



SHEFFIELD CITY COUNCIL

Cabinet Report

Report of: Simon Green, Executive Director, Place

Date: 18 December 2013

Subject: Sheffield Local Plan (formerly Sheffield Development Framework): Decision on whether to submit the City Policies and Sites Document and Proposals Map to the Secretary of State for Public Examination

Author of Report: Simon Vincent (273 5897)

Summary: Cabinet is asked to agree to commencement of work on a new Sheffield Local Plan, including review of the Local Plan Core Strategy (adopted by the City Council in 2009). The Local Plan is a statutory document and is subject to a process set out in legislation. The current emerging draft City Policies and Sites document and Proposals Map flow from the current Core Strategy and public consultation on pre-submission drafts of the documents took place between 10 June and 6 September 2013, with a view to submitting the documents to the Secretary of State for public examination later this year. However, in light of comments received, and following informal advice from the Planning Inspectorate and emerging case law elsewhere in the country regarding the 5-year supply of housing land, it is now recommended that the documents are not submitted. The proposed new Local Plan would take account of the comments made during the summer on the pre-submission draft City Policies and Sites document and Proposals Map and Cabinet is asked give authority for the Cabinet Member for Business, Skills and Development to agree

interim responses to the representations made on those documents. The decision to not submit the documents to the Government would not affect the legal status of the adopted Core Strategy or 'saved' policies in the Unitary Development Plan.

Reasons for Recommendations:

There is a high risk that housing policies in the City Policies and Sites document and Proposals Map would be found unsound by a Planning Inspector if they were submitted to the Secretary of State for Public Examination. The three key reasons for this are:

- (a) changes in economic conditions since the Local Core Strategy was adopted mean that the five-year supply of *deliverable* housing sites is currently less than half that required under national planning policy; and
- (b) the housing requirement in the adopted Core Strategy could be regarded as out-of-date, given the latest estimates of housing need across the Sheffield/Rotherham strategic housing market area; and
- (c) national planning policy requires that suitable sites for Gypsies and Travellers are allocated in the Local Plan where there is an identified need. The City Policies and Sites document makes no such provision because a need assessment was only recently completed.

These three factors mean that the City Policies and Sites document and Proposals Map potentially conflict with the National Planning Policy Framework (published in March 2012). Options for allocating more housing land are heavily constrained by the policies in the Core Strategy and, consequently, the only way more land can be brought forward is to commence a comprehensive review, including review of the Green Belt boundary. This would need to take place as part of a wider re-assessment of housing requirements and land supply across Sheffield City Region but would allow consideration of housing land allocation options which are more economically viable (and, therefore, more attractive to the market). It would also enable consultation to take place on options for Gypsy and Traveller sites.

Recommendations: That Cabinet:

1. Agrees to commence work on a new Local Plan, given the Government's requirement to (a) increase housing land supply in order to demonstrate a 5-year supply of economically viable housing sites and (b) allocate sites for Gypsies and Travellers in the Local Plan.
2. Agrees that work on the current emerging Local Plan City Policies and Sites document and Proposals Map should be incorporated into the new Local Plan and instructs the Head of Planning to notify the Planning Inspectorate and Secretary of State of the Council's decision to not submit the City Policies and Sites document and Proposals Map for public examination.
3. Endorses continued use of the Core Strategy, 'saved' policies in the Sheffield Unitary Development Plan and the Pre-Submission Draft City Policies and Sites

document for development management decisions, as appropriate, pending adoption of the new Local Plan.

4. Requests the Executive Director, Place to draw up a project plan for a new Sheffield Local Plan (including review of the current adopted Core Strategy) and authorises the Cabinet Member for Business, Skills and Development to agree the timetable, funding and process for producing the new plan.
5. Authorises the Cabinet Member for Business, Skills and Development to agree interim responses to the representations made during the public consultation period on the Pre-Submission Draft City Policies and Sites document and Proposals Map.

Background Papers:

Local Plan Core Strategy (2009)

Local Plan Pre-Submission Draft City Policies and Sites document and Proposals Map (April 2013)

National Planning Policy Framework (March 2012)

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES: Section 11 Cleared by Catherine Rodgers
Legal Implications
YES: Section 12 Cleared by Paul Bellingham
Equality of Opportunity Implications
YES: Section 13 Cleared by Ian Oldershaw
Tackling Health Inequalities Implications
YES: Section 14
Human rights Implications
NO: Section 13
Environmental and Sustainability implications
YES Section 16
Economic impact
YES Section 17
Community safety implications
YES Section 16
Human resources implications
YES Section 17

Property implications
YES: Section 20
Area(s) affected
Whole city excluding area within the Peak District National Park
Relevant Cabinet Portfolio Leader
Leigh Bramall
Relevant Scrutiny Committee if decision called in
Economic and Environmental Wellbeing
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
YES

18 December 2013

SHEFFIELD LOCAL PLAN (FORMERLY SHEFFIELD DEVELOPMENT FRAMEWORK): DECISION ON WHETHER TO SUBMIT THE CITY POLICIES AND SITES DOCUMENT AND PROPOSALS MAP TO THE SECRETARY OF STATE FOR PUBLIC EXAMINATION

1 SUMMARY

1.1 Cabinet is asked to agree to commencement of work on a new Sheffield Local Plan, including review of the Local Plan Core Strategy (adopted by the City Council in 2009). The Local Plan is a statutory document and is subject to a process set out in legislation. The current emerging draft City Policies and Sites document and Proposals Map flow from the current Core Strategy and public consultation on pre-submission drafts of the City Policies and Sites document and Proposals Map took place between 10 June and 6 September 2013, with a view to submitting the documents to the Secretary of State for public examination later this year. However, in light of comments received, and following informal advice from the Planning Inspectorate and emerging case law elsewhere in the country regarding the 5-year supply of housing land, it is now recommended that the documents are not submitted. The proposed new Local Plan would take account of the comments made during the summer on the pre-submission draft City Policies and Proposals Map and Cabinet is asked give authority for the Cabinet Member for Business, Skills and Development to agree interim responses to the representations made on these documents. The decision to not submit the documents to the Government would not affect the legal status of the adopted Core Strategy or 'saved' policies in the Unitary Development Plan.

2 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE?

2.1 The Local Plan guides decisions by the Council and its partners about new development and other changes in land use. It helps to make sure that new developments cater for the needs of all in the city and respect the environment and the needs of future generations. It helps to provide necessary development and to protect and improve people's home environments, the places where they work and visit, and the ways in which they travel.

2.2 Ceasing work on the City Policies and Sites document and Proposals Map will lead to delay in the adoption of a comprehensive Local Plan. This will inevitably create uncertainty for residents and businesses about where new development will take place. But if the City Policies and Sites document was to be found unsound by a Government Planning Inspector, this would further extend the period of uncertainty. Although it is possible that a Planning Inspector could find the documents sound, the officer view is that this is now extremely unlikely. If work starts on a new Local Plan now, it is hoped that a new local plan could be

adopted by 2016/17. This would, however, depend on available resources and the level of objection received (which could be substantial due to the difficult decisions having to be taken).

- 2.3 Whether or not people support the allocation of more land for housing could depend to a large extent on their current housing circumstances. Those that have a home that meets their needs are potentially more likely to see additional housing land allocations as threatening their local environment or undermining the value of their home. But there are also many people who are in unsuitable accommodation or who cannot afford their own home and who are homeless or forced to share with family or friends. For many households in Sheffield, home ownership, or a home of their own to rent, is currently unattainable.
- 2.4 Over 70% the projected household growth is associated with demographic changes within the existing population (rising birth/ declining death rates and in particular, falling average household size). The remaining growth is due to migration, so is needed to cater for people who are expected to move to Sheffield in the future, many of whom will be needed to support economic growth in the city. Government planning guidance stresses, that it is unacceptable to only cater for the existing population (i.e. migration must be taken into account) when assessing the city's future housing requirements.

3 OUTCOME AND SUSTAINABILITY

- 3.1 The National Planning Policy Framework (NPPF) makes clear that the purpose of the planning system is to contribute to the achievement of sustainable development. The policies in the Local Plan are needed to guide the content of planning briefs and decisions about planning applications (including, for example, through the work of the Sustainable Development and Design Panel).
- 3.2 The current Local Plan Core Strategy objectives and policies place transformation and sustainability at their heart, with regeneration of the existing urban areas a key aim. These aims and objectives would remain valid in a new Local Plan. It is, however, very unlikely that all future development needs can be met within the existing urban areas and this will inevitably mean some hard choices between providing new homes and protecting the environment. A review of the current Sheffield Green Belt boundary will be necessary, though as part of a wider strategic review across South Yorkshire and north Derbyshire.
- 3.3 All options, policies and site allocations in the new Local Plan will be appraised for sustainability so that the economic, social and environmental impacts are clearly set out. Wherever possible, the aim will be to find outcomes which are mutually supportive but this will not be possible in all instances. The appraisal will therefore set out how impacts should be mitigated or where compensatory measures will be needed. The Local Plan, when adopted, will make a very significant contribution to sustainable development in the city.

4 BACKGROUND

- 4.1 The Sheffield Local Plan (formerly the Sheffield Development Framework) is a statutory responsibility of the Council. The Plan is the City's primary land-use and place-shaping strategy. It covers the whole city except for the areas in the Peak Park, which the Peak Park authority is responsible for planning. It currently includes the Core Strategy, which sets out the planning vision for Sheffield, spatial policies (dealing with what is proposed to happen where and how it will be delivered) and other policies dealing with key issues (particularly concerning environmental sustainability). The Core Strategy was subject to public examination by a Planning Inspector and was formally adopted by the Council in March 2009.
- 4.2 The Core Strategy did not cover all the matters needed in the development plan. The City Policies and Sites document flows from the Core Strategy and contains additional policies to implement Core Strategy objectives through development management. It also defines the Core Strategy's broad spatial policies using boundaries on the Ordnance Survey base of the Proposals Map.
- 4.3 The City Policies and Sites document and Proposals Map have been through a long process of preparation and consultation dating back to 2006 (see Appendix 1). In February this year, Cabinet endorsed the Pre-Submission Draft City Policies and Sites document and Proposals Map for publication. They were subsequently approved by Full Council on 4 April. Following publication, formal representations were invited on the document and map between 10 June and 6 September 2013.
- 4.4 If, contrary to the recommendation in this report, work continues on the City Policies and Sites document and Proposals Map, the next formal stage would be to formally submit the documents to the Secretary of State for Communities and Local Government for public examination. A schedule setting out any changes proposed by the City Council in response to representations received during the latest consultation would also be submitted. A Planning Inspector would be appointed to hear representations on the soundness of the plan. The examination would include public hearings, probably in spring 2014, with the Inspector publishing their report by late summer 2014. If the Inspector were to find the documents sound, adoption would be achieved by around autumn next year.
- 4.5 The February Cabinet report highlighted the fact that, despite proposing additional housing site allocations in the Pre-Submission documents, there remained a significant shortfall in the five-year supply of **deliverable** housing sites. It was noted that whilst, in theory, there was enough land to meet the current house building target, **Government planning policy** says that sites must be **economically viable** for them to be included in the 5-year supply. The February report also noted that it remained questionable whether the land supply would be sufficient to meet the projected higher long-term requirement for new homes. This meant that the document was potentially in conflict with the National Planning Policy Framework.

- 4.6 Cabinet supported the two stage approach to improving land supply outlined in the February report. This involved, firstly, putting forward those additional housing sites that could be justified within the terms of current Core Strategy policy and, secondly, following this up with an early review of the Local Plan. The February report noted that the first stage would not produce all the site capacity needed but it was felt to be a pragmatic approach, given that it would enable a comprehensive development plan to be adopted sooner than if the City Policies and Sites document was not progressed further and work started immediately on a new plan. Cabinet agreed that, as a second stage, work on a revised Local Plan (including Core Strategy review) should start as soon as the City Policies and Sites document and Proposals Map were adopted.
- 4.7 Although Cabinet agreed to continue progressing the City Policies and Sites document, officers considered it prudent to seek informal advice from the Planning Inspectorate (PINS) and the Planning Advisory Service (PAS) on the likelihood of the document being found sound, given the lack of a 5-year housing land supply. Discussions with PINS and PAS took place over the summer regarding the issues of the 5-year housing land supply and officers have continued to monitor Inspector decisions on the issue in relation to Local Plans and planning applications in other districts. Advice was also sought from PINS and PAS on Government requirements on planning for Gypsy and Traveller sites, given recent Inspector recommendations on Local Plans elsewhere in the country.

5 GOVERNMENT PLANNING POLICY ON HOUSING

- 5.1 The coalition Government has placed a high priority on delivering new housing. It perceives a lack of housing land as one of the major factors holding back housing delivery. The National Planning Policy Framework (NPPF) says:
- enough land must be allocated for housing within the strategic housing market area to meet the objectively assessed needs for market and affordable housing, unless it can be shown to be in conflict with other policies in the Framework;
 - Local Plans should enable continuous delivery of housing for at least 15 years from adoption of the plan;
 - a **5-year supply of *deliverable* ('ready-to-develop') sites, plus a 5% buffer for flexibility, should be maintained at all times** (and a 20% buffer where there is a persistent history of under-delivery against plan targets);
 - the Local Plan should identify a supply of *developable sites or broad locations for growth* for years 6-10 and, where possible, for years 11-15;
 - an allowance may be made for 'windfall sites' (sites that cannot be identified now) when assessing housing land supply but only where there is compelling evidence;
 - relevant **policies for the supply of housing should be considered out-of-date if the local planning authority cannot demonstrate a 5-year supply of deliverable housing sites**

- 5.2 Although the Government has emphasised that housing targets in Local Plan should be set locally, in practice they are being imposed centrally. The Planning Minister is on record as stating that although local authorities can determine **where** and **what** was built, the role of central government was to make sure councils build **enough** land and sites to meet their objectively-assessed need.
- 5.3 Housing targets in adopted and emerging Local Plans are being challenged by Government Planning Inspectors where the planned housing provision would be insufficient to meet the latest projections of housing need or where the local authority has not taken account of needs across the wider strategic housing market area (by failing in the duty to co-operate with neighbouring districts). This has led to a number of Local Plans being withdrawn or public examinations suspended to allow further work to be undertaken. Planning appeals have also been allowed on green field (and even Green Belt) sites where the local authority has been unable to demonstrate a 5-year supply of deliverable housing sites.

6 CURRENT HOUSING REQUIREMENT

- 6.1 The Sheffield Local Plan (formerly Sheffield Development Framework) Core Strategy was adopted in March 2009 and set the city's housing target for the period 2004-2026. After taking into account homes already built since 2004, at least **19,080 homes still need to be delivered over the period 2013-2026** if the Core Strategy target is to be met. This includes homes needed to replace those lost through future demolition or conversion.
- 6.2 As noted in paragraph 5.1 above, Government policy states that objectively assessed housing needs should be met where it is consistent with other policies in the National Framework Planning Policy Framework (NPPF). Sheffield's current target is the same as that in the Regional Spatial Strategy (RSS) which also implied that some of Sheffield's housing need would be met in Rotherham. However, the RSS has now been revoked and more up-to-date household projections have been published by the Government. These projections show a much higher rate of household growth for Sheffield but Rotherham's rate of growth is lower than the figure set by the RSS. As a result, Rotherham MBC is proposing to set a lower housing target than that originally set in the RSS. Consequently, there is now a strong argument for saying that a fresh assessment of housing requirements is needed across the Sheffield/ Rotherham strategic housing market area and the wider Sheffield City Region. Indeed, the NPPF and recent draft Government practice guidance now requires this strategic approach. It also expects local planning authorities to constantly monitor housing requirement and bring forward more land for development through Local Plan reviews where there is evidence to show that planned provision will be insufficient to meet the objectively assessed need. These points have been made strongly by objectors to the Pre-Submission City Policies and Sites document (see Section 9 below).
- 6.3 Latest interim Government projections show that the number of households in Sheffield could increase by an average of about 1,950 per year over the period 2011-2021 if recent past trends continue. This figure is broadly consistent with the recently completed Sheffield Strategic Housing Market Assessment which

concludes that **future household growth is likely to be in the range 1,700-2,300 per year**. These figures compare with the current housing target of just 1,425 new homes per year in the Local Plan.

- 6.4 Across the combined Sheffield/ Rotherham districts, the latest projection (2011-2021) is for average growth of 2,870 households per year, which compares to planned provision in the two Core Strategies of just 2,375 per year. This equates to a potential shortfall of nearly 5,000 dwellings over the 10-year period.
- 6.5 Work is progressing at the City Region level on a reassessment of housing needs across Sheffield City Region. But further work is still needed to take account of economic growth forecasts linked to the City Region Strategic Economic Plan, as well as looking at requirements within strategic housing market areas (including Sheffield/ Rotherham). These assessments will be a vital part of the evidence needed to produce a new Local Plan.

7 CURRENT HOUSING LAND SUPPLY

- 7.1 In her report in early 2009, the Core Strategy Inspector concluded that Sheffield had identified enough land to meet the housing target without the need for strategic or local review of the Green Belt. Whilst noting that the supply was tight, she felt that any shortfall could be met by reallocating surplus employment land for housing.
- 7.2 Since the public examination on the Core Strategy, housing market conditions have changed significantly and this has severely affected how much land is likely to be deliverable during the remaining period covered by the Local Plan (2013-2026). Some sites which the Council was relying on to meet the Core Strategy housing target are unlikely to be deliverable until after 2026. The report to Cabinet in February 2013 highlighted the fact that it was questionable whether there was sufficient housing land to meet either the 5-year requirement or the projected long-term requirement for new homes. There are a number of reasons for this:
- (a) Constraints on mortgage lending and rising unemployment have **reduced the effective demand for housing** (this is the number of people who can afford to buy or rent on the open market). This has led to slower build out (or even suspension of building) on schemes that already have planning permission. A significant number of developers have gone into liquidation and many planning permissions have not been implemented.
 - (b) Rates of delivery between 2008 and 2013 have, consequently, been lower than forecast which has resulted in the **supply being squeezed into a shorter delivery period**. This means a higher annual build rate is required to deliver all the supply by 2026 but there are limits to what the market will deliver in any one area each year (even though there is latent demand for homes that would be taken up if the builders were prepared/ able to lower house prices or if more affordable mortgages were available).

- (c) The **apartments market has contracted** significantly due to a loss of institutional investors and steeper falls in prices relative to other types of housing. This especially impacts on the City Centre (where there is potential for around 6,000 homes) but also areas like the River Don District (RDD) (next to Meadowhall) which could have provided at least 800 homes but where the site owners now have other aspirations for the land.
- (d) Falling house prices and rising developer costs (Building for Life; Code for Sustainable Homes, etc) have made **many sites economically unviable**, especially brownfield sites in weaker market areas. Although the Local Plan is proposing significant reallocations of land that was allocated for industry and business in the UDP (e.g. at Stocksbridge; Darnall, Attercliffe, River Don District, Oxclose), much of this land is brownfield, is expensive to develop and is in areas where land and residential property values are lower.
- (e) **The housing market renewal programme has been axed and national funding for affordable housing has been cut** by around 50%. The approved Affordable Homes Programme (AHP) for Sheffield for 2011-15 aims to deliver around 375 new affordable homes, though this is less than half the number (889 homes) delivered over the last four years.
- (f) **Sheffield Housing Company is now delivering new quality homes for the city but not all the homes are deliverable during the period covered by the Local Plan.** The first completions have now taken place but the current delivery programme for the 2,300 new homes extends to 2032 and is expected to deliver about 1,800 by 2026. These homes will be predominantly in parts of the housing market renewal areas of Shiregreen, Parson Cross, Manor and Norfolk Park.
- (g) Private house builders argue that Sheffield does **not have enough of the right sort of sites** in areas where people want to live. They contend that more greenfield (including Green Belt) sites should be released in higher value areas (i.e. the west of the city) to provide greater choice.

7.3 Although a significant number of the sites currently identified for housing are not economically viable **at the moment**, as market conditions improve more should become deliverable in the medium to long term (including after 2026). Some will require public sector support and it will be important for the Council to continue to take all possible steps to make sites more attractive to house builders.

Overall Supply

7.4 Our latest assessment of the overall housing land supply for the period 2013-2026 is summarised in the table below. Although, in theory, the total identified supply appears to be sufficient to meet the remaining Local Plan housing requirement, it is unlikely that all the identified sites are deliverable by 2026. Our best estimate is that, **delivery by that date is likely to be at least 1,000 dwellings below the level needed** (though the shortfall could be much greater than this as our modelling assumes a significant step up in delivery from 2019/20 onwards).

Table 1: Summary of Total Local Plan Supply 2013/14 – 2025/26

Type of Site and Planning Status	Dwellings
Large sites with planning permission – not proposed as allocations in Local Plan	4,450
Large sites with planning permission – proposed allocations in Local Plan	3,410
Large sites – allocated in Local Plan but no planning permission	7,355
Other identified large sites	4,275
Small sites with planning permission	420
Estimated future windfalls on small sites	2,480
Total	22,390

7.5 The Planning Inspectorate (PINS) have commented that, as time moves on since the Core Strategy was adopted and the housing target becomes more out-of-date, the Council should consider very carefully if the difficult questions (including for example, how an increased level of housing need and demand will be met) should be dealt with now, rather than postponed to a later plan. Given this comment and the latest forecasts of household growth within the Sheffield/Rotherham strategic housing market area (see paragraphs 6.2.and 6.3 above), it is difficult to see how a credible case could now be made for continuing with the current level of housing allocations without a fresh reassessment of housing need and potential land supply across the strategic housing market area.

5-year supply

7.6 The February Cabinet report noted that there remained a significant shortfall in the five-year supply and that this had been observed and commented on by the house builders because Government policy requires a 5-year supply of economically viable sites to be maintained at all times. Indeed, this issue has been raised again as part of significant objections to the Pre-Submission Draft City Policies and Sites document (see Section 9 below).

7.7 The latest assessment of the 5-year supply for the five-year period 2014/15 to 2018/19 concludes that it is about 46% of the housing requirement for that period (i.e. just under **2.5 years supply**). This includes a 5% buffer for flexibility (as required by the NPPF) and takes into account past delivery and estimated completions in 2013/14. It equates to **a shortfall of just over 4,900 dwellings**.

7.8 The Planning Inspectorate advice is that there is a balance to be struck between what the City Policies and Sites document will do *now* to boost housing supply significantly, compared with stopping work on the plan to commence a strategic review of housing and other requirements for a new, comprehensive Local Plan. This comment suggests there would be a reasonable case for submitting the documents **if** it would significantly increase the 5-year supply. However, that is not the case. We estimate that there would only be a small improvement in the 5-year supply at the point of adopting the plan. This is largely because the City Policies and Sites document would not be confirming substantial new greenfield housing allocations (i.e. most of the allocations are brownfield sites in the urban

areas where housing would already be an acceptable use, in principle). Government initiatives like the 'Help to Buy' mortgage support scheme should lead to some recovery of demand but it is not possible, for the present, to demonstrate how this capacity would be taken up. Government policy does not allow the current (low) effective demand for new homes to be taken into account (see paragraph 7.2(a) above).

8 DESIGNATION OF GYPSY AND TRAVELLER SITES

- 8.1 The South Yorkshire Gypsy and Traveller Need Study was completed earlier this year. It identified **a need for 50 additional pitches within Sheffield**, including 31 pitches for New Age Travellers. The study was not completed in time to allow site options to be consulted on as part of the City Policies and Sites document. Our original intention had been to deal with this issue in a separate development plan document.
- 8.2 The Planning Inspectorate's advice is that the Government expects plan-led provision for Gypsies and Travellers to meet needs. They have advised that the Council should consider whether there is very strong justification for deferring meeting needs of Gypsies and Travellers to the full review of the Local Plan, given its timescale. At the very least, the Council is advised to have convincing evidence of the level of need, how it is currently being met, and the contingency measures proposed including, if necessary, a single issue plan to address travellers' needs at the earliest possible date. It was also emphasised that public examinations in Chorley and South Ribble districts had been suspended by the Inspector to allow time for the Councils to identify, and consult on, suitable sites.
- 8.3 Whilst in theory, the Council could defer submission of the City Policies and Sites document to allow time to consult on, and identify, suitable Gypsy and Traveller sites, this would cause significant delay (perhaps 6-9 months, depending on the level of objection). This would merely hold up the consideration of the wider housing requirement and land supply issues. It would, therefore, seem sensible to consider options for Gypsy and Traveller sites allocation options through the new Local Plan, rather than through a separate single issue plan.

9 COMMENTS ON THE PRE-SUBMISSION DRAFT CITY POLICIES AND SITES DOCUMENT AND PROPOSALS MAP

- 9.1 There have been three rounds of extensive consultation prior to the recent Pre-Submission representations period. This included consultation on additional sites allocation options in 2012, with a view to increasing both the 5-year and overall supply of housing land. The Pre-Submission consultation was advertised in the local press and copies of the documents were made available at First Points, libraries and housing offices across the city.
- 9.2 Representations were received from 124 organisations and individuals. In total, 772 comments were made on the document and Proposals Map, of which 184 (24%) considered it sound, 377 (49%) unsound and 211 (27%) comments didn't specify either way. If the Council decides to continue with submission of the

document, it will be necessary to set out recommended changes for the Inspector to consider. But it is apparent that many of the objections will not be capable of being addressed through the current documents and would require more fundamental changes to the Core Strategy.

- 9.3 The largest number of objections (57) was in relation to the housing requirement and the supply of housing land. This included objections from 18 house builders, land owners or their agents. Their objections largely relate to the issues already discussed in sections 5-7 above, in particular the view that the Core Strategy housing policies are out of date, given the latest (higher) household projections and Rotherham's decision to cut their house building target. Related to this were concerns about the evidence base and, more specifically, the lack of a strategic housing market assessment for the Sheffield/ Rotherham strategic housing market area. It is therefore apparent that the Council would face significant challenge on these key issues at the public hearings if the decision was taken to submit the City Policies and Site document.
- 9.4 Associated with the general objections about the housing requirement and land supply, were 18 objections relating to specific proposals to re-designate land for housing. This included eight sites in the Green Belt, including a proposal for a major urban extension (1,500 dwellings) to the east of Handsworth.
- 9.5 The new Local Plan will need to include a review of the Green Belt boundary and it is therefore appropriate for all the sites proposed by objectors to be considered as **options** alongside other sites that will need to be considered as part of that process. All the options will be subject to public consultation and will need to undergo sustainability appraisal (including strategic environmental assessment), health impact appraisal and equality impact assessment.

10 OPTIONS FOR TAKING THE LOCAL PLAN FORWARD

- 10.1 The two options for taking the Local Plan forward are:
- (a) submit the City Policies and Sites document and Proposals Map to the Secretary of State for public examination – the argument would be that this represents the most pragmatic way of achieving adoption of an up-to-date Local Plan (especially development management policies); or
 - (b) cease work on the City Policies and Sites document and Proposals Map and commence work immediately on a new Local Plan
- 10.2 In our discussions with the Planning Inspectorate, we pointed to the benefits of having an up-to-date plan in place as soon as possible. In particular, we emphasised the importance of having up-to-date development management policies to replace those in the Unitary Development Plan. We also highlighted the fact that the Council has already acknowledged the need for an early comprehensive review of the strategic requirements for Sheffield and we argued that this work would not be advanced significantly by stopping the progress of the City Policies and Sites document.

- 10.3 It is clear from the Planning Inspectorate's comments on the housing land supply that they have significant concerns (see paragraphs 7.4, 7.7 and 8.2 above). This should be weighed heavily in deciding which option to take. Whilst the Inspectorate were not prepared to make a firm recommendation on which course the Council should take (because that would be pre-judging the outcome of the examination process), their comments would seem to point towards the second option. This is supported by decisions by planning inspectors on emerging Local Plans elsewhere in the country. **Without exception, plans have been found to be unsound where the local authority has been unable to demonstrate a 5-year supply of housing land.**
- 10.4 There is also the more fundamental question of whether the annual housing target in the Core Strategy is still the right figure, given more recent household projections and Rotherham's decision to propose a lower housing target in their draft Core Strategy. The Planning Inspectorate's comments about not deferring the difficult decisions (see paragraph 7.4 above) are particularly pertinent in this respect.
- 10.5 It is therefore reasonable to conclude that, under option (a) there is a high risk that the Council would be asked by the Inspector to withdraw the document or, if the Council failed to do so, it would be found unsound. Either way, the Council would have to start work on a new Local Plan but it would have incurred costs associated with holding the public examination. It would also further delay adoption of a new plan, possibly by around 6-9 months.
- 10.6 If the documents were to be submitted, the Inspector might suggest that the public examination is suspended (for perhaps up to 6 months) to allow the Council time to identify more land for housing and/ or Gypsy and Traveller sites. However, we would see little merit in this. The consultation on additional site allocation options in 2012 followed extensive work to identify all additional land that could reasonably be brought forward for housing without undermining strategic policies for protection of Green Belt and open space. Past experience also shows that consultation on Gypsy and Traveller site options would also be controversial and would take time to resolve due to the likely large number of objections it would generate.
- 10.7 There may be concerns that option (b) would result in a large amount of wasted work. This would not be the case. Ceasing work on the documents does not mean that the Council has to go back to the start. Many of the policies and site allocations are likely to remain relatively unaffected and could be taken forward in the new Local Plan. Much of the evidence base is either up-to-date or needs only minor refreshing. Option (b) would, however, provide an opportunity to address a number of other matters raised by objectors to the Pre-Submission Documents (i.e. not just the issue of housing requirement and land supply). In particular:
- employment land requirements
 - retail policy
 - the approach to green infrastructure and heritage assets

- 10.8 Further work will, however, need to be undertaken jointly with the other Sheffield City Region local authorities to assess housing requirements and land supply across Sheffield City Region. Drawing on the recently completed Sheffield Strategic Housing Market Assessment, it will be necessary to produce an assessment for the wider Sheffield/ Rotherham strategic housing market area. Work has already commenced on developing a methodology for strategic review of the South Yorkshire and north Derbyshire Green Belt.
- 10.9 Members may also have concerns about what the implications of not submitting the City Policies and Sites document would be for planning decisions on other types of development, pending adoption of a new plan. However, whilst the housing policies on land supply in the Core Strategy would be considered out-of-date, other policies in the plan would continue to carry the full weight of the adopted development plan. So, for instance, policies in the Core Strategy controlling out-of-centre retail development are still valid provided guidance in the NPPF relating to impact and sequential approach is followed (the recent Inspector's report on the Next Homeware store near Meadowhall supports this view).
- 10.10 We have also given consideration to the implications for taking forward work the Community Infrastructure Levy (CIL). National CIL Guidance emphasises that the levy should relate to an up-to-date relevant plan. It is considered that the Core Strategy is an up-to-date relevant plan and this sets the requirements for new infrastructure across the city. Whilst it was the intention for the City Policies and Sites document to set out further detail on spending the Levy it is felt that there is sufficient detail in the Core Strategy to form the basis for the on-going CIL process. Consequently, we do not anticipate problems in progressing work on the CIL but Members should be aware that there is a possibility that in the absence of the City Policies and Sites document the CIL examiner may consider that the Council does not have a complete and up-to-date plan.
- 10.11 If Members agree the recommendation to not submit the current documents, it will still be important for the Council to respond to the comments that were made during the consultation. In many cases, it is not possible to provide a definitive view *now* because, as already noted, the issues can only be addressed through a new Local Plan. But, a consultation report should be published which indicates broadly whether the Council is minded to accept or reject the comment or what further work is required before a firm conclusion can be reached. It is therefore recommended that the Cabinet Member for Business, Skills and Development is given delegated authority to agree *interim* responses to the representations made during the public consultation period on the Pre-Submission Draft City Policies and Sites document and Proposals Map. The responses are *interim* in that final responses would, in effect, not be made public until a new draft Local Plan is approved by Cabinet for public consultation.

11 FINANCIAL IMPLICATIONS

- 11.1 Core staff costs for the Local Plan are covered within the Forward and Area Planning budget. A separate Local Plan budget covers costs associated with the public examination, essential research and studies to support the evidence base,

public consultation and document production. This budget is showing a potential underspend of around £30k in 2013/14 (out of a total budget of £122k).

- 11.2 If the decision is taken to progress the City Policies and Sites document to public examination, this will incur a cost of around £75k in 2014/15 as a result of having to pay for the Public Examination hearings, a Programme Officer and Planning Inspector. These costs will not be incurred if Cabinet agrees the recommendation in this report.
- 11.3 The new Local Plan will, of course, also need to undergo Public Examination and it would be prudent to plan for peaking in the Local Plan budget when the highest costs (associated with the public examination) are incurred. Due to the fact that the new Local Plan will include review of the Core Strategy, the public examination will almost certainly take longer than that associated with the City Policies and Sites document and it is estimated that the cost of this could be in the region of £125-150k (assuming a 5-6-week rather than 3-week examination). It is therefore recommended that any underspend in 2013/14 and thereafter is carried over as a reserve and further contributions to this reserve are made in subsequent years to cover peaks in costs associated with preparing the Local Plan.
- 11.4 Once adopted, the Local Plan needs to be continually monitored and the evidence base will need to be kept up-to-date. The plan is likely to need reviewing every 5-7 years and it would therefore be appropriate to continue to maintain a reserve after the new Local Plan has been adopted to allow for peaks in years when the public examination takes place.

12 LEGAL IMPLICATIONS

- 12.1 Under the Planning and Compulsory Purchase Act 2004, the Council is required to prepare a Local Development Framework (now Local Plan) which forms the basis of planning for its area.
- 12.2 If not submitted, the Pre-Submission Draft City Policies and Sites document and Proposals Map would still be a material consideration in planning decisions. They would not be formally withdrawn but would carry only limited weight when compared to an up-to-date adopted Local Plan. The level of weight that can be attached to the policies and proposals will be less where they are the subject of significant objections or where they are inconsistent with the NPPF. However, where there is robust, up-to-date evidence that underpins the policies, this may be used to support decisions on planning applications.
- 12.3 The lack of a 5-year supply of housing land means that it is highly likely that the policies in the Core Strategy relating to housing land supply would be regarded as out-of-date by a Planning Inspector. Indeed, there have already been appeal decisions where the Inspector has made comments to that effect. Other policies in the Core Strategy would, however, continue to have the full legal weight of the development plan where they are consistent with the National Planning Policy Framework.

13 EQUALITY OF OPPORTUNITY IMPLICATIONS

- 13.1 The options that led to the policies in the Pre-Submission Draft City Policies and Sites document were subject to an equality appraisal and an Equality Impact Assessment. The report to Cabinet in February drew attention to the potential benefits of several policies for particular people groups. As already noted above, until those policies are adopted, they will carry only limited weight in planning decisions, except where they are consistent with national planning policy.
- 13.2 The representations process for the Local Plan is set out in regulations but groups representing people who might otherwise be disadvantaged by planning and development will be informed of the opportunity to comment. Users requiring the document in large print, audio format, Braille or on disk will be given a contact address and phone number. Implications of the consultation processes have already been audited for the adopted Statement of Community Involvement (which sets out the Council's approach and standards to be achieved when consulting with the public on planning matters).

14 HEALTH INEQUALITY IMPLICATIONS

- 14.1 As with the equality of opportunity implications, the February report to Cabinet highlighted the policies that contribute to reducing health inequalities by applying consistent standards across the city. Again, until those policies are adopted, they will carry only limited weight in planning decisions, except where they are consistent with national planning policy.

15 HUMAN RIGHTS IMPLICATIONS

- 15.1 The process for preparing a Local Plan conforms to national law that takes due account of human rights.

16 ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

- 16.1 The policies, proposals and site allocations in either the City Policies and Sites document or a new Local Plan will need to accord with the National Planning Policy Framework, which requires development to be sustainable and affirms the environmental dimension of sustainability. The policies in the City Policies and Sites document flow from the current Local Plan Core Strategy objectives and policies, which have been appraised for sustainability and further appraisal has been carried out of the options that led to the Pre-Submission draft policies. The February Cabinet report identified some critical policies for sustainable development in both the Core Strategy and City Policies and Sites document and the intention is that these policies would be taken forward in the new Local Plan, except where there is an inconsistency with national policy or where new evidence has come to light. A report on the sustainability appraisal was published with the consultation draft City Policies and Sites document.

16.2 There are likely to be concerns that bringing forward more greenfield sites in a new Local Plan will not guarantee increased delivery as land owners will wait for values to increase. There is also a significant risk that brownfield sites in the existing urban areas will be left undeveloped. It will therefore be vital for the Council to take all possible steps to secure the additional public funding needed to make those sites deliverable. The Council is progressing a number of initiatives (e.g. the Local Growth Fund) to unlock housing delivery on brownfield sites and is exploring the opportunities provided by the Sheffield City Region Growth Plan. However, in a continued period of austerity it is unlikely that sufficient funding will be available to enable the full brownfield potential to be realised.

17 ECONOMIC IMPACT

17.1 The Local Plan plays a key role in delivering the development necessary to support economic growth in the city. Much of the housing growth that is needed within the Sheffield/ Rotherham strategic housing market area will be needed to support economic growth targets in the emerging Sheffield City Region Strategic Economic Plan. If the economy grows, more people will be attracted to Sheffield to work and fewer people will move away from the city to find jobs elsewhere. Work undertaken to date on population and household growth projections indicates that over 1,500 homes per year are needed in Sheffield just to maintain the number of jobs at the 2010 level (assuming economic activity rates within the working age population remain unchanged). However, the question of whether housing needs are met in Sheffield or in adjoining districts (with increased numbers of people commuting into Sheffield), is a matter that needs to be addressed through the duty-to-co-operate within Sheffield City Region.

17.2 The City Policies and Sites document or a new Local Plan must avoid placing undue additional burdens on businesses in the form of conditions. This is made very clear in the National Planning Policy Framework. High quality and sustainable design may carry some costs but the policies (e.g. on local employment) recognise the different circumstances in different areas. The sustainable design criteria accord with national guidelines and the Council has already shown itself to be realistic when there are viability concerns.

17.3 The main additional sums paid by developers would be the Community Infrastructure Levy (CIL) and, for housing developments, a contribution to affordable housing. The CIL (at a level still to be consulted on) will provide funds that will be used to help deliver infrastructure priorities in Sheffield, determined by the additional demand that new development places on infrastructure. In the future Section 106 funding will not be available to deliver this as it has been in the past. Whilst some public funding will be available from central Government for infrastructure, the CIL is viewed by Government as the way that the private sector makes its contribution towards infrastructure provision. Without the Council pursuing a CIL, it may be difficult to argue for public funding that would be required to cover a bigger infrastructure gap in the absence of CIL.

18 COMMUNITY SAFETY IMPLICATIONS

- 18.1 The Cabinet report in February highlighted a number of policies in the City Policies and Sites document which promote personal safety and security or which would help to ensure road safety. As with policies promoting equality, health or sustainable design, until those policies are adopted, they will carry only limited weight in planning decisions, except where they are consistent with national planning policy. It is envisaged that these policies would be taken forward in the new Local Plan with relatively little change.

19 HUMAN RESOURCES IMPLICATIONS

- 19.1 Work on a new Local Plan, including developing the necessary evidence and public consultation can be undertaken by staff on the current establishment. Development of a new Local Plan will require consultation on strategic options, including Green Belt boundary review in order to bring forward more land for housing. This will be highly controversial and affected communities will expect to be fully consulted. Further cuts to already reduced staff resources could restrict the Council's ability to deliver effective consultation (or consultation would have to take place over a much extended period which would delay getting an up-to-date Local Plan in place). Large numbers of objections could also significantly increase the time taken to adopt a new plan. Giving priority to work on the Local Plan might mean deferring or ceasing work on other competing tasks.

20 PROPERTY IMPLICATIONS

- 20.1 The Local Plan policies and allocations apply equally to the Council as to other public or private sector developer or property interests. Council property management intentions, like those of any other property owner, are relevant in the assessment of the deliverability of proposed allocations (which include Council-owned land) but the Council's property interests are not material considerations for determining planning policy.

21 ALTERNATIVE OPTIONS

- 21.1 The options for progressing the Local Plan as a whole has already been outlined in Section 10 above.
- 21.2 Alternative policy options for the City Policies and Sites document and Proposals Map were fully considered and consulted on at the Emerging Options stage. The more strategic choices were largely determined by the Core Strategy and the choice with many of the policy criteria and allocations is whether to have them or not. However, there were alternative options for many of the criteria (e.g. a higher standard or a lower one than what is proposed) and choices about the required uses for allocation sites. These are detailed in the Background Reports which contain fuller evidence for the selection and rejection of options for policies and proposals.

21.3 Preparation of a revised Local Plan will allow more wide-ranging options for finding new housing land to be consulted on. These options should take account of new research into changes in nationally produced projections, assessment of local housing markets in the City Region, appraisals of the sustainability of additional site options and negotiations with neighbouring authorities.

22 CONCLUSIONS ON REASONS FOR RECOMMENDATION

22.1 In light of the advice from the Planning Inspectorate and decisions being taken by Inspectors on emerging Local Plans elsewhere in the country, there appears to be little prospect of the City Policies and Sites document and Proposals Map being found sound. It is currently not possible to demonstrate a 5-year supply of deliverable housing sites and no Gypsy and Traveller Sites have been allocated. Both these factors mean the plan conflicts with national planning policies.

22.2 The National Planning Policy Framework requires a 5-year supply of deliverable sites to be maintained, as well as a further supply of sites that are developable during the plan period. In theory, there is enough land available for housing in Sheffield to meet the housing target in the current adopted Local Plan Core Strategy. However, current market factors mean that not all of this land is economically viable to develop at the moment and it is unlikely it will all be developable during the period covered by current Local Plan. A major increase in public subsidy for housing would be needed to enable all the sites to be delivered.

22.3 Planning strategy needs to take the long view on the delivery of new homes. This accords with the Corporate Plan aim of having the right number of desirable homes in the right places to meet the future needs of residents. The Government's presumption in favour of sustainable development, together with its ambition to increase levels of house building, mean that where there is not a five-year supply the presumption will be to allow appeals into refusal of permission for housing, wherever they occur. In the current policy context, the lack of a five-year supply could mean the plan being found unsound.

22.4 Objectors to the Pre-Submission documents have highlighted the lack of a 5-year housing supply and have questioned whether the housing target in the Local Plan Core Strategy is high enough, given the latest projections of household growth and Rotherham's decision to cut their housing target. Even though current market demand for new homes is suppressed by economic factors and a lack of affordable mortgages, **Government planning policy does not allow this to be taken into account when deciding how much housing is needed.** The Planning Minister has stated that, whilst local authorities can determine *the location and type of housing* built, the role of central Government is to make sure councils allocate *enough* land to meet their objectively-assessed need. It is also apparent from decisions on Local Plans elsewhere in the country that the Government's own household projections are given significant weight when Inspectors are reaching a view on overall housing needs.

22.5 Options for allocating more housing land are heavily constrained by the policies in the Core Strategy and, consequently, the only way more land can be brought

forward is to commence a comprehensive review. This would need to take place as part of a wider re-assessment of housing requirements and land supply across Sheffield City Region but would allow consideration of housing land allocation options which are more economically viable (and, therefore, more attractive to the market). It would also enable consultation to take place on options for Gypsy and Traveller sites.

23 RECOMMENDATION

That Cabinet:

- 23.1 Agrees to commence work on a new Local Plan, given the Government's requirement to (a) increase housing land supply in order to demonstrate a 5-year supply of economically viable housing sites and (b) allocate sites for Gypsies and Travellers in the Local Plan.
- 23.2 Agrees that work on the current emerging Local Plan City Policies and Sites document and Proposals Map should be incorporated into the new Local Plan and instructs the Head of Planning to notify the Planning Inspectorate and Secretary of State of the Council's decision to not submit the City Policies and Sites document for public examination
- 23.3 Endorses continued use of the Core Strategy, 'saved' policies in the Sheffield Unitary Development Plan and the Pre-Submission Draft City Policies and Sites document for development management decisions, as appropriate, pending adoption of the new Local Plan.
- 23.4 Requests the Executive Director, Place to draw up a project plan for a new Sheffield Local Plan (including review of the current adopted Core Strategy) and authorises the Cabinet Member to agree the timetable, funding and process for producing the new plan.
- 23.5 Authorises the Cabinet Member for Business, Skills and Development to agree interim responses to the representations made during the public consultation period on the Pre-Submission Draft City Policies and Sites document and Proposals Map.

Simon Green

Executive Director, Place

18 December 2013

APPENDIX 1

Process for Preparing the City Policies and Sites Document and Proposals Map

