

NORTHUMBERLAND

Northumberland County Council

ADDENDUM REPORT : COUNCIL 5TH JULY 2017

NORTHUMBERLAND LOCAL PLAN CORE STRATEGY

General Introduction

This Addendum Report has been prepared to provide further detailed information and clarification in order to inform Council's consideration of the motion to withdraw the Northumberland Local Plan Core Strategy Draft Plan from the examination process. The Addendum Report expands significantly upon the issues identified in the main report to Full Council, specifically in relation to:

- 1. Population projections, housing requirements and concerns over the proposed level of new housing**
- 2. Revisions to the NPPF and Housing White Paper**
- 3. Regional Economic Strategy and Devolution**
- 4. Implications on the Planning Service**

Each of these issues will now be taken in turn below.

- 1. Population projections, housing requirements and concerns over the proposed level of new housing**

1.1 National Planning Practice Guidance (NPPG) states that the official DCLG household projections should provide the starting point in the assessment of housing need. These household projections are informed by the ONS sub-national population projections (SNPP). These figures represent a starting point for the consideration and determination of future population and housing requirements. The projections are trend based and do not attempt to predict the impact that future Government policies, changing economic circumstances or other factors might have on demographic behaviour. NPPG indicates that the household projection-based estimate of housing need may require adjustment to reflect local factors such as the extent to which household formation rates are or have been constrained by supply, the likely change in job numbers and the growth of the working age population.

1.2 In Northumberland, in order to work towards and achieve the Council's Economic Strategy and overarching strategic objectives and to ensure population growth, demographic balance and retention rather than loss of working age population, it is considered there was

the need to apply a “Policy On” approach rather than the SNPP, which helped to tailor the level of residential growth required. There is also the need to ensure that the level of residential growth proposed in the plan works in tandem with other policy tools in order to achieve the overarching strategic objectives of the Council.

1.3 The submitted Core Strategy was informed by and developed predominantly on the basis of the 2012 SNPP. The SNPP 2014-based population projection is now available and is slightly lower than the 2012 figure that informed the production of the Core Strategy. The population projections are consequently expected to be different for the following reasons:

- changes in the population estimate, used as the base year in the projections, between mid-2012 and mid-2014;
- changes in the sub-national trends (births, deaths and migration); and
- changes in assumptions for fertility, mortality and migration at a national level.

1.4 The tables below summarise population, household, migration, dwelling and job changes using both the 2012 and 2014 data. Although only forming an element of the overall picture, the SNPP 2012 data would show a requirement for 683 units per year (or 13,660 over the 20yr period 2011-2031) whereas the SNPP 2014 data suggests a slightly lower requirement of 621 units per year (or 12,420 over the same period).

SNPP-2012

Scenario	Change 2011-2031				Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings	Jobs
SNPP-2012	8,097	2.6%	12,779	9.2%	970	683	-496

Source: County-Level Demographic Analysis & Forecasts (July 2015) – Table 4

SNPP-2014

Scenario	Change 2011-2031				Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings	Employment Growth
SNPP-2014	5,152	1.6%	11,632	8.4%	1,045	621	-227

Source: Demographic Analysis & Forecasts County-Level & Sub-County Level (March 2017) – Table 11

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1.5 The below tables show the impact of further “Policy On” approaches and identify the corresponding impact that the running of these approaches has on population, household, migration, dwelling and job changes using both the 2012 and 2014 data. The use of these scenarios shows at a high level the relationship between all of these factors. There is a lot more information and assessment required in order to get the full understanding of this scenario modelling. However, it is clear from these tables that the levels of residential growth required to support and sustain economic growth are significantly different based on the SNPP 2014 data when compared to the 2012 data.

SNPP-2012

Scenario	Change 2011-2031				Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings	Jobs
Jobs-led Policy	56,033	17.7%	32,126	23.2%	3,157	1,716	553
Jobs-led Upper	54,498	17.2%	31,507	22.7%	3,089	1,683	520
Jobs-led Baseline	43,121	13.6%	26,915	19.4%	2,585	1,438	275
Jobs-led Lower	36,835	11.6%	24,370	17.6%	2,307	1,302	140
PG-10yr	19,493	6.2%	16,733	12.1%	1,478	894	-237
Dwelling-led RSS	15,013	4.7%	15,613	11.3%	1,304	834	-342
PG-5yr	11,465	3.6%	13,363	9.6%	1,123	714	-427
SNPP-2012	8,097	2.6%	12,779	9.2%	970	683	-496
Dwelling-led Past Delivery	5,148	1.6%	11,609	8.4%	862	620	-555

Source: County-Level Demographic Analysis & Forecasts (July 2015) – Table 4

SNPP-2014

Scenario	Change 2011-2031				Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings	Employment Growth
Jobs-led Policy	39,330	12.4%	25,202	18.2%	2,626	1,346	536
Jobs-led Upper	38,188	12.1%	24,750	17.8%	2,574	1,322	511
Jobs-led Baseline	29,867	9.4%	21,451	15.5%	2,195	1,146	325
Jobs-led Lower	25,113	7.9%	19,553	14.1%	1,980	1,044	219
PG-10yr SENS	14,851	4.7%	15,072	10.9%	1,467	805	-1
PG-10yr	11,528	3.6%	13,739	9.9%	1,315	734	-74
SNPP-2014	5,152	1.6%	11,632	8.4%	1,045	621	-227
PG-5yr	3,395	1.1%	11,248	8.1%	1,013	601	-296

Source: Demographic Analysis & Forecasts County-Level & Sub-County Level (March 2017) – Table 11

1.6 The core scenarios incorporated the same unemployment and commuting assumptions applied to the SNPP-2012 forecasts; the unemployment rate reducing to a pre-recession average of 5% by 2020 and remaining constant thereafter, and the commuting ratio fixed at 1.18, the level at the 2011 census. However, changes were made to the economic activity rate assumptions. In the 2014-based forecasts, adjustments are made to the 2011 Census EA rates in the 60+ age groups in line with the Office for Budget Responsibility (OBR), over the whole plan period 2011-31. The OBR adjustments see a marked increase in the economic activity rates amongst the older age groups, particularly females aged 75+.

1.7 A key figure linked to sustaining economic growth is the indicator of employment growth/jobs. The SNPP 2014 data suggesting an annual jobs loss of 227 compared to an annual loss of 496 on the 2012 data. Whilst the SNPP 2014 data suggests an annual jobs loss, it is evident from the tables above that it is possible to address the jobs loss with less houses being required. However, a positive "Policy On" scenario would still be required in order to reverse the trend of jobs loss which is predominantly due to a loss of people of working age population from within Northumberland.

2. Revisions to the NPPF and Housing White Paper

2.1 In February 2017 the Government published its Housing White Paper (HWP) “*Fixing our broken housing market*”. Whilst there is currently a level of uncertainty in relation to the outcome of the consultation on proposals set out in the HWP and expected future revisions to the National Planning Policy Framework (NPPF), the recent Queen’s Speech gave a very clear and firm commitment to delivering the reforms proposed in the HWP.

2.2 The summary below provides some context in relation to what can be expected in terms of future planning reform based on the proposals set out in the Housing White Paper:

- **Getting plans in place** - The Government has reiterated its commitment to ensuring that every community has an up to date, sufficiently ambitious plan and has confirmed the criteria against which it intends to make decisions on whether to intervene in plan making; these being where:
 - the least progress in plan making has been made;
 - policies in plans have not been kept up to date;
 - there is higher housing pressure; and
 - intervention would have the greatest impact in accelerating local plan production.

The Government has also said that:

- decisions on intervention would be informed by the wider planning context in each area (specifically, the extent to which authorities are working cooperatively to put strategic plans in place, and the potential impact that not having a plan has on neighbourhood planning activity); and
 - authorities would have an opportunity to put forward any exceptional circumstances before action was taken.
- **Duty to Cooperate** - The Government wishes to see more and better joint working where planning issues go beyond individual authorities, building on the existing duty to cooperate, and will consult on changes to the NPPF so that authorities are expected to prepare a Statement of Common Ground, setting out how they will work together to meet housing requirements and other issues that cut across authority boundaries.
 - **Housing requirements** - The NPPF sets out criteria for identifying housing requirements but is silent on how this should be done. It is recognised that the current approach to identifying housing requirements is complex and lacks transparency. The lack of a standard methodology has led to lengthy debates during local plan examinations, particularly in relation to the validity of the methodology used. The Government believes a more standardised approach would provide a more transparent and more consistent basis for plan production, as well as allowing a more consistent approach to establishing a suitable baseline for housing land supply

and housing delivery, in the absence of an up to date plan. The Government will consult on options for introducing a more standardised approach to assessing housing requirements, with a view to this being reflected in changes to the NPPF. The Government want Councils to use the new standardised approach when producing their local plans and have indicated they will incentivise Councils to do so. Councils who decide not to use this standard methodology will need to explain why and justify the methodology adopted to the Planning Inspectorate. Consultation on what constitutes a reasonable justification for deviating from the standard methodology will be undertaken by the Government with a view to making this explicit in the NPPF. The Government also proposes, subject to consultation, that from April 2018 the new methodology for calculating housing requirements would apply as the baseline for assessing 5 year housing land supply and housing delivery, in the absence of an up to date local plan.

- **Maximising the use of suitable land and bringing brownfield land back into use**
 - The Government is proposing to amend the NPPF so that when preparing plans, authorities have a clear strategy to maximise the use of suitable land so that it is clear how much development can be accommodated. In addition, to ensure that effective use is made of land and buildings, the Government proposes to amend the NPPF to indicate that greater weight should be attached to the value of using suitable brownfield land within settlements for homes and that the presumption should be that brownfield land is suitable for housing unless there are clear and specific reasons to the contrary.
- **Green Belt** - The existing commitment by the Government to protect the Green Belt remains unchanged. Within the Housing White Paper however it is proposed to amend and add to national policy to make it clear that:
 - authorities should amend Green Belt boundaries only when they can demonstrate that they have fully examined all other reasonable options for meeting their identified development requirements. Additional options cited include:
 - making effective use of suitable brownfield sites and the opportunities offered by estate regeneration;
 - the potential offered by land which is currently underused, including public sector land where appropriate;
 - optimising the proposed density of development; and
 - exploring whether other authorities can help to meet some of the identified development requirement.
 - and where land is removed from the Green Belt, local policies should require the impact to be offset by compensatory improvements to the environmental quality or accessibility of the remaining Green Belt land. The Government has also indicated that it will explore whether higher contributions can be collected from development as a consequence of land being released from the Green Belt.

2.3 It is clear from the changes to statute and contents of the HWP that the national policy context is currently evolving and, in the near future, Government policy will have changed in certain respects.

3. Regional Economic Strategy and Devolution

3.1 Members will be aware that there are currently discussions ongoing between the three North of Tyne authorities and Government regarding the possibility of a devolution deal that will see the creation of a mayoral combined authority in the North of Tyne area. This deal would aim to support economic growth in the North of Tyne area and wider North East thereby supporting the North East LEP's Strategic Economic Plan that was refreshed earlier this year. Should a review of the Northumberland Local Plan Core Strategy be undertaken, this would allow the Council to ensure that the plan directly supports the economic ambitions in these areas.

4. Implications on the Planning Service

4.1 Although it is difficult to predict or be certain of the potential implications of a Core Strategy withdrawal on the Planning Service and Council as a whole at this stage, there is a need to consider the potential positive and negative implications:

4.2 Positive implications of withdrawal:

- Withdrawal of the plan would allow an opportunity for review, to amend the existing strategy and/or develop a new strategy to take account of the SNPP 2014 population projections.
- This review would be carried out taking account of new, developing and further relevant information including the evolving North of Tyne devolution agenda.
- Fresh work would take into account and align related developing strategies.
- This would allow the Council to develop a planning strategy that provides the framework to help deliver its wider strategic objectives, taking into account expected revisions to the NPPF and the proposals set out in the recent Housing White Paper.
- Without withdrawal or review of the plan, if the plan as it stands was approved by an Inspector it ultimately might not be supported by the current administration and therefore might never be adopted.
- The indications so far are that the potential changes to the draft plan may not be capable of being dealt with by way of modifications. Notwithstanding this, there is also the potential of suggested modifications put forward at the examination stage by the Council not being accepted by Inspector.

4.3 Negative implications of withdrawal:

- Delay in the production of a Core Strategy or Local Plan. The length of delay would be dependent on the extent of the changes required as part of a review which at this stage is not known.

- If the plan was to be withdrawn, it would as a policy document fall away and therefore carry no weight in the determination of planning applications. In such circumstances, all planning applications would be determined on the basis of existing adopted Local Plans and Core Strategies of the former County and District Councils (most of which are now many years out of date), the National Planning Policy Framework, and any other material considerations.
- Many of the adopted Local Plans and Core Strategies in Northumberland, due to their age, carry reduced weight in the determination of planning applications, particularly in cases where policies do not accord with the NPPF. It is however the case that Northumberland is currently strongly delivering development and with a very strong strategic supply of residential permissions in place. Linked to this, Northumberland currently has a five year housing land supply which helps to strengthen the weight that can be attached to existing Local Plan policies as set out in the NPPF.
- The planning policy framework in Northumberland is being strengthened through the adoption of Neighbourhood Plans. There are already two made Neighbourhood Plans and approximately another 20 Neighbourhood Plans in various stages of preparation across the County and, once adopted, these will be likely in various respects to carry increasing weight when compared with the existing, more aged former district Local Plans and Core Strategies.
- Without an up to date plan the decision-making framework will be significantly weakened. It is very likely that developers will submit applications and possibly challenge more decisions on appeal on the basis of a weaker policy framework than exists at present. This scenario is very likely to include sites that are currently supported by the submitted Core Strategy and its supporting evidence base.
- Such a scenario would be time consuming and costly for the Council, especially in the event of a significant number of planning appeals involving speculative development proposals.
- There will be the need to develop a new plan that ultimately passes examination and is adopted. Significant strategic changes to the plan are likely to be challenged strongly by the development industry who will naturally seek to resist any proposed reduction in overall housing numbers for the County.

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