

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**Report to Cabinet**

**9<sup>th</sup> December 2020**

**Report Title:** Local Plan – Options

**Submitted by:** Chief Executive

**Portfolios:** Planning & Growth

**Ward(s) affected:** All

**Purpose of the Report**

The report seeks to provide Cabinet with an update on the Local Plan options following the economic and social impact of the Covid 19 outbreak this year and emerging post Brexit landscape.

**Recommendation**

**That Cabinet consider the information provided and the option of commencing work on a Borough Local Plan for Newcastle under Lyme.**

**Reasons**

To ensure that the Council has in place the most suitable Local Plan to guide the development of the borough.

**1. Background**

- 1.1 The Government requires local authorities to have in place a Local Plan to ensure that communities are in control of development, and not subject to speculative development. The Government has set an expectation that all authorities will have adopted development plans in place by December 2023.
- 1.2 In March 2014 the then administration took a decision to prepare a Joint Local Plan (JLP) with Stoke on Trent City Council, and to establish a Joint Advisory Group which would oversee the production of the Plan. The timescale envisaged at that time anticipated a JLP being in place mid-2018, following examination in public earlier in 2018.
- 1.3 Joint work has been progressed by the two Councils, although due to various issues, the original and subsequent timetable have been continually missed and in January 2020 Cabinet received an update on the JLP. The report noted that the timetable had been amended again to allow time to respond to the new National Planning Policy Framework, and in particular that the plan period had been extended from 2033 to 2037 to comply with the requirement that the Plan covers a period of 15 years from submission to the Secretary of State. To accommodate this, the report recommended that the Plan be submitted for consultation in two parts – Part 1, covering strategy and policies, and Part 2 dealing with proposed site allocations later in the year – subsequently this didn't take place due to the impact of the Covid-19 outbreak.
- 1.4 Cabinet considered the Draft Joint Local Plan Part 1 – Strategy and Policies to be published for public consultation during Spring 2020. In approving the report, Cabinet expressed serious concerns about relevance & timeliness of a number of the polices and requested that further work be undertaken on Housing Numbers, Rural Settlement Hierarchy and Gypsy & Traveller Accommodation to inform the final plan.

- 1.5 The onset of the Covid pandemic led to further slippage of the agreed timeline, but work has continued with the aim of securing Cabinet and Committee resolutions to commence consultation at the beginning of 2021.
- 1.6 During 2020 particular attention was been paid to updating the evidence base of the plan, addressing both the additional work areas commissioned by Cabinet and also the overall projections required for housing and employment allocations. This updated evidence base has underpinned the allocations and policies in the plan.
- 1.7 Since the JLP was first envisaged, the UK is now closer to completing a separation from European Union in response to the Brexit debate in 2016. Combined with the Covid 19 outbreak this year the future economic and social climate has significant potential to be more dynamic than anticipated at the start of the plan review and even at the time Part 1 of the JLP was presented to committee in February. The challenges and opportunities these events could create will inevitably require businesses and organisations to become more dynamic and flexible in the way that they respond to future events, and the local plan will need to provide an appropriate framework to enable that and support economic stability.
- 1.8 The need for increased agility within the plan to respond to new circumstances has created new issues that the two Councils will need to consider carefully, in terms of what policies need to be pursued and the degree to which growth will need to be encouraged in each area, whilst taking into account the impact that new development may have on established communities and the environment.
- 1.9 Whilst the JLP recognises the need for growth, this has been set at a median point between high and low growth scenarios. Should either Council seek to amend the JLP to revise growth aspirations or react to external factors as they emerge or evolve e.g. Brexit, Covid, trade deals, or other future events, there would be a need to jointly agree new targets, policies and other enabling provisions within the plan and those would have to be shared by both Councils across their combined areas without either area losing investment or accepting excessive levels of development.
- 1.10 In light of the events that have transpired since February 2020, Cabinet has asked for an opportunity to review of the options available to the Council to ensure that the Borough will have a Local Plan which addresses the emerging needs of the borough and takes into account the changing circumstances due to Brexit, Covid-19 and the potential impact of the recently published government White Paper on planning and decide if a single plan for the borough presents a better possibility of addressing these issues and uncertainties.

## 2. **Issues**

### **Current Position**

- 2.1 The review of the current plan began with the creation of a Local Development Scheme (LDS) in 2013 which set out the route map the Councils would seek to follow to deliver an adopted Joint Local Plan.
- 2.2 The plan has now progressed through three stages of public consultation:
  - Issues (February 2016) which presented issues affecting the area
  - Strategic Options (July 2017) which presented options for employment and housing development based on different growth scenarios
  - Preferred Options (February 2018) which presented a preferred growth scenario, options for employment and housing development (including preferred sites) and strategic options for retail and leisure
- 2.3 This year has seen work progressing to update the evidence base to support the plan notably the Housing and Employment Land study which is being undertaken by Turleys Associates alongside the other work commissioned to address the concerns raised by Cabinet in January.

2.4 From this point, the work remaining includes:

- Review of the work undertaken since January (when complete) and decide whether or not to approve of Draft Local Plan for Consultation;
- Consultation on the draft JLP (known as Regulation 19 Stage) followed by
- Amendments with a possible further consultation on amended version of the plan if extensive alterations are required.
- Once the consultation process is complete, the plan is submitted to the Planning Inspectorate for examination (the submission document) at which point the plan is locked in and the Councils can no longer make amendments.
- At the examination, the Inspector may suggest find the plan sufficiently robust for the purposes of decision making (known as being sound) – either with or without amendments (known as minor or major modifications) or, if it is deemed too deficient, unsound at which point the plan is taken back to an earlier stage for review and further consultation.

It is anticipated that, through this process, the Joint Local Plan could be in place towards the end of 2022, 4 years after originally planned. A critical consideration is taking a plan to inspection with underpinning data which is less than 2 years old. The focus of work undertaken by Turleys and other consultants in 2020 has been to ensure that the underpinning data is up to date and the current timeline will enable inspection to take place with data of sufficient currency. If it is considered that further work is needed at this stage before deciding whether or not to proceed to consultation on a draft joint local plan, there will be a need to undertake this work quickly to avoid delays which might trigger a need to update other aspects of the evidence base.

### **Planning Risks Associated with the Joint Local Plan**

2.5 Over the seven years that the JLP has been in development much has changed in the economic landscape within which the plan exists, and in the Council's aspirations for the Borough. The two critical issues are:

- Covid 19 – The pandemic is not only likely to drive a significant reset of the local economy, with a high degree of turbulence in both the scale and nature of economic growth in the UK going forward into 2021 and the next two to three years at a minimum but it is likely to also bring about a number of social-economic changes too e.g. travel to work patterns, the role of the leisure economy and changing demands for housing types.
- Brexit – Like all other studies in the past few years, the work by Turleys to review the underpinning economic and housing data for the plan was commenced during the Brexit process. At the time this work began, it was felt reasoned considerations could be made around the future of the UK economy going into 2021 and beyond in the event of a deal or not being reached. Following the outbreak of Covid 19 it is too soon to fully assess the impact the virus will have of this significant development on the economy of UK and the local the area. Depending on the speed with which trade deals are put in place, and the nature of those deals, the local economy and the associated demand for employment sites and housing sites may accelerate or decelerate.

2.6 These two issues alone present a very real need to consider whether a wider range of policy or land use options and economic catalysts can and should be incorporated into the local plan. The Council will need to be able to respond to uncertain and changing economic circumstances which gives rise to a need for it to be able to review its aspirations for the Borough and ensure the long term growth and development of the Borough.

2.7 In a time of economic turmoil and uncertainty the Council will wish to use its overall policy framework to provide certainty and focus for the borough – the framework includes the Local Plan as well as the Council Plan and the Medium Term Financial Plan, all of which need to be in alignment. Whilst the JLP has been prepared in compliance with the national planning framework (NPPF) and as such has

some common ground between the two councils, the joint approach also necessitates both councils sharing a common growth target for jobs and housing delivery over the life of any JLP.

- 2.8 It is therefore essential that growth targets meet the future direction each Council wishes to take to deliver the growth needed to support their community's economic and social requirements whilst not causing unacceptable harm.
- 2.9 In the recovery from the Covid 19 outbreak and the opportunities that Brexit may offer, each authority will need to look closely at the needs of its area and consider how best these needs can be met. Whilst the effects of Covid and Brexit are likely to be similar for each council, the opportunity exists for each Council to address these opportunities in different ways to seek new investment, to secure new jobs, investment and housing to support the social and economic future for the people and businesses in their area. In some instances, higher rates of growth will open up opportunities to secure a part of any national growth whilst a more reserved approach may be necessary to ensure the worst excesses of development do not cause unacceptable harm. Responding in an agile way to these opportunities with a plan based on the borough geography is likely to be more straightforward than with a combined plan spanning different administrations. The opportunities anticipated from the Planning White Paper equally underline the need for agility and control.

### **Preparation of a Standalone Borough Plan for Newcastle under Lyme**

- 2.10 Preparation of a standalone Borough plan would require the local plan process to be restarted, commencing with the creation of an updated Local Development Scheme (LDS) – in essence the 'Project Plan' that identifies the documents the Council will prepare as part of the Local Plan over the plan production period. The LDS explains:
- The purpose of the Local Plan documents;
  - The resources the Council will require; and
  - Timescales for producing Local Plan documents, including when public consultation will take place
- 2.11 After the LDS is in place, work can commence on preparing an updated and Newcastle specific evidence base to underpin the plan, focussing on any evidence which would be more than two years old by the time the plan reaches inspection. Following this, the next major step will be the production of the Issues and Options paper which will set the broad outline of development across the borough after which the various stages of public consultation can take place, leading to the production of a Draft Local Plan for consultation. With appropriate resources deployed, and depending on the outcome of the consultations required, this could see a stand-alone plan in place by 2023 or 2024. Securing delivery by 2023 would assume no delays, and no challenges to the timeline, and with much of the 2020 evidence base still being valid, with limited additional data being commissioned.
- 2.12 As has been experienced with the JLP, Local Plans have a poor record of keeping to the initial projected time line. This is in part due to internal pressures but there are a significant number of external factors than can also have an effect. The current White Paper, changes to permitted development rights, a revision to the NPPF or development in a neighbouring authority can affect the evidence base or key assumptions and put the plan back months. Equally, work on Strategic Planning Documents (SPDs) such as design guides, new guidance on traveller developments, telecoms infrastructure provision or flooding for example can delay plan preparation. Such issues need to be carefully managed within the overall programme management of plan preparation.

## **3 Issues to Consider**

- 3.1 In reaching a decision on how best to progress with the preparation of the Local Plan, there are a wide range of issues to consider, which are set out below. Members will need to be alert to the fact that any decision to not progress with the Joint Local Plan process would impact not only on this Council but equally on Stoke on Trent City Council who would also need to reset their process, and progress their own local plan.

## **The role of the Adopted Local Plan**

- 3.2 The government places significant weight on the role of an adopted development plan framework, incorporating the Local Plan as well as Neighbourhood Plans, Supplementary Planning Documents and County Plans. Whilst the other aspects of the planning framework are heavily linked to the Local Plan, they nevertheless carry material weight if the Local Plan expires. This weight diminishes over time as new appeal decisions are decided and new policies are delivered at the national level. The Council's current plan is the Newcastle under Lyme Local Plan 2011. This precedes the 2012 National Planning Policy Framework, and due to the passage of time, is considered to be of limited weight in supporting planning decisions at appeal.
- 3.3 Whilst still having some value, the age of the current local plan does mean that any delay in securing a fresh local plan represents a risk to the Council. The Five year Land Supply is a specific key area where the absence of a current Local Plan can create a risk for the Council. By not having an up-to-date housing target, and a strategy to meet it, it can become near impossible for a Council to evidence how recent development has contributed to meeting the target. To address this risk as effectively as possible, the recommended route is to have an up to date plan in place.

## **Engagement with partners and stakeholders**

- 3.4 Outside of the planning process, pursuing a Borough Local Plan and resetting the plan process would be of interest in a number of spheres, and consideration will need to be given to communication and engagement with key stakeholders including:
- Borough Residents
  - The development industry
  - Stoke on Trent City Council
  - Staffordshire County Council
  - Neighbouring authorities
  - LEP
  - MHCLG

## **Financial Considerations**

- 3.5 Work has now been ongoing for a period of approximately 7 years to produce a plan, with a range of Council employees, agency and specialist commissions deployed on various aspects of the plan preparation to date. To cease the preparation of a Joint Plan at this stage will mean that that funds will have been deployed on a project which is not progressed to fruition. Newcastle under Lyme's expenditure to date on the preparation of the Joint Local Plan is estimated to be c.£316,000 plus staff time. A further £90,000 in external commissions would be required to progress to adoption.
- 3.6 It should be noted that this investment has primarily been targeted to the securing of evidence to support the policies in the plan. Many of these studies have been structured around separate sections for Newcastle or Stoke studies and it will be possible for much of the information contained within them to be rolled forward into any new development plan. Whilst not all of the documents can be simply separated and some of the work would need to be reviewed closer to the time any new plan approaches consultation to ensure the latest data is available, it is expected that 70% of the current material can be used again. This will dramatically minimise costs in securing evidence for a Borough Plan.

## **Costs to Prepare Borough Plan**

- 3.7 There is a significant cost to producing a dedicated Borough plan from this point forward despite having commissioned most of the primary evidence. Additional budget provision would be required for a new Borough Local Plan, augmenting the current planning policy team and commissioning the necessary studies. This will be required to both cover work areas which might previously have been

undertaken from within the wider Stoke on Trent Council team, and work in areas where specialist external support would be required.

3.8 Delivering at pace would require a team of:

Role	Percentage of officer time dedicated to the development plan
Team Leader	70%
Principal Planner	80%
Senior Planner	80%
Planner	100%
Support worker	80%
Programme Manager	100%

- Staff Total Costs p.a. £250,000
- External commissions £285,000 – £315,000
- Examination (minimum) £70,000

3.9 Given the existence of a National Planning Policy Framework, and the development work undertaken to date on the joint plan, a Borough Plan is likely to share a large number of policies with Stoke on Trent, for example around assessing flood risk or commercial development outside of local centres. In order to minimise the cost of preparing a Borough Plan, the Council could take the work undertaken to date as a baseline to build on, utilising which ever studies and policies remain sufficiently current and sufficiently aligned with the Council’s ambitions for the Borough.

**Duty to Cooperate**

3.10 Within the current National Planning Policy Framework, all neighbouring Councils are bound by a “duty to co-operate”. This obligation requires Councils preparing plans to take into account the housing and employment needs of adjacent authorities and to try to accommodate some of their development pressures to prevent encroachment into the Green Belt. For Newcastle this would include Stoke on Trent, Stafford Borough, Shropshire and Cheshire East.

3.11 Stoke on Trent and Newcastle under Lyme operate as one functional economic area and housing market area within a larger sub-region according to evidence (SHMA/ELR). If the two authorities each preparing stand-alone plans the authorities would still need to continue to reach joint agreements on how to accommodate the housing and economic needs of the two authority areas under the current Duty to Cooperate. Failures to meet the Duty to Co-operate is likely to cause the Local Plans to be found unsound. The Duty does not change if it is a joint or separate plans.

**The Planning White Paper**

3.12 When released, the White Paper brought with it proposals around a new approach to plan delivery with top down housing numbers from central government and the concept of zoning.

3.13 It now appears the aspirations of the Government to see a rapid roll out of the new system may be more ambitious than can be delivered and the potential of a new planning system overtaking work on the Joint Local is diminishing. A new standalone plan however is more exposed to the White Paper and the timelines projected above might be affected if significant changes are made to the system.

**Neighbourhood Planning**

3.14 As indicated earlier, Neighbourhood Plans have in the past decade become a more important part of the planning process providing an important layer of local information and design guidance which the more strategic local plan cannot readily deliver.

- 3.15 Whilst they are generally well supported by communities, their production and subsequent adoption as a material planning consideration which can be used as the main line of defence in a planning appeal depends on the technical underpinnings supporting the policies.
- 3.16 This technical work is in part provided by agencies working for the parish groups but in addition, Local Plan officers have a significant role. In appraising the draft plans and advising on how best they can be formulated not only to secure adoption but assist the Council in winning appeals against inappropriate development.
- 3.17 Historically, this advice has been provided to the planning team through a part time role but this position has proved difficult to fill as it is part time in nature and there are few individuals who are able to provide the technical and organisational expertise required. Future consideration to strengthening the Neighbourhood Planning resource may be necessary, depending on whether there is a growth in community aspirations for such plans.

#### **4. Proposal**

- 4.1 Cabinet is invited to consider the issues raised in this report and determine how to progress with the development of a Local Plan which addresses the needs and aspirations of the Borough. If minded to progress the option of a Borough Local Plan, Cabinet may wish to consider:
- Commissioning further advice on the impact of COVID and BREXIT on the local economy, and the local planning process;
  - Engaging with the stakeholders identified in this report to better understand their position regarding a Borough Local Plan;

#### **5. Reasons for Proposed Solution**

- 5.1 To ensure the most appropriate local plan is delivered for the Council.

#### **6. Legal and Statutory Implications**

- a. In reaching a decision in this matter, it is important that Cabinet are content that they have identified and evaluated the full range of likely impacts of each available course of action, associated cost implications and identified and carefully considered all of the relevant factors, and has taken into account representations from those who may be affected by each available option. Cabinet must then balance these issues in arriving at a decision it believes is in the best interests of the proper planning of the area.
- b. A main consideration will be the potential impact on the outcome of planning applications during any period that the council's development plan is considered to be out of date, and the extent to which the National Planning Policy Framework and/or Neighbourhood Plans will be sufficient to ensure plan-led development. That will need to be balanced against the longer-term advantages Cabinet feels can be achieved by taking one approach over any other.

#### **7. Equality Impact Assessment**

- 7.1 Both maintaining progress with the JLP and commencing work on a new Borough plan allow equal consideration to be given to equality matters. It is considered that the impact of each decision is comparable in this respect.

#### **8. Financial and Resource Implications**

- a. Subject to replacing an agency member of staff with permanent staff which is scheduled to take place once the JLP is released for consultation, resourcing has been put in place for the delivery of the JLP.
- b. If a move is made now to commencing work on a Borough plan, officers will need to revisit the Local Development Scheme and the issues and options papers before commencing work in the draft plan. Delivery at pace will require additional resourcing as set out in this report, amounting to an additional £550,000 over the period 2021-2023, and these costs will need to be reflected in the Medium Term Financial Plan, as well as an allowance for any residual risks associated with this decision.

9. **Major Risks**

- a. Failure to have an adopted plan in place may expose the Council to the risk of negative appeal decisions on planning applications which result in harm to the borough.
- b. To put this in context, such decisions may include small sites of under ten houses to very large schemes in excess of 200 properties. Permissions by appeal also have the potential to deliver obligations in a less than desirable form taking little account of local needs or being removed all together. It also leaves the Council of being seen by the community as unable to determine its own future regarding the shape that development takes in the Borough.

10. **Sustainability and Climate Change Implications**

- 10.1 Climate change and sustainability is a core element of any development plan. By establishing a Borough Local Plan the Council will be able to address the matter of the Climate Emergency target.

11. **Key Decision Information**

- 11.1 This is not a key decision

12. **Earlier Cabinet/Committee Resolutions**

- 12.1 None

13. **List of Appendices**

- 13.1 None

14. **Background Papers**

- 14.1 None