

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:	N/A
Annexes/Appendices (attached):	None stated
Other available papers (not attached):	Epsom & Ewell Local Plan Programme July 2018

Report summary

Progress against the new Local Plan's project milestones continues to be maintained. The focus is currently upon completing a robust and proportionate evidence base that will support the new Local Plan through the forthcoming submission and examination stages. In parallel, the Borough Council continues to engage with its partners to identify including stakeholder engagement on future community infrastructure improvements.

The revised National Planning Policy Framework introduces a Housing Delivery Test that assesses the performance of local planning authorities in meeting the government's objective to significantly boost housing delivery. The first assessment under this new regime took place at the end of 2018. This report provides an overview of the Delivery Test, the Borough's performance and the implications for our plan and decision making.

Recommendation (s)

The Committee

- (1) notes the good progress being made in preparing the new Local Plan;
- (2) notes the government's Housing Delivery Test and the implications that will follow; and
- (3) advises the Planning Committee that planning applications should be determined with the knowledge that there is not a demonstrable five year housing land supply.

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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 as it will set out how sustainable growth, particularly in relation to new housing, will be delivered during the plan period.

2 Progress on our Local Plan

- 2.1 At the November 2018 Licensing & Planning Policy Committee, Members agreed to receive a regular report that provides an update on the progress being made on the preparation of the new Local Plan against the milestones identified by the Local Plan Programme (July 2018). This is the second Local Plan Progress report to the Licensing & Planning Policy Committee.

- 2.2 The Borough Council continues to make good progress against the timetable and milestones set out in the Local Plan Programme. The current focus is on preparing a robust evidence base to ensure the new Local Plan meets the tests of soundness by being "justified"¹. Work on the evidence base is already advanced. During November 2018 the Committee approved the Longmead and Nonsuch Industrial Estates Capacity Study, and the current agenda includes a report on the Borough-wide Urban Capacity. In the build-up to public consultation on the Pre-Submission Draft of the new Local Plan, the evidence base will be expanded to include the following studies –

- Revised Strategic Housing Market Assessment
- Strategic (Development) Viability Assessment
- Green Infrastructure/ Open Space Study (Update)
- Employment Land Assessment (update)
- Borough-wide Food Retail Impact Assessment
- Strategic Flood Risk Assessment Level 2²
- Self-Build and Custom Housing Need Study

- 2.3 The above studies will be reported to the Committee as appropriate and will help inform the development of the emerging policy and new Local Plan.

¹ This is set out under NPPF Paragraph 35.

² As required – the requirement for this additional work will only be triggered should any of the site allocation options be subject to flood risk.

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3 Progress on the Infrastructure Delivery Plan

- 3.1 At the 15th November 2018 Licensing & Planning Policy Committee, Members agreed to the publication of a new Infrastructure Delivery Plan (IDP) that replaces the original version adopted by the Borough Council during 2013. The new IDP is a live document that serves as an interim plan that bridges the gap between the historic levels of growth (outlined in our Core Strategy) and future growth (as suggested by the government's standard method for calculating housing need).
- 3.2 Work has already started on preparing the next version of the IDP, which will seek to identify specific infrastructure improvements. This emerging work will take account of the anticipated scale of growth that the Borough can sustainably accommodate and the specific sites that will need to come forward in order to deliver it.

4 The Housing Delivery Test

- 4.1 The revised National Planning Policy Framework (NPPF) makes it clear that the delivery of new homes is a key component of sustainable growth³. In order to meet this objective the NPPF continues to require that local plans identify a sufficient supply of specific deliverable sites to meet need during the first five years of a plan period; and specific developable sites to provide a supply of new homes for years six through until ten of the local plan period⁴. Local planning authorities continue to be assessed on this requirement by demonstrating a "five-year housing land supply trajectory"⁵.
- 4.2 In order to encourage local planning authorities to maintain a continuous supply of sites to meet their objectively assessed housing need (OAHN), the revised NPPF continues to set a series of buffers when a five year housing supply is not demonstrable⁶. These buffers add between 5% and 20% additional housing onto the OAHN requirement. The government's intention is to create a supply and demand solution to under-delivery. This works on the assumption that the delivery of more new housing (above their OAHN) will raise housing land supply and improve affordability. The buffers remain in place until the Council can demonstrate it can deliver a sufficient supply in accordance to the requirements, and then the buffers reduce back to the base level of the OAHN.

³ This is set out under NPPF Paragraph 59.

⁴ This is set out under NPPF Paragraph 67 a) and b).

⁵ Given the time-lag associated with the preparation of new or revised Local Plan, the trajectory will in reality need to demonstrate a seven to eight year supply of available and deliverable sites in order to satisfy a Planning Inspector.

⁶ This is set out under NPPF Paragraph 73.

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- 4.3 The Housing Delivery Test is an annual assessment of the performance of local planning authorities in delivering their identified need over the previous three years. This is an annual Test that uses existing data, submitted as part of the Housing Delivery return. The Borough Council made its first return to this Test during the final quarter of 2018. The results of the Test were anticipated in November but have yet to be published.
- 4.4 If the results of the Housing Delivery test demonstrate that there has been significant under delivery then an additional 20% buffer will be applied to the OAHN. Footnote 39 of the NPPF clarifies that significant under delivery (paragraph 73 (C)) applies when the Housing Delivery Test indicates that delivery was below 85% of the housing requirement. For clarification the Ministry has stated to the Borough Council that the application of the buffers is not cumulative. Namely, should a local planning authority fail the Test over consecutive reporting periods they will not accumulate additional buffers
- 4.5 Initial calculations carried out by the Borough Council indicate that housing delivery in Epsom & Ewell over the previous three years is below 85% housing requirement (when applying the OAHN as calculated by the standard method) and the Council's five year housing land supply situation is likely to demonstrate just over a single year supply of deliverable sites. This is a significant shortfall from the five year supply position required by national planning policy. The lack of availability of housing land is one reason for this outcome, in addition to the need to rapidly respond to a greater level of housing need than its previous modest target.
- 4.6 It is anticipated that the government will conclude that there is a significant shortfall in housing land supply and apply the 20% buffer onto the Borough's existing OAHN. This is likely to result in a new housing need figure in the order of 695 homes per annum, until such time that it can demonstrate increased delivery in accordance to the requirements set out in the NPPF. There is no mechanism to appeal or challenge the outcomes of the Test.
- 4.7 So as to address the shortfall in housing land supply the Borough Council will also be required to prepare a Housing Delivery Action Plan that will set out how it will address the shortfall and secure a five year housing land supply. The Borough Council will have six months in which to prepare the Housing Delivery Action Plan.
- 4.8 It is anticipated that the Borough Council's Housing Delivery Action Plan will function as a precursor to the Housing Strategy that will form a key part of the new Local Plan. The Committee will receive a full report on this matter once the government's decision on the outcomes of the Test have been published. It is important to note that the Council is not alone with many neighbouring planning authorities being in the same position.

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5 Financial and Manpower Implications

- 5.1 The preparation, publication, examination and implementation of our new Local Plan is a high priority which is being resourced through the Planning Policy Team and separate commissions that are required relating to evidence base and technical reports.
- 5.2 The increasing level of complexity to the local plan process (introduced through the revised NPPF), particularly in relation to the housing delivery test, review of the CIL schedule and strategic viability mean that further resources may be required. Approval from the Strategy & Resources Committee will be sought identifying the estimated budget for the work that needs to be commissioned.
- 5.3 **Chief Finance Officer's comments:** *Additional funding from the 5 percent admin fee element of Community Infrastructure Levy receipts was agreed to fund up to £80,000 in total over two years to support the delivery of the Local Plan. Any request for the use of any additional funding will need to be agreed by the Strategy and Resources Committee.*

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

- 6.1 The new Local Plan will need to demonstrate that it meets the four tests of soundness set out in national planning policy. By providing evidence that we have considered all reasonable and available sources of housing land supply, and the factors and constraints that impact upon supply, we will be able demonstrate that our new Local Plan has been positively prepared and is justified.
- 6.2 **Monitoring Officer's comments:** *none arising from the contents of this report.*

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. This regular 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.

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- 9.2 National planning policy requires that we maintain a rolling supply of available, deliverable and developable sites that provide at least a five year supply for additional new housing. The Housing Delivery Test is the mechanism that government uses to monitor and intervene in this process. It is anticipated that the Borough Council will be unable to demonstrate a five year housing land supply trajectory, as a consequence our housing requirement will be subjected to additional buffers. An Action Plan, setting out how the Borough Council will re-establish a five year housing land trajectory will be taken before the Committee once the government's assessment of the Test has been published.
- 9.3 The implication of the absence of a five year housing land supply is significant when considering planning applications. It is therefore appropriate that the Licencing & Planning Policy Committee bring to the attention of the Planning Committee that at this point in the review of the housing trajectory, planning applications should be determined in the knowledge that there is not a demonstrable five your housing land supply.

10 Conclusion and Recommendations

- 10.1 The Committee are requested to take note of the progress being made in preparing the new Local Plan.
- 10.2 The Committee notes the forthcoming outputs from the government's Housing Delivery Test and the implications that will follow.
- 10.3 Finally, that given the Committee advises the Planning Committee that planning applications should be determined in the knowledge of there being an absence of a five year housing land supply.

Ward(s) affected: (All Wards);