

CABINET – 13 SEPTEMBER 2024

PROPOSED RESPONSE TO CONSULTATION ON THE NATIONAL PLANNING POLICY FRAMEWORK

JOINT REPORT OF THE CHIEF EXECUTIVE AND DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

- 1. The purpose of this report is to provide an overview of the Government's proposed planning reforms, with a particular focus on its proposed changes to the National Planning Policy Framework (NPPF, July 2024); and to seek the Cabinet's approval for the comments to be submitted as the County Council's response to the Government's consultation.
- 2. The NPPF is fundamental to the County Council's role as the Local Transport Authority (LTA) in the development management and development plan (Local Plan) making processes. Therefore, this report also sets out the LTA's comments on the extent to which the proposed changes to the NPPF are helpful in addressing challenges faced in seeking to enable housing delivery and economic growth from a transport perspective, and these views are reflected in the County Council's full consultation response.
- 3. The detailed responses to the NPPF consultation are set out in the appendix to this report, whilst the overarching response and key elements of the response are highlighted in Part B of this report.

Recommendations

- 4. It is recommended that:
 - a) The County Council's response to the consultation on the National Planning Policy Framework (NPPF), set out in paragraphs 47 to 96 inclusive, and the Appendix to this report, is approved;
 - b) That the Cabinet notes that whilst there are some potential positive aspects to the proposed changes to the NPPF there are concerns, particularly from a transport perspective that they fail to address significant challenges faced in enabling housing delivery and economic growth; and some of the proposed changes are unhelpful to the expedient and proper consideration

- of the transport impacts of planning applications through the development management process;
- The Cabinet notes potential implications arising from the proposed planning reforms, in particular in the short term regarding the preparation of Local Plans over the next eighteen months;
- d) The Chief Executive, following consultation with the Leader, be authorised to make any further amendments to the detailed response in alignment with the agreed overarching response prior to submission before the end of the consultation period on 24 September 2024.

Reasons for Recommendation

- 5. To inform the Cabinet of the County Council's response for consideration by Government, as it seeks views on how it will revise national planning policy to support its wider objectives.
- 6. To elaborate on the concerns, particularly from a transport perspective that further changes are required to enable housing and economic growth to be delivered, and to explain that some of the proposed changes will not help the proper consideration of the transport impacts of planning applications through the development management process.
- 7. To inform the Cabinet of the potential implications in the short-term arising from proposed planning reform for Local Plan making as understood at this time.
- 8. To enable amendments to be made which would strengthen the County Council's response to the current consultation should further details become available.

Timetable for Decisions (including Scrutiny)

9. The County Council's response to the National Planning Policy Framework consultation will need to be submitted to the Ministry of Housing, Communities and Local Government (MHCLG) ahead of the close of consultation on 24 September 2024.

Policy Framework and Previous Decisions

- 10. In 2018, the County Council, Leicester City Council, the seven district councils in Leicestershire, and the Leicester and Leicestershire Enterprise Partnership, (LLEP) approved the Leicester and Leicestershire Strategic Growth Plan (SGP) which provides the long-term vision for planned growth for the area up to 2050.
- 11. The Leicester and Leicestershire Strategic Transport Priorities (LLTSTP) was approved by the Cabinet on 20 November 2020. This document has a plan period to 2050 and was developed by the County and City Councils alongside the SGP to ensure the long-term development needs and associated transportation requirements are co-ordinated.

- 12. In 2021, the Council and its partners (Leicester City Council, the seven district councils and the LLEP), commissioned the Leicester and Leicestershire Housing and Economic Needs Assessment (HENA). The HENA, published in June 2022, provides evidence that across Leicester and Leicestershire, the projected housing need from 2020 to 2036 is 91,400 dwellings and employment land need from 2021 to 2036 is 344 hectares.
- 13. In December 2021, the County Council became a signatory to a Statement of Common Ground (SoCG) relating to South Leicestershire Local Plan Making (November 2021), aligning the gathering of evidence and activity in the development of new local plans for three districts in the south of the County.
- 14. The Council's Strategic Plan (2022 to 2026) was approved by the County Council in March 2022. It has five strategic outcomes, including 'Strong Economy, Transport and Infrastructure' and a 'Clean, Green Future' to ensure Leicestershire has the infrastructure to meet the demands of a growing population, whilst looking to tackle climate change, biodiversity loss and unsustainable resource usage.
- 15. In September 2022, the County Council became a signatory to a SoCG relating to Housing and Employment Land Needs in Leicester and Leicestershire (June 2022), setting out how the City Council's identified unmet needs would be accommodated in the County.
- 16. In November 2022, the Cabinet received a paper setting out the financial implications for the Council of delivering sustainable and inclusive growth and agreed the approach and principles the Council would adopt to address and manage these risks. The financial challenges associated with delivering the existing Capital Programme were noted, including the need to minimise risks associated with managing the cumulative impacts of growth and the need to ensure all Council forward funding was recovered.

Resource Implications

- 17. There are no resources implications arising from the recommendations in this report. The Council has committed significant resources to engaging in and supporting a collaborative approach to strategic planning, which is intended to facilitate the delivery of growth within the County and mitigate the negative impacts of development.
- 18. The Council's current Capital Programme includes over £200m to fund infrastructure projects that support growth in the County.
- 19. Delivering infrastructure (highways, schools and some community facilities) has in the past required significant Council forward-funding. In the current financial climate this approach is no longer possible.
- 20. When a Local Plan is in place, the County Council remains heavily dependent on the district council, as the local planning authority, to secure the developer contributions needed to deliver the capital investment. Given

the County Council is no longer able to forward fund, mechanisms are needed to ensure the cost of infrastructure is covered or the risk is that the development does not happen.

<u>Circulation under the Local Issues Alert Procedure</u>

21. This report will be circulated to all Members.

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PART B

Background

- 22. The Levelling Up and Regeneration Act 2023 (LURA) has the overarching objective to reduce geographic disparities across the UK through changes to existing local government, planning and compulsory purchase legislation. To date there have been variable commencement dates for provisions of the Act with secondary legislation required on many issues.
- 23. The last twelve months has seen the introduction of Biodiversity Net Gain and the preparation of Local Nature Recovery Strategies, both major positive approaches introduced by the former government which communities in Leicestershire and elsewhere will reap the benefits from in the future.
- When the urban uplift was introduced in December 2020 the County Council continued to work constructively and effectively with Leicester City Council and the Leicestershire district councils to redistribute the increased housing numbers Leicester City was unable to accommodate within its administrative area (unmet need) within the Leicester and Leicestershire Housing Market Area (HMA). A Housing and Economic Needs Assessment (HENA, June 2022) informed the redistribution set out in the Leicester and Leicestershire Statement of Common Ground relating to Housing and Employment Land Needs (June 2022) which has been agreed by all local planning authorities in the Leicester and Leicestershire HMA. This is particularly significant as it further demonstrates the desire across the HMA to deal with the issue of unmet need and to plan for and protect communities by delivering development through upto-date robust Local Plans in the HMA and builds on the joint work undertaken on the SGP agreed in December 2018. In Leicester and Leicestershire the HMA has the same boundary as the Functional Economic Market Area (FEMA). The boundaries of both the HMA and FEMA were recently retested and confirmed as part of the HENA in June 2022.
- 25. Similar to other areas in England there has been a continued under-provision of new housing which greatly affects those in the community least able to afford to buy or rent a home. The HENA (June 2022) contains evidence of a worsening of the situation when compared to the previous Housing and Economic Development Needs Assessment (HEDNA) for Leicester and Leicestershire published in January 2017.
- 26. The HENA has been successfully tested through the recently held Charnwood Local Plan Examination and will inform debate at the forthcoming Leicester City Local Plan Examination starting on 1 October 2024. The HENA places the local planning authorities in Leicester and Leicestershire in a stronger position to meet the tests of soundness for plan-making (currently 'Positively prepared', 'Justified', 'Effective' and 'Consistent with national policy', NPPF December 2023).

- 27. The new Government intends to implement the new plan-making system as set out in the LURA from Summer or Autumn 2025 and anticipates that all current system plans that are not subject to the transitional arrangements will need to be submitted for examination under the existing 2004 Act system no later than December 2026.
- 28. It is understood all local plans at an earlier stage of preparation that have not reached Regulation 19 stage a month after the revised NPPF is published will need to be prepared against the advice set out in the revised version of the NPPF.
- 29. Prior to the consultation on the proposed changes to the NPPF there had been, and continues to be, a growing concern from different sectors with the pace of preparation of emerging local plans, which has been generated by the desire to ensure robust up-to-date local plans are in place against a backdrop of national policy changes (including the need to embrace climate resilience), reduced funding for evidence gathering and reduced resources within planning and related specialist teams. In Leicester and Leicestershire this has placed an increased emphasis on partnership working to take advantage of economies of scale, associated reduced costs, and prudent use of resource across the Leicester and Leicestershire area. However, it is recognised that this measure needs to be alongside more fundamental positive changes.

Consultation on the proposed reforms to the National Planning Policy Framework and other changes to the planning system

- 30. This consultation, led by the MHCLG commenced on 30 July 2024 and is open until 24 September 2024.
- 31. The consultation is seeking views on the Government's proposed approach to revising the NPPF immediately following this consultation. These changes include:
 - making the standard method for assessing housing needs mandatory, requiring local authorities to plan for the resulting housing need figure, planning for a lower figure only when they can demonstrate constraints that cannot be mitigated and that they have exhausted all other options;
 - b) reverse other changes to the NPPF made in December 2023 which were detrimental to housing supply;
 - c) implement a new standard method and calculation to ensure local plans are ambitious enough to support the Government's manifesto commitment of 1.5 million new homes in this Parliament;
 - move towards a vision-led approach to transport assessments and transport infrastructure needs through both the Local Plan process and Development Management considerations;
 - e) broaden the existing definition of brownfield land, set a strengthened expectation that applications on brownfield land will be approved and that plans should promote an uplift in density in urban areas;

- f) identify grey belt land within the Green Belt, to be brought forward into the planning system through both plan and decision-making to meet development needs;
- g) improve the operation of 'the presumption' in favour of sustainable development, to ensure it acts as an effective failsafe to support housing supply, by clarifying the circumstances in which it applies; and, introducing new safeguards, to make clear that its application cannot justify poor quality development;
- h) deliver affordable, well-designed homes, with new "golden rules" for land released in the Green Belt to ensure it delivers in the public interest;
- make wider changes to ensure that local planning authorities are able to prioritise the types of affordable homes their communities need on all housing development and that the planning system supports a more diverse housebuilding sector;
- j) support economic growth in key sectors, aligned with the Government's industrial strategy and future local growth plans, including laboratories, gigafactories, datacentres, digital economies and freight and logistics given their importance to the economic future:
- k) deliver community needs to support society and the creation of healthy places; and
- l) support clean energy and the environment, including through support for onshore wind and renewables.

Alongside these specific changes, the document also calls for views on:

- m) whether to reform the way that the Nationally Significant Infrastructure Projects (NSIP) regime applies to onshore wind, solar, data centres, laboratories, gigafactories and water projects, as the first step of the Government's NSIP reform plans;
- n) whether the local plan intervention policy criteria should be updated or removed, so the Government can intervene where necessary to ensure housing delivery; and
- o) proposals to increase some planning fees, including for householder applications, so that local planning authorities are properly resourced to support a sustained increase in development and improve performance.
- 32. It is relevant to note the new government does not propose continuing with the Infrastructure Levy set out in the LURA. The Written Ministerial Statement also noted more information will be announced in the future on national development management policies, new towns, mandatory strategic planning and Spatial Development Strategies (note for now the Duty to Co-operate remains), modernising Planning Committees, an 'Affordable Housing Revolution' and a further revised NPPF in Summer/Autumn 2025.

Likely key impacts, implications and concerns

- 33. Since the release of the consultation the focus of officers has been to understand the likely impacts and implications of the proposed changes to the NPPF for the communities of Leicestershire and the County Council.
- 34. The principle to formalise strategic planning is welcomed, and it is recognised this will be the subject of further consultation. This will enable the informal partnership arrangements currently in place to deal with cross-boundary and cumulative issues in Leicester and Leicestershire to move to a stronger base, and in so doing be able to deal more effectively and quickly with approaches and measures to resolve cross boundary and cumulative issues. However, fundamental parallel measures are also required to enable this move to be fully effective. These measures will be expanded upon later in this section and in the County Council's overall response to this consultation.
- 35. The new Standard Method will mean an increase of 6 per cent in the minimum number of homes expected to be planned for in the HMA, rising from 5,713 dwellings per annum (current Standard Method) to 6,036 dwellings per annum proposed new Standard Method, July 2024). The new Standard Method is without an urban uplift and this generates a spatial distribution which provides a lower figure than the current Standard Method for Leicester City and higher figures for all but one of the Leicestershire districts.
- 36. It is highly likely there will need to be a new Statement of Common Ground to deal with a redistribution of the housing numbers within the HMA, particularly as Oadby and Wigston Borough may not be in a position to accommodate the new Standard Method figure of 389 dwellings per annum which is significantly higher than the current Standard Method figure of 188 dwellings per annum and the HENA Housing Distribution (includes a redistribution of the City's unmet need) of 240 dwellings per annum.
- 37. Officers from across Leicester and Leicestershire continue to liaise closely on these matters to carefully consider the likely implications from the new Standard Method and advise Members on the best and most appropriate action to take.
- 38. In relation to current ongoing Local Plan making, discussions have been taking place with the Leicestershire district councils and Leicester City Council regarding the likely routes their respective emerging Local Plans will take in the light of the transitional and new arrangements outlined in the proposed changes to the NPPF. The situation is clear for the Charnwood Borough Local Plan which is at an advanced stage of preparation (consultation on the Main Modifications to the Local Plan closes on 4 September 2024). Similarly, for Leicester City the Local Plan Examination on the City of Leicester Local Plan will be held in the autumn this year and will be examined within the context of the 5 September 2023 NPPF which was in place when the Local Plan was formally submitted on 26 September 2023. For the other six districts in Leicestershire the route is less clear for their respective local plans given the respective earlier stages reached by each. Further clarity is expected over

- coming weeks as consideration is undertaken by district councils following liaison with the MHCLG, and Members will be informed as more certainty is secured.
- Note elsewhere on the agenda for this Cabinet meeting the County Council's response to the Hinckley and Bosworth Borough Local Plan Regulation 18 is to be considered.
- 40. Given the implications for Local Plan making cannot yet be accurately assessed, it is logical and rational to expect that where possible local planning authorities will seek to forge ahead with their respective Local Plans under the transitional arrangements. However, increasingly there are key challenges in doing so.
- 41. The County Council is increasingly facing a range of key challenges in relation to supporting local plan-making and the development management (planning applications) process, particularly in its role as Local Transport Authority (LTA). These include:
 - a) Local Plans were once neatly 'self-contained', but this is no longer the case. In the past sites allocated in a local plan could generally deliver the transport interventions required without third-party actions or investment. This is no longer the case because of the ever-increasing scale of housing and employment growth to meet the needs of a growing population and much of the UK's transport system being incapable of accommodating or meeting current needs.
 - b) Increasingly, strategic scale transport interventions are required to enable Local Plan delivery, in particular to deal with cumulative transport and cross-administrative boundary impacts of site allocations: Those strategic interventions can include:
 - To support active travel through the development and delivery of Local Cycling and Walking Investment Plans (LCWIPs).
 - Step changes in passenger transport services provision, in terms of quality, network extent and frequencies.
 - Major upgrades to the road network, including the Strategic Road Network (SRN).
 - c) Work to develop local plan transport evidence bases is becoming more involved and complex. Aside from cost and resource implications this is manifesting in terms of challenges in respect of time required to suitably complete such work versus district councils' timeframe requirements/aspirations for the development of their Local Plans.

Where evidence work is not completed to a suitable stage by the time a Plan is submitted for its Examination in Public, this brings risks that further work could:

- Require substantial modifications to be made to the Plan as submitted;
- Have subsequent implications for the Plan's financial viability;
- Raise other issues that affect the Plan's soundness.
- d) It is becoming a necessity to work beyond administrative boundaries and/ or spheres of responsibility to coordinate allocation sites/development proposals, ensure consistent evidence basis, ensure consistent policy approaches and to coordinate the development and delivery of strategic transport interventions. However: in two-tier administrative areas the Duty to Corporate appears insufficiently strong to achieve what is required; disjointed approaches are being taken, albeit the LTA recognises the many and various factors that district councils have to take into account when preparing Local Plans.

The Duty to Cooperate does not apply beyond certain public bodies, i.e. it excludes sub-National Transport Bodies (such as Midland Connect) and private entities. Even where it applies, the LTA is seeing failures of strategic infrastructure operators/providers, such as National Highways, to engage effectively and meaningfully in Plan development and to recognise their responsibilities in the Plan's subsequent delivery. Albeit the LTA recognises that in part this may arise because the infrastructure operators/providers' ability to engage/take responsibility is fettered by its remit/operating licence determined by Government and/or by financial decisions made by HM Treasury.

Where there is a failure to properly coordinate, this brings risks that:

- Strategic scale sites could become 'land locked', for example, because an adjoining site has failed to make provision for the necessary transport connections to it.
- There is a failure to plan efficiently/make best use of available funding, e.g. when sites are considered comprehensively there could be a more efficient and cheaper solution to service or infrastructure provision compared to piecemeal provision on a siteby-site basis.
- Business cases for investment in strategic transport interventions will be diluted, e.g. failure to demonstrate/capture the maximum number of new homes that could be unlocked through investment in the SRN.
- e) Across much of Leicestershire, there is an ever-increasing reliance of Local Plans on interventions in the Strategic Road Network (SRN). Without such the highway impacts of growth are likely to be severe.

However, recent national budget saving announcements made by the Chancellor of the Exchequer have raised considerable doubts as to the level of investment that will be available to make improvements to the SRN, at least in the shorter- term (i.e. over the next 5 years or so).

Even before the Chancellor's announcements:

- Work by National Highways largely appears to have stalled on Road Investment Strategy 3¹ pipeline projects in/serving the County, viz: A5 Tamworth to Hinckley; M1 Leicester Western Access (M1/M69 junction); and M1 North Leicestershire Additional Capacity.
- Other locations critical to delivering growth in the County are not yet included in the Road Investment Strategy process, including M1 Junctions 23a to 24a; A5 Gibbet Hill; and A5 Dodwells to Longshoot.
- National Highways has not been especially helpful in engaging effectively and meaningfully in Local Plans' development and in recognising and accepting its responsibilities in their subsequent delivery.

Where there is failure to establish a clear path to the development and delivery of necessary interventions on the SRN, there are risks that:

- Plans could be found unsound as there is no prospect within the Plan period of addressing problems on/caused by the poor functioning of the SRN.
- Even if a Plan is found to be sound, delivery of allocated sites can subsequently fail or be significantly delayed through the development management process due to unresolved impacts on the SRN.
- f) National policy around achieving sustainable development is too removed from reality; there are two aspects to this:
 - Spatial planning: The proposed revised NPPF and previous versions embed the principle of 'sustainable development', largely based on the premise that development should be placed in locations where it can readily be served by passenger transport and people can walk and cycle to/from it. This is undoubtably important, but as has been noted in previous reports to the Cabinet significant changes are required in societal behaviours and expectations if the County's population continues to grow and the issues of increased travel demand versus addressing climate change are to be resolved.
 - Cost and ease of delivery: There appears to an assumption that the delivery of walking, cycling and passenger transport infrastructure and measures are cheap and easy to deliver. That is

¹ The Road Investment Strategy (RIS) process is the process by which decisions are made about investments to maintain and improve the Country's Strategic Road Network. Hitherto, funding has been awarded in five year periods, with RIS 1 running from 2015 to 2020; RIS2 from 2020 to 2025; and RIS3 planned to cover 2025 to 2030.

not the case. For example, as previously reported to the Cabinet the South of Leicester Local Cycling and Walking Infrastructure Plan (LCWIP) is estimated to cost at least £107m (initial 10-year pipeline of South of Leicester LCWIP schemes) to deliver and the measures proposed in the Leicestershire Bus Service Improvement Plan (BSIP) are estimated to cost at least £240m (BSIP 10-year total) to deliver. Notwithstanding this, the balance between need and financial viability remains, but under the current economic and financial constraints this will continue to be a challenge for the delivery of required transport infrastructure to enable development to be delivered.

(The Cabinet at this meeting will also consider a report on the BSIP).

- 42. Drawing the above points together, the fundamental issue is that the approach to planning for future population growth is broken from a transport, highways and broader perspectives. The scale of infrastructure requirements is increasingly beyond that which Local Plan development sites can afford from a viability perspective, and thus would render a Plan financially unviable. Public investment, be that through monies awarded to LTA or via National Highways, bears no resemblance to the delivery of real homes and jobs on the ground, either in terms of quantum, timing or the approach to business case development.
- 43. It is considered there needs to be at the national level a tighter co-ordination of spatial planning, transport planning and investment decisions to deliver sustainable development in the quantum sought by the new Government.
- 44. Through the County Council's response to this consultation these key challenges will be raised and solutions suggested for consideration by the Government.

Proposed Response to the Consultation

- 45. The County Council welcomes the opportunity to comment on the proposed approach to revising the NPPF in order to achieve sustainable growth in the planning system.
- 46. The proposed comments of the County Council to the consultation questions are set out in the Appendix to this report. The overarching response and a summary of the key comments is set out below.

Overarching response

47. The majority of the proposed changes to the NPPF and further proposed national planning reforms are supported. However it is considered that there are fundamental changes and further reforms required, some beyond the field of planning, to enable the effective delivery of homes and jobs in sustainable locations at the quantum desired by Government.

- 48. The County Council welcomes and supports the proposal to introduce Spatial Development Strategies (SDSs) and formalise strategic planning; and warmly welcomes the intent to hold conversations in two-tier areas as to how this would work most effectively.
- 49. The recent research publication by the Royal Town Planning Institute (RTPI) on 16 August 2024 entitled "Strategic Planning in England: General Practice and Future Directions" by the University of the West of England (UWE), Catriona Riddell Associates and Richard Wood Associates will greatly assist with providing insight, and the County Council warmly welcomes the opportunity to be part of this conversation with the Government.
- 50. There is a strong need to consider and put in place arrangements to require and hold joint Local Plan Examinations where strategic and cross boundary considerations exist, joint evidence is being prepared and timings of Local Plan preparation enables this to happen. This should be for the examination of strategic policies which are usually considered at the outset of a Local Plan Examination prior to linked but separate debate and consideration by the Planning Inspectorate of non-strategic issues.
- 51. Consideration should be given to the inclusion of a new 'test of soundness' for plan making which deals with the 'longer term'. This should demonstrate consideration and commitment to a longer term direction of travel at the HMA/FEMA level, which is referenced in Local Plans. This should focus on identifying the strategic infrastructure required to support the delivery of homes and jobs beyond the 10/15-year local plan period: up to 30 years from now. This separation from other tests of soundness is in recognition that the viability of longer-term aspirations to bring forward growth are unlikely to be demonstrated at the time a plan is tested through Examination, yet it is vital to plan for the longer term now hence this needs to be articulated in plans to enable certainly, continuous alignment of investment and continuous commitment for all stakeholders involved in the delivery of growth.
- 52. The County Council in its role as the LTA has made a significant number of responses to the consultation to reflect the crucial role transport plays in the Development Management function and in the preparation and delivery of robust up-to-date sustainable local plans. The key responses are set out below.
- 53. Abandonment of advisory starting points for housing requirements and a reversion to housing targets. This is a helpful change insofar as it enables a consistent approach to be taken across the preparation of all Local Plans.
- 54. However, whether housing numbers are advisory or targets, delivery in practice depends on the coordinated investment in the strategic infrastructure required to enable housing. Other suggested changes to the NPPF are potentially helpful in this regard, but it is considered they need to go further. There should be a greater need for strategic planning over a more strategic area, especially where two-tier authorities exist, to provide further consistency and embolden further the Duty to Cooperate. Furthermore, wider changes are required (i.e.

beyond the NPPF revisions) to address the issue of a failure to coordinate investment in strategic transport interventions that are required to deliver new homes and jobs.

- 55. Changes to drive increases in development densities. Although in principle it appears to be the correct approach to increase development densities to make the best use of land, it also appears unhelpful; there is a concern that increases in density will come at the expense of the space required to provide transport infrastructure, including cycle tracks and footways delivered in accordance with national design guidance LTN1/20.
- 56. The NPPF should place greater emphasis on enabling travel choice and priority for active and sustainable travel, rather than car-focussed developments.
- 57. More widely, increased densities should not come at the expense of reductions in green space, from mental and physical health, as well as environmental perspectives.
- 58. Strengthening to further support effective co-operation on cross boundary and strategic planning matters. Broadly speaking, the LTA supports the proposed changes to the NPPF but the NPPF could be strengthened further to include infrastructure providers, such as National Highways and Network Rail and require their commitment to the delivery of infrastructure to enable new development. At present they work collaboratively but with little commitment to delivery.
- 59. Additionally, the Government's associated proposal to introduce Spatial Development Strategies (SDS) is welcome <u>in principle</u>; they have the potential to fulfil the role of the long since abolished County Structure Plans. However, there are some important aspects that will require clarification in terms of their effective implementation in practice, especially in non-Mayoral, two-tier administrative areas. It is encouraging that Functional Economic Market Areas (FEMAs) are to be used as the geographical areas for SDSs and government is keen to speak with two-tier areas about the most appropriate arrangements. However; there will need to be:
 - Clear duties and responsibilities on/for the parties contributing to their development, set out and enforced through legislation and/or regulation as necessary.
 - ii) An effective governance and accountability structure, one that balances democratic considerations versus progress on a SDS's development.
 - iii) Clarity on how they relate to other documents, e.g. Local Plan Infrastructure Delivery Plans, Local Transport Plans proposed new Local Growth Plans.
- 60. Notwithstanding the points above, authorities will need to be appropriately resourced and funded to develop SDSs and they will only be effective in practice if the funding required to deliver them is available.
- 61. Changes to the tests of soundness to better assess the soundness of strategic scale plans or proposals. The LTA considers that the proposals are

not really helpful as they focus on just one very narrow aspect of the challenges to the identification and delivery in practice of strategic transport infrastructure.

- 62. Strengthening to further promote redevelopment of Brownfield sites. Whilst the general sentiment to promote the reuse of Brownfield land is supported, from a transport perspective there is a concern that the proposed changes to NPPF are unhelpful because they tilt the balance too far in favour of the automatic presumption that redevelopment of <u>any</u> brownfield site is acceptable. For example, a brownfield site might be poorly located in terms of its accessibility to active and sustainable modes of travel or have an historic site access that would otherwise be unsafe to serve a redeveloped site.
- 63. Abandonment of 'predict and provide' approach to transport planning and a move to a vision-led approach². The current NPPF does not prevent a vision-led approach from being taken. Broadly speaking, *in principle* the LTA views an explicate move towards a vision-led approach as being potentially positive and aligns with wider policy ambitions, for example, in terms of addressing climate change and improving the health and wellbeing of communities.
- 64. However, there remains a lot of uncertainty and ambiguity at present as to the application of a vision-led approach in practice. Given this, the LTA has a significant concern that the currently proposed changes to 'severity test' within the NPPF could undermine the process of assessing the transport impacts of planning applications through the development management process.
- 65. It is further concerned that a vision-led approach could have adverse impacts on the efficient operation of the development management process, because matters are open to greater subjectivity and interpretation (This could result in greater delay and undermine the timely determination of planning applications). It is also concerned that a vision-led approach could be taken advantage of by the development industry, i.e. to use it as an opportunity to contribute less than is reasonably required to mitigate the impacts of a development site.
- 66. The Government is proposing to publish guidance in line with the revised NPPF coming into effect. In doing so it will be essential that, at the very least, it clarifies:
 - i) Whose vision is it? Is the vision the responsibility of the applicant, the LTA's or the district LPAs? What happens when they do not align, e.g. because of differing imperatives of and drivers for visions?
 - ii) How are visions to be assessed and validated through the development management process, including by LTAs, Local Planning Authorities and by the Planning Inspectorate, for example, at appeal? Likewise, at Local Plan Examination in Public and potentially wider, for examples, through Compulsory Purchase Order procedures and inquires?

² Hitherto, forecasts of future travel demand have been, in the main, based on (nationally derived) projections of increasing traffic growth. This is referred to as 'predict and provide'. Conversely, a 'vision-led' approach moves away from the default assumption of automatic traffic growth, instead to set a vision for how people want places to be and designing the transport and behavioural interventions to help to achieve that vision.

- iii) What are the fallback requirements if a vision fails to materialise in practice? What are the practical, lawful remedies open to, say, LTAs (including NH) and Local Planning Authorities? What is the redress for local communities impacted adversely by the failure of a vision-led approach?
- iv) That a vision-led approach is not about developers contributing less to the transport and highways infrastructure and measures necessary to enable their development, likewise nor should it be a reason to reduce levels of public investment in transport. Rather, as appropriate, it should be about shifting the balance of funding across modes of travel (recognising that the provision of high-quality walking and cycling networks and of enhanced passenger transport networks is not cheap).
- 67. Additionally, greater synergy could be developed in the NPPF between the development of a Local Plan and a Local Transport Plan to help clarify where responsibilities lie with the vision and validation process. There also needs to be a reflection of active and sustainable transport first within the NPPF as the changes, whilst helpful, still enable car dominated development. Wording around enabling travel choice would be more beneficial and helpful.
- 68. To conclude, whilst there are some proposed changes to the NPPF that are helpful and supported in principle, overall they fail to address the fundamental challenges to the delivery of strategic scale transport interventions essential to enable the delivery of new homes and jobs; and as such the proposed changes amount to no more that 'tinkering at the seams'.
- 69. The LTA and wider County Council have a genuine concern that the Government's admirable housing growth and economic growth ambitions will be thwarted in practice because of a national failure to coordinate spatial planning, transport planning and investment decisions. The approach taken by other infrastructure providers, such as National Highways and Network Rail can undermine the ability to delivery housing without strategic infrastructure being in place.
- 70. Further to these overarching key points which form the County Council's substantive response, the following sets out summarised key points of the County Council's response to specific parts of the consultation. These are set out in full in the Appendix to this report.

Planning for the homes we need

71. In Leicester and Leicestershire significant progress has been made through strategic planning to deal with the unmet needs of Leicester City which was significantly exacerbated by the urban uplift. It is noted the increase in scale for housing set out in the new standard method will increase the HMA housing total by 6%. Given the most sustainable locations in the Leicester and Leicestershire area are Leicester City, areas immediately adjacent to the City, followed by the market towns, it remains paramount that Leicester continues as a key focus for growth in the area. The formalisation of strategic planning is welcomed as it should enable a continuation of effective and strengthened partnership working for cross-boundary and strategic planning matters.

- 72. Support is given to the tests of soundness being amended to better assess the soundness of strategic scale plans or proposals, given they are crucial to deliver the scale of growth sought. It is suggested consideration is given to a 'longer-term' test of soundness.
- 73. It is also suggested consideration is given to put in place arrangements to require and hold joint Local Plan Examinations where strategic and cross boundary considerations exist.

The new Standard Method

74. Using housing stock rather than the latest household projections to inform the baseline for the new standard method is logical and robust and will reduce potential for lengthy debate at Local Plan Examinations.

Brownfield, grey belt and the Green Belt

- 75. Expanding the definition of Previously Development Land as proposed will bring some parts of agricultural land within the definition which could be problematic. Moreover, such land can be of a high biodiversity value.
- 76. Furthermore, there is a concern that the current proposed changes to NPPF paragraph 122c tilt the balance too far in favour of the automatic presumption that redevelopment of <u>any</u> brownfield site is acceptable. For example, a brownfield site might be poorly located in terms of its accessibility to active and sustainable modes of travel or have an historic site access arrangement that would otherwise be unsafe to serve a redeveloped site.
- 77. There is no designated Green Belt in Leicestershire; however, it is recognised that the success or otherwise of the proposed changes and the introduction of the concept of grey belt for other areas in England will have implications for the scale of delivery in Leicester and Leicestershire in the future.

Affordable, well-designed homes and places

- 78. The delivery of first homes on exception sites could help meet the needs of individual communities in providing for the needs of that locality; this is particularly important in maintaining the vitality of smaller rural communities.
- 79. It is considered that the need for wholly affordable developments can be avoided through the provision of adequate and easily accessible funding for social housing. This can enable social housing to be delivered as part of a wider viable housing development without the need to reduce the delivery of important infrastructure and create more inclusive communities.

Building Infrastructure

80. Identifying appropriate sites and making provision to further the digital economy is welcomed. It is important to support sectors and clusters for the modern economy and these can include those mentioned in the proposed changes. A

- modern economy should be a circular economy. This also provides an opportunity to 'join up' NPPF with the National Planning Policy for Waste.
- 81. Data centres, gigafactories, or laboratories are new components of our growing economy and their growth needs to be supported. The proposed new SDS's could provide the route through which such uses of a larger scale are allocated in the future.
- 82. There is concern that the Government's economic growth ambitions will be thwarted in practice because of a national failure to coordinate spatial planning, transport planning and investment decisions.

Community Needs

- 83. Healthy placemaking needs to be at the core of national planning policy. Access to green spaces, transport infrastructure that facilitates sustainable active travel, community facilities that foster social interaction, urban design that can respond to the demographic shift, accessible homes and places suitable for the whole life course.
- 84. Transport has a key role to play in promoting healthy communities and tackling childhood obesity through the promotion and use of active and sustainable modes of transport over car-based journeys.
- 85. In addition, the promotion of alternative fuels and low emissions through the planning process for transport and not only development will improve air quality and other forms of pollution which can undermine the health of communities and the environment in which they undertake their daily activities.
- 86. Inclusion of Health Impact Assessments required within Local Plans to create a more standardised approach is sought. Consistent approaches to controlling hot food takeaways near to schools and in areas with an already high number of hot food takeaways would also be welcomed.

Green Energy and the environment

- 87. Agree with proposed changes to the NPPF to give greater support to renewable and low carbon energy, Local Area Energy Plans should form a key input to the local planning process in the future.
- 88. Support in the NPPF for the circular economy would provide more support for addressing climate change mitigation and adaptation as would a requirement for the assessment of carbon impacts in planning applications above a certain scale.
- 89. The legislation on when a Lead Local Flood Authority (LLFA) is a statutory consultee should be tailored to ensure it includes development which presents the greatest risk to off-site flooding. At present a LLFA is not a statutory consultee on development of great significance to surface water flood risk, such as large surface level car parks less than 1ha.

90. It should be recognised that minerals and waste planning, particularly site restoration, has contributed to climate change mitigation and adaptation for many years and that this continues. With this recognition could come support for greater collaboration between districts and counties on mitigation projects at a strategic scale, whether through minerals and waste restoration projects or otherwise.

Local Plan interventions

91. The County Council would support the replacement of the existing intervention policy criteria with the revised criteria set out in the consultation, this is considered to provide a logical and fair way forward if a risk of intervention arises. It is noted the proposed criteria would also apply to minerals and waste local plans prepared by upper tier authorities in two-tier areas.

<u>Planning application fees and cost recovery related to Nationally Significant Infrastructure projects</u>

- 92. The costs associated with dealing with some S73 applications for County Matters (Minerals and Waste) applications can frequently run into tens of thousands of pounds and yet the cost frequently does not even cover the advertising. The planning fees should at least cover costs.
- 93. In relation to the Hinckley National Rail Freight Interchange Development Consent Order the County Council incurred approximately £200,000 on core work (Highways Development Management, Legal, Archaeology and Ecology) from early 2018 to March 2024.

Future planning policy and plan making

- 94. Part of the transitional arrangements refer to a '200 dwellings per annum' figure and it is unclear what this is based on. It is also unclear what exactly 'direct funding support' would consist of in order to help authorities progress their plans to examination quickly, and concern that this would not address the underlying lack of capacity in the sector and potentially add to a clamber for consultancy support.
- 95. Local Authorities are currently in limbo with regard to the publication date of the revised NPPF and then only having 'one month' to ensure that that they are at an appropriate stage if they wish to progress under the existing version of the NPPF. There is the danger that authorities may rush through plans and evidence work, only to find that there are delays and/or changes to the NPPF as set out in this consultation.
- 96. The intention to provide absolute clarity to local planning authorities preparing local plans does not seem to have been achieved: the transitional arrangements and key dates for submission are unclear for those authorities which are in the situation where they have reached Regulation 19 stage by the NPPF publication date plus 1 month and *do not* have an emerging housing requirement that is more than 200 dwellings per annum below the new Local Housing Need.

Equality Implications

97. There are no equality implications arising from the recommendations in this report.

Human Rights Implications

98. There are no human rights implications arising from the recommendations in this report.

Environmental Implications

99. The County Council will continue to work closely with respective Local Planning Authorities and other partners to minimise the impact of planned growth on the environmental assets of Leicester and Leicestershire and will seek to ensure that opportunities are taken to enhance the environment through biodiversity net gain and sustainable forms of development.

Background Papers

Report to the Cabinet on 23 November 2018: Leicester and Leicestershire Strategic Growth Plan – Consideration of Revised Plan for Approval - https://bit.ly/3SjDH8P

Report to the Cabinet on 20 November 2020: Leicester and Leicestershire Strategic Transport Priorities 2020 to 2050 - https://bit.ly/3SIGT3y

Report to the Cabinet on 22 June 2021: Urgent action taken by the Chief Executive in relation to the Leicester and Leicestershire Statement of Common Ground relating to housing and employment land needs (March 2021) - https://bit.ly/3SmMCpl

Report to the Cabinet on 14 December 2021: South Leicestershire Local Plan Making Statement of Common Ground (November 2021) - https://bit.ly/3Ujew8K

Report to the Cabinet on 23 September 2022: Medium Term Financial Strategy - Latest Position - https://bit.lv/3ubU67a

Report to the Cabinet on 23 September 2022: Leicester and Leicestershire Authorities – Statement of Common Ground relating to Housing and Employment Land Needs - https://bit.ly/3ubU67a

Report to the Cabinet on 25 November 2022: Managing the Risk Relating to the Delivery of Infrastructure to Support Growth - https://bit.ly/3SBSaxY

<u>Appendix</u>

Leicestershire County Council Proposed Response to consultation on 'Proposed reforms to the National Planning Policy Framework and other changes to the planning system'