

Executive

30th July 2015

Report of the Assistant Director of Planning, Development Services and Regeneration (The Local Plan is the portfolio of the Leader and Deputy Leader)

City of York Local Plan

Purpose of the Report

1. The purpose of this report is to update Members on progress on the Local Plan and the work that is being undertaken to respond to both the changing national and local context.

Background

2. The Council resolution on the Local Plan on 9th October 2014 stated that the draft local plan approved by Cabinet on the 25th September 2014

‘does not accurately reflect the evidence base and is therefore not based on objectively assessed requirements, is not the most appropriate strategy and has ignored reasonable alternatives rather than to test the approach against them and is not deliverable over the plan period and is contrary to the combined methodological approach of the Leeds City Region’.

3. The motion also stated that:

‘Council believes that the current proposals fail to adequately reflect the results of the citywide consultations undertaken in July 2013 and July 2014’ and that ‘the current proposals will result in the plan being found unsound by the planning inspector leaving the city vulnerable’.

4. The motion requested that:

‘in order to accurately reflect objectively assessed requirements officers should produce a report on the housing trajectory to be brought back to

the next meeting of the Local Plan Working Group (LPWG) along with the relevant background reports. The LPWG will then agree an accurate analysis of the housing trajectory that is objective, evidence based and deliverable. This analysis will then be used to inform housing allocations and a new proposed Local Plan to be brought back to the next LPWG for discussion and recommendation to Cabinet in November’.

5. A report on the issue was considered by the Local Plan Working Group in December but the data used to inform that report was updated shortly afterwards when the Department for Communities and Local Government (DCLG) released the 2012 based Household Projections for local authorities in February 2015. These figures replaced the 2011 based interim household projections and run until 2037 negating the need for the index approach to household formation. These revised projections establish a new demographic start point for determining the objectively assessed need for housing.
6. Following the Local Government Elections in May the agreement between the Conservative and Liberal Democrat Groups, to establish a joint administration for City of York Council from May 21st 2015 indicates that:

‘We will prepare an evidence-based Local Plan which delivers much needed housing whilst focusing development on brownfield land and taking all practical steps to protect the Green Belt and the character of York.’

Plan Development

7. In response to both the Council resolution in autumn and the changed national and local context officers have either initiated or intend to initiate the following pieces of work which will add to and update the evidence base that will inform the next stage of plan production.

Need for Land

- Objective Assessment of Housing Need
- Revised Economic Forecasts
- York, Hambleton, Ryedale and North Yorkshire Moors National Park Authority Strategic Housing Market Assessment (SHMA)

Land Supply

- Windfalls Provision
- Density and Phasing
- Strategic Housing Land Availability Assessment (SHLAA)
- Employment Land Review (ELR)
- Duty to Cooperate – the role of Neighbouring Authorities

Other

- Consultation Audit and Assessment
- Gypsy and Travellers and Travelling Show People Assessment
- Green Belt Appraisal
- Infrastructure Development Plan
- An assessment of Neighbourhood Plans and their relationship to the Local Plan
- Emerging Joint Waste & Minerals Local Plan

8. The work highlighted will be the subject of reports to the Local Plan Working Group from September onwards. It is suggested that regular meetings of the working group are added to the Members diary for every 4 – 6 weeks. Further details on the work being undertaken are provided below for information.

Objective Assessment of Housing Need

9. The National Planning Policy Framework (NPPF) requires that Local Planning Authorities identify the objectively assessed need for housing in their areas, and that Local Plans translate those needs into land provision targets. Like all parts of a development plan such housing targets should be informed by robust and proportionate evidence.
10. Paragraph 47 of NPPF states that local planning authorities should:

“ use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in

this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period”.

11. National Planning Practice Guidance (NPPG) was published in March 2014. It includes guidance for local planning authorities in objectively assessing and evidencing development needs for housing. It states that:

“The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans¹”.

12. Officers are working with technical experts to produce a revised OAHN for York. This will look at the implications of the revised national household projections which are the starting point of overall housing need. The 2012-based projections indicate that the number of households in York is projected to grow by 14,404 dwellings (17%) between 2012 and 2031 to 98,651 households in total. This equates to an annual average growth of approximately 758 dwellings based on 19 financial/monitoring years (from 1st April 2012 to 31st March 2031. This is lower than the previous baseline demographic figure (using the 2011 CLG Interim household projections) recommended by Arup in their evidence base work to support the Publication Draft Local Plan and previously reported to Members of the LPWG.
13. In addition to evaluating the implications of the national household projections the technical work will consider sensitivity testing, specific to local circumstances, which may require an adjustment to be made to reflect factors affecting local demography and household formation rates which are not captured in the national projections. These other factors include the consequences of past under delivery of housing (backlog), specialist populations such as students, market signals (e.g. house prices and affordability and economic projections. This consideration of other factors is advocated in NPPG (paragraphs 15-19). This work is underway and will be reported back to Members in September.

¹ Paragraph: 004 Reference ID: 2a-004-20140306

Revised Economic Forecasts.

14. The local plan should make provision for the land required to meet the development needs of the local economy. A key piece of evidence for this is a forecast of future job growth and the consequent need for land to accommodate new business floorspace. Furthermore the forecast job growth influences the assessment of the need for housing and it is important to ensure the alignment of projected housing and job growth. Officers are working with technical experts to undertake this work and this will be reported to Members in September.

York, Hambleton, Ryedale and NYMNP SHMA

15. A Strategic Housing Market Assessment (SHMA) provides the evidence that underpins the detailed housing requirement; the affordability of homes, the mix of types of homes required and specialist requirements such as the demand for self build homes. This evidence is about to be updated in a joint commission with neighbouring authorities; Ryedale, North Yorkshire Moors National Park Authority (NYMNP) and Hambleton. The work once commissioned could be completed by October and will inform the policies on provision of affordable homes, housing mix and specialist requirements for older people, students etc.

Windfalls Provision

16. Windfalls sites are defined in the NPPF as:

“Sites which have not been specifically identified as available in the Local Plan process – they normally comprise previously developed sites that have unexpectedly become available.”

17. Paragraph 48 of the NPPF states:

“Local planning authorities may make an allowance for windfall sites in the five-year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens”.

18. The framework and practice guidance indicates that in calculating a realistic windfall allowance it is important to:
 - analyse past trends ;
 - avoid double counting with sites identified through the Strategic Housing Land Availability Assessment (SHLAA);
 - allow for changing market conditions; and
 - allow for changing trends over the plan period including whether it is necessary to discount windfall trends for future periods.
19. Officers are in the process of undertaking an analysis of windfall trends in York over the past ten years. A report will be brought to the LPWG which will provide a full analysis of windfall trends over the past ten years along with an analysis of risks and alternative options for including windfalls within the housing supply.

Density and Phasing

20. As part of the process of producing a Local Plan, Local Authorities must when they submit their Plan:
 - illustrate expected rates of housing delivery through a housing trajectory for the plan period;
 - set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land; and
 - set out an approach to housing density that responds to local circumstances.
21. The emerging local plan approach to determining potential housing densities has been developed through stakeholder consultation and technical assessment as part of the Local Plan Viability Assessment undertaken by consultants Peter Brett Associates. A balance must be achieved in this work between ensuring the efficient use of land, and delivering commercially viable growth that is attractive to the marketplace.
22. Adding complexity to this are the range of secondary Local Plan policy requirements that have implications for achievable site density including, open space provision, heritage and ecological impact mitigation, surface and groundwater attenuation, parking levels, and housing mix.

23. Officers are currently undertaking further work on assumptions relating to the density, phasing and delivery rates of potential site allocations which will be reported to the LPWG for consideration. This work will be informed by a consultation with the House Builder Federation and Federation of Master Builders membership, house builders registered on the Local Plan consultation database and property forum members. This will be a high level consultation asking for views on issues such as annual delivery rates, lead in times and the capacity of the industry in York.

Duty to Cooperate

24. The Local Plan is required to consider and respond to issues which extend beyond the district boundary, these include changes to infrastructure such as the strategic highway network and activities which have a catchment beyond the district. For example, the York housing market extends beyond the district boundary. This requirement is a statutory duty under the Localism Act and will require the Authority to demonstrate evidence to the Inspector at the Examination in Public how it has engaged constructively with neighbours on these matters.
25. Officers have previously consulted with adjoining authorities as part of the Local Plan process to date to fulfil the requirements of the Duty to Cooperate. Given the changes to local and national public policy context officers wish to explore in more detail with neighbouring authorities the potential to accommodate part of York's housing need. On the specific matter of housing, given there are five adjoining authorities and different possible options to address this matter a report scoping out the way forward will be prepared for consideration at a future meeting of the North Yorkshire and York Spatial Planning and Transport Board.

Consultation Audit and Assessment

26. Officers are in the process of undertaking a detailed audit and further assessment of all consultation responses received during the Local Plan process to date including both the Preferred Options Consultation and Further Sites consultation. This work will be reported to LPWG in detail and will include a summary of comments received at each consultation by policy and site reference to make the information more accessible and easier to understand and to help shape future decision making.

Gypsy, Traveller and Showpeople

27. As set out in the Planning Policy for Traveller Sites (March 2012) (PPTS) the Council is required to identify a supply of specific, deliverable Gypsy, Traveller and Showpeople sites sufficient to provide five years' worth of sites against their locally set targets to meet accommodation needs of these groups in York. The Council is also required to identify a supply of specific, developable sites or broad locations for growth for the remainder of the plan period.
28. In response to this need the Council commissioned two pieces of work; consultants Opinion Research Services (ORS) produced The City of York Gypsy, Roma, Traveller and Travelling Showpeople Accommodation Assessment (2014) and Peter Brett Associates (PBA) produced a The City of York City of York Council Gypsy, Roma, Traveller and Travelling Showpeople Site Identification Study (2014).
29. In recent months however there have been a series of decision at the national level that will require us to undertake further work on this issue. In addition officers will give further consideration to consultation responses received. This work will be reported back to Members of the LPWG in due course.

Green Belt Appraisal

30. As part of the preparation of York's Local Plan the detailed boundaries of the Green Belt need to be determined. The general extent of the Green Belt is already determined in the Yorkshire and Humber Regional Spatial Strategy to 2026 (May 2008), with relevant policies having been saved by The Regional Strategy for Yorkshire and Humber (Partial Revocation) Order 2013 (SI2013/117).
31. As part of the work on the Local Plan to date, analysis has been carried out relating to the Green Belt purposes. However the Green Belt Study will appraise that work, drawing together in one place all of the different pieces of technical work and evidence relating to York's Green Belt. It was intended that this work would be produced to support the Plan at Submission. There is however significant value in producing this at an earlier stage to aid the decision making process.
32. The study will clearly evidence the extent to which land within the non-built up areas of York fulfil the purposes for including land in the Green Belt. This directly relates to the Green Belt purposes set out in the

NPPF. This work will be reported to the LPWG as part of the series of meetings to discuss evidence base.

Infrastructure Delivery Plan

33. An Infrastructure Delivery Plan (IDP) is required to support the implementation of York's Local Plan. It sets out what infrastructure will be required to deliver the Local Plan; when it will be required; and the contingencies where there are risks. It also identifies who, in terms of authorities, agencies, and other organisations in the public and private sector, will be responsible for funding and providing it.
34. Officers are undertaking work to update various assumptions and technical work relating to the infrastructure delivery plan including further transport modelling work and this will be reported to the LPWG as part of the series of meetings to be programmed.

Neighbourhood Plans relationship with the Emerging Local Plan

35. As part of the Localism Act 2011, local communities are encouraged to come together to get more involved in planning for their areas by producing Neighbourhood plans for their area. Provision of advice and assistance to those proposing Neighbourhood Plans (NP) is a statutory duty for the Council. These NPs are required to undergo an Examination in Public before an Inspector and must conform to national and local plan policy, but are not required to meet the same stringent tests of soundness. In the absence of an adopted York Local Plan, NPs that are adopted will have significant weight in the determination of planning applications as they will constitute a part of the statutory Development Plan for York.
36. There are currently nine emerging Neighbourhood Plans in York. These are at various stages in the plan making process which includes extensive consultation with people who live, work and do business in the Neighbourhood Plan area. The Neighbourhood Plans will be independently examined and be subject to a referendum ahead of being adopted by the Council as part of the statutory development plan. It is important to evaluate how the work of communities in producing Neighbourhood Plans should be considered as a part of the emerging Local Plan.

Emerging Joint Waste & Minerals Local Plan

37. The Local Plan will include strategic policies on minerals and waste and in addition a separate joint minerals and waste development plan document is being produced with North Yorkshire County Council and the North York Moors National Park Authority. This is known as the Minerals and Waste Joint Plan. The Joint Plan will contain a suite of policies to be used when assessing planning applications for minerals and waste development. It will also contain site allocations for future minerals and waste activity. It is important that the emerging Local Plan and the Joint Waste & Minerals Plan are aligned.

Options

38. At this stage in plan preparation, Members are asked to approve the release of contingency funds as detailed in paragraphs 42-45 of this report to enable the additional work to be continued. A future report will be brought once the outstanding work in respect of the evidence base has been completed.

Next Steps

39. The reports sets out the work currently underway which will help to provide the basis for members to decide how to progress the Local Plan. This will involve a number of decisions on the form and content of the Plan and the Local Plan Working Group who will be advising the Executive on these matters will need to meet regularly, around every 4-6 weeks in order to do this.
40. The outcomes of the outstanding work in respect of the matters set out in this report will add to the evidence base, and inform decisions regarding appropriate specific policies. The timeframe for progressing the Local Plan can only be determined once Members have considered the evidence and resolved as to whether changes to the Draft Publication Local Plan (2014) will be significant, or modest. If modest, this would enable the Council to consult on a revised publication draft and then move onto Examination in Spring/Summer 2016.
41. Should Members wish to make more significant changes to the Plan the legal process would require the Council to test those changes through a new preferred options consultation. This would significantly lengthen the Plan preparation process with a new Preferred Options consultation and

a Publication Draft consultation in Autumn/Winter 2016. The exact timetable would be dependent on the outcomes of the technical work highlighted in this report.

Financial Implications

42. Further work on the Local Plan evidence base as outlined in this report including the work on objectively assessed need, economic forecasts, gypsy and traveller need assessment and SHMA will cost in the region of £45,000. Following the completion of the technical work and further reports to Members, as outlined in this report, officers will commence work on either a revised Publication Draft Local Plan or a new Preferred Options Consultation document followed by a Publication Draft Local Plan
43. Any Publication Draft Plan will then need to be subject to Sustainability Appraisal/Strategic Environmental Assessment (SA/SEA), Viability assessment and further transport assessment/infrastructure requirement work. This is anticipated to cost in the region of £20,000 depending on the level of change from work already undertaken to support the previous Publication Draft Plan. Further costs will include a city-wide consultation for Publication and Examination costs.
44. As outlined in the next steps section of this report if we are required to go back to the Preferred Options stage (due to the level of change to the previous draft plan) then additional costs would occur due to staffing resources, any additional evidence base work and the additional cost of further consultation.
45. The additional costs arising as a result of this report total £65k. This is unplanned expenditure and cannot be contained within the current budget allocated towards the Local Plan. It will be necessary therefore to request a release from contingency. The contingency following the Council budget amendment stands at £285k. Should Members agree to the release of £65k this will reduce the available level of contingency to £220k. The costs of finalising the Plan in 2016/17 will need to be considered a part of the 2016/17 budget process.

Council Plan

46. The options outlined above accords with the following priorities from the Council Plan:

- Create jobs and grow the economy
- Get York moving
- Build strong communities
- Protect the environment

Implications

47. The following implications have been assessed.

- **Financial** – These are detailed in paragraphs 42-45 above.
- **Human Resources (HR)** – The production of a Local Plan and associated evidence base requires the continued implementation of a comprehensive work programme that will predominantly, although not exclusively, need to be resourced within CES.
- **Community Impact Assessment** A Community Impact Assessment (CIA) has been carried out as the plan has developed and will be undertaken again at the next stage of production.
- **Legal** – The procedures which the Council is required to follow when producing a Local Plan derive from the Planning and Compulsory Purchase Act 2004 (as amended) and the Town and Country Planning (Local Development) (England) Regulations 2012. The legislation states that a local planning authority must only submit a plan for examination which it considers to be sound. This is defined by the National Planning Policy Framework as being:
 - **Positively Prepared:** based on a strategy which seeks to meet objectively assessed development and infrastructure requirements;
 - **Justified:** the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
 - **Effective:** deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
 - **Consistent with national policy:** enable the deliver of sustainable development in accordance with the policies in the Framework.

48. The Council also has a legal duty to comply with the Statement of Community Involvement in preparing the Plan. (S19(3) 2004 Act). Planning Inspectorate guidance states that “general accordance” amounts to compliance.

49. The Council also has a legal “Duty to Co-operate” in preparing the Plan. (S33A 2004 Act).
50. In due course Council will be asked to approve the publication draft Local Plan which will be subject to examination by a member of the Planning Inspectorate before being finally adopted.
- **Crime and Disorder** – The Plan addresses where applicable.
 - **Information Technology (IT)** – The Plan promotes where applicable.
 - **Property** – The Plan includes land within Council ownership.
 - **Other** – None

Risk Management

51. In compliance with the Council’s risk management strategy, the main risks in producing a Local Plan for the City of York are as follows:
- The need to steer, promote or restrict development across its administrative area;
 - The potential damage to the Council’s image and reputation if a development plan is not adopted in an appropriate timeframe;
 - Risks arising from failure to comply with the laws and regulations relating to Planning and the SA and Strategic Environmental Assessment processes and not exercising local control of developments; and
 - Financial risk associated with the Council’s ability to utilize planning gain and deliver strategic infrastructure.
52. Measured in terms of impact and likelihood, the risks associated with this report have been assessed as requiring frequent monitoring.

Recommendations

53. It is recommended that Members note progress on the Local Plan and the work that is being undertaken to respond to both the changing national and local context.

Reason: So that an NPPF compliant Local Plan can be progressed.

54. It is recommend that Members agree to the release of £65k from contingency to fund the additional work outlined in the report.

Reason: So that the additional evidence base studies identified in this report can be funded within budget.

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**Report
Approved**



Date 21.7.15

Specialist Implications Officer(s):

Patrick Looker, Finance Manager
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Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

None