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**Meeting:** Sustainable Communities Overview and Scrutiny Committee  
**Date:** 12 May 2014  
**Subject:** Development Strategy update  
**Report of:** Cllr Nigel Young, Executive Member for Sustainable Communities – Strategic Planning and Economic Development  
**Summary:** The report presents an update on events related to the Development Strategy since January 2013, in particular related to housing need and the joint Strategic Housing Market Assessment. It outlines the likely changes to the Development Strategy that will be considered by Executive and Council over the coming weeks.

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**Advising Officer:** Jason Longhurst, Director of Regeneration and Business Support  
**Contact Officer:** Richard Fox, Head of Development Planning and Housing Strategy  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Council

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

The Development Strategy, as an overarching planning policy document, has the potential to contribute to each of the Council priorities. The main focus of the document is “Enhancing Central Bedfordshire” through planning for the new homes, jobs and infrastructure the area needs while protecting the countryside. However, the document can also help contribute to improved educational attainment and promoting health and wellbeing, through securing appropriate contributions from new development. Infrastructure planning and delivery is a key focus of the Strategy and there is a critical link between adoption of the Development Strategy and implementation of the Community Infrastructure Levy (CIL).

### **Financial:**

1. The report to the Executive on 4 October 2011 included detail on the costs associated with producing a Development Strategy and the costs of not producing one. The Executive agreed that there was a need to produce a Development Strategy, with the associated financial implications.

2. Other than staff costs already built in to the base budget, the main financial cost associated with producing the Development Strategy is consultant's costs in preparing technical studies and the cost of the Public Examination. The latter includes the Planning Inspectorate's costs (around £100,000) and the legal/consultants costs in representing the Council's case (also estimated at around £100,000). Costs at this level can be met from within the Development Planning and Housing Strategy budget already approved by Council. The decision to submit the Development Strategy to the Secretary of State is a function of Council, rather than an Executive function. Incurring the above costs is therefore a consequence of this Council decision. The financial costs associated with producing a Development Strategy were known when Executive committed to the work in October 2011.
3. The scale of the Council's investment should be seen in the context of the scale of new investment (new commercial and retail development as well as residential) into Central Bedfordshire that a Development Strategy will enable. The Development Strategy document will also enable a Community Infrastructure Levy (CIL) to be produced that will help lever in funding for new infrastructure to support development. The cost of plan-making should also be seen against the cost of the alternative approach of fighting public inquiries against inappropriate development.
4. The production of the Development Strategy is also important in terms of New Homes Bonus receipts. The New Homes Bonus is a grant paid by central government to local councils for increasing the number of homes – both new build, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes. In 2014/15 the Council will receive a payment totalling over £6,947,000. This money helps to support the Council's base budget, thus supporting the delivery of services to residents in those areas affected by new housing development. Having an agreed strategy to deliver the right number of new homes and direct these homes to the best locations is critical.

**Legal:**

5. Once adopted the Development Strategy will be a "local plan" and will form part of the statutory Development Plan and will be the basis for consideration of planning applications. Until this happens the existing adopted documents will continue to set the planning framework.

**Risk Management:**

6. Failing to adopt a "sound" Development Strategy could lead to a failure to deliver the required levels of housing, jobs and infrastructure proposed for growth and regeneration in the area in a planned way. There is a risk that a planning inspector could find the Strategy unsound and there are numerous recent examples of this across the country. Advice has been taken from government officials, the Planning Inspectorate, the Planning Advisory Service and counsel to help minimise this risk. A risk register is maintained and reviewed on a regular basis as part of the project management of this work.

**Staffing (including Trades Unions):**

7. Not Applicable.

### **Equalities/Human Rights:**

8. The draft Development Strategy was subject to a specific Equality Impact Assessment prior to the public consultation. The results show that the draft Development Strategy covers a broad range of issues and does so in a way that does not discriminate against particular groups. The overall results were extremely positive in terms of helping to advance equality of opportunity. This Equality Impact Assessment will need to be revised and updated following changes to the Development Strategy. This will be done and the results consulted upon as part of the Publication period later this year.

### **Public Health**

9. The Development Strategy could have a number of benefits in terms of public health and wellbeing. There is a specific section of the document that seeks to summarise the interactions between strategic planning and public health. These include promoting healthy lifestyles through enabling walking and cycling and through appropriate leisure and open space provision. Health infrastructure and securing appropriate developer contributions towards such provision are also important aspects, in association with the Community Infrastructure Levy (CIL).

### **Community Safety:**

10. Various policies within the Development Strategy address community safety issues, particularly those relating to standards for new development.

### **Sustainability:**

11. The Development Strategy has as its underlying basis the achievement and delivery of sustainable development. The Development Strategy has been subject to a specific Sustainability Appraisal/Strategic Environmental Assessment (SA/SEA) in order to comply with the relevant regulatory requirements. The results of this work were published for comment alongside the Development Strategy. The SA/SEA work will be revised and updated following any changes to the Development Strategy.

### **Procurement:**

12. Not applicable

### **RECOMMENDATION(S):**

**The Committee is asked to consider the contents of this report and the verbal presentation given at the meeting and to make any comments to the Executive to help inform its consideration of a revised Development Strategy.**

*Reason for Recommendation(s): To enable progress on the draft revised Development Strategy prior to its formal submission to the Secretary of State in August 2014 and during the Examination period.*

## **Background**

13. The Development Strategy is a planning policy document that will set out the overall approach to new development in Central Bedfordshire for the period to 2031. It will contain targets for new development, such as new homes and jobs, needed locally in the period and will identify large-scale new development sites, as well as setting out details of the infrastructure needed to accompany such development. The Strategy will also set out detailed policies against which future planning applications will be determined.
14. In addition to the statutory requirements, there are compelling local reasons for producing a strong and proactive planning policy framework. New development within communities can bring many benefits (new homes, jobs, shops, community facilities etc) and a positive framework can act to enable and encourage this development. Similarly, some development proposals bring harmful impacts and planning policies can help bring about mitigation of these impacts or, where the impact cannot be mitigated, enable the Council to resist inappropriate development proposals. Further, the Council's ability to require developer contributions towards infrastructure through the Community Infrastructure Levy (CIL) is dependent on having an adopted strategy in place.
15. Currently there are separate planning policy frameworks for the north and south of Central Bedfordshire. This Development Strategy seeks to draw together for the first time a comprehensive framework for the whole of Central Bedfordshire. Once adopted, the Development Strategy will largely replace the adopted Local Plan (2004) in the south and the Core Strategy and remaining Local Plan policies in the north. The Site Allocations DPD for the north adopted in 2011 will remain in place.
16. The Council's Executive approved a Plan-making Programme for Central Bedfordshire in October 2011. This established the principle of a "Development Strategy" for the area for the period 2011 to 2031. It also proposed a Gypsy and Traveller Local Plan covering the same period, which is being progressed separately.
17. The Council undertook informal consultation in February/March 2012 on the key strategic issues, which fed into a draft Development Strategy that was consulted on between June and August 2012. Executive and Council agreed a Pre-Submission version in November 2012, which was then consulted on for 6-weeks in January and February 2013.

## **Events since February 2013**

18. Submission of the Development Strategy to the Secretary of State for Examination was anticipated to take place in May 2013. However, a number of issues arose that meant submission needed to be delayed.
19. The main reason why submission has had to be delayed was the publication, in April 2013, of updated demographic information by the Office for National Statistics (ONS). This led to a reconsideration of the population and household projections that underpin the Strategy. While the projections were not vastly different for Central Bedfordshire, for Luton the projections were considerably different from those on which the previous version of the Development Strategy was based. Given that Luton's administrative area is tightly bounded and this limits the potential urban capacity, an increase in Luton's household projections has potentially significant implications for the Development Strategy.

20. The Development Strategy is, first and foremost, a plan for Central Bedfordshire. The strategic plan for Luton will be set out in due course by Luton Borough Council.
21. Nevertheless, the National Planning Policy Framework (NPPF) makes it clear that plans should consider how to respond to unmet need from elsewhere. One of the tests of soundness relates to whether the plan is “positively prepared”, meaning:  
*“the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;” (NPPF, para 182)*
22. There is clearly not an absolute requirement to provide housing for other areas but increasing housing provision is a critical element of government policy and this issue cannot be ignored.
23. In addition to providing for unmet housing need, the Duty to Cooperate requires authorities to work together on the process of plan-making, with a view to producing plans that are based on effective joint working on strategic cross boundary priorities. This duty is part of the response to the abolition of Regional Strategies and higher level targets being set. While it is not a “Duty to Agree”, authorities should “leave no stone unturned” in their efforts to co-operate and produce effective plans.
24. Recent Inspector’s conclusions on a number of local plans across the country have made it clear that if the Duty to Cooperate is to act as an effective replacement for Regional Strategies it must be taken seriously. Housing need must be met in full unless there is a genuine reason otherwise, unmet need from elsewhere must be fully considered and authorities must cooperate on plan-making. The most relevant example is that of Aylesbury Vale District Council who have recently withdrawn their plan on the advice of a Planning Inspector who considered that the plan did not meet the duty to co-operate and failed to provide for adequate levels of growth. There are numerous other examples from across the country where similar messages have been received (Coventry, North West Leicestershire and Mid Sussex Councils to name but a few). This Council is not alone in facing difficulties in this respect.
25. What is clear from the above is submitting a plan that either does not acknowledge a substantial unmet need from elsewhere, or does nothing about it is not a viable option. This has been reinforced by informal advice from the Planning Inspectorate.

### **Strategic Housing Market Assessment update April 2014 and implications**

26. The key mechanism for establishing “objectively assessed housing need”, as required by the NPPF, is through production of a Strategic Housing Market Assessment (SHMA). Since mid-2013, officers have been working with colleagues at Luton Borough Council and with consultants, ORS, on a joint SHMA for the Luton and Central Bedfordshire areas. Officers will present the findings of this work at the meeting on 12 May. However, at this stage it is clear that there is a significant increase to the housing requirement for Luton and, under the Duty to Co-operate, this increase has implications for the Development Strategy. In response to this increase, officers will be recommending an increase in housing provision in the Development Strategy.

27. The draft SHMA indicates that Central Bedfordshire's objectively assessed housing need is around 25,500 homes. This need is provided for by the revised Development Strategy. A surplus above this level is recommended that can help to meet Luton's unmet housing need, as required by the NPPF. As mentioned above, the NPPF's requirement is not an absolute requirement to meet unmet housing need from elsewhere but only "where it is reasonable to do so". Officers are recommending an increase in the overall housing provision included in the Development Strategy from the 28,700 homes published in January 2013 to around 30-31,000 homes. This would mean a surplus of around 5,000 homes to help meet Luton's need. This additional provision is an appropriate response to the increasing need in Luton and, together with appropriate provision from other local authorities in the area with links to Luton (either through proximity or through migration/commuting patterns), will ensure local housing need is provided for.
28. The precise details of the increase in housing supply are still being finalised and are subject to the outcome of cross-boundary Member meetings. A verbal report will be given to the Committee on 12 May.
29. The response to the increase in housing requirement is in a number of parts and, in broad terms, is set out below:
- A new "Market-Led Sustainable Development" policy
  - Provision for an Allocations Local Plan to identify further sites
  - Allocation of a new site at Chaul End, emerging from work on a Neighbourhood Plan
30. The proposed new "Market-Led Sustainable Development" policy is a departure from previous planning policy and would allow a certain amount of development to come forward outside of settlement envelopes, where current policy would prevent it. The policy is not a *carte blanche* and the scale of development would be limited and strict criteria applied. In particular, any such development would need to be of the highest design quality. This policy responds to the increase in housing need and, critically, would contribute to the 5-year supply of housing land, a vital requirement if a plan is to be found sound and to avoid planning appeals based on an inadequate 5-year land supply.
31. A new strategic scale site at Chaul End is also being recommended for inclusion in the Development Strategy. In terms of capacity it is smaller than the other sites being specifically identified and is smaller than the indicative threshold of 500 units used elsewhere in the Strategy. However, it has been subject to local consultation through the Neighbourhood Plan process and has received local support. Given the uncertainties involved in the Neighbourhood Plan process it is considered appropriate to identify the site in the Development Strategy at this stage.

32. The proposed Allocations Local Plan is necessary for a number of reasons.
- Only large scale strategic sites are considered for the Development Strategy. Further housing provision across the whole of Central Bedfordshire is likely to be required.
  - Any new allocations in the Green Belt identified in emerging Neighbourhood Plans are likely to require formal allocation through a Local Plan.
  - Designations such as Green Belt infill boundaries and settlement envelopes have not been comprehensively reviewed for many years. Given the NPPF's requirement to seek out opportunities for sustainable development, it is necessary to embark on this process.
  - The 2012 planning regulations require that specific standards for new development cannot be set out in Supplementary Planning Documents, but have to be tested at examination through the Local Plan process.

### **Other changes to the Development Strategy**

33. In addition to changes in relation to housing need and supply the Development Strategy is also being amended to take account of issues arising from representations made and to update the plan since it was published in January 2013.
34. Key changes include:
- i. Clarifying the approach in relation to the Housing Standards Review and its impact on Lifetime Homes standards and the Code for Sustainable Homes etc.
  - ii. Reflecting the recently endorsed Design Guide
  - iii. Incorporating minerals and waste policy elements – such policy was originally to be in a separate document but has now been included within the Development Strategy;
  - iv. Incorporating parking standards from the Design Guide – specific standards for new development need to be within a local plan document rather than as supplementary guidance;
  - v. Incorporating leisure and open space standards from the Leisure Strategy – as above;
  - vi. Updating the site specific policies to reflect progress since last year

### **Next Steps**

35. Agreeing the version of the Development Strategy to be formally submitted to the Secretary of State is a function of Council. This is programmed for the Council meeting on 12 June 2014.
36. Prior to Submission, the draft document must be published for a 6-week period to enable representations to be made. Given the timing of this period over the summer, it is recommended that slightly longer than 6-weeks is allowed. Although the representations made will be summarised by officers, they are ultimately for the attention of the Planning Inspectorate. The format of the consultation is therefore quite formal as it is effectively the pre-cursor to the Examination process. Representations made during this period must relate to whether the Strategy is "sound" i.e. positively prepared, justified, effective and consistent with national policy (taken from paragraph 182 of the National Planning Policy Framework).

37. The estimated timetable for the next stages of the process is set out below:

12 May	Overview and Scrutiny Committee
27 May	Executive
12 June	Full Council
End-June 2014	“Publication” start date
August 2014	“Publication” end date
October 2014	Submission to the Secretary of State
March 2014	Examination hearing sessions start
May 2015	Inspector’s report due
July 2015	Adoption

### **Planning Guidance in advance of the Development Strategy**

38. The current timetable assumes adoption of the Development Strategy in July 2015. While the adopted Core Strategy and Site Allocations documents remain relevant in the north of Central Bedfordshire, the Local Plan for the south was adopted in 2004 and in some respects is not consistent with the NPPF.
39. It was for this reason, and to avoid a policy vacuum, that the joint Core Strategy for Luton and southern Central Bedfordshire was endorsed for Development Management guidance purposes by Executive in August 2011. Given the progress of time since 2011 and the progress made on the Development Strategy it is considered that a revised Development Strategy would be a better basis for informal planning guidance than the endorsed Joint Core Strategy.
40. The Executive, at the meeting on 27 May, will therefore be recommended to endorse for Development Management guidance purposes in the south of Central Bedfordshire the draft revised Pre-Submission Development Strategy, in advance of its formal adoption.

### **Conclusion**

41. Members are asked to consider the contents of this report and the verbal presentation given at the meeting and to make any comments to the Executive as it considers a revised Development Strategy.

### **Appendices:**

N/A

### **Background Papers:** (open to public inspection)

Development Strategy for Central Bedfordshire (available to view on the Council’s website at the following address:-

<http://www.centralbedfordshire.gov.uk/planning/strategic-planning/development-strategy.aspx>