

Committee: Environment Committee

Agenda Item

Date: 17th March 2011

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Title: Uttlesford Core Strategy – Review of
Housing Requirements

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Item for decision

Summary

1. At the meeting of the Environment Committee on 7th September 2010, Members resolved to review the scale of housing growth appropriate for Uttlesford and subsequently the location of that growth. This report presents the review of the housing numbers. Further consultation is planned for the autumn to identify appropriate locations to accommodate this level of growth.

Recommendations

2. That members approve the housing numbers set out below as a basis for further consultation.

Financial Implications

3. The recommendations have unbudgeted costs for carrying out additional consultation. The cost of implementing the recommendations will depend on Members' views on appropriate methods of consultation. At the last consultation stage the cost was around £16,500 which included a leaflet drop to each household and printing of the main consultation document and the accompanying sustainability appraisal. The expenditure will be made in the 2011/12 financial year and will be drawn down from the Planning Development reserve.

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report and on line.

Annual Monitoring Report, Uttlesford District Council 2010

<http://www.uttlesford.gov.uk/uttlesford/file/Annual%20Monitoring%20Report%202010.pdf>

East of England Plan, Government Office for the East of England, May 2008

http://www.gos.gov.uk/goee/docs/Planning/Regional_Planning/Regional_Spatial_Strategy/EE_Plan1.pdf

2011-15 Affordable Homes Programme – Framework.

Homes and Communities Agency, February 2011

<http://www.homesandcommunities.co.uk/public/documents/Affordable-Homes-Framework.pdf>

Planning Policy Statement 3: Planning for Housing - Technical change to Annex B, Affordable Housing definition: Consultation. CLG, February 2011

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/1840767.pdf>

Household Projections, 2008 to 2033, England. CLG, November 2010

<http://www.communities.gov.uk/documents/statistics/pdf/1780763.pdf>

2008-based Sub-national Population Projections.

Office for National Statistics, May 2010

http://www.statistics.gov.uk/downloads/theme_population/snpp-2008/InteractivePDF_2008-basedSNPP.pdf (file # 5)

2008-based Household Projection, Table 406: Household projections, by district, 1991-2033. CLG, November 2010

<http://www.communities.gov.uk/documents/housing/xls/140987.xls>

London Commuter Belt (East)/M11 Sub-Region Strategic Housing Market Assessment 2008. Opinion Research Services & Savills, October 2009

<http://www.uttlesford.gov.uk/documents/website%5CPlanning%5CHiddenDocs%2FSHMA%20Full%20Report%202009%2010%2029%20LCB%20East%20V4.pdf>

Viability Assessment For London Commuter Belt (East)/M11 Sub-Region. Level, August 2010

http://www.uttlesford.gov.uk/documents/website%5CPlanning%5CLocal%20Plans%20and%20Local%20Development%20Framework%5CHidden_Docs%2FSHMA%20Viability%20230810%20M11%20draft%20final%20report.pdf

Key Figures for 2001 Census: Key Statistics. Neighbourhood Statistics, ONS

<http://neighbourhood.statistics.gov.uk/dissemination/LeadKeyFigures.do?a=7&b=276967&c=uttlesford&d=13&e=15&g=447189&i=1001x1003x1004&m=0&r=1&s=1298894059838&enc=1>

Impact

5.

Communication/Consultation	The revised housing numbers will form the basis for further consultation on the Core Strategy scheduled to take place in October/November 2011
Community Safety	N/A
Equalities	Any policies arising from the revised housing targets will be subject to an equalities impact assessment
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	A sustainability appraisal will be required to inform the next stage of consultation
Ward-specific impacts	Ward Specific Impacts will not be identified until further work has been done on possible options for distribution of the housing requirement between settlements.

Workforce/Workplace	N/A
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Situation

6. As Members will recall, at the meeting on 7th September 2010 the Committee resolved to carry out a review of the scale of growth appropriate for Uttlesford and subsequently the location of that growth. This was in response to the proposed abolition of the Regional Spatial Strategy (RSS) and the removal of the RSS housing target figures from the development plan. Before the September committee the Council's Local Development Framework (LDF) working group had met to discuss how to move forward with the LDF programme and agreed 4 key points to be put to the Environment Committee as follows:-
- The group welcomes the abandonment of the RSS housing targets;
 - In the light of the Government announcement, officers be asked to carry out a review of the housing growth figures with a view to reducing the number. It was likely that with fewer numbers the pressure for concentrating development on a single strategic site would be reduced;
 - The Council should not progress its core strategy until it has carried out the review of the housing growth numbers; and
 - The working group recognises the need to provide affordable houses in the district and asks the Council to build on the work already underway and to explore further opportunities.
7. Following the committee officers identified a range of possible options for the amount of growth on the basis of different approaches to identifying housing need. These approaches included meeting the projected growth in the numbers of households resident in the district and meeting the projected natural population growth in the district during the LDF period.
8. Members of the working group felt that accommodating the projected increase in households would generate an artificially high additional 'need' because it was based on the past development rates required to meet the targets in the RSS. This had generated a sharp increase in the rate of house-building and the rate of both population and household growth within the district.
9. The option of a low level of growth, catering only for natural growth but no in-migration, was also rejected on the basis that any strategy which did not allow for some element of in-migration was unlikely to be found sound by an Inspector at Examination.
10. At the meeting of 28th February 2011, the LDF working group considered a further option based on natural growth and the need to provide affordable housing for social rent. This approach is explained in table 1 below. It would require additional new sites to be identified for 2,500 homes and it is this approach which is now being recommended to this committee.

Table 1 Explanation of locally-derived figure for additional dwellings	
(1) Identify population growth likely to result from natural change 2010-2027	= 1,600 people
(2) Convert population into projected number of households to be accommodated i.e. population growth / average household size (2.3 persons)	= 700* households
(3) Assuming:- (i) Additional social rented housing is mainly required to satisfy demographic growth (as found by Strategic Housing Market Assessment); and (ii) the current policy of requiring 40% affordable housing on sites of 15 units or more of which 70% are for social rent remains, then the total amount of new housing required to deliver 700* social rent homes is:	= 2,500 homes
(4) No of homes required on new sites	= 2,500
* Figures rounded	

11. The figure of 2,500 homes on new sites will:

- 1) meet the identified local housing need; whilst
- 2) reducing the amount of growth that would have resulted from the level of allocation in the RSS;
- 3) produce a figure that is well-justified and thereby likely to satisfy the inquiry inspector that the strategy is “sound”; and
- 4) have regard to the implications of the new affordable housing regime resulting from the Affordable Homes Programme 2011-2015.

12. The time period for the delivery of the new housing will be 2012 – 2027. This reflects the fifteen years that is the minimum requirement for the Core Strategy following its adoption. However, this period will be rolled forward by a year if the target adoption date for the Core Strategy is changed to 2013 as recommended in the Local Development Scheme update report, also on this agenda.

13. In addition to the new site requirement 2,521 homes already have permission but are not yet built. The average annual building rate necessary to deliver both these units and the further 2,500 by 2027 to meet the locally-derived need will require an annual building rate of 295 (which is 71% of that which would have been required to deliver the RSS allocation).
14. In reaching its conclusion, the working group had due regard to the recommendations of officers with regard to the Government’s guidance on the preparation of LDFs and what the inspector at the inquiry into the Core Strategy could reasonably be expected to find “sound”. This was with a view to avoiding a situation in which the inspector found the strategy to be “unsound”. This is because such a situation would enable him/her to direct that an alternative figure is introduced and this may well emanate from whatever arguments objectors to the strategy put forward. Any such figure would undoubtedly be higher and therefore possibly not acceptable to the council but would nevertheless be imposed upon it.
15. It also had regard to the new Affordable Homes Programme 2011 – 2015 which is about to be introduced by the Homes and Communities Agency (HCA) for the Government. The new regime will enable local housing authorities and housing associations to both provide new and convert vacant social rent properties at up to 80 per cent of market rent. The providers of this new “Affordable Rent” product will also be able to offer fixed-term tenancies, with a minimum fixed term of two years, rather than agreements for life. The government expects Affordable Rent to be the main element of housing developed by providers of affordable housing both for new supply and the conversion of re-lets.
16. Details of how the new regime will operate have recently been published. Those which are relevant to the provision of affordable housing, and hence the setting of the housing allocation in this district, are as follows:-
- A proposed revision to Planning Policy Statement 3: ‘Housing’, currently subject to consultation, changes the definition of affordable housing and specifies that Affordable Rent is considered to fall within the definition of affordable housing for planning purposes. The definition explains that Affordable Rent is to be allocated to the same people who are currently eligible for social rent, but that the level of rent will be set in a different way.
 - It is expected that providers will utilise the new regime to charge rents at 80% of market rents in order to fund development programmes.

Risk Analysis

17.

Risk	Likelihood	Impact	Mitigating actions
That a core strategy based on a locally derived housing requirement may	2 - An inspector may have concerns that the scale of	3 - That the Core Strategy will not be adopted and additional work will be required to make	Need to make sure that any figure which is put forward is justified in

not be found “sound” by an Inspector	housing is below the RSS requirement	the plan sound, resulting in further delays to the adoption of the plan, additional costs and the risk of planning by appeal in the meantime.	response to local circumstances and the available evidence.
Adoption of core strategy may be delayed if enactment of Localism Bill subject to excessive delay.	2 – The current parliamentary programme would have to slip	3 - Core Strategy incorporating a locally derived housing requirement could not progress to Submission stage prior to abolition of RSS allocation.	Provide up-to-date information regarding land supply to supplement a policy stance to resist certain developments.
That it may be a requirement to have an up-to-date development plan in place by the end of 2012.	3 – The Government is currently considering an amendment to the Bill.	2 - Development proposals would be determined on the basis of a “presumption in favour of sustainable development”.	Identify potential implications by monitoring any details emerging as to how “sustainable development” might be interpreted.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.