

LOCAL PLAN REVIEW

1. RECOMMENDATIONS

1.1 That the Cabinet recommends that the Council agree to:

- (a) commence a full review of the adopted Local Plan, to include *Local Plan Part 1: Planning Strategy 2020* and policies saved from earlier local plans, and the preparation of a Design Code(s) for the Plan Area;
- (b) publish the updated *Local Development Scheme* work programme at appendix one, initially to cover financial years 2024/25 and 2025/26;
- (c) approve an initial Local Plan budget covering the next two financial years of £700,000, noting that £370,000 is currently allocated in a specific reserve, and that statutory increases in planning fees are expected to yield an additional income of £265,000 over this initial two year period to further contribute towards the cost to complete the full review;
- (d) approve a budget of £200,000 to cover the preparation of a Design Code(s) for the Plan Area;
- (e) agree to update the *Statement of Community Involvement* to set out how the public and other interested parties will be consulted and can participate in the Local Plan review; and
- (f) agree to the formation of a cross-party working group to provide wider Member engagement, oversight and scrutiny into the preparation of the Local Plan.

2. INTRODUCTION

- 2.1 Local plans are important as they shape how places across the New Forest District (outside of the National Park¹) will change in the future. They set a vision and key objectives for our area and provide a spatial strategy for how, when and where communities' needs will be addressed. They also typically contain planning policies on a range of matters, including supporting economic growth, protecting and enhancing our natural environment and valued landscapes, addressing and adapting to the impacts of climate change and ensuring that people's health and wellbeing are protected and enhanced through new development and its associated infrastructure.
- 2.2 When finalised, local plans are adopted as part of the statutory 'Development Plan'. It is the Development Plan that planning applications are then assessed against (along with any other material planning considerations). An adopted local plan also provides an investment framework for national government, infrastructure providers and other stakeholders.

¹ Responsibilities for the preparation of a Local Plan for the New Forest National Park rests with the New Forest National Park Authority

3. BACKGROUND

- 3.1 The full Development Plan for New Forest District (outside of the National Park) (hereafter 'Plan Area') presently comprises:
- The *Local Plan Part 1: Planning Strategy* (2020);
 - A limited number of policies that are 'saved' from previous local plans including the *New Forest District Local Plan First Alteration* (2005), *Core Strategy* (2009) and the *Local Plan Part Two: Sites and Development Management* (2014). Saved policies remain relevant and continue to be formally applied to planning application decisions. Saved policies are listed in appendix A of the *Local Plan Part 1 Planning Strategy* (2020);
 - 'Made' (adopted) Neighbourhood Development Plans (currently in place for New Milton and Hythe & Dibden parishes), which would remain 'made' and are outside the scope of this report; and
 - The *Hampshire Minerals and Waste Plan* (2013), which is prepared and updated by Hampshire County Council and is also outside the scope of this report.
- 3.2 It is a statutory requirement that councils should prepare a local plan and keep it up-to-date². Regulations require that it must be reviewed every five years³.
- 3.3 The Council's Local Plan Part 1 (2020) sets out the Council's vision and strategy for accommodating future growth within the Plan Area and key policies to shape its communities and to protect and enhance its environment. Amongst its provisions, it identifies a requirement for 10,420 additional homes within the Plan Area during 2016-2036, of which 9,600 were specifically provided for through existing commitments and new allocated sites. It was intended that this would be followed by a Local Plan Part 2 covering development management policies and smaller-scale development sites (to provide at least 800 additional homes).
- 3.4 The month after the adoption of the Local Plan Part 1 by the Council, the government published the 'Planning for the Future' White Paper proposing significant changes to the planning system including for plan-making. This was followed by the passing through Parliament of the Levelling Up and Regeneration Act (Royal Assent in October 2023), and a number of changes to the National Planning Policy Framework (NPPF), the most recent of which was published in December 2023⁴.
- 3.5 As a consequence of this lack of clarity, as well as other factors including the impact of Covid-19, the Local Plan Part 2 has not been progressed in accordance with the timetable previously committed to by the Council in its Local Development Scheme (LDS) 2021.
- 3.6 During this period, the construction and supply of new homes has fallen significantly below previous forecasts, for a range of reasons. This included water nutrient issues delaying the issuing of planning permissions and the impacts of the Covid-19 pandemic. The consequence of this is that the Council is currently only able to demonstrate about 3 years of supply of land for homes. This scale of shortfall represents a significant challenge to address.

² Planning and Compulsory Purchase Act, 2004 as amended.

³ The Town and Country Planning (Local Planning)(England) Regulations 2012, as amended.

⁴ <https://www.gov.uk/government/publications/national-planning-policy-framework--2>, updated December 2023.

4. OPTIONS TO CONSIDER

4.1 It is considered that there are three options available to the Council in response to the issues raised, with a recommendation that the third option be pursued for the reasons set out in section 5.

- Option 1: Continue to pause work on a Local Plan until July 2025
- Option 2: Progress work on a Local Plan Part Two
- Option 3: Commence a formal review of the Development Plan

5. DISCUSSION

Option 1: Continue to pause work on a Local Plan until July 2025

5.1 Technically, a review of the Development Plan isn't required until July 2025 (five years after adoption of the Local Plan Part 1, 2020). Delaying a review until closer to July 2025 for the remaining details of the reforms to be clarified has some merit in ensuring that the limited resources available to the Council are not potentially focussed on matters that get superseded by possible future events and further changes to the planning system.

5.2 However, a delay in commencing a full review at this time would have the effect of extending the period post July 2025 where the Council would not have an up-to-date Local Plan. This is likely to include a need to review the locations and standards for future housing development, and taking a more pro-active lead on key policy areas such as the climate and nature emergency which the current Local Plan only partially addresses. Opportunities for our District resulting from the designation of the Solent Freeport since the adoption of the current Local Plan is a further consideration.

Option 2: Progress work on a Local Plan Part 2

5.3 A Local Plan Part 2 could be prepared more quickly than a full review, identifying smaller sites (less than 100 homes) across the Plan Area which could help to address some of the shortfalls in housing land supply, whilst also updating Development Management policies to ensure compliance with the NPPF.

5.4 The scope of a Local Plan Part 2 is limited by the provisions of the Part 1 Local Plan. It could not fully address the climate and nature emergency, and the figure of an additional 800 homes is not now sufficient to fully address shortfalls in housing land supply from that originally expected. The Part 1 Local Plan, including its housing target, is also becoming increasingly dated as it was prepared under a superseded 2012 version of the NPPF (see below).

5.5 Taken together this means that there is a significant risk that a Local Plan Part 2 would not be found sound at independent examination. Even if it was found sound, the benefits of a Part 2 Local Plan would be partial and short-lived compared to those of a full Local Plan review, suggesting that Council resources should not be committed on this approach.

Option 3: Commence a full formal review of the Development Plan

5.6 The adopted Local Plan Part 1 (2020), inter alia, sets out the key spatial planning strategy for meeting identified development needs and is considered out-of-date in some key respects:

- **Compliance with latest NPPF** – It does not fully address the requirements of the current NPPF, notably for housing provision, as it was prepared under an earlier (2012) version. Further significant changes to the NPPF were published in December 2023 which indicate that the Local Plan Part 1 is becoming further out of date. A plan that is compliant with the most recent NPPF will ensure it is more resilient to any future changes in national policy.
- **Lower than expected housing delivery** – Housing delivery has fallen significantly behind the Local Plan Part 1 trajectory and the existing planning policies are, on balance, not likely to be capable of fully addressing this shortfall in the period up to 2036. A new Local Plan would provide the most appropriate option to addressing the future housing needs of the Plan Area.
- **Climate change and nature recovery** - The Local Plan Part 1 precedes and therefore does not fully address or reflect the implications of the Council's Climate and Nature Emergency declaration and accompanying strategy. Nor does it address changes in national policy and regulations, including those provided for in the Environment Act 2022 addressing local nature recovery and biodiversity net gain.

5.7 In addition, there are a number of the policies saved from earlier local plans that are likely to be no longer relevant or require significant updating, or that may be superseded by standard national development management policies. It will also be helpful to future users to bring all local plan policies into a single document, which is also the advice of national policy.

5.8 There are also a number of wider challenges and opportunities that the Council should be responding to including:

- **Demography** - the 2021 Census records that the New Forest District population is both shrinking, which is almost unheard of, and ageing further (more so than Hampshire and England averages). A new Local Plan needs to be informed by those demographic trends and will need to consider the implications of its age profile upon the type and location of development.
- **Freeport** – designation of parts of the Waterside as a Freeport took place after the adoption of the Local Plan Part 1 so were not directly reflected in the Plan. Its designation is anticipated to stimulate economic growth and provide longer term benefits and opportunities. A review of the Local Plan would help to ensure that these opportunities are sustainable and secured in the long term and that appropriate planning policies to manage development proposals are in place.
- **Transport** - proposals including proposed A326 widening and the possible re-opening of the Waterside Rail to passenger traffic could transform the accessibility and potential of parts of the Waterside area.
- **Transport policy** - the emerging Hampshire Local Transport Plan (LTP4) is due for adoption by the County Council in 2024. It represents a shift in transport policy towards planning for movements focused on people and places, as well as reflecting national transport policy priorities such as decarbonising the transport system, reducing reliance on private car travel, supporting sustainable economic development regeneration and promoting active lifestyles.
- **Covid-19 implications** – the pandemic changed the way many people live, work and shop, with significant implications for town centres, high streets, goods

movement and some employment areas. These changes in turn create policy challenges and opportunities best considered through a Local Plan review.

- 5.9 For the reasons as set out above, commencing work on a full review of the Local Plan is recommended, as a single comprehensive document. This would provide an opportunity to set a new vision and framework for the Plan Area which provides for the sustainable development of high-quality, well-planned places and environments that address housing need and economic opportunity.
- 5.10 An updated Local Plan would also provide a better starting point for neighbourhood plan preparation or provide a trigger to update those plans that are already 'made'. Given neighbourhood plans become part of the Development Plan when they are made, alongside the Local Plan, there may be scope to work flexibly or collaboratively with designated neighbourhood areas working on neighbourhood plans to formulate planning policies for these areas.

6. THE NEED FOR A DESIGN CODE

- 6.1 Design Codes (or Guides) provide a local framework for creating beautiful and distinctive places with a consistent and high-quality standard of design. A requirement to produce them is set out in the most recent version of the NPPF (para 133). This provision is also reflected in the Levelling up and Regeneration Act where a legal responsibility will be placed on local planning authorities to produce Design Code(s) for their area. The Levelling up and Regeneration Act gives design codes equivalent weight to the Development Plan for planning decisions.
- 6.2 Design Codes can be produced either alongside the Development Plan or as a supplementary plan outside the plan making process. Codes should be based on effective community engagement from the initial stages and reflect local aspirations for managing change in their area. They should cover the full Plan Area, with the option to provide additional coverage or separate codes/typologies for specific areas or sites.
- 6.3 The government's emerging planning reforms propose that existing supplementary planning documents/guidance would cease to apply by no later than 2027. There are 16 general and area-specific design-related supplementary planning documents in current NFDC use for development management purposes. Much of their content remains relevant and useful, and to be retained it would need to be re-expressed or updated within the Design Code. This is a substantial piece of work, some of which could take place over a longer timeframe than the Local Plan review. The process might for example involve collaborative working with town and parish councils engaged in neighbourhood plan preparation, or with the promoters of sites allocated in future local plans. The expected cost of producing a Design Code for the New Forest Planning Area is £200,000. This is based on the emerging experiences of recent Pathfinder' Design Code pilot projects⁵.
- 6.4 The recommended approach is to begin work on a Plan Area wide Design Code as part of the Development Plan review. This will include exploring the best approach to area specific design coding in the form of place specific character area assessments which define distinctive design guidance to help manage change in areas where new development is coming forward.

⁵ <https://www.gov.uk/government/news/communities-empowered-to-shape-design-of-neighbourhoods>

6.5 If (as expected) it is completed earlier than the Local Plan, there is the potential to adopt the Plan Area wide Design Code as a supplementary planning document, to provide some beneficial influence on development that may come forward before the Local Plan is adopted.

7. PROPOSED WORK PROGRAMME

7.1 At commencement of a formal review of the Local Plan, there is a regulatory requirement to publish a work programme, known as the Local Development Scheme (LDS)⁶. This must specify (among other matters) the documents (i.e. Local Plans) which, when prepared, will comprise the Development Plan for the area.

7.2 Regulations⁷ also set out that local plans must have at least:

- i. An initial, high-level informal public consultation (under Regulation 18) on the issues and scope of the plan, typically identifying the broad options available to address the identified issues; and
- ii. A final formal public consultation (under Regulation 19) on the preferred option of the plan, after a meeting of the full Council has agreed it should be submitted to the Secretary of State for independent examination. Any substantive changes thereafter would be as recommended by a planning inspector appointed by the Secretary of State.

7.3 For full local plan reviews, it is good practice for councils to have an additional informal public consultation on a draft plan in near-final form prior to finalising the plan. This was the approach taken in the last NFDC Local Plan review.

7.4 If a full Local Plan review is pursued, it is recommended that a two-stage informal consultation is undertaken on the basis that this provides communities and stakeholders the opportunity to see and comment on the full draft plan before a finalised version is submitted to examination. This maximises the opportunities to ensure that the Plan is robust and that communities views are taken into account at each stage of plan preparation.

7.5 The process of reviewing and preparing plans must be undertaken in accordance with the provisions of the planning system, including relevant acts and regulations. This is ever complex, noting the ongoing position set out at paragraph 3.4. It is also noted that with a national election due to be held no later than January 2025 there remains the prospect of further change in either policy or direction.

7.6 Whilst this makes for an uncertain context for Local Plan review timetable setting it is noted that the three largest political parties all support the need for additional housing provision, and it is important to make progress to deliver the homes that people need. To address this element of uncertainty the Local Development Scheme sets an initial timetable for financial years 2024/25 and 2025/26, covering the production of a full draft Local Plan. The main stages are set out in the table below, with the details provided in the full Local Development Scheme document at Appendix One.

⁶ PPG Paragraph: 003 Reference ID: 61-003-20190315: A Local Development Scheme is required under section 15 of the Planning and Compulsory Purchase Act 2004 (as amended).

⁷ The Town and Country Planning (Local Planning) (England) Regulations 2012, as amended.

- 7.7 The timetable also has regard to the government’s view that the plan-making process changes set out in the Levelling-up and Regeneration Act may enable Local Plans reviews to be prepared in a 30-month period.

Local Plan review key milestones

Dates	Activities and milestones
Spring 2024	Review inception, options testing and evidence base preparation, preparation of an updated Statement of Community Involvement.
Summer 2024	High level informal consultation on the scope of the Local Plan review and the issues that it should cover, indicating the broad options available to address these issues. This stage would not include specific sites or targets but would include an open invitation to propose development sites for future consideration. Consultation in parallel on an updated Statement of Community Involvement
Autumn 2024 – Summer 2025	Prepare a full draft Local Plan and evidence base
Summer - Autumn 2025	Agree and informally consult on a full draft Local Plan

- 7.8 When the outcome of potential planning system reforms becomes clearer the Local Development Scheme would need to be updated to set out the additional steps to finalise and submit the Local Plan for examination, and to take it through the examination process to adoption. Indicatively, should future plan-making arrangements remain similar to those currently in place, the final Local Plan and evidence base would be agreed by the Council and submitted for examination later in 2026. The timetable thereafter is at the discretion of the planning inspector appointed by the Secretary of State, but Local Plan adoption is typically at least 12 months thereafter.

8. MEMBERS’ CROSS-PARTY WORKING GROUP

- 8.1 The Local Plan review is a major corporate project that will affect many aspects of the Council’s activities, including as a vehicle to help to deliver wider Council objectives for the management and improvement of the Plan Area’s communities, environment, economy and infrastructure. It requires the Council to act collectively to meet its statutory and legal responsibilities and will require the Council to plan positively and proactively, for amongst other things, the location of new homes.
- 8.2 Ultimately the Local Plan must be agreed by the Council before it is submitted to the Government for independent examination, and again when it is adopted in final form after the examination process. It is therefore important to ensure that there is wider Member engagement in, and oversight and scrutiny of, the Local Plan preparation

process to maintain ownership and buy in. The formation of a cross-party Local Plan working group is recommended to help achieve this holistic and joined up approach.

9. CONSULTATION / ENGAGEMENT ARRANGEMENTS AND THE STATEMENT OF COMMUNITY INVOLVEMENT (SCI)

- 9.1 The Council is required to produce a Statement of Community Involvement (SCI) and to update it every five years⁸. The SCI is a statutory document which sets out the consultation and engagement methods that the Council, as a minimum, will use to involve interested residents, groups, organisations, businesses and other representatives and individuals in the planning process. It explains who will be consulted, when and how.
- 9.2 The current SCI was adopted in October 2020 after Covid-related updating but requires further updating in relation to consultation arrangements for plan-making. Since 2020 national planning policy has been updated to stipulate that local plans should be 'accessible through the use of digital tools to assist public involvement and policy presentation'⁸.
- 9.3 The SCI, whilst a required statutory document, is also a public statement of the Council's commitment to the involvement of the community in planning matters. Residents in turn are increasingly interested in the place shaping agenda. In the light of national policy updates on using technology to boost public engagement and this Council's commitment to better digital engagement, it is important that the document is reviewed to bring it up to date. There are ways in which the Council can improve engagement through better use of existing groups and networks.
- 9.4 The Council will work particularly closely with partner organisations, such as the National Park Authority and Hampshire County Council, to ensure the Local Plan review is strategic in its outlook and establishes a robust basis for delivering sustainable development which puts place making at its heart, across the New Forest Plan Area.
- 9.5 The intention is that the SCI is updated to facilitate improved engagement and consultation techniques, and to ensure that a broad range of views from different sectors of the community are heard and considered. Subject to Cabinet's decision on the Local Plan review, an updated SCI could be published alongside the Local Plan review Issues and Scope public consultation.

10. DEVELOPING AN EVIDENCE BASE AND BUDGETS

- 10.1 A full up-to-date, technical, and robust evidence base will need to be produced to demonstrate that future policies, targets and requirements are justified and deliverable. As well as taking in to account the recent changes referred to in this report such as the Freeport designation and changes to demographics, there are a number of factors to take into account when preparing such an evidence base through this Local Plan review:
- Environmental, social and economic changes since the last Local Plan was prepared.

⁸ The Town and Country Planning (Local Planning) (England) Regulations 2012 (legislation.gov.uk)

- The larger scope and length of time since the preparation of the Local Plan Part 1 is likely to mean that most existing evidence studies will need revisiting and updating, or to be prepared for the first time.
 - The need to undertake this at comparative speed to meet the possible introduction of a 30-month timescale as noted in paragraph 7.7.
- 10.2 A range of technical expertise will need to be procured or recruited to prepare this evidence, for which a budget will need to be agreed.
- 10.3 Along with the cost of preparing the evidence, the examination process alone is likely to be a significant future cost that may include legal advice in support.
- 10.4 A total figure of £700,000 should be budgeted for the next two financial years, to progress preparation of the full evidence base and towards independently examining the Local Plan. Spend will be monitored regularly and reported at least annually against this figure, that will in turn inform the budget for the remainder of the Local Plan review, anticipated to take a further 1 – 2 years. Further detail on the financial implications is provided in Section 12 of this report.

11. CONCLUSIONS

- 11.1 The report sets out clear reasons why a move to a full Local Plan review is considered to be the best approach at this time and is more appropriate than the alternatives identified. A full review of the Local Plan:
- Is the only effective way to address key Council priorities and issues such as the declared climate and nature emergency, the current housing delivery shortfall and how best to optimise opportunities such as the Freeport, regeneration benefits and new transport infrastructure for our communities;
 - Provides longer term benefits and policy certainty, at lower risk, than progressing the Local Plan Part 2; and
 - In conjunction with design coding, provides the best mechanism to embed a design-led ‘placemaking’ approach to ensure that the future development needed is both aspirational and deliverable, and that it is shaped by early engagement with communities and local organisations and businesses, as well as with infrastructure providers and operators and statutory consultees.
- 11.2 The full review will undertake work to understand what policies can remain and which will need updating, replacing with new policies or deleting.
- 11.3 The Local Plan review will be supported by the new requirement to prepare a Design Code that will place significant emphasis on embedding good design in new development.

12. FINANCIAL IMPLICATIONS

- 12.1 The Local Plan review will require a significant budget over a number of years and will impact and inform financial planning and budget setting by the Council for the time frame of the Local Plan preparation process.

- 12.2 The Council will require a budgeted sum of around £700,000 to initially progress the preparation of the Local Plan review in the next two financial years, noting the complete review will likely require a further 1 – 2 years to complete.
- 12.3 The Council currently has a Local Plan provision of £370,000. This amount had previously been earmarked for the Part 2 review, and this amount is broadly sufficient to progress the initial stages of the Local Plan review. A further, as yet unbudgeted, figure of around £330,000 is likely to be required to progress the preparation of the evidence base and towards independently examining the Local Plan over the next two financial years.
- 12.4 Statutory increases in planning fees applicable from the 6th December 2023 will generate additional yield to the Council, with this yield being used to help finance the costs of the Local Plan review. Over the initial period 2024/25 – 2025/26, the yield should result in an income contribution towards the cost of the plan of circa £265,000.
- 12.5 On an indicative basis at this stage the profile of potential expenditure and funding amounts in each financial year is as follows:

Financial year	2024/25	2025/26
Indicative cost	£350,000	£350,000
Provision	(£155,000)	(£215,000)
Income Yield	(£130,000)	(£135,000)
Funding Shortfall ⁹	£65,000	£nil

- 12.6 The indicative cost figure represents a high-level estimate and will be subject to future inflationary pressures. However, in line with financial regulations no contingency has been added to this, instead there will be a regular review process to monitor costs and spending. This will be reported to the Council through the annual performance process, with additional financial updates as required. This review process will also inform the budget for the remaining period 2026/27 – 2027/28.
- 12.7 Separately, a further £200,000 is sought now to cover the preparation of a Design Code for the Plan Area during the period 2024-2027.
- 12.8 Whilst noting the substantial upfront costs, the Local Plan review will identify the funding and other delivery mechanisms required to secure the provision of any community services and benefits, green and built infrastructure required to ensure that planned development can be delivered in a sustainable manner. In this way, development has contributed several £millions in recent years through developer contributions and Community Infrastructure Levy for targeted investment in the local area by the Council and receiving town and parish councils in areas where there has been development.
- 12.9 The Local Plan can also be seen as an investment document for the Plan Area, identifying locations and quantum for future housing and employment growth, the associated annual rates thereafter generated, and the wider social, environmental and

⁹ The £65,000 funding shortfall will be factored into the Council's final budget planning for the 2024/25 financial year.

economic benefits generated from things such as more homes, increased jobs and habitat enhancement and creation as examples.

13. CRIME & DISORDER IMPLICATIONS, ENVIRONMENTAL IMPLICATIONS, EQUALITY & DIVERSITY IMPLICATIONS

- 13.1 None arising from the report recommendations. The consideration of equality, social, environmental and other e.g. economic considerations is an integral part of the Local Plan preparation process, as is seeking and reconciling or balancing differing views on their relative importance.

14. DATA PROTECTION IMPLICATIONS

- 14.1 Local Plan engagement including public consultation requires the collection and processing of some personal information in a manner compliant with GDPR.

15. PLACE & SUSTAINABILITY OVERVIEW & SCRUTINY PANEL COMMENTS

- 15.1 The Panel endorsed all of the recommendations contained within the report. The Panel discussed the report and highlighted their support for Option 3: to Commence a formal review of the Development Plan. Some Members questioned whether there would be the opportunity, during the process, to review and change certain planning policies in order to give the Council greater flexibility in achieving the desired planning outcomes for the Plan Area. Ensuring the Local Plan can encourage and facilitate the development of appropriate levels of housing across the Plan Area was highlighted as another key aim of the review.

16. PORTFOLIO HOLDER COMMENTS

- 16.1 I support the review of the Local Plan and the proposed recommendations to Council contained within this report. Ensuring our Council has an up-to-date plan is essential so that our communities' needs are clearly planned for in a way which delivers high quality development in sustainable locations. As the Freeport proposals progress, the Local Plan Review will ensure that these potential opportunities can be properly managed and secured in the long term. This review will also enable us to properly plan for the necessary infrastructure (including transport) for our communities.

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Background Papers:

None