Appendix 1 - Plan making requirements

Current arrangements

- 1. The NPPF (para 15) states that: 'The planning system should be genuinely plan-led. Succinct and up-to-date plans should provide a positive vision for the future of each area; a framework for addressing housing needs and other economic, social and environmental priorities; and a platform for local people to shape their surroundings.'
- 2. The development plan for an area is made up of the combination of strategic policies (which address the priorities for an area) and non-strategic policies (which deal with more detailed matters). The development plan for Waverley comprises the plans shown below (Supplementary Planning Documents are not part of the development plan).



- 3. The NPPF (para 20) requires strategic policies to set out an overall strategy for the pattern, scale and design quality of places, and make sufficient provision for:
 - a) housing (including affordable housing), employment, retail, leisure and other commercial development;
 - b) infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);
 - c) community facilities (such as health, education and cultural infrastructure); and
 - d) conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.
- 3. NPPF para 22 states that strategic policies should look ahead over a minimum 15-year period from adoption.
- 4. Local planning authorities (LPAs) have a legal duty to ensure that, taken as whole, plan policy contributes to the mitigation of, and adaptation to, climate change.
- 5. The preparation of a Local Plan thus entails assessing future needs and opportunities for an area, exploring and identifying options for addressing these, and then setting out a preferred approach. This involves gathering evidence, carrying out a Sustainability Appraisal and Habitats Regulations Assessment, and effective engagement and consultation with local communities, businesses and other interested parties.
- 6. The NPPF (paras 17 to 19) describe how policies for the development and use of land are produced. There is flexibility in the initial stages of local plan production, provided that the LPA complies with the specific requirements in regulation 18 of the Local Plan

Regulations¹ on consultation, and with the commitments in their Statement of Community Involvement (SCI).

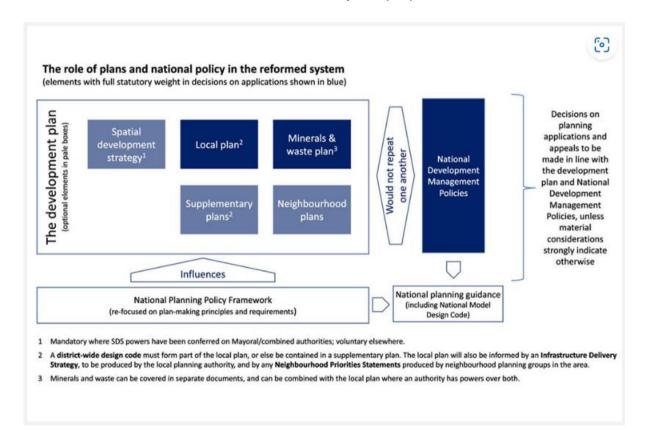
- 7. LPAs must make available each of the proposed submission documents that they intend to submit to the Planning Inspectorate for examination to enable representations to come forward that can be considered at examination, under regulation 19 of the Local Plan Regulations.
- 8. A local planning authority must publicise and keep up-to-date its timetable for producing the local plan within a Local Development Scheme (LDS). It must also set out in a Statement of Community Involvement (SCI) how it will engage communities on the preliminary stages of plan-making.

Proposed reforms

- 9. The Government considers that the current planning system is outdated and ineffective in delivering the amount and quality of development that the country needs. The Planning for the Future white paper (August 2020) proposed a radical overhaul. Part of the Government's critique was that it takes too long to adopt a local plan (an average of 7 years).
- 10. Elements of the white paper have fed through into the Levelling Up and Regeneration Bill and proposed changes to the NPPF. Specific proposals include:
 - a. Each local planning authority must prepare a local plan. Only one local plan may have effect in relation to a local planning authority's area at any one time.
 - b. The local plan must set out policies in relation to the amount, type, location, and timetable for development in its area. This must be designed to ensure that the use and development of land contribute to the mitigation of, and adaption to, climate change.
 - c. A district-wide design code must be part of the local plan or be contained in a supplementary plan.
 - d. Regulations will be updated to set clear timetables for plan production with the expectation that they are adopted within 30 months and updated at least every five years. During this period, there will be a requirement for two rounds of community engagement before plans are submitted for independent examination.
 - e. Local planning authorities will have a new power to prepare 'supplementary plans', where policies for specific sites or groups of sites need to be prepared quickly, or to set out design standards. Supplementary plans will be subject to examination (usually by written representations) and afforded the same weight as a local plan. It will no longer be possible to prepare Supplementary Planning Documents (SPD).
 - f. Policies on issues that apply in most areas (such as general heritage protection) will be set out in a suite of National Development Management Policies which will have the same status as the Development Plan
 - g. Digital powers in the Bill will allow more standardised and reusable data to inform plan-making and allow plans and data to be accessed and understood more easily by communities and other interested parties.

¹ Town and Country Planning (Local Planning) (England) Regulations 2012

- h. A new duty for infrastructure providers to engage in the process where needed; and the 'duty to cooperate' contained in existing legislation will be repealed and replaced with a more flexible alignment test set out in national policy.
- i. The Bill will enable groups of authorities to collaborate to produce a voluntary spatial development strategy, where they wish to provide strategic planning policies for issues that cut across their areas.
- j. Streamlined system of environmental assessment to replace Strategic Environmental Assessment and Sustainability Assessments with a simpler outcomes-based approach.
- k. Local plans will continue to be examined for whether they are 'sound', but the current tests will be reviewed to ensure they are proportionate.



- 11. The proposed timetable of the planning reforms and transitional arrangements are currently as set out below. These may change.
 - The Levelling Up and Regeneration Bill is at Committee Stage in the Lords. Subject to Parliamentary approval, the Government expects the Bill to receive Royal Assent in spring 2023.
 - Consultation on initial revisions to the NPPF ended in March 2023 and a revised NPPF was expected in spring 2023.
 - The proposed transitional arrangements would allow local planning authorities to continue preparing old-style Local Plans under the existing development plan system as long as they are submitted by 30 June 2025 and adopted by 31 December 2026.
 - The expected earliest date when LPAs with a plan which is more than 5 years old must begin new plan-making process is November 2024.

Appendix 2 - Local Housing Need (LHN)

- 1. The NPPF (para 61) states that 'strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance, unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.'
- 2. The current LPP1 predates the standard method. The Policy ALH1 housing requirement of 590 dwellings pa derives from projections of additional households (396 pa) adjusted upwards by 25% to assist with affordability, to an Objectively Assessed Need of 495 pa. On top of this, LPP1 plans for an additional 95 pa to accommodate unmet housing need from Woking (within the same Housing Market Area) and changes to migration from London.
- 3. The NPPF and Planning Practice Guidance subsequently introduced the Standard Method for calculating Local Housing Need (LHN). For Waverley, the LHN figure is calculated using:
 - a. Average annual projected household growth over 10 years using 2014 projections (table 406). For WBC this is 392 dpa (for 2023-33).
 - b. Adjusting this for affordability using median workplace-based affordability ratios (AR). The annual household growth projection is increased by 0.25% for every 1% that the AR exceeds 4. For WBC the AR at the time of the LPP1 review was 18.32, so the standard method formula adjusted the baseline housing requirement upward by 89.5%² to 743 dwellings pa. The latest affordability ratio data published by ONS in March 2023 shows a slight improvement, which results in an LHN of 719 dwellings pa. This is still an uplift of 84% on top of the baseline household projections.
- 4. The review of LPP1 identified the significant difference between the LPP1 housing requirement and the (26%) higher LHN calculated using the standard method as the most important factor in determining that an update of the plan is required but noted that this does not mean that the housing requirement in an updated plan will necessarily be higher than the current plan.
- 5. The Council's response on the proposed planning reforms expressed the view that the standard method results in an unattainable assessment of LHN, starting from outdated household projections and making an unrealistic uplift based on affordability ratios.
- 6. A written ministerial statement by the Secretary of State in December 2022 indicated that the government would consult on revisions to the standard method. However, the DLUHC consultation³ in December 2022 indicated that the standard method must continue to be used to inform housing requirements, at least until new household projections are available in 2024. It also indicated that the revised NPPF will tighten up the definition of 'exceptional circumstances' (NPPF 61) that might justify an authority using an alternative approach to assessing housing requirements.

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² ((18.32-4)/4) x 0.25 +1 = 1.895

³ <u>Levelling-up and Regeneration Bill: reforms to national planning policy - GOV.UK (www.gov.uk)</u>