

## Chief Executives' Group – North Yorkshire and York

3 June 2019

### Report of the YNYER Directors of Development Group

#### 1.0 Purpose of the report

- 1.1 To update members of the Chief Executives' Group as to the work and progress of the YNYER Directors of Development Group.

#### 2.0 Background

- 2.1 This report advises and updates members of the Chief Executives' Group of the work of the Directors of Development Group (DoDs) and the key issues arising.
- 2.2 The Directors of Development Group met on 9 May 2019. The principal items of business addressed at the meeting related to:
- Housing : A collaborative framework with Registered Providers
  - YNYERH Spatial Framework
  - YNYERH Procurement Investment Priorities
  - Infrastructure Funding Gap
  - Natural Capital Data Assessment for YNYERH
  - Biodiversity Net Gain

#### 3.0 Housing Delivery: A Collaborative Framework with Registered Providers

- 3.1 Directors considered a report setting out the progress of the YNYER-wide Housing Association Group (RP Group) in working together to look at barriers and enablers to achieving the aim to triple the delivery of affordable housing to 1,600 homes per year (from levels in 2012).
- 3.2 The group has developed a formal Collaboration Framework Document which 10 RPs have currently signed up to. This collaboration framework sets out the basis how the RP Group intends to work together in relation to the development of new homes (including affordable housing). It includes that RPs:
- continue to work on the delivery of smaller and medium sized development sites (sites of under 100 homes) and support the Rural Housing Enabler programme and Community Led Housing schemes;
  - collaborate and share best practice;
  - contribute to local authority Section 106 viability discussions;
  - provide employment and training opportunities in the construction sector.
- 3.3 Alongside these commitments the group has also set out a series of 'asks' of local authority partners including that they: involve the parties to this Compact early in the drafting of S106 Agreements and the design and layout of larger scale developments and strategic sites; proactively enforce the quality and size standards of affordable homes available from private sector developers through S106 Agreements; and consider the establishment of a centralised Growth Team to fast track planning Applications and ensure a consistency of approach across the Housing Board area.
- 3.4 Directors raised a number of issues in relation to these asks and tasked the Housing Strategy Manager with leading further work on the matter with a view to a detailed

report to be brought to the Chief Executive's Group for consideration in due course.

#### 4.0 YNYERH Spatial Framework

- 4.1 At its previous meeting Directors had agreed that work commence on developing more detailed studies (Long Term Development Statements) for each of the key areas of growth (Strategic Development Zones) identified within the Spatial Framework (SF). It was established that the County Council would lead the procurement of technical support in relation to this work.
- 4.2 Following-up this decision, Directors considered a report setting out a proposed approach and mechanism for taking this work forwards (funded from the Directors of Development pooled operational budget) and the anticipated timescale for doing so. It is aimed to complete the full suite of Long Term Development Statements by February / March 2020. Work will be led by a Steering Group composed of representatives of all partner local authorities, and this will be the initial mechanism for addressing any significant cross-boundary issues between areas. Detailed work within each SDZ area will be led by the local authorities covering that area.
- 4.3 Work has been undertaken to update the Spatial Framework following its endorsement by the LGNYY Board in July 2018 and present it in a format for sharing more widely with stakeholders. This will be included in a further report to the Chief Executive's Group shortly.

#### 5.0 YNYER Procurement Investment Priorities

- 5.1 Following approval of the Investment Priorities at the March 2019 meeting of the YNYERH Directors of Development Group. This item set out the procurement approach for the strands of work, including governance, timeframes and budget implications.
- 5.2 It was established that the County Council would lead the Strategic Development Zone (SDZ) procurement and a steering group is created that oversees the SDZ procurement with representation from each of the nominated lead officers from across the Sub Region. Sister arrangements were also approved for the non SDZ activity which will oversee work on Inclusive Growth, the Future of Market Towns and the Joint Housing & Investment Plan.
- 5.3 SDZ Local Authority Teams:

SDZ	Director Sponsor	Lead Officer/Authority	Additional LA representatives
SDZ 1 – M62 Energy Corridor	Dave Caulfield	Julian Rudd - Selby	ERYC, NYCC
SDZ 2 – 'Harrogate Line' Corridor	Trevor Watson	Tracey Rathmell - Harrogate	CYC/ NYCC
SDZ 3 – 'Central' A168 Corridor	Mick Jewitt	Helen Kemp- Hambleton	HBC/ NYCC
SDZ 4 – York Growth Zone	Neil Ferris	Mike Slater/Alison Cooke - City of York	HBC/ SDC / HDC RDC/ ERYC/ NYCC

SDZ 5 – Coastal Growth Zone	Alan Menzies	Liz Philpot - East Riding of Yorkshire	SBC/ NYCC
SDZ 6 – Airedale Corridor	Paul Ellis	David Smurthwaite-Craven	NYCC

- 5.4 As part of the approved SDZ methodology which sets out the approach to work with neighbouring/ adjacent Local Authorities and partners, rather than list each within this report it will be incumbent upon the SDZ lead to arrange for invites to relevant partners. The overall budget for this work is estimated at £150,000 for studies 2-6 inclusive, arrangements are already in place for study 1 with Selby, NYCC & East Riding of Yorkshire. All the briefs will be developed by the steering group under the direction of the lead Director, if additional requirements are sought over and above the SDZ methodology, this expanded commission would need to be paid for by the Authority in question.
- 5.5 Project steering groups will be established by the Director sponsors and nominated Lead Officers for each of the remaining areas (Inclusive Growth, the Future of Market Towns and the Joint Housing & Investment Plan), with procurement and briefs developed by the Lead Authority and project teams. In the case of the Joint Housing and Investment Plan procurement for specific initiatives will be identified by the project team and relevant commissions will then be allocated by the partners to procure. Periodic updates will be provided by project teams to Director Sponsors throughout the year, who in turn will update DoDs of progress.

## **6.0 Infrastructure Funding Gap**

- 6.1 Directors considered a report setting out the scale of the gap between the costs of delivering essential infrastructure to enable the delivery of Local Plans, and the amount of funding currently identified to support it. Whilst there is a need for figures to be updated, within the North Yorkshire area, and based on currently published figures, this funding gap is in the order of around £398m, and across the YNYER area £630m. Alongside these needs, the Community Infrastructure Levy is anticipated to generate just £52m and £66m in the two respective areas. Even with an update of the data, the infrastructure funding gap will remain large.
- 6.2 Within North Yorkshire this presents significant funding challenges for the County Council, particularly in respect of securing funding for school and education provision as current CIL regimes preclude the ability to secure funding through Section 106 contributions, with CIL income being clearly insufficient to meet needs.
- 6.3 Directors considered the implications of the issues arising, and tasked the Heads of Planning Group with assess and report back on the current status of CIL and infrastructure regimes within North Yorkshire; the impact of the proposed changes to national CIL regulations; and proposals to ensure the greater alignment of future infrastructure funding regimes across the two tiers as Local Plans are reviewed. A more detailed report, and a proposed way forward, will then be brought back to the Chief Executive's Group for your consideration.

## **7.0 Natural Capital Data Assessment for YNYERH**

- 7.1 By way of background, Directors were presented in December 2017 with a proposal for a natural capital investment framework for York, North Yorkshire, East Riding and Hull (YNYERH). This framework would support the developing YHYERH Spatial Framework, local plans and local industrial strategies.

- 7.2 A report was presented to Directors at their most recent meeting updating them on work undertaken to date to progress this workstream. This included work to progress an assessment of available environmental data to understand better the state of natural capital and the benefits it delivers within YNYERH in relation to the following eight goals of the Government's 25-Year Environment Plan.
- 7.3 Directors noted the importance of relating work on natural capital to the promotion of sustainable economic growth. Options for further progressing this work were considered with support given to developing an initial natural capital asset register for the YHYERH area, and to address gaps in sub regional Natural Capital data starting with habitat and ecological networks.

## **8.0 Biodiversity Net Gain**

- 8.1 In the Chancellor's Spring Statement on 13 March 2019, the Government announced it will use the forthcoming Environment Bill to make 'Biodiversity Net Gain' (BNG) a mandatory requirement for developers. Local Planning Authorities (LPA) will need to establish frameworks to facilitate BNG within their Local Plans. Net gain is an approach to development that aims to leave the natural environment in a measurably better state than before the development took place.
- 8.2 Directors noted that Harrogate Borough Council is considering how to address this issue in relation to its Local Plan, with draft policy NE3 in the emerging Local Plan committing the Council to supporting proposals that enhance features of ecological and geological interest to produce net biodiversity gain. The Council intends to produce a Special Planning Document on BNG to coincide with formal adoption of the Plan in late 2019 or early 2020 so that a BNG framework for the District will be in place when the Plan takes effect.
- 8.3 One element of this may be to establish a credit based system, known as a Habitat Bank, where developers can discharge their liabilities by contributing conservation credits to fund enhancement work in identified off- site locations. They make it easy, quick and more cost-effective for developers to discharge their liabilities for BNG than lots of individual, small, offset sites, and they enable the creation of new wildlife habitats at scale, thereby making them compliant with wider conservation policy. The Council is likely to need to work in partnership to develop and operationalise this mechanism. Directors recognised the value of an early collaborative approach and it was agreed that the Heads of Planning Group would lead work to explore the potential benefits of collaboration on development of a framework to facilitate BNG across the County.

## **9.0 Recommendations**

- 9.1 That Chief Executives note the recent and on-going work of the YNYER Directors of Development Group.

DAVID BOWE  
Corporate Director - Business and Environmental Services, NYCC  
in the capacity of Chair of the YNYER Directors of Development Group

June 2019