

Waverley Borough Council

Report to: Full Council

Date: 18 July 2023

Ward(s) affected: All

Report of Director: Strategic Director - Place

Author: Andrew Longley, Interim Planning Policy Manager

Tel: 01483 523427

Email: Andrew.Longley@waverley.gov.uk

Executive Portfolio Holder/ Lead Councillor responsible: Cllr Liz Townsend

Email: Liz.Townsend@waverley.gov.uk

Report Status: Open

Update of the Local Plan

1. Executive Summary

- 1.1 Local Plan Part 1 (LPP1) was adopted in February 2018. In accordance with statutory requirements, the Council undertook a review of the Plan within five years of its adoption to decide if an update was required. The full Council on 21 February 2023 resolved that:

Having undertaken a review of LPP1 in accordance with regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended), the Council resolves that LPP1 requires updating and instructs officers to explore all options including updating the plan immediately to make it broadly compliant with the latest NPPF (noting that the housing numbers produced by the new "Standard Method" are a starting point only) and taking particular account of any Habitat Regulations constraints on an increase in housing numbers, followed by a more detailed update of LPP1 and LPP2 together to produce a single Local Plan at a later date.

However, the existing Local Plan as a whole continues to provide an up-to-date statutory development plan for Waverley, which must remain the starting point for decisions on planning applications while an update is brought forward.

- 1.2 This report addresses this resolution by exploring two broad options for updating the Local Plan. These are:
 - A. Comprehensive update of the Local Plan.
 - B. Partial alteration of LPP1 to address housing supply and related matters.
- 1.3 These options are not mutually exclusive since a partial alteration would not negate the need for a more comprehensive update. It is important to note that whatever approach is taken, the update must follow the statutory development plan process, including preparation, publication, and examination of the plan. There is no way that an update of LPP1 can be achieved more quickly than these statutory processes allow. The Council's reference to considering updating the plan 'immediately' is therefore taken to mean starting the process without delay (once the scope has been agreed) and concluding it as quickly as possible.
- 1.4 The Government is progressing legislation that will change the development plan system. However, there is uncertainty regarding the implementation of these reforms and to the approach to the assessment of Local Housing Need (LHN). According to the Local Government Association's Planning Advisory Service (PAS), this uncertainty has resulted in many Councils pausing or abandoning work on their Local Plans. This could result in extensive delays and would be a high-risk option for Waverley because speculative development proposals on unallocated sites will continue until the Council can demonstrate a 5-year supply of housing land (5YHLS). The update of the Local Plan is a means to regain control of housing requirements and to allocate appropriate sites within the context of an updated spatial strategy. The Council's Housing Delivery Action Plan will also be updated (see para 1.9 below).
- 1.5 Legal opinion obtained during the review of LPP1 (see para 7.2 below) is clear that proceeding as quickly as possible with the update of LPP1 will give the Council a much more persuasive case at appeals, ensuring that proper weight is given to the adopted development plan. The approach set out in this report follows this advice and will help to establish a credible strategy for addressing housing land supply issues.
- 1.6 PAS is encouraging Councils to continue with plan-making ahead of the proposed planning reforms. Its consultants DAC Planning have reviewed

the options considered in this report. Their view is that option A is the only feasible option and although the proposed timescale for its preparation is ambitious, it is realistic (see para 7.21).

- 1.7 It is recommended that work commences on a comprehensive update of the Local Plan (option A) to contain both strategic and non-strategic policies. The procedural path for this will depend on the progress of the Government's planning reforms. It is not possible to meet the current proposed deadlines for completing Local Plans using the current system (submission by end of June 2025 and adoption by the end of 2026). However, officers consider it would be a high-risk option to wait for the new planning system to be introduced (currently planned for November 2024 but could be delayed). Consequently, it is recommended that work commences under existing legislation and guidance, but with flexibility to switch to the new system if it is implemented. The evidence base required for plan making under the current and proposed system is likely to be similar (albeit the new system promises a lighter touch approach to assessment and examination). It is recommended that work commences immediately on the priority areas of evidence set out in section 7 of this report. This will be the focus over the next 12 months, during which time the Council will have flexibility to respond to any changes in national legislation, policy, and guidance.
- 1.8 The aim is to prepare an updated plan much faster than any previous Waverley Local Plan. However, the statutory process means that adoption of a comprehensive update (option A) is unlikely to be possible until 2027. In line with the resolution of the Council (para 1.1 above), this report therefore considers the potential to address housing land supply issues more quickly through a partial alteration of LPP1 under the current system (option B). This could potentially be adopted 12 months earlier than option A. However, the view of officers, following discussion with the PAS and its consultants DAC Planning, is that it would be difficult to constrain a partial update to an end-date of 2032 or to limit its scope to housing supply matters. DAC Planning has questioned whether option B could be prepared much faster than option A, given the contentious nature of housing matters and the fact that the same statutory processes must be followed. The ramification of this is that it may not be possible to meet the Government's proposed transitional deadline for submission by the end of June 2025. Option B would also not negate the need for a comprehensive update, thereby resulting in additional cost. For these reasons, it is considered that it is preferable to concentrate resources on a comprehensive update. This will gain weight as a material consideration as it progresses.
- 1.9 It should be noted that, while the Local Plan update is the best way for the Council to regain control of housing requirements, it is not a quick means of resolving current 5YHLS issues. This is because of the time-lag in bringing

new housing sites forward through allocations and planning permissions. Work on the Local Plan will therefore be accompanied by an update of the Council's non-statutory Housing Delivery Action Plan, with input from landowners, developers and other stakeholders to consider factors holding back the delivery of allocations, planning permissions, or otherwise policy-compliant sites.

- 1.10 This report was considered by the Overview and Scrutiny Committee – Services on 21 June 2023. The Committee noted the proposed recommendations to the Executive on the approach to updating the Local Plan and developing a detailed work programme for the comprehensive update, and agreed that the Executive should additionally consider recommendations on specific matters that should be addressed during work on the Local Plan Update (see paras 8.2 to 8.8 below).
- 1.11 The recommendations of the Overview and Scrutiny Committee were considered by the Executive on 4 July. The Executive resolved to recommend that the Council undertakes a comprehensive update of the Local Plan. It agreed that a detailed work programme and briefs for preparing up to date evidence should be prepared in consultation with the Portfolio Holder for Planning and Regeneration. The Executive also agreed the following points that reflect the recommendations of the Overview and Scrutiny Committee to the extent that is considered appropriate.
1. Evidence should include a local assessment of housing needs as an alternative to the Government's 'standard method' for considering an appropriate housing requirement for the updated local plan.
 2. The emerging spatial strategy and housing numbers need to be discussed at the earliest opportunity with the Town and Parish Councils to enable them to consider the implications for Neighbourhood Plans.
 3. The preparation of robust Affordable housing policies should be a priority so that the Council can withstand challenges to affordable housing requirements based on scheme viability.
 4. The existing adopted Local Plan (parts 1 and 2) must be defended vigorously during the preparation of the Local Plan update.

2. Recommendation to Council

2.1 The Executive recommends that:

1. Work commences on a comprehensive update of the Local Plan (option A), meeting the requirements of the existing development plan system but ensuring flexibility to migrate to the new system if implemented.

3. Reason(s) for Recommendation:

- 3.1. To enable work to commence on the update of the Local Plan to address housing supply and other strategic and non-strategic issues.

4. Exemption from publication

- 4.1. No.

5. Purpose of Report

- 5.1. To agree the proposed approach to the update of the Local Plan and make a recommendation to Full Council. .

6. Strategic Priorities

- 6.1. An up-to-date Local Plan is central to delivering the Council's strategic priority of "Effective strategic planning and development management to meet the needs of our communities".

7. Background

- 7.1 The report to Council on 21 February 2023 explained why an update of LPP1 is required to consider potential changes to housing requirements and the implications for other aspects of the plan, and to ensure that all policies are consistent with the latest NPPF and legislation. It noted that the update would also allow the Council to give greater emphasis to corporate priorities such as addressing the climate emergency.

- 7.2 Legal opinion provided to the Council emphasised the value of progressing an update of the plan: *'8. I consider that if the Council proceeds to update LPP1 with expedition, then it will have a much more persuasive case to place before appeal inspectors (and in considering its own planning applications) about appropriate mechanisms being brought forward to address any potential shortage in housing land supply moving forwards. In turn, that will allow the Council to argue that in the meantime the adopted development plan should continue to command proper weight.'*
- 7.3 This advice is borne out by the comments of the Inspector on the recent appeal at Lower Weybourne Lane. While dismissing the appeal, he commented on housing land supply issues as follows: *'66. The shortfall has persisted over a considerable period. The adoption of the Local Plan Part 2 is a step in the right direction. However, its housing site allocations are geographically contained and relatively small in a wider Borough context. There is little concrete evidence to demonstrate that the Council has a credible strategy, including progressing through an agreed timetable for updating the Local Plan Part 1, that will address the housing land supply issues of the Borough on a wider basis anytime soon. In these circumstances, the Appellant is correct to characterise the shortfall in housing land supply as significant....'*
- 7.4 The purpose of this report is to progress work on this "credible strategy" for updating the Local Plan to address, amongst other matters, housing land supply. The Local Development Scheme will be amended to reflect the Council's agreed approach.
- 7.5 Development plans must be prepared in accordance with relevant legislation, regulations, and national policy and guidance. The Government considers that the current planning system is outdated and that it takes too long to adopt a local plan (an average of 7 years). Appendix 1 summarises the current plan-making requirements and the Government's proposed reforms to simplify and speed up the process.
- 7.6 Members will be aware of the lengthy period that it took to prepare LPP1 (9 years from first consultation to adoption) and LPP2 (6 years 4 months). This was partly due to the complexities of the current development plan process but also due to political changes and the challenge of bringing forward appropriate site allocations in a heavily constrained borough. Elements of the planning reforms such as the lighter-touch assessments and examination process are to be welcomed. However, there are many unresolved questions, including the practicality of a 30-month statutory timetable for plan preparation.
- 7.7 In considering options for updating the local plan, it should be noted that there is a significant risk that the planning reforms will not be implemented

to the timescale currently proposed. The initial updates to the NPPF promised in spring 2023 have not yet been issued. The Levelling Up and Regeneration Bill could be enacted before the summer recess but the regulations and policy necessary for implementation may take longer than originally envisaged (November 2024) in the run-up to a general election, and a new government could have a different view on planning reforms.

- 7.8 As noted in the report on the review of LPP1, another area of uncertainty is in relation to the approach to housing requirements. The Local Housing Need (LHN) calculated using the 'standard method' may change substantially in 2024 if the Government adopts 2021 census-based household projections as the starting point. However, while the Government has stated that it will consider using the new projections, there is no guarantee it will do so. This issue is outlined in greater detail in Appendix 2.

Options for updating the Local Plan

- 7.9 Whatever approach is taken, any update of the Local Plan must follow the statutory development plan process, including preparation, publication, and examination of the plan. There is no way that an update of LPP1 can be achieved more quickly than these statutory processes allow.
- 7.10 The broad options available to the Council for updating the Local Plan and addressing housing land supply issues are:
- A. Comprehensive update of the Local Plan.
 - B. Partial alteration to the adopted LPP1 to address housing supply and related matters.
- 7.11 The proposed planning reforms will require a single Local Plan containing both strategic and non-strategic policies, where necessary supported by Supplementary Plans (in addition to Neighbourhood Plans). The comprehensive update of the Local Plan (option A) would follow this approach to provide a single Local Plan for the Borough (with some policies 'saved' from LPP2 if possible). The partial alteration (option B) would relate only to LPP1, leaving LPP2 as it is for the time being.
- 7.12 The NPPF states that strategic policies should cover a minimum 15-year period from adoption. For option A, this will require the end date of the Local Plan to be rolled forward by around 10 years (to 2042/43) in relation to development requirements. The vision should be framed in the context of the statutory deadline for achieving net-zero carbon by 2050. Option B is only considered achievable within the proposed transitional deadlines if the plan period remains to 2032, otherwise the scale of new housing required would escalate this option into a much more complex task. This would need

to be justified as a departure from the NPPF 15-year plan timescale referred to above. From discussions with PAS and its consultants, the view of officers is that it would be an uphill battle to persuade an Inspector that the plan is sound on this basis.

- 7.13 The NPPF 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 and gypsy and traveller accommodation), 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.
- 7.14 Housing requirements will be a key consideration in updating the Local Plan and are discussed in more detail in Appendix 2. 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.'*
- 7.15 For option A, the Council will need to undertake an assessment of local housing need (LHN) for the plan period to 2043 and take account of any unmet need within neighbouring areas. A partial alteration (option B) would concentrate on sources of housing to meet the remaining housing requirement to 2032 and to ensure a deliverable 5-year supply of housing land. However, given the NPPF position set out above, officers consider that not only would it be difficult to justify a 2032 end date, it would also be necessary to update LPP1 Policy ALH1 housing requirements taking into account LHN calculated using the standard method.
- 7.16 The Local Plan update should seek to do as much as possible to meet the housing needs of the local community. However, the Council's response to consultation on the proposed planning reforms expressed the view that the standard method results in an unrealistic and unattainable assessment of LHN. While it may be difficult to demonstrate 'exceptional circumstances' in

Waverley to justify an alternative approach to the ‘standard method’ for assessing LHN, it is nevertheless recommended that the Council commissions evidence on current and future demographic trends and market signals as a sense test for the results of the standard method and to gauge what the new household forecasts are likely to show.

7.17 In addition to LHN, the NPPF requires that account is taken of unmet housing need from neighbouring authorities. Members will recall that the LPP1 Inspector concluded that the Borough should accommodate some of the unmet need from Woking. The ‘duty to cooperate’ is the only formal mechanism for such discussions and the proposed planning reforms would repeal this and replace it with a more flexible ‘alignment test. It is not clear how this will work. The Council will, in due course, need to consider evidence of any unmet needs in accordance with the NPPF. Given the challenges experienced in meeting current LPP1 housing requirements due to constraints including Green Belt, AONB, and other designations, officers currently consider it unlikely that there will be scope to accommodate needs arising outside the Borough.

7.18 While LHN will inform the minimum number of homes needed, this is only the starting point (not a mandatory target) for establishing housing requirements in an updated Local Plan. This point is emphasised in a December 2022 written ministerial statement¹ and subsequent draft revised NPPF. While only limited weight can be given to emerging national policy, it represents a change in emphasis that, once confirmed in policy, will assist the Council in identifying and justifying housing requirements for the new plan. The Council will consider physical and policy constraints, including Green Belt, AONB, and the HRA issue highlighted in the resolution at para 1.1 above, which will determine the amount of assessed need that it is possible to accommodate. The assessment of constraints and opportunities will therefore be a fundamental part of the evidence base for the update of the Local Plan.

7.19 The general scope and timetable of the identified options are outlined below.

A. Comprehensive update of the Local Plan	
Scope	
a.	The plan period would be 2023 to 2043.
b.	This plan would revise or refresh all aspects of LPP1 that the review identified in February 2023 as requiring updating. Using the PAS toolkit for reviewing local plans, this work identified several planning policy areas that need updating. This included updating the assessment of housing and economic needs and considering the

¹ [Communities put at heart of planning system as government strengthens Levelling Up and Regeneration Bill - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/communities-put-at-heart-of-planning-system-as-government-strengthens-leveling-up-and-regeneration-bill)

development needed to achieve these needs. It also included measures to adapt to and mitigate climate change and to protect and enhance the natural environment. Whilst the review also recognised that some LPP1 policies were fit for purpose, because the housing requirement could change this may have implications for the growth strategy/spatial distribution of development and other plan requirements.

- c. In addition to strategic policies, an update would incorporate non-strategic policies to provide a single Local Plan as envisaged in the planning reforms (accompanied by Supplementary Plans and Neighbourhood Plans). This would require close working with town and parish councils.
- d. Notwithstanding the wider scope of the Local Plan, the aim would be to create a succinct plan with a clear visual representation of the spatial strategy. Policies and proposals from the newly adopted LPP2 would only be included if it is not possible to 'save' them under the new development plan system. General policies would not be included if the Government goes ahead with its proposal to create National Development Management Policies.
- e. The plan would be progressed in parallel with work on a borough-wide design code, which will be mandatory under the Levelling Up and Regeneration Bill.
- f. This option could adhere to the existing structure of LPP1, allowing parts of the plan to be subject to little or no change. Alternatively, it could provide an opportunity to structure the plan to anticipate elements of the planning reforms and give greater prominence to priorities such as climate change and biodiversity net gain.

Timetable

- g. Work would commence under the existing development plan system. However, the plan could not be delivered within the currently proposed transitional arrangements to the new system, which would require it to be submitted for examination by 30 June 2025 and adopted by 31 December 2026. These arrangements are intended to apply to plans that are already in preparation. A more realistic, but still ambitious programme would add 12 months to these deadlines, giving a target for submission by the end of June 2026 (3 years compared to 4 years taken to reach the same stage for LPP2). The period from submission to adoption (18 months) reflects the time given in the proposed transitional arrangements – it is largely in the hands of the Planning Inspectorate. The timetable for progressing the plan under the existing system if the planning reforms are delayed or abandoned, is shown as Track 1 in Figure 2.
- h. If the proposed planning reforms are implemented in November 2024 as envisaged by the Government, the plan will need to be completed within a statutory 30-month period. Draft Regulations are not yet available, so little is known about the requirements of each stage. The indicative programme shown as Track 2 in Figure 2 is based on the 30-month timetable suggested in the Planning for the Future white paper.
- i. Figure 2 highlights that a comprehensive update of the Local Plan under either the current system (Track 1) or the proposed new system (Track 2) for preparing local plans will take until mid to late 2027 to adopt. Under both tracks, the first 12 months

is largely taken up with evidence gathering and initial consultation. This gives flexibility to switch tracks without abortive work if the planning reforms are implemented to the Governments current timetable.

B. Partial alteration to the adopted LPP1 to address housing supply and related matters

Scope

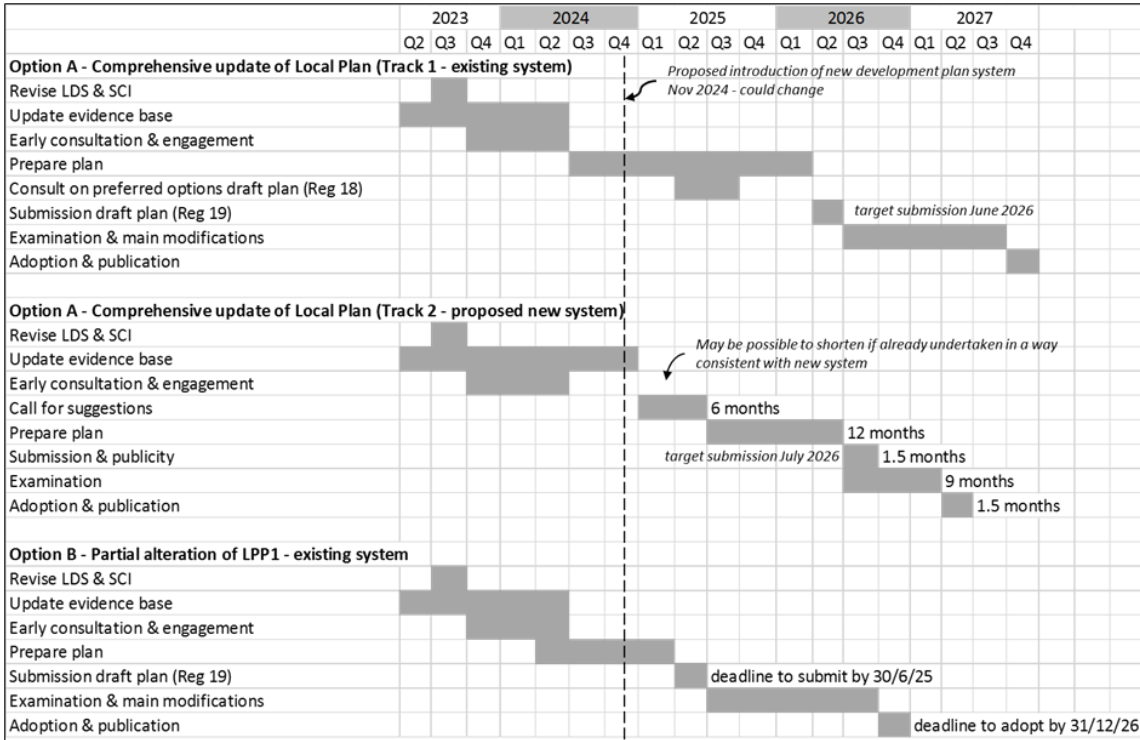
- a. The scope of the plan would need to be limited to expedite the update of key strategic policies tackling housing supply matters while the comprehensive update of the local plan is ongoing. Maintaining the LPP1 end date of 2032 would make this more manageable but would not meet the NPPF requirement for a plan period extending 15 years from adoption.
- b. Housing requirements would need to be updated using LHN based on the standard method as the starting point, and an assessment of constraints and opportunities. Key evidence would include updating the Housing Land Availability Assessment, including a 'call-for sites', and an updated Housing Delivery Action Plan.
- c. Although focused on housing supply, the update would inevitably need to address the implications of this for other policies.
- d. Addressing any shortfall in housing land supply will require close working with town and parish councils, particularly if the plan needs to make non-strategic allocations to accelerate delivery.
- e. The plan would be progressed in parallel with a comprehensive update of the Local Plan (option A) and work on a borough-wide design code, which will be mandatory under the Levelling Up and Regeneration Bill.

Timetable

- f. The programme for this partial update would be dictated by the Government's proposed transitional deadlines (submission by 30 June 2025 and adoption by 31 December 2026). The period to submission is very tight. It may be necessary to cut out the discretionary consultation on a draft plan (preferred options) that is often carried out at Regulation 18, instead seeking input on the scope of the plan and specific spatial options, before the Reg 19 draft is published for comments.

7.20 Figure 1 gives a broad indication of the timelines for Options A and B. The target submission date is important because the timescale beyond that is determined by the examination process. For option A, whether under the existing (track 1) or proposed (track 2) development plans systems, the target would be to submit the plan for examination in summer 2026. Option B would need to be submitted 12 months earlier in order to meet the deadlines currently proposed in transitional arrangement.

Figure 1 – Indicative timetable for options



Assessment of Options

Pros	Cons
A. Comprehensive update of Local Plan	
<p>Allows work to commence using tried and tested legislation and guidance (Track 1), avoiding wait for planning reforms to be implemented (and the risk that they will be delayed or abandoned).</p> <p>Flexibility to migrate to new development plan system if implemented (Track 2) would allow use of streamlined assessments and examination process (which should be quicker and cheaper).</p> <p>Opportunity to bring strategic and non-strategic policies together into a single Local Plan in line with proposed new system. This will simplify the development plan for the borough and, in the longer term, reduce the process costs arising from separate part 1 and part 2 plans.</p>	<p>Reliant on planning reforms being delayed or transitional arrangements (not yet finalised) allowing smooth transition to new system.</p> <p>Existing process requirements (e.g. in relation to duty to cooperate, environmental assessment, and examination) are more complex, time-consuming, and potentially more costly than the streamlined approach promised in the reforms.</p> <p>Inclusion of non-strategic issues could slow plan-making. Will need ability to 'save' existing LPP2 policies and to defer some other non-strategic issues to Neighbourhood Plans, Supplementary Plans (new system), or Supplementary Planning Documents (existing system).</p>

B. Partial alteration of LPP1 to address housing supply issues	
<p>Potentially quicker plan-led way to address housing land supply issues – avoids risk of delay with planning reforms.</p> <p>A predicted earlier adoption date may strengthen the Council’s position in resisting speculative development in unsuitable locations in the absence of 5YHLS.</p> <p>Could be progressed in parallel with the comprehensive update of the local plan with shared evidence base.</p>	<p>Only seeking to address needs to 2032 conflicts with minimum 15-year plan period set out in the NPPF – high risk of plan not being sound on this basis. Also, could not avoid updating housing requirements taking account of the results of the standard method.</p> <p>Difficult to limit the update to housing supply matters given the wider implications for environment, employment, infrastructure etc.</p> <p>Likely to require allocation of non-strategic as well as strategic sites – cutting across work of neighbourhood planning groups (would need collaborative working).</p> <p>Undertaking an interim update alongside a comprehensive update could be confusing for local communities and other stakeholders. It would require additional resources (staff-time and increased process costs e.g., two separate examinations) or would slow work on the comprehensive update of the local plan.</p>

7.21 PAS’s consultants DAC Planning broadly agree with this assessment but consider that the pitfalls of Option B are probably understated. Their view is that:

- Option A is considered the most robust approach. The timescales are considered ambitious but realistic.
- Option B with a plan end-date of 2032 is not compliant with NPPF and therefore unlikely to be found sound. It is also unlikely to save much time compared to option A because housing issues will be contentious, and the same statutory stages are still required.
- They are assisting officers in refining a detailed work programme for Option A, which will seek to make the most of existing evidence and knowledge in relation to LPP1 and LPP2.

7.22 It is recommended that work commences on a comprehensive update of the Local Plan (option A) to contain both strategic and non-strategic policies. The procedural path for this will depend on the progress of the Government’s planning reforms. It is not possible to meet the current proposed deadlines for completing Local Plans using the current system but officers consider that it would be a high-risk option to wait for the new planning system to be introduced. Consequently, it is recommended that work commences under existing legislation and guidance, but with flexibility to switch to a new-style local plan if it is put in place. The evidence base required for plan making under the current and proposed system is likely to

be similar (albeit the new system promises a lighter touch approach to assessment and examination). It is recommended that work commences immediately on the priority areas of evidence set out in section 7 of this report. This will be the focus over the next 12 months, during which time the Council will have flexibility to respond to any changes in national legislation, policy, and guidance.

- 7.23 Option A would not preclude the Council undertaking a partial update of LPP1 to address housing land supply issues over the period to 2032 more quickly. However, the view of officers, following discussion with PAS and its consultants, is that it would be extremely difficult to constrain a partial update to 2032 or to limit its scope to housing land supply. It would also not negate the need for a comprehensive update, thereby resulting in additional cost. For these reasons, it is considered preferable to concentrate resources on progressing a comprehensive update, which will gain weight as a material consideration as it progresses.
- 7.24 It should be noted that, while the Local Plan update is the best way for the Council to regain control of housing requirements, it is not a quick means of resolving current 5YHLS issues. This is because of the time-lag in bringing new housing sites forward through allocations and planning permissions. Work on the Local Plan will therefore be accompanied by an update of the Council's non-statutory Housing Delivery Action Plan, with input from landowners, developers and other stakeholders to address factors holding back the delivery of allocations, planning permissions, or otherwise policy-compliant sites.
- 7.25 At the same time, the Council should continue to seek changes to the standard method (see para 7.8 above) and support and lobby for proposed changes to government policy and wider planning reforms (see para 7.18 above) that will give planning authorities greater control over housing requirements and address the problems associated with 5YHLS.

Next steps

- 7.26 A detailed work programme will be prepared to deliver the Council's preferred approach to updating the Local Plan. The Local Development Scheme will be updated to reflect this.
- 7.27 A communications strategy will be prepared to outline how local communities and stakeholders will be engaged in accordance with legal requirements and the Council's Statement of Community Involvement (SCI). The strategy will consider opportunities for greater use of digital technologies as advocated in the proposed planning reforms.

- 7.28 The town and parish councils are key stakeholders and careful consideration will need to be given to the relationship between the update of the Local Plan and work on Neighbourhood Plans.
- 7.29 Supporting evidence will need to address the strategic matters at 7.13 above, focusing on the need for development over the plan period and the constraints and opportunities that will dictate the extent to which these needs can be accommodated. This work is being scoped to enable project plans to be prepared and external input commissioned where necessary. Identified priorities include:
- Housing & Economic Needs Assessment
 - Housing & Employment Land Availability Assessment
 - Climate Change/ Net Zero evidence
 - Green & Blue Infrastructure (including biodiversity net gain/ SPA mitigation)
 - Water Cycle Study/ Strategic Flood Risk Assessment
 - Transport Modelling/ Assessment
 - Infrastructure Delivery Plan
 - Viability Assessment
 - Sustainability Appraisal/ Habitat Regulations Assessment
- 7.30 A programme for the introduction of Borough wide design codes will be produced. It is envisaged that the Local Plan update will include strategic design policies to provide the 'hook' for a design code SPD/ Supplementary Plan and an associated suite of documents covering geographic and/or thematic design codes based on characterisation. Consultancy services will need to be procured to support the production of codes and community engagement throughout the process.
- 7.31 The adopted Community Infrastructure Levy (CIL) Charging Schedule will be reviewed alongside the update to the Local Plan. Charging authorities must keep their charging schedules under review to ensure that levy charges remain appropriate over time. Whilst the law does not prescribe when reviews should take place, guidance suggests LPAs should consider linking a review of the charging schedule to any substantive review of the evidence base for the relevant local plan. Consultancy services will be procured to assess the viability of CIL charges with document production and consultation processes undertaken in-house.

8. Consultations

- 8.1 In preparing this report independent advice has been sought from the LGA's Planning Advisory Service (PAS). Their consultants DAC Planning (authors

of the PAS Planning Toolkit) have provided initial advice (see para 7.21 above) and are working with officers to refine a detailed work programme.

- 8.2 This report was considered by the Overview and Scrutiny Committee – Services on 21 June 2023. The discussion is summarised below.
- 8.3 In respect of the recommendation that work commences on a comprehensive update of the Local Plan 1, it was noted that the Council resolution instructs officers to explore options including updating the plan ‘immediately’. Officers advised that realistic options had been assessed and that, for the reasons set out in the report, a comprehensive update was considered the most robust approach. This is supported by independent advice obtained through PAS.
- 8.4 The Committee stressed the importance of the defending the adopted Local Plan while work progresses on the update. Officers confirmed that this would be done and drew attention to the legal advice referred to at para 7.2.
- 8.5 Members considered that the update should start from an assessment of constraints in order to justify a lower requirement than the local housing need calculated through the Government’s standard method. The Committee also expressed concern at potential pressure to accommodate unmet housing need from neighbouring authorities, which it felt should be resisted. Officers noted that these matters are addressed in section 7 of the report. It was confirmed that an assessment of constraints will be undertaken alongside evidence of local housing need to inform updated housing requirements.
- 8.6 The Committee discussed the impact the update of the Local Plan may have on Neighbourhood Plans. It was requested that discussions on housing numbers and spatial strategy should be shared with neighbourhood planning groups at the earliest opportunity to allow consideration of the implications for their plans.
- 8.7 Members also raised concerns about the delivery of affordable housing, whereby viability issues can be used by developers to vary affordable housing requirements after permission has been granted. Officers noted that affordable housing will be an important issue for the Local Plan, which should set out robust policies and test viability at a plan-level.
- 8.8 The Committee noted the proposed recommendations to the Executive on the approach to updating the Local Plan and developing a detailed work programme for the comprehensive update and agreed that the Executive should additionally consider the following recommendations on specific matters that it considers should be addressed during work on the Local Plan Update:

- A robust defence of a lower figure using a local calculation of the Local Housing Need.
- The Housing figures and spatial strategy to be shared with Neighbourhood Plan groups at the earliest convenience.
- Robust policies about delivering Affordable Housing on approved schemes to mitigate developers bringing forward viability studies after approval has been given.
- A reinforcement of the importance of the Development Plan

9. Key Risks

- 9.1. The key risk of not updating the Local Plan is that the Borough will not be ensuring a plan-led approach and will continue to be vulnerable to speculative development proposals on unsuitable sites that are not supported by LPP1, LPP2 or Neighbourhood Plans.
- 9.2. Uncertainties regarding the introduction of planning reforms and changes to Local Housing Need pose risks to achieving the indicative timetable for updating the Local Plan. The report addresses how these risks will be managed.

10. Financial Implications

- 10.1 The updating of the Local Plan to an accelerated timescale, while maintaining other workstreams will require a fully staffed Local Plans and Planning Policy Team. Other costs are associated with the technical work required to underpin the plan and to assess reasonable alternatives, and process costs including stakeholder engagement and the examination.
- 10.2 The Council on 21 February 2023 agreed an initial top up of the local plan reserve balance by £150k in 2023/24, with a further top up of £300k built into the Medium-Term Financial Plan for 2024/25 to cover the cost of a comprehensive update of the local plan. Expenditure would be over the period 2023/24 to 2027/28. This budget will be refined once the scope of the local plan/s is agreed. Costs will be controlled by undertaking as much of the technical and engagement work as possible in house, utilising existing evidence wherever possible, and exploring opportunities for joint commissioning with Guildford Borough Council and/ or other authorities.
- 10.3 Legal services will continue to provide support throughout the plan making process. The cost of employing counsel to represent the Council during the examination process is included in the agreed budget estimate.

11. Human Resource Implications

- 11.1 As indicated above, a fully staffed Local Plans and Planning Policy Team supported by specialist consultancy input will be required.

12. Equality and Diversity Implications

- 12.1 There are no direct equality, diversity, or inclusion implications in this report. An equalities impact assessment will be undertaken as part of the plan making process.

13. Climate Change/Sustainability Implications

- 13.1 An update of the Local Plan will allow the Council to strengthen policies in relation to climate change mitigation and adaptation to contribute to meeting the Council's environmental and sustainability objectives.

14. Suggested issues for overview and scrutiny

- 14.1 Feedback is sought on the proposed recommendations to the Executive set out in section 2 of this report.

15. Summary of Options

- 15.1 This report considers the options of a comprehensive update to the Local Plan (option A) and partial alteration to the adopted LPP1 (option B). These are described and assessed in section 7 above.
- 15.2 The option of putting work on the local plan on hold has been ruled out because the Council needs an up-to-date local plan to address priorities for the development and use of land in the borough, and to safeguard against speculative development proposals in unsustainable locations.

16. Conclusion

- 16.1 Having explored options for updating LPP2 in accordance with the resolution made by Full Council on 21 February 2023, it is recommended that a comprehensive update of the Local Plan (option A) should be undertaken, to produce a single plan covering both strategic and non-

strategic matters. This will be taken forward as outlined in section 7 of this report.

17. Background Papers

17.1 Report on review of LPP1, Waverley Borough Council 21 February 2023

18. Appendices

Appendix 1 – Plan making requirements

Appendix 2 – Local Housing Need