

Housing Select Committee			
Title	Local Plan Update	Item No	6
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Class	Part 1 (open)	Date	31 October 2018

1. Purpose

- 1.1. This report is intended to update Members on the progress of the new Local Plan for Lewisham.

2. Recommendation

- 2.1. The Housing Select Committee is asked to note the content of this information report and direct questions to officers.

3. Background

- 3.1. The Local Plan is the main development plan document for LB Lewisham, setting out a vision and strategy for future development of the borough, addressing the needs and opportunities in relation to housing, the economy, community facilities and infrastructure, as well as providing detailed policies for managing growth and change, safeguarding the environment, meeting the challenge of climate change, securing good design in developments, and identifying specific proposals for the use of land in the borough.
- 3.2. The Local Plan also has an important role in translating any corporate strategy into a spatial vision for the borough, along with guidance to assist in delivering that vision.

Reasons for a new Local Plan

- 3.3. The council has a statutory duty to review its Local Plan every 5 years. Work is therefore underway to progress preparation of a new Plan for the borough, informed by a review of the current suite of adopted Local Plan documents. This will ensure the council continues to maintain an up-to-date and robust framework for managing new development and coordinating investment across Lewisham.
- 3.4. The current Local Plan has helped the council to secure and deliver significant investment in homes, jobs and infrastructure. Most of the key strategic sites identified by the Plan for development now have planning permission or have started/completed build out. A new overarching strategy is therefore required to ensure that current and future local needs, such as for housing and business floorspace, can be accommodated in appropriate locations. For

sustainable community development it is vital that such needs are met in a coordinated rather than piecemeal manner.

- 3.5. Furthermore, the Local Plan is required to be in line with national and regional planning policy. Crucially, there have been significant changes in this higher level policy landscape since the Plan was adopted. The new National Planning Policy Framework (NPPF) and its associated guidance were published in July 2018. Together these help give effect to the Government's proposals set out in the Housing White Paper ("Fixing our broken housing market"). In addition, the current London Plan, which came into force in March 2016, is now proposed to be replaced. The draft new London Plan was published in December 2017 and is due to go to examination imminently, with its adoption scheduled for summer 2019. Lewisham's strategic housing target will significantly increase in the light of these higher level policies.
- 3.6. The new Local Plan provides a timely opportunity to reconsider the borough's overall development strategy in light of the aforementioned issues and policy changes, particularly in a manner that confidently aligns with the latest corporate strategy and key priorities across the council.

4. Local plan programme

- 4.1. The following section discusses progress on the preparation of the new Local Plan. It summarises information previously reported to the Sustainable Development Select Committee in December 2017 along with key programme updates since that time.
- 4.2. A decision to undertake a review of the adopted Local Plan was taken in 2015. An initial public consultation was subsequently carried out in October 2015. Residents, community groups and other stakeholders were invited to identify the main issues affecting the borough and matters that should be considered in the Plan. Following this early stage consultation the Plan's preparation was put on hold owing to a number of reasons including: political uncertainty, new and proposed changes to planning legislation and the need to prioritise other policy work, such as the Gypsy and Traveller Local Plan.
- 4.3. Whilst there remain some uncertainties in terms of the context for plan making locally (e.g. whether the draft London Plan will be found sound at examination) work has recommenced to ensure the council satisfies the new legal requirement to review its Local Plan every 5 years.

Timetable / Local Development Scheme

- 4.4. The timetable for preparing the Local Plan is set out in the council's adopted Local Development Scheme (LDS). The latest LDS was approved by Mayor and Cabinet on 10th January 2018. It commits the Council to progressing the plan to the following key milestones: public consultation on a draft Local Plan early 2019; submission of the draft plan to Secretary of State for independent examination early 2020; and adoption by council late 2020.

- 4.5. Officers will seek approval from Mayor and Cabinet and Full Council to proceed to public consultation on the emerging draft Local Plan, as well as to endorse the final Local Plan for formal adoption.
- 4.6. The new LDS was prepared to ensure the council was in a position to respond to anticipated changes in the higher level policy framework. Whilst the NPPF has now been published there is some uncertainty with respect to the future status of the draft London Plan. In the case of the latter, the programme has slipped (in part owing to the significant amount of representations made to the consultation draft) and there remains uncertainty as to whether the plan will pass examination, as it is a 'new' plan with growth targets and proposals that depart significantly from the current spatial development strategy for the Capital.
- 4.7. The council will need to monitor this situation closely and consider any implications for the work programme, particularly as the Local Plan is required to be in general conformity with the London Plan.

Scope of the new Local Plan

- 4.8. Lewisham's current Local Plan consists of a package of documents. These form the council's statutory development plan, alongside the London Plan and any future neighbourhood plans prepared by community groups. Currently, the Local Plan includes:
 - The Core Strategy (2011)
 - Site Allocations (2013)
 - Development Management policies (2014) and
 - Lewisham Town Centre local plan (2014).
- 4.9. The new Local Plan will bring the first 3 documents into a single, updated plan. The Lewisham Town Centre local plan will remain as a standalone document and it is anticipated that a review of this plan may be necessary once there is greater certainty around the Bakerloo Line Extension and future development sites in the town centre.

5. Key opportunities and challenges

- 5.1. The new Local Plan will play a central role in helping to deliver a 'Lewisham for the many' by setting the strategic basis for managing development and coordinating investment in our local communities. However in context of a rapidly evolving policy landscape along with continued pressure from the development industry, there are key challenges that the Plan will need to address to deliver positive outcomes throughout the borough. A few examples are set out below.

Housing targets

- 5.2. Housing delivery, including new affordable housing, remains one of the most pressing matters for the new Local Plan. Whilst the council has a good record

of delivering new homes and has regularly exceeded its housing target, changes in national and regional policy will amplify challenges in this respect, most notably:

- The draft London Plan sets a 50% increase on the borough's housing target (from 1,385 to 2,117 units annually) – more than 20,000 new homes over 10-years; and
- The Government's proposed housing target for the borough, which is indicatively set at 3,181 units annually, may need to be taken into account. The Government has indicated that the draft LHN figure for Lewisham (3,181 units annually) will be subject to review and potential revision in autumn 2018.

Housing Delivery Test

- 5.3. The Government's new Housing Delivery Test (HDT) takes effect in November 2018 and introduces tough sanctions on authorities who are not delivering on their housing targets. The HDT assesses performance on housing delivery against the Borough's strategic target, for the preceding 3 years. Whilst Lewisham has a strong record of delivering new homes, exceeding its targets by some 3,500 units since the Core Strategy (2011) was adopted, the test does not recognise the full extent of this past performance. The HDT will exert greater pressure on the council to deliver an uplift in housing, particularly given the revised targets above.
- 5.4. There has been a fair amount of public criticism of the HDT, questioning why local authorities should be held to account for housing delivery when they have limited control in this respect. Indeed, local authorities can use powers to prepare local plans, allocate land for housing and issue planning consent, but it is landowners and industry that are largely responsible for new homes and controlling the rate of delivery. There is some recognition that industry has a role. In line with the forthcoming Letwin "Build Out Review", which is due to be published ahead of the Autumn 2018 Budget, the Government has indicated it will consider options for giving local authorities more powers to drive build outs.
- 5.5. There are transitional arrangements in place for the test so that the presumption in favour of sustainable development will be applied when the HDT shows that delivery falls below 25% in 2018, 45% in 2019 and 75% in 2020 and thereafter.
- 5.6. Even if the presumption is not applied, there are still punitive measures where delivery falls below 95% (preparation of an action plan "to address causes of under-delivery") and below 85% (additional 20% buffer on the 5 Year Housing Land Supply). The latter measure is particularly challenging to manage, and in the past has only been applied to authorities with a record of persistent under-delivery.

- 5.7. Scenario testing for the HDT (based on projected completions) indicates that the Council is unlikely to be at risk of the presumption on the current London Plan target (1,385 units). However, this target will only be in place, at best, over the very short term until such time it is replaced by the draft London Plan target around 2020.
- 5.8. The HDT situation (based on projected completions) is also relatively good with the respect to the draft London Plan target (2,117 units), although evidence suggests that by 2022 the Council may intermittently fall below the 75% threshold.
- 5.9. Expectations on the HDT scenarios against the draft London Plan target also need to be tempered, given the Borough's historic delivery rate of roughly 1,500 net units annually over the last 5 years. Officers are also concerned by the draft figures for this monitoring year (1st April 2017 to 31st March 2018), which show approximately 490 net units completed, well below the historic annual average. There have also only been 403 net units approved this monitoring year. This is about 1,600 lower than the historic annual average for the last five years.
- 5.10. Completions and approvals can fluctuate over time and there are signs that the completions and approvals may return to healthier levels in the next monitoring year as: a number of schemes have been completed since the end of this monitoring year and other schemes are currently nearing completion; a number of major sites had been held up with section 106 negotiations but have now been approved since the end of this monitoring period; there is currently a significant amount of pre-application discussions; and an expectation that a number of large schemes will submit both new and revised applications in the near future.
- 5.11. However, should these lower than normal completions and approvals continue it is likely that they will have a significant impact on HDT for future years. It is also worth noting that the lower than normal completion for this monitoring year will have an impact on the amount of revenue raised through Council Tax, CIL and the New Homes Bonus.
- 5.12. The Local Plan will need to respond to the challenges of meeting housing need whilst ensuring any new development is appropriate to its location.

Other Uses

- 5.13. The plan is also looking to deliver between 39,000 – 48,000 square meters of new retail floorspace, as well as 14,000 – 19,000 square meters of new employment floorspace (based on latest available evidence, and figures may be subject to change). With current trends in the retail market we may have to take a more flexible approach to retail policies to future proof our town centres and ensure their continued vibrancy.

Supporting infrastructure

- 5.14. This new development alongside the new homes proposed will need to be supported by infrastructure, delivered in a way that secures inclusive, distinctive and well-functioning communities. This will ensure there are a range of opportunities for residents to access training and jobs, as well as workspace for local businesses to grow and prosper, and to provide the services and facilities that are required to support local communities.

Lewisham's places

- 5.15. The new Local Plan proposes a strengthened focus on Lewisham's places, to ensure that development is positively managed with communities over the long-term for the benefit of all. The new Local Plan provides an opportunity to revisit the strategic approach to place-making locally, and to build upon the local distinctiveness of Lewisham's places. Through proactive consultation with local communities, the local plan process will enable communities to help shape the future of their borough.

6. Progress update

- 6.1. The following section provides more detailed information to supplement the Local Plan programme update set out in Section 4 above.

Member briefings

- 6.2. Following the local elections in April officers from the Strategic Planning Team have facilitated three All Member Briefing sessions on the new Local Plan. The sessions were held on 9th July, 17th July and 15th October 2018 respectively. They provided Members with an overview of the Local Plan and an opportunity to engage in the early stages of the Plan's preparation.
- 6.3. The first session focused on the plan making process and some of the key challenges and opportunities arising through the plan review, as summarised in Section 5 above. The second session set out the 'direction of travel' on the new plan and potential broad strategic options for the spatial strategy. The third session set out our draft strategic objectives, our approach to character led growth and detail on our emerging draft spatial strategy. All sessions have been well attended, with a number of questions and issues raised and debated in the round.
- 6.4. Officers expect to continue engaging with Members throughout the course of the Local Plan's production, both through briefings and more formally through the Key Decision process.

Evidence gathering

- 6.5. In order to pass independent examination local plans are required to meet prescribed 'tests of soundness' as set out in the NPPF. This includes that they must be 'justified' by evidence. The process of plan making therefore involves a significant amount of information gathering at the front end of the process.

This information is then used to set policy options and preferred approaches for the plan going forward.

6.6. Accordingly, much of the work on the Local Plan to-date has focussed on the preparation of the council's technical evidence base. This includes in-house research along with the commissioning of specialist studies, most of which have now been published online, completed in draft format or are in preparation. The following provides a snapshot of some of the key studies and research comprising the evidence base:

- **Strategic Housing Land Availability Assessment (SHLAA)** – led by the Greater London Authority in partner with the London boroughs, this study investigates the indicative capacity of potential development sites for housing in Lewisham and elsewhere, and has informed the draft London Plan housing targets.
- **Site portfolio work** – building on the SHLAA work above, in-house research is being undertaken to create a portfolio of potential development sites to be considered for inclusion in the Local Plan. This will include sites identified by the public through a 'call for sites' consultation currently underway. We will also be working with our colleagues from strategic housing and regeneration to identify any additional sites that will contribute to delivery of housing.
- **Lewisham Strategic Housing Market Assessment (SHMA)** – an update to the council's previous SHMA carried out jointly with the south-east London boroughs, and to supplement the latest pan-London SHMA, this study provides a local analysis of housing need in terms of type, tenure and size of housing, as well as the need for affordable housing and needs of specialist groups.
 - Specifically, the SHMA provides a review of national and regional policy context, uses secondary data and a stakeholder survey to consider the main features of the current housing market in Lewisham including house price and rental trends, migration and travel to work patterns, a review of the housing stock and analysis of tenures (owner occupied, private rented, and affordable housing). The main outputs of the study are to identify the future need for all types of housing including tenure split, affordable housing and for households with specific requirements (students, older people, people with disabilities) as well as to establish a preferred dwelling type and mix for future developments within the borough.
 - Arc4 were commissioned to carry out a SHMA in June 2018. Their draft report was submitted to us in mid-September and it is anticipated that a final report will be completed by late November/early December 2018.
 - This project is a collaborative effort between two Council teams: Strategic Planning Team and Strategic Housing. Two officers from each team form the steering group that has been set up to oversee the project and in particular to: comment on the scope

of the project and the consultants brief, evaluate the quotes received, meet with the consultants at inception stage and to discuss draft findings, make comments on the draft SHMA, circulate and publicise the SHMA and incorporate the findings of the final report into Council policies, for instance the Local Plan

- **Lewisham Character Study** – An urban characterisation study which analyses the form, character and special attributes of the borough, and will be central to underpinning the place-shaping direction and policies of the new Local Plan.
- **Area Frameworks** – the council has commissioned work on the Catford Town Centre Master Plan and New Cross Area Framework, both of which will help to identify opportunities for area regeneration and improvements, and be given effect through the new Local Plan.
- **Retail Capacity Study** – assesses performance of the borough’s town centres and provides an indication of future need for retail floorspace over the plan period, which the Local Plan must address.
- **Employment Land Study** – assesses future requirements for employment land and floorspace over the plan period and provides an audit of all designated employment sites in the borough, to help inform policy options for managing the borough’s industrial land stock.
- **Open Space Study** – provides an audit of the quantity and quality of open space in the borough and will be particularly useful to inform land use designations and interventions in areas of identified deficiency.
- **Strategic Flood Risk Assessment (SFRA)** – an update to the existing SFRA which will ensure that the latest available baseline information on flood risk is used to inform plan making and decision taking.
- **Infrastructure Delivery Plan** – developed in liaison with key infrastructure providers (both internal and external) this document sets out the infrastructure that is required to support the levels of planned growth in the borough, along with information on funding and delivery, and is regularly reviewed and updated.
- **Sustainability Appraisal / Strategic Environmental Assessment** – these social, economic and environmental assessments are a statutory requirement which are carried out iteratively throughout the plan process.

6.7. All evidence base documents will be made publicly available as appropriate (accessible on the council’s planning webpages) as they are finalised. The evidence base will be published alongside the submission Local Plan and be subject to scrutiny through the independent examination process.

Policy monitoring and review

6.8. Given the breadth of new and emerging changes in national planning legislation and policy, as well as regional policy, officers have committed significant resources to reviewing and understanding implications of these changes. This is particularly in respect of future strategic housing requirements / targets and implications of the Government's new Housing Delivery Test (HDT), which have key implications both for plan making and decision taking on applications.

7. Financial implications

7.1. At this stage there are no direct financial implications arising from this report.

8. Legal implications

8.1. At this is an information item there are no direct financial implications arising from this report.

9. Crime and disorder implications

9.1. There are no crime and disorder implications arising from this report.

10. Equalities implications

10.1. Lewisham's Comprehensive Equalities Scheme (CES) 2012-16 describes the Council's commitment to equality for citizens, service users and employees. The CES is underpinned by a set of high level strategic objectives which incorporate the requirements of the Equality Act 2010 and the Public Sector Equality Duty:

- Tackle victimisation, harassment and discrimination
- To improve access to services
- To close the gap in outcomes for citizens
- To increase understanding and mutual respect between communities
- To increase participation and engagement

11. Conclusion

11.1. The Committee is asked to note the content of this report setting out an update on work being undertaken by officers. If you have any questions about this report please contact David Syme, Strategic Planning Manager david.syme@lewisham.gov.uk