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4th September 2020

Dear Mr Berkeley

North Herts District Council – Updated Schedule of Further Matters, Issues & Questions

As you are aware, Letchworth Garden City Heritage Foundation owns the freehold of the Letchworth Garden City Estate and are successors to First Garden City Ltd, which developed the Letchworth Garden City. We are a community benefit society, where we reinvest surplus from a primarily property portfolio, back into the communities of Letchworth, via a series of charitable commitments set out in the Letchworth Garden City Heritage Foundation Act 1995.

We have consistently supported, through written representations and by appearing at the various sessions of the Public Examination, housing allocations on land on our holdings that have been included in the North Herts Local Plan 2011-2031.

Our Board of Trustees remains committed to the implementation of these sites, including sites presently in the Green Belt, designated as LG1 and LG3 in the modified Local Plan. We are therefore keen to see the expeditious adoption of the Plan after an extremely long and expensive process. We believe that this has been robust, both in the evidence base, plan formulation process and its examination and now hope that at last you can proceed with the final stages and the Plan can be adopted, in order to see much needed housing and investment into North Hertfordshire and Letchworth.

I refer you to representations dated 26th February 2020 submitted by Lichfields on our behalf and offer additional comments in light of your latest matters for discussion:

Matters 21 & 22

The Foundation supports the submission made by the District Council, which concludes that a revised housing requirement based upon the 2018-based OAN would be for 11,600 net new homes for North Hertfordshire's own need.

We also support the assertion by the Council that it should not seek any further main modifications or other alterations to the proposed spatial strategy, meaning that the strategic housing allocations (with the exception of those developments that have been completed or are underway) should remain in the final adopted Plan meaning that there is a

14% buffer, which is considered to be appropriate. This is particularly important when past trends concerning housing delivery and the current uncertain climate are considered, exacerbated by delays in the Local Plan process. This is the case for LG1 as indicated in our representations of 26th February 2020 and the Council's housing trajectory included in Appendix 1 to their April response on this matter, where original delivery assumptions cannot be achieved, leading to the amended projections, which we support.

Need for Housing

We are of the view that although matters related to North Hertfordshire are clearly of importance in the plan making process, there are some specific issues regarding Letchworth Garden City, which mean that there is an immediate need for additional housing at the scale envisaged by the Local Plan.

In previous submissions, we have supplied background data regarding the requirement for additional housing, both from a housing need perspective, but also in order to protect the local economy as part of the sustainable model at the heart of the garden city concept.

Some key data of relevance can be drawn from our previously submitted Letchworth Local Housing Study and Growth Study Update, submitted with our representations to Policy SP15 (LG1) to the Submission Plan in November 2016 and the March 2019 Letchworth Garden City Local Housing Needs Survey, previously submitted, but also provided with these representations:

- In 2016 it was estimated that in the period up to 2031, if there is no housing growth in Letchworth: there would be a reduction in population of 2,003, a reduced labour force of 1,867 and a reduction of local jobs of 1,690. (Growth Study Update)
- To sustain the same level of population, in 2016 757 new dwellings were needed in the period up to 2031. (Growth Study Update)
- The Growth Study Update in 2016 concluded: *'Without further development, both studies indicate there is likely to be rapid population ageing within Letchworth Garden City, with declines in the number of children and working age people. There is also likely to be a significant impact on the size of the labour force and a decline in the number of jobs that can be supported in the town.'*
- The Local Housing Study in 2016 found: *'The previous reports prepared by NLP (the 2013 Study and 2016 Update) highlighted that, without future housing growth, Letchworth would likely see a number of negative social and economic impacts, including the potential loss of local business and services and a declining local economy. On the contrary, housing growth could generate local investment, provide and support jobs, local spending and help fund local services and infrastructure through planning contributions and fiscal revenue to the LPA.'*
- In 2016 there were 893 households in Letchworth which have fewer rooms than required according to government standards. Most of these households (357) were

households containing a family with dependent children. This situation will sadly have only become worse. (Local Housing Study)

- 2011 there were 135 concealed households in Letchworth, over half of which were under 35 yo. Again, we expect that this figure will have increased (as it did between 2001 and 2011). (Local Housing Study)
- There is...*'a need for all tenures from newly-forming households, social rented housing for those in lower incomes and affordable purchase options for those on average (or higher) incomes. There appears to be an affordability 'gap', whereby households on incomes of up to around £40-£50k would struggle to obtain anything larger than a 2-bed flat/small house on the open market, but could afford significantly more through shared ownership or discounted market housing. This gap is unsurprising, given entry-level house prices in Letchworth have increased over 70% in the last 5 years alone (from around £150,000 in 2013 to £260,000 currently).'* (Housing Needs Study)

This in our view helps support the submission that notwithstanding the District wide household projections, the local circumstances in Letchworth Garden City are such that additional housing is needed to support the local population and the local economy and justify the allocation of land in the Green Belt in order to meet this need.

Benefits of Heritage Foundation Housing Proposals

The Foundation remains committed to the balanced approach of combining brown field regeneration sites by limited and considered release of land in the industrial estate, the town centre and greenfield locations.

There are additional benefits from the housing sites under the Foundation's ownership coming forward, which is protected by statute.

All capital receipts from development sites will be reinvested back into Letchworth via the Foundation's charitable commitments set out in the Letchworth Garden City Heritage Foundation Act 1995. This means that the sites included in the Plan, particularly the larger allocation at LG1, will create an opportunity for significant reinvestment into the surrounding areas and the town as a whole.

This reinvestment will be determined by a community governance structure, where a Board of Trustees made up of local people, will be responsible for agreeing how surplus from the Estate can deliver real change in the town for the benefit of the whole of the community. This will particularly focus on town-wide projects, which may include enhanced countryside recreational provision, improvements to the sustainability of the town, investment in the local economy, community led enhancement schemes and long-term investment programmes to secure grant support to meet a growing social need.

The Foundation is committed to ensure that the implementation of the main housing sites accord with Garden City principles, in accordance with the 1995 Act, which states that the Foundation, *'shall have regard to the maintenance of that undertaking as an entity in accordance with the principles upon which the Letchworth Garden City was founded'* (1995 Act). This not only applies to the land value capture model at the heart of Garden City principles, but also ensuring that the design represents a modern interpretation of these values and design principles.

This has been examined by way of an international design competition with the RIBA ('Re-Imagining the Garden City') alongside extensive community consultation, as set out in our representations from February. This will lead to a high-quality development, which will advance Letchworth's role as an example for new settlements, needed housing, whilst ensuring a strong financial return for community reinvestment in accordance with the Act.

The Foundation also remains committed to the delivery of affordable housing to meet local need, particularly as part of the LG1 development proposals, influenced by our local studies including those listed above.

Deliverability of LG1 and LG3

We continue to work to ensure that the implementation of these development sites can come forward expeditiously, whilst ensuring that the Foundation as a charitable organisation is not exposed to an inappropriate risk in light of delays to the Local Plan process.

Details of activities are set out in our February representations, with further work having been undertaken on both of these sites.

For LG1, we have undertaken since February:

- Further ecological assessments.
- Additional transport analysis, initial design and sustainable transport opportunity planning.
- Development of concepts with the design competition winners.

For LG3, we have also made significant progress and have completed the following:

- Further engagement with representatives of allotment holders.
- Transport assessment.
- Ecology assessment.
- Land conditions assessment.
- Archaeology review and agreement with County Council.
- Landscape strategy.
- Initial flood risk assessment.

- Layout plan completed.
- Initial planning obligations heads of terms.
- Pre-application submitted to the planning authority.

Next steps towards the implementation of these schemes is now however frustrated by the stalling of the Local Plan process but can move at pace when there is greater certainty towards the adoption of the Plan.

Our commitment to delivery is demonstrated by our level of activity on other sites that we have control over that are outside of the Green Belt, but included in the Local Plan:

LG13 – Glebe Road Industrial Estate – planning application submitted, withdrawn, matters nearing resolution and resubmission due shortly.

LG14 – Icknield Way – planning permission granted, development nearing completion.

LG16 – Foundation House – development partner appointed, planning application submitted for affordable housing scheme.

LG18 – Icknield Way Depot – pre-application process completed, will commence appointment of development partner following amendment of proposals.

LG20 – Gernon Road – planning application submitted.

Summary & Conclusions

The Foundation supports the approach taken by the local planning authority with respect to the calculation of housing requirements and its position concerning site allocations.

Notwithstanding this, we are of the strong opinion that there is a demonstrable need for housing in Letchworth Garden City and that this can only be achieved by the balanced approach of combining brownfield regeneration and greenfield sites, including Green Belt allocations LG1 and LG3.

This will preserve the character and quality of the heritage areas of Letchworth, its role of an important economic driver and employment area, whilst providing a range of housing opportunities suitable for a range of developers.

The delivery of housing will allow substantial reinvestment through the Foundation's role as a community benefit society, far beyond contributions secured against private landowners through Section 106. These benefits will be directed at the communities of Letchworth in accordance with statute, including the Foundation's charitable commitments.

The Foundation is ready to support the implementation of the growth sought by the Local Plan and will act expeditiously in order to achieve this, but this is reliant on the progress of the Local Plan, the delay of which is stalling needed growth and investment in Letchworth.

Matter 29

The Heritage Foundation owns the freehold of Letchworth Town Centre and we rack rent approximately 50% of the retail and leisure units, incorporating approximately 140,000 sq ft and 125 units, along with a residential portfolio and two major serviced offices of 113,000 sq ft.

Our wider commercial portfolio also includes 180 premises, totalling 450,000 sq ft in Letchworth.

We therefore have an interest in the changes to the use classes order and in particular the new Class E. Furthermore, there have been major economic changes arising from the Coronavirus pandemic, which influence the economic performance and future role of our industrial estates, business park and town centre and have made a difficult local market even more challenging.

Town Centre

We have sought to support town centre tenants with rent relief and other support measures during the pandemic, which have been funded through charitable resources and it is expected that these difficult conditions will continue for some time. Greater flexibility is therefore essential.

This in our view supports that there should be some modification of policies in order to meet the approach sought by central government:

- 1) Policy SP4 should be modified to incorporate Class E and for there to be greater flexibility as sought by central government regarding permissible uses in town centres, in particular to reflect the range of activities permitted in Class E.
- 2) There should be minor modification to Policy ETC 4 & 5, to reflect the new Use Classes.
- 3) Modification of LG19, 20 & 21, to reflect the new Class E provisions.

The changing role of town centres and the challenges that landowners and businesses faces, both as a result of evolving shopping and leisure habits and the presently largely unknown medium and long term impacts of the pandemic, particularly on leisure and retail sectors, supports the case for an early review of this aspect of the Plan and the need to bring forward the new Letchworth Garden City Town Centre Strategy, as sought by the modified text.

The current situation also emphasises the need for the local planning policy framework to be able to respond to the speed of change in our local and the national economy, otherwise town centres such as Letchworth could be stifled by a lack of flexibility, essential to economic development.

Industrial Estate/Business Park

The inclusion of Class B1 (a, b & c) into Class E presents the potential for change of use to retail uses in the industrial estate and business park, without the need for planning permission. This may have an impact on town centre retail and economic/employment policies.

It is therefore considered that minor modifications to Policies SP3 (although many references to B Class uses were removed in the previous modifications) and SP4 are needed. Policy ETC1 may also need minor changes. It is not envisaged that these changes will be significant, but important to make sure the Plan is not out of date at the time of adoption.

This again suggests an early review of the Plan in order that the implications of changes to the use classes order and permitted development can be understood and amendments made if necessary.

We trust that our comments regarding these Matters are helpful and can be taken into consideration and we hope that the Plan can now finally be adopted.

Please feel free to contact me if you have any queries or require any further assistance.

Yours sincerely

David Ames
Executive Director – Stewardship & Development

ENC: Letchworth Garden City Local Housing Needs Study March 2019