

PROGRESS ON THE LOCAL PLAN

Head of Service/Contact:	Ruth Ormella, Head of Planning
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	Annex 1: Technical Consultation on Updates to National Planning Policy and Guidance Annex 2: Draft Response to Consultation Questions
Other available papers (not attached):	Epsom & Ewell Local Plan Programme July 2018 Office for National Statistics Household Projections for England 20 September 2018

Report summary

During July 2018 the Borough Council adopted and published its latest Local Plan Programme which sets out the Council's timetable for progressing its Plan. That document signals that our new Local Plan will be submitted to the Secretary of State for examination during Autumn 2019. In order to keep members informed and to help the Committee meet that objective it is proposed to have a standing item that reports on the progress towards that target. This report provides an introduction to this approach.

The publication of a regular Local Plan item also provides a mechanism to report relevant planning policy issues to the Committee which might not otherwise merit a report of their own. Within this context, the report provides an overview of the Office for National Statistics new household growth projections and its implications for the standard method for assessing local housing need as published in national planning policy guidance.

As an addendum item, a draft response to the Ministry of Housing, Communities & Local Government recently published consultation on proposed changes to planning practice guidance on the standard method has been prepared for consideration by the Committee.

Recommendation (s)

- (1) The Committee takes note of the overview of the Office for National Statistics new household growth projections;**
- (2) The Committee notes the recently published consultation ‘Technical consultation on updates to national planning policy and guidance’ and subject to any changes agrees the Council’s draft responses to the consultation as set out in the Annex 1**

1 Implications for the Council’s Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The delivery and implementation of the Epsom & Ewell Local Plan contributes towards all of the Council’s Key Priorities. The new Epsom & Ewell Local Plan is critical because it will set out how sustainable growth, particularly in relation to new housing, will be delivered during the plan period.

2 Background and Proposal

- 2.1 During July 2018 the Committee received and agreed a new Local Plan Programme, which sets out a timetable for the preparation, production and consultation of the new Local Plan and its associated supporting evidence. The timetable for progressing our new Local Plan is ambitious. It requires continuous progress to be made for the remainder of 2018 and throughout 2019. It identifies key milestones throughout the process, which will be used to monitor the performance of our Programme.
- 2.2 It is proposed to provide the Committee with a standing agenda item that will provide them with regular updates of progress against our adopted Local Plan Programme. The standing item will also provide opportunities to consider and inform the development of the new Local Plan as it moves forward.
- 2.3 The standing item will take the form of a brief report that will provide a brief overview of the progress being made. Where appropriate it will cross-reference to other reports being made to the Committee that cover specific issues relating to the Local Plan in greater detail. It will also provide advance notice of relevant forthcoming reports and their importance to the Local Plan process.

Licensing and Planning Policy Committee

15 November 2018

- 2.4 The introduction of the standing item also provides a mechanism to report other relevant planning policy matters to the Committee as they arise, which might not otherwise merit a report of their own. For example, this could encompass minor changes in national planning policy advice, or news of emerging local plans coming forward in neighbouring authorities. As such this mechanism provides the Committee with an early opportunity to engage in wider issues that may have a tangential impact on our emerging Local Plan.

3 Progress on our Local Plan

- 3.1 The Council is making good progress in reviewing the Borough's Local Plan and is currently preparing a number of technical studies to inform the next stage in the process. Some of these studies will be separately reported to this committee.
- 3.2 The Council's Local Plan will provide the overall approach to managing development within the borough and will be the key mechanism to ensure the Council's delivers the needs of community including housing and infrastructure requirements.
- 3.3 A report was taken to the Committee 27 September 2018 which informed members of the publication of the revised NPPF and outlined the key implications this has on the Borough. This included the confirmation that strategic policies should be informed by housing needs assessment as calculated by the standard method set out in national planning guidance. The objectively assessed housing need (OAHN) for Epsom and Ewell Borough Council was calculated to be 579 dwelling per annum. However, following the recent (September 2018) publication of 2016-based household projections, the OAHN is now calculated to be 372 dwellings per annum for the Borough. The implications for the updated household projections are discussed in more detail in the next section.
- 3.4 The Borough Council continues to assess possible opportunities for housing land supply necessary to meet our OAHN through the delivery of new homes. This process has included the preparation of two strategic housing land availability assessments and an on-going call-for-sites exercise. This work will help identify new sources of supply that are available for housing and discount those that are not.
- 3.5 The Borough Council seeks to respond positively to the challenge of its housing need and explore innovative approaches to significantly boost housing supply. The latest work in this area includes the Kiln Lane & Nonsuch Industrial Estate Capacity Study (that is the subject of a report to this Committee) and the forthcoming Urban Capacity Study, which will be reported to the January 2019 Committee.

Licensing and Planning Policy Committee

15 November 2018

- 3.6 The next step in the process of identifying sources of housing land supply will take the form of the Transformation Masterplan. It is envisaged that document will help to significantly boost the supply of housing through the application of high quality design, higher density residential development and in appropriate locations taller buildings within the existing urban areas. We are in the process of completing the commissioning of the master planning, urban design and architectural work. The Masterplan will take about twelve months to complete. During that period there will opportunities for Members, and others, to engage directly with the master planning process. Members will be informed when those opportunities arise.
- 3.7 On the basis of the above milestones, the Borough Council continues to make positive progress against the timetable set out in the current Local Plan Programme.
- 3.8 The revised NPPF introduced the new Housing Delivery Test, which the government considers will be a key mechanism for achieving rapid housing delivery. The burden of the test falls upon local planning authorities and focusses upon their ability to demonstrate a five year housing land supply calculated against their objectively assessed housing need. Failure to demonstrate a five year housing land supply can result in the government applying buffers, of values between 5% - 20% of their OAHN, to boost housing delivery.
- 3.9 The government are in the process of assessing our performance against their Housing Delivery Test. The outcomes and implications are anticipated during late 2018/ early 2019. A full report to this Committee will be prepared accordingly.

4 Office for National Statistics Household Growth Projections September 2018

- 4.1 The government's Office for National Statistics regularly publishes projections relating to future population changes. During September 2018 the Office published new household projections for England covering the period between mid-2016 to mid-2041.
- 4.2 These specifically relate to the number of households that may be created during that period of time. The Office specifically defines a household as:

"... one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room, sitting room or dining area. A household can consist of a single family, more than one family, or no families in the case of a group of unrelated people". (Families and Households 2017 ONS November 2017)

Licensing and Planning Policy Committee

15 November 2018

- 4.3 The government's standard method formula uses household growth projections as a baseline for its calculation. When household growth projections go down, it is reasonable to assume that the scale of OAHN calculated through the standard method could also fall. Equally, should the growth projections rise, then the OAHN calculated through the standard method could also be expected to rise. It is the nature of these projections that they can fluctuate as they are influenced by a variety of external factors. As a consequence, many statisticians would not necessarily interpret a single change (either upwards or downwards) in data as evidence of a new trend.
- 4.4 Early exercises carried out by external commentators that have applied the new household data appear to promise marked reductions in objectively assessed housing need for many housing market areas, including Epsom and Ewell. Theoretically the new projections could lead to an initial reduction in the Borough's OAHN from 579 new homes per annum to 372 new homes per annum. It is therefore tempting to assume that such a reduction would signal a change in the Borough Council's approach to housing delivery. Such a conclusion would be premature particularly given the recently published consultation on proposed updates to planning policy and guidance (Annex 1).
- 4.5 The new household projections are influenced by a number of factors including previous trends (i.e. the adverse financial conditions that came with the economic crash and resulting recessions), lower population growth estimates (released in May 2018) and revised assumptions regarding household formation. The consequence of this, as one experienced commentator noted, is that the projections "bake in" the adverse impacts of housing under-delivery over the last decade.
- 4.6 It is recommended that the Borough Council should approach any updated OAHN figures that apply the new household growth projections with caution. Whilst an updated calculation theoretically reduces the Borough's housing requirement from the need from 579 new homes per annum to 372 new homes per annum, this remains more than double the adopted housing target set out in the Core Strategy. Fundamentally, the scale of the Borough's objectively assessed housing need remains challenging.
- 4.7 The key consideration for the Borough Council is that the government has only recently published its revised national planning policy. A key part of that revision is the introduction of the standard method. The government themselves have emphasised in the planning practice guidance their commitment to significantly boosting the supply of new homes and have alluded to adjusting the standard method accordingly to reflect this position. They have subsequently published a 'Technical consultation on updates to national planning policy and guidance' published 26 October 2018 (Annex 1).

Licensing and Planning Policy Committee

15 November 2018

- 4.8 Further caution is counselled. It is likely that the forthcoming application of the new Housing Delivery Test could see the government impose additional housing “buffers” to address our potential shortfall in delivery. This would render any reduction in need, introduced through the application of the new projections, a temporary respite.
- 4.9 In conclusion, it is recommended that the Committee notes the publication of the latest household growth projections. The Committee are also asked to note that subject to a formal decision from government, the application of the new growth projections to their standard method could result in a reduction in the scale of the Borough’s OAHN. Nevertheless in real terms, the implications of the new projections on day to day planning decisions remains unchanged. Consequently, the Borough Council must continue to plan positively for housing growth of the Borough in line with the decision made by the Committee on 8 May 2018.
- 4.10 In relation to this it is also recommended that that committee agree the Council’s draft response to the subsequent ‘Technical consultation on updates to national planning policy guidance’ published by MHCLG on 26 October. An overview of this and the Borough Council’s draft response is set out in Annex 2.

5 Financial and Manpower Implications

- 5.1 The preparation and implementation of our new Local Plan imposes significant demands on staff in the Planning Policy Team and the wider Planning Department. The Local Plan Programme provides a relevant and appropriate series of performance indicators that can be utilised to monitor progress and identify whether additional resources will be required.
- 5.2 Responding to further public consultation on the government’s standard method was not factored into our Local Plan Programme. It had legitimately been assumed that this recently introduced mechanism would remain fit-for-purpose into the medium-term future. The Borough Council will seek to engage with the government’s proposed consultation, utilising the Planning Policy Team’s existing resources. Should this be insufficient, additional resources from with the wider Planning Department will be deployed. The necessity to deploy external expertise will be minimised.
- 5.3 ***Chief Finance Officer’s comments: None for the purposes of this report.***

6 Legal Implications (including implications for matters relating to equality)

- 6.1 There are no legal implications arising from the recommendations of this report.
- 6.2 ***Monitoring Officer’s comments: None arising from the contents of this report.***

Licensing and Planning Policy Committee

15 November 2018

7 Sustainability Policy and Community Safety Implications

7.1 None for the purposes of this report.

8 Partnerships

8.1 None for the purposes of this report.

9 Risk Assessment

9.1 Having an up-to-date Local Plan Programme is a key measure in mitigating possible risk of direct intervention by the government. Ensuring that our agreed milestones towards Submission and examination are met is important. Should we fail to meet our targets we are likely to face criticism and the possibility of intervention. The proposed standard item provides the Committee with a mechanism to monitor and engage in the process progressing towards the Submission stage. In particular it provides an early warning system in identifying possible areas of risk – including delay – and the mitigation measures that could be deployed in response.

9.2 National planning policy requires that we identify the scale of our objectively assessed housing need through the Standard Method¹. Local planning authorities may only consider deviating from the Standard Method in exceptional circumstances. Should the Borough Council take the decision to deviate from the Standard Method, even by applying different metrics, there is a risk that our Plan will be considered unsound.

10 Conclusion and Recommendations

10.1 The Committee are requested to note of the overview of the Office for National Statistics new household growth projections;

10.2 The Committee notes the recently published consultation 'Technical consultation on updates to national planning policy and guidance' and subject to any changes agrees the Council's draft responses to the consultation as set out in the Annex 2.

Ward(s) affected: (All Wards);

¹ This is set out under National Planning Policy Framework Paragraph 60 and under National Planning Practice Guidance Paragraph 002 Reference ID 2a-002-20180913.