

REPORT FROM: PLANNING, BUILDING CONTROL AND LICENSING SERVICES MANAGER

TO: POLICY AND RESOURCES COMMITTEE

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LOCAL PLAN ALTERING THE HOUSING REQUIREMENT

PURPOSE OF REPORT

To inform Committee of the options and implications for the Local Plan Preparation for altering the housing requirement in the Local Plan.

RECOMMENDATIONS

- (1) That the Committee note the likely implications both financially and in terms of timescale that altering the housing requirement would result in.
- (2) That the Local Plan proceeds to be prepared based on the Objectively Assessed Housing Need set in the Core Strategy.

REASON FOR RECOMMENDATIONS

In order to proceed with the adoption of the Part 2 Local Plan in a timely and robust way

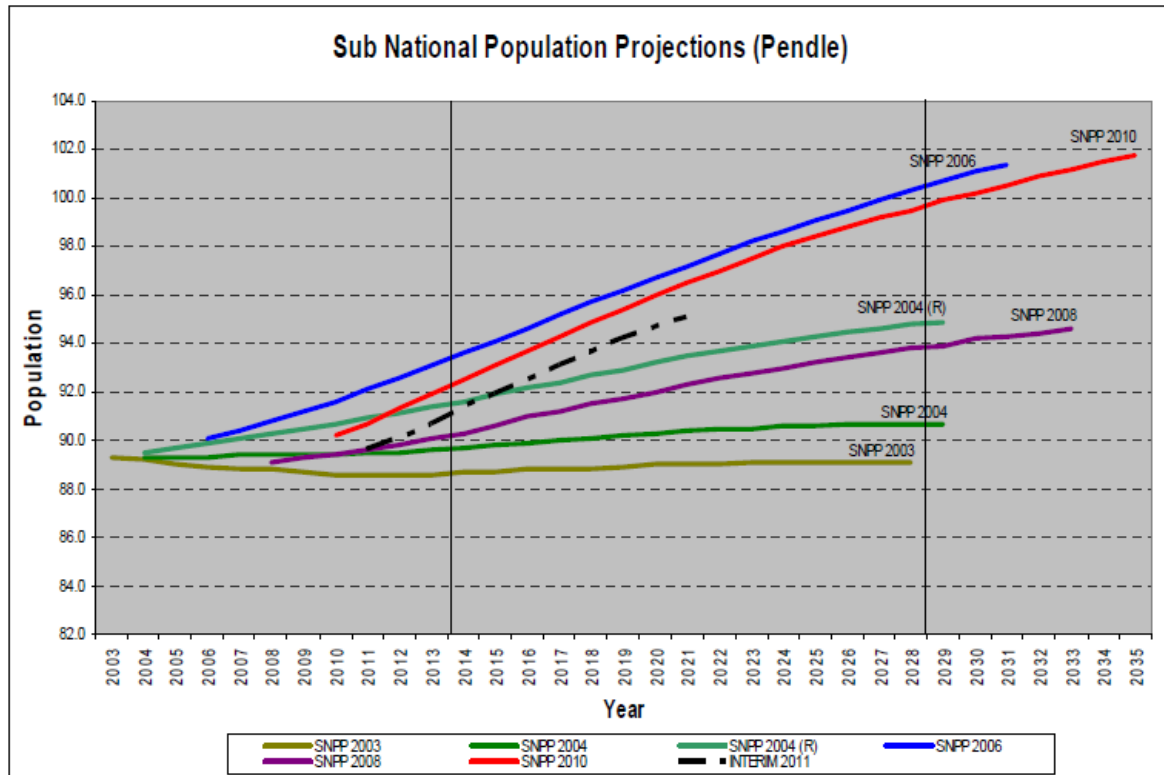
ISSUE

- 1 The Local Development Framework is the modern Plan making system operated in England. This has altered from requiring a single Local Plan, then to requiring a series of Development Plan documents, then back to a single Plan when the first National Planning Policy Framework ("the Framework") was issued in 2012 to the latest proposal of having a strategic set of policies with other supplementary policies and parts of the Plan.
- 2 Pendle adopted a two tier approach to preparing the Local Plan. This was to have a Core Strategy which would set out the long term development needs of the Borough in what is tantamount to a strategic Part 1 Local Plan. This would then be supplemented by a Part 2 Local Plan which would deal with the non-strategic policies we need to consider development proposals as well as allocating land for development.

- 3 In preparing the Core Strategy (“CS”) we had to carry out a number of processes in order to underpin it. Fundamentally though all of the policies in the CS had to be fully justified by a sound evidence base. This evidence looked at our spatial characteristics, our economic and housing issues and overall what we needed to achieve to address the problems the Borough faced. This is often lost when individual policies are considered in isolation of what the CS overall set out to effect. The Inspector who reported on the CS had to be satisfied that our approach to development, conservation, social inclusion and economic development represented the most appropriate strategy for planning policy for the Borough. The Vision for Pendle in the CS is a transformational one seeking better and more attractive places to live, a diversified economy as well as a cleaner, greener environment.
- 4 When looking at changing the CS we need to be assured that its overall objectives are not weakened so that what results is a strategy that does not address the needs of the Borough overall. There were ten Objectives (CS table 5.1). Amongst these were a recognition that the housing needs of our current and future generations needed to happen and that the imbalance in our housing market needed to be addressed. A further objective was to reduce inequalities.
- 5 Over the last 6 years an average of 110 houses per annum have been built. With our population of circa 90,700 that equates to a yearly increase of one house for every 824 people or an increase in household spaces of 0.29%.

Evidence Base

- 6 The evidence base for the CS was substantial and comprehensive. It included a very detailed Strategic Housing Market Assessment (“SHMA”) that was revised to take into account the census data that was emerging at the time. The census data we were informed was the most reliable data possible for assessing future housing needs as it was primary data not built up of assumptions about population change that were made for every Office for National Statistics sub-national population estimate release. In other words it did not compound errors in assumptions that were employed in the 2 yearly sub-national population releases as it was based on the full results of the census.
- 7 As can be seen in the graph below population projections have varied significantly between the 2 year releases which gives concerns as to their reliability.



- 8 The SHMA looked at a number of scenarios in order to establish the Objectively Assessed Number (“OAN”). The scenarios included the do nothing approach through to policy intervention and making assumptions about what the policies in the CS would mean for future housing numbers.
- 9 The scenario that the Council put forward, and which was found to be the best strategy for Pendle, was to estimate population change and then add to that the requirements to have a sufficient supply to meet the employment growth planned in the CS. The current Framework required that economic and housing requirements should be considered together and complement each other.

Revised National Planning Policy Framework (“the Framework”)

- 10 We reported the detail on the full changes that are forthcoming in the revision of the Framework to the former Executive in March 2018. The revised version has not yet been formally published but it is strongly believed will include the option of using nationally derived housing figures as part of the Plan making process, despite the majority of those responding to the draft proposal objecting to that element of the proposed changes. This is referred to as the standard method (“the SM”) in the draft Framework.
- 11 The draft Framework requires policies which are out of date to be reviewed and that the Strategic Policies of a Plan be reviewed every 5 years. Strategic housing policies need only be reviewed if the SM housing figure has increased. The figure that has been assessed for Pendle is 165 units per annum which is below the 298 OAN.
- 12 Critically here is the lack of clarity on the relationship between the SM figure and other factors. The current Framework makes it explicitly clear that there needs to be a close correlation between the housing requirement and other issues, most notably the economic aspirations of a Plan. That relationship is not featured in the proposed Framework but is mystifyingly included in the accompanying draft Guidance. It has little status therefore as Guidance is not policy and will be given much less weight than policy.

- 13 What is clear in the draft Framework though is that the SM figure is to be a minimum, that there is no requirement for the housing figure to be revised for up to date Plans where the OAN is higher than the SM figure and that there is some expectation that economic aspirations and the housing requirement should be aligned.

Implications

- 14 The draft Framework will require some elements of evidence to be either updated or produced. For example the definitions of affordable housing and the policy requirements to align house types to that need are altering. We will only be able to fully assess the implication of this when the final version is published.
- 15 If we are to look at the housing requirement this will involve the preparation of a new Housing Market Assessment based around the SM process. The methodology in our adopted SHMA is not the same as in the SM. The precise costs of this are not known but it will have to be put out to tender and produced. Producing it would take time and there would be a delay in producing the Part 2 Plan whilst the tender was produced, advertised, consultants procured, document produced in draft, taken through the Committee process, consulted on and integrated into the CS and Part 2 Plan. As an estimate that would delay it by circa 12 months.
- 16 In addition to the evidence that we will have to produce to deal with the changes in the revised Framework (the report to the Executive in March contained a table listing these) we would have to revise parts of the Sustainability Framework which we employ specialist consultants to do for us.
- 17 We will also be examined on the changes and they will add to the examination time for which we are charged by the Planning Inspectorate.
- 18 It is difficult to estimate the overall financial implications for altering this element as there are no examples of using the SM as it is not yet formally in place but it is estimated that it would be circa £50,000.

Justification for Changing the Housing Requirement

- 19 The CS was produced over a period of time and is just over 2 years old. It is a Plan that should span 15 years. IT was examined in detail by an independent examiner and was found to be the optimum overall policy to address the many issues facing Pendle. The evidence on which it was produced was also found to be robust and sound. The housing figure was produced not only to meet the basic population change but also to address issues such as choice, diversification of housing stock, social deprivation and economic aspirations. It is still a sound figure and the recommendation is that no change is made to it until the CS is revised.

IMPLICATIONS

Policy: None

Financial: The full costs are not known but there would need to be a new housing needs assessment undertaken, a revision of the Sustainability Appraisal and there would be additional time at examination. Initial estimates would be circa £50,000.

Legal:	None
Risk Management:	Altering the Objectively Assessed Housing Needs figure would delay the adoption of the Local Plan
Health and Safety:	None
Sustainability:	None
Community Safety:	None
Equality and Diversity:	None