

17 October 2018		ITEM: 4
Planning, Transport, Regeneration Overview and Scrutiny Committee		
Thurrock Local Plan Issues and Options (Stage 2)		
Wards and communities affected: All		Key Decision: Key
Report of: Sean Nethercott, Strategic Lead - Strategic Services		
Accountable Assistant Director: Andy Millard, Assistant Director - Planning, Transportation and Public Protection		
Accountable Director: Steve Cox, Corporate Director Place		
This report is Public		

Executive Summary

This report provides an update on the preparation of the Thurrock Local Plan Issues and Options (Stage 2) Document (IO2) and a revised programme for public consultation. This follows the decision taken to remove consideration of the item from the agenda for Full Council at its meeting held on 25th July 2018 in order to provide Officers and Members with an opportunity to consider the implications arising following the Government's publication of the new National Planning Policy Framework on 23rd July 2018. This report sets out the key changes set out in the revised NPPF and provides an overview of their implications for the preparation of the IO2 Consultation Document and the plan-making process in Thurrock.

1. Recommendation(s)

1.1 Comment on the approach being taken to progress the Thurrock Local Plan Issues and Options (Stage 2) Consultation Document.

2. Introduction and Background

- 2.1 At its meeting on the 25th July 2018, Full Council planned to consider a report seeking authorisation to commence public consultation on the Thurrock Local Plan IO2 Consultation Document. However, on 23rd July the Government published the long awaited revisions to the National Planning Policy Framework (NPPF). The Framework sets out how the Government's planning policies for England should be applied and must be taken into account in preparation of the development plans, while also being an important material consideration in planning decisions. In view of the possible significance of any new policy changes set out in the revised NPPF and their potential

implications for the plan-making process, it was considered necessary to withdraw the IO2 Consultation Document from the Council agenda in order to provide Officers and Members with an opportunity to consider whether there was a consequential need to amend the Consultation Document, to ensure it remained properly consistent with the language and approach set out in the revised NPPF.

3. Issues, Options and Analysis of Options

The National Planning Policy Framework (NPPF) July 2018

- 3.1 A summary of the key policy changes and messages contained in the NPPF is set out below in Figure 1. Additional information on the Government's changes to the NPPF can also be found in Appendix 1 to this report.

Figure 1: Key Changes to National Planning Policy Framework

- The introduction of a Housing Delivery Test which will penalise local authorities who fail to meet their housing delivery targets
- The introduction of a new standardised method of calculating housing need for all local authorities
- The requirement that development plans, must as a minimum “seek to meet the area’s objectively assessed needs” to be declared sound
- Changes to the NPPF’s definition of affordable housing to include homes for social rent
- Larger-scale developments (Urban extensions and new settlements) must be well located and designed and supported by necessary infrastructure
- Planning performance agreements (PPAs) are likely to be needed for very large or complex applications
- The introduction of minimum density standards for city and town centres and other locations well served by public transport
- Increased recognition of the importance of the warehousing and logistics sector
- The need for planning policies to promote and support town centre diversification
- The need for Local Plans to clearly identify what infrastructure is required to support future development and the role that developer contributions will play in funding their delivery

- 3.2 The key changes in the NPPF relate to housing development and the need to boost levels of housing delivery. The NPPF recognises the key role that Local Plans have to play in bringing forward new sites for housing. Reflecting this

priority, the NPPF sets out a more nationally prescriptive 'top down' approach for calculating housing need which then challenges local authorities to allocate sufficient land to meet the need identified or provide strong and compelling evidence why cannot do so.

- 3.3 The previous (July) version of the IO2 Consultation Document set out an Objectively Assessed Housing Need up to 2037. This was based on forecasts of future housing need set out the South Essex Strategic Housing Market Assessment (2017). However, with the publication of the new NPPF and the introduction of the new Standard Methodology for assessing housing need, the IO2 Consultation Document will need to be revised to incorporate a new local housing needs figure which the Government intends to publish for each authority. It is intended that this will follow further consultation on an up-dated methodology and approach to calculating the scale of future housing needs. However, no date has been given by the Government for publication of the revised methodology or housing needs targets. In addition, the new assessment of housing need will need to take into account the recent revisions to projected household rates from the ONS.
- 3.4 The introduction of the Housing Delivery Test will also have significant implications for Thurrock with the Council becoming increasingly vulnerable of being penalised by the Government for failing to provide sufficient land to boost housing delivery and meet the Borough's current and future housing needs.
- 3.5 The new NPPF requires Local Plans to identify a supply of specific deliverable sites to meet the housing needs of the area for 5 years with a further supply of developable sites (or at least locations for them) for years 6-10 and, where possible for years 11-15. A Local Plan that does not meet these requirements is likely to be found unsound at examination.
- 3.6 Under the Housing Delivery Test, local authorities who fail to meet their housing targets and provide a rolling 5-year housing land supply (plus 20% buffer) will effectively lose their ability to determine where development goes. To put this in context, Thurrock currently has a 1.2 year five year rolling land supply and would therefore be liable to sanction under the proposed Housing Delivery Test.
- 3.7 For those authorities who fail the Housing Delivery Test there will be a presumption in favour of sustainable development which would make it potentially easier for developers to get planning permission for housing development on appeal to the Secretary of State where it can be demonstrated that the Local Plan is either out-of-date or fails to allocate sufficient land to meet future housing needs. This could lead to sporadic development (including in the Green Belt) and fail to maximise the benefits that future housing growth could bring to the local community in terms of infrastructure and place-making.

- 3.8 In addition to the threat of intervention and possible sanctions from Government, an ongoing failure to adopt a sound and deliverable Local Plan would also:
- Lead to a whole generation of local people being put at risk of not being able to find decent or affordable housing in the Borough;
 - Undermine efforts by the Council to boost the supply of affordable housing through a lack of viable and deliverable sites for development;
 - Undermine opportunities to support the future regeneration and renewal of existing local centres and communities;
 - Prevent the provision of new community infrastructure which requires large sites including primary and secondary schools to meet existing and future needs due to the constraining nature of the Green Belt boundaries in Thurrock and a lack of suitable sites in the urban area; and
 - Raise a serious risk that, without an adequate supply of housing to meet workers needs locally, firms could relocate or switch investment to other locations as workforce availability declines.
- 3.9 Alternatively, if job growth continues without the necessary housing growth, increased levels of in-commuting are likely to result, thereby putting additional strain on existing transport networks and further congestion on the roads.
- 3.10 In addition to the substantive changes required to amend the Consultation Document to reflect the implications of the new housing needs figure, further more minor changes are required to update the document to be consistent with the language and approach set out in the NPPF, as set out in Figure 1 above

Lower Thames Crossing

- 3.11 The proposed alignment of the Lower Thames Crossing threatens to significantly undermine the efforts of the Council to plan to meet its housing needs in full and to support economic growth and the regeneration of local communities. The current alignment will have an adverse impact on the potential to bring forward sites for development along the length of its route for a number of reasons. These include:
- The sterilisation of development opportunities in sustainable and deliverable locations around existing settlements;
 - Poor local connectivity and a failure to explicitly plan for and design a scheme with the objective supporting the delivery of strategic sites for housing and economic development;

- The need to mitigate the impact of noise, air quality, severance and flood risk considerations which has led to an increase in land take in locations where future development capacity exists.
- 3.12 The full extent of these impacts on the availability of land for development will need to be assessed in more detail through the plan-making process and the ongoing detailed design work and environmental impact assessment work associated with the Lower Thames Crossing. The outcome of this work will help inform decisions on whether the identification of broad locations for growth or specific sites can be taken forward as development plan allocations.
- 3.13 It is clear that the current alignment and design of the Lower Thames Crossing Scheme is failing to maximise the opportunities to support future housing and economic growth in both Thurrock and across the wider South Essex area and will instead have an adverse impact on the ability of the Council to plan to meet its development needs in a sustainable and deliverable manner. In doing so, the scheme being promoted by Highways England actively prevents the Council from following the advice set out in the NPPF which requires local authorities to maximise investment in new nationally significant infrastructure in planning for growth.
- 3.14 Given the complex interrelationship which exists between the Local Plan and Lower Thames Crossing Development Consent Order processes, and having taken advice from leading Counsel, it is now clear that while the Council should proceed with the planned IO2 Consultation, it will not be possible for Thurrock to submit a Local Plan to the Secretary of State until after the conclusion of the DCO process (expected in 2021) because of the potentially adverse impacts of the scheme, including any future design changes, on the ability of the Council to prepare a sound and deliverable Local Plan. As a consequence of this, consideration will need to be given to amending the Thurrock Local Development Scheme to reflect the further delays to the possible submission and adoption of the Local Plan due to continued uncertainties over the route and alignment/design details of the proposed Lower Thames Crossing.

Feedback from Member Ward Meetings

- 3.15 In addition to the reports and presentations that have been made to this Committee, the Local Plan Group and various Group meetings, a series of meetings have been recently held with Ward Members to discuss how the Local Plan is being prepared and the key issues arising as the Local Plan is taken forward. A summary of the outcome of those discussions is set out below:
 - It is important to undertake this IO2 consultation, in order for residents to have a direct say and input on the future of their areas
 - Concerns over the amount of growth in the Borough can only be progressed if there is evidence to support this. The outcome of the IO2

consultation will be pivotal in providing evidence on the growth capacity of the Borough

- Growth will need to focus on community needs and be infrastructure led. The IO2 consultation will need the promoters of new development to illustrate how they are addressing these matters, through the development of master plans and accompanying infrastructure delivery plans that will need full engagement with the Council, service providers and the wider community
- New development should be of the highest quality, both in terms of design and place-making and should respect the character and identity of existing areas
- The delivery of affordable housing, transport interventions, education facilities, health facilities and open spaces are key components of infrastructure provision
- Urban sprawl should be prevented and existing town centres enhanced.

- 3.16 At the meeting of the Council held on 27th June 2018 a motion was carried which read as follows:

Council requests that Planning, Transport & Regeneration Overview & Scrutiny Committee consider adding to its work programme at its next meeting on July 4th 2018 research into the feasibility of building 8,000 council, housing association and low cost homes within the next 5 years without such buildings threatening the character of any settlements within the Borough and to seek to explore the extent to which Thurrock Regeneration Limited could input into such a target.

- 3.17 Thurrock has a significant need for more affordable housing. This need was calculated in the 2016 South Essex Strategic Housing Market Assessment (SHMA) and updated in May 2017 in response to new demographic projections. Based on that evidence available the net annual affordable housing need for the next five years would be 472 dwellings per year rising to 663 per year for the remainder of the plan period. If the identified annual requirement for affordable housing requirement for affordable housing was applied to the previously identified overall housing need, it would mean that 48% of the total number of new dwellings built would need to be affordable
- 3.18 In responding to the motion it should be recognised that one of the biggest constraints facing the Council and the ability of its partners to increase the rate and scale of affordable housing provision is the lack of readily developable and deliverable sites available to accommodate new housing development in Thurrock. This is illustrated by the findings of the latest draft of the Thurrock Housing Land Availability Assessment (HLAA) which indicates that within the Thurrock urban area there is only capacity to deliver

approximately 6,500 new homes of all types and tenures. It is therefore evident that without a significant general uplift in housing land supply it will not be possible for the Council or other parties to increase the rate and delivery of affordable housing in Thurrock without the release of land in the Green Belt for new housing development.

- 3.19 Based on the information gathered from the Local Plan Call For Sites process there are likely to be significant opportunities available to increase not only the overall level of house building in Thurrock, but also the provision of affordable housing through the identification and allocation of new sites around the Thurrock urban area on Green Belt sites. However, as virtually all of these sites are in private ownership, the ability of the Council to directly provide a significant uplift in new housing will continue to be limited. It should also be recognised that generally in order for Green Belt sites to be brought forward for development they must first be allocated for development in an adopted Local Plan. This means that until such time as the Thurrock Local Plan has been formally adopted it will not be possible for the Borough to meet its affordable housing needs due to a lack of site availability. Further delay in progressing the plan to adoption will also push back the timescales for the actual completion and delivery of new affordable housing given the time lag between the plan being adopted, the submission and approval of a planning application and the commencement of development on site. As a result even if the Thurrock Local Plan is adopted in 2021/22 any further appreciable increases to the stock of affordable housing in Thurrock are unlikely to occur for a period of 2-3 years after the adoption of the Plan.
- 3.20 A further consideration which needs to be taken into account when discussing the opportunities for building more affordable housing is the fact that in order to increase the scale and rate of affordable provision in Thurrock there also needs to be a parallel increase in the overall rate of house building in the Borough. This reflects the important role that the private sector house building plays in providing affordable housing products through planning obligations associated with the development of new sites for housing.
- 3.21 In considering what percentage of all new residential should be affordable, the Council has to consider a number of things including land supply, viability and the availability of alternative delivery models. National policy states that pursuing development requires careful attention to viability and costs in both plan-making and decision-taking. Therefore, the sites and scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that the ability for them to be developed viably is threatened.
- 3.22 The Local Plan Viability Baseline Report tests the current affordable housing target of 35% against several generic housing typologies and concludes that this level of affordable housing is generally only viable when looking at green belt sites. This finding is consistent with delivery patterns over the last few years as a majority of sites in the urban area are supported by viability statements indicating that the required amount of affordable housing cannot

be met on brownfield sites without impacting the viability of the overall development.

- 3.23 The IO2 consultation document will enable engagement with communities and providers in order to identify the most appropriate solutions to addressing this recognised need.

4. Reasons for Recommendation

It is essential that the Council has an up to date Development Plan in place and the supporting documentation that will help drive its delivery.

5. Consultation (including Overview and Scrutiny, if applicable)

The Local Plan has been previously subject of formal consultation (Issue and Options 2) and engagement with the Planning, Transport and Regeneration Committee, the Local Plan Group, Group meeting and Ward meetings.

6. Impact on corporate policies, priorities, performance and community impact

The Local Plan has an impact on the delivery of all of the Council's corporate objectives.

7. Implications

7.1 Financial

Implications verified by: **Laura Last**
Management Accountant

There is a dedicated budget for plan making to cover the basic costs of preparing planning policy documents. This budget is supplemented by a separate YPYV consultation funding pot that was allocated to the service by Cabinet early this year.

7.2 Legal

Implications verified by: **Benita Edwards**
Interim Deputy Head of Law (Regeneration)

The current system of plan making is contained in the Planning and Compulsory Purchase Act 2004 and the Town & Country Planning (Local Planning) (England) Regulations 2012 ('2012 Regulations') and supported by the National Planning Policy Framework and Planning Practice Guidance. The Issues and Options Consultation Stage 2 is a preparatory step for the production of a draft Local Plan as required under Regulation 18 of the 2012

Regulations. In due course, the draft Local Plan shall be prepared and publicised in accordance with the statutory and policy frameworks.

The Authority has a statutory duty pursuant to Section 13 of the PCPA 2004 to keep under review matters which may affect the development of its area and it should be noted that the Secretary of State's powers pursuant to Section 27 of PCPA 2004 apply where they think that the Authority are failing or omitting to do anything necessary in connection with the preparation, revision or adoption of a development plan document or local plan. In such cases, the Secretary of State may prepare or revise a plan or direct that the Authority or another do so.

Under the Council's Constitution and in accordance with the statutory provisions contained in section 9D of the Local Government Act 2000 and the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, Full Council has the power to make decisions in relation to the preparation and adoption of the Development Plan.

7.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project
Monitoring Officer

The Council has a statutory duty under the Equality Act 2010 to promote equality of opportunity in the provision of services and employment opportunities. The adoption of a new SCI will ensure that the consultation process associated with the emerging Development Plan will provide an opportunity for all sections of the community, including harder to reach groups, to become fully involved in helping to shape the future planning and development of Thurrock.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

There are no other implications associated with the report.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None

9. **Appendices to the report**

- Appendix 1 – Summary of the National Planning Policy Framework – Implications for the Thurrock Local Plan and the Issues and Options (Stage 2) Consultation Document.

Report Author:

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