

CABINET (LOCAL DEVELOPMENT FRAMEWORK) COMMITTEE

6 OCTOBER 2010

ADOPTION OF INTERIM POLICY ASPIRATIONS

REPORT OF HEAD OF STRATEGIC PLANNING

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RECENT REFERENCES:

[CAB 2040](#) – Local Development Framework Update – 22 July 2010

[CAB 1983](#) - Winchester District Development Framework – Core Strategy Preferred Option – Feedback on Consultation (Chapters 7-16) – 12 March 2010

[CAB 1944](#) - Winchester District Development Framework – Core Strategy Preferred Option – Feedback on Consultation (Chapters 4-6) – 15 December 2009

[CAB 1908](#) - Winchester District Development Framework – Core Strategy Preferred Option – Feedback on Consultation (Chapters 1-3) - 20 October 2009

EXECUTIVE SUMMARY:

Recent changes made by the Coalition Government have resulted in further delays to the expected adoption date for the Local Development Framework Core Strategy (now expected in mid-2012), with the Development Management and Allocations Development Plan Document also likely to be delayed. The revocation of the South East Plan means that the statutory development plan now consists only of the 'saved' policies of the 2006 Winchester District Local Plan Review.

There are a few key policy areas in the Sustainable Community Strategy and the emerging LDF Core Strategy where there is an opportunity for the Council to clarify its policy aspirations, especially in view of the revocation of the South East Plan and the age of the Local Plan's saved policies. Although the LDF provides the only statutory means by which new planning policies could be put in place, there is scope

for the Council to 'informally' adopt some key policy principles on an interim basis.

This report addresses this issue and recommends that the Council adopts a small number of interim policy aspirations in relation to the key issues of:

- Spatial policy areas;
- Climate change/sustainability aspirations;
- Affordable housing/housing mix aspirations.

**RECOMMENDED TO CABINET AND COUNCIL:**

1. That, subject to 2 below, the Council adopts and publishes interim policy aspirations in relation to the following areas:
  - Spatial policy areas – adoption of the 3 spatial areas referred to at paragraph 3.2 and illustrated at Appendix 1 of report CAB 2064(LDF);
  - Climate change/sustainability aspirations – adoption of the aspirations set out in paragraph 4.7 of report CAB 2064(LDF);
  - Affordable housing/housing mix aspirations – adoption of the aspirations set out in paragraph 5.5 of report CAB 2064(LDF).
2. That authority be given to the Cabinet (Local Development Framework) Committee to amend (within the general principles approved under 1 above) the wording of such interim policies prior to publication.

## CABINET (LOCAL DEVELOPMENT FRAMEWORK) COMMITTEE

6 OCTOBER 2010

### ADOPTION OF INTERIM POLICY ASPIRATIONS

#### DETAIL:

- 1 Introduction
- 1.1 The new Coalition Government has made clear its intention to reform the planning system and to introduce a 'localism' agenda. One of its first acts was to abolish Regional Spatial Strategies and a 'Localism Bill' is expected shortly. Report CAB2040(LDF) to the last meeting of this Committee set out the expected implications for the City Council's LDF and its recommendations were agreed.
- 1.2 Amongst these was the recognition that the programme for adopting Development Plan Documents (DPDs) would inevitably be delayed, probably by 6-12 months, by the need to reconsider local housing needs. Accordingly the Core Strategy, which will set out strategic policy aims and requirements, is unlikely to be statutorily adopted before mid-2012 and the Development Management and Allocations DPD, which will set out more detailed development management policies, is not likely to be adopted until late 2013.
- 1.3 Key policy directions and requirements will therefore not be in place for some time and the revocation of the South East Plan has meant that in some policy areas there is no guidance below the national level (see for example CAB2040(LDF) Appendix B). Nevertheless, there has been substantial progress in producing Council's Sustainable Community Strategy (recently 'refreshed') and the Core Strategy, both of which have been subject to extensive evidence gathering and consultation. This work has identified several key areas where there is a broad level of agreement and on which it is considered that 'interim policy aspirations' could be developed and adopted on a non-statutory basis.
- 1.4 The only mechanism for adopting statutory planning policies is through the LDF process, so any informal policies would be non-statutory and carry less weight in planning or other decisions. They could not, therefore, be viewed as firm requirements of new development, but they would indicate to prospective developers and others the direction in which the Council's policies are heading and what they can do to help achieve its aspirations.
- 1.5 Such interim policies would not form part of the Development Plan, and therefore they would not be within the Policy Framework (approval of which is reserved to full Council). However, it is considered appropriate that full Council consider them given the current position as far as the Local Plan and Core Strategy are concerned. Once Council has approved the interim policies in principle, it is proposed that the Cabinet (LDF) Committee should be

authorised to amend the final wording (within the broad principles approved by Council) before publication if this proves necessary.

## 2 Topics for Consideration

- 2.1 Report CAB2040(LDF) Appendix B to the 22 July meeting of this Committee highlighted a few areas where the abolition of the South East Plan has left something of a policy vacuum. Of these, the issue of flood risk is considered to be adequately covered as it is subject to a Planning Policy Statement (PPS25) and a Practice Guide, with little scope or need to add a local dimension. The same is true to an extent of new renewable energy schemes (covered by PPS22 and a 'Companion Guide'). However, in the area of sustainable development standards (energy efficiency, renewable energy provision in new development, etc) there is scope for the Council to set out local aspirations based on the Code for Sustainable Homes (CoSH) or other recognised measures.
- 2.2 Another key area where the Local Plan's requirements are becoming out of date is in relation to affordable housing and dwelling mix. A considerable amount of new evidence has been gathered as part of the LDF process, which indicates the on-going need to maximise affordable housing provision and assesses what can be sought from developers without harming development viability. Similarly, the need for a mix of dwellings remains, but the emphasis is moving from the small (1 and 2 bed) dwellings which the Local Plan requires to family dwellings (2 and 3 bed). The Strategic Housing Market Assessment provides much of the evidence and has recently been updated (see report CAB2062(LDF) on this agenda).
- 2.3 The spatial variations between different parts of the District have also become better understood and established through work on the Core Strategy and Sustainable Community Strategy. These identify 3 spatial areas within the District, namely '*Winchester Town*', the '*South Hampshire Urban Areas*' and the '*Market Towns and Rural Area*' (illustrated at Appendix A). These spatial areas are unique to Winchester District and overlap wider designations such as the South Downs National Park and the Partnership for Urban South Hampshire (PUSH) area. It would be appropriate to give these locally-distinct spatial areas some recognition in any interim policy.
- 2.4 Accordingly, it is recommended that the interim policy aspirations be limited to the areas of :
- Spatial policy areas;
  - Climate change/sustainability aspirations;
  - Affordable housing/housing mix aspirations.

### 3 Spatial Policy Areas

- 3.1 The Core Strategy (Preferred Option) sub-divided the District into three spatial areas, based on studies undertaken to inform the LDF. These revealed three economic areas within the District as well as other differences. They are focussed on Winchester Town, the substantial rural area and the market towns, and the District's southern fringe. These areas demonstrate not only individual economic characteristics but also different physical and, to some extent social, characteristics.
- 3.2 The following three spatial areas were therefore defined (see map at Appendix 1):-
- Winchester Town
  - The South Hampshire urban areas
  - The Market towns and the rural area
- 3.3 This approach reflects the characteristics of these areas and, more specifically for Winchester District, addresses the contradictions that exist in the southern part of the District. Within this area there are many smaller towns and villages set within a rural area which fall within the Partnership for Urban South Hampshire (PUSH) defined area but do not exhibit those essentially urban qualities that are predominant within PUSH. The major opportunities for sustainable growth within the PUSH area of the District are all within the M27 employment market corridor, on the fringes of the District.
- 3.4 In response to consultation on the Core Strategy Preferred Option there was considerable support for this approach, with concerns concentrating mainly on the detail of the policy expression rather than the principle of the three areas. As a result this Committee agreed at its meeting in December 2009 that the Core Strategy should continue to use these 3 areas. The spatial areas have since been incorporated into the updated Sustainable Community Strategy.
- 3.5 Given the general support for the sub-division of the District in this way, the evidence base to justify it, and its endorsement through the agreed approach to the Core Strategy and Sustainable Community Strategy it is recommended that the 3 spatial areas be agreed as a basis for spatial planning through the LDF and other relevant work.

### 4 Climate Change/Sustainability

- 4.1 This is an area where there is a clear policy gap: the Local Plan's sustainability policy was not 'saved' as it was not particularly demanding and the South East Plan's policy existing at the time provided a better basis for sustainability requirements. With no Local Plan policy, and now no South East Plan either, there is only Government policy existing (the Supplement to PPS1). While this sets out basic requirements, it also allows local authorities to develop their own standards where justified by local evidence.

- 4.2 The Core Strategy Preferred Option put forward two policies (CP.13 and CP.14) aimed at achieving low and zero carbon development and promoting renewable/decentralised energy. Policy CP.13 sought to achieve various levels of the Code for Sustainable Homes in advance of the dates proposed by Government and there was considerable support for the Council to take a radical approach to setting high standards in respect of achieving low and zero carbon developments. However there was also concern about the costs of implementing the policy and its potential affect on development viability.
- 4.3 The Council therefore commissioned a viability study by consultants (Element Energy – see report CAB2039(LDF)) to test the costs of meeting the policy's requirements. This concluded that the policy would result in substantially higher construction costs, which could impact on development viability. The report recommended options to reduce the policy's costs by moving away from the Code for Sustainable Homes' requirement for on-site renewable energy provision at Levels 5 and 6 and by staging the introduction of the new requirements. The report suggested that the requirement for on-site CO<sup>2</sup> reduction should be set at 70% of Regulated Emissions, in line with the requirements of the emerging zero carbon homes standard. This would have the same CO<sup>2</sup> reduction benefits as Policy CP.13, but move away from the requirement for on-site renewable energy provision, which can be very costly at the higher Code levels. A financial contribution to off-site measures (a 'Buy-Out' or 'off-set' fund) would off-set remaining emissions.
- 4.4 The March 2010 meeting of this Committee agreed that Policy CP.13 should be redrafted to reflect the recommendations of the Viability Study by allowing development to achieve a lower level of on-site energy production but instead contribute to off-site carbon reduction measures. It was agreed that the revised Policy CP.13 may obviate the need for some of Policy CP.14, although the support for renewable energy schemes in the second part of the policy should be retained.
- 4.5 The need to tackle climate change is an important theme of the Sustainable Community Strategy but, in the absence of an adopted Core Strategy or South East Plan, there is no local planning policy basis to help achieve this. An interim policy would indicate the Council's aspiration to achieve high levels of energy and water efficiency in new development (Policy CP.13 sought Code for Sustainable Homes Level 5 to 2016 and Level 6 thereafter). The recommended interim policy aspiration would also seek to achieve high Code levels, but without specifying Level 5, whilst allowing for a contribution to off-site 'off-setting' measures. It would also promote an 'energy hierarchy' which emphasises energy efficiency and support the development of renewable and decentralised energy schemes.
- 4.6 This approach is consistent with statements made by the Coalition Government. The previous Government issued a consultation on the Code for Sustainable Homes at the end of 2009, which closed in March 2010. Whilst the new Government has not yet published or responded to the results of the consultation, it has indicated its support for the Zero Carbon Policy and

for flexibility in how it is met. It has also stressed the importance of achieving energy efficient buildings and is committed to press ahead with changes to the Building Regulations to help achieve this.

- 4.7 If an interim policy aspiration is agreed, officers would draft its detailed wording in conjunction with replacement wording for Policies CP.13 and CP.14. The recommended general aspirations are:
- That new residential developments achieve high Code for Sustainable Homes levels of energy and water efficiency (having regard to the economics of development), but allowing for up to 30% of regulated emissions to be provided off-site or through a financial contribution;
  - That new non-residential developments achieve at least the BREEAM 'Very Good' standard, and 'Excellent' from 2012, (having regard to the economics of development);
  - That new developments maximise energy efficiency by ensuring the highest standard of building envelope, to minimise the need for energy use;
  - That the Council is supportive of schemes for the generation of renewable and decentralised energy.

## 5 Affordable Housing/Housing Mix

- 5.1 The Local Plan Review contains a policy seeking affordable housing provision (H.5), which generally seeks 30% affordable housing provision on sites of 15 dwellings or more (40% in Winchester and MDAs and 35% on Local Reserve Sites). Since the Local Plan was adopted further evidence has been produced on local affordable housing needs and the impact of various requirements on development viability. As a result, the emerging Core Strategy's Policy CP.19 seeks 40% affordable housing provision on all housing sites.
- 5.2 The main opposition to this proposed change came from development interests who were concerned about the impact on the viability of development. Further work has been done on this issue (see report CAB2039(LDF)), which demonstrates that the proposed requirements are generally realistic. On smaller sites (1-4 dwellings) a financial contribution could be accepted in lieu of on-site provision.
- 5.3 The March 2010 meeting of this Committee agreed that the approach in Policy CP.19 should be maintained, subject to clarifying that a financial contribution would be an appropriate alternative in lieu of on-site provision on sites of 1-4 units. It is noteworthy that in 2009 the Winchester Housing Forum identified a desire to use planning powers to stimulate development ahead of the Core Strategy being adopted, including permitting enabling development on rural exception sites.

- 5.4 In relation to rural exception schemes, the *Local Connections Study*, published earlier this year, recommended that a broader range of affordable housing tenures should be accepted on such sites, subject to local needs being met. This reflects principles advocated in the Matthew Taylor Review (*Rural Economy and Affordable Housing*) and the subsequent, associated, CLG consultation paper on incentivising landowners. It could promote affordable dwellings for shared ownership, sub-market rent, and discounted market sale, as well as social rent thus helping to boost land values and increase the supply of land. It will be important to ensure that local needs are met through the correct balance of tenures, but for the time being the existing saved Local Plan policy H.6 can continue to be operated to achieve this by allowing more flexibility on tenure. There is also scope for a more flexible interpretation in terms of policy H.6's requirements for accessibility by public transport and to facilities.
- 5.5 With regard to dwelling mix (house type and size), the Local Plan contains requirements (in Policy H.7) for at least 50% of new dwellings to be 'small' (1-2 bed). Evidence produced for the Core Strategy suggests there should be an increased emphasis on family units (2-3 bed units), although there is still a need for small dwellings. The emerging Core Strategy's Policy CP.17 seeks a 'significant proportion' of 2-3 bed family houses, with a table setting out more detailed illustrative requirements.
- 5.6 This change of emphasis was generally welcomed and the March 2010 meeting of this Committee agreed to retain Policy CP.17 subject to improving flexibility by deleting specific reference to the 'requirements' table. The policies on affordable housing/dwelling mix are consistent with the aims of the Sustainable Community Strategy. If an interim policy aspiration is agreed officers would draft the detailed wording in conjunction with replacement wording for Policies CP.17 - CP.20. The recommended policy aspirations are:
- That new residential development (including affordable housing) should provide a range of dwelling types and sizes, particularly 2 and 3 bedroom family houses, in response to local circumstances in particular parts of the District;
  - That all new residential development should provide 40% of dwellings as affordable housing, of which 70% should normally be for social rent (having regard to the economics of development).
  - That affordable housing provision should be made on-site, except for sites of under 5 dwellings in total where a financial contribution to off-site provision will be accepted.

## 6 Conclusion

- 6.1 The combination of the revocation of Regional Spatial Strategies and the likely timescale for adoption of the Council's Local Development Framework means that there is a policy vacuum, or at least a lack of up to date policy, in certain key areas. Whilst this can only be formally addressed with statutory



policies developed and adopted through the LDF process, there is an opportunity for the Council to highlight its aspirations in these key areas. This could be done by the informal adoption of 'interim policy aspirations'.

6.2 It is recommended that these aspirations cover 3 key areas:

- Spatial policy areas (see section 3 above);
- Climate change/sustainability aspirations (see section 4 above);
- Affordable housing/housing mix aspirations (see section 5 above).

6.3 The aspirations for sustainability and affordable housing may impose more onerous requirements on developers than current policies, whereas the proposals for dwelling mix may be more welcome by applicants. It has to be recognised that any interim policy could only be operated with the agreement of applicants, effectively on a voluntary basis. Nevertheless, there is scope to negotiate to allow developers to adopt the more palatable aspects of interim policy in return for satisfying more onerous ones. Also, there will be some schemes where developers see an advantage in being able to satisfy the Council's aspirations or will want to achieve higher sustainability standards, perhaps as an indication of quality.

6.4 However, there are likely to be some schemes which will not volunteer to adopt these aspirations and where, in the absence of statutory requirements, this will have to be accepted. Adoption of the aspirations will, nevertheless, provide an early indication of the way in which the Council intends its policies should develop, which should ease their introduction on a statutory basis in due course.

#### OTHER CONSIDERATIONS:

##### 9 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

9.1 The areas covered by the proposed policy aspirations are entirely consistent with the Sustainable Community Strategy. Indeed the adoption of these interim policies is intended to help implement the SCS.

##### 10 RESOURCE IMPLICATIONS:

10.1 The areas covered by the proposed interim policy aspirations have been developed through work on the LDF, for which funding exists. There is little additional work involved in developing these policies and informally adopting them, given the work already undertaken and ongoing through the LDF.

10.2 Meetings of the Cabinet (LDF) Committee can be serviced from within existing resources in the Democratic Services Team.

## 11 RISK MANAGEMENT ISSUES

- 11.1 As the proposed policies would be adopted on an informal basis they would not need to be examined for soundness, with the associated risks. This means that the policies will not carry the weight of statutorily adopted planning policies, but as long as this is recognised it should not pose a risk. It is only if the Council seeks to impose such policies as though they had the weight of statutory policy that risks may occur, in terms of planning decisions being challenged and the danger of appeal costs being awarded against the Council.

### BACKGROUND DOCUMENTS:

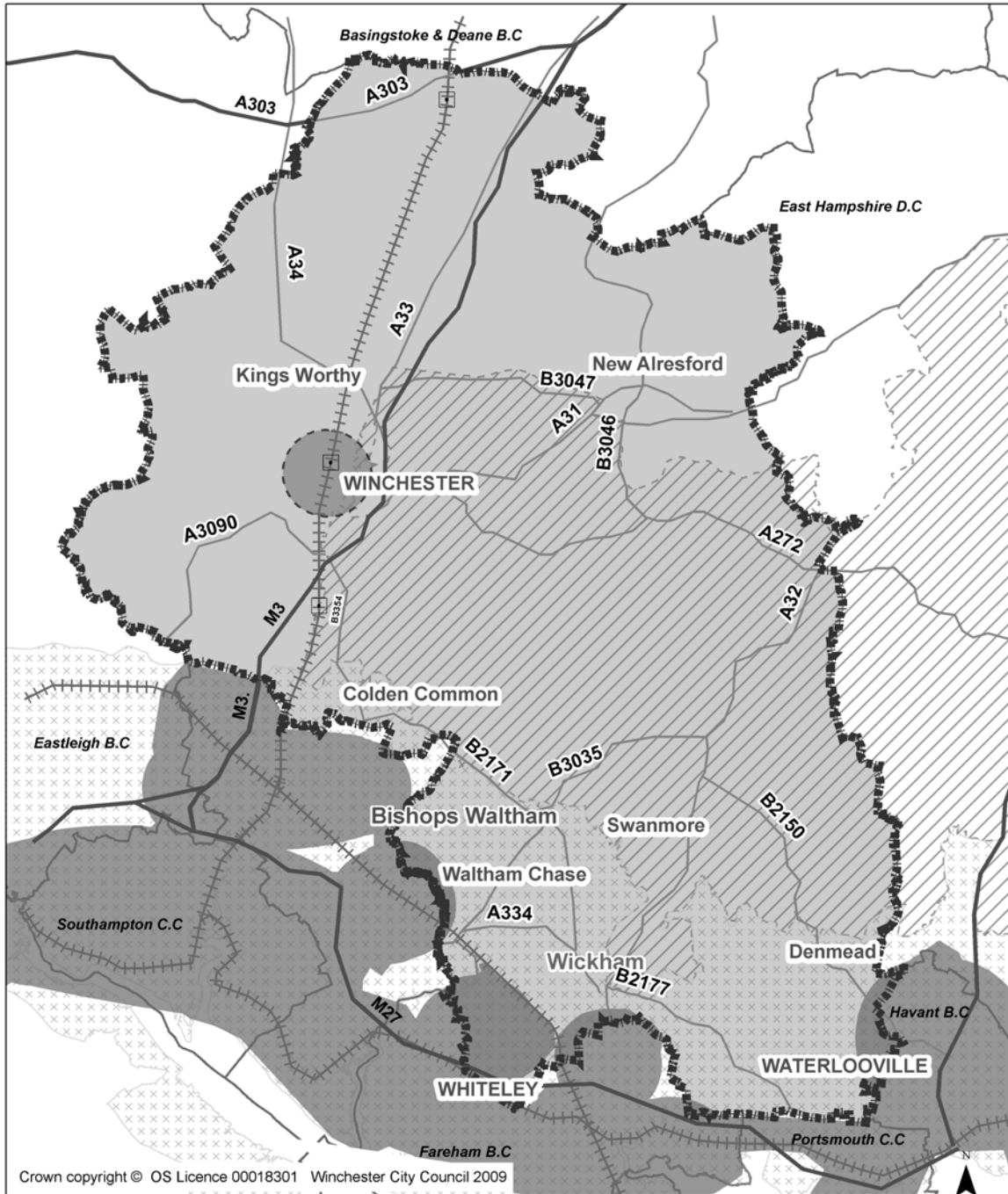
None.

### APPENDICES:

Appendix A : Map of spatial policy areas.

Appendix A : Map of spatial policy areas

**Spatial Areas**



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**Key:**

- Railway Station
- ▬ Winchester District Boundary
- Motorway
- Main roads
- +++ Railway
- South Hampshire Urban Areas
- ▨ Winchester Town
- ▧ PUSH Area
- ▩ Proposed National Park
- ▦ Market Towns and Rural Area

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