
Subject:	LOCAL PLAN REVIEW
Meeting and Date:	Cabinet – 1 March 2017
Report of:	Nadeem Aziz, Chief Executive
Portfolio Holder:	Councillor Nicholas Kenton, Portfolio Holder for Environment, Waste and Planning
Decision Type:	Key
Classification:	Unrestricted

Purpose of the report: To seek agreement from Cabinet to commence with a Local Plan Review, to update the Local Development Scheme (LDS) and to undertake the first stages of public engagement based on the findings that are contained in the Authority Monitoring Report, the Strategic Housing Market Assessment and the Economic Development Needs Assessment.

Recommendation: Cabinet agrees to:

- 1) Approve the draft Strategic Housing Market Assessment and the Economic Development Needs Assessment at Appendix 1 and Appendix 2 respectively;
- 2) Commence with a Local Plan Review;
- 3) Approve the updated Local Development Scheme in Appendix 3; and
- 4) The Head of Regeneration and Development, in consultation with the Leader and the Portfolio Holder, be authorised to undertake public engagement under Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012 which will identify the issues that the Local Plan ought to contain and to prepare a draft plan for submission to Cabinet for approval and subsequent publication under Regulation 19.

1. Summary

The 2014/2015 Authority Monitoring Report signalled the need to review key parts of the Council's Adopted Core Strategy (CS) evidence base. Two important studies have now been completed: The Strategic Housing Market Assessment (SHMA) and the Economic Development Needs Assessment (EDNA); both of these studies have indicated that there is a strong case to review the Council's Adopted CS and the Adopted Land Allocations Local Plan (LALP). Allied to this the CS was based on housing figures in the Regional Spatial Strategy (RSS) that has now been revoked, pre-recession economic growth targets, the current strategy is dated and is not in conformity the national policy because it preceded the publication of the NPPF. A decision is now needed from Cabinet as to whether or not it wishes to commence with a Local Plan Review.

2. Introduction and Background

- 2.1 Dover District Council Core Strategy (CS) was adopted in February 2010 and covers the period up to 2026 but it is based on research that dates back to 2006. In January 2016, the Council adopted the Land Allocations Local Plan (LALP) which allocated a number of sites for future development. Together with the policies that have been 'saved' from the 2002 Local Plan they form the Statutory Development Plan (the Local Plan).
- 2.2 As one of the first authorities in Kent to adopt a Local Plan, the CS pre-dates the National Planning Policy Framework (NPPF)/Planning Policy Guidance (PPG) and the revocation of the Regional Spatial Strategy (RSS) for the south east. The housing target set out in the CS is based on the RSS high-growth scenario which planned for 14,000 new homes, of which 10,100 related to the plan period of 2026. The residual related to the allocation of Whitfield to 2031.
- 2.3 One of the Core Principles in the NPPF (paragraph 17) is that development should be *"genuinely plan-led, empowering local people to shape their surroundings, with succinct local and neighbourhood plans setting out a positive vision for the future of the area. Plans should be kept up-to-date, and be based on joint working and co-operation to address larger than local issues. They should provide a practical framework within which decisions on planning applications can be made with a high degree of predictability and efficiency"*.
- 2.4 The Government has recently published a White Paper 'Fixing Our Broken Housing Market' which states *'We also want to strengthen expectations about keeping plans up-to-date. Plans should be reviewed regularly, and are likely to require updating in whole or in part at least every five years. The Neighbourhood Planning Bill proposes to allow the Secretary of State to require local planning authorities to review local plans and other local development documents at prescribed intervals. We will set out in regulations a requirement for these documents to be reviewed at least once every five years. An authority will need to update their plan if their existing housing target can no longer be justified against their objectively assessed housing requirement, unless they have agreed a departure from the standard methodology with the Planning Inspectorate'*.
- 2.5 The White Paper further states *'We will do all we can to support local authorities to produce a plan, from simplifying the process to boosting capability and capacity in planning authorities. When necessary we will, however, intervene to ensure that plans are in place – using our existing powers and those proposed in the Neighbourhood Planning Bill currently before Parliament. This may include directing a local planning authority to review their existing plan, where it is out of date. Where an authority is failing to do what is required to get their plan in place, we will consider the case for issuing directions to that authority to prepare a plan, to set the timetable for its production or arrange for a plan to be written for them in consultation with local people'*.
- 2.6 The Government therefore remains fully committed to a Plan led system. In addition to this, it is the Government's intention that County Councils will be given default powers to prepare Development Plan Documents where the Secretary of State thinks a district council is failing to prepare, revise or adopt such documents.
- 2.7 **Authority Monitoring Report (AMR)**
- 2.8 Housing completions between the period 2006 and 2015 have been consistently lower than the annual target figure of 505 in the Adopted Core Strategy. The Dover housing market continues to remain a challenge in terms of bringing forward development sites. Whilst it is extremely positive news that 729 dwellings have been completed in the 2015/2016 AMR period (see separate AMR Cabinet Report elsewhere on this agenda) only 3,154 homes have been delivered against the CS

target of 5,050 homes over the Plan period since 2006. This means there is a shortfall of 1,896 homes that have not been delivered.

- 2.9 The future expansion of Whitfield (5,750 homes) is critical to the delivery of the Core Strategy housing target as this represents nearly half of that target but has to date delivered less than 50 additional homes because of issues with viability and infrastructure delivery. Owing to the fact that the delivery rate of new homes at Whitfield has significantly fallen behind schedule, it is important that the Council considers, as part of any Local Plan Review process, what actions could be taken in order to significantly improve the rate of housing delivery on this key strategic site. One of the Council's other strategic housing allocations (Connaught Barracks) which is in the ownership of the Homes and Communities Agency has made progress in terms of securing planning permission for the Officers Mess and having the existing buildings on the site demolished. However, progress on this strategic site needs to be substantially accelerated in order to meet the Government's commitment to fast track the delivery of homes on this brownfield site and progress needs to be made on the much needed improvements to the Duke of York's roundabout.
- 2.10 An initial review of the CS objectives in the AMR indicates that there has been very positive progress on a number of key objectives in terms of improvements to residents' skills levels, making better use of historic assets and maintaining and enhancing the District's green infrastructure. However, the AMR has identified that a number of the other key objectives such as housing, jobs, delivering retail floorspace along with having no areas falling within the 20% of those most deprived in England have not been met. To see the full findings of the AMR please see separate Cabinet Report.
- 2.11 Members will recall that the 2014/2015 AMR signalled the need to review key parts of the Core Strategy's evidence base which included undertaking a:
- SHMA to identify a NPPF compliant Objectively Assessed Need which has been undertaken by Peter Brett Associates; and
 - EDNA to identify employment floorspace requirement and jobs forecast undertaken by Nathaniel Lichfield and Partners.
- 2.12 Taking into account the above and given that the Council is now midway through the CS period, it is an appropriate time to reflect on progress and the need for a review.
- 2.13 **Strategic Housing Market Assessment (SHMA)**
- 2.14 Since the abolition of the regional strategies the requirement, spelt out in the NPPF (paragraph 159), is for Local Planning Authorities to prepare a SHMA. A SHMA should identify a Housing Market Area (HMA) which the relevant District forms part of, and an Objectively Assessed Need (OAN) for additional housing - both market and affordable housing.
- 2.15 **The main findings from the SHMA are as follows:**
- 2.16 Steps are being taken to attract more families to the District with a wide range of family housing. The total population of the District now stands at 113,100, exceeding the Core Strategy target for 2026 of 111,500. The number of births is similar to number of deaths but the working age population of the District is still somewhat under the Core Strategy target of 72,100 however, and is currently at 67,700. In the future the population of the District is forecast to increase to 127,200 by 2037,

predominantly due to domestic migration. The age profile of the population is also set to continue to increase, meaning there will be a continuing need to plan for an ageing population across the District.

2.17 **Housing Market Area**

2.18 One of the key outputs from a SHMA is to identify a Housing Market Area (HMA). As explained in the Thanet District Council (TDC) Local Plan Cabinet report elsewhere on this agenda, TDC were the first Local Planning Authority in East Kent to undertake a Strategic Housing Market Assessment (SHMA). According to TDC's SHMA the 'best fit' for a HMA would comprise of the three authorities of Canterbury, Dover and Thanet.

2.19 The Consultants that have been appointed by DDC and SDC disagree with the findings from the TDC SHMA in terms of the HMA. Dover District does have very strong links with Shepway and parts of Dover district particularly Sandwich, do have links with Canterbury and Thanet. DDC's Consultants have, however, recommended that on balance, Dover district is best placed in a Shepway and Dover HMA rather than a Thanet, Canterbury and Dover HMA which has been identified in Thanet District Council's SHMA.

2.20 **Objectively Assessed Need (OAN)**

2.21 The SHMA has identified a demographic need of 481 dwellings per annum (dpa) but the Consultants have recommended that there should be a market signals uplift of 10% (48 dpa) which means that Dover District's OAN is **529 dpa** for the period 2014 – 2037 (12,167 in total).

2.22 **Affordable Housing**

2.23 The NPPF outlines how a SHMA fits into the wider housing policy framework and the Planning Practice Guidance (PPG) sets out how the various elements of a SHMA should be undertaken, including detailing a comprehensive model for the assessment of affordable housing need.

2.24 The housing and economic development needs assessments section of the PPG defines affordable housing need as '*number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market*'.

2.25 The affordable housing need figure produced is an unconstrained figure set in the current housing market situation. This is calculated using a completely different approach and different data sources to the overall housing requirement (OAN); however, the affordable housing figure is a consideration in setting the Council's housing target and whether or not to uplift the OAN to take account of affordable need. The decision whether or not to uplift the OAN to take account of affordable need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments.

2.26 The Consultants have identified that there is a total annual affordable housing need in Dover District of 167 households per year which represents 33.8% of the annual projected household growth in the District between 2014 and 2033 (495 households per year as identified within the full OAN calculations).

- 2.27 It is for the Council to consider whether or not there should be an increase in the baseline OAN of 529 dpa where it *could* help to deliver the required numbers of affordable homes.
- 2.28 Whilst it could be argued that an uplift to the OAN could help to deliver more affordable housing in the District and meet the identified need, when setting an affordable housing target in the Plan the Council will need to consider the full range of evidence (including the viability assessment), and an allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds).
- 2.29 Bearing in mind that apart from 2015/2016 the District has failed to deliver the 505 housing completion figure per annum in the Adopted CS, let alone the OAN figure of 529, this means that a further uplift (in order to deliver affordable homes) is not likely to be viable or deliverable. Furthermore, a 10% uplift for market signals attributed to affordability issues in the District is already included within the OAN.
- 2.30 On this basis, Officers recommend that there should be no uplift in the OAN in connection with affordable housing for the reasons that have been set out above but this is kept under review.
- 2.31 A copy of the SHMA is attached at Appendix 1.
- 2.32 **EDNA**
- 2.33 The main purpose of the EDNA is to provide the Council with up-to-date, PPG compliant evidence on the economic development needs for the District over the remainder of the Core Strategy Plan period to 2026, and beyond to 2037 (to align with the SHMA).
- 2.34 Historically, the District's economy has encountered a number of economic setbacks from the closure of East Kent's coalfields to the opening of the Channel Tunnel in 1994 which both resulted in a significant number of job losses. Nevertheless, the economic research that was prepared at that particular time expressed confidence that the economic outlook was improving and that there were good prospects of at least 4,000 new jobs in the District by 2016 and a total of 6,500 new jobs by the end of the Plan period (2026).
- 2.35 Unfortunately, all of the above research was undertaken prior to the national economic recession that took hold around 2009 and Pfizer's decision to dramatically reduce their operations in the District in February 2011. This has resulted in significant employment losses in the District over the first ten years of the CS plan period particularly in relation to manufacturing. A significant number of jobs was lost from the contraction of Pfizer and the manufacturing and support services jobs that supported Pfizer.
- 2.36 On a more positive note, since the designation of Discovery Park (the former Pfizer's site) as an Enterprise Zone (EZ) in August 2011, it has been very successful over recent years at accommodating and diversifying new business growth. The EZ site is now home to around 150 companies and 2,500 employees although this has not outweighed the overall losses in the number of jobs in the District.
- 2.37 **The main findings from the EDNA are as follows:**

2.38 There has been negative growth in the economy due in part to the national recession and the contraction of Pfizer which has resulted in the growth targets that are contained in the CS not being delivered. The EDNA is forecasting that there will be + 2,700 jobs by 2037 which will not quite get the District back to 2006 levels. Employment land has been available for development but the viability of sites has hindered new employment development.

2.39 The Consultants are recommending that all of the Council's allocated employment sites need to be re-viewed and consolidated and there is a need to clarify the role and status of any of the retained allocated employment sites as part of any Local Plan Review process. More worrying is that the EDNA forecasts an increasing gap between Dover District and other parts of East Kent in terms of the main drivers of economic growth in East Kent by 2036 (Workforce jobs and Gross Value Added).

2.40 A copy of the EDNA is attached at Appendix 2.

2.41 **Planning Policies**

2.42 As indicated in paragraph 2.2, the policies in the Adopted CS predate and in some case are not compliant with the NPPF/PPG as they were prepared when the RSS was in place. At the time of preparing the CS the Council made a specific policy decision to not repeat policies in the RSS or the Government's Planning Policy Guidance which were in force at the time. This means that as part of a Local Plan Review it will be important to carefully consider whether there is a need for any locally distinct policies for example, a policy on design. A comprehensive review will need to be undertaken all of the policies in the CS/LALP along with the 'saved' 2002 Local Plan policies in order to update and amalgamate them into one set of policies that are compliant with current Government policy and practice.

2.43 **Evidence Base**

2.44 In order to withstand close scrutiny at an Examination a Local Plan Review would need to be based on proportionate up-to-date relevant evidence about the economic, social and environmental characteristics and prospects of the District.

2.45 A significant amount of work has now been completed and work on refreshing the Dover Transportation Study is currently underway and is expected to be completed in Spring 2017. Officers will continue to explore the potential opportunities for jointly appointing Consultants with neighbouring Local Planning Authorities in order to reduce costs where this is appropriate. If a decision was made to not commence with a Local Plan Review the research that has already been completed (e.g. the SHMA and the EDNA) and other work that is already underway would not be fully utilised.

2.46 **Other Benefits**

2.47 A Local Plan Review would have the added advantage that all of the Development Management Policies could be consolidated into one single Local Plan which would make it a lot easier for Members, the general public/developers/Town/Parish Councils to understand the planning policy framework that operates in the District. It could also be used to address other corporate priorities for example, the pressing need to address new cemetery provision in Dover and provide the opportunity to develop a specific Local Plan policy on the Bus Rapid Transit System.

2.48 **Staffing Levels**

- 2.49 The number of qualified Planning Policy Officers in the Regeneration Delivery Section that are available to undertake a Local Plan Review and other policy work (e.g. Dover Waterfront Masterplan/Public Realm Strategy) is extremely limited as it only equates to 1.8 full time members of staff.
- 2.50 In view of the above, it is highly unlikely that the Section will be able to undertake the necessary work involved with a Local Plan review without increasing the current staffing levels. Apart from the remainder of evidence base that is required, there will be the need for qualified policy planners to prepare a draft plan and present the case for the Council at an examination.
- 2.51 Preparing a Local Plan will be extremely demanding in terms of time, resources and expertise so an allowance has been made in the budget to increase the number of staff by one full time qualified Policy Planner for a temporary 2 year period and to extend the contract of one existing member of staff (who is on a temporary contract) in the Regeneration Delivery team for a two year fixed period. It is considered that at a minimum you would require the Policy and Projects Manager, 2 Senior Policy Planners, Technical Officer and the Planning Assistant in order to be able to deliver the Dover Waterfront Masterplan/Public Realm Strategy alongside a Local Plan Review.
- 2.52 Local Development Scheme**
- 2.53 The Regeneration Delivery team's current work programme is set out in the Council's LDS that was adopted in February 2016. The LDS is a legally required public statement that serves three principal purposes:
- inform the public of the documents that will make up the Development Plan and the timescales for the preparation of these documents;
 - establish and reflect the Council's priorities and to enable work programmes to be set for the preparation of these documents; and
 - set a context for the review of the documents once they have been prepared.
- 2.54 If Cabinet agrees with Officers that there is a pressing need to commence with a Local Plan Review the LDS that was adopted in February 2016 would need to be updated.
- 2.55 The proposed LDS, which is attached at Appendix 3, has been updated in order to reflect a timetable for the :
- consultation, submission, examination and adoption of a new Local Plan which would cover the period up to 2037.
 - consultation and adoption of an updated Statement of Community Involvement to take in account changes to the Neighbourhood Planning Bill;
 - consultation and adoption of the Dover Waterfront/Public Realm Strategy Supplementary Planning Document/Local Development Document; and
 - consultation and adoption of Character Appraisals for the Waterloo Crescent Conservation Area and the South Barracks Conservation Area.
- 2.56 It is important that the Council keeps the LDS up-to-date and ensures that it is publically available as it is one of the key documents that the Inspector will refer to at the start of the Examination process.

2.57 **Regulation 18**

2.58 The first stage of preparing a Local Plan is Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012. In accordance with the Regulations, this stage of the Local Plan making process would invite interested parties/specific consultation bodies/Town/Parish Councils to make representations about what a Local Plan ought to contain, it would set out what studies have already been completed and which ones were currently underway and what studies would need to be commissioned. This would be different to how the Council prepared the CS and the LALP in that it would not be necessary to seek approval from Cabinet on a draft (Preferred Options) Local Plan or authority to consult on the draft Local Plan. In accordance with the Regulations, there would be extra engagement and informal consultation before Regulation 19 – see below.

2.59 **Regulation 19**

2.60 Formal public consultation on a draft Local Plan would take place at the next stage of the Local Plan making process (Regulation 19) prior to the submission of the Local Plan to the Secretary of State for an independent Examination.

2.61 **Policy Advisory Group**

2.62 The preparation of the Local Plan would be overseen by the Policy Advisory Group that is currently chaired by the Portfolio Holder Cllr Nicholas Kenton and includes a range of interested groups along with a representative from the Town/Parish Councils. It may be necessary to review the membership of this Group as part of a separate process.

3. **Identification of Options**

3.1 Option 1: Cabinet could decide to not commence with a Local Plan Review and instead continue with the existing CS/LALP and saved Local Plan policies.

3.2 Option 2: Cabinet agrees with Officers that there is now a compelling case to commence with a comprehensive Local Plan Review and the LDS is updated accordingly.

4. **Evaluation of Options**

4.1 Key evidence that underpinned the Local Plan has changed. Without commencing a Local Plan Review the existing Local Plan would become less relevant and have less weight in decision making and therefore increasingly fail to meet the Government's requirements for a Plan-making system. The Council would also be in a weaker position justifying external funding bids and the CS does not reflect corporate objectives which have moved on since the CS was adopted in 2010. Commencing work on a Local Plan Review would avoid any penalties the Government intends to introduce for authorities that fail to keep their Local Plans up-to-date.

4.2 In conclusion Officers consider that there is a clear set of reasons on the need to commence with a Local Plan Review. Furthermore, the need to commence a Local Plan Review is reinforced by the fact that the CS is not delivering the scale and type of development that is needed to achieve the stated aims of the Council.

5. **Resource Implications**

There will be financial implications for undertaking a Local Plan Review in terms of the cost of preparing and updating the evidence base that will be tested at Examination. The cost of internally resourcing a Local Plan Review process has been outlined in paragraph 2.49 and the budget required to update the evidence base and temporary staffing cost is £300,000. It has been agreed with the Director of Finance, Housing and Community that this would be financed from the Regeneration reserve and the New Homes Bonus set aside in previous years. This figure has been included in the Council's Medium Term Financial Plan.

6. **Corporate Implications**

6.1 Comment from the Section 151 Officer:

Finance has been consulted. Funding reported in the above paragraph is subject to approval of the Council's Medium Term Financial Plan 2017/18-2020/21 by Cabinet on 6 February 2017' (SB)

6.2 Comment from the Solicitor to the Council:

The Head of Legal Services has been consulted during the preparation of this report and has no further comment to make

6.3 Comment from the Equalities Officer:

This report does not specifically highlight any equalities implications however, in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>

6.4 Other Officers (as appropriate):

7. **Appendices**

Appendix 1 – Strategic Housing Market Assessment dated February 2017

Appendix 2 – Economic Development Needs Assessment, dated February 2017

Appendix 3 – Updated Local Development Scheme, dated February 2017

8. **Background Papers**

None

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