rebranded as Luton Rising (LR) are undertaking the second round of statutory consultation for eight weeks from 8 February to 4 April 2022 prior to submission of a Development Consent Order (DCO) for the proposed expansion to the Planning Inspectorate later this year.
- 8.21. The proposal includes an extended airfield platform, a new terminal, additional taxiways and aprons, additional parking, various airside and landside facilities, changes to surface

access, surface water management, landscaping and replacement open space – with growth being phased to 21.5mppa by 2027, 27mppa by 2039 and 32mppa by 2043.

- 8.22. North Herts Council is one of four 'host authorities' (the others being Central Bedfordshire, Luton and Hertfordshire County Council (HCC)). A host authority is one within whose administrative area part of the development would lie. A Planning Performance Agreement (PPA) had previously been signed with LR to pay for the host authorities to engage consultants to review the statutory consultation documents and submit comments on their behalf. Given this is the second statutory consultation, officers are seeking to renegotiate the PPA to secure additional funding. This does not preclude Local authorities from submitting their own individual response to the consultation. A copy of our response will be appended to a future Cabinet report.
- 8.23. Link to the online consultation documents may be viewed at <https://lutonrising.org.uk/consultation/>. Hard copies are also available to view by appointment at the CSC in the Council Offices.
- 8.24. In addition to a virtual exhibition on the website LR have also been holding a number of consultation events including at Hitchin, Whitwell and Breachwood Green – the remaining event for March following the Cabinet meeting is at: Luton on Saturday 26 March between 10:30-15:00 at Wigmore Church and Community Centre, Crawley Green Road.
- 8.25. As previously reported the Council commissioned consultants to prepare a response on behalf of the Council to the London Luton Airport S73 proposed planning conditions amendment to allow for an increase from 18 to 19 million passengers per annum. The application was presented to the Luton Borough Council Development Management Committee (DMC) on 30 November. Permission was granted. NHDC supported a letter submitted by HCC to Luton Borough Council expressing the view that the published report to the DMC on 30th November did not form a sufficiently robust basis to enable the Committee to come to a properly informed view and decision on the planning application before them. Following grant of permission HCC submitted a letter to Secretary of State (SoS) for Levelling Up, Housing and Communities to call in the application predominantly on noise grounds. The call in was successful and we are still waiting on the decision by the SoS. Any further updates will be reported at the meeting.
- 8.26. **LCWIP (Local Cycling and Walking Infrastructure Plan)** – Following the second round of workshops in December, the consultants, WSP, have analysed the comments and are in the process of preparing a table of interventions, where the various schemes will be prioritised against a scoring matrix with approximate costings. The draft plan will be submitted to the officer working group for review and comment during March/April. Once reviewed the intention will be for formally consult on the draft LCWIP in May/June.
- 8.27. **Sustainable Travel Towns** – as previously reported, Outline Plans for both Letchworth and Royston were agreed by the HCC Highways and Transport Cabinet Panel meeting on 4 Nov 2021 for inclusion in the full Sustainable Travel Town (STT) programme.
- 8.28. The Officer working groups have started to meet and are in the process of preparing and agreeing an overall work programme. This work will include developing a package of

measures that can deliver a significant switch to sustainable transport together with wider engagement with key stakeholders and local organisations.

- 8.29. **Department for Transport Rural Mobility Fund** – the new DRT (Demand Responsive Transport) bus service, branded HertsLynx commenced in September 2021. This provides a pre-booked taxi-like service between rural locations and key destinations in north and east Hertfordshire towns – Stevenage, Hitchin, Letchworth, Baldock, Royston, Buntingford and Bishops Stortford. Uptake has grown faster than forecast, despite COVID. Users include students travelling to schools and colleges, commuters, as well as concessionary pass holders. Some early service glitches and delays have largely been ironed out, and customer satisfaction is high, with close to 95% of reviews being 4 or 5 out of 5. The financial performance will become clearer once we have a few months' worth of data after the Covid Plan B restrictions were lifted.
- 8.30. **EV Charging Strategy** – The County Council is continuing to consult with districts and boroughs to develop a strategy around installing electric vehicle charging points. North Herts will shortly have access to the EV Ready Toolkit, a mapping service that will help officers identify how growing demand may best be satisfied with charging points at destinations (workplaces, supermarkets, leisure centres, etc), hubs (car parks, fuel stations and dedicated charging stations), and on-street.
- 8.31. **First Homes** – It was previously reported to Cabinet (June 2021) that the Government had announced a new affordable housing product called 'First Homes'. To recap, First Homes are discounted market sale housing which:
- must be discounted by a minimum of 30% against the market value;
 - are sold to a person or persons meeting the First Homes eligibility criteria (see below);
 - on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,
 - after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).
- 8.32. The introduction of First Homes was subject to a series of transitional arrangements. Some of these key transitional arrangements expire on 28 March 2022. At the time First Homes were announced it had been anticipated that a decision on adoption of the Council's new Local Plan and / or supporting supplementary documents would have taken place prior to the expiration of the transitional arrangements. However, it is now necessary to consider interim arrangements. National policy requiring the inclusion of First Homes is a material planning consideration on all applications where affordable units are sought
- 8.33. Officers have a number of concerns over First Homes as a product. These include (but are not limited to):
- The genuine affordability of this product to local residents that require assistance with their housing needs;
 - The potential 'displacement' of other forms of affordable housing; the combination of the 30% discount and £250,000 price cap means that smaller (1- and 2-bed) units

are likely to be the most attractive option for developers to provide as First Homes but these are the unit types where there is the most pressing need to secure affordable homes for rent;

- The potential impacts upon the viability of schemes to the detriment of affordable housing provision or other policy requirements or contributions; and
- The potential administrative burdens on the Council, particularly in relation to monitoring and enforcement, given any First Homes would not be transferred to a Registered Provider.

8.34. These issues will be further explored through (i) an update to the Council's 2016 Strategic Housing Market Assessment and (ii) a revised / updated draft Developer Contributions Supplementary Planning Document (previously reported to Cabinet in July 2021) to formally set out the Council's policy position. These projects were being held in abeyance pending the outcomes of the Local Plan examination but, given the need for up-to-date advice, will now be progressed and reported to Cabinet later in the summer.

8.35. In the interim, officers recommend that any request to include First Homes as part of the affordable housing mix is considered on its merits on a case-by-case basis. The provision of First Homes will be supported where it would not adversely impact upon:

- the overall proportion of affordable housing that can be achieved on site having regard to the targets in Policy HS2 of the emerging Local Plan and saved Policy 29a of the 1996 District Local Plan;
- the proportion of rented housing that can be achieved on site having regard to the emerging Local Plan requirement for 65% of affordable homes to be rented;
- the mix of rented housing indicated as being required by the Council's Strategic Housing Market Assessment or other relevant evidence (e.g. local needs assessments or the housing waiting list); and
- any other policy requirements or contributions that have been properly tested through the Local Plan examination

9. LEGAL IMPLICATIONS

9.1. Under the Terms of Reference for Cabinet, the Constitution states that it may exercise the Council's functions as Local Planning Authority and receive reports on strategic planning matters, applications for, approval/designation, consultation/referendums revocations (or recommend revocation) of neighbourhood plans and orders, (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Regulatory).

9.2. The preparation of statutory plans is guided by a range of acts and associated regulations including the Planning and Compulsory Purchase Act 2004 (as amended) and the Localism Act 2011. All local planning authorities are bound by a statutory Duty to Co-operate on cross-border planner matters.

9.3. The setting of discretionary fees and charges for planning services are delegated to the Service Director: Regulatory in consultation with the Executive Member for Planning.

10. FINANCIAL IMPLICATIONS

- 10.1. The costs of preparing the Local Plan have been reviewed on a regular basis and are reported through the quarterly revenue monitoring reports to Cabinet.
- 10.2. The general costs of preparing other planning documents, responding to consultations on neighbouring authorities' Plans, neighbourhood plans and Government consultations and the other activities identified in this report are met through existing revenue budgets or benefit from external funding or other arrangements to recover costs.
- 10.3. The report refers to Planning Performance Agreements. Although these represent a new process and income stream, they do not necessarily represent additional monies to the Council at this stage. Prior to the introduction of masterplanning requirements, the negotiation of significant planning applications would have taken place under the Council's charged pre-application advice service and / or through the planning application. This will continue to be the case in some instances. Planning application fees are set nationally. The Council sets local income targets for pre-application advice and planning applications to inform budgeting and budget monitoring.
- 10.4. Income from PPAs will, in the short term at least, reflect a displacement of potential income from the above. Given the way PPAs are structured, with phased payments at key stages of the process, there will be only a relatively nominal income at this late stage of the financial year. Officers will monitor anticipated and actual PPA income and the relationship between PPA, pre-application and planning application income and reflect this as required in budget monitoring and / or targets during 2022/23. PPA income may be used to offset any shortfalls in the other income streams.

11. RISK IMPLICATIONS

- 11.1. Sustainable Development of the District and the Local Plan are both Corporate Risks. The Sustainable Development of the District has a sub-risk that covers the risks arising from the duty to co-operate with neighbouring authorities.
- 11.2. An initial review of the existing risks for planning and development has been undertaken. It was concluded that it was best to revisit these risks once the Inspector's report has been received and / or any final decision on adoption of the new Local Plan has been taken. Reviews will also reflect the new approach to setting and monitoring Corporate Risks.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are not considered to be any direct equality issues arising from this report. Future individual schemes or considerations may well be subject to appropriate review to ensure they comply with latest equality legislative need. Any risks and opportunities identified will also be subject to assessment for impact on those that share a protected characteristic.

13. SOCIAL VALUE IMPLICATIONS

13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

15.1. The approved budget for 2022/23 includes funding for additional posts in the planning service. Recruitment is currently ongoing to four posts across the Strategic Planning and Development Management teams.

15.2. The (potential) resource impacts of First Homes will be kept under review. As set out in paragraph 8.34, there are potential new and additional administrative, monitoring and enforcement burdens for the Council. These may require additional resource in the future.

16. APPENDICES

16.1. Appendix A – NHDC Response to Greater Cambridgeshire Reg. 18 consultation

16.2. Appendix B – Letter from Cllr Ruth Brown to the Planning Inspectorate

16.3. Appendix C – Strategic Sites and Masterplanning Project Board – Terms of Reference

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18. BACKGROUND PAPERS

- 18.1 [Local Plan Implementation – Report to Cabinet March 2021](#)
- 18.2 [Strategic Planning Matters – Report to Cabinet June 2021](#)
- 18.3 [Developer Contributions SPD – Report to Cabinet July 2021](#)
- 18.4 [Strategic Planning Matters – Report to Cabinet December 2021](#)
- 18.5 [Government guidance on First Homes](#)