



Dear Councillor,

**CENTRAL LANCASHIRE STRATEGIC PLANNING JOINT ADVISORY COMMITTEE - TUESDAY, 28TH JULY 2015**

The next meeting of the Central Lancashire Strategic Planning Joint Advisory Committee to be held in the Council Chamber, Town Hall, Chorley on Tuesday, 28th July 2015 at 5.30 pm. Entrance to the Town Hall during the evening can be gained from the doors on St Thomas's Road, opposite the Police Station.

The agenda and accompanying reports for consideration at the meeting are enclosed.

The agenda papers are being sent to both appointed and substitute Members. Any appointed Member who cannot attend on 28 July 2015 is asked to first contact their substitute to see if he or she can attend instead. Then please contact Cathryn Filbin either by telephone or email at the address below to give their apology with an indication of whether the substitute Member will attend.

Yours sincerely

Gary Hall  
Chief Executive of Chorley Council

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Democratic and Member Services Officer  
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**Distribution**

All members of the Central Lancashire Strategic Planning Joint Advisory Committee

**Councillors**

Councillors Alistair Bradley (Chorley Council), Mick Muncaster (Chorley Council), Paul Walmsley (Chorley Council), Councillor John Swindells (Preston City Council), Neil Cartwright (Preston City Council), Councillor John Potter (Preston City Council), Councillor Joseph Hughes MBE (South Ribble Borough Council), Jon Hesketh (South Ribble Borough Council), Rebecca Noblet (South Ribble Borough Council) and County Councillor Marcus Johnstone (Lancashire County Council).

Substitute Councillors:

Roy Lees (Chorley Council), Christopher France (Chorley Council), Paul Leadbetter (Chorley Council), Councillor Pauline Mary Brown (Preston City Council), Brian Rollo (Preston City Council), Councillor Lona Smith (Preston City Council), Councillor Margaret Smith (South Ribble Borough Council) and County Councillor David Howarth (Lancashire County Council)

Officers:

Gary Hall (Chief Executive, Chorley Council), Jennifer Moore (Head of Strategic Development, Chorley Council), Peter McAnespie (Policy and Design Team Leader, Chorley Council), Cathryn Filbin (Democratic and Member Services Officer), Chris Moister (Head of Governance and Property Services), Mike Molyneaux (Planning Policy Manager, Preston City Council), Chris Hayward (Assistant Director (Chief Planning Officer), Preston City Council), Mike Nuttall (Chief Executive, South Ribble Borough Council), Helen Hockenhull (Planning Manager, South Ribble Borough Council), Marcus Hudson (Head of Planning, Lancashire County Council) and Steve Browne (Director of Strategy and Policy, Lancashire County Council).

## AGENDA

1 **Appointment of Chair for the Meeting**

2 **Welcome by Chair and Introductions**

3 **Apologies for absence**

4 **Minutes of meeting Monday, 15 December 2014 of Central Lancashire Strategic Planning Joint Advisory Committee (Pages 5 - 10)**

5 **Review of the Community Infrastructure Levy (Pages 11 - 16)**

Report attached.

6 **Central Lancashire Core Strategy 27: Sustainable Resources and New Developments (Pages 17 - 20)**

Report attached.

7 **Central Lancashire Gypsy, Traveller and Travelling Showpeople's Accommodation Assessment - June 2015 (Pages 21 - 28)**

Report attached.

8 **Local Plan - Update**

A verbal update will be given at the meeting.

9 **Affordable Housing SPD Review**

A verbal update will be given at the meeting.

10 **City Deal Update (Pages 29 - 34)**

Report attached.

11 **Dates of Future Meetings**

The future meeting of the Central Lancashire Strategic Planning Joint Advisory Committee will be held as follows:

- 26 November 2015 – South Ribble Borough Council
- 3 March 2016 – Preston City Council

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## Central Lancashire Strategic Planning Joint Advisory Committee

**Monday, 15 December 2014**

**Present:**

Councillor J C Hughes, MBE  
(Chair)

Cabinet Member for Regeneration and  
Planning, South Ribble Borough Council

Councillor P Walmsley  
Councillor A Bradley  
Councillor Potter  
Councillor Rollo

Chorley Borough Council  
Chorley Borough Council  
Deputy Group Leader, PCC  
Preston City Council

**Also in attendance:**

Mr G Hall

Chief Executive (Chorley Borough  
Council)

Mr P McAnespie

Policy and Design Manager (Chorley  
Borough Council)

Ms J Moore

Head of Planning (Chorley Borough  
Council)

Councillor Muncaster

Chorley Borough Council

Mrs D Johnson

Director of Regeneration and Healthy  
Communities (South Ribble Council)

Mr J Wallwork

Democratic Services Officer (South  
Ribble Borough Council)

Ms H Hockenhill

Planning Manager (South Ribble  
Borough Council)

Mr M Hudson

Head of Planning (Lancashire County  
Council)

Mr C Dyson

Project Leader – Strategic Development,  
LCC

County Councillor Borrow

Lancashire County Council

Mr R Green

AECOM

**Officers:**

Mr C Hayward

Assistant Director (City Planning Officer)

Mr M Molyneux

Planning Policy Manager

**22**

**APPOINTMENT OF CHAIR FOR THE MEETING**

**Resolved: That Councillor Hughes be appointed Chairman for the meeting.**

**23**

**APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillors Iddon (Chorley Borough Council), Swindells (Preston City Council), and County Councillor Johnstone (Lancashire County Council).

**24 MINUTES OF THE LAST MEETING**

**Resolved: That the minutes of the Central Lancashire Strategic Planning Joint Advisory Committee meeting held on 7 October 2014 be approved as a correct record and signed by the Chairman.**

**25 GYPSIES AND TRAVELLERS**

Peter McAnespie referred to the study of Gypsy and Traveller Accommodation and that it was hoped that the study would be published in January.

**26 CENTRAL LANCASHIRE BIODIVERSITY AND NATURE CONSERVATION SPD**

The committee was informed that the Central Lancashire Biodiversity and Nature Conservation SPD was currently out for public consultation and that once the deadline had passed each authority would consider any representations made.

**27 LOCAL PLANS**

Helen Hockenhull, Mike Molyneux and Peter McAnespie provided updates on the Local Plans for each authority.

Helen Hockenhull informed the meeting that South Ribble had received 19 representations in response to their modifications. These had been provided to the Inspector and were currently awaiting further advice.

Mike Molyneux stated that Preston City Council had completed the hearings and the key issue was whether there was a five year supply of housing. It was Preston's view that there was but if the Inspector wasn't satisfied it could mean a delay of up to six months.

Peter McAnespie indicated that Chorley had consulted on their proposed modifications and the consultation period was due to finish in December.

However, the Inspector requested that they re-consult and therefore had just started a further eight weeks consultation.

**Unanimously Resolved: That the updates be noted.**

**28 CORE STRATEGY MONITORING**

The committee received a report on the Central Lancashire Core Strategy Monitoring Report 2013/14 which every local planning authority is required to produce annually. The Monitoring Report shows how planning policies are being implemented across the area. Each of the Central Lancashire Authorities produces its own monitoring report, showing progress on its own local policies. A joint report is produced to monitor the Core Strategy.

**Unanimously Resolved: That the committee notes the Core Strategy Monitoring Report.**

29

#### **COMMUNITY INFRASTRUCTURE LEVY (CIL) - REVIEW**

Jenni Moore presented a report concerning the process of reviewing the Community Infrastructure Levy (CIL) Charging Schedule. She stated that Policy 27 of the Core Strategy required all new dwellings to meet Level 4 of the Code for Sustainable Homes from January 2013 and Level 6 from January 2016 and this is a material consideration in the determination of a planning application for residential development. The Government had chosen to deregulate Level 6 of the Code for Sustainable Homes, requiring one set of standards which should be assessed by Building Regulations. The change meant that Core Strategy Policy 27 would become obsolete and the CIL charging schedule may not reflect up to date viability information. A review starting in 2015 should review the viability information and evidence base, and provide the opportunity to reflect changes in recent legislation and guidance, as well as reflect on the impact of CIL on development since operating within the Central Lancashire area. Consultants would need to be appointed to update the CIL viability study and the viability infrastructure funding evidence.

**Unanimously Resolved: That the committee do a joint review of the CIL Charging Schedule and budgetary provision.**

30

#### **CUERDEN STRATEGIC SITE - DRAFT MASTERPLAN**

Cuerden Strategic Site. The presentation included the following items:

- Cuerden Strategic Site
- The masterplan process
- Spatial context
- Statutory context
- Key drivers
- Strategic highway improvements
- Scenario testing
- Developing a spatial framework
- Job creation and new opportunities
- The preferred masterplan
- Viability and phasing
- Next steps
- Questions

Following a concern from Councillor Rollo that he expected retail and commercial development such as this to be located in town centres, Richard Green explained that this site had been identified for employment for many years. County Councillor David Borrow remembered being involved in discussion regarding this site in the late 90s. Councillor Potter expressed concern that businesses may move out of town and city centres to this site. Councillor Hughes explained that sequential testing would have to take place. He hoped that this proposal would benefit Leyland and other

nearby town centres as this had always been a regional site rather than a South Ribble site.

**Unanimously Resolved: That the update be noted.**

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## CITY DEAL

Marcus Hudson provided an update on the Preston, South Ribble and Lancashire City Deal. Updates were provided on the following schemes:

- Broughton By-pass – Public inquiry would be held on Tuesday 14 April 2015 at Preston Grasshoppers RFC. Hoping to be on site by the end of 2015.
- Preston Western Distributor – Lancashire County Council now approved the route. It was hoped that the Planning Application would be submitted late 2015/early 2016 with the road hopefully in place for 2019.
- Penwortham By-pass – 1400 representations received during consultation. Hoped to adopt the route in March 2015 and a planning application should be submitted in spring 2016.
- A582 South Ribble – Works were nearing completion at the Chain House Lane junction. Duelling work was currently taking place on Golden Way and work would commence on the Stanifield Lane Roundabout in January 2015. Work would commence on the southern section of Golden Way in spring 2015. Consultation on the
- Penwortham Way/Flensburgh Way Roundabout – It was hoped that work would commence in August 2015.
- Public Transport Priority Corridors.

Helen Hockenhull referred to the works to the A582 and in particular the Penwortham Way/Flensburgh Way Roundabout. She stated that the spine road was critical to the developments off Croston Road

In response to a question from Councillor Rollo, Marcus Hudson confirmed that he had a dedicated team which was committed to ensuring that all the schemes over the next five years were delivered.

Chris Hayward referred to the improvements to New Hall Lane which were going well. He also referred to the Preston Western Distributor and that the key challenge was to provide the road network before the houses.

**Unanimously Resolved: That the update be noted. duelling of the remainder of the A582 would take place early 2015.**

**32 RIBBLE BRIDGE CROSSING**

Councillor Hughes referred to the Ribble Bridge and the importance of linking the Penwortham By-pass with the Fylde coast. He raised the question of a toll bridge and whether this could be an option. County Councillor Borrow suggested lobbying the new MP Following the election to support the scheme and perhaps help bring it forward.

**Unanimously Resolved: That the update be noted.**

**33 LCC ONSHORE OIL AND GAS SPD**

The committee was informed that consultation on the Onshore Oil and Gas SPD would begin in 2015 and it was suggested that a presentation should be undertaken on this at the next meeting.

**Unanimously Resolved: That a presentation on the Onshore Oil and Gas SPD be undertaken at the next meeting.**

**34 ANY OTHER BUSINESS**

It was suggested that the name for this committee should now include Strategic Planning and therefore the name of the committee should be amended to Central Lancashire Strategic Planning Joint Advisory Committee.

**Unanimously Resolved: That the committee be renamed to Central Lancashire Strategic Planning Joint Advisory Committee.**

**35 DATES OF NEXT MEETING 17 MARCH 2015 - CHORLEY COUNCIL**

The next meeting would be held on Wednesday 17 March 2015 at 5.30pm at Chorley Borough Council.

Chair

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Report of	Meeting	Date
Director of Development, Preston City Council	Central Lancashire Strategic Planning Joint Advisory Committee	28 July 2015

## REVIEW OF THE COMMUNITY INFRASTRUCTURE LEVY

### PURPOSE OF REPORT

1. To advise members of the Joint Advisory Committee on a review of the Community Infrastructure Levy.

### RECOMMENDATION(S)

2. The Joint Advisory Committee is recommended to note the current position with regard to the timing of a review of the Community Infrastructure Levy and to agree that a review of CIL is not appropriate currently.

### EXECUTIVE SUMMARY OF REPORT

3. There has previously been an intention expressed by the Central Lancashire CIL charging authorities that a review of the CIL charges relating to residential development would be carried out in 2015 prior to the introduction of Code for Sustainable Homes Level 6 from January 2016.
4. For the reasons set out both below and in a separate report to this Committee, Code Level 6 will no longer be introduced. This removes the immediate necessity to carry out a review of the relevant CIL charges.
5. Officers consider that there would still be benefits from a review of CIL both with regard to the extent of charging and with regard to potential changes to the Regulation 123 list, which indicates those types of infrastructure that can no longer be funded through either S106 of the Town and Country Planning Act 1990 or S278 of the Highways Act 1980 and, consequently, can only be funded through CIL.
6. Nevertheless, for the reasons set out in this report, officers consider that any review of CIL is delayed until there is further clarity on both the timing of replacement requirements for the Code for Sustainable Homes and on a review of CIL operation to be carried out by DCLG later in 2015.

### REASONS FOR RECOMMENDATION(S)

7. For Members of the JAC to be aware of the current position.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

8. N/A. The local planning authorities will have to comply with legislation.

**BACKGROUND**

9. The Community Infrastructure Levy for the three Central Lancashire authorities was adopted at various dates in July and August 2013 following an examination held in April 2013. The levy came into effect on 1st September 2013 in Chorley and South Ribble and on 30th September 2013 in Preston.
10. The National Planning Practice Guidance indicates that charging authorities must keep their charging schedules under review and should ensure that levy charges remain appropriate over time. For example charging schedules should take account of changes in market conditions, and remain relevant to the funding gap for the infrastructure needed to support the development of the area.
11. The guidance goes on to say that when reviewing their charging schedule, charging authorities should take account of the impact of revised levy rates on approved phased developments, as well as future planned development.
12. Charging authorities may revise their charging schedule in whole or in part. Any revisions must follow the same processes as the preparation, examination, approval and publication of a charging schedule (as specified under the Planning Act 2008, particularly sections 211-214 as amended by the Localism Act 2011, and the Levy Regulations).
13. Government does not prescribe when reviews should take place. However, in addition to taking account of market conditions and infrastructure needs, the guidance advises that charging authorities should also consider linking a review of their charging schedule to any substantive review of the evidence base for the relevant Local Plan. The Government suggests that even if the original charging schedule was not examined together with the relevant Plan, there may be advantages in coordinating the review of both.
14. The issue of increasing costs arising from increasing Levels of Code for Sustainable Homes requirements in housing was an issue before the Inspector who conducted the examination of the CIL charges in April 2013 and was also the subject of the Judicial Review brought by Fox Strategic Land and Property Limited, part of the Gladman group of companies.
15. The Inspector commented as follows in his report:

*“19. Policy 27 of the CS requires all new dwellings to meet Level 4 of the Code for Sustainable Homes from January 2013. The appraisals are based on the assumption that the BCIS data includes schemes built to Code Level 4. The appraisals also add a little over £150 psm to the BCIS derived base build costs. This lends confidence that the costs of meeting CS Policy 27 have been adequately accounted for. The degree to which the appraisals reflect this policy requirement should be regarded as appropriate, for the time being at least.*

*20. From January 2016, CS Policy 27 will demand that all new dwellings meet Code Level 6. This has not been included in the viability assessments, and the Councils intend to review the CIL charge in 2015, ahead of this requirement ‘kicking in’. It is clear to me that a review will be essential at that time. If it is not, the Councils will risk either development not being delivered or the Code Levels sought by CS Policy 27 not being met. While it is beyond the*

*scope of this examination and the recommendations I am able to make, there is no reason to suppose that the Councils, as responsible public authorities, will not undertake such a review in a timely fashion.”*

16. Clearly the Inspector's expectation was that a review of CIL would be carried out to reflect the increasing costs to development arising from the introduction of Code level 6 from January 2016, and that review would be carried out in 2015.
17. Following the adoption of the CIL charging schedule by the three authorities Fox Strategic Land and Property Limited sought and was granted permission to pursue a judicial review of the CIL charge for residential use on a number of grounds, the relevant one in this case being:

*‘Whether it was unlawful to adopt the charging schedule for dwelling-houses without allowing for the potential effects of a requirement in development plan policy, due to come into effect in January 2016, that new housing must meet Level 6 of the Code for Sustainable Homes (ground 4).’*

18. The hearing was held on 10th March 2014 and the judge, Lindblom J., issued his judgment on 17th April 2014.
19. In dealing with the issue of whether the Councils should have taken into account the potential effects of increasing costs in setting charges the judge made the following comments:

*‘180. The first answer to Mr Tucker’s argument on this issue, and a powerful one, lies in the core strategy itself. Policy 7, “Affordable and Special Needs Housing”, qualifies the general requirement for affordable housing in “market housing schemes” by making it subject to considerations such as “financial viability and contributions to community services” (see paragraph 36 above). In a similar way the text supporting Policy 27, in paragraph 12.7, makes the requirements of that policy subject to the viability of the development proposed (see paragraph 37 above).*

*182. When Policy 27 of the core strategy reaches its full effect in January 2016 the cost of building new housing will go up – assuming that the effect of any other changes in the meantime is not to outweigh that increase. Whether the increase in cost will affect the viability of development, and how, remains to be seen.*

*183. The examiner did not fail to address the argument that the CIL charge would automatically become more difficult for housing development to bear once the cost of meeting the heightened requirement in Policy 27 comes into force, and that the councils ought to have anticipated this in the current process rather than waiting for their promised review in 2015. He dealt with that argument in the four conclusions he expressed in paragraphs 19 and 20 of his report.*

*184. First, in paragraph 19, he concluded that the councils had taken an appropriate course in setting their CIL charge at a level corresponding to current market conditions and current policy requirements. The particular requirement of Policy 27 current at the time of the examination, in April 2013, was for new dwellings to meet Level 4 of the Code for Sustainable Homes, which had come into effect in January 2013 and would remain in effect for three years until January 2016.*

*185. Secondly, the examiner was satisfied that the councils’ viability appraisals had accounted for the current requirements of Policy 27 “adequately”. This was because the appraisals had not simply been based on assumptions for building costs obtained from the R.I.C.S. Building Costs Information Service data for developments including schemes that had had to comply with Level 4, but had been raised by about £150 per square metre. The examiner was therefore able to conclude that “for the time being at least” the appraisals were compatible with Policy 27. This conclusion does not seem to be in dispute. It is supported in*

*the evidence of Mr Whiteley. In paragraph 70 of his witness statement he says that, in accordance with “good practice”, market conditions at the time of the councils’ assessment of viability were reflected in the assumptions for building costs and “sustainability standards”, that “the build cost data on which [the] CIL viability assessments were based covers at least the requirements of [Level 3] and at least some proportion of the additional costs of meeting [Level 4]”, and that “an uplift over basic build costs to take account of the potential additional costs of the Code for Sustainable Homes was also applied.*

*186. Thirdly, although the full requirements of Policy 27 had not been included in the viability assessments, the examiner did not see this as a reason to seek further evidence, or to recommend any change to the charging schedule. The councils’ intention to review the CIL charge in 2015, before the relevant requirement in Policy 27 rose to Level 6, was enough. The examiner knew he could not formally recommend this. But he went as far as he reasonably could in saying that it would be “essential”. He did not say “essential now”. He said “essential at that time”. It would be essential because, as he could see, the councils might then be facing a dilemma – the choice between development not being delivered and Level 6 not being met. He did not describe it as a dilemma. He used the word “risk”. But it comes to same thing. It was a risk because a developer may escape the requirements of Policy 27 if he can show that complying with them would leave his proposal unviable. Liability to CIL would be one element of the “open book accounting” by which the developer might demonstrate that his “development would not be economically viable if the policy were to be implemented”. It would therefore be prudent for the councils to review their CIL charge before the risk became a reality. The examiner was satisfied that if the review was carried out when the councils said it would be, they would be able to avoid the danger of new housing not being built and the danger of the requirements of Policy 27 not being met. Both could be avoided, so long as the councils got on with the review in 2015.*

*187. Fourthly, the examiner also concluded that there was no reason to expect the councils, “as responsible public authorities”, not to carry out a timely review of the charge. It was in the councils’ own interest to do it. A CIL rate too high to be borne by proposals complying with development plan policy for sustainable housing would be counterproductive. The councils knew this. So did the examiner.’*

## **CONCLUSIONS**

20. There are a number of points raised by Lindblom J. Firstly he reiterates the points made by the Inspector that there is an intention by the Councils to review the charging schedules before the code level 6 comes into effect in January 2016; he describes this as something that would be prudent for the Councils to do in order to avoid facing a dilemma of, on the one hand, development not taking place because the CIL charge was too high and, on the other, code level 6 required in adopted policy not being achieved because of lack of viability.
21. He also refers to the viability clause already set out in the supporting text to Policy 27 in paragraph 12.7, which qualifies the requirement by making it subject to individual site circumstances such that development would not be economically viable if the policy were to be implemented.
22. The other comment, which is significant, is the comment on any other changes not having the effect of outweighing the increase in costs arising from the adoption of Code 6.
23. While the need for a review of the CIL charge has been cast in terms of an assumption that Code Level 6 will come into effect in January 2016, Government Policy in relation to the Code for Sustainable Homes is itself changing as indicated in the report on Policy 27 of the Central Lancashire Core Strategy.
24. What this means for a review of CIL is that any review is going to have to be carried out in the context of a Code requirement on site of level 4 plus off-site allowable solutions, the mix of which could vary from one developer to another, rather than an on-site requirement of

level 6. Clearly the situation has changed since the point was raised in the CIL examination and at the judicial review. Developers are providing Code level 4 energy efficiency measures and contributing the CIL charge so the implication is that development is viable at Code level 4 and the current CIL charge. The additional cost, therefore, is the cost of the allowable solutions measures that will be required to bridge the gap between the energy saving on-site and the zero carbon position. In view of the timescale for the introduction of the zero carbon home policy it is possible that there will not be much clarity on that until later in 2015 or early 2016.

25. While the Councils have committed to a review of CIL both the inspector and judge indicated that there was nothing statutorily to compel the Councils to carry out a review. Rather any review would be based on the Councils being responsible public bodies whose interests would not be well served by creating a situation in which they would be faced with a dilemma of either not accepting the Code level that existing policy would require from January 2016 or not seeing development come forward that would deliver CIL to contribute to infrastructure needs.
26. Lindblom J anticipated that future policy changes might affect the need for a review in paragraph 182 of his judgment set out above. Given the Government's policy changes it is unlikely now that there will be a significant increase in costs arising from a requirement for Code level 6 from January 2016 and, therefore, that pressing need for a review of CIL is removed. Assuming that the Government's requirements are included in due course in National Planning Practice Guidance advice from Preston City Council's legal section in relation to recent national guidance on affordable housing would seem to apply i.e. neither the policy in the Core Strategy, nor the Core Strategy itself on this point, would be unlawful. It would, however, not be considered up to date in terms of compliance with national Government policy as contained in the National Planning Practice Guidance, which is to be given the same weight as the National Planning Policy Framework.
27. Whilst a case can still be made for a review of the CIL charging schedules, that review is now probably better carried out when the Government's policy on achieving zero carbon homes is set out and when the timetable for that policy coming into effect later in 2016 is clearer.
28. The issue is complicated further by the expectation that the government will itself carry out a review of how the Community Infrastructure Levy is operating later in 2015. Although there has been no announcement as such to date reference was made to a review during 2015 in the explanatory memorandum to the 2015 CIL Amendment Regulations that came into force on 1<sup>st</sup> April 2015. Officers are also aware that DCLG has commissioned research into the operation of CIL to inform that review. There may be some merit in waiting until the government's review is clearer before commencing a review of the Central Lancashire CIL charges.
29. A review of the Central Lancashire CIL charges would also be an opportunity to take into account a review of the Regulation 123 list of infrastructure that is not be funded through planning obligations and also to review the nominal charge for all other uses. That charge, of £10 per square metre, was dismissed by the Inspector at examination on the grounds of lack of viability evidence for all other uses. Other Inspectors at other CIL examinations have, however, accepted a nominal charge with limited viability evidence.

Report Author	Ext	Date	Doc ID
Mike Molyneux	01772 906703	July 2015	***





Report of	Meeting	Date
Director of Development, Preston City Council	Central Lancashire Strategic Planning Joint Advisory Committee	28 July 2015

## **CENTRAL LANCASHIRE CORE STRATEGY 27: SUSTAINABLE RESOURCES AND NEW DEVELOPMENTS**

### **PURPOSE OF REPORT**

1. To advise members of the Joint Advisory Committee of the implications of enactment of the Deregulation Act 2015 for continued implementation of Policy 27 of the Central Lancashire Core Strategy, which is concerned with incorporating sustainable resources into new development.
2. There are also implications for a review of the Community Infrastructure Levy, which are considered in a separate report.

### **RECOMMENDATION(S)**

3. The Joint Advisory Committee is recommended to note the implications for implementation of the Policy and also to note the position with regard to advising developers of the standards required in new housing.

### **EXECUTIVE SUMMARY OF REPORT**

4. The Deregulation Act received Royal Assent on 26th March 2015. In a written statement to Parliament on 25th March the Secretary of State set out the government's policy on a range of matters including matters that relate directly to the requirements of Policy 27 of the Central Lancashire Core Strategy.
5. The main outcome is that the three Central Lancashire Planning Authorities will no longer be able to implement the next stage of Policy 27, which was due to come into effect from January 2016. The full details and reasons for this are set out in the body of this report.

### **REASONS FOR RECOMMENDATION(S)**

#### **(If the recommendations are accepted)**

6. Members should be aware of the implications of the legislation relating to the continued implementation of this Policy in the Central Lancashire Core Strategy.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

7. N/A. The local planning authorities will have to comply with legislation.

**BACKGROUND**

8. The Deregulation Bill received Royal Assent on 26th March 2015 and became the Deregulation Act 2015. In a written statement to Parliament on 25th March the Secretary of State set out the government's policy on a range of matters including matters that relate directly to the requirements of Policy 27 of the Central Lancashire Core Strategy.
9. The relevant sentence of Policy 27 is that "*All new dwellings will be required to meet Level 3 (or where economically viable Level 4) of the Code for Sustainable Homes. This minimum requirement will increase to Level 4 from January 2013 and Level 6 from January 2016*".
10. Code Level 4 has been sought from developers in accordance with the Policy since 2013. It had been anticipated that there would be an increase in Code Level in January 2016 and this had been a main consideration in a potential review of the Community Infrastructure Levy. For the reasons set out below an increase in Code Levels is no longer possible.
11. The government's intention as set out in the Secretary of State's written statement is that from the date the Deregulation Bill is given Royal Assent, local planning authorities and qualifying bodies preparing neighbourhood plans should not set in their emerging Local Plans, neighbourhood plans, or supplementary planning documents, any additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings. This includes any new policy requiring any level of the Code for Sustainable Homes to be achieved by new development; the government has now withdrawn the code, aside from the management of legacy cases.
12. For the specific issue of energy performance, the government states that local planning authorities will continue to be able to set and apply policies in their Local Plans which require compliance with energy performance standards that exceed the energy requirements of Building Regulations (currently equivalent to Code for Sustainable Homes Level 3) until commencement of amendments to the Planning and Energy Act 2008 that are set out in the Deregulation Act 2015.
13. This is expected to happen alongside the introduction of a Zero Carbon Homes Policy in late 2016<sup>1</sup>. The government has stated that, from then, the energy performance requirements in Building Regulations will be set at a level equivalent to the (outgoing) Code for Sustainable Homes Level 4. Until the amendment is commenced, the government expects local planning authorities to take the Secretary of State's statement of the government's intention into account in applying existing policies and not set conditions with requirements above a Code Level 4 equivalent.
14. Where there is an existing plan policy which references the Code for Sustainable Homes, i.e. Policy 27 of the Core Strategy, authorities may continue to apply a requirement for a water efficiency standard equivalent to the new national technical standard, which comes into effect in September 2015, or in the case of energy, a standard consistent with the government's policy set out above concerning energy performance.

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<sup>1</sup> Government intends to introduce a Zero Carbon Homes Policy from late 2016. The minimum on-site requirement will be the equivalent of Code for Sustainable Homes Level 4 and houses builders will be permitted to meet the remainder of the zero carbon target by supporting off-site carbon abatement measures termed 'allowable solutions' of which four have been identified.

15. This means that the Central Lancashire authorities will be able to continue requiring the equivalent of Code for Sustainable Homes Level 4 from January 2016 but only with regard to energy efficiency. They will not, however, be able to require energy efficiency equivalent to Code Level 6 consistent with Policy 27 as it is currently written.
16. Advice previously provided by Preston City Council's legal section with regard to government guidance on thresholds to be applied in relation to affordable housing policy also seems to apply in this case. That would indicate that neither the policy in the Core Strategy, nor the Core Strategy itself on this point, would be unlawful. It would, however, not be considered up to date in terms of compliance with national government policy.
17. Each authority will have to consider the advice that it gives developers in the interim. Preston City Council has produced a position paper containing the following wording, which it is suggested all three local planning authorities should adhere to for consistency:

*For the avoidance of doubt and in accordance with the government's statement of intention XX Council will continue to require energy efficiency levels at an equivalent to Code for Sustainable Homes level 4 until that requirement is incorporated into Building Regulations. This is the current requirement of Policy 27 of the Central Lancashire Core Strategy and will continue to remain policy after January 2016 notwithstanding the current wording of Policy 27.*

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
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Report of	Meeting	Date
Chief Executive, Chorley Council	Central Lancashire Strategic Planning, Joint Advisory Committee	28 July 2015

## **CENTRAL LANCASHIRE GYPSY, TRAVELLER & TRAVELLING SHOWPEOPLE'S ACCOMMODATION ASSESSMENT – JUNE 2015**

### **PURPOSE OF REPORT**

1. To inform members about the revised Central Lancashire Gypsy, Traveller and Travelling Showpeople Accommodation Assessment (GTAA) – June 2015.

### **RECOMMENDATION(S)**

2. That members note officer's views in respect of the Assessment Document and the delay in the progression of the Traveller Local Plan.

### **EXECUTIVE SUMMARY OF REPORT**

3. A revised draft GTAA published in May 2015 identified a need for 11 permanent pitches for Travellers in Chorley Borough, (an additional 6 to the 5 being progressed through the Chorley Local Plan 2012-26) 22 in Preston, 1 in South Ribble and a Central Lancashire wide need for 4 transit pitches to 2026.
4. The GTAA provides an up to date assessment of the Gypsy, Traveller and Travelling Showpeople's housing needs in the Central Lancashire area. Its findings inform the approach taken to cover this issue in Local Plans and it forms part of the evidence base behind the Central Lancashire Gypsy, Traveller and Travelling Showpeople Local Plan.
5. Following discussions and clarifications sought from officers this figure has been revised down to a need for 10 permanent pitches in Chorley.
6. It is the understanding of officers that Chorley's pitch requirement may be challenged by the local traveller community upon whose need the assessment is primarily based and that the Assessment may overstate the number of pitches needed to be provided. The guidance states that these Local Circumstances are also a relevant factor for considering the appropriate provision.

### **REASONS FOR RECOMMENDATION(S)**

7. As the GTAA forms a significant part of the evidence to the Central Lancashire Gypsy, Traveller and Travelling Showpeople Local Plan, the Issues and Options version of which is currently being drafted, it is important that Central Lancashire Councils proceed on the most

certain position possible As the Assessment findings have changed in each draft version of this GTAA, it is therefore appropriate at this stage to try to obtain this certainty.

8. Central Government have also indicated that they intend to review their policies on Gypsy and Traveller Planning matters at the earliest opportunity. Again if these policies are to change it changes the context of and therefore undermines the Council's approach to the preparation of the Gypsy and Traveller Local Plan.

## **BACKGROUND**

9. The previous GTAA published in May 2007 covered a 10 year period to 2016. It was used to evidence the Central Lancashire Core Strategy, which was found sound and adopted by the Central Lancashire Councils in July 2012.
10. However, at the Chorley and South Ribble Local Plan Examination hearings (April 2013), the Inspectors did not accept that this study was sufficiently up to date and Chorley's Inspector only issued a Partial Report (on 25<sup>th</sup> October 2013) on her findings into the soundness of the Plan on all matters other than those relating to Gypsies, Travellers and Travelling Showpeople. It was her intention to re-convene the Examination following completion and consultation on an up to date Central Lancashire GTAA and consultation on proposed sites and policies in order to enable the progression of the Chorley Local Plan to adoption.
11. Arc4 was commissioned by the Central Lancashire Authorities (Chorley Council, Preston City Council and South Ribble Borough Council) in July 2013 to undertake a Central Lancashire Gypsy and Traveller Accommodation Assessment to determine the need for any additional pitch and plot provision in the area.
12. This study was initially completed in January 2014 and identified a need for 5 permanent pitches for Travellers in Chorley Borough, 15 in Preston, none in South Ribble and a Central Lancashire wide need for 15 transit pitches to 2026. No need for Travelling Showpeople accommodation was established in Central Lancashire.
13. The GTAA was considered by the Inspector, however she was concerned that it may have underestimated the level of need and she asked for further detailed work on this matter. In the meantime, in order to progress the Chorley Local Plan to adoption, she advised that a site of 5+ permanent Traveller pitches should be allocated.
14. Accordingly, additional fieldwork was undertaken by Arc4 between 7<sup>th</sup> June 2014 and 6<sup>th</sup> October 2014. This provided more detailed information about current and future accommodation needs and aspirations of Gypsies, Travellers and Travelling Showpeople across Central Lancashire.
15. The revised GTAA was completed in June 2015. It has identified a need for 10 permanent pitches for Travellers in Chorley Borough (an additional 5 to the 5 being progressed through the Chorley Local Plan 2012-2016), 22 in Preston, 1 in South Ribble and a Central Lancashire wide need for 4 transit pitches to 2026. There is also an 'aspirational need' identified for 13 Travelling Showperson plots in Central Lancashire.

## **DEFINITION OF GYPSY AND TRAVELLER**

16. The definition of 'Gypsies and Travellers' is set out in the Government's 'Planning Policy for Traveller Sites (March 2012) as:  
*'Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family's or dependents' educational or health needs or old age have ceased to travel temporarily or permanently....'*

**LEGISLATIVE AND POLICY CONTEXT**

17. In March 2012 the Government published both the National Planning Policy Framework and its Planning Policy for Traveller Sites. These documents replace all previous national planning policy and guidance in respect of Gypsies and Travellers. This national guidance is a material consideration in determining local planning applications and its overarching aim is 'to ensure fair and equal treatment for Travellers'.
18. Under this guidance Local Authorities should make their own assessment of Gypsy, Traveller and Travelling Showpeople accommodation needs for the purposes of planning, and plan for sites over a reasonable timescale.
19. The policy also states that:
  - Plan making and decision taking should aim to reduce the number of unauthorised developments and encampments and make enforcement more effective.'
  - Planning policies need to be fair, realistic and inclusive; and
  - Planning policies should increase the number of Traveller sites in appropriate locations with planning permission, to address under-provision and maintain an appropriate level of supply.
20. It is within this policy context that local planning authorities have to plan future provision for Gypsies and Travellers across their respective areas. The Framework emphasises the role of evidence and how it should be used within this context. Policy A: Using evidence to plan positively and manage development stresses the need for timely, effective and on-going community engagement (both with Travellers and the settled community); in addition the 'use of a robust evidence base to establish accommodation needs to inform the preparation of Local Plan and make planning decisions' is advocated.
21. Paragraphs 8 and 9 of Planning Policy for Traveller Sites state that;

'Local planning authorities should set pitch targets for Gypsies and Travellers and plot targets for Travelling Showpeople which address the likely permanent and transit site accommodation needs of Travellers in their area, working collaboratively with neighbouring local planning authorities'.

Local planning authorities should, in producing their Local Plan:

  - a) Identify and update annually, a supply of specific deliverable sites sufficient to provide five years' worth of sites against their locally set targets;
  - b) Identify a supply of specific, developable sites or broad locations for growth, for years six to ten and, where possible, for years 11-15;
  - c) Consider production of joint development plans that set targets on a cross-authority basis, to provide more flexibility in identifying sites, particularly if a local planning authority has special or strict planning constraints across its area (local planning authorities have a duty to cooperate on planning issues that cross administrative boundaries);
  - d) Relate the number of pitches or plots to the circumstances of the specific size and location of the site and the surrounding population's size and density; and
  - e) Protect local amenity and environment.
22. Despite the revocation of the North West Regional Spatial Strategy (North West of England Plan – Regional Spatial Strategy to 2021) in May 2013, the need for strategic planning

remains, especially to ensure coherent planning beyond local authority boundaries. To this end the Localism Act (2011) introduced on local planning authorities the Duty to Co-operate in relation to planning sustainable development. Under this Duty local planning authorities must engage constructively, actively and on an ongoing basis in the preparation of development plan documents, other local development documents, and activities that can be considered in any way to prepare the way for development plan documents. Under the Act the sustainable development or use of land that would have a significant impact on at least two planning areas is considered to be a strategic matter falling within the Duty to Co-operate<sup>1</sup>.

- 23. Paragraph 181 of the National Planning Policy Framework (The Framework) states that “Local planning authorities will be expected to demonstrate evidence of having effectively co-operated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination”.
- 24. The Framework also provides further guidance on the duty, focusing on “planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities set out in paragraph 156”. (Para 178, The Framework). The Framework is clear that local planning authorities (LPAs) and other public bodies should work collaboratively on Gypsy and Traveller and Travelling Showpeople provision and reflect this in Local Plans.

**STUDY METHODOLOGY**

- 25. The methodology used for the study was as prescribed by the legislation, and guidance contained in the Framework and Planning Policy for Traveller Sites. It also included the ‘Gypsy and Traveller Accommodation Needs Assessments – Guidance’ (CLG 2007).
- 26. It comprised; interviews with Gypsies and Travellers, desktop analysis of existing documents, data and pitch information, a key stakeholder on-line questionnaire for professionals who have direct contact with Gypsy and Traveller and Travelling Showpeople communities, a review of the bi-annual caravan count for DCLG and Local Authority information on existing site provision (permanent and temporary) and unauthorised encampments.
- 27. The results of the study are set out below:

**HEADLINE FINDINGS – PERMANENT PITCH REQUIREMENTS BY AUTHORITY**

	<b>Chorley</b>	<b>Preston</b>	<b>S Ribble</b>
<b>Total additional requirement to 2026 for Gypsy and Traveller pitches to fit to Local Plan timeframe 2013/14 to 2026</b>	<b>10</b>	<b>22</b>	<b>1</b>

- 28. The report also highlights a shortfall of 13 Travelling Showperson plots to 2026. This is based on aspirational need across Central Lancashire and is explained further in paragraph 29.

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<sup>1</sup> The Localism Act 2011 Part 6 Chapter 1 Duty to co-operate in relation to planning of sustainable development Section 110

**TRANSIT NEED REQUIREMENT**

29. The study also identifies a need for 4 transit pitches across Central Lancashire. This need is calculated using data on unauthorised encampments from each of the three authorities (numbers of caravans and duration of stay). The report recommends that Central Lancashire authorities work together to explore the opportunities of a joint provision to satisfy this need.

**TRAVELLING SHOWPEOPLE NEED**

30. In respect of the Travelling Showpeople's 'aspirational need' of 13 identified, this cannot be quantified as actual need.
31. The revised study secured 9 interviews with Travelling Showpeople, none of whom live in the Central Lancashire area. In addition, none presented themselves as having a 'need' to locate within Central Lancashire. Of the 9 Travelling Showpeople who were interviewed, 8 expressed a desire to re-locate to Central Lancashire, 4 specifically mentioned Chorley as a preferred base for their yard. However, this 'aspiration' to live in Central Lancashire would only be taken as a 'need' if it could be demonstrated that there are family connections or work reasons to locate in Central Lancashire. As only 3 households provided details on where they travel to, a 'need' cannot be accurately quantified. All those respondents are currently accommodated in surrounding areas. Chorley is only mentioned as a destination for one of the households for one month during a full year of travelling therefore there is no evidence to suggest that Chorley should accommodate these Showpeople.
32. In the absence of more complete information, the study recommends that further engagement work is undertaken as part of the Gypsy and Traveller and Travelling Showpeople Local Plan in order to establish whether there is in fact a need for permanent Travelling Showpeople plots.

**LOCAL CIRCUMSTANCES**

33. In addition to the Assessment the Councils are also obliged to take into account local circumstances in addressing need. It is understood that the local Gypsy and Traveller Community in Chorley may consider the level of pitch need to be overstated and requires further investigation which may result in a lower figure of permanent need than that contained in the GTAA Assessment.

**GYPSY AND TRAVELLER AND TRAVELLING SHOWPEOPLE LOCAL PLAN**

34. Chorley's permanent Travelling pitch need figure of 10 is largely based on the Traveller Community currently residing at Hut Lane projected forward to 2026 (the emerging Chorley Local Plan period). The prescribed model takes their presence as a current indication of need for a permanent site. Given that the current local plan will allocate 5 permanent pitches at Cowling Farm, the remaining 5 would need to be allocated through the Traveller Local Plan. The figure also includes one Traveller in bricks and mortar who wishes to reside on a pitch and an estimate of 1 'hidden need' from a potential additional Traveller in bricks and mortar.
35. Chorley Council is progressing a permanent site for a minimum of 5 Traveller pitches through its Local Plan.
36. Chorley's remaining 5 permanent Traveller pitches, South Ribble's 1 permanent pitch, the Central Lancashire transit need and any additional 'need' across Central Lancashire will be explored through the Central Lancashire Gypsy and Travellers and Travelling Showpeople Local Plan. The identified pitch requirement in Preston reflects the identified need in the

previous Lancashire GTAA prepared in 2007. It includes the requirement arising from the site at Rosemary Lane that currently has a temporary permission.

37. A public consultation on an Issues and Options version of this document will invite comment on the study methodology and identify key issues that have to be addressed by the plan.
38. Central Lancashire officers and Members will agree how and where the transit need can be best provided and proposed sites will be subject to a sustainability and deliverability assessment. Preston, South Ribble and Chorley will also explore how best to satisfy their respective permanent Traveller site needs and any Travelling Showpeople need.
39. Outside Central Lancashire, surrounding authorities are all progressing their own GTAA's, therefore their respective Gypsy and Traveller and Travelling Showpeople needs will be covered by these. Any cross boundary need will be satisfied through the arrangements set up under the duty to cooperate.

## **NEXT STEPS**

40. Failure to undertake a GTAA and progress a local plan to allocate sufficient land to meet the identified need for new pitches would be contrary to national planning policy guidance and would have a number of impacts including:
  - Continuing the current problem of unauthorised development and encampments, as well as tensions with the settled community;
  - Reinforcing the cycle of nomadism for those Gypsies and Travellers who may prefer a more settled existence, but cannot find a permanent site;
  - Restricting the Councils' ability to enforce against unauthorised development as ability to enforce is related to proactivity in meeting the need for new provision; and
  - Increasing the difficulty of ensuring that the Gypsy and Traveller community has access to all the support and services they need.
41. The Gypsy and Traveller Accommodation Needs Assessment Guidance (CLG 2007) states 'This guidance aims to provide advice on carrying out an assessment of the accommodation needs of gypsies and travellers. It is not exhaustive or prescriptive. While it is recommended that the basic principles outlined in it should be followed, the exact approach will need to be adapted to local circumstances.'
42. In addition to this in September 2014 the government undertook public consultation on updating the PPTS. Within this paper it proposed to change the definition of Travellers and also proposed that draft planning guidance on assessing accommodation needs of gypsies and Travellers would be laid in Parliament (as required under Section 226 of the Housing Act 2004). This commitment was re-affirmed in parliament on 10 June to be undertaken at the "earliest opportunity".
43. There is therefore be an argument to state that given the governments intentions, the existing guidance is out of date and no-longer fit for purpose, which makes the figures that have been arrived at potentially open to challenge. There could also be merit in exploring whether there are local circumstances that could influence the final figure of need across Central Lancashire. In Chorley, the Local circumstances are that the Hut Lane travellers are living as an extended family unit which reduces their need for actual pitches as up to three caravans can be accommodated on a pitch. In a statement to the Local Plan Inspector their consultant stated that 'the family itself they need accommodation equivalent in scale to 5 pitches now (albeit laid out as an extended family site), and with potential for subsequent further expansion'. The nature of their future expansion needs to be clarified in order for a final need figure to be established.

44. It is therefore recommended that further work be undertaken by Officers to ascertain when the government's revised guidance on Travellers is likely to be issued and to further explore the issue of 'local circumstances' that may apply in Central Lancashire authorities. This will then be reported to a future JAC meeting.
45. Officers will then report on this work and any implication it may have for the figure of need identified in the GTAA. A revised timetable for the progression of the Central Lancashire Gypsy and Traveller and Travelling Showpeople Local Plan can then be set.
46. Before the Traveller Local Plan is adopted, should any applications be submitted for Gypsy or Traveller sites, Central Lancashire Authorities will apply Core Strategy Policy 8: Gypsy and Traveller and Travelling Showpeople in order to assess the appropriateness of any proposed sites.

<b>Background Papers</b>			
<b>Document</b>	<b>Date</b>	<b>File</b>	<b>Place of Inspection</b>
Central Lancs GTAA	June 2015	web	<a href="http://chorley.gov.uk/Pages/AtoZ/Examination-news.aspx">http://chorley.gov.uk/Pages/AtoZ/Examination-news.aspx</a>

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Peter McAnespie	5286	27 May 2015	

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Report of	Meeting	Date
Head of Planning, Lancashire County Council	Central Lancashire Strategic Planning Joint Advisory Committee	28 July 2015

## CITY DEAL UPDATE

### PURPOSE OF REPORT

1. This report provides an update on delivery of the City Deal and work being carried out by Local Partners.

### RECOMMENDATION(S)

2. Members of the Committee to note progress.

### EXECUTIVE SUMMARY OF REPORT

3. The City Deal Executive (comprising the Leaders of the three local authorities and members of the LEP) met on 17 July 2015 to receive reports on several important aspects of the City Deal. These are summarised in the report below.

### BACKGROUND

#### Infrastructure delivery to the end of Year 1

- 4.1 Positive early progress through 2014/15 has continued through Quarter Four. The delivery of strategic highway infrastructure and public transport and local centres has been achieved against the agreed programme over the Quarter and over Year One. Work in delivering the transport and public realm schemes continues at pace, with the following progress reported:
  - Golden Way (North) dualling works completed in March and under budget by circa. £740k (a 25% saving on the target cost)
  - Preparatory tree clearance works carried out on Golden Way (South)
  - A new route for the completion of Penwortham Bypass approved in March
  - Consultation on widening options along A582 completed in March
  - Works begun in January on the new A59 access for the Enterprise Zone
  - Plans published for public consultation for improvements in Bamber Bridge (continuing from October), New Hall Lane and Broughton (both in March)
  - Works began in February on Phase 2 of the Fishergate shared space scheme and Cannon Street public realm works.

#### Monitoring Outputs in Year 1

4.2 Work has been carried out by Local Partners to complete the 10 year output targets and the 2014/15 Annual Monitoring Report to be included in the City Deal Monitoring Return to Government. This sets out a range of information relating to delivery, receipts, expenditure and completions. Two sets of monitoring outputs are to be prepared annually:

- Firstly, a Core Output data set, to include housing units (consented and completed), commercial floor space (consented and completed), private sector investment and jobs accommodated
- Secondly, a Supporting Output data set to include metrics to track planning consents, development activity on specific sites (including HCA sites), retail vacancy outputs, and outputs to monitor progress with transport and community outputs.

4.3 The table below shows progress against Year 1 Core Output targets, which are the key Government performance measures.

Core outputs - 2014/15	Target	Actual	Variance	Comments
Total number of Housing units consented for planning *	6,590	6,501	-89	Only 1 major site requires planning permission.
Total number of Housing units completed	338	980	+642	Includes 98 empty homes brought back into use and 215 office units converted to residential
Commercial floorspace consented (sq m)	44,000	19,442	-24,558	Awaiting next phase development of Preston East sites.
Commercial floorspace completed (sq m)	21,928	3,338	-18,590	This mainly relates to one site where development options have been drawn up. Early stage negotiations are underway.
Jobs accommodated - Via commercial floorspace completions**	86	77	-9	
- Construction jobs connected to Capital Investment*** *	n/a	226	n/a	These jobs are associated with the infrastructure build programme
Public Sector Investment (to support Infrastructure programme)	£18.59m	£18.067 m	- £0.523m	
Private Sector Investment (to support infrastructure programme)	£6.18m	£5.543m	- £0.637m	

\* Includes consents from previous years from City Deal sites that form the baseline position

\*\* Gross jobs based on an average of 43 sq m per job, as per CLG guidance. An additional CLG methodology is used whereby a calculation is made based on additionality with job creation spread over a 3 year period which would generate 13 jobs

\*\*\* Based on one job per £86,945 of capital investment

*Housing outputs*

4.4 There has been a strong performance of total **housing unit** completions against Year 1 targets within both Districts with the addition of growth in Preston City Centre sites which

has also benefitted from the conversion of office units into residential accommodation and from almost a hundred empty properties being brought back into use. Compared with previous years in the City Deal area, housing completions represent a significant escalation of activity.

- 4.5 From a **planning perspective** all but one target sites have received planning consent thereby removing any potential delay in progressing development. Key **HCA sites** are maintaining progress with sites on target with regards planning permissions and on site activity. Critically, housing completions have met Year 1 targets.

#### *Commercial floor space outputs*

- 4.6 The market for **commercial floorspace** has been more subdued with only one significant completion which took place within Preston at the former James Hall site along Ribbleton Lane. The commercial market is occupier-led and although there are signs of speculative development, in particular for smaller industrial units, significant opportunities are yet to crystallise. In the absence of speculative development there is evidence of a programme of refurbishment of secondary industrial property at business parks taking place until values recover.
- 4.7 Nonetheless there are encouraging market signs; occupancy rates at strategic locations and business parks (where significant levels of future outputs are expected) are in many cases high; there is a real shortage of available new and modern manufacturing and logistics buildings across virtually all size ranges in the key locations of the North West, whilst demand also continues to recover; there are pipeline developments at North East Preston employment sites which are being progressed through planning; there have been notable business expansions for example James Fisher Nuclear who are expanding within South Ribble and new office tenancies at Preston East.
- 4.8 In the short-term there is a pipeline of new development in place, some of which are associated with housing sites, whilst Roundhouse Properties have planning permission for 43 units for an expansion at the South Rings Business Park in South Ribble and the Queens Retail Park in Preston received planning permission with work on site anticipated over the summer.
- 4.9 In addition 2014/15 has seen significant progress in bringing forward the two largest City Deal employment sites, Cuerden and the Enterprise Zone at Samlesbury (both in South Ribble). A Masterplan has been adopted for the former and construction on the Training facility at the latter has a commencement date of June 2015.
- 4.10 Other development activity continues within commercial centres and will be supported by transport and public realm improvements, for example there has been progress with development activity in the City Centre and lettings that have been encouraged by the new public realm along Fishergate.

#### *Jobs*

- 4.11 Related to commercial floorspace outputs, **jobs** outputs have just fallen short of anticipated targets by 9%. However, in addition to this, construction-related jobs are estimated at 226 which is based on a cost-per job assessment.

#### *Private sector investment*

- 4.12 A combined total £19.71m of public and private sector investment has been invested in transport infrastructure, which has resulted in the achievement of the infrastructure milestones below and the construction jobs referred to above.

#### *Supporting Outputs*

- 4.13 The detailed list of supporting outputs targets enable a fuller picture to be provided on achievement and forecasts, measuring activities from pre-planning to post-implementation of projects, and the table below provides a summary of Year 1 achievements.

Table 2

Supporting output – 2014/15	Target	Actual	Variance	Comments
Total number of Housing units submitted for planning	6,844*	6,844*	-	No outstanding sites awaiting submission for planning
Number of City Deal Strategic Housing sites at which construction is actively taking place	34	20	-14	Relates to main Preston sites, although construction is actively taking place in 104 sites in Preston alone.
Quantity of Commercial floorspace from identified and agreed Employment sites submitted for planning	44,000	78,483	46,677	Significant amount of floorspace submitted for planning at Preston East.
Retail vacancy rates in city and town centres - Preston - Leyland	24% 2012 8.3% 2013	12% 2014** Tbc		Leyland GOAD data sets to be updated in Oct 15.
Number of HCA sites submitted for planning permission	2	2	-	
Number of HCA sites granted planning permission	4	4	-	Croston Road/Land at Eastway/Whittingham Hospital/Cottam Hall
Number of HCA sites where construction is actively taking place	2	2	-	Brindle Road/Cottam Hall
Total number of housing completions on HCA sites	38	44	+6	Brindle Road/Cottam Hall
Total number of new floorspace completed on HCA sites	0	0	-	

\*Relates to both Year 0 and Year 1 targets and actual to represent the full planning pipeline

\*\* Source: Preston BID (18% regional average)

- 4.14 From the **planning perspective**, and inclusive of Year 0 (2013/14) and Year 1 (2014/15), a total of 6,844 **housing units** have been submitted for planning which presents the full extent of target permissions. There is also a significant pipeline of **commercial properties** for which planning permission has been submitted.
- 4.15 Focussing upon key **HCA sites**, acting as a barometer for the market for large development sites, progress is being well maintained through the planning process enabling housing completion targets to be met in Year 1.

#### *Planning risks*

- 4.16 As part of an examination of their Local Plan (Preston) and the SHLAA (South Ribble) the 10 year housing profile has been updated and 16,084 housing unit outputs are profiled within this timeframe, with 18,188 units anticipated to be achieved over the 15 year period.

- 4.17 Consents are already in place for over a third of the housing planning permissions, and 10 year targets have been reviewed and updated which will enable and an efficient and manageable processing of future planning submissions avoiding any unnecessary delays. The City Deal area is also supported by a Central Lancashire Core Strategy (2010-2026) that provides an over-arching development and planning framework, whilst the Community Infrastructure Levy is now in place.
- 4.18 Housing Zone status has also been recently established for sites in Preston City Centre that cover c750 units, and will enable progress.
- 4.19 North West Preston development sites are covered by a Masterplan that was approved in February 2014, and which provides a comprehensive framework to guide the development process.
- 4.20 With regards Commercial sites, the two largest employment sites have made meaningful progress. Sablesbury Enterprise Zone is subject to a Local Development Order, whilst Cuerden's masterplan has recently been approved.
- 4.21 A City Centre Action Plan covering a range of commercial sites has been prepared and submitted for examination.

#### Appointment of consultants to give property advice on new developments

- 4.22 The City Deal Programme is funded through pooled local and national, private and public sector resources. The infrastructure requirements to support new development means there will be a substantial and sustained call on developers across the area and lifetime of the City Deal for financial contributions. Reflecting this, the City Deal financial model contains an income stream, approximately £90 million, to come from developer contributions, which will be secured and paid through CIL arrangements and Section 106 and Section 278 agreements.
- 4.23 At its meeting in April 2014, the City Deal Executive endorsed the proposal to secure an additional resource and optimise the CIL and other developer contributions included in the Infrastructure Delivery Fund. It is recognised that the degree of specialist knowledge and negotiation skills are currently unavailable within the City Deal Project Team. It has been determined, the best approach is to establish a Framework Agreement for these services with a consultant, working closely with a range of disciplines including town planning, surveying and engineering, finance and legal officers within the authorities and externally.
- 4.24 Following a procurement exercise, Keppie Massie has been appointed to this role, an establish firm of surveyors and property consultants whose services include the more traditional surveying and valuation fields, together with more specialist and diverse expertise in regeneration and strategic development.
- 4.25 Early activity for the consultant is likely to focus on appraising and advising the authorities on commercial development market viability and feasibility, and an appropriate, defensible, fair and equitable level of developer contribution to provide supporting infrastructure. Also proposed is a piece of work, starting with NW Preston, to consider a mechanism to ensure that as far as we can the infrastructure costs associated with the development are borne equally. This work in NW Preston will feed into the NW Preston Masterplan Supplementary Planning Document (SPD) and ensure that each parcel of land in different ownership can be delivered.

#### Production of an Employment and Skills Plan

- 4.26 In order to ensure that local people and businesses are best able and positioned to benefit from the opportunities presented by the City Deal Programme a **Skills and Employment Strategy** has been commissioned. This will assess the projected skills demands over the

lifetime of the City Deal and ensure that there is a comprehensive approach towards addressing any skills gaps and supporting access to jobs, supporting economic activity and business growth. A working group, comprising colleagues from the HCA, Preston City Council, South Ribble Borough Council and the LEP Skills Board, has appointed the firm ekosgen to produce this work.

- 4.27 A number of other related research pieces are also running concurrently, which will identify current skills provision and projected future gaps by sector. This work will inform the development of a Lancashire (LEP footprint) Employment and Skills Strategy to be developed by July 2015. Also underway, is an Economic Impact Assessment, looking at the skills providers (colleges, Higher Education, private providers) across Lancashire.

Publication of the Infrastructure Delivery Plan (IDP) and HCA Business Disposal Plan (BDP) for 2015-2018

- 4.28 The production of an IDP is a requirement set out in the City Deal agreement. The first City Deal Infrastructure Delivery Plan (IDP) covering activity in 2014/15 was approved by the City Deal Executive on 25 April 2014. From this year, the IDP will operate on a three year rolling basis, providing a longer term delivery forecast than the initial version. Officers across the City Deal Partnership have worked closely in drafting the three year infrastructure delivery milestones for 2015/18 to ensure an affordable and deliverable programme of work and one which aligns with the HCA's own Business and Disposal Plan (BDP). The BDP ensure that the HCA and partners have a clear vision for delivery of the 11 HCA City Deal sites.
- 4.29 Both new plans represent a considerable development on the content and presentation of the first set of plans for 2014/15 and reflect the importance of rigorous project and financial management as well as the scale of the infrastructure to be delivered. The new plans provide greater details across the range of infrastructure to be funded through the City Deal, including for the first time details of community and green infrastructure, and more details of the timing and budget for local centre and transport corridor improvements.
- 4.30 Officers will present the key messages of the new 2015/18 programme at the meeting.

Report Author	Ext	Date	Doc ID
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