

TITLE	Local Plan Update – Progress Update and Next Steps
FOR CONSIDERATION BY	Community and Corporate Overview and Scrutiny Committee on 17 October 2022
WARD	None specific;
LEAD OFFICER	Director, Place and Growth - Steve Moore

OUTCOME / BENEFITS TO THE COMMUNITY

To inform Members of the progress made with the Local Plan Update.

RECOMMENDATION

That the Committee review the report and note the progress made to date, the work ongoing and next steps, and offer comment.

SUMMARY OF REPORT

National planning policy requires local authorities to regularly review, and where necessary, update their local plans – the strategy which sets out policies to manage development and is the starting point for determining planning applications.

The council's existing local plans – the Core Strategy plan (2010) and the Managing Development Delivery plan (2014) were intended to manage development in the period to 2026. To ensure the policies remain effective, the council is progressing a new local plan – the Local Plan Update (LPU), which will provide a framework to manage development further into the future.

Whilst optimising the capacity of urban areas makes a valuable contribution, the identification of suitable greenfield sites is required to fully meet needs. Early consultations on the local plan and technical evidence supports the use of strategic scale greenfield development to meet the majority of the remaining need.

The council has consulted on two draft local plans, with summaries of the main issues raised being available on the council's website.

A cross party Member Working Group has been established to consider the opinions expressed through consultation alongside technical evidence, and provide advice to the Executive Member responsible for strategic planning and officers. In recognition of the ongoing discussions on the direction of the LPU, and the time required for this and any retesting of the evidence base, the programme for the LPU has necessarily slowed.

The programme for submitting a new local plan will be highly influenced by whether the recommendation is to broadly continue with the strategy outlined in the last consultation, or to consult on an alternative.

Key issues for the local plan are how to plan for the scale of housing need expected by the government and the limited available opportunities beyond strategic scale greenfield development.

Until a new local plan is adopted, the technical absence of a sufficient housing land supply will mean decisions on planning applications and appeals will be made under the 'tilted balance'. This is likely to result in some developments being allowed contrary to the judgement of the council.

Background

National planning policy requires local authorities to regularly review, and where necessary, update their local plans – the strategy sets out policies to manage development and is the starting point for determining planning applications.

The council's existing local plans – the Core Strategy plan (2010) and the Managing Development Delivery (MDD) plan (2014) were intended to manage development in the period to 2026. To ensure the policies remain effective, the council is progressing a new local plan – the Local Plan Update (LPU), which will provide a framework to manage development further into the future.

National planning policy states that local plans should be prepared with the objective of contributing to sustainable development, be prepared positively and shaped by engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees.

Policies should set out an overall strategy for the pattern, scale and design quality of places, and make sufficient provision for housing, employment and other uses, supported by infrastructure. They should look over a minimum 15-year period from the date of adoption. Where larger scale developments form part of the strategy, these should be set within a longer-term vision of at least 30 years.

Approaches for locating development

Setting aside geographical options, there are four broad approaches for locating most development needs, such as housing:

1. Intensification of urban areas to meet all needs;
2. Optimisation of urban areas, with remaining need met through a large number of smaller greenfield sites;
3. Optimisation of urban areas, with the remaining need met through a small number of larger greenfield sites; and
4. Hybrid approach of options 2 and 3.

With few sites within urban areas being promoted by landowners, particularly those of scale, and no historical precedent, the intensification of urban areas to meet all needs is not achievable. Additionally, significantly intensified development density would harm the urban environment by virtue of necessitating building at significant height and the use of lower carparking standards, building on green spaces both public and private gardens, and building housing on land in active commercial use.

Early consultations on the local plan asked open questions regarding possible approaches. The most supported answer was to use a combination of approaches, i.e. both larger and smaller sites. The most supported single approach was however meeting need through a small number of large developments that provided for their own infrastructure needs and based on garden city principles.

As stated above, technical evidence shows that it is not possible to plan for needs based on the intensification of urban areas alone. Additionally, technical evidence also shows that need cannot be wholly met by utilising just smaller sites with there being limited potentially suitable options. Large scale developments are often also the best technical solution for providing new housing in ways which respond to the challenge of

climate change. They offer the opportunity to design in sustainability from the outset, including measures to lessen the need to travel by private car, so reducing our carbon footprint and impact on the environment and air quality compared to dispersed development. Large developments also allow the planning of accessible green spaces, drainage management, biodiversity enhancements and renewable energy.

Strategies proposed in plan consultations have had regard to the expressed preference towards larger strategic scale development with supporting infrastructure.

Draft local plan consultations

The council has consulted on two draft strategies for the new local plan – the Draft Local Plan in 2020 and the Revised Growth Strategy in 2021.

Each strategy included the common themes of:

- Optimisation of urban areas;
- Allocating suitable land on the edge of main settlements;
- Allocating suitable land within and on the edge of existing strategic development locations;
- Allocating a new strategic development location; and
- Allocating proportional development across smaller settlements.

The principal difference between the two consultation plans is the location of the proposed new strategic development location.

The Draft Local Plan (2020) proposed the creation of a new garden town at Grazeley. This resulted from joint work between the council, West Berkshire Council and Reading Borough Council, supported by capacity funding from the government through Homes England. A subsequent and unexpected extension of emergency planning arrangements around AWE Burghfield resulted in this strategy being unachievable.

The Revised Growth Strategy (2021) proposed the creation of a new garden settlement on land south of the M4 between Shinfield, Arborfield and Sindlesham, known as Hall Farm / Loddon Valley.

High-level summary of the outcomes of both consultations have been prepared and are available on the council's website.

Next steps

Cllr Lindsay Ferris, the Executive Member for strategic planning has re-established a cross party Member Working Group to provide a sounding board for him and officers in the preparation of planning policy.

The Group are currently in the process of familiarising themselves with the larger scale promotions across the borough. This will involve visiting each area and receiving a presentation from the promoters as to their vision. Work will then continue to review the consultation strategy and test any reasonable alternatives.

In recognition of the ongoing discussions on the direction of the LPU, and the time required for this and any retesting of the evidence base, the programme for the LPU has necessarily slowed. Currently, submission of the LPU to examination might now be

anticipated in the first half of 2023/24 if the plan were to proceed directly to publication under Regulation 19 (pre-submission consultation), but would be delayed to late 2024/25 or early 2025/26 if a further consultation under Regulation 18 is required before progressing to Regulation 19.

Any substantial change from the strategy set out in the Revised Growth Strategy would lead to a recommendation to undertake further consultation under Regulation 18.

Based on the experience of other local planning authorities, examination through to adoption would reasonably take 18 months to complete.

Analysis of Issues

Housing need and the plan period

National planning policy requires councils to use a standard method to calculate the number of homes that are needed and therefore expected to be planned for, unless exceptional circumstances justify an alternative approach.

Based on case law around exceptional circumstances generally, demonstrating this requires the presentation of a set of factors that come together to justify diverting from the normal application of national policy and guidance. These factors must be locally specific through either being uncommon across local authorities or uncommon in terms of the scale of consequences.

The council has previously engaged a leading planning barrister and statistician to discuss exceptional circumstances, the outcome being that there are no sufficiently robust grounds. Issues regarding projections, house prices and earnings are not uncommon or of sufficient scale.

National planning guidance states that the affordability adjustment within the standard method is applied to take account of past under-delivery. The context of past over delivery is not addressed, however, the inference is that the affordability adjustment would also account for this.

At 1 April 2022, the standard method currently calculates the housing need for Wokingham Borough to be 781 dwellings per year. Figures from previous calculations are below.

Table 1: Local Housing Need 2018/19 to 2022/23

Year	Local Housing Need
2018/19	864
2019/20	804
2020/21	789
2021/22	768
2022/23	781

With the national planning policy expectation for strategic policies to look ahead over a minimum 15-year period from adoption, and based on the outcome of the standard method at this time, the scale of housing need that would need to be enabled by the LPU

would be 12,496 homes (16¹ x 781) from the year of submission. Homes delivered before the year of submission would not act to reduce this need.

An uncertainty in preparing the LPU is the delivery of sites with existing, or a resolution to grant, planning permission. The quicker existing schemes are completed, the greater the challenge to find additional land going forward.

Members of the government have indicated an intention to amend national planning policy, including how housing need is approach. No details are available, nor is there any published timeframe for consultation or the introduction of any changes.

Availability of suitable smaller sites

As stated above, technical assessments of promoted land currently indicate limited opportunities for achieving development on suitable smaller sites.

This limits how the council might reasonably respond should sites currently assessed as suitable be reassessed as unsuitable, should sites be withdrawn for consideration by the landowner, or should housing need be increased. In such circumstances, it is likely that two strategic scale developments would be required, rather than one as proposed in recent consultation plans.

Standards for environment performance

Environmental standards for new development can be set in planning policy. The preparation of the LPU provides an opportunity to introduce higher performance measures, e.g. those relating to energy and water consumption, carbon performance, on-site renewable energy generation and biodiversity net gain. Any higher standards would need to be supported by appropriate evidence which convinces the examining Planning Inspector that they were viable to impose.

Until new policy is adopted, the council can only require environmental standards to meet those set out in the existing local plans. These are no longer reflective of best practice.

Housing land supply and development proposals

National planning policy requires local planning authorities to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against the housing requirement set out in adopted local plan, or against their local housing need where the plan is more than five years old. The supply of specific deliverable sites should in addition include a buffer, the minimum being 5%.

Where a local planning authority is unable to demonstrate deliverable sites in excess of five years, the policies most important for determining planning applications and appeals may be deemed out-of-date. In such a circumstance national planning policy advises that planning permission should be granted unless it involves land that is specifically projected under national planning policy or the adverse impacts of granting

¹ 16 years reflects the year of submission, plus 15 years post adoption.

permission would significantly and demonstrably outweigh the benefits. This is referred to as the presumption in favour of sustainable development or the ‘tilted balance’.

The significant over delivery of housing in recent years has inevitably reduced the bank of planning permissions that remain and therefore the short term deliverable housing land supply ahead of a new local plan being adopted.

Inspectors considering three recent appeals concluded the deliverable supply was marginally less than five years:

- Willow Tree House, Brookers Hill, Shinfield (APP/X0360/W/21/3275086): 4.84 years which equates to a shortfall 128 dwellings.
- Land at Baird Road, Arborfield Garrison (APP/X0360/W/21/3276169): between 4.35-4.74 years supply which equates to a shortfall of 213-527 dwellings.
- Land at junction of Sawpit Road and School Road, Hurst (APP/X0360/W/21/3280255): 4.92 years supply which equates to a shortfall of 64 dwellings.

Whilst the council disputes elements of the conclusions reached by the Inspectors, in light of their findings and emerging monitoring information, the council has accepted that the deliverable housing land supply is less than five years and that the tilted balance is engaged.

Whilst the tilted balance is engaged, it is the council’s opinion that the shortfall in deliverable supply must be viewed within the bigger picture of housing delivery which has significantly exceeded all assessments of housing need.

If over delivery was taken into account across the Core Strategy local plan period or since the introduction of the standard method for calculating Local Housing Need, there would be no shortfall.

Given this context, it is the council opinion that the weight to be attached to the benefits of additional housing within the tilted balance should be tempered. This was reflected in the approach set out in both the Willow Tree House and Land at Baird Road appeals, where the Inspector applied only moderate weight to the provision of additional housing in the tilted balance. Both appeals were dismissed.

Notwithstanding, the absence of sufficient deliverable housing land supply is likely to result in some developments being allowed contrary to the judgement of the council.

Table 2: Comparison between housing completions and the Core Strategy housing requirement

	Completions (annual)	Completions (cumulative from 2006/7)	Core Strategy CP17 requirement (annual)	Core Strategy CP17 requirement (cumulative)
2006/7	1,011	1,011	600	600
2007/8	482	1,493	600	1,200
2008/9	369	1,862	600	1,800
2009/10	226	2,088	600	2,400
2010/11	217	2,305	600	3,000
2011/12	267	2,572	700	3,700
2012/13	390	2,962	700	4,400

2013/14	488	3,450	700	5,100
2014/15	454	3,904	700	5,800
2015/16	675	4,579	700	6,500
2016/17	967	5,546	723	7,223
2017/18	1,528	7,074	723	7,946
2018/19	1,284	8,358	723	8,669
2019/20	1,555	9,913	723	9,392
2020/21	1,167	11,080	723	10,115
TOTAL	11,080		10,115	

Green = Cumulative completions have been greater than the cumulative requirement.

Table 3: Comparison between housing completions and Local Housing Need

	Completions (annual)	Completions (cumulative)	Standard Method need (annual) ²	Standard Method need (cumulative)
2018/19	1,284	1,284	864	864
2019/20	1,555	2,839	804	1,668
2020/21	1,167	4,006	789	2,457
TOTAL	4,006		2,457	

Green = Completions / cumulative completions greater than Local Housing Need/ cumulative Local Housing Need.

Government direction and potential for intervention

In March 2020, the government set a deadline of December 2023 for all councils to have up-to-date local plans in place. According to the Levelling Up White Paper, only 39% of local authorities have adopted a plan within the preceding five years.

Whilst preparing a new local plan may be unpopular with affected communities, officers believe that the benefits of preparing a new plan to maintain the effective management of development and infrastructure are substantial.

If the council chose not to pursue a new local plan itself, this would not necessarily mean one wasn't produced, with the government having legislative powers to intervene and prepare a new plan directly.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION (See other financial implications section below)

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Circa £300k	Yes	Revenue
Next Financial Year (Year 2)	Circa £250k	Yes	Revenue
Following Financial Year (Year 3)	Circa £200k	Yes	Revenue

² Local Housing Need calculated on 1 April each year.

<p>Other financial information relevant to the Recommendation/Decision</p> <p>The table above sets out the projected costs associated with preparing and adopting the LPU.</p> <p>This is a multi-year project and therefore the costs will be spread across a number of financial years, the exact timing of which will be subject to internal decisions regarding the preferred spatial strategy as well as external influences such as the examination.</p> <p>The profile of the budget will vary according to other external other factors, however unless exceptional costs arise, is expected to be covered by available budgets.</p> <p>Not progressing the LPU Update will result in increased costs through the planning application and appeal process.</p>

<p>Cross-Council Implications</p> <p>The LPU will contain planning policies which manage the development of land. This may impact on capital projects proposed by service areas. In addition, the spatial strategy proposed will influence the geographical distribution of future service needs, particularly those linked to housing.</p>
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<p>Public Sector Equality Duty</p> <p>Equalities Impact Assessments have been undertaken for all consultative stages of the LPU. An assessment has not been undertaken for the purpose of this specific report given its nature of being an update and not considering policy direction.</p>

<p>Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i></p> <p>The Draft Local Plan (2020) included policies intended to ensure the majority of development was directed to locations where people would have the opportunity to walk and cycle, reducing the need to travel by private car unnecessarily. The plan also included a range of policies which sought to improve the environmental performance of buildings, including the achievement of carbon neutrality. These principle are retained within the recommended revised growth strategy.</p>

<p>Reasons for considering the report in Part 2</p> <p>Not applicable.</p>

<p>List of Background Papers</p> <p>National Planning Policy Framework Planning Practice Guidance Draft Plan Consultation 2020 Revised Growth Strategy Consultation 2021</p>
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