

## **Cabinet**

**15 November 2017**

### **County Durham Plan Progress Report and the Council's Response to the Planning for the Right Homes in the Right Places Consultation**



**Key Decision REAL/03/17**

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**Report of Ian Thompson, Corporate Director of Regeneration and  
Local Services**

**Councillor Carl Marshall, Cabinet Portfolio Holder for Economic  
Regeneration**

**Councillor Kevin Shaw, Cabinet Portfolio Holder for Strategic  
Housing and Assets**

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#### **Purpose of the Report**

- 1 To update Members on the current position with the County Durham Plan (CDP) and to outline an initial timetable for taking it forward through the agreement of a new Local Development Scheme in the context of the current Government consultation on housing.
- 2 For Cabinet to be presented with Durham County Council's response to the consultation on Planning for the Right Homes in the Right Places. Comments were submitted in time for the closing date of the consultation on 9 November 2017 following consultation with relevant Cabinet Portfolio holders and the Corporate Director.
- 3 To seek approval of a number of supporting documents that will provide guidance on how planning applications will continue to be determined as the CDP progresses.
- 4 To agree the 2016/17 Annual Monitoring Report which is attached for information to show current performance relating to policies from former district local plans and the minerals and waste plans which have been 'saved'.

#### **Background**

- 5 The council, following a successful high court challenge to overturn the Inspector's draft report in respect of the Local Plan Examination in 2015, has been in discussions with Government and the planning inspectorate in order to bring forward local plan as soon as possible. The council is committed to

delivering a Plan for the whole of the county as quickly as possible which meets the needs and aspirations of its residents, helps to promote economic growth whilst protecting and enhancing the things that make Durham special.

- 6 Members will recall a report to Cabinet in December 2016 that resulted in pausing the preparation of the County Durham Plan which had reached the Issues and Options stage in June/July 2016. The forthcoming publication of a Housing White Paper was expected to have several implications for the preparation of the Plan, including a new national methodology for the calculation of housing requirements. The housing requirement figure, otherwise known as the Objectively Assessed Need (OAN) for housing, is critical to the preparation of a local plan and impacts on a number of policy areas in addition to housing, such as employment, infrastructure and waste.
- 7 The Housing White Paper was subsequently published on 7 February 2017. It did not however, include the proposed methodology but instead referred to a separate (then-forthcoming) consultation. Members will recall that the council submitted a response to the Housing White Paper consultation as reported to Cabinet in July.
- 8 The Government's subsequent document 'Planning for the Right Homes in the Right Places', which included the OAN methodology, was eventually published on 14 September 2017 for an eight week consultation.
- 9 It should be noted, at this stage, that neither the Housing White Paper or the 'Planning for the Right Homes in the Right Places' are currently considered to have changed the policy context or raised issues to the extent that mean we would need to revisit the Issues and Options stage of plan preparation. This position will be reconsidered as additional advice, guidance and policy is received.
- 10 It was hoped that on publication of the OAN methodology contained within the 'Planning for the Right Homes in the Right Places, the council would have had the certainty to move forward with the local plan. However, whilst the government's consultation does provide a baseline figure for the expected housing number, it also provides a context but as yet no detail as to how a figure could be uplifted to consider issues such as economic growth. Despite this current lack of clarity we believe that we can now move forward with progressing the local plan.
- 11 The timescale that we have identified takes into account the consultation period and a reasonable time for government to respond. There are risks in developing a strategy in what is an emerging policy picture. However, after a period of almost 12 months it is considered that we can move the plan forward based on the consultation documents. To mitigate the risks, officers will continue to meet with government officials and ensure that members are informed of the outcome.
- 12 Progressing the Plan will build on the momentum currently seen right across the county and ensure all parts benefit from growing confidence in the area,

as well as dealing with the issues that are still faced by some of our communities. The timescales identified build in significant opportunities for our communities and businesses as well as stakeholders to participate in the development of the strategy.

## **Planning for the Right Homes in the Right Places**

- 13 The consultation document builds on some of the proposals in the Housing White Paper and seeks views on changes to national planning policy to help local planning authorities and communities plan for and deliver the homes they need, including:
- a proposed standard methodology for calculating local housing need;
  - improving how authorities work together in planning to meet housing need and proposing the preparation of Statements of Common Ground between authorities;
  - how neighbourhood planning groups can have greater certainty on the level of housing need to plan for;
  - considering how authorities can plan for the needs of particular groups, including affordable housing and housing for older and disabled people;
  - proposals for improving the use of section 106 agreements, by making the use of viability assessments simpler, quicker and more transparent; and
  - increased planning application fees in those areas where local planning authorities are delivering the homes their communities need.
- 14 The standardised housing methodology uses the latest household projections as the demographic baseline to arrive at an annual average household growth over a 10 year period. An adjustment is then made to take account of market signals, where appropriate, based on affordability (the latest information on workplace-based median house price to median earnings ratios). Using this methodology the government has also published a list of each local authority's annualised housing need figure. Where the affordability adjustment is a more than 40% increase then it will be capped; however this is not applicable in this area.
- 15 Durham County Council's published figure as set out in the methodology is 1368 houses per annum. This can be compared to the figures consulted on in the County Durham Plan Issues and Options (June 2016) which were 1717, 1629 and 1533 per annum. These figures were based on the ONS 2012 projections whereas the government figure is based on the 2014 projections which are generally lower and were not available at the Issues and Options Stage. To give some context, in terms of past performance housing completion rates for each of the last 3 years have been 1146, 1537 and 1386.
- 16 The consultation document does suggest that it is possible to go beyond the published figure as a result of 'a strategic infrastructure project, increased employment ambition through a LEP investment strategy, a bespoke housing deal or through delivering the modern Industrial Strategy'. The document

does not provide any detail on how this could be done, and it gives no guidance on how to derive housing targets in areas of planning constraint.

- 17 The council's response to the consultation is attached at Appendix 2. Although many of the principles in the consultation are to be welcomed there are areas of the document where further clarity is required to ensure they will work as envisaged. The government has indicated that following consultation the resultant changes will be made to the National Planning Policy Framework (NPPF) which is also intended to be published for consultation early 2018 with the final version being published in spring 2018.

### Re-starting the County Durham Plan

- 18 The OAN methodology consultation has now been published, therefore it is an appropriate time to resume the preparation of the County Durham Plan. Whilst the proposed timescales take account of future government consultations, the process will continue to be monitored with caution taking account of feedback from Government on the extent and timescale of any further changes.
- 19 Members will recall that consultation was undertaken on an Issues and Options document in June/July 2016. It is considered that this document is still relevant however this will need to be assessed as further national guidance and policy is received. The responses we received through the Issues and Options consultation will form part of the evidence base for the Preferred Options including how these responses have been taken into account in the preparation of the document.
- 20 Therefore the intention is that the next stage is the publication of a Preferred Options for consultation in summer / autumn next year. Publication of the Pre-Submission Draft will then follow in Winter 2018. The full timetable, including for the additional Minerals and Waste Policies and Allocation document, is set out in the updated Local Development Scheme at Appendix 3 and will be continually monitored but the key milestones are shown below:

| <b>Stage</b>                                  | <b>Date</b>                  |
|-----------------------------------------------|------------------------------|
| Review progress and re-start the plan process | <b>Winter 2017</b>           |
| Cabinet agree Preferred Options               | <b>Spring/Summer 2018</b>    |
| Consultation                                  | <b>Summer/Autumn 2018</b>    |
| Cabinet agree Pre-submission Draft            | <b>Winter 2018</b>           |
| Consultation                                  | <b>Winter/Spring 2018/19</b> |
| Full Council agree submission                 | <b>Summer 2019</b>           |
| Submission                                    | <b>Summer 2019</b>           |
| Examination in Public (Strategic Issues)      | <b>Autumn 2019</b>           |
| Examination in Public (Site Allocations)      | <b>Spring 2020</b>           |
| Adoption                                      | <b>Summer 2020</b>           |

Cabinet will be asked to consider and approve each stage of the process prior to it proceeding to public consultation. Members will be kept up to date throughout the preparation of the local plan with members' seminars in advance of each round of consultation. During consultation, officers will be available to discuss any issues that members wish to raise. There will also be a number of drop in surgeries arranged throughout the process to assist in answering any questions that members may have. The LDS will be continually reviewed to ensure it takes account of changes to national guidance and legislation.

### **Evidence Base and Supporting Documents**

- 21 On occasion the council publishes guidance documents to provide certainty to communities and developers of what is expected from developers to mitigate the impact of their developments. These include a document updating our guidance on Developer Contributions for Education Provision and a new document on Developer Contributions relating to the Habitat Regulations.

### **Developer Contributions for Education Provision**

- 22 In September 2015 Cabinet agreed a report which set how the financial contributions required to accommodate pupils from new residential development is both calculated and secured through the statutory planning process. The detail was set out in 'Securing Developer Contributions towards Education Provision in County Durham'. This document has now been updated and is included at Appendix 4. The main changes are:
- (a) Following a Government benchmarking exercise of school extensions and new builds across the country and linking to the Building Cost Information Service (BCIS) index the new cost contribution per pupil place in County Durham is as follows:
    - (i) £14,516 per primary place
    - (ii) £16,344 per secondary place;
  - (b) Contribution costs will be reviewed annually (December) using the BCIS index and any change agreed will be implemented from the following April. In addition every 4 years the council will undertake its own benchmarking exercise, which will be based on the true costs of council delivered projects and if needed the baseline figure will be reset;
  - (c) For large scale developments of more than 300 dwellings (e.g. 3 classrooms), including the cumulative impact of multiple proposals, the policy will not apply and a negotiation will be required with the developer(s) which will be based on the full cost of the works; and

- (d) Where a development needs to contribute towards education provision, the council will identify the schools or school place area. If it is uncertain that existing schools can accommodate the additional places required, a first stage feasibility study will be requested to be paid for by the developer(s). The developer(s) can choose to either use the Council Technical Services team or request the specification to undertake the study themselves.

### **Habitat Regulations Assessment Developer Guidance and Requirements**

- 23 Under Regulation 61 of the Conservation of Habitats and Species Regulations 2010 (as amended), the council has a duty to ensure that all the activities it regulates have no adverse effect on the integrity of any European Protected wildlife sites.
- 24 Previous Habitat Regulations Assessment (HRA) undertaken by the council and supported by independent bird and coastal visitor surveys determined that recreational pressure and associated disturbance is likely to have a detrimental effect on the habitats and species for which County Durham's coastal European Protected sites (Durham Coast SAC, Northumbria Coast SPA and Teesmouth and Cleveland Coast SPA) were designated.
- 25 The purposes of the guidance document (Appendix 5) are to:
- explain the stages in the HRA process and the responsibilities of developers and the council; and
  - outline the coastal mitigation strategy which developers may wish to adopt for certain development proposals falling within the 6km of the coast to ensure that adverse effects arising as a result of recreational pressure can be avoided and mitigated.
- 26 As part of the mitigation strategy developer contributions will be sought from relevant proposals towards either the provision or enhancement of suitable natural greenspace (SNG) or coastal access management and monitoring (CAMM) measures. Where CAMM is considered the most suitable measure, a contribution of £658.98 will be sought per dwelling (sites of 10 or more dwellings) or £323.92 (for less than 10 dwellings). For other types of development the contribution will be calculated on a case by case basis and the amount will be commensurate with the nature and size of the development, the degree of negative impact and the agreed mitigation outcome.

### **2016/17 Annual Monitoring Report**

- 27 Monitoring of local plan policies enables the identification of any unintended consequences of policies, whether the assumptions and objectives that the policies are based upon are still relevant and if the policy targets are being achieved. In turn, the findings highlight where adjustments and revisions to

policies are required and can inform the development of further new policies. The Annual Monitoring Report covers the period 1 April 2016 to 31 March 2017 and is attached at Appendix 6. The policies being monitored during this period are the saved policies from the former district local plans and saved minerals and waste local plans.

### **Recommendations and reasons**

28 In relation to the local plan Cabinet is recommended:

- (a) to note and endorse the approach and timescales, with Cabinet to receive regular updates in respect of Government guidance and advice and potential changes;
- (b) to note and endorse the content of the council's response to the consultation on 'Planning for the Right Homes in the Right Places';
- (c) that the following documents be agreed and published:
  - (iii) Developer Contributions for Education Provision;
  - (iv) Habitat Regulations Assessment Developer Guidance and Requirements; and
  - (v) 2016/17 Annual Monitoring Report.

### **Background papers**

Local Development Scheme

Developer Contributions for Education Provision

Habitat Regulations Assessment Developer Guidance and Requirements

2016/17 Annual Monitoring Report

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## **Appendix 1: Implications**

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### **Finance –**

The local plan has a continuing budget commitment for appropriate evidence gathering, consultation, printing and EIP costs. The guidance on Developer Contributions for Education Provision and Habitat Regulations Assessment Developer Guidance and Requirements will ensure that developers provide the funding to address the requirements arising as a result of their development.

### **Staffing –**

Resource required to progress the local plan.

### **Risk –**

Not having an adopted local plan makes it more difficult to resist inappropriate development and also to provide the necessary certainty to facilitate appropriate development to support the local economy. The plan was paused awaiting further Government guidance and clarity as to the methodology for calculating housing numbers within the plan. Failure to make progress risks Government intervention as well as increasing the pressure on some towns and villages through increased developer interest whilst no plan is in place. Whilst the position is far from clear in terms of how the Government will respond to the consultation and what changes will be considered in the revised National Planning Policy Framework it is considered waiting for these changes would significantly impact on the ability to produce a strategic plan for the area that would be of greatest benefit to the County. Close monitoring and review of the process will be undertaken to ensure any risks are understood and reported to Cabinet.

### **Equality and Diversity / Public Sector Equality Duty –**

The Statement of Community Involvement 2016 which describes how stakeholders will be involved in local plan preparation and the determination of planning applications was subject to an Equality Impact Assessment and was prepared with the partnership and community engagement team. The local plan will continue to be subject to Equality Impact Assessment as it progresses.

### **Accommodation –**

None.

### **Crime and Disorder –**

None.

### **Human Rights –**

None.

### **Consultation –**

The stages of consultation on the local plan are outlined in the local development scheme timetable. The Statement of Community Involvement 2016 describes how stakeholders will be involved in plan preparation.

**Procurement –**

When required consultants are commissioned to deliver evidence studies in accordance with the Council's procurement rules/procedures.

**Disability Issues –**

The local plan will seek to address relevant issues identified as part of the Equality Impact Assessment referred to above.

**Legal Implications –**

Local plans must be positively prepared, justified, effective and consistent with national policy in accordance with section 20 of the Planning and Compulsory Purchase Act 2004 (as amended) and the national planning policy framework (NPPF). The NPPF gives guidance to local authorities in drawing up their local plans.

A Local Development Scheme is required under section 15 of the Planning and Compulsory Purchase Act 2004 and should be published on the Council's website. Up-to-date and accessible reporting on the Local Development Scheme in an Authority's Monitoring Report is an important way in which Local Planning Authorities can keep communities informed of plan making activity.

As noted in the report it is unlawful for planning permission to be granted for development that is likely to have a significant effect on a European site without an appropriate assessment being carried out. The Habitat Regulations Developer Guidance document will help ensure that these legal requirements are met as development proposals come forward.