

Title of meeting Cabinet

Date of meeting 6 July 2018

Subject Local Plan Progress

Report by Assistant Director City Development

Wards affected All

Key decision No

Full Council meeting No

Summary

1. This report sets out the progress to date on producing the new Local Plan. It summarises the current national and local circumstances which need to be responded to in the new Local Plan and sets out proposals for how they will be addressed. It sets out a range of work to be undertaken in response to inform the new Local Plan and seeks Member endorsement of the approach.

Purpose of report

2. The purpose of this report is to advise Cabinet of the progress to date, current issues and future work to be undertaken for the new Local Plan, and to seek endorsement of the new Local Plan timetable set out in the Local Development Scheme.

Recommendations

Cabinet is recommended to:

- 1. Note the issues raised in this report and endorse the proposed approach to dealing with them; and**
- 2. Endorse the approach to engagement with neighbouring authorities under the Duty to Cooperate; and**
- 3. Approve the proposed revised timetable for the Local Plan set out in the new Local Development Scheme.**

Background

3. The Council is preparing a new Local Plan for Portsmouth. The Plan will set out a planning strategy to meet future development needs in the city for the next 15-20 years. The Plan will set out details on the level of development which will take place in the city and where it will be located and identify the infrastructure needed to support this growth. It will contain planning policies that will inform and influence the quality of development delivered in the city. These will be used to guide decision making on planning applications.

4. The process for producing the new local plan is set out in the Town and Country Planning (Local Planning) (England) Regulations 2012. Its content and scope will be tested on its consistency with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) and the justification provided by the Plan's evidence base. A public examination will

consider the soundness of the Local Plan and it must be found sound in order to be adopted by the Council.

5. The new Local Plan will replace the policies from existing planning policy documents and bring them together into a comprehensive document covering the whole of the Portsmouth administrative area. Neighbourhood Forums may develop Neighbourhood Plans for their areas. Where such plans are adopted, the policies within them will supersede any non-strategic policies in the Local Plan. Only one neighbourhood plan is currently being produced and this is for the Milton area. Existing Supplementary Planning documents and Area Action Plans will be reviewed in light of the Local Plan. Some will be replaced, while others may not be needed as detailed matters will have been covered in the Local Plan.

6. Last year an *Issues and Options* consultation was undertaken to inform the production of the new Local Plan. In December 2017 Cabinet considered a report which summarised the responses received from the consultation and set out a "Way Forward" for the new Local Plan. The Way Forward report identified a range of technical work required to provide the necessary evidence base to support and inform the production of the new Local Plan.

Progress in the Local Plan

7. Since December, significant progress has been made in terms of the evidence base. Officers are currently working on evidence gathering on a series of topics some of which require specialist studies all of which are being progressed. Some evidence is more appropriate to be considered across a wider area. For instance, evidence has been commissioned by the PUSH authorities on air quality which is due to be complete before the end of the summer and PUSH Joint Committee agreed the Integrated Water Management Study in June 2018. However, a number of issues have arisen which need to be addressed.

National Planning Policy Framework

8. In March 2018 the Government published proposed changes to the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). The changes proposed in the consultation are wide ranging and significant, but the main points are as follows -

- Confirming a standard methodology for housing need, resulting in **a higher housing need** for Portsmouth which the Government expects Local Plans to aim to meet;
- A **stronger emphasis on housing delivery**, with **sanctions for the Council if targets are not met**, including the new Housing Delivery Test and the need for the local planning authority to prepare an Action Plan ;
- **Clarifying the Duty to Cooperate** with neighbouring Authorities on strategic planning matters including requirements for a **Statement of Common Ground**;
- **Significant rewrites of key chapters**, such as the Economy, Climate Change, Flooding and Coastal Change and Transport chapters, and what needs to be addressed in Local Plans; and
- **New requirements for Local Plans**, such as the need to link to the objectives of the Industrial Strategy and to set out a clear economic vision and strategy that positively and proactively encourages sustainable economic growth. Also introduces the need for the Local Plan to provide a positive strategy for energy.

9. Overall the changes increase expectations of what Local Plans should address, placing additional responsibilities on the Council in terms of what actions it is expected to take and adds to what needs to be addressed in the evidence base for the Plan. It is anticipated that the final

wording will be confirmed by Government before the summer break. Although some of the changes have been controversial, there have been no indications that the Government is likely to significantly amend these proposals.

10. Many of the new requirements relating to the Local Plan can be addressed through additional technical work, for instance the inclusion of heat requirements for the city, others are more significant. They are taken in turn below:

Housing Need and Supply

11. National planning policy expects all councils to try to meet the housing need for their area. The Council had previously prepared an assessment of housing need with its neighbours in PUSH set out in the PUSH Position Statement. Following the Housing White Paper last year, and subsequent consultation, the Government has published a *Standard Methodology* for assessing housing need, which starts with the household projections published by the Office of National Statistics (ONS) and makes an addition based on market signals.

12. This represents a new approach by the Government - replacing the previous locally produced assessment of housing needs with a "top-down" figure produced from nationally produced official projections (and one which was objected to by this Council and others). Using the latest nationally prescribed figures, the standard methodology results in a housing need for Portsmouth of 868 dwellings per annum (dpa). This compares with the previous PUSH assessment of housing need of 740 dpa and the 584 dpa target in the adopted Portsmouth Core Strategy. To enable comparison, the following table sets out the various figures and the equivalent total for the period 2011-2034.

	Dwellings per annum	Equivalent total 2011-2034
Existing adopted Local Plan	584	13,432
Previous PUSH statement of need	740	17,020
Latest government figure	868	19,964

13. However, the Government has published new population projections which assume a much lower population growth than previously predicted, and these will be reflected in new household projections expected to be published in September 2018. While we cannot be certain of the outcome, it is anticipated that the new figure will be significantly lower than the current figure of 868 dpa, but still higher than the previously adopted Plan figure of 584 dpa. The new methodology, with its reliance on nationally produced figures, means that the new Local Plan will be prepared against a background of changing figures of housing need.

14. In addition to a new methodology for housing need, the Government has published draft planning guidance on how the delivery of student bespoke accommodation could count towards overall housing requirements, based on ratios to be published later this year. Currently, the council has to produce evidence itself to justify how any contribution can be counted. As with the Standard Methodology for assessing housing need, this will ultimately simplify the position but until the Government confirms its position, the exact contribution which can be calculated from student accommodation cannot be finalised. For now therefore the rate justified through the council's own evidence of 4 bedrooms of accommodation freeing up one dwelling in the city's existing housing stock will continue to be used.

15. Taking all of this together it is apparent that the evidence of overall housing need, and the government's expectations of this and other councils, will continue to develop over the coming months. In the meantime it is necessary for work on the Plan to proceed. Any significant developments in these matters will be reported to Members as and when they arise.

16. The Way Forward report in December noted that the Council already has evidence that the actual deliverable level of housing in Portsmouth is likely to be constrained by a number of factors, including the availability of land, impacts upon the environment, the capacity of infrastructure, deliverability of development and other site specific issues. That is still the case. However, Members should be aware that there is an ongoing expectation that Local Plans will consider such constraints and see if they can be overcome.

17. Since the Way Forward report further work has been undertaken on the theoretical capacity of the city to accommodate development. This needs to be tested against the constraints set out above, but to place the above figures into perspective, the identified theoretical capacity of the city to accommodate housing development is currently assessed to be equivalent to approximately 630 dpa, including an estimate of student accommodation outlined in paragraph 14 of this report. This will continue to be tested over the coming months to see if constraints can be overcome and additional capacity identified in line with national planning policy, but the indications at this stage are that there is a shortfall of capacity to meet likely housing needs.

18. For now, work on the new Local Plan needs to proceed with a working assumption that high levels of housing need must be addressed. Other sections of this report set out progress and proposals for this.

Housing Delivery Test

19. As part of its wider planning function the Council is expected to maintain a five year supply of deliverable sites for housing. The Council's progress in this regard has been published annually in its Authority Monitoring Report. The proposed revisions to the NPPF retain this requirement but also include a new housing delivery test, with penalties for authorities which do not meet it. At present the Government has proposed that where delivery is significantly under the requirement, then the presumption in favour of sustainable development applies, i.e. the adopted Portsmouth Plan treated as being out of date and planning applications are determined primarily on the basis of national policy. Further measures may also be introduced.

20. Although a proposed methodology for the test has been published, due to a lack of clarity on a number of aspects including how the delivery of student housing will be treated it is not clear what delivery will be included for Portsmouth. Once the government has confirmed its position members will be updated. The first results for all Local Authorities are expected to be published in November 2018. For now, the key message is that housing delivery will continue to be a key government aim and that the Council in its role as planning authority will increasingly be held responsible for securing delivery. The judgement to be made is in ensuring the Plan does all it can to meet housing needs, while ensuring the development strategy is reasonable and deliverable.

Duty to cooperate

21. For some time local authorities have been subject to the Duty to Cooperate on strategic planning matters. The Council has worked with neighbouring authorities in the Partnership for Urban South Hampshire (PUSH) to address strategic planning issues, including the production of a Planning Position Statement in 2016 which set out a development strategy for South Hampshire including targets for housing and employment land. The proposed changes to the NPPF and further evidence on housing and employment needs mean that this is increasingly out of date.

22. The proposed revisions to the NPPF and guidance now set out requirements for a new *Statement of Common Ground* between authorities and other key organisations to address such matters. PUSH is still the preferred mechanism at this time to address strategic planning issues. Officers will continue to engage with other PUSH colleagues regarding a formal process to

address strategic planning issues, including the production of a Statement of Common Ground, to address key issues including meeting the areas overall housing need.

23. Ultimately, the extent to which agreement can be reached with neighbouring authorities is a key factor for the Plan. However, experience with the production of the PUSH Position Statement in 2015-16 shows that neighbouring authorities will need to be convinced that the Council is undertaking all reasonable measures to meet development needs in the city before any meaningful discussion about meeting needs elsewhere can take place. PUSH has yet to agree a timetable for this work and there is the potential for it to impact upon how quickly the Plan can proceed. Previous strategic planning agreements have taken significant time and resource. For now it is considered that the best way forward is to progress to a draft Plan as quickly as possible to establish a position on understood needs and capacity of the city to accommodate development, to better inform discussions with neighbouring authorities. Members will be kept informed through future updates to PRED and cabinet.

Taking the Plan forward

24. When work commenced on the new Local Plan, it was envisaged that the plan period would cover 2011-2034, which is in line with the adopted PUSH Position Statement. However, circumstances have moved on. The Position Statement is increasingly out of date, with new evidence of need for housing and employment land. We anticipate this Plan will be finalised and examined using housing figures informed by the 2016-based household projections. We will also be required to discuss Duty to Cooperate issues with neighbouring authorities who are already bringing forward plans with a 2036 end date. Taking all this together, it is recommended that the Plan period is extended to 2036, and the official plan period is 2016-2036. If applied to the housing rates set out in the table following paragraph 12 of this report this would provide slightly different total figures, but the impact is not thought to be significantly different against the broader picture at this stage of preparing a new Local Plan.

25. The changes to the planning system, the new evidence of development needs, together with the requirement carefully consider all options in the new Plan mean that it is considered appropriate for a further consultation on the new Local Plan to be undertaken prior to it progressing to a final, formal draft submission document for Examination.

26. It is worth confirming that this next consultation is not envisaged to be another "Issues and Options" consultation, but a more focused draft plan approach for consultation with residents, businesses and other relevant organisations. It should be noted that the Way Forward report considered by Cabinet in December 2017 highlighted that additional consultations may be appropriate as the Plan progresses. It is envisaged that further details on the proposed consultations will be brought back to Members in October for consideration, including consultation arrangements and enhancements arising from the review of the effectiveness of consultation to date which was appended to the December Way Forward report.

Timetable for the Plan

27. The matters outlined in this report require an amendment to the Local Plan timetable. The current timetable is set out in the Council's Local Development Scheme (LDS) which was approved by the Leader and Cabinet Member for PRED in June 2017 and subsequently amended by Cabinet in July 2017.

28. The full text of the proposed revised LDS is set out as an appendix to this report. However, the main points are as follows -

November - December 2018 Further consultation on draft Plan

29. It is worth confirming that these dates are in themselves considered extremely challenging and are reliant on sufficient progress being made on key issues such as duty to cooperate discussions with neighbouring authorities and additional factors not significantly delaying the Plan. It is the case that the timetable for Local Plans, which cover a range of city-wide issues is subject to review. However, the implications of the issues considered in the Plan, the various legislative requirements and new factors arising in this report warrant full consideration.

30. This is an extension of the overall plan timetable but provides two significant benefits for the Council. First, it enables the Duty to Cooperate discussions with neighbouring authorities to be informed by a draft Plan; and second, it enables the council to consult on a draft plan approach before confirming a final decision in the formal pre-submission consultation in 2019. It is also the case that the draft plan will itself gain more weight as it moves towards submission and can start to be given some weight in determining planning applications before adoption.

31. This report provides an update to the Local Plan process, advising of changes to the planning system and the implications for the Council and the city. Cabinet are asked to note the issues summarised in this report and the proposals for responding to them, and to approve the proposed revised timetable for the Local Plan set out in the new Local Development Scheme.

Equality Impact Assessment

32. A full EqIA was prepared following the previous Issues and Options consultation and another will be undertaken as the Plan progresses. However, one is not considered appropriate for this report or the Local Development Scheme as members are only being asked to endorse a series of approaches to inform a future development strategy which will be consulted upon in due course.

Legal Implications

33. The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended), together with Part 2 of the Planning and Compulsory Purchase Act 2004 set out the principle, procedure and substantive obligations in relation to the preparation and adoption of the Local Plan. These steps are reflected in the narrative of this report.

34. The new Local Plan document may not be submitted to the Secretary of State for independent examination unless it, and the procedural steps taken, complies with any relevant legal obligations, and the submitting authority thinks that the document is ready. On examination, the independent Inspector appointed by the Secretary of State, hearing representations and inquiring into the document, will consider the soundness of the document. As set out in the proposed revisions to the NPPF, this will involve considering whether the Local Plan is :

- i. Positively prepared: whether it provides a strategy which will, as a minimum, meet as much as possible of the area's objectively assessed development needs and infrastructure requirements (including unmet requirements from neighbouring authorities where it is practical to do so, and consistent with achieving sustainable development).
- ii. Justified: whether it is an appropriate strategy when considered against the reasonable alternatives based on proportionate evidence.
- iii. Effective: deliverable over its period and based on effective joint working and cross-boundary strategic priorities that have been dealt with rather than deferred.

- iv. Consistent with national policy: whether it enables the delivery of sustainable development in accordance with the policies in the National Planning Policy Framework.

35. Should the anticipated changes to the NPPF take a different approach to the proposed revisions, or be scrapped altogether, then that will be reflected in subsequent reports to Cabinet.

36. In preparing this report and the Local Plan, regard must be had to the public sector equality duty. This requires the Council in carrying out its functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010 to:

- i. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- ii. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- iii. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Director of Finance Comments

37. The recommendations within this report to endorse the approach to completing the Local Plan do not directly have an adverse impact on Council resources. It is anticipated that the cost including the external technical work required to inform the final production of the Local Plan, as presented within this report will be met from the existing cash limited budget.

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Signed by (Assistant Director)

Appendices:

Appendix 1 Local Development Scheme

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Town and Country Planning (Local Planning) (England) Regulations 2012	http://www.legislation.gov.uk/uksi/2012/767/contents/made