1. **Purpose of Report**

1.1 To inform Cabinet of the Government’s recent decision to grant Huncoat Housing Zone status as part of the Pennine Lancashire Housing Zone.

2. **Recommendations**

I recommend that Cabinet:

2.1 Notes and welcomes the recent decision of the Department of Communities and Local Government to award Huncoat Housing Zone status.

2.2 Subject to resources, approves the production of a Masterplan, which will be developed in consultation with residents, for the proposed Housing Zone study area (Appendix 1) including a Financial Viability Appraisal and Delivery Strategy that will aim to unlock housing and employment land for development and at the same time provide a planning framework and spatial plan that maximises the place-making potential for Huncoat.

2.3 Notes that Huncoat can make a major contribution towards the future housing growth in the Borough with the potential (under the maximum growth option referred to in paragraph 4.1 of the report) for up to 2,000 new homes in the long term. This would be subject to the proposed Masterplan vision and emerging planning policy (the Local Plan).
3. **Reasons for Recommendations and Background**

3.1 Huncoat village and surrounding area is subject to strategic housing and employment land allocations within the Hyndburn Core Strategy (2012) centred on the former colliery and power station sites. These allocations together with other land in the wider Huncoat area provide a major opportunity for meeting the Borough’s future housing needs and economic growth.

3.2 This was acknowledged and endorsed by the Department of Communities and Local Government in its recent decision to award Huncoat Housing Zone status as part of the Pennine Lancashire Housing Zone. Due to its strategic potential Huncoat is also subject to an Expression of Interest to Government to become part of the Government’s Garden Village programme.

3.3 Housing Zones are part of the Government’s policy to accelerate new housing building on brownfield land with Government making available nationally £3 billion of recoverable investment funding for the private sector to build new homes. Housing Zone status for Huncoat also gives the Council priority access to a £18 million Government fund to undertake planning work and project management in order to bring the Huncoat Housing Zone to the point of delivery. For Huncoat this will include the former Power Station site, which will be used for new employment opportunities.

3.4 On the 9th December 2016 the Council submitted a bid totalling £374,000 to the Government’s Large Sites and Housing Zones Capacity fund which will cover, in full, the technical studies and project management costs essential to accelerating growth in Huncoat through the production of a Masterplan and Financial Viability Appraisal and Delivery Strategy. The Council and Lancashire County Council has committed indirect match funding up to a maximum of £160,000 subject to a successful outcome of the bid to cover project direction, planning policy development costs and transport modelling costs. We are reasonably confident at least some of the Council’s bid will be supported, due to its Housing Zone status. Any shortfall will need to be met by Hyndburn Borough Council, Lancashire County Council, the Homes and Communities Agency, developers or landowners or a combination of all of these.

3.5 A detailed Masterplan Vision for the Huncoat Housing Zone will potentially:

- Help accelerate housing growth to meet housing needs for the Borough.

- Make a significant contribution towards the Council’s target level of housing numbers necessary, through the development of a wider area than the existing strategic allocations and reinforced village centre with up to 2,000 new homes.

- Promote the development of a high quality aspirational neighbourhood with place making principles at its heart. It could provide both incoming and the existing residents with a range of supporting infrastructure and amenities including public open space, a new school, transport enhancements and new and upgraded local infrastructure.
• Provide further technical, design and infrastructure work which will define a deliverable scheme essential in order to de-risk the sites and provide further certainty for developers and investors.

• Provide a Delivery and Funding Strategy to clearly articulate the development programme and the values, costs, phasing and sequencing of development which will deliver a viable accelerated housing programme.

• Proactive engagement with developers which will secure early planning applications on allocated housing sites from 2018/19 and a continuous pipeline of new house building over a 20 year period and beyond.

• Enable the potential for the HCA to purchase existing employment land for change of use to housing and for the provision of Starter Homes.

• Create a step change and have a wider positive impact upon the growth of the North West economy and be accessible to people and businesses in Central Lancashire and Greater Manchester.

• Inform planning policy, in particular the emerging Site Allocations Development Plan Document (DPD), de-risking the site for prospective developers and investors enabling and speeding up development activity.

3.6 The sites within the Huncoat Housing Zone comprise of brownfield land and some greenfield land designated for housing and employment in the Core Strategy. Additional land (green belt and open space) has been identified and will be considered as part of the Masterplan process with a view to creating a wider development opportunity for Huncoat, especially an increase in land for new housing and improved local facilities. This will be fully explored and consulted on as part of the masterplan process and used to inform and determine a preferred spatial option. This will in turn feed into the Council’s Site Allocations DPD which is the formal mechanism through which any allocations for the Housing Zone will arise.

3.7 The Masterplan framework will need to provide a comprehensive evidence base aligned with the emerging Local Plan including the Site Allocations DPD and supporting evidence. This includes the existing Strategic Housing Land Availability Assessment (October 2016) Strategic Housing Market Assessment (December 2015), Employment Land Study (January 2016), Plan Viability Study (October 2016) and proposed Green Belt Assessment, Open Space/Green Infrastructure Study and Strategic Flood Risk Assessment.

3.8 The Masterplan will consider and recommend a new site allocation boundary for the Huncoat Housing Zone based on the study area at Appendix 1 and a robust funding and delivery strategy. This will be identified following a rigorous option testing exercise to assess the optimal spatial distribution of development within the study area, the infrastructure requirements needed to support the development viability and delivery plan.
4. **Alternative Options considered and Reasons for Rejection**

4.1 The Masterplan will be subject to option development that will probably comprise of three options as follows:

- Policy compliant scenario, based on existing Core Strategy allocations and policies (up to 800\(^1\) new homes)
- A medium growth scenario (800 – 1,500 new homes)
- A maximum growth option (1,500 – 2,000 new homes)

\(^1\) The current strategic housing site has capacity for circa 450 homes, however, the development of a further 350 homes on employment land could be policy compliant in order to help bring forward employment / development infrastructure.

5. **Consultations**

5.1 The options outlined in “4.1” will be taken for public consultation and will aim to be sequenced with the Local Plan. Initial consultation on the Site Allocations DPD and partial review of the Core Strategy is planned in the summer of 2017.

5.2 Once a preferred Masterplan option emerges this will be subject to further consultation with local residents and other stakeholders to consider the recommended Masterplan.

6. **Implications**

| Financial implications (including any future financial commitments for the Council) | There are no direct financial implications for the Council arising from this report. The Council is seeking £374,000 from the Government’s Large Sites and Housing Zones Capacity Fund to support the required masterplanning and project management work set out in this report. Any shortfall in funding will be subject to separate consideration with possible contributions from a combination of any of Hyndburn BC, Lancashire County Council, the Homes and Communities Agency, Developers and landowners. |
| Legal and human rights implications | There are no legal or human rights implications arising from this report. |
| Assessment of risk | There are no direct risks to the Council |
arising from this report.

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<tr>
<th>Equality and diversity implications</th>
<th>There are no direct policy implications arising from this report. The Housing Zone masterplan may contribute towards future planning policy, at which point equality and diversity implications will need to be considered.</th>
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<tr>
<td>A <strong>Customer First Analysis</strong> should be completed in relation to policy decisions and should be attached as an appendix to the report.</td>
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7. **Local Government (Access to Information) Act 1985:**

7.1 None.
Appendix 1

Title: Huncoat Housing Zone Study Area