



Agenda Item Introduction

Committee	CORPORATE SCRUTINY COMMITTEE
Date	12 MARCH 2024
Topic	PRE-DECISION SCRUTINY – DRAFT ISLAND PLANNING STRATEGY

Background

1. In December 2023 the Policy and Scrutiny Committee for Neighbourhoods and Regeneration held an additional meeting to review the draft Island Planning Strategy (DIPS) ahead of it going to Cabinet in January 2024.
2. It was determined that pre-Christmas changes to the national planning policy could have implications for the Island. The changes referenced Islands that are not linked to the mainland by a road bridge and have a large demographic of elderly residents. It was decided to pause consideration and seek legal advice about whether to plead exceptional circumstances and whether it would affect the proposed housing targets for the Island.
3. The DIPS is due to come back to Cabinet for consideration on 14 March 2024.

Focus for Scrutiny

4. The role of the committee is not to act as a 'shadow Cabinet'. Its function is to ensure that the principles of decision making have been complied with:
 - taking into account all relevant considerations and ignoring those which are irrelevant
 - compliance with finance, contract, and all other procedure rules
 - due consultation and proper advice is taken, and alternative options considered before decisions are reached
 - impartiality and an absence of bias or pre-determination
 - any interests are properly declared
 - decisions are properly recorded and published
 - decisions are proportionate to the desired outcome
 - respect for human rights and equality impacts
 - a presumption in favour of transparency and openness
 - clarity of aims and desired outcomes

- due consideration of all available options
- reasons are given for decisions

Outcome(s)

5. Does the committee support the proposed recommendations, or wish to report any comment to Cabinet?

Document(s) Attached

6. Report to Cabinet on 14 March 2024 - Publishing the Island Planning Strategy for Public Representation and Submission to The Planning Inspectorate
7. Appendix 1: Proposed draft Island Planning Strategy Regulation 19 submission version
8. Appendix 2: Schedule of main changes to the draft Island Planning Strategy including those addressing three items from the Full Council motion of 16 November 2022
9. Appendix 3: Schedule of changes to the draft Island Planning Strategy made in response to the seven recommendations of the Policy & Scrutiny Committee for Neighbourhoods & Regeneration
10. Appendix 4: Island Planning Strategy further advice, Michael Bedford KC, December 2023
11. Appendix 5: Demographic advice note, LSH, February 2024
12. Appendix 6: Draft Equalities Impact Assessment

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Cabinet Report

Purpose: For Decision

ISLE OF WIGHT COUNCIL

Date	14 MARCH 2024
Title	PUBLISHING THE ISLAND PLANNING STRATEGY FOR PUBLIC REPRESENTATION AND SUBMISSION TO THE PLANNING INSPECTORATE
Report of	CABINET MEMBER FOR PLANNING, COASTAL PROTECTION AND FLOODING

Executive Summary

1. A new local plan, the Island Planning Strategy, is being prepared to replace the Island Plan Core Strategy 2012. The current draft Island Planning Strategy has taken into account the significant level of public consultation undertaken to date. For the Island Planning Strategy to be adopted and be used in planning decisions it must go through formal stages as directed by statute.
2. The next stages for the draft Island Planning Strategy are:
 - (a) publish for the Regulation 19 period for representation
 - (b) receive the public representations
 - (c) submit the plan, the supporting evidence base and all the representations received to the Planning Inspectorate (PINS) for public examination
3. This report is seeking a decision from the Cabinet regarding the recommendations to it from Full Council and the views of the Policy and Scrutiny Committee for Neighbourhoods and Regeneration and then to agree to recommend to Full Council that the draft Island Planning Strategy is published for a period of public representation and subsequently to submit the plan to the Planning Inspectorate for an independent examination. Cabinet has a number of options in relation to the recommendations from Full Council and Policy and Scrutiny Committee and these are set out in detail in paragraph 48 of this report.
4. Once the draft plan has been through the formal stages and is adopted, the Council will have an up-to-date plan and therefore it will reset its five-year land supply and housing delivery test requirements. When the Council can demonstrate it has an up-to-date local plan, can meet its five-year land supply and meet the housing delivery test minimum requirements it will not have to have due regard to the National Planning Policy Framework's tilted balance of the policy presumption in favour of

sustainable development.

5. An adopted plan will also give the officers and councillors of the local planning authority more tools to positively shape development, including the delivery of 'island affordable housing' and a greater ability to refuse applications that do not accord with the new policies. It will also provide the basis for supplementary planning documents (SPDs) to be created, which can give further detail on what the Council expects from policy compliant proposals.
6. Further independent external legal and demographic work (Appendices 4 and 5) has concluded that there is no justifiable basis to pursue 'exceptional circumstances' for the island, despite the addition of footnote 25 to the NPPF in December 2023. The demographic report concludes that there is a high probability of the housing need figure for the island being higher than the standard method, not lower, if an alternative method is used (i.e. pursuing exceptional circumstances). Delaying the process of adopting the draft plan will place the island at greater risk of planning applications being submitted for sites that are considered unacceptable at a time when the local planning authority is in a weaker position due to it having to give regard to the tilted balance.

Recommendation

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| <ol style="list-style-type: none">7. To agree some of the Full Council recommended changes and all of the recommended changes from the Policy and Scrutiny Committee for Neighbourhoods and Regeneration to the draft Island Planning Strategy as attached at Appendix 1; and then8. To recommend to Full Council that the draft Island Planning Strategy be approved and published for the Regulation 19 period for public representation and then submitted to the Planning Inspectorate for examination; and9. To recommend to Full Council to delegate any final editorial and presentational changes to the Island Planning Strategy prior to publication and submission, to the Director of Communities in consultation with the Cabinet Member for Planning, Coastal Protection and Flooding, so long as they do not materially alter the intention of the version agreed by Full Council. |
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Background

10. Section 19(1B)-(1E) of the [Planning and Compulsory Purchase Act 2004](#) sets out that each local planning authority must identify their strategic planning priorities and have planning policies to address these.
11. Through the [National Planning Policy Framework](#), the Government has set out that the planning system should be genuinely plan-led. Succinct and up-to-date plans should provide a positive vision for the future of each area; a framework for addressing housing needs and other economic, social and environmental priorities; and a platform for local people to shape their surroundings.
12. The Isle of Wight Council's current plan, the Island Plan Core Strategy, was adopted in 2012 (before the introduction of the National Planning Policy

Framework). The Council began the process of preparing a new local plan, the Island Planning Strategy (IPS) in 2017, to give it the policies it needs to deal with the challenges, such as the delivery of affordable housing and climate change, it now faces.

13. Since 2018 the Council, as local planning authority (LPA), has determined planning applications under the statutory test having regard to the tilted balance of the policy presumption in favour of sustainable development as set out in the National Planning Policy Framework (NPPF). This is because the LPA has not been able to demonstrate a five-Year Land Supply (5YLS) and is below the Housing Delivery Test (HDT) threshold for delivery of new homes.
14. Adopting the IPS with a new, lower, housing number will reset the 5YLS and HDT calculations, and this is modelled to show that the Council will then be able to demonstrate a 5YLS and meet the minimum HDT threshold and therefore not have to have regard to the NPPF's tilted balance of the policy presumption in favour of sustainable development. Adopting a new plan will also allow the council to use the suite of new policies in planning decision making that cover multiple topics that align with corporate priorities.
15. The Local Government Association (LGA) undertook a peer review into Planning Services in 2022. One of the six recommendations from the review was:

R4 Urgently finalise and adopt the Island Plan. The local plan provides a degree of certainty for communities, businesses and investors, and a framework for guiding decisions on individual planning applications. Without one it is possible for the submission and acceptance of developments that are deemed not in the public interest and outside of the needs and priorities of local people, as outlined in a local plan.

	Draft IPS adopted	Draft IPS not progressed
Reset housing number for the island	✓	✗
Housing number 38% lower than the standard method	✓	✗
Demonstrate 5 year housing land supply (A)	✓	✗
Housing Delivery Test result over 75% (B)	✓	✗
Due to A & B above, no longer under the presumption in favour of sustainable development	✓	✗
Use IPS policies in decision making	✓	✗

Deeper discounting on affordable housing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Align with LGA Peer Review recommendation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Government requirement to update local plan by end of 2025	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The stages of local plan preparation

16. The Town and Country Planning (Local Planning) (England) Regulations prescribe the stages a local plan must go through. Because these stages are set out in regulations, each stage will often be referred to by the relevant regulation.

Regulation 18

Preparation of a local plan. Whilst the regulations do not prescribe it, the Council has undertaken public consultation at this stage, to ensure maximum public engagement in the preparation of the plan and has undertaken two rounds of public consultation.

Regulation 19

Publication of a local plan This report seeks authority to publish the draft plan for a period of public representation. The plan that is published for consultation at Regulation 19 stage should be the plan that the Council intends to submit to the Planning Inspectorate for examination.

Should it be agreed to proceed to this stage, the plan will be published for six weeks and the public will be invited to comment on the plan.

Regulation 22

Submission of documents and information to the Secretary of State The draft plan, evidence and representations received at the regulation 19 stage will be submitted to an independent Planning Inspector, on behalf of the Secretary of State. The Council must submit what it considers to be a sound plan.

Regulation 24

Independent examination This will be undertaken by an independent Planning Inspector, on behalf of the Secretary of State. There is the opportunity for public participation in the examination for those who submitted representation at the regulation 19 stage.

Regulation 25

Publication of the recommendations of the appointed person. This is the Council receiving the Planning Inspector's report.

Regulation 26

Adoption of a local plan The decision whether to adopt the local plan, based on the recommendations of the Planning Inspector is a decision for Full Council.

17. As set out above, at the regulation 19 stage the Council should publish what it believes is a sound plan. For a plan to be sound it must meet the tests of 'soundness' contained in paragraph 35 of the National Planning Policy Framework.
 - a) Positively prepared – providing a strategy which, as a minimum, seeks to meet the areas objectively assessed [housing] needs; and is informed by agreements with other authorities, so that unmet [housing] need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
 - b) Justified – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
 - c) Effective – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
 - d) Consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in this [National Planning Policy] Framework and other statements of national planning policy, where relevant.
18. The draft IPS has also been subject to an Integrated Sustainability Appraisal (ISA) and a Habitats Regulation Assessment (HRA). Both of these environmental based assessments reviewed all of the policies within the draft IPS which led to wording changes to increase scores on the ISA scoring matrix, strengthening policies and removing ambiguity.

Corporate Priorities and Strategic Context

Provision of affordable housing for Island Residents

19. 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.
20. The IPS therefore proposes policies that allow for deeper discounting of new homes to make them Isle of Wight affordable (which evidence shows ranges from 70 to 60 per cent of market value, depending on the type of property) and ensures that local connection criteria are applied to all affordable properties.
21. The IPS also proposes land allocations for new homes, and all the proposed allocations are of sufficient scale to require onsite delivery of affordable homes. The adoption of the IPS will provide a greater level of certainty to developers and affordable housing providers that sites are available and expected to deliver affordable housing.
22. It is recognised that there is a chronic shortage of affordable properties on the island, especially those for affordable rent. By allocating land for new homes there

will be greater certainty for delivery. At this moment in time the most effective and likely delivery mechanism for new affordable homes is through developers providing them on larger sites and paying for them through market houses. Whilst some may consider this is not ideal, permitting larger scale development is the only mechanism that has ensured delivery of affordable housing to the scale that is required on the island.

- 23. If no allocations are made in the plan, then in all likelihood the delivery of affordable housing will reduce even further with no real certainty about where future supply will come from or how it will be paid for.

Responding to climate change and enhancing the biosphere

- 24. These targets have been set out in strategic policy CC1 of the Draft IPS that also includes explicit reference to the Climate & Environment Strategy as one of the key corporate documents that will underpin planning decisions on the island. Draft Policy CC1 also notes that making planning decisions in support of the net zero targets will support and help maintain the UNESCO Biosphere designation of the island. It is worthwhile to note that the Biosphere designation was obtained with the policies of the Core Strategy being adopted, including a housing figure of 520 new homes per year across the plan period. The Draft IPS also includes Draft Policy C11 that would require all new homes to be net zero carbon.



Economic Recovery and Reducing Poverty

25. 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. The land use policies of the IPS will directly and indirectly help deliver:
- the council's regeneration ambitions
 - sustainable economic growth
 - development of opportunities for investment
 - skills development

Impact on Young People and Future Generations

26. Publishing the IPS for the regulation 19 period of representation is a key step towards adopting the IPS. 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

27. The Corporate Plan 2021 - 2025 sets out the council's key areas for action, aspirations and key activities. Once adopted the IPS and its planning policies will play a key role in helping the Council achieve in its three key areas for action:
- A. Provision of affordable housing for Island residents
 - B. Responding to climate change and enhancing the biosphere
 - C. Economic recovery
28. The specific aspirations and key activities relevant to the IPS are:
- Champion the adoption of a new Island Plan based on housing targets evidenced to meet Island needs and compliant with legislation for adoption by September 2023
 - (33) Accelerate the completion of the Island plan. The process to be followed will include meaningful engagement with residents and town, parish and community councils
 - Complete all Island consultation on draft Island plan by and seek adoption through the formal process by September 2023.
29. The LGA peer review was asked 'whether the draft local plan is aligned to deliver the objectives of both the corporate plan and the council regeneration strategy'. The response to this was:

Yes, the draft local plan is aligned to deliver the objectives of both the corporate plan and the council regeneration strategy. The draft local plan provides a means to deliver the priorities of the corporate plan. The council also needs to recognise the

presumption in favour of sustainable development and the threat of government intervention if the local plan is not adopted. Without an up-to-date local plan there is a risk to delivering the corporate objectives.

30. 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
 - (35) Complete key regeneration projects to drive employment, skills and inward investment
 - (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 and Engagement

31. The draft IPS has been through extensive public consultation, beyond that required by the regulations, and the next step is for the Cabinet to recommend to Full Council to agree the draft and agree to publish the draft plan for a period of public representation and to then submit the draft plan and representations received to the Planning Inspectorate.
32. It should be noted that there may be many people who feel that the comments they made, and changes suggested to the plan, during previous public consultations have been ignored. This is not case; all comments were considered but not all resulted in changes being made to the draft IPS. However, those people would be able to fully engage in the Regulation 19 period of public representation and make comments and suggest the changes to the draft IPS they think are necessary.
33. Any comments received during the Regulation 19 period are submitted, together with the draft plan and supporting evidence base, to the Secretary of State who will then appoint an independent Planning Inspector. The role of the Inspector will be to

carry out an examination in public to review the submitted plan, evidence base and all comments made during the Regulation 19 period.

Scrutiny Committee

34. The [Policy and Scrutiny Committee for Neighbourhoods and Regeneration on 5 October 2023](#) received an update report on the Draft IPS.
35. A further [meeting of the Policy & Scrutiny Committee for Neighbourhoods and Regeneration on 12 December 2023](#) received a copy of the Draft IPS for review.
36. At the meeting on 12 December 2023, a number of recommendations were agreed by the Policy & Scrutiny Committee for Neighbourhoods and Regeneration. Appendix 3 to this report sets out the seven recommendations that were agreed at Policy & Scrutiny Committee for Neighbourhoods and Regeneration on 12 December 2023 and also identifies the changes that have been made to the draft IPS to address each of these recommendations.

Financial / Budget Implications

37. There are no direct financial / budget implications in agreeing to publish the IPS for the regulation 19 period of representation. The budget is already in place to cover the costs of the consultation and the examination process following submission. If a decision is made to not publish the Draft IPS for Regulation 19 and reconsider the content and form of a new local plan (option 7 in paragraph 48), there may be a level of abortive costs associated with the existing Draft IPS and evidence base. To date, since the preparation of the Draft IPS commenced in 2016, approximately £600,000 has been spent on the process.

Legal Implications

38. The process of preparing a local plan is set out in [Town and Country Planning \(Local Planning\) \(England\) Regulations](#). Regulation 19 sets out that prior to submitting a local plan to the Planning Inspectorate (on behalf of the Secretary of State) the local authority must undertake certain actions. The publication of the draft plan and accompanying documentation for a period of (public) representation is one of these actions.
39. It is the responsibility of the Cabinet to formulate the draft plan and make a recommendation to full council as to the final form of the plan. Full Council's role is to then either accept in full the Cabinet's recommendations in final form or refer the matter back to the Cabinet for further consideration.
40. A Regulation 19 version of the draft IPS was considered at the [Extraordinary Full Council meeting on 5 October 2022](#), but the decision made at that time by Full Council was not to take the draft IPS forward to the next stage.
41. At the [Full Council meeting on 16 November 2022](#) a motion was agreed that set out ten items of objection to the draft IPS version in front of it, and the matter was referred back to Cabinet for further consideration.

42. At the [Full Council meeting on 18 January 2023](#) and in light of potential changes to national planning policy/legislation, a motion was agreed that revised the timescale within which Cabinet was required to report back to Full Council.
43. Cabinet is now considering a recommendation to agree a revised version of the draft Island Planning Strategy to recommend on to Full Council that the draft IPS is published and submitted. Cabinet must inform Full Council of the reasons for any amendments to the draft IPS, any disagreement that Cabinet has with any of the Full Council objections within the motion of 16 November 2022 and the Cabinet's reasons for any such disagreement.

Equality and Diversity

44. The draft IPS has been subject to a draft equality impact assessment (Appendix 6) and the results can be summarised that no negative impacts on the protected characteristics are expected from the policies within the document. The Island has an ageing population and a high percentage of people with mobility problems and a greater likelihood for health problems, which in turn is placing increased demands on services. Through its policies the council wants to ensure that future development contributes to creating environments that are accessible to all generations (and associated health issues) and by doing so improve residents' health and wellbeing.
45. Negative impacts are also not expected to arise from the act of consulting on the draft IPS, and the consultation will provide the opportunity for any issues relating to equality to be raised and considered during the examination in public. Should the IPS be found sound and be considered for adoption by Full Council it will be subject to a final equality impact assessment at that stage.

Property Implications

46. Once adopted the IPS will contain planning policies that may be relevant to future plans for Isle of Wight Council owned property and land.
47. A number of the proposed allocations are owned by the Council. If they remain as allocations and the Island Planning Strategy is adopted there will be budgetary and place making implications on the Council. The inclusion of Council owned sites is seen to be a commitment by the local authority to its regeneration aspirations and its place making agenda.

Options

48. It is considered that the following options are available to Cabinet, of which options 1, 3, 5 and 6 (as highlighted in bold) form the recommendations at the start of this report:

(1) To accept some or all the items of objection from Full Council in November 2022 and make changes to the draft IPS to address the objections accepted.

- (2) To not accept some or all the items of objection from Full Council in November 2022 and to give the reasons for not accepting the objections.
- (3) To accept some or all the recommendations from the Policy & Scrutiny Committee for Neighbourhoods and Regeneration and make changes to the draft IPS to reflect the recommendations accepted.**
- (4) To not accept some or all the recommendations from the Policy & Scrutiny Committee for Neighbourhoods and Regeneration and to give the reasons for not accepting the recommendations.

And then, subject to the choices made on the options above;

- (5) To agree the version of the draft IPS to recommend to Full Council is published for the Regulation 19 period for public representation and then submitted to the Planning Inspectorate for examination.**
- (6) To recommend to Full Council to delegate any final editorial and presentational changes to the Island Planning Strategy prior to publication and submission, to the Director of Regeneration in consultation with the Cabinet Member for Planning and Community Engagement, so long as they do not materially alter the intention of the version agreed by Full Council.**

Or

- (7) To not proceed with the current Island Planning Strategy approach and to review the approach towards a new local plan.

Risk Management

49. Publishing the draft IPS for the regulation 19 period for representation is the next step to an independent Planning Inspector finding the plan sound and the Council adopting it. To minimise the risk of the plan being found unsound by the Planning Inspectorate the Council has prepared a draft IPS which is considered by staff to be sound and therefore capable of being submitted to the Planning Inspectorate, following the regulation 19 period for representation.

Full Council and Scrutiny recommendations

50. Each of the ten items of objection within the Full Council motion of 16 November 2022 (see paragraph 41) have been carefully considered and staff have recommended changes to the draft IPS in response to three of them. Seven of the items have not resulted in changes being recommended by Officers to the draft IPS. These, and the staff reason(s) why for each, are as follows.
51. ***Item 1 – Housing Company and Council Owned Housing Sites***
IPS to provide clear commitment to use IOW Council owned land, that is designated as suitable for housing, to being allocated to the IOW Council's Housing Company

(who can work with Housing Associations or others as partners if they wish) to provide social homes affordable to Islanders.

50. Officer response to item 1: The Isle of Wight Council as a landowner has the ability to deliver this commitment immediately outside of the local plan preparation process. As such this is not considered necessary and could be unduly restrictive on the Council. **No change made to Draft IPS**
51. **Item 2 – Affordable rented accommodation**
For housing developments other than those receiving funding from Homes England (who have their own requirements for the balance of rented/shared ownership as a condition of loans or grants) the affordable housing delivered should be 80% affordable rented and 20% shared ownership.
52. Officer response to item 2: Affordable housing policy (H5) altered to reflect the need for more rental properties and setting out local connections. **Change made to Draft IPS**
53. **Item 3 – Time limits on finalising legal agreements**
To avoid developers delaying the signing off on legal agreements, a 6 month limit to be imposed on same. Failure to achieve sign-off within that period to result in planning permission being refused.
54. Officer response to item 3: Additions to policy G5 (which sets out the approach to taking into account an applicant's previous performance on delivering planning permissions) following confirmation of new powers from the Levelling Up and Regeneration Act (LURA) on delivery of planning permissions. **Change made to Draft IPS**
55. **Item 4 – SHLAA Process**
IPS to specify that the process for determining the Strategic Housing Land Availability Assessment (SHLAA) shall be transparent and open with the portfolio holder or their deputy attending all meetings with external parties and minutes to be taken. The respective Ward Member to be invited to attend all related internal meetings and external meetings with third parties. The Planning Protocols Working Group (PPWG) to define, for incorporation in the IPS, how recommendations by officers shall be progressed including member committee scrutiny and member committee scrutiny sign off.
56. Officer response to item 4: A local plan policy does not need to set the process for undertaking a piece of evidence, where national planning practice guidance already exists, and which sets out the process to be followed. The desire to review the IWC SHLAA methodology is recognised, and this can and will be done outside of the process of agreeing the draft IPS. **No change made to Draft IPS**
57. **Item 5 – Priority allocation of housing reductions**
IPS to give special consideration to capitalising on reduced housing targets in order to relieve pressure on green field sites by retaining some existing development boundaries.

58. Officer response to item 5: consideration has been given to this, and it was concluded that such an approach was unlikely to withstand scrutiny at a public examination (please also see the officer response to item 8). **No change made to Draft IPS**
59. **Item 6 – IPS timescales**
Revised IPS to be brought back to Full Council no later than April 2023 and in doing so to clarify the regulatory process forward and the legal implications should that revision not be progressed.
60. Officer response to item 6: The Full Council decision in January 2023 removed the requirement to meet this timeframe. **No change made to Draft IPS**
61. **Item 7 – Local Energy Security**
IPS to recognise the need for local energy security and to provide for a future feasibility study into the generation on IOW of geothermal energy.
62. Officer response to item 7: Changes to policy wording (C10 and C11) to reference local energy security and resilience. **Change made to the Draft IPS**
63. **Item 8 – Contemporary and accurate data.**
IPS to include contemporary and accurate data regarding housing needs, population growth, age profile demographics and related trends including ONS and other sources such as DWP and Health sector analysis. These key data points to inform the IPS calculations and in conjunction with recognising the exceptional circumstances of the IOW, to define a clear case for further reduced housing targets aligning with the IOW population growth and resident needs.
64. Officer response to item 8: KC and professional advice has been sought on this issue when considered against existing national planning policy and was circulated to all members in October 2022. At present, the position remains that there is not sufficient data or evidence to work up such a position that would stand up to scrutiny at examination. **No change made to Draft IPS**
65. **Item 9 – Affordability**
IPS to define the definition of Affordable Rented Housing based on not more than 1/3 of the net average local earnings.
66. Officer response to item 9: Policy AFF1 uses the Local Housing Allowance (or a series of % discounts from market value, whichever is lower) as the definition for affordable housing on the island. Local Housing Allowance (LHA) rates are used to calculate Housing Benefit for tenants renting from private landlords. **No change made to Draft IPS**
67. **Item 10 – Zero Carbon**
IPS to clarify a consistent and comparable basis to be used for calculation of the carbon impact of delivery, lifetime and site restoration of developments.

68. Officer response to item 10: It is recommended that local plan policy should not fix a particular piece of software or methodology to be used as many will be available, all providing the same output, and to be specific now may prevent better approaches in the future. **No change made to Draft IPS**
69. The draft IPS has also quite rightly been considered by the Policy & Scrutiny Committee for Neighbourhoods and Regeneration, who have recommended a number of changes to be made. In the professional view of officers it is possible to incorporate changes to address all seven of these recommendations without increasing the risk of the plan being found unsound.
70. There is clearly also a risk of the Cabinet and/or Full Council not being able to agree a version of the plan to publish for representation and then submit. This would extend the period where the Council must have regard to the tilted balance of the policy presumption in favour of sustainable development under paragraph 11(d) of the National Planning Policy Framework (NPPF).
71. The Council's annual monitoring reports and the Housing Delivery Test undertaken by the Department for Levelling Up and Housing and Communities (DLUHC) demonstrate that delivery over the last three years has been 66% and therefore, whilst the Council can demonstrate the required land supply position the presumption in favour of sustainable development remains applicable.
72. Under the current NPPF, to remove the presumption in favour of sustainable development, the Council must deliver a greater level of housing (above 75% of the required housing number using the Government Standard method which would equate to 525 homes per annum) and/ or adopt an up-to-date development plan and still deliver 75% or above of any new yearly target within that adopted plan. The proposed housing requirement in the Draft IPS is 453 homes per annum – 75% of this is 340 homes. The council has exceeded this figure in 8 of the last 10 years.
73. It would also mean that the certainty a local plan can give to developers, affordable housing providers and communities would also be delayed.
74. Should the draft plan go through all the formal stages and be adopted, it will crucially mean the Council has an up-to-date plan and that it will lower its five-year land supply figure and consequently its housing delivery test figure. An up-to-date plan along with being able to demonstrate a five-year land supply and meeting the requirements of the housing delivery test will mean that the Council will no longer have to have regard to the tilted balance and the presumption in favour of sustainable development in its planning decisions.

Exceptional circumstances

75. By taking the approach of accepting the standard method housing number, but then assembling a robust evidence base that demonstrates why such a figure is not deliverable on the Island, (and in the case of the draft IPS including a housing requirement that is 38% less than the standard method) this helps to mitigate against the plan being found unsound. It is the view of officers, which is supported

by KC advice, that this approach has a greater likelihood of success over not accepting the standard method and instead arguing 'exceptional circumstances'.

76. In late 2022 the government launched a consultation on changes to both the NPPF and the plan making system. In October 2023, the Levelling Up and Regeneration Act was passed as legislation. On 20 December 2023, the government published a new National Planning Policy Framework. The revised NPPF included a new footnote (25), which is reproduced below:

'Such particular demographic characteristics could, for example, include areas that are islands with no land bridge that have a significant proportion of elderly residents.'

77. This footnote is linked to paragraph 61 of the NPPF relating to whether the characteristics of an area may represent 'exceptional circumstances' which could justify using a different approach to calculating housing need than the standard method the government expect local planning authorities to use.
78. The NPPF remains unchanged (paragraph 61) in that any different approach to calculating housing need should also reflect current and future demographic trends, market signals and, as set out in Planning Practice Guidance, take account of historic under delivery.
79. It is recognised that the addition of footnote 25 could impact on the approaches set out in the IPS, including that to the calculation of housing need. As a result, further legal and demographic work was commissioned to provide independent external views on the implications of this new footnote on the Draft IPS.
80. The conclusion of both the legal and demographic work (attached to this report as Appendices 4 and 5 respectively) is unequivocal that the addition of footnote 25 to the NPPF does not justify a change of approach in relation to housing need and 'exceptional circumstances'. The demographic work concludes that should the exceptional circumstances route be pursued, there is a high probability that the housing need number generated would be in excess of the standard method, not below it. The Draft IPS currently includes a housing requirement that is 38% below the standard method. Copies of both pieces of work have been shared with Group Leaders together with separate Group Leader briefings on each topic (legal and demographic).

Future national policy changes

81. Should the national policy landscape continue to evolve and change the Cabinet and/or the Council may decide it does not wish to proceed with the IPS as currently written and withdraw it from the formal process to prepare an alternative local plan. This withdrawal could happen at any of the formal stages listed in paragraph 14 from Regulation 19 up to and including Regulation 25. It may also consider adopting the IPS, if it is found sound, to effectively preserve its position and begin a review of the plan (or component parts of it) to take into account new national policy. However if the decision is made not to move forward with the Draft IPS to Regulation 19 and submission, then the ability to proceed with a local plan under the current plan-making system (which allows a lower housing requirement to be put forward) may

be lost altogether.

Use of policy in decision making

82. Without an adopted IPS the Planning Committee and Planning Officers of the local planning authority will also 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. This means not being able to use the new policies of the IPS, which have been specifically designed to address key issues now being faced on the island such as affordability of new homes, tackling climate change and ensuring community engagement in the development process at the earliest opportunity.
83. Recent Planning Committee meetings have seen a sense of frustration over the inability to apply some of the Draft IPS policies, particularly that around deeper discounts for affordable housing. For example a recent application for 57 homes in Bembridge saw a 25% discount from market value secured, however draft policy AFF1 in the IPS sees discounts of up to 40% from market value. Once the Draft IPS is published under Regulation 19 the LPA (including Planning Committee) can start to apply limited weight to the draft policies within it when making decisions.
84. Whilst not proceeding with the IPS and reviewing the approach to a new local plan is certainly an option available (paragraph 48 option 7), it has the potential to combine all the risks identified above and to introduce further new risks such as significant and currently unbudgeted costs associated with compiling a new evidence base (see paragraph 37). It could also impact on the Planning Policy Team delivering other (either programmed or required by law) documents such as the Waste and Minerals Plan Development Plan Document, the Local Nature Recovery Strategy and a number of documents related to the flood management strategy for the island.
85. Ultimately, however, it is for the Cabinet to make its recommendation to Full Council and it will be the Planning Inspector who determines whether the plan is sound.

Evaluation

86. As a result of (a) the Full Council motion in November 2022, (b) the recommendations of Policy & Scrutiny Committee for Neighbourhoods and Regeneration in December 2023, (c) taking into account previous public and stakeholder consultation in 2019 and 2021 and (d) ongoing evidence base updates the draft IPS has been amended (attached as Appendix 1 to this report), with some of the headline changes summarised below and detailed in Appendices 2 and 3:
 - Following a further years' monitoring data, a reduction in the housing number to **453 dwellings per annum**, which is a 38 per cent reduction on the housing figure calculated by the Government's standard method of 730 dwellings per annum.
 - Affordable housing policy (H5) altered to reflect the need for more rental properties and setting out local connections (**addressing item 2 of the November 2022 Full Council motion**).

- Additions to policy G5 (which sets out the approach to taking into account an applicant's previous performance on delivering planning permissions) following confirmation of new powers from the LURA on delivery of planning permissions **(addressing item 3 of the November 2022 Full Council motion)**.
- Collection of financial contributions towards primary healthcare facilities (such as new or extended doctors' surgeries) in areas where the existing healthcare facilities do not have the capacity to accommodate the impact of new residential development added to policy (G3) following partnership working with the Hampshire and Isle of Wight Integrated Care Board.
- Requirement explicitly set out in policy (EV13 and EV14) to separate foul and surface water in new development so surface water doesn't connect to the sewer system to help alleviate flooding.
- Changes to policy wording (C10 and C11) to reference local energy security and resilience **(addressing item 7 of the November 2022 Full Council motion)**.

87. At the Policy & Scrutiny Committee for Neighbourhoods & Regeneration on 12 December 2023, and in subsequent follow up correspondence, there was discussion around the proposed allocation of sites in the draft IPS and the implications of this on future Planning Committee decisions. A view was raised that paragraph 6.15 of the Draft IPS removes the right of the Planning Committee to make a decision on whether an allocated site is suitable for development.
88. Policy G2 of the Draft IPS sets out the spatial strategy for the island and where the priority locations for housing development and growth are. Paragraph 6.15 is part of the supporting text for that policy and is reproduced below:
- '6.15 The location of a potential development site within a settlement boundary is the first test in establishing the suitability of a site, in principle, for development. Once this principle is established more detailed issues covered by other policies in the Island Planning Strategy such as design, density and potential impact on the surrounding area and the environment are considered. If, on the planning balance, the development proposal is unacceptable in relation to these detailed issues it will be refused.'*
89. Policy H2 and Appendix 2 of the Draft IPS set out which sites would be allocated, and the expectations that any applications coming forward on those sites would have to meet a wide range of site specific and other policy requirements.
90. All of the proposed allocations in the Draft IPS (set out in policy H2 and Appendix 2) align with the spatial strategy set out in Policy G2. As such, the basic locational principle of development on these allocated sites would be considered policy compliant post adoption of the plan. Planning Committee would still be entitled to come to a different view, however a reason for refusal based on the location of a site may be considered unreasonable if that location aligns with the spatial strategy set out in adopted policy.
91. It should be noted that the allocation of sites can only be confirmed through the adoption of the local plan once it has passed through public examination. The

evidence base supporting the IPS, including the SHLAA, Integrated Sustainability Appraisal and Housing Evidence Papers that all help set out the spatial strategy and allocations process, will all form part of that examination in public. From the first regulation 18 consultation in 2018 to the version of the draft IPS attached as Appendix 1 to this report, the emerging IPS has always included proposed allocations that align with the spatial strategy set out within draft policy.

92. The eventual adoption of the plan would allow the local planning authority to use the full weight of new planning policies in its decision-making, to give greater influence over those issues of Island-wide significance such as housing delivery, the affordability of new homes, greater protections to our environment and agricultural land and to greater standards of design.
93. In overall summary, Officers are of the opinion that the version of the draft IPS attached as Appendix 1 to this report gives the greatest likelihood of success of the plan being found sound at examination.

Appendices Attached

76. The report is supported by the following Appendices:
77. Appendix 1: Proposed draft Island Planning Strategy Regulation 19 submission version.
78. Appendix 2: Schedule of main changes to the draft Island Planning Strategy including those addressing three items from the Full Council motion of 16 November 2022
79. Appendix 3: Schedule of changes to the draft Island Planning Strategy made in response to the seven recommendations of the Policy & Scrutiny Committee for Neighbourhoods & Regeneration
80. Appendix 4: Island Planning Strategy further advice, Michael Bedford KC, December 2023
81. Appendix 5: Demographic advice note, LSH, February 2024
82. Appendix 6: Draft Equalities Impact Assessment

Background Papers

83. [Extraordinary Full Council meeting on 5 October 2022](https://iow.moderngov.co.uk/ieListDocuments.aspx?CIId=173&MIId=1542)
<https://iow.moderngov.co.uk/ieListDocuments.aspx?CIId=173&MIId=1542>
84. [Full Council meeting on 16 November 2022](https://iow.moderngov.co.uk/ieListDocuments.aspx?CIId=172&MIId=1406)
<https://iow.moderngov.co.uk/ieListDocuments.aspx?CIId=172&MIId=1406>
85. [Full Council meeting on 18 January 2023](https://iow.moderngov.co.uk/ieListDocuments.aspx?CIId=172&MIId=1426)
<https://iow.moderngov.co.uk/ieListDocuments.aspx?CIId=172&MIId=1426>

86. [Full Council meeting on 7 May 2023](https://iow.moderngov.co.uk/ieListDocuments.aspx?CId=172&MId=1471)
<https://iow.moderngov.co.uk/ieListDocuments.aspx?CId=172&MId=1471>
87. [Policy & Scrutiny Committee for Neighbourhoods and Regeneration on 5 October 2023](https://iow.moderngov.co.uk/ieListDocuments.aspx?CId=170&MId=1623&Ver=4)
<https://iow.moderngov.co.uk/ieListDocuments.aspx?CId=170&MId=1623&Ver=4>
88. [Policy & Scrutiny Committee for Neighbourhoods and Regeneration on 12 December 2023](https://iow.moderngov.co.uk/ieListDocuments.aspx?CId=170&MId=1770&Ver=4)
<https://iow.moderngov.co.uk/ieListDocuments.aspx?CId=170&MId=1770&Ver=4>
89. [Emerging Island Planning Strategy](https://www.iow.gov.uk/environment-and-planning/planning/local-plan/emerging-island-planning-strategy/)
<https://www.iow.gov.uk/environment-and-planning/planning/local-plan/emerging-island-planning-strategy/>

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