

Cheltenham Borough Council
Council – 15 October, 2012
Joint Core Strategy for Gloucester, Cheltenham and Tewkesbury
Report of the Chief Executive

Accountable member	Cllr Steve Jordan, Leader
Accountable officer	Andrew North, Chief Executive
Ward(s) affected	All
Key Decision	Significant
Executive summary	<p>On 24th September, 2012, Council received a report on the outcomes of a housing needs assessment prepared by consultants appointed by the three Joint Core Strategy (JCS) partner authorities. Council resolved to accept the seven recommendations included in the report, but added three further paragraphs at the meeting (those numbered 4, 5 and 10).</p> <p>An identical report (containing the same seven original recommendations) was considered by Gloucester City Council on 27th September, 2012 and by Tewkesbury Borough Council on 1st October, 2012.</p> <p>Whilst Gloucester City Council accepted the report's seven recommendations, it also resolved to object to the additional three paragraphs passed by Cheltenham and has requested that they be reconsidered. Tewkesbury Borough Council also accepted the report recommendations, but passed resolutions similar to those of Gloucester, though relating only to one of the additional Cheltenham paragraphs.</p> <p>This report sets out Cheltenham Borough Council's approach to engaging with and resolving these issues so that the Joint Core Strategy may proceed as swiftly as possible to its next formal stage – the 'Preferred Option'.. Council's acceptance or otherwise of the recommendations below will decide whether we are able to continue with a joint approach alongside Gloucester and Tewkesbury councils or not.</p>
Recommendations	<p>Council is recommended to:-</p> <ol style="list-style-type: none"> 1. Note that the seven recommendations set out in the report to Council of 24th September, 2012, have now been accepted by all three JCS authorities; 2. Note that the additional paragraphs 4, 5 and 10, added at the Council meeting on 24th September, 2012, will be adequately addressed by the original seven report recommendations, or by the ongoing JCS programme, or by the proposal at recommendation 4 below; 3. Accordingly withdraw resolutions 4, 5, and 10 relating to the Council's decisions on "Housing Needs Assessment Report" of 24th September 2012, renumbering the remaining paragraphs to reflect the original seven recommendations standing alone; and

4. Refer to the Council’s ‘JCS and Planning Liaison Overview and Scrutiny Working Group’ the task of evaluating alternative methods of assessing household formation rates over the plan period, feeding conclusions and recommendations into the JCS “Preferred Option” process for consideration by the three JCS Councils.

<p>Financial implications</p>	<p>Any delay in agreeing the JCS is likely to result in difficulties in defending the town against inappropriate development, which would lead to the need to incur significant expenditure in dealing with such applications, including any related appeals or legal challenges..</p> <p>Contact officer: Mark Sheldon, Director of resources, mark.sheldon@cheltenham.gov.uk, 01242</p>
<p>Legal implications</p>	<p>The JCS forms part of the Council’s statutory emerging development plan and it is essential to have a ‘plan led’ system if the planning process is to deliver sustainable growth. The key recommendation in this report is to agree the process by which the objectively assessed need for new homes in the JCS area will be determined.</p> <p>In the absence of an up to date JCS, and supporting Local Plan, Local Authorities are vulnerable to challenge when they are unable to produce a robust 5 year housing land supply (HLS).</p> <p>In the absence of a 5 year HLS, Local Authorities are having imposed upon them, by the Secretary of State, planning permissions which need not necessarily comply with the current or emerging Local Plan or any of the emerging Strategies in the JCS.</p> <p>It is therefore essential that Local Plans and the JCS are progressed expeditiously if the threat of adverse planning decisions being forced upon Local Authorities is to be avoided.</p> <p>Contact officer: Neil Weeks, neil.weeks@teWKesbury.gov.uk, 01684</p>
<p>HR implications (including learning and organisational development)</p>	<p>There are no staffing or Trade Union implications.</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242</p>

Key risks

The JCS authorities are preparing the Preferred Option Joint Core Strategy, which is due for consideration by each of the Councils in 2013. It is therefore essential that agreement is reached on the objectively assessed need if they are to continue to progress to the next stage of the document. Should the recommendations be accepted, there will be no financial implications specifically associated with this report, given that the JCS is being prepared from within existing budgets.

Should the recommendations in this report not be accepted, there is likely to be a considerable delay in the production of the Preferred Option document. This could also result in work on the JCS being suspended. The JCS authorities have an up-to-date Risk Register and this is monitored on a regular basis, however, the specific risks associated with this report are:

The additional resolutions subject of objection by Gloucester City Council and Tewkesbury Borough Council are not withdrawn

Should this occur, the preparation of the JCS Preferred Option Document will at best be delayed and possibly fatally damaged. This would complicate and have implications for subsequent examination and adoption of the development plan. Delay in bringing forward the development plan (whether jointly or without the other JCS partners). This will increase the risk of speculative planning applications for all three JCS authorities in advance of the development plan process, with significant financial and staffing resource implications for the authority.

It is also important that the JCS progresses quickly, in order to progress the associated Infrastructure Delivery Plan and Community Infrastructure Levy preparatory work.

The JCS authorities have an up-to-date Risk Register and this is monitored on a regular basis, however, the risks associated with this report comprise:

1. *The additional resolutions subject of objection by Gloucester City Council and Tewkesbury Borough Council are not reconsidered.* Should this occur, the preparation of the JCS Preferred Option Document will be delayed, or quite probably endangered. This would have implications for subsequent examination and adoption of the development plan. Delay in bringing forward the development plan Cheltenham alone will also have implications for ensuring that the development of the area remains plan-led, avoiding speculative planning applications being submitted.
2. **The risks set out in the Council report of 24th September 2012.** These remain generally applicable.
3. Failure to progress the Joint Core Strategy **in a timely way compromises** the preparation of other development plan documents for the authority, **principally our Local Plan.** The JCS is the strategic planning document for the area and it is currently intended that detailed development plan policy will come forward through district based plans.

As the development plan needs to be internally consistent, work on district plans should accord with the policies and allocations within the strategic level JCS.

Corporate and community plan Implications	Any significant delay in progressing the JCS, having particular regard to the provisions of the National Planning Policy Framework (NPPF), will have implications across a range of areas, but would include environmental, social, economic and financial impacts.
Environmental and climate change implications	The JCS will be subjected to a statutory Sustainability Appraisal Process which incorporates the requirements of Strategic Environmental Assessment.

1. Background and Key Issues

1.1 On 24th September, Council received a report on the assessment of housing needs. The report was based on work commissioned by the three JCS authorities from consultants Nathaniel Lichfield and Partners. Incorporating seven recommendations, the report was prepared jointly by all three JCS authorities for subsequent consideration by each Council. The recommendations are reproduced at appendix 2 for ease of reference.

1.2 In addition to resolving to accept the jointly prepared recommendations, in the course of the meeting, Council resolved to add three further paragraphs:

4. Note that household size is key to calculating the number of new dwellings required and there are alternative methods of estimating this which show the trend is broadly static. Officers should investigate the suggestion that using ONS district data to assess average household size across the JCS area would generate housing need of 18,600

5. Note that the demographic led projection based on latest ONS data leads to a projected job growth of 9100 to 11,400

10. That in progressing the JCS, officers are requested to specifically consider

- a. The possible use of the Local Green Space designation as defined in the National Planning Policy Framework (NPPF) (e.g. Leckhampton)*
- b. The continued protection of Green Belt in accordance with the NPPF*
- c. Having a single 5 year supply of land for business and housing that covers the whole JCS area. The 5 year supply should have realistic density of housing and housing supply in terms of the size of dwellings, number of bedrooms, proportion of affordable housing and household size to meet the projected growth and local need.*
- d. The need to recognise and encourage the role of neighbourhood plans in the new planning framework by supporting community groups and parish councils in the development of neighbourhood plans in collaboration with their ward councillors*
- e. Review opportunities for eco settlements within the JCS area as part of the Council overall green policy to stimulate growth in new technologies and seek solutions to create jobs.*

1.3 Gloucester City Council received the report on 27 September 2012, Tewkesbury Borough Council on 1 October 2012. Both councils accepted the report recommendations, but resolved to object to the additional paragraphs passed by Cheltenham Borough Council. The full resolutions of Gloucester and Tewkesbury are reproduced at appendices 3 and 4 respectively.

1.4 Gloucester City Council objected to all three additional paragraphs for the following reasons:

- Resolution 4 is considered not to be supported by sound evidence, is contrary to advice from the JCS's appointed consultants¹ and, if acted upon, will lead to the JCS being found unsound. Moreover, recommendation 8 [recommendation 6 from the original report] already covers the main point of this resolution in undertaking to carry out further work to understand trends in household size;
- Resolution 5 is considered to be simply a statement of fact. Consequently it is unnecessary to resolve to note it;
- Resolution 10 comprises matters that relate primarily to supply rather than need. The resolution therefore is not relevant to the purpose of the report. Gloucester City Council is particularly concerned about parameter (c) of resolution 10 – the calculating of 5-year housing supply on a JCS-wide basis – as it feels that this may leave Gloucester vulnerable to unplanned development as a result of decisions taken elsewhere in the JCS area.

1.5 Tewkesbury Borough Council objected only to resolution 4. The reasons given are broadly the same as those noted in relation to that paragraph by Gloucester City Council.

Officer advice regarding the Council's additions to the 24th September resolution

1.6 Paragraph 4

1.6.1 Officer advice given at the 24 September 2012 meeting is accurately noted in the draft minutes of the meeting and remains unchanged. Whilst officers concur generally with the view expressed by both Gloucester City Council and Tewkesbury Borough Council, they also consider that an additional issue should be highlighted. The development plan examination process has the testing of evidence at its heart. The plan must be soundly-based. Any technical information regarding housing need that is to be considered by the JCS authorities must therefore be in the form of defensible evidence, must be based on objective and unbiased analysis and the source of the evidence must be transparent.

1.6.2 Moreover, there are formal consultation stages in the plan preparation process – culminating in an Examination in Public - where members of the public and interested parties or organisations may make representations on proposals and the evidence informing those proposals. The housing needs assessment report is not in itself part of a formal consultation process. The next consultation stage of the JCS relates to the Preferred Option version of the plan, and the housing needs assessment evidence will clearly be part of that consultation. It would therefore, at this stage, be inappropriate to admit representations on the evidence base without also inviting public representation from any interested party/parties. Given that the plan is following due process, there is no provision or requirement to invite such representations at this stage. In any event, it is simply not practical to consult widely on every piece of evidence that informs the plan at the point the information emerges, when there is proper provision for this to take place at set stages in the plan preparation process.

1.6.3 Acting upon information that may not meet the requirements touched upon at 1.6.1, or which does not accord with due process, would leave the JCS authorities open to procedural or legal challenge, either now or later in the process. Challenge of that nature could at best delay the JCS and at worst, result in work needing to begin afresh at significant cost in terms of time, money and the goodwill of our partners.

¹ This report prepared by NLP and entitled "Review of Representations by the Don't Strangle Stroud Group and Response by Keith Woodhead" was received too late for distribution for the meeting of 24th September.

1.6.4 It is, nevertheless, legitimate for Cheltenham Borough Council to examine the issue of household formation should it wish to do so, in order to satisfy itself that the matter has been explored thoroughly and from various evidential angles. To this end it is proposed that the Council's 'JCS and Planning Liaison Scrutiny Working Group' is requested to take this work forward, potentially with the involvement of the Planning Inspectorate or Planning Advisory Service in the role of "critical friend", and to report its findings into the JCS Preferred Option preparation process for consideration by all three councils in due course.

1.7 Paragraph 5

1.7.1 Officer advice given at the meeting regarding this resolution remains unchanged. Officers concur with the view expressed by Gloucester City Council that it is unnecessary to restate a matter of fact over which there is no disagreement.

1.8 Resolution 10

1.8.1 Officer advice given at the meeting on 24th September, 2012, regarding this resolution remains unchanged. Officers consider that these matters relate primarily to housing supply (constraints, land allocations and so on) rather than need. Members have attended seminars with officers and consultants where the importance of avoiding conflating issues of need with issues of supply has been stressed several times. Members can be assured that all these matters will be properly considered in preparing the Preferred Option version of the JCS. This will, of course, be reported to Council for a decision in due course, where members will have full opportunity to debate not only housing need but housing supply issues. The Preferred Option JCS will be *de facto* the entire draft plan – vision, strategy, policies, proposals, allocations and delivery mechanisms.

2. **Reasons for recommendations**

2.1 Cheltenham Borough Council has given full commitment to preparing a sound Joint Core Strategy and to progress the plan through to adoption as swiftly and efficiently as possible. The additional resolutions passed at the meeting of 24th September were not intended to delay that process or to cause concern amongst partner authorities. Rather, the resolutions were aimed at addressing matters of particular concern to Cheltenham Borough Council Members. However, officers advise that those legitimate concerns can be adequately addressed as part of the ongoing JCS preparation process, via the JCS and Planning Liaison Scrutiny Working Group', or by adherence to the seven recommendations set out in the original report – recommendations, members should note, that all three authorities have accepted. As, contrary to the intention, considerable concern has clearly been caused to our partner councils, officers advise that there is no reason why the additional three paragraphs should not safely be withdrawn, so that preparation of the Preferred Option JCS can proceed.

3. **Alternative options considered**

3.1 The inference of the Gloucester City Council and Tewkesbury Borough Council resolutions is that should the three additional amendments subject of this report not be reconsidered, the future of the JCS partnership is in doubt. Given Cheltenham Borough Council's ongoing commitment to the JCS and the need to swiftly prepare the Preferred Option JCS, it is considered that there is no valid alternative course of action likely to allay the concerns of partner authorities.

4. **Consultation and feedback**

4.1 This report has been prepared as an urgent response to the Council resolutions in Gloucester and Tewkesbury. Whilst there has been no formal consultation on its contents there has been informal discussion with partner authorities and Cabinet as to the proposed course of action.

5. **Performance management –monitoring and review**

- 5.1 The JCS and Planning Liaison Scrutiny Working Group may wish to take forward matters referred to at 1.6.4 above and will feed any relevant outputs into the JCS Preferred Option process as they emerge.

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<p>Appendices</p>	<ol style="list-style-type: none"> 1. Risk Assessment 2. Report recommendations from the 24th September, 2012 meeting 3. Resolution of Gloucester City Council at its meeting of 27th September, 2012 4. Resolutions of Tewkesbury Borough Council at its meeting of 1st October 2012
<p>Background information</p>	<ol style="list-style-type: none"> 1. Report and appendices to Cheltenham Borough Council on 24 September 2012 2. Draft minutes of the Council meeting on 24 September 2012

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
CR33	If the Council does not keep the momentum going with regard to the JCS the policy vacuum left by abolition of the RSS and the resultant delay in projections and framework could result in inappropriate development	Andrew North	10 Aug 2010	5	5	25	reduce	Agreement across Gloucestershire districts to work collaboratively on determining housing and employment projections by the end of 2013. Econometric Housing Model received and analysis undertaken. Seminars for councillors to explain the projections. Decision to consult from all three councils and initial phase of consultation undertaken on development scenarios. Establishment of a member working group.	1 Apr 2013	Mike Redman/David Halkyard	Yes
<p>Explanatory notes</p> <p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											

Appendix 2 – Original Report Recommendations

That members:

1. Note NLP's review that the demographic methodology used to establish housing requirements for the JCS area for the period from 2011 to 2031 as part of the "developing the Preferred Option" document, was appropriate at the time, but that the data upon which the methodology relied will not in future be maintained by Gloucestershire County Council and should be based upon Office of National Statistics (ONS) and Department of Communities and Local Government (DCLG) data, because this will be consistently available and subject to on-going updating.
2. Note NLP's commentary and advice regarding the consultation responses.
3. Agree that a demographic projection solely based on latest ONS and CLG data indicates a population growth of 44,700. This would generate housing need of 28,500 dwellings for the JCS area for the period from 2011 to 2031 using NLP's methodology.
4. Agree that "objectively assessed need" for the JCS area should be based upon local job projections and the alignment of housing and employment provision. Also to agree that in preparing the JCS Preferred Option document, further work will be carried out to understand the level of economic growth assumed in the demographic, Cambridge Econometrics and Experian Business Strategies Ltd projections and work with the Local Enterprise Partnership to establish the level of economic growth for the JCS area during the period up to 2031 and the potential implications that this may have on the level of housing required.
5. Note that economic projections from Cambridge Econometrics and Experian Business Strategies Ltd forecast housing provision in a range between 32,500 and 43,220 dwellings to align proposed job growth and housing provision for the JCS area for the period from 2011 to 2031.
6. Agree that in preparing the JCS Preferred Option Document further work will be carried out to understand the current trend in household size and the implications on the level of housing required.
7. Agree that the JCS needs to balance environmental, social and economic issues and that the social and environmental impact of the "objectively assessed housing need" will be considered in preparing the Preferred Option version of the plan.

Appendix 3 – Resolutions of Gloucester City Council at its meeting of 27th September 2012

36 - JOINT CORE STRATEGY - ESTABLISHING THE FULL, OBJECTIVELY ASSESSED NEED FOR DEVELOPMENT

RESOLVED -

1. That it be noted that Nathaniel Lichfield Partners' (NLP) review that the demographic methodology used to establish housing requirements for the JCS area for the period from 2011 to 2031 as part of the "developing the Preferred Option" document, was appropriate at the time, but that the data upon which the methodology relied will not in future be maintained by Gloucestershire County Council and should be based upon Office of National Statistics (ONS) and Department of Communities and Local Government (DCLG) data, because this will be consistently available and subject to on-going updating.
2. That NLP's commentary and advice regarding the consultation responses be noted.
3. That it be agreed that a demographic projection solely based on latest ONS and CLG data indicates a population growth of 44,700. This would generate housing need of 28,500 dwellings for the JCS area for the period from 2011 to 2031 using NLP's methodology.
4. That it be agreed that "objectively assessed need" for the JCS area should be based upon local job projections and the alignment of housing and employment provision. Also to agreed that in preparing the JCS Preferred Option document, further work will be carried out to understand the level of economic growth assumed in the demographic, Cambridge Econometrics and Experian Business Strategies Ltd projections and work with the Local Enterprise Partnership to establish the level of economic growth for the JCS area during the period up to 2031 and the potential implications that this may have on the level of housing required.
5. That it be noted that economic projections from Cambridge Econometrics and Experian Business Strategies Ltd forecast housing provision in a range between 32,500 and 43,220 dwellings to align proposed job growth and housing provision for the JCS area for the period from 2011 to 2031.
6. That it be agreed that in preparing the JCS Preferred Option Document further work will be carried out to understand the current trend in household size and the implications on the level of housing required.
7. That it be agreed that the JCS needs to balance environmental, social and economic issues and that the social and environmental impact of the "objectively assessed housing need" will be considered in preparing the Preferred Option version of the plan.

8. That Cheltenham Borough Council be informed that resolutions 4, 5 and 10 from the proceedings of its meeting on 24 September 2012 regarding the Joint Core Strategy are unacceptable to Gloucester City Council and will cause delay to the Joint Core Strategy and potentially render it unsound.
9. That Cheltenham Borough Council be asked to reconsider resolutions 4, 5 and 10 as a matter of urgency at its Council meeting on 15 October 2012.
10. That Gloucester City Council officers be instructed to report to a future Council meeting on the options for achieving the City's needs in the shortest timescales possible reflecting the duty to cooperate.

Appendix 4 – Resolutions of Tewkesbury Borough Council at its meeting of 1st October 2012

Joint Core Strategy – Establishing the Full Objectively Assessed Need for Development

Recommendations

1. Note NLP's review that the demographic methodology used to establish housing requirements for the JCS area for the period from 2011 to 2031 as part of the "developing the Preferred Option" document, was appropriate at the time, but that the data upon which the methodology relied will not in future be maintained by Gloucestershire County Council and should be based upon Office of National Statistics (ONS) and Department of Communities and Local Government (DCLG) data, because this will be consistently available and subject to ongoing updating.
2. Note NLP's commentary and advice regarding the consultation responses.
3. Agree that a demographic projection solely based on latest ONS and CLG data indicates a population growth of 44,700. This would generate housing need of 28,500 dwellings for the JCS area for the period from 2011 to 2031 using NLP's methodology.
4. Agree that "objectively assessed need" for the JCS area should be based upon local job projections and the alignment of housing and employment provision. Also to agree that in preparing the JCS Preferred Option document, further work will be carried out to understand the level of economic growth assumed in the demographic, Cambridge Econometrics and Experian Business Strategies Ltd projections and work with the Local Enterprise Partnership to establish the level of economic growth for the JCS area during the period up to 2031 and the potential implications that this may have on the level of housing required.
5. Note that economic projections from Cambridge Econometrics and Experian Business Strategies Ltd forecast housing provision in a range between 32,500 and 43,220 dwellings to align proposed job growth and housing provision for the JCS area for the period from 2011 to 2031.
6. Agree that in preparing the JCS Preferred Option Document further work will be carried out to understand the current trend in household size and the implications on the level of housing required.
7. Agree that the JCS needs to balance environmental, social and economic issues and that the social and environmental impact of the "objectively assessed housing need" will be considered in preparing the Preferred Option version of the Plan.
8. Inform Cheltenham Borough Council that their resolution no. 4 is not acceptable to Tewkesbury Borough Council. Officers have investigated the issue of household size and sought advice from the JCS Councils' consultants, which has been provided to members. Cheltenham Borough Council's Resolution 4 is not based on evidence, is contrary to advice from officers and the JCS Councils' consultants and would lead to an unsound plan.
9. Inform Cheltenham Borough Council that Tewkesbury Borough Council considers that Cheltenham Borough Council's resolution 4 would result in an unnecessary and unacceptable delay in progressing the Joint Core Strategy and requests that Cheltenham Borough Council reconsider resolution 4 as a matter of urgency at it's Council meeting on 15 October 2012.

Officers to report to a future meeting on its options to achieve a sound core strategy for Tewkesbury Borough Council in the shortest possible timescale, reflecting the duty to cooperate.