

Cabinet Report

Date **11 MAY 2023**

Title **CABINET RESPONSE TO FULL COUNCIL MOTION OF 18 JANUARY 2023 RELATING TO THE DRAFT ISLAND PLANNING STRATEGY**

Report of **CABINET MEMBER FOR PLANNING AND ENFORCEMENT**

EXECUTIVE SUMMARY

1. On 22 December 2022 the Department for Levelling Up, Housing and Communities (DLUHC) published a consultation on significant reforms to national planning policy which sought views on DLUHC's proposed approach to updating the National Planning Policy Framework, likely updates to planning policy guidance and how future planning policy could support the forthcoming Levelling Up and Regeneration Act. This consultation closed on 2 March 2023.
2. In light of that consultation, at the Full Council meeting on 18 January 2023 a revised motion relating to the Draft Island Planning Strategy (IPS) was agreed that extended the timescale until the end of June 2023 for the Cabinet Leader to report back to Full Council.
3. In line with part (c) of the revised motion agreed by Full Council on 18 January 2023, this report seeks the agreement of Cabinet to recommend to Full Council an alternative route and timescale for consideration of the draft IPS. The effect of the recommendation is twofold – firstly to allow for the publication of the new National Planning Policy Framework (NPPF) to take place (and any associated plan making transitional arrangements) before any reconsideration of a revised draft IPS by Full Council and secondly to seek agreement that as soon as is practicably possible, to prepare a new local plan under the new plan making system that considers making a case for 'exceptional circumstances' in relation to local housing need.

RECOMMENDATION

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| <ol style="list-style-type: none">4. That Cabinet agree to the routes for the draft Island Planning Strategy set out in paragraphs 13 and 15 of this report and recommend to Full Council that:<ol style="list-style-type: none">a) no earlier than three months after publication of the new National Planning Policy Framework (or within such time period as set out in the new framework that allows any transitional arrangements to come into force) submission to Full Council of a revised draft Island Planning Strategy as amended by the Cabinet, with the Cabinet's reasons for any amendments made to the draft Island Planning Strategy, |
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for Full Council's consideration;

and/or;

- b) as soon as is practicably possible, commence preparation work on a new local plan under the new plan making system (which will be set out in the Levelling Up & Regeneration Act and 'go live' in late 2024), and that new local plan to consider a case for 'exceptional circumstances'.

BACKGROUND

5. Work commenced on the draft IPS in 2017, with two 'Regulation 18' public consultations taking place in winter 2018/19 and summer 2021. A Regulation 19 version of the draft IPS was not supported by Full Council on 5 October 2022, with ten specific objections set out in a motion agreed by Full Council on 16 November 2022. Based on circumstances known at the time, at the 16 November 2022 meeting, Full Council agreed a motion on the draft IPS that included a deadline within which the Leader was required to reconsider the draft IPS and report back to Full Council. The timescale for this reconsideration was sixty working days, beginning on the day after the date which the Leader of the Cabinet received the instruction on behalf of the Cabinet, therefore extending to early February 2023.
6. On Thursday 22 December 2022, DLUHC published two consultation documents. The first was a '[Levelling-up and Regeneration Bill: reforms to national planning policy](#)' paper that consisted of 15 sections and 58 questions seeking views on the proposed approach to updating the National Planning Policy Framework, preparing National Development Management Policies, how policy may be developed to support levelling up and how national planning policy is currently accessed by users. Views were also sought on changes to the local plan making process, the calculation of housing need and ensuring timely build out within the housing market. A new local plan making system is due to be introduced from late 2024, with further details to be released once the Levelling Up and Regeneration Bill has achieved Royal Assent and the Levelling Up and Regeneration Act is in force.
7. The second document published was a [track changed version of the National Planning Policy Framework](#) that showed indicative changes to the wording of the NPPF for consultation purposes. The consultation closed on 2 March 2023.
8. The consultation documents covered a wide range of topics and proposed changes to national planning policy (via a new NPPF), updates to supporting planning policy guidance and how future planning policy could support the Levelling Up and Regeneration Act once it is in force, all of which could have significant implications for the preparation and content of the draft IPS and the timescales for its implementation.

9. DLUHC have indicated that a revised NPPF will be published in the immediate months after the close of the consultation and could 'come into force' in Spring 2023. At the time of writing this report, there is no precise indication on exactly when the revised NPPF may be published, but it is expected by the end of May 2023. A number of issues will then be subject of a further government consultation later in 2023, together with updates to various Planning Practice Guidance documents, including further details of what the government consider to be examples of 'exceptional circumstances' that could lead to an alternative calculation of housing need.
10. Given the significance of a new NPPF and accompanying guidance being published in the near future, it is considered appropriate to allow sufficient time to properly consider the implications of it on the draft IPS. The DLUHC consultation also outlined a number of 'transitional arrangements' related to the proposed changes within the revised NPPF, some of which would be relevant for plan making. These arrangements included the removal of one of the four 'tests of soundness' that a local plan must adhere to. The consultation suggested that these transitional arrangements would apply to plans moving forward to Regulation 19 stage at least 3 months after publication of the new NPPF.
11. On 18 January 2023, Full Council agreed an extension of time until June 2023 for the Cabinet Leader to submit a revision of the draft IPS back to Full Council or inform Full Council of any disagreement Cabinet has with Full Council's objections. However with the new NPPF not yet published (as of mid-April 2023), that timescale would not allow any transitional arrangements referred to in paragraph 9 above to be taken advantage of.
12. Within the Full Council decision in January, a third option was added to reflect the possibility that the content of national planning policy changes means an alternative route, aligning with any new national policy, may be the most appropriate way forward for the draft IPS.
13. As a result, the recommendation within this report sets out two different routes (part a and part b). Part (a) is to bring back a Regulation 19 version of the draft IPS to Full Council at least three months after publication of the new NPPF (so that any transitional arrangements can be taken account of). This route allows Full Council to consider moving forward the current proposed policies within the draft IPS in advance of any new plan making system 'going live' in late 2024.
14. This version of the draft IPS could include revisions that take account of some of the ten objections set out in the Full Council motion of 16 November 2022, but would not present a case of 'exceptional circumstances' that would alter the way the housing number is calculated within the plan and supporting evidence base (see paragraphs 17-23 for further information).. It is possible that the published NPPF may have different transitional timescales to those included in the consultation document, therefore the wording of part (a) of the recommendation includes phrasing to cover that possibility.

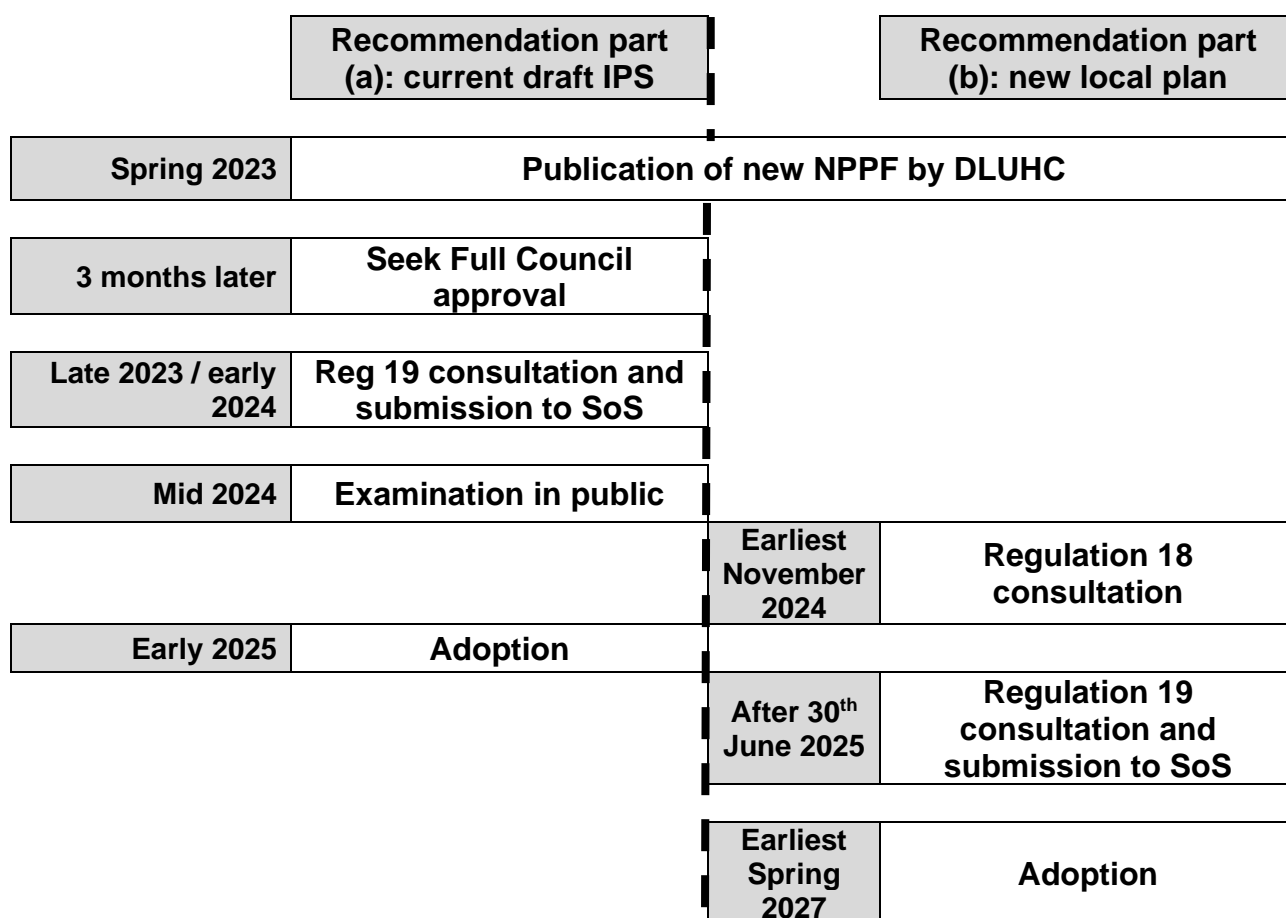
15. Part (b) of the recommendation relates to the new plan making system and further government consultation / planning policy guidance referred to in paragraphs 6 and 9 of this report respectively. Exact details of what this new plan making system may look like have not yet been released, neither has what a new local plan taken forward under this new system would have to include as content or provide as an evidence base. This route would however allow reconsideration of the housing number in any new plan including the possibility of a case for 'exceptional circumstances' in relation to the calculation of housing need and the creation of a robust evidence base to support that.
16. An indicative timescale of 'late 2024' was suggested within the DLUHC consultation documents as to when this new plan making system would 'go live' and plans could then start to come forward in line with any new requirements. The earliest adoption of new style plans was indicated to be in April 2027.
17. In Chapter 4 of the DLUHC consultation document, paragraph 8 noted that *'we will...also propose to give more explicit indications in planning guidance of the types of local characteristics which may justify the use of an alternative method, such as islands with a high percentage of elderly residents'*. This wording suggests that the Isle of Wight would be one of the areas that could pursue a case for 'exceptional circumstances'.
18. It is important to note that making a case for 'exceptional circumstances' and recalculating the housing need number using a different methodology and different data to that expected by government would require a new draft plan and supporting evidence base to be prepared. The current draft IPS document could not simply be 'updated' to add this in and then be submitted. Once that significant amount of preparatory work was undertaken, including discussion and agreement on what that different methodology and different data would consist of, any such new draft plan would then have to pass through at least one Regulation 18 public consultation, consider any comments made and any revisions necessary to the plan as a result, before a Regulation 19 consultation and then submission to the Secretary of State for examination.
19. Within the DLUHC consultation, a 'cut-off date' of 30 June 2025 is provided, after which any draft local plans submitted to the Secretary of State would be examined under the new plan making system, the details of which are not yet known. To date, for the current draft IPS the plan preparation stages outlined above (preparation /Reg 18 consultation x2/ plan content revisions / drafting of a Reg 19 plan) have taken over 6 years.
20. From a timing perspective, Officers' advice is that there is significant risk in attempting to effectively start work on a new plan and evidence base after publication of the new NPPF to then proceed through all the necessary plan making stages and submit before 30th June 2025.
21. There would also be a financial risk in the abortive costs of the current draft IPS (circa £500k to date out of a budget of circa £850k) and potentially abortive costs of the new plan if it wasn't submitted before 30th June 2025, which would then have to be revised to fit the new plan making system, the details of which are as yet unknown.

22. The outcome of a new draft plan that includes a robust and defensible case for exceptional circumstances could be a housing need number that is lower than the current standard methodology and the proposed housing number in the draft IPS. The housing number generated by an alternative method of calculating need may also be higher than those aforementioned numbers. Both of these scenarios would need to be balanced against sustainable development objectives set out in national policy when considering the overall content of a new draft plan.
23. The time and associated cost restrictions present a primary reason why the opportunity of a dual approach is considered most appropriate, as progressing the current draft IPS (post new-NPPF) could provide new adopted policies, or 'tools', that the council would be able to use in decision making within the next couple of years whilst any new plan, that could make a case for exceptional circumstances, is brought forward in a robust and defensible way under the new plan making system for adoption in 2027 (the earliest date as set out by DLUHC).
24. Diagram 1 overleaf shows the two plan making routes within the recommendation of this report whilst diagram 2 provides indicative timings for these routes based on the dates set out in the recent DLUHC consultation. The first key date identified in diagram 2 is the publication of the new NPPF, which is a date wholly within the control of DLUHC.

Diagram 1: Dual plan making routes

	Recommendation part (a): current draft IPS	Recommendation part (b): new local plan
Plan content	Minor alterations only (no change to calculation of housing number)	New (could include different housing number / exceptional circumstances)
Plan making system	Current	New

Diagram 2: Indicative plan making timings for each route



CORPORATE PRIORITIES AND STRATEGIC CONTEXT

Provision of affordable housing for Island Residents

25. Once adopted the IPS will be a key document in helping the Council plan for and deliver affordable housing for Island residents. It will set the thresholds for the amount of affordable housing a development site will need to provide. It also recognises that a new home that is classified as affordable under the NPPF does not, in practical terms, equal an affordable home in the context of the Island.

Responding to climate change and enhancing the biosphere

26. The draft IPS includes explicit reference to the Climate & Environment Strategy as one of the key Corporate documents that will underpin planning decisions on the island and help maintain the UNESCO Biosphere designation of the island.

Economic Recovery and Reducing Poverty

27. If adopted the IPS will have a positive effect in reducing the numbers of residents, and especially children, who are living in poverty (particularly those living in absolute poverty). The proposed policies of the IPS have been written to help secure the Council's aspirations as set out in a range of other plans and strategies.

Impact on Young People and Future Generations

28. Once adopted the IPS will have a time horizon of 15 years, and will play a significant role in shaping the Island over that period and beyond. The way in which we plan for and manage development and growth now will have impacts on young people and future generations, and these impacts will be interrelated across the various domains of young people's lives from housing, employment or training, health and the environment.

Corporate Aims

29. The [Corporate Plan 2021 - 2025](#) sets out the administration's key areas for action, aspirations and key activities. There are also multiple aspirations that directly and indirectly link to the IPS and its policies, and these include:
- (16) Place the health and wellbeing of residents at the centre of all we do
 - (18) Promote the building of affordable supported social retirement housing to ensure residents maintain their independence for as long as possible
 - (22) Support Island wide digital connectivity to support Island businesses and residents
 - (23) Housing that is created must be housing fit for purpose. We will prioritise truly affordable housing for Island residents, meaning housing that is not just affordable to rent or buy but affordable to live in and maintain
 - (24) Wherever possible bring appropriate empty and derelict buildings back into use for affordable housing
 - (30) We will reduce the current proposed housing development numbers while ensuring we meet our local housing need
 - (33) Accelerate the completion of the Island Plan. The process to be followed will include meaningful engagement with residents and town and parish councils
 - (38) Use available powers to deal with long term empty or derelict buildings that mar our seafront and town centre areas
 - (39) Focus on regeneration our High Street and visitor economy to assist post COVID-19 recovery and growth
 - (40) Promote people-oriented place planning for town centres
 - (41) Support and enhance our biosphere and AONB areas. Support the active management and development of biosphere status and secure dark sky status
 - (43) Commit to develop sustainable transport options with a focus on infrastructure to encourage active travel
 - (44) Promote the increased use of renewable energy in all sectors
 - (45) Embed both the biosphere and the climate change strategy into policy, including the Island plan.

CONSULTATION

30. The draft IPS has been through extensive public consultation in 2019 and 2021. The next formal stage under the current plan making system would require a further period of public representation on the draft IPS prior to submission of the draft plan to the Secretary of State for independent examination in public.

SCRUTINY COMMITTEE

31. The draft IPS was considered by Corporate Scrutiny Committee in September 2022, with recommendations being passed through to Cabinet relating to the

content of the draft IPS. Any reports including a revised draft IPS would also be reported to future a Corporate Scrutiny Committee prior to returning to Cabinet and Full Council.

FINANCIAL / BUDGET IMPLICATIONS

32. There are no direct financial / budget implications in agreeing to extend the timescale for Cabinet to make a decision on the route to securing an adopted local plan. However should the council decide to take forward a draft local plan that is not the draft IPS, there are likely to be significant budget implications.

LEGAL IMPLICATIONS

33. There are no direct legal implications in agreeing to extend the timescale for Cabinet to reconsider the draft IPS. The process of preparing a local plan is set out in the [Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#) and extending the timetable for Cabinet to reconsider will not conflict with these regulations. Extending the timescale for the draft IPS does however also extend the time until any draft policies within the document can be given weight in the decision making process on planning applications.

EQUALITY AND DIVERSITY

34. There are no direct equality and diversity implications in agreeing to extend the timescale for Cabinet to reconsider the draft IPS.

PROPERTY IMPLICATIONS

35. There are no direct property implications in agreeing to extend the timescale for Cabinet to reconsider the draft IPS.

SECTION 17 CRIME AND DISORDER ACT 1998

36. It is considered that an extension of the timetable for Cabinet to reconsider the draft IPS will not have a direct implication in relation to Section 17 of the Crime and Disorder Act 1998 (as amended by Police and Justice Act 2006).

OPTIONS

37. It is considered that the following options are available to Cabinet:

(1) To agree all of the recommendation in this report and recommend to Full Council that;

- a) no earlier than three months after publication of the new National Planning Policy Framework (or within such time period as set out in the new framework that allows any transitional arrangements to come into force), submission to Full Council of a revised draft Island Planning Strategy as amended by the Cabinet, with the Cabinet's reasons for any amendments made to the draft Island Planning Strategy, for Full Council's consideration;

and/or;

- b) as soon as is practicably possible, commence preparation work on a new local plan under the new plan making system (which will be set out in the Levelling Up & Regeneration Act and 'go live' in late 2024), and that new local plan to consider a case for 'exceptional circumstances'.

or

- (2) To agree only part (a) of the recommendation and recommend to Full Council that:

- a) no earlier than three months after publication of the new National Planning Policy Framework (or within such time period as set out in the new framework that allows any transitional arrangements to come into force), submission to Full Council of a revised draft Island Planning Strategy as amended by the Cabinet, with the Cabinet's reasons for any amendments made to the draft Island Planning Strategy, for Full Council's consideration;

or

- (3) To agree only part (b) of the recommendation and recommend to Full Council that:

- b) as soon as is practicably possible, commence preparation work on a new local plan under the new plan making system (which will be set out in the Levelling Up & Regeneration Act and 'go live' in late 2024), and that new local plan to consider a case for 'exceptional circumstances'.

or

- (4) To not agree with the recommendation and to not progress either route as set out and for Cabinet to propose an alternative.

RISK MANAGEMENT

- 38. As set out in Options 1 and 2, should the Council decide to move forward with the Draft IPS after publication of the new NPPF, the Council is at liberty to withdraw that draft IPS from the formal plan making stages at any point, should it wish, including before, during or after any public examination. Even if the Planning Inspector found the plan sound and recommended its adoption, Full Council will be responsible for the decision of whether to finally adopt the plan or not.
- 39. Should the draft IPS (regardless of its content) not be progressed (Options 3 or 4) it will mean that the Council have to continue to determine planning applications having due regard to the tilted balance of the policy presumption in favour of sustainable development for longer. Without an adopted IPS the Planning Committee and Planning Officers of the local planning authority will have to continue to use the policies of the current Core Strategy (where they are not considered out-of-date), which was adopted in 2012, to determine planning applications, until such time as a new local plan is adopted or sufficient houses are built on the island so that the IWC scores over 75% in the Government's Housing Delivery test calculation (the 2021 score was 58%).

40. The publication of a new NPPF is wholly within the control of DLUHC. As part of the public consultation on revisions to the NPPF that took place in late 2022/early 2023, DLUHC indicated that a new NPPF would be published in Spring 2023 (as shown in diagram 2 of this report). Any delays to this publication date would have knock on impacts to the progress of the Draft IPS.

BACKGROUND PAPERS

41. The [Cabinet report](#) on the Draft Island Planning Strategy to its meeting on 8 September 2022.
42. The [Extraordinary Full Council report](#) on the Draft Island Planning Strategy to its meeting on Wednesday 5 October 2022.
43. The [Full Council agenda and minutes](#) for the meeting on 16 November 2022.
44. The [Full Council agenda and minutes](#) for the meeting on Wednesday 18 January on the Island Planning Strategy.

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